

MIUS LTD

ELECTRON & PROTON, MOUNT COURT,
EDISON CLOSE, WATERWELLS BUSINESS PARK,
GLOUCESTER GL2 2FN



SECURE INDEX LINKED INDUSTRIAL INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- Well located on Waterwells Business Park, close to both the **Gloucester ring road** and Junction 12 of the **M5 motorway**
- Two modern industrial buildings totalling **37,069 sq ft (3,443.7 sq m) GIA**
- UK Headquarters buildings, built specifically for the tenant in 2010 and 2015
- **Freehold**
- Let to **Mount International United Services Ltd (MIUS)**
3A1 D&B rating, with a guarantee from **Probo Medical LLC**
- Two new 15 year leases from completion, with two options to extend for 5 years

- 5 yearly reviews linked to RPI (1-3.5% cap and collar)
- Passing rent of **£203,000 per annum** equating to an overall rent of only **£5.48 per sq ft overall**
- **£3,500,000 (Three Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT
- **Net Initial Yield of 5.4%** after costs of purchase at 7.5%, and the following yield profile based upon RPI at 2.5%

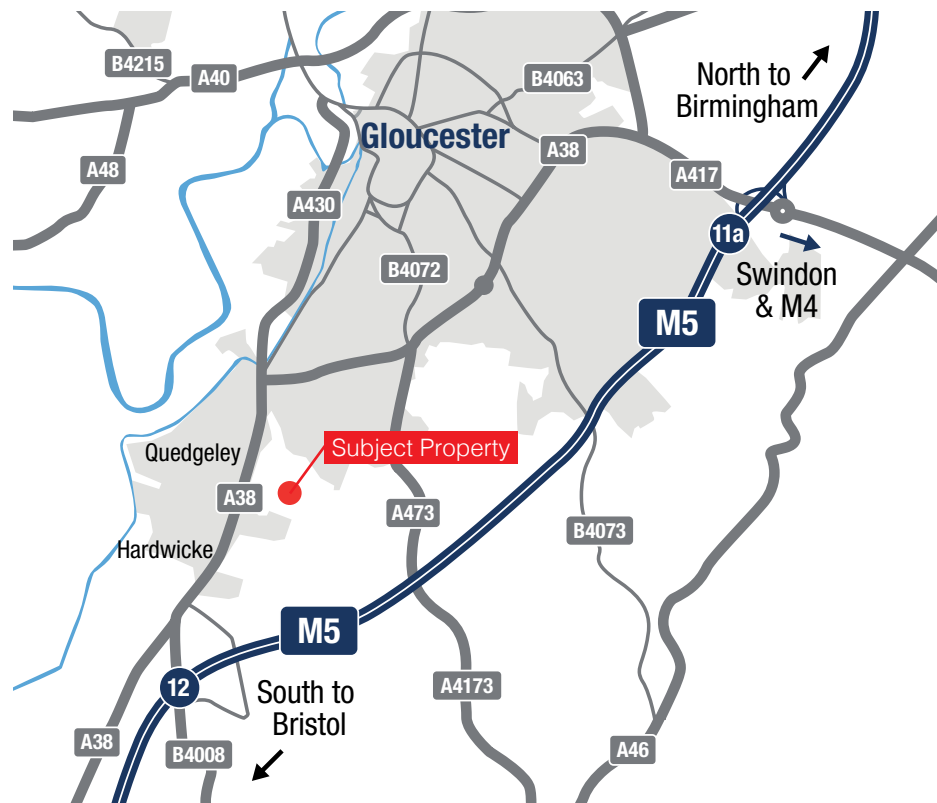
Year	Yield
2021	5.4%
2026	6.1%
2031	6.91%



LOCATION

Gloucester is the administrative centre of Gloucestershire and considered one of the principal commercial centres of the South West of England. Gloucester is situated on the River Severn and lies close to the Welsh Border, approximately 10 miles west of Cheltenham, 32 miles to the north east of Bristol, 45 miles south west of Birmingham and 94 miles west of London.

