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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

RESILIENT FINANCIAL PERFORMANCE – DELIVERING ON STRATEGIC OBJECTIVES

The Board of Directors of Supermarket Income REIT plc (LSE: SUPR), the real estate investment trust with secure, inflation-linked, long-dated income from grocery property, reports its interim results for the Group for the six months ended 31 December 2024 (the “Period”).

FINANCIAL HIGHLIGHTS

	Six months to 31-Dec-24	**Six months to 31-Dec-23**	**Change in Year**
Annualised passing rent[1]	£118.5m	£104.7m	+13%
Adjusted earnings per share[1]	3.0 pence	2.9 pence	+3%
IFRS earnings per share	2.9 pence	(4.4) pence	+167%
Dividend per share (declared)	3.1 pence	3.0 pence	+1%
Dividend cover[2]	0.99x	0.97x	n/a
EPRA cost ratio[1]	13.6%	15.1%	n/a

	31-Dec-24	**30-June-24**	**Change in Period**
Portfolio valuation[3]	£1,833m	£1,776m	+3%
Portfolio net initial yield[1]	6.0%	5.9%	n/a
EPRA NTA per share[1]	88 pence	87 pence	+1%
IFRS NAV per share	90 pence	90 pence	-
Loan to value[1]	39%	37%	n/a

Nick Hewson, Chair of Supermarket Income REIT plc, commented:

“I am pleased with the progress we have made on the strategic initiatives announced in November 2024, which are ultimately designed to enhance the Company’s earnings and close the discount to NAV. We have already delivered on a number of these objectives with the sale of Tesco, Newmarket above book value, the renewals of our three shortest lease assets at rental levels materially ahead of our valuer’s ERVs, and the acquisition of earnings enhancing assets in the UK and France.

Delivering cost savings to enhance earnings is another important objective and the recently announced proposed internalisation of the Company’s management function is part of this process, delivering material cost savings and strengthening alignment with shareholders.

I look forward to another busy period focused on delivering on our strategic objectives, which we believe will help encourage the market to assign appropriate value to the quality of our portfolio.”

1 The alternative performance measures used by the Group have been defined and reconciled to the IFRS financial statements within the unaudited supplementary information (see Notes to EPRA and other Key Performance Indicators)

2 Calculated as Adjusted earnings divided by dividends paid during the year

3 Includes assets held for sale at fair value as at 31 December 2024 (see Note 13)

Key highlights - delivering on strategic objectives

- Proposed internalisation of the Company's management function for a consideration of £19.7 million (the "Internalisation"), enhancing alignment with shareholders and delivering annual cost savings of at least £4 million[4]
- Capital recycling delivered through £63.5 million sale of Tesco, Newmarket at a 7.4% premium to book value highlighting attractiveness of our assets and conservative valuation of our portfolio[4]
- Completed three lease renewals at an average of 35% above MSCI's supermarket benchmark index providing valuable evidence of achievable rent renewals on high performing, large format, omnichannel stores at 4% rent to turnover[4]
- Earnings enhancing acquisitions, with £49.7 million in the UK and a further €36.7 million[4] tranche of direct sale and leaseback with Carrefour in France
- Continue to actively explore opportunities to recycle capital through individual asset sales and potential joint ventures at attractive valuations

Proposed internalisation of the Company[4]

- Significant cost savings of at least £4 million per annum, equivalent to a yield on cost of c.19%
- Delivering the highest return on capital of any capital allocation option, whilst share buybacks and property acquisitions remain under consideration for future capital recycling
- Opportunity to achieve a material enhancement in EPRA earnings and long-term dividend cover, with the potential for higher future dividend growth
- New EPRA cost ratio target of below 9%, one of the lowest in the sector
- Enhancing the alignment between the Company, its management and shareholders
- Simplified management structure, securing the specialist supermarket fund management team and platform through the transfer of the systems, know-how and proprietary market knowledge that Atrato has developed since 2017
- Creating a structure that is more appropriate for a UK REIT of the scale of SUPR, providing greater strategic flexibility improving shareholder returns and broadening SUPR's potential investor universe
- Enabling the Company to pursue a transfer of its listing to the "equity shares (commercial company)" category
- Improved access to capital and balance sheet flexibility
- Potential future fee generation opportunities for the Company, leveraging the team's expertise through joint ventures

Proactive capital recycling and earnings enhancing acquisitions[4]

- £63.5 million sale of Tesco, Newmarket store to Tesco, 7.4% above prevailing book value[5], highlighting the business critical nature of omnichannel stores
- Proceeds from the Tesco Newmarket sale used to fund the costs of internalisation and to initially reduce debt
- Acquisition of an earnings enhancing portfolio of Carrefour supermarkets in France

Lease extensions evidence affordable rent level underwriting of stores[4]

- Renewals agreed on three of SUPR's shortest lease stores at average rents 35% above the MSCI's supermarket benchmark index and 13% above the Company's valuer's estimated rental values ("ERV")[6]
- New leases with 15 year terms with annual RPI-linked uplifts (subject to a 4% cap and 0% floor)

4 Post 31 December 2024

5 As at 30 June 2024

6 "ERV" as at 31 December 2024

- Provides market evidence of 4% rent to turnover affordability underwrite, in-line with Company portfolio average
- Valuation uplift on these regeared assets expected to be fully realised at FY25
- Portfolio WAULT extended from 11 years to 12 years
- Next material lease renewal in 7 years[7]

<u>Financial highlights for the six month period ended 31 December 2024</u>

Resilient financial performance

- 12% growth in operating profit to £50.3 million, reflecting:
    - 13% increase in annualised passing rent to £118.5 million through acquisitions and contractual rental uplifts in the period
    - The average annualised increase in rent from reviews performed during the period was 3.0%
    - EPRA NTA increased to 88 pence per share (30 June 2024: 87 pence per share) from an increase in property valuations of 0.5% on a like-for-like basis.
- EPRA cost ratio reduced to 13.6% (six months to 31 December 2023: 15.1%) with further cost reductions expected at FY25 Results
- Adjusted EPS increased to 3.0 pence following earnings enhancing acquisitions in the period
- On track to deliver full-year 2025 dividend target of 6.12 pence per share

Supermarket property valuations have troughed with valuations increasing

- Portfolio independently valued at £1.8 billion, inclusive of acquisitions of £49.7 million, reflecting net initial yield ("NIY") of 6.0% (30 June 2024: 5.9%)
- Like-for-like valuation increase of 0.5%
- Positive valuation impact of post period lease renewals and capital recycling expected to be fully reflected in the FY25 Results

Portfolio of business critical, future-proofed omnichannel supermarkets

- Portfolio of 74 mission critical omnichannel stores (82[8] as at 10 March 2025)
- 11 years weighted average unexpired lease term ("WAULT") (12 years as at 10 March 2025)
- 81% of rental income inflation-linked (81% as at 10 March 2025)
- Strong performing investment-grade tenant covenants with 79% of income from Sainsbury's, Tesco and Carrefour (79% as at 10 March 2025)

Earnings enhancing acquisitions and active portfolio management

- Acquired a Sainsbury's omnichannel supermarket in Huddersfield, West Yorkshire, for £49.7 million (excluding acquisition costs), reflecting a NIY of 7.6%[9]
- Post period acquisition of nine[8] omnichannel Carrefour stores in France for €36.7 million (excluding acquisition costs), reflecting a net initial yield of 6.8%[10]
- EV charging installations now operational at five sites

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7 Excludes leases where passing rent is <0.3% of annual rent roll

8 Includes one store for which the Company has signed a conditional purchase to buy

9 NIY achieved on actual transaction costs of 2.3% due to the acquisition of a corporate entity. Acquisition NIY based on standard purchase costs of 6.8% is 7.3%.

