

# Regulatory Story

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**Supermarket Income REIT PLC** - SUPR Proposed Issue of Ordinary Shares  
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Supermarket Income REIT PLC  
12 September 2019

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This Announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

12 September 2019

## **SUPERMARKET INCOME REIT PLC**

(the "Company", together with its subsidiaries the "Group")

### **Proposed Issue of Ordinary Shares**

and

### **Notice of General Meeting**

The Board of Supermarket Income REIT plc is pleased to announce its intention to raise approximately £50 million by way of a Placing and Offer for Subscription at 102 pence per New Ordinary Share (the "Initial Issue").

**Highlights:**

- The Issue Price represents a discount of 5.1 per cent. to the closing price of 107.5 pence per existing Ordinary Share on 11 September 2019 (being the last business day prior to this Announcement) and a premium to the Company's last reported NAV per Ordinary Share as at 30 June 2019 of 97 pence
- The Company has identified three near-term acquisition opportunities, with one asset currently under exclusivity and another two assets in advanced due diligence

The Initial Issue will be conducted in accordance with the terms and conditions to be contained in the Prospectus, which is expected to be published shortly following its approval by the Financial Conduct Authority.

Both the Initial Issue and Placing Programme are subject to the approval of Shareholders in a General Meeting, further details of which are set out in this Announcement and will be set out in the Prospectus, when published.

**Nick Hewson, Chairman of the Company, said:** "We have made significant progress since our IPO in July 2017, growing our portfolio to more than £420 million and delivering total shareholder returns of 16.1 per cent.

"We rapidly deployed the £45 million we raised in our oversubscribed placing in March and the Investment Adviser has now identified three further near-term acquisition opportunities in respect of which new funds could be deployed. These assets all meet with our strict investment criteria and, once purchased, will enhance our portfolio by increasing portfolio net initial yield and providing further geographic diversification."

**Background to the Initial Issue**

The Company listed on the London Stock Exchange on 21 July 2017. Since its IPO, the Company has carefully grown its investment portfolio through accretive and selective acquisitions and currently owns eight UK supermarket assets with an aggregate value of £422.6 million<sup>(1)</sup>.

The assets benefit from long, upward only, RPI linked leases, with a weighted average unexpired lease term of 19 years, and are let to large UK supermarket operators with strong covenants (Tesco, Sainsburys and Morrisons). The Company is focused on ensuring its assets form a key part of the future operating model of its grocery tenants with all the assets operating both as physical supermarkets as well as online fulfilment centres (for home delivery and/or click and collect). The flexibility provided by the assets' large sites, which are situated near to population centres and key transport links, enables the properties to be effectively used as last mile grocery fulfilment locations. Hence from a logistics perspective, the sites combine the operators' most dominant sales channel, being the traditional supermarket, alongside their online businesses which have experienced rapid growth over the last 20 years.

The Company is highly selective in the supermarket assets that it seeks to acquire. As well as targeting assets which operate both as physical supermarkets and online fulfilment centres, the Company also seeks to ensure that its assets benefit from a good trading history for the operators, long unexpired lease terms, contractual, upward only rental uplifts, strong tenant covenants and geographic diversity across the portfolio. The Company has established a strong track record of sourcing high-quality assets in advance of a fundraise and efficiently executing acquisitions afterwards, thereby minimising the potentially negative effect of cash drag on financial returns. Where possible, the Company will also look to use its equity as part consideration in purchases, ensuring maximum cost efficiency and value accretion for Shareholders, whilst allowing potential vendors to benefit from exposure to the Company's diverse portfolio as well as its status as a listed Real Estate Investment Trust. This was demonstrated in April 2019, when the Company part funded its acquisition of a Tesco Extra supermarket in Mansfield through the issue of 10.9 million new shares at a price of 103 pence per share to the vendor.