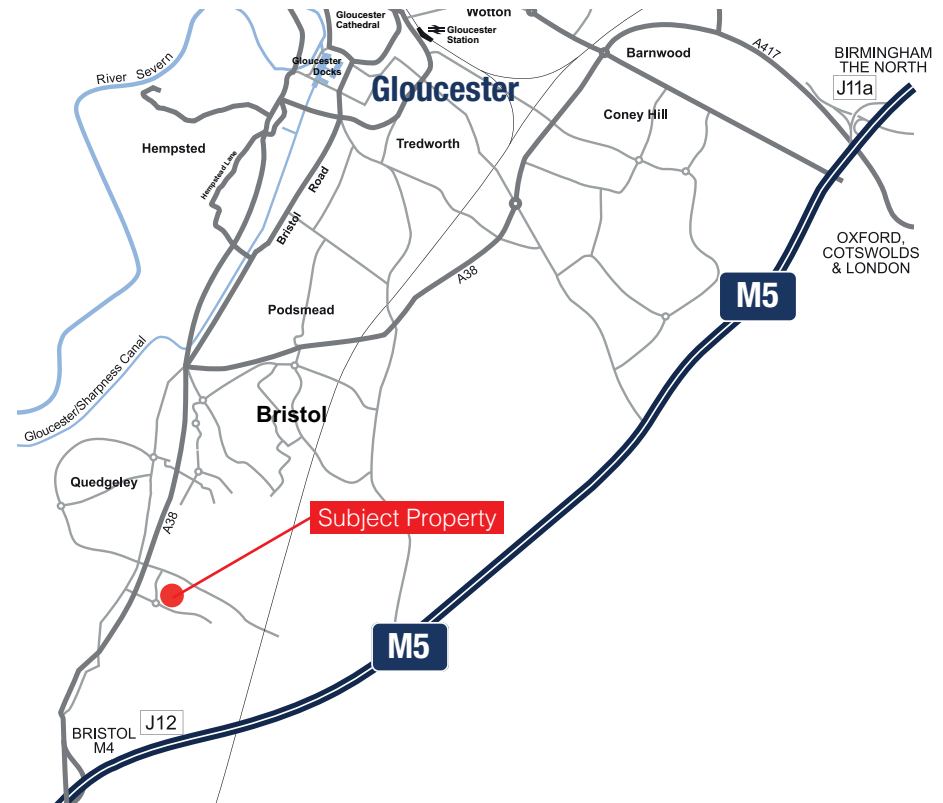
Gloucester benefits from excellent road communications, being located at the intersection of the A40 and A438, providing a direct link to the M5 at Junctions 11, 11A and 12. The M5 provides further links to the national motorway network including the M4, M50, M6 and M42. Gloucester's railway station provides regular services to London Paddington with a fastest journey time of approximately 1 hour 45 minutes. Direct services also operate to Bristol (54 minutes), Birmingham (55 minutes) and Cardiff (1 hour).



SITUATION

Waterwells Business Park is an established 62 acre distribution and office location with excellent access to Junction 12 of the M5 (1.5 miles), via the A38 dual carriageway, and is approximately 3 miles south of Gloucester city centre.

The subject property is accessed via Edison Close, and forms part of the Aquarius Centre, a 17 unit industrial development built over the last 10 years. Other occupiers on Waterwells Business Park include DPD, Gloucester Constabulary, Macfarlane Packaging, AIS, Samworth Brothers, Parcelforce, Holiday Inn, The Book Depository (Amazon), Global Machine Tools and Rochling.





DESCRIPTION

The property consists of two industrial/production warehouses totalling 37,069 sq ft (3,443.7 sq m) GIA.

The main production/warehouse unit (Electron) was constructed specifically for MIUS in circa 2010 and is split to provide offices, production areas and warehousing. The building is constructed of steel portal frame construction with brick and PMS elevations and roof. The unit has an eaves height of 6.6 metres, and is accessed by a single up and over loading door. The first floor accommodation provides ancillary offices, training rooms and staff facilities. An area of ancillary and mezzanine storage is also provided at first floor level but not included within the areas. The unit includes 46 parking spaces within the demise.

The second warehouse building (Proton) was constructed again specifically for the requirements of MIUS in circa 2015, and is split to provide warehousing with ancillary offices and storage. The building is constructed of steel portal frame construction with brick and PMS elevations and roof. The unit has an eaves height of 7 metres, and is accessed by two up and over loading doors. The unit includes ground and first floor offices, a ground floor showroom area, and an ancillary mezzanine storage. The property includes 14 parking spaces and a bike shelter to the front of the unit.



