

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

**24 April 2025**

**SUPERMARKET INCOME REIT PLC**  
(the "Company")

**STRATEGIC JOINT VENTURE WITH BLUE OWL CAPITAL MANAGED FUNDS SEEDED WITH £403M OF UK SUPERMARKETS**

Supermarket Income REIT plc (LSE: SUPR), is delighted to announce that it has entered into a strategic joint venture (the "JV") with funds managed by Blue Owl Capital ("Blue Owl"), a leading US alternative asset manager with over 250 billion of assets under management. This is part of the Company's ongoing strategy to recycle capital at attractive valuations and grow earnings.

**JV transaction**

The JV has been seeded with eight high yielding, omnichannel supermarket assets from SUPR's existing portfolio (the "Seed Portfolio"), which have been transferred into the JV at a 3% premium to book value, as at 31 December 2024. The Seed Portfolio has a combined value of £403 million, an average net initial yield of 6.6%<sup>[1]</sup> (Cap Rate of 7.1%) and a WAULT of 11 years.

The Company will retain a 50% stake in the JV, and therefore will receive a net cash consideration of c.£200 million in respect of the sale of the assets. It will also receive a management fee of 0.6% per annum of the gross asset value for the ongoing management of Blue Owl's interest in the JV and potentially a performance fee if the JV meets certain financial targets.

The JV provides a platform for further growth, seeking to acquire additional high yielding supermarket assets, with a view to grow the assets of the JV up to £1 billion over the coming years. The intention of the JV partners is to scale the vehicle, whereby the JV will have a right of first refusal over pipeline assets which meet specific investment criteria.

The Company believes that the principal benefits of the JV for shareholders are as follows:

- Earnings accretion to SUPR through redeployment of capital, ongoing management fees and a potential performance fee
- Leveraging the expertise of the Company's management team of sector specialists, increasing AUM and, as the JV's assets grow, SUPR will further benefit from capturing the management fees on an enlarged portfolio
- SUPR will retain an ongoing interest in a longer-term potential pipeline of assets that will remain in the JV structure
- Bringing on board a strategic capital partner with ambitions to grow its exposure in the UK grocery sector

**Use of proceeds**

The proceeds from the JV will be used to reduce debt in the near term and to invest in other supermarkets either directly for SUPR or indirectly through the JV, based on the investment profile of assets. Following receipt of proceeds from the JV, which is expected to be financed at c.55% LTV shortly after completion, the Company will have an LTV of c.31%. Through redeployment of capital the Company expects to operate at the upper end of its target LTV range of 30-40%, which will include its share of assets and net debt in the JV. The Company will continue to keep all capital allocation options under review.

**Robert Abraham, CEO of Supermarket Income REIT, commented:**

"The JV with Blue Owl's managed funds brings a high quality, strategic capital partner that shares our conviction in the value of high yielding UK supermarkets. With the potential to grow to £1bn over the coming years the JV partnership represents Blue Owl's managed funds' first major investment in the UK grocery space and is a strong endorsement of the expertise and track record SUPR has established in this market.

For our shareholders, the JV is another important milestone in our strategy to recycle capital and grow earnings, and provides a platform for growth with specialist third party capital. This follows a period of significant progress on a number of key strategic initiatives set out in November 2024, including renewing the three shortest leases in the portfolio, material cost reductions culminating in the internalisation of the management of the Company and other capital recycling activity."

**Marc Zahr, Co-President and Global Head of Real Assets at Blue Owl, said:**

"SUPR is the leading UK grocery real estate investor, and we view them as the right counterparty as we execute on our first major transaction in the UK grocery sector. We see an opportunity to generate attractive returns from these assets, which are underpinned by the growing and highly resilient UK grocery sector. We look forward to working with SUPR to grow the JV, as we execute on an attractive pipeline of UK assets."

**Supermarket stores in the Seed Portfolio**

| Operator    | Location       |
|-------------|----------------|
| Morrisons   | Sheffield      |
| Sainsbury's | Cheltenham     |
| Sainsbury's | Huddersfield   |
| Tesco       | Cumbernauld    |
| Tesco       | Llanelli       |
| Tesco       | Sheffield      |
| Tesco       | Stoke-on-Trent |
| Tesco       | Worcester      |

#### About Blue Owl

Blue Owl (NYSE: OWL) is a leading asset manager that is redefining alternatives.

With over 250 billion in assets under management as of December 31, 2024, Blue Owl invests across three multi-strategy platforms: Credit, GP Strategic Capital, and Real Assets. Anchored by a strong permanent capital base, Blue Owl provides businesses with private capital solutions to drive long-term growth and offer institutional investors, individual investors, and insurance companies differentiated alternative investment opportunities that aim to deliver strong performance, risk-adjusted returns, and capital preservation.

Together with over 1,100 experienced professionals globally, Blue Owl brings the vision and discipline to create the exceptional. To learn more, visit [www.blueowl.com](http://www.blueowl.com).

The person responsible for arranging release of this announcement on behalf of SUPR is Rebecca Lillington.

#### FOR FURTHER INFORMATION

##### Supermarket Income REIT plc

ir@suprplc.com

Rob Abraham / Mike Perkins / Chris McMahon

##### Stifel Nicolaus Europe Limited

+44 (0)20 7710 7600

Mark Young / Rajpal Padam / Catriona Neville

##### Goldman Sachs International

+44 (0)20 7774 1000

Tom Hartley / Luca Vincenzini

##### FTI Consulting

+44 (0)20 3727 1000

Dido Laurimore / Eve Kirmatzis / Andrew Davis

SupermarketIncomeREIT@fticonsulting.com

#### NOTES TO EDITORS:

Supermarket Income REIT plc (LSE: SUPR, JSE: SRI) is 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.

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

LEI: 2138007FOINJKAM7L537

*Stifel Nicolaus Europe Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Supermarket Income REIT plc and no one else in connection with this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel Nicolaus Europe Limited nor for providing advice in connection with the matters referred to in this announcement.*

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Supermarket Income REIT plc and no one else in connection with this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Goldman Sachs International nor for providing advice in connection with the matters referred to in this announcement.*

---

[1] NIY based on standard purchase costs of 6.8% and 7.8% for one asset in Wales

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

JVEFXLLLEZLFBBX