As a REIT, the Company has a focus on delivering high-quality and stable dividends to Shareholders which will grow alongside the Company's inflation linked rental streams. The Company delivered dividends of 5.6 pence per share for the year to 30 June 2019 and is targeting a dividend of 5.8 pence per share for the year to 30 June 2020, which reflects a dividend yield of 5.7 per cent. on the Issue Price. Following the Company's recent acquisition of a Sainsbury's in Preston, the Company has become fully invested and geared and

assuming no changes in the capital structure, the Company expects the dividend to be fully covered by EPRA earnings on a forward looking basis. Since IPO, the Company has delivered total shareholder returns of 8.0 per cent. per annum<sup>(2)</sup>.

### **Use of Proceeds for the Initial Issue**

The Investment Adviser believes that there is currently an attractive opportunity for investors to gain exposure to supermarket property. In contrast to many asset prices, including those in the wider UK real estate sector, supermarket property yields have remained relatively stable over the last few years, whilst supermarket operators appear to be entering a period of operational and financial recovery, which should improve their covenant strength as tenants. This is demonstrated by the ongoing decoupling of supermarket property prices from supermarket corporate bonds which, whilst a different asset class, share a similar covenant risk but a lower return profile.

The Company has identified three assets with an aggregate value of approximately £140 million which meet the investment policy criteria (the "Target Assets"). All the Target Assets benefit from long RPI linked leases, with a weighted average lease term of 15 years. All three of the Target Assets are occupied by Sainsbury's, providing strong rental security over the longer term. In addition, all three Target Assets benefit from low site cover, and geographical locations which would support multiple sales channels including online, and click and collect delivery, in addition to in-store customers. As at the date of this Announcement, the Investment Adviser has entered into exclusivity arrangements with the owners of one of the Target Assets and is in advanced discussions with the owners of the other two Target Assets. No contractually binding obligations for the sale and purchase of the Target Assets have been entered into by the Investment Adviser or the Company.

In addition to the Target Assets, the Company has identified a strong investment pipeline of a further four assets and has started to perform preliminary due diligence on these assets. The Company is not committed to acquiring these assets following the Initial Issue, however such a pipeline allows the Company to benefit from significant price discovery and pricing discipline as well as providing optionality, without materially compromising on the pace of investment, if acceptable terms cannot be reached with its preferred vendors.

The consideration for the purchase of any or all of the Target Assets, if made, will be met from the Net Issue Proceeds and/or the issue of Ordinary Shares as part of the consideration, with any balance to be funded from debt financing.

### **Benefits of the Initial Issue**

The Directors believe that the Initial Issue and the Placing Programme have the following principal benefits for Shareholders:

- the Net Issue Proceeds will be used to invest in key operational properties let to some of the largest UK supermarket operators, further diversifying the portfolio, supplementing the Company's growing, inflation linked, income stream and capitalising on the Company's growing position in the supermarket real estate market;
- the flexibility provided by the Placing Programme will allow the Company to tailor future equity issuance to its immediate pipeline, providing operational flexibility and minimising cash drag;
- an increase in the size of the Company should improve liquidity and enhance the marketability of the Company and result in a broader investor base over the longer term; and
- an increase in the size of the Company will spread its fixed operating expenses over a larger issued share capital.

The Directors believe that the Initial Issue, alongside the Placing Programme, will increase the size and scale of the Company, and allow it, among other things, to maximise its in-built economies of scale, including when negotiating asset improvements and lease re-gears across the Portfolio with its tenants.

### **Placing Programme**

In light of the attractive pipeline of investment opportunities, the Directors intend to continue to increase progressively the size and scale of the Company in order to allow it, amongst other things, to maximise its in-built economies of scale. In order to move closer to this objective, whilst also minimising the costs associated with equity issues, the Directors intend to implement a Placing Programme, alongside the Initial Issue. The Placing Programme, if approved, would allow the Directors the flexibility to issue over the course of the next 12 months, in aggregate, up to 200 million Ordinary Shares (less the number of New Ordinary Shares issued pursuant to the Initial Issue).