ACCOMMODATION

The Property benefits from the following Gross Internal Areas:

Building	Description	Sq m (GIA)	Sq ft (GIA)
Electron	Ground Floor Warehouse and office	1114.4	11,996
Electron	1st Floor Offices and ancillary space	743.6	8,004
Subtotal		1,858	20,000
Proton	Ground Floor Warehouse, showroom and office	1,173.8	12,635
Proton	1st Floor Offices and storage	411.9	4,434
Subtotal		1,585.7	17,069
Total		3,443.7	37,069

The tenant has installed a mezzanine area within Electron totalling 207.5 sq m (2,234 sq ft) which has not been rentalised.



SITE AREA

The site extends to approximately 1.42 acres (0.57 hectares) which equates to a site coverage of 39.9% on ground floor footprint.

TENURE

Freehold.

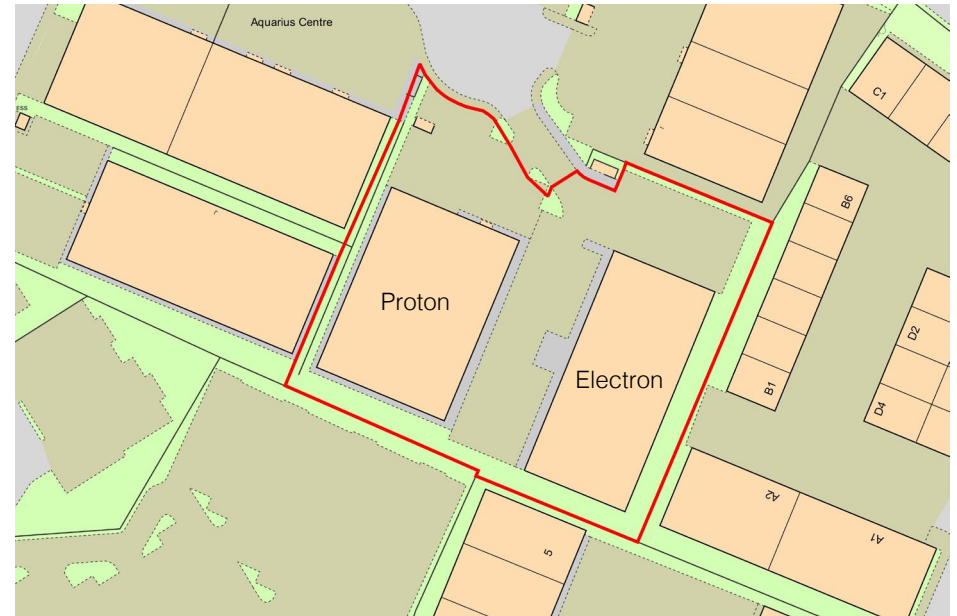
TENANCIES

The property will be let by way of two new leases from completion of the sale.

Electron Building will be let to Mount International United Services Ltd (with a guarantee from Probo Medical LLC) for a new 15 year unbroken term from completion. The lease is on FRI terms, subject to five yearly upward only rent reviews linked to RPI (1-3.5% cap and collar). The commencing rental is £102,000 per annum which equates to £5.10 per sq ft overall. This excludes the first floor Mezzanine storage areas which have not been rentalised.

Proton Building will be let to Mount International United Services Ltd (with a guarantee from Probo Medical LLC) for a new 15 year unbroken term from completion. The lease is on FRI terms, subject to five yearly upward only rent reviews linked to RPI (1-3.5% cap and collar). The commencing rental is £101,000 per annum which equates to £5.92 per sq ft overall.

The property will therefore produce a total rental income of £203,000 per annum equating to £5.48 per sq ft overall. Each lease will include the right for the tenant to two, five year options to extend.



TENANT'S COVENANT



Mount International United Services Ltd (MIUS) was established in 1997 and is an independent service provider who service and repair imaging equipment for over 250 NHS hospitals and Trusts across the UK. The company also buys, sells and rents medical equipment. MIUS was acquired by Probo Medical in 2020, and now sits underneath their umbrella of companies.

Mount International United Services Ltd (MIUS) has a Dun & Bradstreet rating 3A1 based on accounts dated 30 November 2019. The last three years of accounts are summarised below.

MIUS Limited	30/11/2019	30/11/2018	30/11/2017
Sales / Turnover	£11,520,572	£10,909,839	£9,278,450
Profit / (Loss) Before Taxes	£1,699,845	£1,348,306	£1,346,820
Tangible Net Worth	£7,366,294	£6,003,028	£4,922,518

For further information please refer to www.mius.co.uk



Probo Medical LLC is a US based business established in 2014 as a leading innovator in the medical imaging repair and refurbishment market, bringing together a unique blend of repair services, sales, and supply chain management. The Company offers a complete line of both new and pre-owned medical imaging equipment spanning almost all OEM models and types, combining repair and refurbishment capabilities with ancillary services such as rentals and nationwide on-site field services across the U.S. and Europe. Probo is able to realize significant cost savings for the healthcare economy by 1) prolonging the useful life of medical equipment, and 2) lowering the spend for physicians and health systems.