10 Based on 7.3% standard purchaser's costs in France

- Active asset management with terms being negotiated for the development of three new discount food stores

Strong balance sheet with 93% of drawn debt hedged to fixed rate

- LTV of 39% as at 31 December 2024 (30 June 2024: 37%), reduced to 38% as at 10 March 2025
- 93% of drawn debt fixed or hedged at a weighted average finance cost of 4.0% (30 June 2024: 3.8%)
- Proactive management of debt facilities including the Company's first private placement issuance of €83 million new senior unsecured notes with a term of seven years and a fixed rate coupon of 4.4%. This provides a natural hedge for the Carrefour acquisitions in France
- Refinancing of the Deka facility with a new ING facility with a term of three years and a margin of 1.55% over SONIA that remains hedged to January 2026 which caps the interest rate at an all-in cost of 3.0%
- Post period end private placement issuance of €39 million new senior unsecured notes with a term of seven years and a fixed rate coupon of 4.1%
- Fitch Ratings Limited ("Fitch") reaffirmed the Company's Investment Grade Credit Rating of BBB+ with a stable outlook

Continued progress on sustainability reporting

- EPRA Sustainability Best Practices Recommendations ("sBPR") Silver and Most Improved Awards received in September 2024
- Climate Disclosure Project ("CDP") responses submitted for the first time in October 2024

Completion of Secondary listing on the Johannesburg Stock Exchange ("JSE")

- In December 2024 the Company completed a secondary listing on the JSE
- The listing provides the Company exposure and an enhanced profile to a broader investor base and the opportunity to diversify the share register
- From 24 March 2025 the Company will be included in a number of South African indices, most notably the FTSE/JSE All Share Index ("ALSI") and FTSE/JSE All Property Index ("ALPI")

PRESENTATION FOR ANALYSTS

The Company will be holding an in-person presentation for analysts at 08.30am today at Stifel Nicolaus Europe Limited's offices, 150 Cheapside, City of London, London, EC2V 6ET. To register to attend in-person, please contact FTI Consulting: SupermarketIncomeREIT@fticonsulting.com. There will also be a webcast available. To join the presentation via the webcast, please register using the following link: Supermarket Income REIT – Half Year Results Presentation 2025 | SparkLive | LSEG

The results presentation is available in the Investor Centre section of the Group's website.

FOR FURTHER INFORMATION

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NOTES TO EDITORS:

Supermarket Income REIT plc (LSE: SUPR, JSE: SRI) is a real estate investment trust dedicated to investing in grocery properties which are an essential part of the feed the nation infrastructure. The Company focuses on grocery stores which are omnichannel, fulfilling online and in-person sales. The Company's supermarkets are let to leading supermarket operators in the UK and Europe, diversified by both tenant and geography.

The Company's assets earn long-dated, secure, inflation-linked, growing income. The Company targets a progressive dividend and the potential for capital appreciation over the longer term.

The Company is listed on the Closed-ended investment funds category of the FCA's Official List and its Ordinary Shares are traded on the LSE's Main Market. The Company also has a secondary listing on the Main Board of the JSE Limited in South Africa.

Atrato Capital Limited is the Company's Investment Adviser.

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

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CHAIR'S STATEMENT

Dear Shareholder,

The six months to 31 December 2024 has been another period of resilient operational performance by the Company against a challenging market backdrop for real estate. The share price has, however, failed to reflect the value that we as a Board place on the Company. In November 2024 we announced a series of strategic initiatives to underpin our NAV and the ERV of our rental stream, and to reduce the overall cost of running the Company. The delivery of these initiatives should lead to a fully covered dividend and to a positive rerating of the shares. I am therefore delighted to be able to report on the significant progress that we have made.

As part of our plan to provide market evidence for our property valuations and our NAV, the Company successfully executed the sale of an omnichannel Tesco store in Newmarket to the store's operator, Tesco plc, for £63.5 million, at a 7.4% premium to the June 2024 valuation. This transaction was completed post period end but was the culmination of many months of hard work during the reporting period.

We have also been making earnings enhancing acquisitions, including the purchase during the period of a top quartile Sainsbury's store in Huddersfield for £49.7 million. Post period end, the Company acquired a portfolio of nine[8] high-quality omnichannel Carrefour supermarkets in France for €36.7 million, through a direct sale and lease back transaction, making Carrefour 6%[11] of the Group's portfolio by rental income.

Post period end, the Company announced that lease renewals had been agreed on our three shortest leased Tesco stores. These new 15 year, inflation-linked leases were agreed at rents 35% above the MSCI supermarket rental index and 13% higher than valuer ERVs. The renewals verify the underwrite that the Company has made on the affordable rents and the next material lease renewal is now over seven years away. The re-geared stores also benefit from a valuation uplift which will be reflected in the full year report.

We more recently announced that the Board has decided to internalise the management function of the Company for a consideration of £19.7 million, subject to shareholder approval. There are a number of benefits to internalisation with significant cost savings of at least £4 million per annum, which should deliver a material enhancement in EPRA earnings and long-term dividend cover, with the potential for higher future dividend growth. The Board believes that the Company is of a scale and maturity for internalisation to be the correct step and in Rob Abraham and Mike Perkins, the Board is confident that we have the right individuals to lead the Company into this new and exciting phase. A General Meeting has been scheduled at 2pm on 20 March 2025, providing shareholders the opportunity to vote on the proposed internalisation. The Board would like to extend our thanks to Ben Green, Steve Windsor and the whole Atrato team for their contribution to the Company which they have grown from a single supermarket in 2017, to a FTSE 250 Company and the largest UK based landlord of omnichannel supermarkets.

The Company completed its secondary listing on the JSE late in December 2024 and from 24 March 2025, will be included in a number of South African indices. We continue to engage with South African institutional investors who have expressed an interest in purchasing the Company's shares and we look forward to welcoming them to the register.

