

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have recently sold or transferred all of your shares in Supermarket Income REIT plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



SUPERMARKET INCOME REIT PLC

(the “Company”)

(incorporated in England & Wales registered number 10799126)
LEI: 2138007FOINJKAM7L537

NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company (the “AGM”), which has been convened for Monday, 16 December 2024 at 12.00p.m. at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT, is set out on pages 8 to 11 of this document. This document should be read as a whole.

Supermarket Income REIT plc
Company No. 10799126

Directors:

Nick Hewson*
Jon Austen*
Frances Davies*
Vince Prior*
Sapna Shah*
Cathryn Vanderspar*

Registered Office:

The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

* *Independent non-executive*

18 November 2024

Dear shareholder,

Annual General Meeting 2024

I am pleased to enclose the notice of the annual general meeting (the "**Notice of AGM**") of Supermarket Income REIT plc, which will be held at 12.00 p.m. on Monday, 16 December 2024 at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT. The Notice of AGM sets out the business to be considered at the meeting and can be found on pages 8 to 11 below.

If you decide not to attend the AGM in person, it is important that you do still cast your votes in respect of the business of the meeting and you can do so by voting by proxy in accordance with the instructions set out below under the heading "Voting".

The results of the AGM will be announced through a Regulatory Information Service and on the Company website, www.supermarketincomereit.com, as soon as practicable.

In addition to the usual AGM business, the Company is proposing to amend its investment objective and policy, details of which are set out below. The Company is also proposing to enter into new service agreements with entities within the Atrato Group. Details of both of these matters are set out below.

Proposed amendments to the Company's Investment Policy

The proposed amendments

Under the current investment objective and policy (the "**Investment Policy**"), the Company must invest 80% of its gross asset value ("**GAV**") in assets let to UK supermarket operators and therefore the Company may invest up to 20% of its GAV in assets let to non-supermarket operators, or assets located outside of the UK. The Company currently must also derive at least 60% of its rental income from a portfolio let to the largest four UK supermarket operators by market share and must not own more than one asset leased to an individual grocer tenant within a defined drive time of 10 minutes in urban areas and 15 minutes in rural areas.

The proposed revised Investment Objective and Policy is set out in full in the Appendix of this document. The key proposed changes are as follows:

- to expand the geographical area of investment, in relation to at least 80% of GAV, to cover supermarket operators in both the UK and Europe;
- to broaden the investment restriction which currently requires the Company to derive at least 60% of its rental income from a portfolio of properties let to the largest four UK supermarket operators, to also include properties located in the UK let to other supermarket operators; and
- to amend the investment restriction which applies within a geographical area such that:
 - there will be no more than two assets within a single geographical area; and

- no individual grocer tenant will operate more than one of the Company's grocery real estate assets in any single geographical area where the value of the two assets combined at the point of acquisition would exceed 10 per cent. of the portfolio gross asset value.

The Company has received written approval from the Financial Conduct Authority to make the amendments to the Company's Investment Policy described above and set out in the Appendix to this document and, accordingly, in accordance with the UK Listing Rules, shareholder approval is being sought for those amendments at the AGM.

Background to and reasons for the proposed amendments

The Company was incorporated in 2017 as a closed-ended investment company for the purpose of investing in a diversified portfolio of principally freehold and long leasehold operational properties let to UK supermarket operators. The principal activity of the Company is to target assets with long unexpired lease terms with index-linked or fixed rental uplifts.

As at the date of this document, the Company holds a portfolio of 73 supermarkets which are predominantly omnichannel and primarily leased to Tesco and Sainsbury's.

In Europe, we see a very attractive opportunity to broaden our investible universe and enhance the diversity of our asset and tenant base. As a leading grocery landlord, the Company has seen various potential opportunities in Europe over recent years. In April 2024, the Company announced the direct sale and leaseback of a portfolio of 17 Carrefour supermarkets in France. This inaugural transaction in Europe was the result of direct engagement with Carrefour, a global leader in the grocery space. The transaction was completed at an attractive yield of 6.3% and was financed through a 7-year Euro denominated private placement at a fixed all-in cost of 4.4%. The positive cash yield is accretive to the portfolio and supportive of earnings growth through long-term, inflation-linked leases.

If the proposed revised Investment Objective and Policy is approved, it is the Board and Investment Adviser's intention to continue to focus primarily on investing in UK assets whilst taking an incremental approach to gradually increase the Company's exposure to European assets, initially in a limited number of countries, and primarily France in the near term. We will invest in stores that fit our strict investment criteria and generate accretive returns, focusing on high quality operators and strong trading omnichannel stores.

Under the proposed Investment Objective and Policy, the Company must invest 80% of its GAV in assets located in the UK and Europe let to supermarket operators. Nonetheless, the Company will still derive at least 60% of its rental income from a portfolio of properties located in the UK let to supermarket operators, ensuring that exposure to UK supermarket operators remains the core of the portfolio.

Shareholder feedback has consistently pointed to the need for scale amongst real estate investment trusts, bringing with it increased liquidity, operational efficiencies, and an enhanced attractiveness and relevance for large international investors. Alongside our core UK business, Europe provides a complementary opportunity to help deliver this growth, while at the same time maintaining our focus on leading grocery operators with strong covenants and top trading omnichannel grocery stores.