In 2018, Probo partnered with Varsity Healthcare Partners, a US private equity firm dedicated to investing in healthcare services. Since that point, the Company has acquired eight businesses and expanded their capabilities across all imaging modalities, including ultrasound, X-Ray, MRI, and other equipment. Probo Medical and Varsity Healthcare Partners are dedicated to building a global presence, recently adding office locations in Nantes, France and Dusseldorf, Germany. The subject properties are Probo's UK Headquarters, and will provide a European hub for future expansion and acquisition. The last three years of accounts are summarised below.

Probo Medical LLC	31/12/2020	31/12/2019	31/12/2018	31/12/2017
PF Revenue	\$90,099,568	\$53,882,312	\$32,984,910	\$10,463,645
PF Adj EBITDA	\$16,146,690	\$9,234,926	\$6,844,972	\$2,271,520
Tangible Net Worth	\$85,036,550	\$74,040,212	\$73,784,828	\$1,205,177

For further information please refer to www.probomedical.com

CAPITAL ALLOWANCES

The vendor will retain the benefit of all available Capital Allowances.

OCCUPATIONAL MARKET

Prime rents stand at circa £7.50 per sq ft in Gloucester, as demonstrated by the leasing evidence below. The property will be let at £203,000 per annum equating to a low rent of only £5.48 per sq ft for the buildings. This is a considerable discount of 27% to prime rental levels.

Property	Date	Tenant	Area (sq ft)	Term (break)	Rent (£psf)
Unit 3, St Modwen Park, Gloucester	Q4 2020	Swantex	72,723	c.10	£6.75
Unit 7, Eastern Avenue Trading Estate, Gloucester	Q4 2020	Hermes	6,425	5 (3)	£7.50
Unit 2, Gateway 12 Business Park, Gloucester	Q3 2020	ProCook	43,572	20	£6.95
Unit 2, St Modwen Park, Gloucester	Q1 2020	Adey Innovation	44,860	15 (10)	£6.75
3300, Shannon Way, Phase 3 Tewkesbury Business Park, Tewkesbury	Q2 2019	UK Mail Ltd	26,474	6 (4)	£7.50

INVESTMENT MARKET

The following table illustrates the most recent comparable investment evidence:

Property	Date	Area (sq ft)	Term Certain (years)	Tenant	Purchase Price	NIY	Capital Value (£psf)
Royal Mail, Filton, Bristol	Q1 21	227,292	6	Royal Mail	£31,360,000	4.7%	£137
Junction 1, Avonmouth	Q1 21	139,061	15	Bart Spices	£22,500,000	4.25%	£161
Saltash Industrial Estate, Saltash	Q1 21	27,400	20	ProCook	£5,150,000	5.47%	£118
26 North Road, Yate	Q4 20	47,459	10	Yate Disposables	£4,620,000	6.44%	£97
Gateway 12 Business Park, Gloucester	Q3 20	43,627	20	ProCook	£5,150,000	5.47%	£118
39 Cater Road, Bristol	Q3 20	51,712	15	Selco	£5,150,000	5.69%	£99
A Gas, Portbury, Bristol	Q1 20	53,735	8	A Gas	£6,200,000	5.73%	£115
Speedy Hire, Goodridge, Gloucester	Q3 19	18,925	9	Speedy Hire	£1,900,000	5.62%	£100

EPC

The Energy Performance Certificates are available on request and provide the following ratings.

Electron **C70**
Proton **B28**

VAT

Due to the sale and leaseback nature of the sale, it is anticipated that the transaction would be not treated as a transfer of a Going concern (TOGC). VAT would be payable on the purchase price.

PROPOSAL

We are instructed to seek **£3,500,000 (Three Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT, reflecting a **Net Initial Yield of 5.4%** (assuming purchaser's costs of 7.5%). A purchase at this level reflects a capital value of only **£94.41 ft CV**.

The following table displays the forecasted yields assuming RPI at a rate of 2.5%:

Year	Yield
2021	5.4%
2026	6.1%
2031	6.91%



FURTHER INFORMATION

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