#### **Further information on the Initial Issue**

The Company is proposing to raise approximately £50 million by way of the Placing and Offer for Subscription of 49,019,607 New Ordinary Shares, at the Issue Price of 102 pence per New Ordinary Share. The Issue Price represents a discount of 5.1 per cent. to the closing price of 107.5 pence per existing Ordinary Share on 11 September 2019 (being the last business day prior to this Announcement) and a premium to the Company's last reported NAV per Ordinary Share as at 30 June 2019 of 97 pence.

The consideration for the purchase of the supermarket assets will be met from the Net Issue Proceeds and/or the issue of Ordinary Shares as part of the consideration, with any balance to be funded from debt financing. If all the Target Assets were acquired, the total expected purchase price, excluding acquisition costs, would be approximately £140 million. The £50 million target issue size pursuant to the Initial Issue should enable the Company to purchase two of the Target Assets, whilst the larger pipeline also helps ensure the Company benefits from negotiating flexibility when discussing the purchase of these assets with vendors. In the event the Company has demand from investors of less than £50 million, the Directors will consider which assets would best suit the size of the Portfolio, which may include some or none of the Target Assets. In the event that the Company has demand from investors which exceeds £50 million, the Directors may consider increasing the Initial Issue (subject to a maximum cap of 200 million Ordinary Shares, being the total size of Placing Programme including the Initial Issue). Any decision to upsize would only be made after careful consideration of the prevailing market conditions, the availability and estimated price of the properties that the Investment Adviser has identified as being suitable for purchase by the Company and the length of time it would likely take to acquire them.

Following the Initial Issue and Admission of the New Ordinary Shares to the London Stock Exchange, the New Ordinary Shares will rank in full for all dividends or other distributions declared, made or paid and in all other respects will rank *pari passu* with the existing Ordinary Shares. For the avoidance of doubt, based on the current expected timetable, the New Ordinary Shares will qualify for the next quarterly dividend which relates to the period from 1 July 2019 to 30 September 2019, which is expected to be declared in October 2019.

The Initial Issue is not underwritten. The Placing may be scaled back in order to satisfy valid applications under the Offer for Subscription, and the Offer for Subscription may be scaled back in favour of the Placing. The Initial Issue may be scaled back by the Directors for any reason, including where it is necessary to scale back allocations to ensure the Initial Issue proceeds align with the Company's post fundraise acquisition and leverage targets.

The Offer for Subscription is only being made in the UK, but subject to applicable law, the Company may allot and issue New Ordinary Shares on a private placement basis to applicants in other jurisdictions.

The Initial Issue is conditional, *inter alia*, upon the following:

- Admission becoming effective by not later than 8.00 a.m. on 7 October 2019 (or such later time and/or date as the Company and Stifel may agree, being not later than 8.00 a.m. on 4 November 2019);
- the Resolutions being passed by Shareholders at the General Meeting (without material amendment); and
- the Placing Agreement becoming unconditional in all respects (save for the condition therein relating to Admission) and not having been terminated in accordance with its terms prior to Admission.

Accordingly, if any of the conditions are not satisfied, or, if applicable, waived, or if the Placing Agreement is terminated in accordance with its terms prior to Admission, the Initial Issue will

not proceed and application monies will be returned to investors without interest as soon as possible. If the Initial Issue does not proceed, the Placing Programme may still be implemented assuming the Resolutions are passed.

The results of the Initial Issue are expected to be announced on 3 October 2019. The New Ordinary Shares will be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The New Ordinary Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form.

Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the Specialist Fund Segment. It is expected that Admission will become effective on, and that dealings for normal settlement in the New Ordinary Shares will commence on the London Stock Exchange by, 8.00 a.m. on 7 October 2019.

The Existing Ordinary Shares are already admitted to trading on the Specialist Fund Segment and to CREST. It is expected that all of the New Ordinary Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. The New Ordinary Shares will trade under ISIN GB00BF345X11.