The Company is also currently restricted to owning no more than one store leased to an individual grocery tenant within a defined drive time. While this was an appropriate risk mitigant when the Company was smaller with fewer assets, we have proposed to amend this restriction to allow the Company to own up to two assets within a defined drive time leased to an individual grocer tenant, as long as the combined value of these assets does not exceed 10% of GAV. This restriction remains more stringent than the Company's maximum exposure to a single asset being no more than 15% of GAV, and the Company still undertakes to own no more than two assets within a defined drive time.

Entry into new service agreements

Subject to and conditional upon the approval of Shareholders at the AGM:

- (i) the Company has agreed to enter into a new investment advisory and accounting and administration services agreement with Atrato Capital Limited (the “**Investment Adviser**”) and Atrato Partners Limited (the “**New AIFM**”) (the “**New IAA**”);
- (ii) the Company has agreed to enter into a new AIFM Agreement with the New AIFM (the “**New AIFM Agreement**”); and
- (iii) the Company has agreed to enter into a new company secretarial services agreement with Hafren Limited (“**Hafren**”), an entity within the Atrato Group (the “**New Company Secretarial Services Agreement**”),

(together, the “**New Service Agreements**”).

The New Service Agreements will each become effective by 1 July 2025. The Company’s existing investment advisory agreement, AIFM agreement and company secretarial services agreement will each be terminated in connection with entry into the New Service Agreements.

The Directors have conducted extensive negotiations with the Investment Adviser, the New AIFM and Hafren with the benefit of independent advice on the terms of the New Service Agreements.

Background to and reasons for entry into the New Service Agreements

As announced by the Company on 5 November 2024, the Company aims to have one of the lowest EPRA cost ratios in the UK REIT sector and accordingly, the Directors have worked closely with the Investment Adviser to identify ways to deliver both material cost savings and even closer alignment with the interests of the Company and its shareholders.

The New IAA will see a change in the basis of the calculation of the management fee from net asset value (“NAV”) to market capitalisation. This is intended to deliver even closer alignment between the interests of shareholders and the Investment Adviser. While the proposed change will not be implemented until the start of the Company’s next financial year, 1 July 2025, based on the share price of 68.5p on 15 November 2024, being the closest viable date to publication of this Notice of AGM, the Company would save c.£1.9 million per annum compared to the management fee calculated based on the Company’s last published NAV.

The AIFM, company secretarial and payment services have previously been fulfilled by external service providers. The Company will pay the Atrato Group a reduced fee for taking on these additional roles which will result in further savings of c.£0.3 million per annum for the Company.

The Company expects the aggregate annual savings to contribute materially to earnings per share and therefore dividend cover (based both on its current market capitalisation relative to NAV, as well as in absolute terms for the non-investment advisory services). The Directors consider that the New Service Agreements together represent a fair outcome of negotiations, in particular in the context of the material reduction in fees from July 2025.

Details of New Service Agreements

(a) The New IAA

The terms of the New IAA will be on materially the same terms as under the existing investment advisory agreement (the “**Existing IAA**”), except for the following:

(i) Basis of fee calculation

The basis of the management fee calculation will be changed from net asset value to market capitalisation, effective from 1 July 2025. The current fee thresholds and rates applied to the net asset value-based calculations will be retained as shown below:

Threshold	Fee rate on revised market capitalisation basis
Up to £500 million	0.95%
Between £500 million to £1 billion	0.75%
between £1 billion to £1.5 billion	0.65%
Between £1.5 billion to £2 billion	0.45%
Above £2 billion	0.40%

(ii) Timing of fees

The Existing IAA provides for 75% of the management fee to be paid monthly and the remaining 25% of the management fee to be paid semi-annually. The New IAA provides that 100% of the management fee will be paid monthly such that there is no semi-annual management fee.

(iii) Termination payment

In order to remain aligned with the fee basis with the change from net asset value to market capitalisation, the termination payment due in the event of a takeover, delisting or liquidation will be based on the offer value or net consideration due to shareholders rather than on the prevailing net asset value of the Company.

(iv) Payment services

The Investment Adviser will provide payment services for a fee of £150,000 per annum.

(b) *The New AIFM Agreement*

The New AIFM Agreement is on materially the same terms as the Company's existing AIFM agreement except as follows:

(i) Fees

The New AIFM shall be entitled to receive an annual fee of £135,000 from the Company.

(ii) AIFM related changes

Certain changes have been made to reflect the New AIFM's UK regulated status, to update regulatory references and to reflect the AIFM's responsibilities under relevant regulation.

(c) *The New Company Secretarial Services Agreement*

The New Company Secretarial Services Agreement is on materially the same terms as the Company's existing company secretarial services agreement except as follows:

(i) Fees

Hafren shall be entitled to receive an annual fee of £250,000 from the Company.

(ii) Term

The initial term of the agreement is two years (the initial term of the Company's existing company secretarial services agreement is 18 months). The agreement may be terminated on not less than 6 months' notice after the initial term (the Company's existing company secretarial services agreement may be terminated on not less than 3 months' written notice after the initial term).

For the avoidance of doubt, each New Service Agreement provides that the amount of fees or other remuneration payable by the Company to the Investment Adviser in any twelve-month period, when aggregated with any other fees or other remuneration payable by the Company to the Investment Adviser or a member of the Investment Adviser's group shall not exceed 4.99% of the Company's net asset value.

Each of the Investment Adviser, the New AIFM and Hafren are related parties of the Company and entry into the New Service Agreements each constitute a relevant related party transaction under UKLR 11.5.4R. While the Company is not required to obtain shareholder approval in relation to the entry into the New Service Agreements, it is giving shareholders the opportunity to approve such entry as a matter of good corporate governance.

