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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

4 March 2025

**Supermarket Income REIT plc**

(the "Company")

**Proposed Management Internalisation**

Supermarket Income REIT plc (LSE: SUPR), the real estate investment trust with secure, inflation-linked, long-dated income from grocery property, announces that after careful consideration the Board has reached agreement with Atrato Group to internalise its management function, subject to shareholder approval, for a consideration of £19.7 million (the "Internalisation"). This will be funded from the proceeds recently received by the Company from the sale of its large format omnichannel Tesco store in Newmarket to its operator, Tesco plc, for £63.5 million, which was completed at a 7.4% premium to the 30 June 2024 valuation.

The Board believes that the Company has reached a scale and maturity for which an internalised management structure is appropriate and that the Internalisation delivers a number of compelling financial and strategic benefits, including:

- Significant cost savings of at least £4 million per annum, equivalent to a yield on cost of c.19%
- Delivering the highest return on capital of any capital allocation option, whilst share buybacks and property acquisitions remain under consideration for future capital recycling
- Opportunity to achieve a material enhancement in EPRA earnings and long-term dividend cover, with the potential for higher future dividend growth
- A new EPRA cost ratio target of below 9%, one of the lowest in the sector
- Enhancing the alignment between the Company, its management and shareholders
- Simplified management structure, securing the specialist supermarket fund management team and platform through the transfer of the systems, know-how and proprietary market knowledge that Atrato has developed since 2017
- Creating a structure more appropriate for a UK REIT of the scale of SUPR, providing greater strategic flexibility, improving shareholder returns and broadening SUPR's potential investor universe
- Enabling the Company to pursue a transfer of its listing to the "equity shares (commercial company)" category
- Improved access to capital and balance sheet flexibility
- Potential future fee generation opportunities for the Company, leveraging the team's expertise through joint ventures

These benefits, alongside recently announced progress against other key strategic initiatives, are designed to reduce cost, deliver sustainable and growing earnings and ultimately help reduce the current share price discount to NTA.

The Company will continue to invest in supermarket property forming a key part of the future model of grocery. The supermarkets the Company owns will continue to be let to leading supermarket operators in the UK and Europe, diversified by both tenant and geography. The focus will remain on grocery stores which are omnichannel, fulfilling online and in-person sales and the Company will remain a leading landlord of omnichannel supermarkets in the UK.

The Internalisation is expected to take effect on or around 25 March 2025, subject to shareholder approval.

Ben Green and Steve Windsor, Principals at Atrato Group, have agreed to a lock up (subject to customary exemptions) in respect of an aggregate of 4,819,294 shares held by them and their respective connected persons until 31 March 2026.

Following Internalisation, Rob Abraham, the current Fund Manager and Managing Director, Supermarkets, at Atrato Group, will be appointed as Chief Executive Officer and Mike Perkins, the current Finance Director, Supermarkets, at Atrato Group, will be appointed as Chief Financial Officer of the Company. Both will join the Board upon completion. Reflecting their current day-to-day responsibilities, they will oversee the Internalisation to ensure continuity in the management of the Company, its assets and the transfer of key investment, asset management, finance, operations and IR employees from Atrato to SUPR.

Rob has been Fund Manager, Supermarkets, for the last three years and with the Atrato Group for six years, having played a key role in the growth of the Company from seven supermarkets to 82 during that time. Rob joined from Lloyds Bank, most recently working in the Loan Markets business originating, structuring and syndicating debt facilities across corporate, funds and real estate sectors. He has 14 years of experience across real estate, finance, capital markets and investment, and holds the Chartered Financial Analyst designation.

Mike has been Finance Director, Supermarkets, for the last year and provides financial, strategic, treasury and tax support to the Company on behalf of Atrato Capital Limited. Mike joined from Logistics Asset Management LLP, the investment advisor to Urban Logistics REIT plc, where he was Chief Financial Officer. Mike has 15 years' experience within the real estate and financial services sector and has worked in listed real estate for over eight years. He is a Fellow of the Association of Chartered Certified Accountants.

The decision to internalise is a natural next step and the result of a collaborative process between the Board and the Investment Adviser. Based on an analysis of the Company's capital allocation options, the returns from internalisation are materially higher than alternative uses of the Company's capital, for example share buybacks or property acquisitions. The consideration has been funded through the proceeds of the recently announced disposal of Tesco Newmarket, with a

payback period of c.5 years.