### **Expected timetable**

Latest time and date for receipt of forms of proxy in respect of the General Meeting	3.00 p.m. on 27 September 2019
General Meeting	3.00 p.m. on 1 October 2019
Latest time and date for receipt of application forms under the Offer for Subscription	11.00 a.m. on 1 October 2019
Latest time and date for receipt of commitments under the Placing	1.00 p.m. on 2 October 2019
Results of the Initial Issue announced	by close of business on 3 October 2019
Admission and dealings in New Ordinary Shares commence	8.00 a.m. on 7 October 2019

The dates set out in the expected timetable above may be adjusted by the Company. In such circumstances details of the new dates will be notified to the Financial Conduct Authority and the London Stock Exchange and an announcement will be made through a Regulatory Information Service.

### **Notice of General Meeting**

The Notice of General Meeting will be set out in the Appendix to the Prospectus which is expected to be published shortly (and which will set out details of the Initial Issue and the Placing Programme), and will be posted to Shareholders to convene a General Meeting to approve, the Initial Issue and the Placing Programme. The General Meeting is expected to be held at the offices of Macfarlanes LLP, 20 Cursitor Street London EC4A 1LT at 3.00 p.m. on 1 October 2019.

The Board believes that the Initial Issue and the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

### **Dealing codes**

Ticker: SUPR

ISIN for the New Ordinary Shares: GB00BF345X11

SEDOL for the New Ordinary Shares: BF345X1

The Company's legal entity identifier: 2138007FOINJKAM7L537

**For further information, please contact:**

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### **Notes**

- (1) As at 30 June 2019 the Company owned seven supermarket assets with an independent valuation of £368.2 million. On 27 August 2019, the Company announced the acquisition of a further asset for £54.4 million. The portfolio value stated as £422.6 million consists of the portfolio value as at 30 June 2019 (as set out in the Valuation Report) and the additional asset acquired on 27 August 2019.
- (2) Total shareholder return measured between IPO and 30 June 2019.

Terms used and not defined in this Announcement bear the meaning given to them in the Prospectus proposed to be published by the Company in due course.

The target dividend is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results.

### **Important Information**

This Announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or an invitation to purchase investments of any description, or any solicitation of any offer to subscribe for, any securities in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. Copies of the prospectus to be published by the Company will shortly be available from [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

Recipients of this Announcement who are considering acquiring New Ordinary Shares are reminded that any such acquisition must be made only on the basis of the information to be contained in the Prospectus (or any supplementary prospectus) which may be different from the information contained in this Announcement and must not be made in reliance on this Announcement. The subscription for New Ordinary Shares is subject to specific legal or regulatory restrictions in certain jurisdictions. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. The Company assumes no responsibility in the event that there is a violation by any person of such restrictions.

This Announcement does not constitute and may not constitute and may not be construed as a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this Announcement is intended to form the basis of any contract of sale, investment decision or any decision to purchase securities. Potential investors should consult a professional advisor as to the suitability of an investment in the securities for the person concerned.

The value of Ordinary Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. Capital is at risk and investors need to understand the risks

of investing. Please refer to the Prospectus for further information, in particular the "Risk Factors" section.

This Announcement may not be published, distributed, released or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and will not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person (as defined under Regulation S under the US Securities Act) unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. There will be no public offer of the shares in the United States. The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

Neither this Announcement nor any copy of it may be: (i) taken or transmitted into or distributed in Canada, Australia, Japan or the Republic of South Africa or to any resident thereof, or (ii) taken or transmitted into or distributed in Japan or to any resident thereof, or (iii) any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this Announcement in other jurisdictions may be restricted by law and the persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions.

This Announcement may include "forward-looking statements". All statements other than statements of historical facts included in this Announcement, including, without limitation, those regarding the Company's investment strategy, plans, objectives and target returns are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the formal prospectus. These forward-looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Regulation Rules or other applicable laws, regulations or rules.

Stifel is acting only for the Company as financial adviser, sole bookrunner and placing agent in connection with the matters described in this Announcement and is not acting for or advising any other person, or treating any other person as its client in relation thereto and will not be responsible for providing the regulatory protection afforded to the duties of Stifel or advice to any other person in relation to the matters contained herein. Such persons should seek their own independent legal, investment and tax advice as they see fit.