Participation at the AGM

The Board recognises that the AGM provides an important opportunity to engage with shareholders. Accordingly, shareholders can attend the AGM and ask questions during the meeting.

Shareholders will have a reasonable opportunity to ask questions on all the items of business set out in this Notice of AGM during the meeting (including, a reasonable opportunity to ask questions of the Company's Investment Adviser, Atrato Capital Limited).

Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. There may not be sufficient time available to address all the comments and questions raised during the meeting.

To participate you must be a registered holder of shares as at the close of business 48 hours before the time of the AGM.

Voting

If you would like to vote on the resolutions in advance, you can appoint a proxy by logging on to www.signalshares.com and selecting the "proxy voting" link. You can also appoint a proxy by lodging a proxy appointment through the CREST proxy voting service or by requesting a hard copy proxy form by contacting our Registrar, Link Group, on 0371 664 0300. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales). Submission of a proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof and returning it to the address shown on the form.

As your participation is important to us, we would encourage you to vote ahead of the AGM by appointing your proxy in the manner described above.

Please remember to return your proxy electronically so that it is received by the Company's Registrar, Link Group, by no later than 12.00 p.m., on Thursday, 12 December 2024. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

Further information

The Annual Report and Financial Statements are available to view in the Investor Centre of the Company's website at www.supermarketincomereit.com. Printed copies of the Company's Annual Report are also available on request by contacting the company secretary, Hanway Advisory Limited, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF or by email to hanwayadvisory@jtcgroup.com.

Supermarket Income REIT plc
Company No. 10799126

Recommendation

Full details of the resolutions are set out below. The directors consider that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole. The directors therefore unanimously recommend that you vote in favour of all the resolutions proposed at this AGM.

Yours sincerely

Nick Hewson

Chair

Supermarket Income REIT plc

SUPERMARKET INCOME REIT PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the AGM of Supermarket Income REIT plc (the “**Company**”) will be held on Monday, 16 December 2024 at 12.00 p.m. at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT to transact the following business.

For further information on all resolutions, please refer to the Explanatory Notes which can be found on pages 12 to 15.

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass resolutions 1 to 16 (inclusive) as ordinary resolutions:

Report and Accounts

1. To receive the Company's audited financial statements and the reports of the Directors and Auditors on those financial statements for the year ended 30 June 2024. (the “**Annual Report and Accounts**”).

Directors' Remuneration Report

2. To approve the Directors' Remuneration Report (other than the part containing the directors' remuneration policy) for the year ended 30 June 2024, as set out on pages 87 to 90 of the Annual Report and Accounts.

Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy, as set out on page 88 of the Annual Report and Accounts.

Dividend Policy

4. To approve the Company's dividend policy to pay four interim dividends per year.

Scrip Dividend Alternative

5. That pursuant to article 78 of the articles of association of the Company, the Directors be and they are hereby authorised, at their discretion, to offer holders of ordinary shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”) the right to elect to receive new Ordinary Shares, credited as fully paid up, instead of some or all of the dividends which may be declared or paid by the Company in the period up to and including 16 December 2027.

Directors

6. To re-elect Nick Hewson as a director.
7. To re-elect Jon Austen as a director.
8. To re-elect Frances Davies as a director
9. To re-elect Vince Prior as a director.
10. To re-elect Sapna Shah as a director.
11. To re-elect Cathryn Vanderspar as a director

Auditors

12. To re-appoint BDO LLP as the Company's auditor to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting at which accounts are laid before the Company.
13. To authorise the directors to determine the auditor's remuneration.

Amendments to the Company's Investment Objective and Policy

14. That the investment objective and policy described in the Appendix to this document (Proposed Investment Objective and Policy) be approved and adopted as the investment objective and policy of the Company in substitution for, and to the exclusion of, the Company's existing investment objective and policy.

New Service Agreements

15. That the entry into the New Service Agreements as defined and described in the letter from the Chair accompanying this Notice of AGM and any further minor amendments considered necessary or desirable by the parties thereto be and are hereby approved.

Directors' Authority to Allot Shares

16. That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot:
 - a) shares in the Company and to grant rights to subscribe for or convert any security into shares ("**Relevant Securities**") in the Company up to an aggregate nominal amount of £4,154,130; and
 - b) allot Relevant Securities comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £8,308,261 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 16) in connection with an offer in favour of holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares but subject to such exclusions, limits, restrictions or other arrangements as the directors consider necessary or appropriate to deal with treasury shares, fractional entitlements, securities represented by depositary receipts, record dates or any legal, regulatory or practical problems in, or under the laws of, any territory or the requirement of any regulatory body or stock exchange or any other matter.

This authority shall expire at the end of the next annual general meeting of the Company or on 16 March 2026, whichever is earlier, save that under each authority the Company may, before such expiry, make any offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of any such offer or agreement as if the relevant authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

To consider, and if thought fit, pass resolutions 17 to 20 (inclusive) as special resolutions:

Dis-application of Pre-emption Rights

17. That if Resolution 16 is passed, the directors be empowered pursuant to s.570 and s.573 of the Act to allot equity securities (as defined in s.560 of the Act) for cash pursuant to the authority given by Resolution 16 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such power to be limited:
- 17.1. to the allotment of equity securities in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of Ordinary Shares in proportion as nearly as may be practicable) to their existing holdings of Ordinary Shares but subject to such exclusions, limits, restrictions or other arrangements as the directors consider necessary or appropriate to deal with treasury shares, fractional entitlements, securities represented by depositary receipts, record dates or any legal, regulatory or practical problems in, or under the laws of, any territory or the requirement of any regulatory body or stock exchange or any other matter;
 - 17.2. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £1,246,239; and
 - 17.3. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such power to be used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This power shall expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 16 March 2026) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired

18. That if Resolution 16 is passed, the directors be empowered pursuant to s.570 and s.573 of the Act in addition to any authority granted under Resolution 17 to allot equity securities (as defined in the Act) for cash under the authority given by Resolution 16 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such power to be:
- 18.1. limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,246,239 and such power to be used only for the purposes of financing (or refinancing, if the power is to be used within 12 months after the original transaction) a transaction which the directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
 - 18.2. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such power to be used only for the purposes of making a follow-on offer which the directors determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

This power shall expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 16 March 2026) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to Purchase Own Shares

19. That the Company be generally and unconditionally authorised pursuant to s.701 of the Act to make market purchases (within the meaning of s.693(4) of the Act) of its Ordinary Shares each on such terms and in such manner as the directors shall determine, provided that:

19.1. The maximum number of Ordinary Shares hereby authorised to be purchased is 186,811,253;

19.2. the maximum price which may be paid for each Ordinary Share shall be the higher of:

- (i) 5 per cent above the average of the middle market quotations for an Ordinary Share (as derived from The London Stock Exchange Daily Official List) for the five business days immediately before the day on which the purchase is made/such share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of expenses); and
- (iii) the minimum price which may be paid for each Ordinary Share shall be £0.01 (exclusive of all expenses).

This authority (unless previously revoked, varied or renewed) shall expire at the earlier of the end of the next annual general meeting of the Company or 16 March 2026 except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of ordinary shares in pursuance of any such contract or contracts.

Notice Period for General Meetings

20. That general meetings (other than any annual general meeting) of the Company may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next annual general meeting.

18 November 2024

By order of the Board of Directors

Hanway Advisory Limited
Company Secretary
Supermarket Income REIT plc

Registered Office: The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF

EXPLANATORY NOTES TO THE RESOLUTIONS

An explanation of each of the resolutions is set out below.

Resolutions 1 to 16 (inclusive) are proposed as ordinary resolutions. This means that for each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 to 20 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

Resolution 1 – to receive the annual accounts and reports

The Companies Act 2006 requires the directors of a public company to lay its annual accounts and reports before the company in general meeting. The Company proposes, as an ordinary resolution, the receipt of the Company's audited financial statements and the reports of the directors and Auditors on those financial statements for the year ended 30 June 2024.

Resolution 2 – to approve the Directors' Remuneration Report

The Companies Act 2006 requires listed companies to put a resolution to shareholders at each annual general meeting to approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy), which forms part of the annual report. The vote is advisory in nature and the directors' entitlement to receive remuneration is not conditional on it.

Resolution 2 in the notice of annual general meeting proposes, as an ordinary resolution, to approve the remuneration report (other than the part containing the directors' remuneration policy), which can be found on pages 87 to 90 of the Annual Report and Accounts.

Resolution 3 – to approve the Directors' Remuneration Policy

The current remuneration policy was approved by shareholders at the Company's 2021 AGM. The Board seeks renewed approval for the existing Policy applicable for up to three years from the conclusion of the Meeting, and therefore shareholders will be asked to approve the policy again at the Company's 2027 AGM. If the Company believe it is necessary to introduce a new remuneration policy or make changes to the existing approved policy before this date, the Remuneration Policy will be submitted to shareholders for approval at either an AGM or General Meeting. The Policy is set out in the Company's Annual Report and Accounts on page 88.

Resolution 4 – to approve the Company's Dividend Policy

Resolution 4 proposes, as an ordinary resolution, to approve the Company's Dividend Policy to pay four interim dividends per year. This policy is consistent with the Company's Prospectus and is set out on page 91 of the Annual Report and Accounts.

Resolution 5 – to approve the authority to offer a scrip dividend alternative

Resolution 5 seeks to authorise the Directors, pursuant to article 78 of the Articles, to offer holders of ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") the right to elect to receive new ordinary shares, credited as fully paid up, instead of some or all of the dividends which may be declared or paid by the Company in the period up to and including 16 December 2027.

Resolutions 6 to 11 – Re-election and election of directors

The Board currently consists of six independent non-executive directors, all of whom were in office at the 2023 AGM, and one of whom was appointed during financial year ended 30 June 2023. Resolutions 6 to 11, which are ordinary resolutions, propose the re-election of the six non-executive directors of the Company standing for annual re-election in accordance with the Association of Investment Companies ("**AIC**") Code of Corporate Governance. Although not required by the Company's Articles of Association, the Company is choosing to comply voluntarily with the provision of the AIC Code of Corporate Governance requiring all directors to be subject to annual election: all directors retire at each annual general meeting and those eligible and wishing to serve again offer themselves for re-election.

The Chair confirms that, following formal performance evaluation, the directors' performance continues to be effective and demonstrates commitment to their respective roles, including time commitments for Board and committee meetings. Having reviewed the performance of the Board and the leadership needs of the Company, the Board believes that each of the six directors that are standing for re-election at the AGM should continue in their role as they bring a breadth of current and relevant business expertise to the Board. The Board remains satisfied that the individual contributions of each director are, and will continue to be, important to the Company's long-term sustainable success. Biographical details for each of the directors standing for re-election at the AGM, and details of their individual contributions to the operation of the Board during the year, are contained in the section on the Board in the annual report and accounts on pages 64 to 65.

