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SUPERMARKET INCOME REIT PLC
(the "Company" or "SUPR")

SUPR scales joint venture through a direct sale and leaseback

- **£196 million acquisition of 10 omnichannel Asda supermarkets by joint venture with Blue Owl Capital Managed Funds**
- **Agreed terms for the transfer of £232 million of SUPR assets into the joint venture**

Supermarket Income REIT plc (LSE: SUPR, JSE: SRI), announces an update on its joint venture (the "JV") with funds managed by Blue Owl Capital ("Blue Owl").

The JV has acquired 10 omnichannel Asda supermarkets in a sale and leaseback transaction for £196 million (SUPR's share: £98 million). The handpicked portfolio of strong omnichannel stores has an average gross internal area of 78,000 sq. ft. and generates significant sales volumes from within highly desirable catchment areas. The Company has also agreed terms for the transfer of five of its existing assets into the JV at a value of £232 million, subject to due diligence. The transfer of these assets to the JV is expected to occur by 31 December and further details will be provided following completion.

The transactions are in line with SUPR's strategy of deploying capital into highly attractive and accretive opportunities that have significant strategic benefits¹:

- Scaling and diversifying the JV to £833 million and comprising 23 assets
- Recycling some lower yielding assets and redeploying into strong performing, higher yield stores, enhancing EPS
- Extending SUPR's weighted average unexpired lease term ("WAULT") by 0.7 years to 12 years
- Providing market evidence of valuations on a further £232 million of the portfolio; transacting 3% above book value (as at 30 June 2025)
- Enhancing fee income generated from the JV by £0.8 million

Asda acquisition

The JV has agreed to purchase a portfolio of 10 high-performing omnichannel supermarkets from Asda for a total purchase price of £196 million (excluding acquisition costs) at a net initial yield ("NIY") of 7.4% (Cap Rate of 7.9%) (the "Asda Acquisition"). The Company will be contributing £98 million towards the Asda Acquisition, reflecting its 50% stake in the JV.

Following a competitive sale and leaseback process, the stores are being acquired with attractive 25-year leases, annual CPI-linked rent reviews (subject to a 4% cap and 1% floor) and low, affordable passing rents averaging £19.90 per sq. ft. In respect of these stores, given the long lease nature of the Asda assets, asset management responsibilities will be shared between the JV partners whilst SUPR will manage finance administration and reporting.

The portfolio of Asda stores was selected from an original basket of 20 stores and is being acquired via a direct sale and leaseback. It comprises upper quartile omnichannel stores with an average gross internal area of 78,000 sq. ft., which support online fulfilment and Click & Collect services. The selected assets have undergone extensive due diligence and underwriting by the JV at both the store and operator level with all stores showing significant sales volumes and strong catchment populations, as well as being fundamentally underpinned by a strong alternative use case for a range of occupiers.

Transfer of SUPR assets into the JV

Alongside the Asda Acquisition, SUPR has reached an agreement to transfer five of its directly owned assets into the JV, subject to due diligence. The assets would be transferred at a value of £232 million, 3% above book value (as at June 2025), and further details will be provided following completion of the transfer. Through its JV stake, SUPR would retain a 50% interest in these assets.

The Company would benefit from an annual management fee of 0.6% GAV on its JV partner's 50% share of the five assets, in addition to the management fee it currently receives from the £403 million seed portfolio.

The transaction is a continuation of SUPR's strategy of recycling capital into highly accretive assets, whilst also creating additional management fee income on existing stores transferred into the JV.

Following the transactions¹, SUPR's exposure to investment grade tenants (by rent roll) will be 74%, and its exposure to Asda will be 8%. The Company's pro-forma LTV will be 40%².

SUPR has a further c. £100 million of assets in exclusivity which the Company hopes to close by the end of the calendar year.

Rob Abraham, CEO of Supermarket Income REIT, commented:

"These transactions further demonstrate our ability to deliver on our strategy, as we continue to successfully drive returns for our shareholders. Working closely with Blue Owl, we are pleased to have increased the scale of the JV through the addition of these top quartile Asda stores and the expected transfer of five of SUPR's existing stores.

"Looking ahead, we have further financing capacity to scale both our business and the JV portfolio. All of our activity over the last nine months has been focused on delivering earnings growth for our investors and I look forward to updating the market on our progress, as we continue to focus on investing in mission critical grocery real estate to deliver a fully covered and growing dividend."

Asda assets purchased by the JV:

Location

Armadale Station
Donnington Wood
Llandudno
Long Eaton
Melksham
Newmains
St Austell
Stockton
Tunstall
Yeovil

Notes

¹ Assumes the Company's five stores are transferred into the JV following completion of due diligence

² LTV on a look through basis and assumes the Company's five stores are transferred into the JV following completion of due diligence

FOR FURTHER INFORMATION

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NOTES TO EDITORS:

Supermarket Income REIT plc (LSE: SUPR, JSE: SRI), a FTSE 250 company, is the only LSE listed company dedicated to investing in grocery properties which are an essential part of national food infrastructure. The Company focuses on grocery stores which are predominantly omnichannel, fulfilling online and in-person sales and are let to leading supermarket operators in the UK and Europe. The portfolio was valued at £1.6 billion as at 30 June 2025.

The Company's properties earn long-dated, secure, inflation-linked, growing rental income. SUPR targets a progressive dividend and the potential for long term capital growth.

The Company's shares are traded on the LSE's Main Market and on the Main Board of the JSE Limited in South Africa.

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

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