

RNS Acquisition



## REPLACEMENT: ACQUISITIONS & DEBT FINANCING UPDATE

### SUPERMARKET INCOME REIT PLC

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Supermarket Income REIT PLC  
08 July 2022

The following amendments have been made to the 'ACQUISITION OF TWO SUPERMARKETS AND DEBT FINANCING UPDATE' announcement released on 04 July 2022 at 7am RNS No 1184R.

The £62.1 million eighteen month term loan tranche has a 12 month extension option not 18 month and the maximum term is two and a half years not three years, as previously announced.

All other details remain unchanged.

The full amended text is shown below.

8 July 2022

**SUPERMARKET INCOME REIT PLC**  
(the "Company")  
LEI: 2138007FOINJKAM7L537

### REPLACEMENT: ACQUISITION OF TWO SUPERMARKETS AND DEBT FINANCING UPDATE

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 a Tesco superstore, M&S Foodhall and an Iceland in Chineham, Basingstoke, and the acquisition of an Asda supermarket in Carcroft, Doncaster, for a total purchase price of £82.9 million (excluding acquisition costs), reflecting a combined net initial yield of 4.9%.

The 18.7 acre Chineham site has been acquired from Telson Capital and comprises a 60,938 sq ft net sales area Tesco superstore with a large omnichannel operation, a 16-pump petrol filling station and 878 parking spaces. The store is an online hub for Tesco, operating 13 home delivery vans and a dedicated Click & Collect facility in the car park. The property also includes an M&S Foodhall, Iceland and further complementary non-food tenants. The Tesco store has a remaining lease term of 12 years and is subject to 5-yearly open market rent reviews.

The Asda store in Carcroft comprises a 45,813 sq ft net sales area omnichannel supermarket which sits on a 5.2 acre site and includes 340 parking spaces. Asda has operated from the site since the 1970s with the store being fully refurbished in 2019. The store supports Asda's online fulfilment in the area through Click & Collect. The property was acquired via a direct sale and leaseback transaction with Asda under a new 100 year lease. The property is subject to 5-yearly rent reviews which are upwards only and CPI-linked (subject to a 2.5% cap and a 0.0% floor).

#### Debt financing update

The Company has arranged a new £412.1 million unsecured credit facility with a bank syndicate comprising Barclays, Royal Bank of Canada, Wells Fargo and Royal Bank of Scotland International. This is the first time the Company has accessed unsecured debt financing.

The new unsecured facility consists of three tranches:

- £250.0 million five year revolving credit facility (with two further one year extension options, up to a maximum term of seven years);
- £100.0 million three year term loan (with two further one year extension options, up to a maximum term of five years); and a

- £62.1 million eighteen month term loan (with one further 12 month extension option, up to a maximum term of two and a half years)

The new unsecured facility has a margin of 1.5% over SONIA and a weighted average term of 6 years.<sup>1</sup>

The new unsecured facility will be used in part to refinance £255.0 million of existing secured commitments in addition to providing further debt capital to continue to fund the growth of the Company.

The Company was advised on the new debt facility by Rothschild & Co.

<sup>1</sup> Inclusive of uncommitted extension options stated above.

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

"These acquisitions further strengthen and complement SUPR's portfolio. Chineham Park was a rare opportunity to acquire a Tesco, an M&S Foodhall and an Iceland in a single transaction. The Asda acquisition represents the longest duration asset in the portfolio with a very long 100 year lease.

The new unsecured facility is a significant milestone for SUPR, the scale and quality of the portfolio now enabling the Company to finance on an unsecured basis. We are delighted with the level of financing support received from our existing and new relationship banks, affirming the robust nature of the grocery sector."

**FOR FURTHER INFORMATION**

**Atrato Capital Limited** +44 (0)20 3790 8087  
Steven Noble / Rob Abraham / Carcie Rogers [ir@atratocapital.com](mailto:ir@atratocapital.com)

**Stifel Nicolaus Europe Limited** +44 (0)20 7710 7600  
Mark Young / Matt Blawat / Rajpal Padam

**FTI Consulting** +44 (0)20 3727 1000  
Dido Laurimore / Eve Kirmatzis / Andrew Davis [SupermarketIncomeREIT@fticonsulting.com](mailto:SupermarketIncomeREIT@fticonsulting.com)

**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 69 supermarkets<sup>(2)</sup> 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<sup>(3)</sup>. 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](http://www.supermarketincomereit.com)

2. 43 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
3. There is no certainty that these illustrative projections will be achieved

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