Resolutions 12 and 13 – to re-appoint BDO LLP as auditors and determine auditors' remuneration

These resolutions propose that BDO LLP should be re-appointed as the Company's auditors and authorises the directors, upon the recommendation from the Company's audit committee, to determine their remuneration.

The directors, having regard to the audit committee's recommendation, consider that the level of consultancy related non-audit fees to audit fees undertaken by BDO LLP is appropriate for the advisory work undertaken for the year ended 30 June 2024, and that these fees do not create a conflict of interest on the part of the independent auditor.

Resolution 14 – amendments to the Company's Investment Objective and Policy

This resolution is to approve the proposed amendments to the Company's investment objective and policy, as set out in the Appendix to this document. For further details, please refer to the detailed explanation and rationale for the amendments contained in the Chair's letter, on pages 2 to 7 of which this notice forms part.

Resolution 15 – entry into New Service Agreements

This resolution is to approve entry into new service agreements. For further details, please refer to the detailed explanation and rationale contained in the Chair's letter, on pages 2 to 7 of which this notice forms part.

Resolution 16 – authority to allot shares

Under the Companies Act 2006 the directors may only allot shares (or grant certain rights over shares) with the authority of shareholders in general meeting (other than pursuant to an employee share scheme). In certain circumstances this could be unduly restrictive. The directors' existing authority to allot shares, which was granted at the annual general meeting held on 7 December 2023, will expire at the end of this year's annual general meeting.

The authority in paragraph (a) of this resolution will allow the directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £4,154,130, which is equivalent to approximately one third of the current issued ordinary share capital of the Company as at 15 November 2024 (being the last practicable day prior to the publication of this notice).

The authority in paragraph (b) of this resolution will allow the directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a pre-emptive rights issue up to an aggregate nominal value of £8,308,261, which is approximately two thirds of the Company's issued share capital as at 15 November 2024 (inclusive of the aggregate nominal value of £4,154,130 sought under paragraph (a) of the resolution). This is in line with corporate governance guidelines.

These authorities will expire immediately following the Company's 2025 AGM or on 16 March 2026, whichever is the earlier. There is no present intention to exercise these authorities.

The directors intend to renew these authorities at each annual general meeting of the Company, in accordance with current best practice.

As at 15 November 2024 (being the latest practicable date before the publication of this notice), the Company held no Ordinary Shares in treasury.

Resolutions 17 and 18 – to disapply pre-emption rights

If the directors wish to exercise the authority under Resolution 16 to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme), company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the directors will need the flexibility to finance business opportunities to allot new shares (or to grant rights over shares) for cash or to sell treasury shares for cash without first offering them to existing shareholders in proportion of their holdings. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 17 will give directors the power to issue shares without the application of pre-emption rights: (a) apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the allotment of shares for cash or sale of treasury shares for cash up to an aggregate nominal value of £1,246,239 which is equivalent to approximately 10 per cent. of the Company's issued ordinary share capital as at 15 November 2024 (being the latest practicable date prior to the publication of this notice); and (b) otherwise than pursuant to (a), 20% of the number of shares referred to in (a) above for the purposes of making a follow on offer.

Resolution 17 also seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders.

The Board intends to adhere to the guidance issued by the Investment Association (as updated in February 2023), the Pre-Emption Group's Statement of Principles (as updated in November 2022) (the "**Statement of Principles**") and the template resolutions published by the Pre-Emption Group in November 2022.

Resolution 18 will give directors the power to issue shares without the application of pre-emption rights: (a) for cash on a non-pre-emptive basis an aggregate nominal value of £1,246,239 which is equivalent to approximately 10 per cent. of the Company's issued ordinary share capital (which includes the sale on a non pre-emptive basis of any shares held in treasury) as at 15 November 2024 (being the latest practicable date prior to the publication of this notice), if used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles; and (b) otherwise than pursuant to (a), 20% of the number of shares referred to in (a) above for the purposes of making a follow on offer.

Unless shareholder approval is obtained, Ordinary Shares will only be issued pursuant to these authorities for cash on a non pre-emptive basis at a premium to the prevailing net asset value per share at the time of issue in order to take account of the costs of such issue and will therefore be non-dilutive to the prevailing net asset value per share for existing shareholders.

If given, the authorities contained in Resolutions 17 and 18 will expire at the conclusion of the 2025 AGM or on 16 March 2026 (the date which is 15 months after the passing of the resolution), whichever is earlier.

Resolution 19 – Company's authority to purchase its own Ordinary Shares

At the annual general meeting of the Company held on 7 December 2023, the Company was authorised to make market purchases of up to 186,811,253 of its own Ordinary Shares. This authority, which was granted at the annual general meeting held on 7 December 2023, will expire at the end of this year's annual general meeting.

Resolution 19 in the notice of annual general meeting, is proposed as a special resolution, to authorise the Company to make market purchases of up to 186,811,253 Ordinary Shares. This equals 14.99 per cent of the Ordinary Shares in issue on 15 November 2024 (being the latest practicable date prior to the publication of this document). As previously noted, the Company does not as at the date of this document hold any Ordinary Shares in treasury. The maximum price that may be paid shall be the higher of (i) 5 per cent above the average of the middle market quotations for an ordinary share for the five business days immediately before the day on which such share is contracted to be purchased and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses). The minimum price which may be paid for each Ordinary Share shall be £0.01 (exclusive of all expenses).

The authority conferred by Resolution 19 will expire at the earlier of the end of next year's annual general meeting or 16 March 2026.