The Company's continued progress against its refreshed sustainability strategy has been recognised externally with the achievement of two EPRA Sustainability Best Practices Recommendations ("sBPR") Awards; Silver and Most Improved. Engagement with our tenants on sustainability has remained a key focus of the Company during the period. In January 2025, in line with the Board's succession plan, we welcomed Roger Blundell as an independent non-executive director of the Company. Roger will succeed Jon Austen as Chair of the Audit and Risk Committee.

OUTLOOK

The key strategic objectives that we outlined in November 2024 are focused on delivering earnings growth which we believe will help to close the share price discount to NAV. I am very pleased with the progress that we have made against these objectives as I have outlined above, however, there is more work to do and I look forward to updating you on continued progress.

Nick Hewson
Chair
10 March 2025

11 Includes one store for which the Company has singed a conditional purchase to buy

KEY PERFORMANCE INDICATORS

Our objective is to provide secure, inflation-linked, long-dated income from grocery property. Set out below are the key performance indicators we use to track our progress.

KPI	Definition	Performance
1. Total Shareholder Return	Shareholder return is one of the Group's principal measures of performance. Total Shareholder Return ("TSR") is measured by reference to the growth in the Group's share price over a period, plus dividends declared for that period.	-1.8% for the six months ended 31 December 2024 (Six months ended 31 December 2023: 23.2%)
2. WAULT	WAULT measures the average unexpired lease term of the Property Portfolio, weighted by the Portfolio valuations.	11 years WAULT as at 31 December 2024 (As at 30 June 2024: 12 years)
3. EPRA NTA per share	The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to Shareholders and calculated in accordance with EPRA guidelines. EPRA states three measures of NAV to be used; of which the Group deem EPRA NTA as the most meaningful measure. See Note 24 for more information.	88 pence per share as at 31 December 2024 (As at 30 June 2024: 87 pence per share)
4. Net Loan to Value	The proportion of our Direct Portfolio gross asset value that is funded by borrowings calculated as balance sheet borrowings less cash balances divided by total investment properties valuation.	39% as at 31 December 2024 (As at 30 June 2024: 37%)
5. Adjusted EPS	EPRA earnings adjusted for company specific items to reflect the underlying profitability of the business.	3.0 pence per share for the six months ended 31 December 2024 (Six months ended 31 December 2023: 2.9 pence per share)

The Company has also included an additional earnings measure called "Adjusted earnings" and "Adjusted EPS". Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings by deducting one-off items such as debt restructuring costs. Adjusted earnings is considered a better reflection of the measure over which the Board assesses the Group's trading performance and dividend cover.

Following the updated September 2024 EPRA best practice recommendations guidelines, the specific adjustment to EPRA earnings in relation to finance income received on interest rate derivatives is now included within the EPRA earnings calculation. As such the comparative period calculations in the table below have been adjusted to reflect the new guidelines retrospectively. Debt restructuring costs relate to the acceleration of unamortised arrangement fees following the refinancing of the Group's debt facilities during the period. Adjusted EPS reflects the adjusted earnings defined above attributable to each shareholder.

The Group uses alternative performance measures including the European Public Real Estate ("EPRA") Best Practice Recommendations ("BPR") to supplement its IFRS measures as the Board considers that these measures give users of the interim financial statements the best understanding of the underlying performance of the Group's property portfolio. The EPRA measures are widely recognised and used by public real estate companies and investors and seek to improve transparency, comparability and relevance of published results in the sector.

Reconciliations between EPRA measures and the IFRS financial statements can be found in Notes 11 and 24 to the interim financial statements.

EPRA PERFORMANCE INDICATORS

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We provide these measures to aid comparison with other European real estate businesses.

For a full reconciliation of all EPRA performance indicators, please see the Notes to EPRA measures within the supplementary section of the interim financial statements.

Measure	Definition	Performance
1. EPRA EPS	A measure of EPS designed by EPRA to present underlying earnings from core operating activities.	3.0 pence per share for the six months ended 31 December 2024 (Six months ended 31 December 2023: 2.9 pence per share)
2. EPRA Net Reinstatement Value (NRV) per share	An EPRA NAV per share metric which assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	98 pence per share as at 31 December 2024 (As at 30 June 2024: 97 pence per share)
3. EPRA Net Tangible Assets (NTA) per share	An EPRA NAV per share metric which assumes entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	88 pence per share as at 31 December 2024 (As at 30 June 2024: 87 pence per share)
4. EPRA Net Disposal Value (NDV) per share	An EPRA NAV per share metric which represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	89 pence per share as at 31 December 2024 (As at 30 June 2024: 90 pence per share)
5. EPRA Net Initial Yield (NIY) & EPRA "Topped-Up" Net Initial Yield	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	6.0% as at 31 December 2024 (As at 30 June 2024: 5.9%)
6. EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	0.3% as at 31 December 2024 (As at 30 June 2024: 0.5%)
7. EPRA Cost Ratio (Including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	13.6% for the six months ended 31 December 2024 (Six months ended 31 December 2023: 15.1%)
8. EPRA Cost Ratio (Excluding direct vacancy costs)	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.	13.3% for the six months ended 31 December 2024 (Six months ended 31 December 2023: 14.9%)
9. EPRA LTV	Net debt divided by total property portfolio and other eligible assets.	40.4% for the six months ended 31 December 2024 (As at 30 June 2024: 38.8%)
10. EPRA Like-for-like Rental Growth	Changes in net rental income for those properties held for the duration of both the current and comparative reporting period.	Rental income increase of 2.1% for the six months to 31 December 2024 versus six months to 31 December 2023

11. EPRA Capital Expenditure	Amounts spent for the purchase and development of investment properties (including any capitalised transaction costs).	£50.9 million for the six months ended 31 December 2024 (Six months ended 31 December 2023: £38.5 million)

INVESTMENT ADVISER'S REPORT

Atrato Capital Limited, the Investment Adviser to the Group (the "Investment Adviser"), is pleased to report on the operations of the Group for the Period.

Since 30 June 2024, the Company has made significant progress delivering on several of its key strategic objectives set out in the announcement of 18 November 2024: capital recycling through the sale of a large omnichannel supermarket above book value, the earnings enhancing acquisition of a portfolio of Carrefour supermarkets, and renewing and extending leases with starting rents significantly higher than market and valuer expectations. The Company has also proposed to internalise its management function to further reduce costs and better align itself with shareholders. The Company continues to work hard to deliver against its remaining strategic initiatives. Delivery on these key objectives combined with our exposure to investment grade tenants in the non-discretionary grocery sector means that the Company is well positioned for the future.