Atrato Group will receive an additional £0.3 million for the termination of its AIFM agreement and, to ensure continuity of operations, Atrato will receive £0.8 million for the provision of transitional services for up to 9 months post completion.

The Company is in a strong position for the next phase of its growth, as the UK's only listed grocery real estate specialist with a high-quality handpicked portfolio of 82 strongly performing supermarkets in the UK and France.

The Board has determined that the internalisation will be subject to a voluntary shareholder vote.

If the proposed internalisation becomes effective, the Company will seek a transfer of its listing from the "closed-ended investment funds" category to the "equity shares (commercial companies)" category. The Board expects that such a transfer of listing will reduce the administrative burden, provide greater operational flexibility, and potentially attract a wider range of investors and research analysts.

**Nick Hewson, Chair of Supermarket Income REIT plc, commented:**

"SUPR is of a scale and maturity where we believe an internalised structure is appropriate as the Company moves into the next phase of its growth. Alongside the other strategic initiatives that we have undertaken in recent months, it will reduce costs and deliver sustainable and growing earnings."

The Board would like to thank Steve Windsor, Ben Green and the wider Atrato business for their invaluable contribution to the performance and growth of the Company over the last eight years. We wish the whole of the Atrato platform well for the future."

**Ben Green, Principal at Atrato Capital said:**

"We are very proud of the growth of SUPR, a company which started with a single store in 2017 and is now a FTSE 250 constituent with 82 supermarkets in its portfolio. We recruited Rob and Mike into the business as potential future leaders and are delighted that they will have this opportunity to lead the internalised business into this new and exciting phase for the Company."

**Shareholder Circular**

Atrato Capital is a related party of the Company and the other Atrato entities are associates of Atrato Capital. Entry into the Internalisation Agreement and the related transaction documents therefore each constitute a relevant related party transaction under UKLR 11.5.4R. While the Company is not required to obtain shareholder approval, the Board has determined that the internalisation will be subject to a voluntary shareholder vote. The Company has therefore published a Circular today in connection with the Proposed Internalisation which contains a notice convening a General Meeting to be held on 20 March 2025. As will be set out in the Circular, at the General Meeting the Board is also proposing the adoption of a new directors' remuneration policy, adoption of a new LTIP and increasing the cap in the Company's articles of association on director fees, reflecting the updated structure and composition of the Company's board following completion of the internalisation.

The Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors therefore unanimously recommend that Shareholders vote in favour of all the Resolutions, as the Directors who hold Ordinary Shares intend to do in respect of their own beneficial holdings (and the beneficial holdings which are under their control and those of their close relatives), which amount to 2,092,386 Ordinary Shares, representing approximately 0.7 per cent. of the Ordinary Shares.

**General Meeting**

The Board is convening the General Meeting to be held at 2 p.m. on 20 March 2025 at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT.

As your participation is important to us, we would encourage you to vote ahead of the General Meeting by appointing your proxy in the manner described in the Circular, no later than 2 p.m. on 18 March 2025.

**Expected Timetable <sup>(1)</sup>**

Announcement of the Proposals	4 March 2025
Publication of the Circular	4 March 2025
Latest time and date for receipt of proxy appointments	2 p.m. on 18 March 2025
General Meeting	2 p.m. on 20 March 2025
Expected completion date of the Internalisation	25 March 2025 <sup>(2)</sup>

**Notes:**

(1) The times set out in the expected timetable of principal events above and mentioned throughout this document are times in London unless otherwise stated, and may be subject to change, in which event details of the new times and dates will be notified to Shareholders.

(2) These times and dates are indicative only and will depend on, amongst other things, the date upon which the Condition is satisfied.

The Board considers the internalisation to be fair and reasonable as far as the shareholders of the Company are concerned, having been so advised by the Company's Sponsor, Stifel Nicolaus Europe Limited.

Capitalised terms used in this announcement have the meanings given to them in the Circular to be published in connection with the Proposed Internalisation on or around the date of this announcement.

**FOR FURTHER INFORMATION**

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**Notes to Editors**

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

The Company's assets earn long-dated, secure, inflation-linked, growing income. The Company targets a progressive dividend and the potential for capital appreciation over the longer term.

The Company is listed on the Closed-ended investment funds category of the FCA's Official List and its Ordinary Shares are traded on the LSE's Main Market. The Company also has a secondary listing on the Main Board of the JSE Limited in South Africa.

Atrato Capital Limited is the Company's Investment Adviser.

Further information is available on the Company's website [www.supermarketincomereit.com](http://www.supermarketincomereit.com)

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