The Company may hold in treasury any of its Ordinary Shares that it purchases in accordance with the Companies Act 2006 and the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base. Ordinary Shares held in treasury may subsequently be cancelled, sold for cash, or transferred for the purposes of, or pursuant to, employee share scheme. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of those Ordinary Shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the Ordinary Shares held in treasury.

If Resolution 19 is passed at the annual general meeting, it is the Company's current intention to cancel all of the Ordinary Shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and the prevailing market conditions, the Board will need to assess at the time of any and each actual purchase whether to hold the Ordinary Shares in treasury or cancel them, provided it is permitted to do so.

As at 15 November 2024 (being the latest practicable date prior the publication of this document), there were no options or warrants outstanding over the Company's ordinary share capital.

Resolution 20 – period of notice for general meetings (other than annual general meetings)

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

Under the Companies Act 2006, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and vote

Only those shareholders registered in the Company's register of members at:

- close of business on 12 December 2024; or,
- if this meeting is adjourned, the time which is 48 hours before the time fixed for the adjourned meeting,

shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting, subject to the below restrictions on attendance at the AGM, speak and vote at the meeting.

Shareholders should submit their votes by proxy by 11.00 a.m. on 12 December 2024.

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Website giving information regarding the meeting

Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.supermarketincomereit.com

Attending in person

Please ensure to bring your attendance card with you to the AGM. We recommend that you arrive by 11.45 a.m. to enable us to carry out all registration formalities to ensure a prompt start at 12.00 p.m. If you have any special needs or require wheelchair access to the venue, please contact the Company Secretary by telephone on 0207 409 0181 in advance of the meeting. Mobile phones may not be used in the meeting and cameras and recording equipment are not allowed in the meeting.

Attendance via proxy or corporate representative

If you wish to appoint a proxy and for them to attend the meeting on your behalf, please submit your proxy appointment in the usual way. Details of which are set out below.

It is suggested that you do this as soon as possible and in any case at least 48 hours (excluding non-working days) before the meeting.

Appointment of proxies

A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his/her place, subject to the above restrictions on attendance at the AGM. If a shareholder wishes to appoint more than one proxy and so requires additional proxy forms, the shareholder should contact the Company's Registrar Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. A proxy need not be a member of the Company.

You can vote either:

- by logging on to <https://www.signalshares.com/> and following the instructions;
- if you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:00p.m. on 12 December 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by these terms and they will govern the electronic appointment of your proxy
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; and
- you may request a hard copy form of proxy directly from the registrars, Link Group, by email at shareholderenquiries@linkgroup.co.uk, or you may call Link on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Submission of a proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.
- In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12.00p.m., on Friday, 12 December 2024.

Changing or revoking proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Any amended proxy appointment must be received no later than 12.00p.m. on 12 December 2024 and any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Group on 0371 664 0300 (or +44 371 664 0300 if you are outside the United Kingdom) and ask for another proxy form.

If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last delivered or received shall prevail in conferring authority on the person named in it to attend the meeting and speak and vote. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of the relevant share(s).

In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a notarially certified copy of such power or authority). The revocation notice must be received no later than 12:00p.m., on Friday, 12 December 2024.

In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid (unless you attend the meeting and vote in person).

Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Corporate representatives

A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

Nominated persons

Any person to whom this notice is sent who is a person nominated under s.146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of the rights of members in relation to the appointment of proxies does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

The main point of contact for a Nominated Person in terms of their investment in the Company remains the member by whom he or she was nominated (or perhaps a custodian or broker who administers the investment) and a Nominated Person should continue to contact them (and not the Company) regarding changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from a Nominated Person.

Withheld votes

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Issued shares and total voting rights

As at 5.00 p.m. on 15 November 2024, which is the latest practicable date before publication of this notice, the Company's issued share capital comprised 1,246,239,185 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights on that date is 1,246,239,185. No shares are held in treasury.

The Company's website will include information on the number of shares and voting rights.

Questions during the meeting

Any shareholder or proxy can ask questions. If you would like to ask a question, please raise your hand at any time during the Q&A session up until the Chair closes the session.

Statements pursuant to section 527 of the Companies Act 2006

Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

The request:

- may be in hard copy form or in electronic form (see below);
- either set out the statement in full or, if supporting a statement sent by another Shareholder, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it (see below); and
- be received by the Company by close of business on 9 December 2024, which is at least one week before the meeting.

Submission of hard copy and electronic requests and authentication requirements

Where a shareholder or shareholders wishes to request the Company:

- Publish audit concerns,

Such request must be made by either sending:

- A hard copy request which is signed by you, states your full name, address and Investor Code (IVC) to the Company Secretary Supermarket Income REIT plc, c/o Hanway Advisory Limited, The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF; or
- A request which states your full name and address and Investor Code (IVC) to hanwayadvisory@jtcgroup.com. Please state AGM in the subject line of the email.

Documents on display

Copies of the letters of appointment of the non-executive directors and the Company's articles of association are available for inspection at the Company's registered office during normal business hours and will be available at the AGM venue 15 minutes before the meeting. Accordingly, if you wish to inspect any of these documents, you should e-mail hanwayadvisory@jtcgroup.com to arrange an appointment.

Voting

Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the meeting, the results of the voting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a regulatory information service and also placed on the Company's website.

Communication

Except as provided above, shareholders who have general queries about the meeting should contact Link Group, by email at shareholderenquiries@linkgroup.co.uk, or you may call Link on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

You may not use any electronic address provided in this notice of Annual General Meeting, or in any related documents for communicating with the Company for the purposes other than those expressly stated.