Overview

SUPR's key tenants continue to gain market share

In the six months to December 31 2024, Tesco and Sainsbury's combined YoY sales grew 4.9%[12] which is above UK grocery sales growth of 2.5%[13] and 2024 UK GDP growth of 0.9%[14]. The relative outperformance has been apparent in the period because supermarkets tend to perform well during economic downturns due to the essential nature of grocery and household items, which remain a priority regardless of economic conditions. Unlike discretionary spending, consumers cannot cut back significantly on everyday necessities, ensuring steady demand for supermarkets.

SUPR's key tenants, Tesco and Sainsbury's, gained significant market share, driven by strategic investments in pricing, product offerings and customer experience. Both retailers focused on enhancing their value propositions to meet the growing demand for affordable options amidst economic pressures. Tesco, with its loyalty program, and Sainsbury's, through its focus on quality and sustainability, successfully attracted budget conscious shoppers while maintaining premium offerings. Their ability to balance convenience, variety, and competitive pricing helped solidify their positions at the forefront of the UK grocery market.

Focus on best-in-class operators in recession proof grocery sector continues to deliver

SUPR has highly secure income and has achieved 100% rent collection since IPO. The portfolio has an 79% weighting towards the investment grade covenants of Tesco, Sainsbury's and Carrefour (79% as at 10 March 2025). These operators can maintain their dominance in the grocery market due to their scale and the strategic strength of their store estate, ensuring extensive customer reach, operational efficiency, and strong supplier relationships.

Grocery spending remains essential regardless of economic conditions, ensuring stable footfall and resilient trading performance. This underpins secure, long-term rental income, making supermarkets a defensive and attractive asset class.

Operators continue to invest in their online platforms

A key pillar of the Group's investment strategy is to invest in 'future-proofed' omnichannel supermarkets. UK operators continue to invest in enhancing their online platforms to cater to growing consumer demand for convenience and digital shopping. Our tenants have expanded their e-commerce capabilities by improving website functionality, increasing delivery slots, and offering more personalised shopping experiences. They focus on utilising

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12 Source: Kantar data for Tesco and Sainsbury's grocery sales

13 Source: Kantar data for total grocery sales

14 Source: ONS GDP 2024

their existing store estate to ensure quicker and more reliable delivery services. This push into online sales not only helped supermarkets retain customers seeking flexibility but also allowed them to tap into the growing trend of hybrid shopping, where customers combine online and in-store channels.

Proposed internalisation of the Company

In March 2025, the Company announced that following a collaborative process between the Investment Adviser and the Board, the Board has decided to internalise the Company's management function.

The Board has agreed that on completion of the proposed internalisation it will pay a £19.7 million termination fee to the Investment Adviser, with an additional £0.3 million for the termination of its AIFM agreement and, to ensure continuity of operations, Atrato will receive £0.8 million for the provision of transitionary services for up to nine months post completion.

As part of the internalisation process Rob Abraham, Fund Manager, Supermarkets, at Atrato Group and Mike Perkins, Finance Director, Supermarkets, at Atrato Group will join the Board as Chief Executive Officer and Chief Financial Officer respectively and a further 12 members of Atrato staff will transfer as employees of the Company.

The Board believes that the proposed internalisation provides a number of compelling financial and strategic benefits including; providing significant cost savings, conservatively estimated at £4 million annually; greater alignment with shareholders; a simplified management structure, securing the specialised and experienced fund team for the longer term; and the opportunity to appeal to a wider group of investors which would not otherwise invest in externally managed vehicles.

Furthermore, if the proposed Internalisation becomes effective, the Company will explore a transfer of its listing from the "closed-ended investment funds" category to the "equity shares (commercial companies)" category. The Board expects that such a transfer of listing may remove administrative burden, provide greater operational flexibility, and potentially attract a wider range of research analysts and potential investors.

The Board has decided that the proposed internalisation should be put to a voluntary vote, and therefore a Circular was sent to shareholders on 4 March 2025 convening a General Meeting scheduled for 20 March 2025. Subject to shareholder approval, the internalisation is expected to take effect on or around 25 March 2025.

Growing earnings through capital recycling and opportunistic acquisitions

Post-period end, SUPR disposed of Tesco, Newmarket for a consideration of £63.5 million, a 7.4% premium to book value. The store was acquired by Tesco Plc, underlining the strategic importance of large format, omnichannel stores with strong trading performance to the supermarket operators.

By recycling lower-return assets into high-yielding opportunities SUPR can grow earnings and improve income generation and capital efficiency. In November, SUPR acquired Sainsbury's, Huddersfield (7.6% NIY) and completed a second sale and leaseback portfolio acquisition with Carrefour in France (6.8% NIY). Both acquisitions were completed at highly attractive margins above the cost of debt.

By targeting top performing, omnichannel supermarkets, leased to strong tenants, SUPR operates with strong conviction that the leases on its stores will be renewed. Robust trading performance and the strategic importance to the operators make these stores highly valuable assets for the tenants, reinforcing their commitment to long-term occupation, as evidenced by Tesco repurchasing its store in Newmarket.

Lease renewals evidence affordable rental levels for UK operators

SUPR has agreed three new leases on its shortest unexpired leases with Tesco. These leases on stores in Bracknell, Bristol and Thetford have been extended to 15 years at rents 35% above the MSCI supermarket benchmark index and 13% above the valuer's ERV, and will benefit from annual RPI -linked rent reviews (subject to a 4% cap and a 0% floor). The new leases will extend the portfolio WAULT from 11 years to 12 years, with the next material lease renewal in seven years' time.

The lease renewals support SUPR's thesis that 4% rent to turnover is a sustainable rental level for UK grocers. It also proves that top performing, large format omnichannel stores are likely to regear materially above the MSCI supermarket benchmark index and valuer ERVs. Lease regears at these levels unlock potential higher reversionary values and capital growth across the SUPR portfolio.

Valuations remaining stable with modest growth

The UK investment property market has shown signs of recovery with the benefit of declining inflation and falling interest rates which historically have had a positive impact on property values. The supermarket sector has experienced a high level of investor demand which has been curtailed by a limited supply of strong trading, omnichannel supermarkets, reaffirming the importance of the Company's existing portfolio.

Cushman & Wakefield valued the Portfolio as at 31 December 2024 in accordance with RICS Valuation Global Standards. The properties were valued individually without any premium/discount applied to the Portfolio as a whole.

The Portfolio value was £1,833 million, with the valuation reflecting a net initial yield of 6.0% and like-for-like valuation growth of 0.5% for the period. The increase in valuations translated to a 0.7 pence improvement in NTA.

The growth in valuations reflects the benefit of contractual inflation-linked rental uplifts along with improved market sentiment towards supermarket real estate. The average rental increase from rent reviews in the period was 3.0% on an annualised basis. 83% of the Company's leases benefit from contractual rental uplifts, with 81% linked to inflation and 2% fixed uplifts[15]. We expect to see the full benefit of the Tesco regears in the June 2025 valuation.