Goodbody is acting as placing agent for the Company, and is acting exclusively for the Company.

Neither Stifel or Goodbody nor any of their respective directors, officers, employees, advisers, affiliates or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied as to the truth, accuracy or completeness of the information in this Announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company or its subsidiaries, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

#### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been

subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution to retail investors through advised sales only and to professional clients and eligible counterparties through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue and the Placing Programme.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

#### **Marketing disclosures pursuant to AIFMD (as defined below)**

The Company is an externally managed alternative investment fund and has appointed the AIFM as its alternative investment fund manager

Pursuant to Article 23 of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (No. 1173/2013) and the Investment Funds Sourcebook of the FCA (the "**UK AIFMD Rules**"), the AIFM is required to make available to persons in the European Union who are invited to and who choose to participate in the Initial Issue, by making an oral or written offer to subscribe for New Ordinary Shares, including any individuals, funds or others on whose behalf a commitment to subscribe for New Ordinary Shares is given (the "**Subscribers**") certain information (the "**Article 23 Disclosures**"). For the purposes of the Initial Issue, the AIFM has made the Article 23 Disclosures available to Subscribers in the 'Investor - Shareholder Information' section of the Company's website at: [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

#### **PRIIPS (as defined below)**

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("**PRIIPs**") and its implementing and delegated acts (the "**PRIIPs Regulation**"), the AIFM has prepared a key information document (the "**KID**") in respect of the Ordinary Shares. The KID is made available by the AIFM to "retail investors" prior to them making an investment decision in respect of the Ordinary Shares at [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

If you are distributing Shares, it is your responsibility to ensure that the KID is provided to any clients that are "retail clients".

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and none of Stifel, Goodbody or the AIFM are manufacturers for these purposes. None of Stifel, Goodbody or the AIFM makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Company nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID to future distributors of Shares. Each of Stifel, Goodbody the AIFM and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the Company. Investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Company and anticipated performance returns cannot be guaranteed.

#### **Definitions**

In addition to the terms previously defined, the following definitions apply throughout this Announcement unless the context otherwise requires:

**"Admission"** means the admission of the New Ordinary Shares to trading on the Specialist Fund Segment and such admission becoming effective in accordance with the Admission and Disclosure Standards;

**"Admission and Disclosure Standards"** means the requirements contained in the publication "Admission and Disclosure Standards" issued by the London Stock Exchange containing admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's market for listed securities, as amended from time to time;

**"AIFM"** when used in a general context, an alternative investment fund manager within the meaning of the AIFM Directive; or when used in respect of the Company, its alternative investment fund manager, JTC Global AIFM Solutions Limited;

**"Announcement"** means this announcement relating to the Initial Issue and Placing Programme;

**"Board"** means the board of Directors;

**"Company"** means Supermarket Income REIT plc;

**"CREST"** means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);

**"CREST Regulations"** means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

**"Directors"** means the directors of the Company as at the date of this Announcement;

**"EPRA"** means the European Public Real Estate Association;

**"Existing Ordinary Shares"** means the number of existing Ordinary Shares in issue at the date of this Announcement;

**"Goodbody"** means Goodbody Stockbrokers UC; registered in Ireland whose registered office is at Ballsbridge Park, Ballsbridge, Dublin 4 and which is regulated in Ireland by the Central Bank of Ireland and in the UK is authorised and subject to limited regulation by the Financial Conduct Authority;

**"General Meeting"** means the general meeting of the Company proposed to be held at 3.00 p.m. on 1 October 2019 to consider the Resolutions, the notice of which (being the Notice of General Meeting) is to be set out in the Appendix to the Prospectus;

