

# SUPR INTERNALISATION

**Investor Presentation** 

**MARCH 2025** 



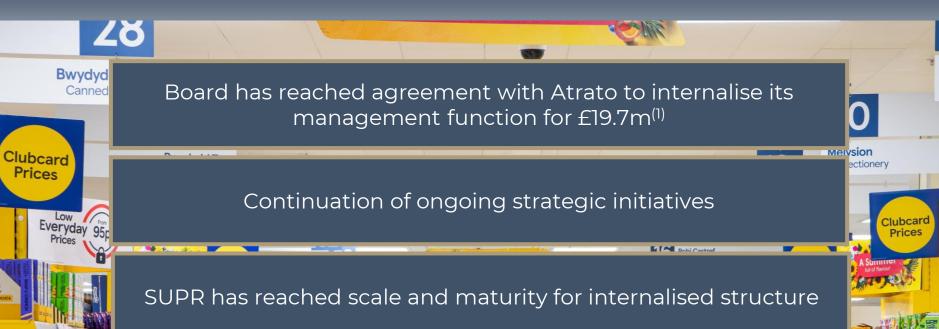




INVESTING IN THE FUTURE OF GROCERY

# Transaction summary





Highest return capital allocation option delivering significant cost savings of at least £4 million pa, a 5 year payback period

Subject to voluntary shareholder vote on 20 March, the Internalisation is expected to be effective from 25 March 2025



# Progressing our strategic initiatives



**Cost reduction** 

Internalisation is the culmination of that strategy



Recycle low yielding assets

Tesco, Newmarket sold at 5.2% NIY<sup>(1)</sup>



**Prove affordable rents** 

Lease extensions materially above MSCI and valuer ERVs



Introduce JV capital

In progress, with capital allocation optionality



## Focus on enhancing earnings and dividend cover



# Internalisation delivers significant benefits for SUPR



- Highest return capital allocation option
- Significant cost savings of at least £4 million per annum, equivalent to a c.5 year payback period
- New EPRA cost ratio target < 9%, one of the lowest in the sector
- Enhancing the alignment between the Company, management and shareholders
- Simplified management structure, securing the specialist team and platform
- Broaden interest in the investment community, reduce costs and improve shareholder returns

# Highest return capital allocation option





Internalisation is the most accretive capital allocation option



# Delivering cost savings of at least £4m per annum



Units: £000s	FY24 adjusted for Dec-24 IA fee change <sup>(1)</sup>	Pro-forma 12 month run rate <sup>(3)</sup>
Investment adviser fees	7,786	-
Salaries, social security costs	-	4,200
Director's remuneration	410	580
Corporate administration fees	740	600
Legal and professional fees	1,475	1,400
Other administrative expenses	2,812	1,820
Office, IT and other costs	-	500
Total	13,223	9,100

Notes
Market cap based fee <sup>(2)</sup>
Transferred management team, allows for 50% vesting of LTIPs
New NED fees following internalisation
Key savings – AIFM <sup>(1)</sup>
No material change
Key savings – Accounting and Payment Services <sup>(1)</sup>
c.£4m total saving vs market cap based fee

Past performance is not indicative of future results



<sup>2)</sup> Assumes investment adviser fee calculated on market capitalisation based on an average share price of 72.60 pence fo the 12 months to 28 February 2025.

<sup>3)</sup> The pro-forma 12 month run rate as presented above is not intended as a profit forecast or estimate for any period and does not allow for one-off or exceptional costs.

# Highly experienced Management Team and Board



#### **Management Team**



**Rob Abraham** CEO

- Fund Manager, for 3 years, with Atrato for 6 years, helping grow SUPR's portfolio from 7 to 82 supermarkets
- 14 years of experience across real estate, finance, capital markets and investment
- CFA qualified



Mike Perkins
CFO

- Finance Director, Supermarkets, for 1 year
- Previously CFO at Logistics Asset Management, IA to Urban Logistics REIT
- 15 years' experience in the real estate and financial services sector
- 8 years of listed real estate experience
- Fellow, ACCA

Simplified leadership structure

Experienced team of 14 full time employees including Fund Management, Asset Management, Investor Relations and Finance functions

Efficient operational transition of entire platform

Team which is 100% focused on SUPR

#### **Board of Directors**



Nick Hewson Chair



Sapna Shah SID



Jon Austen Audit Chair



Vince Prior NED



Frances
Davies
NED



Cathryn Vanderspar NED



Roger Blundell NED

#### **Outsourced services**

- · HR
- IT
- Cosec
- ESG

# Transitional services to be provided by Atrato



# **Ensuring continuity of business ESG** Atrato Head of Sustainability to provide support for nine months IT separation to be delivered (Atrato IT has recent transition experience IT following processes with ROOF and SOHO), with nine months support thereafter New systems are being set up and ringfenced from wider Atrato business: eg **Systems** HR management software, finance etc Atrato HR has supported with review / update of HR HR policies / employment contracts etc

## **Indicative Transaction Timeline**



EXPECTED TIMETABLE OF PRINCIPAL EVENTS (1)		
4 March 2025	Announce Internalisation and Publication of Circular	
2 p.m. on 18 March 2025	Latest time and date for receipt of proxy appointments	
2 p.m. on 20 March 2025	General Meeting	
25 March 2025 <sup>(2)</sup>	Expected completion date of the Internalisation	

- 1) The times set out in the expected timetable of principal events above and mentioned throughout this document are times in London unless otherwise stated, and may be subject to change, in which event details of the new times and dates will be notified to Shareholders.
- 2) These times and dates are indicative only and will depend on, amongst other things, the date upon which the Condition is satisfied.

# **Key strategic objectives**



# Focus on enhancing earnings and dividend cover



Deliver internalisation and pursue change of listing



Review capital allocation options



Progress JV opportunities and accretive acquisitions



Target 100% unsecured debt financing and extend debt maturity



EPRA cost ratio target of <9% to be amongst sector leaders



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