APPENDIX – Proposed Investment Objective and Policy

Investment Objective

The Company's investment objective is to provide its shareholders with an attractive level of income together with the potential for capital growth by investing in a diversified portfolio of supermarket real estate assets in the UK and Europe.

Investment Policy

The Company is focused on investing in a diversified portfolio of principally freehold and long leasehold operational properties let to supermarket operators in the UK and Europe, which benefit from long-term growing income streams with high quality tenant covenants.

The Company will continue predominantly to target assets with long unexpired lease terms with index-linked or fixed rental uplifts in order to provide investors with secure and growing income.

The Company expects its assets to be leased to institutional grade supermarket grocery operators with properties located in the UK and Europe, that have multi-billion pound revenues¹ and strong consumer brands. The Company may also invest in assets let to other supermarket operators and retailers where it believes the underlying asset covenant is consistent with the overarching objective of providing shareholders with regular and sustainable dividends as well as the potential for some capital value uplift over the longer term.

The Company will seek to diversify its exposure to individual cities, towns and regions. The Company will also seek to acquire different sized assets appealing to different consumer types with typical assets ranging from larger convenience-based store formats through to the larger superstores.

The Company will target assets that it believes may benefit from future asset management opportunities. In addition, the Company will target assets that it believes offer good potential for alternative use over the longer term. This includes targeting assets in highly populated residential areas with strong transportation links.

The Company will primarily seek to acquire properties which are already operationally complete and fully let. The Company may invest, from time to time, in asset management or development opportunities, which, when complete, would fall within the Investment Policy to invest in operational properties let to supermarket operators. In addition, the Company may seek to maximise alternative use values of existing operational assets by engaging with planning authorities and development partners. Any asset management or development opportunities will be conducted in such a way that the project will have no recourse to the other assets of the Company (outside of the funds committed to the development). The expected gross development cost to the Company and its subsidiaries (the "Group") of any such developments will be limited to an amount representing 20 per cent. of the Group's gross assets, measured at the commencement of the relevant development.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).

Investment Restrictions

The Company will continue to invest and manage its assets with the objective of spreading risk and, in doing so, will maintain the following investment restrictions (all of which are applied at the time of investment and are reviewed by the Board semi-annually following semi-annual valuations produced in accordance with the Company's valuation policy):

- the Company will invest, directly or indirectly, at least 80 per cent. of its Gross Asset Value in properties located in the UK and Europe let to supermarket operators;
- the Company may invest up to 20 per cent. of its Gross Asset Value in assets let to non-supermarket operators;

- the Company will derive at least 60 per cent. of its rental income from a portfolio of properties located in the UK let to supermarket operators;
- the Group will own no more than two assets within any single geographical area (defined as being within a 10 minute drive time of each other for urban areas, or a 15 minute drive time for rural areas, a “Geographical Area”)²;
- in any single Geographical Area, no individual grocer tenant will operate more than one of the Group’s grocery real estate assets where the value of the two assets combined at the point of acquisition would exceed 10 per cent. of the portfolio Gross Asset Value²;
- the expected gross development costs (which include costs incurred of any forward funded developments) to the Group of development opportunities will not exceed 20 per cent. of the Group’s gross assets at the commencement of the relevant development;
- the Group may acquire property interests either directly or through corporate/other structures (whether onshore UK or offshore) and also through joint venture or other shared ownership or co-investment arrangements;
- the Company will not invest in other closed-ended investment companies; and
- neither the Company, nor any of its subsidiaries will conduct any trading activities which are significant in the context of the Group as a whole.

In addition to the above investment restrictions, no individual property is to represent more than 15 per cent. of the prevailing Gross Asset Value at the time of investment.

In the event of a breach of the investment guidelines and restrictions set out above, the AIFM shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service. Any material change to the Investment Policy may only be made by Shareholders’ ordinary resolution.

Borrowing policy

The Directors intend that the Company will follow a prudent approach for the asset class with its gearing and maintain a conservative level of aggregate borrowings.

The Board intends that gearing, calculated as borrowings as a percentage of the Group’s gross assets, will continue to be approximately 30 to 40 per cent. over the medium term (calculated at the time of drawdown). However, the Group will have the ability to exceed this level from time to time as borrowings are incurred to finance the growth of the Group’s portfolio. The Group will have a maximum level of aggregate borrowing of 60 per cent. of the Company’s Gross Asset Value at the time of drawdown of the relevant borrowings.

Borrowings will over the longer term be diversified by covenant, lender, type and maturity profile and will primarily be secured at the asset or special purpose vehicle level and will therefore be non-recourse to the other assets of the Group.

The Company will be permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits and gilts. The Company may enter into interest rate derivatives, from time to time, for the purposes of efficient portfolio management.

¹ Or local currency equivalent

² Excludes assets which the Group has contracted to or has an obligation to dispose of

Blackline – Proposed Investment Objective and Policy

Investment Objective

The Company's investment objective is to provide its shareholders with an attractive level of income together with the potential for capital growth by investing in a diversified portfolio of supermarket real estate assets in the UK [and Europe](#).

Investment Policy

The Company is focused on investing in a diversified portfolio of principally freehold and long leasehold operational properties let to ~~UK~~ supermarket operators [in the UK and Europe](#), which benefit from long-term growing income streams with high quality tenant covenants.