**"Gross Issue Proceeds"** means the gross proceeds of the Initial Issue and the Placing Programme;

**"Investment Adviser"** means Atrato Capital Limited;

**"Initial Issue"** means the Placing and the Offer for Subscription;

**"Issue Price"** means 102 pence per New Ordinary Share;

**"ISIN"** means the International Securities Identification Number;

**"KID"** means a key information document for the purposes of the PRIIPs Regulation relating to the Company's shares;

**"Listing Rules"** means the rules and regulations made by the FCA pursuant to Part VI FSMA, as amended from time to time;

**"London Stock Exchange"** means London Stock Exchange plc;

**"MiFID II"** means the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as transposed into the PROD chapter of the FCA Handbook;

**"Net Asset Value"** or **"NAV"** means the aggregate value of the assets of the Company after deduction of all liabilities, determined in accordance with the accounting policies of the Company from time to time;

**"Net Asset Value per Share"** or **"NAV per Share"** means at any time, the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than any Ordinary Shares held in treasury) at the date of calculation;

**"Net Issue Proceeds"** means the Gross Issue Proceeds less applicable fees and expenses of the Initial Issue and the Placing Programme;

**"Notice of General Meeting"** means the Notice of General Meeting to be set out in the Appendix to the Prospectus;

**"New Ordinary Shares"** means new Ordinary Shares proposed to be issued pursuant to the Initial Issue;

**"Offer for Subscription"** means the offer for subscription of New Ordinary Shares at the Issue Price on the terms to be set out in the Prospectus;

**"Ordinary Shares"** means ordinary shares of £0.01 each in the capital of the Company;

**"Placing"** means the conditional placing of Ordinary Shares by Stifel at the Issue Price pursuant to the Placing Agreement as described in, and on the terms set out in the Prospectus;

**"Placing Agreement"** means the placing agreement between the Company, the Investment Adviser and Stifel, a summary of which is to be set out in the Prospectus;

**"Placing Programme"** means the programme under which the Company intends to issue Ordinary Shares in Tranches on the terms to be set out in the Prospectus (and any supplementary prospectus);

**"Portfolio"** means the eight supermarket real estate assets acquired by the Company since its IPO;

**"Prospectus Regulation Rules"** means the prospectus regulation rules made by the FCA pursuant to Part VI FSMA, as amended from time to time;

**"PRIIPs Regulation"** means the Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for the packaged insurance based investment products (PRIIPs) including any delegated regulation, regulatory technical standards and/or any implementing measures made thereunder or in respect thereof;

**"Prospectus"** means the document, comprising a prospectus relating to the Company, prepared by the Company in accordance with the Prospectus Regulation Rules and proposed to be published on or around the date of this Announcement;

**"REIT"** means a company or group to which Part 12 CTA 2010 applies;

**"REIT Group"** means the Company and its subsidiaries and any other company which is eligible to be treated as a member of the same group (for the purposes of Part 12 of the CTA 2010) as the Company;

**"Resolutions"** means the resolutions to be proposed at the General Meeting (and set out in the Notice of General Meeting) to approve the allotment of (i) New Ordinary Shares pursuant to the Initial Issue and (ii) Ordinary Shares pursuant to the Placing Programme;

**"Regulatory Information Service"** means any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules;

**"RPI"** means the UK retail prices index as calculated and published by the Office for National Statistics on a monthly basis that measures the change in the cost of a fixed basket of retail goods;

**"SEDOL"** means the stock exchange daily official list;

**"Shareholder"** means a holder of an Ordinary Share (together "Shareholders");

**"SFS" or "Specialist Fund Segment"** means the Specialist Fund Segment of the London Stock Exchange's Main Market for listed securities;

**"Stifel"** means Stifel Nicolaus Europe Limited, the Company's sole bookrunner, financial adviser and placing agent;

**"Target Assets"** means three acquisition opportunities, with one asset under exclusivity and another two assets in advanced due diligence, valued at approximately £140 million;

**"Tranche"** means a tranche of Placing Programme Shares issued under the Placing Programme (together "Tranches"); and

**"Valuation Report"** means the valuation report set out in the Prospectus.