Completion of JSE listing

Following positive feedback from South African institutional investors, the Company decided to pursue a secondary listing on the JSE to enhance its profile with a broader investor base, improve trading liquidity and diversify its shareholder register. The Company successfully completed a secondary listing on the JSE in December 2024 and is engaging with South African institutional investors who have expressed an interest in purchasing the Company's shares. From 24 March 2025 the Company will be included in a number of South African indices, most notably the FTSE/JSE All Share Index ("ALSI") and FTSE/JSE All Property Index ("ALPI"), which is expected to increase liquidity in the stock.

Delivering on our sustainability strategy

The Company's sustainability strategy is underpinned by three core pillars that reflect the most material sustainability issues for the Company and the long-term nature of its investments:

> **Pillar 1: Climate and Environment** - Reduce emissions to achieve a net zero carbon portfolio and mitigate the environmental impacts of our assets.

15 As at 10 March 2025 (including post balance sheet events)

Pillar 2: Tenant and Community Engagement - Partner with tenants and stakeholders to ensure assets enhance the communities in which they are located

Pillar 3: Responsible Business - Strengthen ESG performance and uphold responsible business practices to deliver long-term value.

The Company continues to deliver on this strategy and underlying targets, as outlined in its most recent Sustainability Report. The Company's efforts to improve its ESG performance have been recognised externally with EPRA Sustainability Best Practices Recommendations (sBPR) Silver and Most Improved Awards achieved in September 2024.

Understanding the sustainability performance of tenants, particularly with respect to energy consumption, continues to be a key focus of the Company. This is reflected in the Company's efforts to proactively engage and collaborate with tenants and property managers on asset-level ESG enhancement activities (including in relation to nature and biodiversity) and the Company's underlying sustainability target to improve the amount of actual ESG data collected from tenants year-on-year.

The Annual Report and Accounts for the year ended 30 June 2024 included the Company's Task Force on Climate-Related Financial Disclosures ("TCFD") report, with disclosures made across all 11 TCFD recommendations. Included within this report was the Company's GHG Inventory disclosures, across Scope 1, 2 and 3 emissions which for the first time were independently assured. The Company is currently working with external sustainability advisers, Anthesis, to prepare its first high-level Transition Plan which links to the Company's science-based Net Zero and near-term emission reduction targets.

The Company's approach to sustainability is underpinned by the Board's commitment to good stewardship and creating long-term value for our stakeholders. The Company continues to support the responsible investment activities of its Investment Adviser including as a signatory to the United Nations Principles for Responsible Investment ("UN PRI") and participant in the UN Global Compact ("UN GC").

The Company is currently out of scope of the UK Sustainability Disclosure Requirements ("SDR") investment labelling regime as the regime does not apply to non-UK AIFs. However, the Company's communications and marketing materials are reviewed against the SDR's anti-greenwashing rules, to ensure that any sustainability claims are fair, clear, and not misleading.

The Company's next annual Sustainability Report will be published alongside the Company's Full Year Results, providing an overview of progress against the Company's Sustainability Strategy.

Financial results

Net rental income
In the period, the portfolio generated net rental income of £57.8 million (six months to 31 December 2023: £52.6 million), representing an increase of £5.2 million or 10.0% compared to the prior period.

On a like-for-like basis, EPRA net rental income increased by 2.1%. During the period, we successfully completed 15 rent reviews generating £1.6 million of additional rental income, representing an increase of 4.2% (or 3.0% on an annualised basis).

The second half of the year will benefit both from a full period of rental income from the recent Huddersfield acquisition, and further still from the Carrefour portfolio acquired post period end. In addition, contractual uplifts across 29% of the portfolio subject to a review in the six months to 30 June 2025.

Direct property expenditure decreased marginally to £0.3 million (six months to 31 December 2023: £0.4 million), and our gross to net margin continues to be among the highest in the sector at 99.4% (six months to 31 December 2023: 99.3%), reflecting the strength of our core single-let strategy and further highlighting the covenant quality of our tenant base.

Rent collection rates were 100%[16] for the six months to 31 December 2024 (six months to 31 December 2023: 100%), as our focus on top trading stores and covenant quality provided exceptional income security.

Administrative and other expenses and EPRA cost ratio
Administrative and other expenses, which include all operational costs of running the business, remained flat period-on-period at £7.6 million (six months to 31 December 2023: £7.6 million). We continue to monitor the operational efficiency of the Group through its EPRA cost ratio, which is among the lowest in the sector, and improved by 150bps to 13.6%.

	6 months to 31 December 2024	6 months to 31 December 2023
EPRA cost ratio including direct vacancy costs	13.6%	15.1%
EPRA cost ratio excluding direct vacancy costs	13.3%	14.9%

Net finance costs
Net finance costs increased by £4.0 million primarily due to an increase in leverage compared to the prior period as we continued to deploy capital into earnings enhancing acquisitions.

Adjusted earnings
The Directors consider adjusted earnings a key measure of the Company's underlying operating results and therefore excludes items which are non-recurring in nature; in the prior period this included finance income on derivatives held at fair value through profit on loss, however this is now included within the EPRA earnings following the update to the EPRA BPR guidelines in September 2024. EPRA earnings for the six months to 31 December 2024, also includes an adjustment for costs related to the Company's secondary listing on the Johannesburg Stock Exchange during the period. This means that EPRA and adjusted earnings are the same for the period being £37.4 million (six months to 31 December 2023: £36.3 million). On a per share basis, EPRA and adjusted earnings increased in the period to 3.0 pence (six months to 31 December 2024: 2.9 pence) per share.

A full reconciliation between IFRS and Adjusted earnings can be found in Note 11 of the interim financial statements.

Dividend
In August 2024, the Company paid a fourth interim dividend in respect of the period from 1 April 2024 to 30 June 2024 of 1.515 pence per share, taking total dividends paid and declared in respect of the financial year ended 30 June 2024 to 6.06 pence per share.

16 Subject to rounding

In November 2024, the Company paid a first interim dividend in respect of the period from 1 July 2024 to 30 September 2024 of 1.53 pence per share and in January 2025 approved a second interim dividend of 1.53 pence per share for the period from 1 October 2024 to 31 December 2024.
The Company is continuing to target a dividend of 6.12 pence per share in respect of the year ending 30 June 2025.