The Company will continue predominantly to target assets with long unexpired lease terms (~~typically more than 15 years to first break~~) with index-linked or fixed rental uplifts in order to provide investors with [secure and growing](#) income ~~security and considerable inflation protection~~.

The Company expects its assets to be leased to institutional grade [supermarket grocery operators with properties located in the UK and Europe](#) ~~tenants, with that have~~ multi-billion pound revenues¹ and strong consumer brands. ~~The Company expects the majority of its tenants to consist of the four largest UK supermarket operators by market share, currently Tesco, Sainsbury's, Asda and Morrisons. The Company may also invest in assets let to other supermarket operators and retailers, such as Lidl, Marks & Spencer, Aldi or Waitrose,~~ where it believes the underlying asset covenant is consistent with the overarching objective of providing shareholders with regular and sustainable dividends as well as the potential for some capital value uplift over the longer term.

The Company will seek to diversify its exposure to individual cities, towns and regions. The Company will also seek to acquire different sized assets appealing to different consumer types with typical assets ranging from larger convenience-based store formats through to the larger superstores.

The Company will target assets that it believes may benefit from future asset management opportunities. In addition, the Company will target assets that it believes offer good potential for alternative use over the longer term. This includes targeting assets in highly populated residential areas with strong transportation links.

The Company will primarily seek to acquire properties which are already operationally complete and fully let. The Company may invest, from time to time, in asset management or development opportunities, which, when complete, would fall within the Investment Policy to invest in operational properties let to ~~UK~~ supermarket operators. In addition, the Company may seek to maximise alternative use values of existing operational assets by engaging with planning authorities and development partners. Any asset management or development opportunities will be conducted in such a way that the project will have no recourse to the other assets of the Company (outside of the funds committed to the development). The expected gross development cost to the [REIT Company and its subsidiaries \(the "Group"\)](#) of any such developments will be limited to an amount representing 20 per cent. of the ~~REIT~~ Group's gross assets, measured at the commencement of the relevant development.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the ~~CTA~~[Corporation Tax Act 2010](#) 2010 (and the regulations made thereunder).

Investment Restrictions

The Company will continue to invest and manage its assets with the objective of spreading risk and, in doing so, will maintain the following investment restrictions (all of which are [applied at the time of investment and are](#) reviewed by the Board semi-annually following semi-annual valuations produced in accordance with the Company's valuation policy):

- the Company will invest, directly or indirectly, at least 80 per cent. of its Gross Asset Value in properties [located in the UK and Europe](#) let to ~~UK~~ supermarket operators;

- the Company may invest up to 20 per cent. of its Gross Asset Value in assets let to non-supermarket operators;
- the Company will derive at least 60 per cent. of its rental income from a portfolio of properties located in the UK let to the largest four supermarket operators in the UK by market share;
- ~~• no individual UK grocer tenant will operate more than one of the REIT Group's UK grocery real estate assets in any single geographical area, which is defined as being within a 10 minute drive time of each other for urban areas or a 15 minute drive time for rural areas, and the REIT Group will own no more than two assets within the drive times as aforesaid¹;~~
- the Group will own no more than two assets within any single geographical area (defined as being within a 10 minute drive time of each other for urban areas, or a 15 minute drive time for rural areas, a "Geographical Area")²;
- in any single Geographical Area, no individual grocer tenant will operate more than one of the Group's grocery real estate assets where the value of the two assets combined at the point of acquisition would exceed 10 per cent. of the portfolio Gross Asset Value²;
- the expected gross development costs (which include costs incurred of any forward funded developments) to the REIT Group of development opportunities will not exceed 20 per cent. of the REIT Group's gross assets at the commencement of the relevant development;
- the REIT Group may acquire property interests either directly or through corporate/other structures (whether onshore UK or offshore) and also through joint venture or other shared ownership or co-investment arrangements;
- the Company will not invest in other closed-ended investment companies; and
- neither the Company, nor any of its subsidiaries will conduct any trading activities which are significant in the context of the REIT Group as a whole.

In addition to the above investment restrictions, no individual property is to represent more than 15 per cent. of the prevailing Gross Asset Value ~~at the date of this document, and no individual property will represent more than 15 per cent. of the prevailing Gross Asset Value~~ at the time of investment.

In the event of a breach of the investment guidelines and restrictions set out above, the AIFM shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service. Any material change to the Investment Policy may only be made by Shareholders' ordinary resolution.

~~The revised investment restrictions reflect certain non-material amendments in connection with the Company's migration of listing.~~

Borrowing policy

The Directors intend that the Company will follow a prudent approach for the asset class with its gearing and maintain a conservative level of aggregate borrowings.

The Board intends that gearing, calculated as borrowings as a percentage of the REIT Group's gross assets, will continue to be approximately 30 to 40 per cent. over the medium term (calculated at the time of drawdown). However, the REIT Group will have the ability to exceed this level from time to time as borrowings are incurred to finance the growth of the REIT Group's portfolio. The REIT Group will have a maximum level of aggregate borrowing of 60 per cent. of the Company's Gross Asset Value at the time of drawdown of the relevant borrowings.

Borrowings will over the longer term be diversified by covenant, lender, type and maturity profile and will primarily be secured at the asset or special purpose vehicle level and will therefore be non-recourse to the other assets of the REIT Group.

Supermarket Income REIT plc
Company No. 10799126

The Company will be permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits and gilts. The Company may enter into interest rate derivatives, from time to time, for the purposes of efficient portfolio management.

¹ [*Or local currency equivalent*](#)

² *Excludes assets which the Group has contracted to or has an obligation to dispose of*
