

RNS Acquisition



ACQUISITION OF FOUR SUPERMARKETS FOR £76.4 MILLION

SUPERMARKET INCOME REIT PLC

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SUPERMARKET INCOME REIT PLC
(the "Company")
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ACQUISITION OF FOUR SUPERMARKETS FOR £76.4 MILLION

Supermarket Income REIT plc (LSE:SUPR), the real estate investment trust providing secure, inflation-protected, long income from grocery property in the UK announces the acquisition of four supermarkets for a total purchase price of £76.4 million (excluding acquisition costs), reflecting a combined net initial yield of 5.1%.

Acquired from different vendors, the purchases consist of two Tesco supermarkets, located in Cheltenham and Merseyside, as well as a central Glasgow site anchored by a Sainsbury's supermarket and an M&S Foodhall.

The Tesco in Bishops Cleeve, Cheltenham, comprises a 29,501 sq ft net sales area supermarket located on a 4.0-acre town centre site with 245 car parking spaces. The store is being acquired with an unexpired lease term of 12 years and is subject to annual RPI-linked rental uplifts (subject to a 5.0% cap and a 0.0% floor).

The Tesco in Newton-le-Willows, Merseyside, comprises a 22,298 sq ft net sales area supermarket located on a 2.9-acre town centre site with 172 car parking spaces. The store is being acquired with an unexpired lease term of 12 years and is subject to annual RPI-linked rental uplifts (subject to a 5.0% cap and a 0.0% floor).

The city centre Glasgow site comprises a 16,893 sq ft net sales area Sainsbury's supermarket with an unexpired lease term of 10 years and an M&S Foodhall with an unexpired lease term of four years, both subject to 5-yearly, upwards only, open market rent reviews.

Adjoining the Sainsbury's and M&S Foodhall are further units providing local health and convenience services that are occupied by tenants including Boots, Superdrug and Costa Coffee.

The four supermarket acquisitions have been funded in part through the first drawdown on the Company's recently announced £412.1 million unsecured credit facility, which has a margin of 1.5% above SONIA, currently equivalent to an all-in finance cost of 3.4%.

Ben Green, Director of Atrato Capital Limited, the Investment Adviser to Supermarket Income REIT plc, said:

"These acquisitions provide further diversification to the Company's growing portfolio. The strong trading M&S Foodhall adds a third M&S to SUPR's portfolio and we are pleased to be taking on the adjoining non-grocery tenants in Glasgow. These adjoining units add to our existing non-grocery assets, which continue to represent less than 10% of our overall portfolio by value."

FOR FURTHER INFORMATION

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NOTES TO EDITORS:

Supermarket Income REIT plc (LSE: SUPR) is a real estate investment trust dedicated to investing in grocery properties which are an essential part of the UK's feed the nation infrastructure. The Company focuses on grocery stores which are omnichannel, fulfilling online and in-person sales. All of the Company's 73 supermarkets⁽¹⁾ are let to leading UK supermarket operators, diversified by both tenant and geography.

The Company provides investors with attractive, long-dated, secure, inflation-linked, growing income with the potential for capital appreciation over the longer term and targets a 7% to 10% p.a. total shareholder return over the medium term⁽²⁾. The Company has increased its dividend every year since IPO.

The Company is listed on the premium segment of the Official List of the UK Financial Conduct Authority and its Ordinary Shares are traded on the Main Market of the London Stock Exchange, having listed initially on the Specialist Fund Segment of the Main Market on 21 July 2017.

Atrato Capital Limited is the Company's Investment Adviser.

Further information is available on the Company's website www.supermarketincomereit.com

- 1. 47 directly owned supermarkets, plus 26 via joint venture. Please note that it was announced in January 2022 that Sainsbury's exercised its options to acquire a total of 21 of the 26 stores in the portfolio. The Sainsbury's acquisition of the stores will be completed in two tranches: 13 in March 2023 and 8 in July 2023. Further information is available on the company's website.*
- 2. There is no certainty that these illustrative projections will be achieved*

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