EPRA net tangible assets and IFRS net asset

	Unaudited	Unaudited	Audited
	31 Dec 2024	31 Dec 2023	30 Jun 2024
	£'000	£'000	£'000
Investment property	**1,763,040**	1,667,910	1,768,216
Assets held for sale	**62,950**	-	-
Bank and other borrowings	**(744,608)**	(583,893)	(694,168)
Cash	**40,631**	37,068	38,691
Other net liabilities	**(30,895)**	(27,191)	(28,207)
EPRA net tangible assets	**1,091,118**	1,093,894	1,084,532
Fair value of interest rate derivatives	**22,398**	27,364	31,449
Fair value adjustment for financial assets held at amortised cost	**3,930**	3,631	3,493
IFRS net assets	**1,117,446**	1,124,889	1,119,474

EPRA net tangible assets ("EPRA NTA") is considered to be the most relevant measure for the Group, and includes both income and capital returns, but excludes fair value of interest rate derivatives and revaluation to fair value of investment properties held at amortised cost.

At 31 December 2024, EPRA NTA was £1,091 million (30 June 2024: £1,085 million), representing an EPRA NTA per share of 88 pence, an increase of 1% since 30 June 2024 and together with dividends paid, resulted in a Total Accounting Return ("TAR") of 4.1%.

Portfolio Valuation
The value of the portfolio at 31 December 2024, including the fair value of investment properties held at amortised cost and assets held for sale was £1,833 million (30 June 2024: £1,776 million). During the period, the Group invested £49.7 million in one omnichannel supermarket (excluding transaction costs). On a like-for-like basis, the portfolio recognised a revaluation gain of £8.4 million, or 0.5%.

Cash Flow and Net Debt
Cash flows from operating activities before changes in working capital increased by £5.3 million to £49.0 million, primarily due to increased rental income received from rent reviews and property acquisitions.

Net debt increased by £48.5 million over the six-months to 31 December 2024, to £704.0 million, and represents a loan to value of 39% (30 June 2024: 37%). The Group continues to maintain a conservative leverage policy, with a medium-term target LTV of 30-40%.

Financing

	Unaudited **31 Dec 2024**	Unaudited 31 Dec 2023	Audited 30 Jun 2024
Undrawn facilities[17]	£125m	£177m	£104m
Loan to value	39%	33%	37%
Net debt / EBITDA ratio (period end)	7.0x	6.1x	7.1x
Weighted average cost of debt[18]	4.0%	3.1%	3.8%
Interest cover	4.1x	5.8x	6.2x
Average debt maturity[19]	3.7 years	4.1 years	4.0 years
% of drawn debt which is fixed/hedged	93%	100%	100%

During the period, the Group announced the completion of a £170 million refinancing through its first private placement issuance and a new unsecured bank facility. As part of the refinancing, the Group completed an agreement with a group of institutional investors for a private placement of €83 million new senior unsecured notes, which have a maturity of seven years and a fixed rate coupon of 4.44%. In addition, the Group also refinanced its existing £97 million secured debt facility with Deka through a new £100 million unsecured debt facility with ING Bank N.V., London Branch. The facility comprises a £75 million term loan and a £25 million revolving credit facility, which has a margin of 1.55% over SONIA and maturity of three years and has two one-year extension options. This is capped with an interest rate hedge at an all-in rate of 2.95% until January 2026.

Post period end, the Group completed a €39 million private placement issuance with a maturity of seven years and a fixed rate coupon of 4.10%. The Group also used the proceeds of the Newmarket sale to pay down £31.5 million of debt from existing facilities.

Following the refinancing, as at the date of this report the Group has a weighted average debt maturity of 3.7 years, a weighted average debt cost of 4.0% and net LTV of 38%.

The Group's interest rate risk is mitigated through a combination of fixed debt and derivative interest rate swaps and caps. As at 31 December 2024, 93% of the Group's debt was hedged which provides stability of interest costs in the current uncertain macro-economic environment.

The Group continues to monitor its banking covenants and maintains significant headroom on its LTV and ICR covenants. As at 31 December 2024, at a Group level property values would need to fall by around 36% before breaching the gearing covenant. Similarly, operating income would need to fall by 57% before breaching the interest cover covenant.

Fitch Ratings, as part of its annual review, reaffirmed the Group's BBB+ rating with a stable outlook.

Atrato Capital Limited
Investment Adviser
10 March 2025

17 Undrawn facilities include accordion options

18 Includes post balance sheet events and rates fixed through interest rate derivatives

19 Includes extension options at lenders' discretion

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit and Risk Committee, which assists the Board with its responsibilities for managing risk, regularly considers changes to the principal risk and uncertainties for the Group. The risk management process including the identification, consideration and assessment of those emerging risks which may impact the Group, remain as described in the 2024 Annual Report.

In the period, the risk that the use of floating rate debt will expose the business to underlying interest rate movements, entered the principal risks and uncertainties for the Company. As at 31 December 2024, 93% of the Group's drawn debt is fixed or hedged via interest rate derivatives. There has been a significant increase in the forward rate expectations since 30 June 2024, due in part to the inflationary impact of the October 2024 budget, and as a result the risk score has increased from sustainable to moderate in the period. The Company is actively exploring alternative funding solutions that will reduce the Group's reliance on floating rate debt.

Full details of the principal risks and uncertainties faced by the Company, which otherwise remain unchanged, can be found on pages 52 to 54 of the 2024 Annual Report. A summary of those principal risks and uncertainties is provided below:

- There can be no guarantee that the dividend will grow in line with inflation;
- The lower-than-expected performance of the property portfolio leading to a significant fall in property valuations;
- Shareholders may not be able to realise their shares at a price above or the same as they paid for the shares or at all;
- The default of one or more of our grocery tenants would reduce revenue and may affect our ability to pay dividends;
- Inflationary pressure on the valuation of the portfolio;
- Ability to source assets may be affected by competition for investment properties in the supermarket sector;
- The Company is reliant on the continuance of the Investment Adviser
- Impact of geopolitical conflict / major events;
- Changes in regulatory policy could lead to our assets becoming unlettable;
- We operate as a UK REIT and have a tax-efficient corporate structure. Loss of REIT status could have adverse tax consequences for UK shareholders.

If the proposed internalisation of the Company's management function proceeds as intended, a full review of the risk register will be undertaken. Any changes to the principal risks, as well as the risk management framework, will be reported upon in the annual report for the financial year ending 30 June 2025.

ALTERNATIVE INVESTMENT FUND MANAGER (the "AIFM")

The AIFM was appointed with effect from 15 June 2017 as the Company's alternative investment fund manager under the terms of a Management Agreement between the Company and the AIFM, in accordance with the Alternative Investment Fund Manager's Directive and the Alternative Investment Fund Managers Regulations 2013. The AIFM is licensed and regulated by the Guernsey Financial Services Commission.

The AIFM is responsible for the day-to-day management of the Company's investments, subject to the investment objective and investment policy and the overall supervision of the Directors. The AIFM is also required to comply with on-going capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The AIFM must also, as the AIFM for the Company, adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that, to the best of their knowledge, this condensed set of consolidated financial statements has been prepared in accordance with IAS 34 as adopted by the United Kingdom and that the operating and financial review included herein provides a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority, namely:

- an indication of important events that have occurred during the period and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining months of the Group's financial year; and
- disclosures of any material related party transactions in the period. These are included in Note 23.

A full list of Directors of the Company can be found at the end of this interim report. Shareholder information is as disclosed on the Supermarket Income REIT plc website.

For and on behalf of the Board

Nick Hewson
Chair
10 March 2025

INDEPENDENT REVIEW REPORT TO SUPERMARKET INCOME REIT PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2024 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Cash Flow Statement and the related notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting. "

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants

London, UK

10 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 31 December 2024

	Notes	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Gross rental income	5	58,171	52,924	107,851
Service charge income	5	4,266	3,309	6,822
Service charge expense	6	(4,608)	(3,672)	(7,441)
Net Rental Income		**57,829**	**52,561**	**107,232**
Administrative and other expenses	7	(7,575)	(7,608)	(15,218)
Operating profit before changes in fair value of investment properties		**50,254**	**44,953**	**92,014**
Changes in fair value of investment properties	13	7,202	(57,940)	(65,825)
Operating profit/(loss)		**57,456**	**(12,987)**	**26,189**
Finance income	9	10,536	10,967	23,781
Finance expense	9	(23,516)	(19,928)	(40,043)
Changes in fair value of interest rate derivatives	18	(8,320)	(32,272)	(31,251)
Profit/(Loss) before taxation		**36,156**	**(54,220)**	**(21,324)**
Tax credit for the period	10	374	-	140
Profit/(loss) for the period		**36,530**	**(54,220)**	**(21,184)**
Items to be reclassified to profit or loss in subsequent periods				
Fair value movements of interest rate derivatives	18	(730)	(1,043)	(1,765)
Foreign exchange movement		120	-	32
Total comprehensive income/(loss) for the period		**35,920**	**(55,263)**	**(22,917)**
Total comprehensive income/(loss) for the period attributable to ordinary shareholders		**35,920**	**(55,263)**	**(22,917)**
Earnings per share - basic and diluted (pence)	11	2.9p	(4.4p)	(1.7p)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Non-current assets				
Investment properties	13	1,763,040	1,768,216	1,667,910
Financial asset arising from sale and leaseback transactions	15	11,130	11,023	10,921
Interest rate derivatives	18	9,327	15,741	13,670
Total non-current assets		**1,783,497**	**1,794,980**	**1,692,501**
Current assets				
Asset held for sale	14	62,950	-	-
Interest rate derivatives	18	13,071	15,708	13,694
Trade and other receivables	16	11,244	11,900	8,901
Deferred tax asset		514	140	-
Cash and cash equivalents		40,631	38,691	37,068
Total current assets		**128,410**	**66,439**	**59,663**
Total assets		**1,911,907**	**1,861,419**	**1,752,164**
Non-current liabilities				
Bank borrowings	19	664,700	597,652	487,527
Trade and other payables	17	1,118	1,045	-
Total non-current liabilities		**665,818**	**598,697**	**487,527**
Current liabilities				
Bank borrowings due within one year	19	79,908	96,516	96,366
Deferred rental income		23,713	24,759	22,352
Trade and other payables	17	25,022	21,973	21,030
Total current liabilities		**128,643**	**143,248**	**139,748**
Total liabilities		**794,461**	**741,945**	**627,275**
Total net assets		**1,117,446**	**1,119,474**	**1,124,889**
Equity				
Share capital	20	12,462	12,462	12,462
Share premium reserve	20	500,386	500,386	500,386
Capital reduction reserve	20	591,248	629,196	666,957
Retained earnings		12,389	(24,141)	(57,177)
Cash flow hedge reserve	21	809	1,539	2,261
Other reserves		152	32	-
Total equity		**1,117,446**	**1,119,474**	**1,124,889**
Net asset value per share – basic and diluted	**24**	**90p**	**90p**	**90p**
EPRA net tangible asset per share – basic and diluted	**24**	**88p**	**87p**	**88p**

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 10 March 2025 and were signed on its behalf by: Nick Hewson, Chair.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 31 December 2024 (unaudited)

	Share capital £'000	Share premium reserve £'000	Cash flow hedge reserve £'000	Other reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total £'000
As at 1 July 2024	**12,462**	**500,386**	**1,539**	**32**	**629,196**	**(24,141)**	**1,119,474**
Comprehensive income for the period							
Profit for the period	-	-	-	-	-	36,530	36,530
Recycled comprehensive loss to profit and loss	-	-	(730)	-	-	-	(730)
Other comprehensive income	-	-	-	120	-	-	120
Total comprehensive income for the period	**-**	**-**	**(730)**	**120**	**-**	**36,530**	**35,920**
Transactions with owners							
Interim dividends paid	-	-	-	-	(37,948)	-	(37,948)
As at 31 December 2024	**12,462**	**500,386**	**809**	**152**	**591,248**	**12,389**	**1,117,446**

For the year from 1 July 2023 to 30 June 2024 (audited)

	Share capital £'000	Share premium reserve £'000	Cash flow hedge reserve £'000	Other reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total £'000
As at 1 July 2023	**12,462**	**500,386**	**3,304**		**704,531**	**(2,957)**	**1,217,726**
Comprehensive loss for the period:							
Loss for the period	-	-	-	-	-	(21,184)	(21,184)
Recycled from comprehensive loss to profit and loss	-	-	(1,154)	-	-	-	(1,154)
Other comprehensive loss	-	-	(611)	32	-	-	(579)
Total comprehensive loss for the period	-	-	(1,765)	32	-	(21,184)	(22,917)
Transactions with owners							
Interim dividends paid	-	-	-	-	(75,335)	-	(75,335)
As at 30 June 2024	**12,462**	**500,386**	**1,539**	**32**	**629,196**	**(24,141)**	**1,119,474**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 31 December 2023 (unaudited)

	Share capital £'000	Share premium reserve £'000	Cash flow hedge reserve £'000	Capital reduction reserve £'000	Retained Earnings £'000	Total £'000
As at 1 July 2023	**12,462**	**500,386**	**3,304**	**704,531**	**(2,957)**	**1,217,726**
Comprehensive loss for the period:						
Loss for the period	-	-	-	-	(54,220)	(54,220)
Recycled comprehensive loss to profit and loss	-	-	(432)	-	-	(432)
Other comprehensive loss	-	-	(611)	-	-	(611)
Total comprehensive loss for the period	**-**	**-**	**(1,043)**	**-**	**(54,220)**	**(55,263)**
Transactions with owners:						
Interim dividends paid	-	-	-	(37,574)	-	(37,574)
As at 31 December 2023	**12,462**	**500,386**	**2,261**	**666,957**	**(57,177)**	**1,124,889**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six month period ended 31 December 2024

	Notes	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Operating activities				
Proft/(loss) attributable to ordinary shareholders		36,530	(54,220)	(21,184)
Adjustments for:				
Tax credit	10	(374)	-	(140)
Changes in fair value of interest rate derivatives measured at fair value through profit and loss	18	8,320	32,272	31,251
Changes in fair value of Investment properties	13	(7,202)	57,940	65,825
Movement in rent smoothing and lease incentive adjustments	5	(1,283)	(1,315)	(2,434)
Amortisation of leasing fees		20	4	18
Finance income	9	(10,536)	(10,967)	(23,781)
Finance expense	9	23,516	19,928	40,043
Foreign exchange movement		(40)	-	-
Cash flows from operating activities before changes in working capital		**48,951**	**43,642**	**89,598**
Increase in trade and other receivables		(420)	(1,363)	(2,996)
(Decrease)/Increase in deferred rental income		(1,046)	793	3,202
(Decrease)/Increase in trade and other payables		(699)	(1,015)	2,252
Net cash flows from operating activities		**46,786**	**42,057**	**92,056**
Investing activities				
Acquisition of investment properties	13	(49,700)	(36,350)	(136,184)
Capitalised acquisition costs		(1,289)	(2,151)	(10,266)
Receipts from other financial assets	15	145	145	290
Bank interest received	9	48	42	78
Settlement of Joint Venture carried interest		-	-	(7,500)
Proceeds from disposal of Joint Venture		-	135,107	134,912
Net cash flows (used in)/from investing activities		**(50,796)**	**96,793**	**(18,670)**
Financing activities				
Bank borrowings drawn		217,843	70,000	217,560
Bank borrowings repaid		(165,187)	(154,386)	(191,077)
Loan arrangement fees paid		(1,418)	(846)	(1,318)
Bank interest paid		(20,489)	(17,270)	(35,275)
Settlement of interest rate derivatives		11,312	9,801	21,182
Settlement of Joint Venture carried Interest		-	(7,500)	-
Sale of interest rate derivatives		-	38,481	38,482
Purchase of interest rate derivative		-	(41,578)	(45,364)
Bank commitment fees paid		(356)	(669)	(1,031)
Dividends paid to equity holders		(35,755)	(35,296)	(75,335)
Net cash flows from/(used in) financing activities		**5,950**	**(139,263)**	**(72,176)**
Net movement in cash and cash equivalents for the period		**1,940**	**(413)**	**1,210**

	Notes	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Cash and cash equivalents at the beginning of the period		**38,691**	**37,481**	**37,481**
Cash and cash equivalents at the end of the period		**40,631**	**37,068**	**38,691**

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1. Basis of preparation

General information

Supermarket Income REIT plc is a company registered in England & Wales with its registered office at 3rd Floor, 10 Bishops Square, London, E1 6EG. The principal activity of the Company and its subsidiaries (the "Group") 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.

The financial information set out in this report covers the six months to 31 December 2024, with comparative numbers amounts shown for the year to 30 June 2024 and the six months to 31 December 2023. These condensed financial statements are unaudited and the financial information for the year ended 2024 contained herein does not constitute statutory accounts for as defined in section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2024 have been delivered to the Registrar of Companies. The independent auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

At 31 December 2024 the Group comprised of the Company and its wholly-owned subsidiaries. The subsidiaries are incorporations are across England & Wales, Guernsey, Jersey and France.

The condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and also in accordance with the measurement and recognition principles of UK-adopted international accounting standards. The accounting policies adopted in this report are consistent with those applied in the Group's audited financial statements for the year ended 30 June 2024. The only additional accounting policy is as follows:

Assets held for sale

An asset will be classified as held for sale, in line with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations', where the asset is available for immediate sale in its present condition and the sale is highly probable. Fair value movement on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

The accounting policies applied in the preparation of this financial information are expected to be consistently applied in the financial statements for the year to 30 June 2025.

Accounting convention and currency

The condensed consolidated financial statements ("the financial statements") have been prepared on a historical cost basis, except that investment properties, assets held for sale and interest rate derivatives are measured at fair value.

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£'000), except where otherwise indicated. Pounds Sterling is the functional currency of the Group and the presentation currency of the Group.

Euro denominated results of the French operation have been converted to Sterling at the average exchange rate for the period of €1:£0.84, which is considered not to produce materially different results from using the actual rates at the date of the transactions. Year end balances have been converted to sterling at the 31 December 2024 exchange rate of €1:£0.83.

The Directors are of the opinion that the Group is currently engaged in a single segment business, being investment in supermarket property assets.

1. Basis of preparation (continued)

Going concern

In light of the current macroeconomic backdrop, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the Group's interim results for the six months ended 31 December 2024. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council.

Liquidity

At 31 December 2024, the Group generated net cash flow from operating activities of £46.8 million, held cash of £40.6 million and undrawn committed facilities totalling £75.4 million with no capital commitments or contingent liabilities.

After the period end, the Group issued new private placement debt and repaid existing debt with the proceeds of the sale of a Tesco supermarket in Newmarket. Excluding the Wells facility that expires in July 2025, the undrawn committed facilities were £66.4 million, there is also an accordion in one of the facilities for an additional £50.0 million if required.

The Directors are of the belief that the Group continues to be well funded during the going concern period with no concerns over its liquidity.

Refinancing events

At the date of signing the financial statements, the Wells Fargo facility and £50 million of the syndicate unsecured term loan fall due for repayment during the going concern period. The current drawn balance of £30 million on the Wells Fargo facility is expected to repaid. It is intended that the £50 million syndicated loan will be refinanced prior to maturity, or if required, paid down in full utilising the Group's available cash balances and undrawn committed facilities of over £66 million (including post balance sheet events). The Group's lenders have been supportive during the period and have expressed commitment to the long-term relationship they wish to build with the Company.

Covenants

The Group's debt facilities include covenants in respect of LTV and interest cover, both projected and historic. All debt facilities, except for the unsecured facilities, are ring-fenced with each specific lender.

The Directors have evaluated a number of scenarios as part of the Group's going concern assessment and considered the impact of these scenarios on the Group's continued compliance with debt covenants. The key assumptions that have been sensitised within these scenarios are falls in rental income and increases in administrative cost inflation.

As at the date of issuance of this consolidated financial information 100% of contractual rent for the period has been collected. The Group benefits from a secure income stream from its property assets that are let to tenants with excellent covenant strength under long leases that are subject to upward only rent reviews.

The list of scenarios is below and are all on top of the base case model which includes prudent assumptions on valuations and cost inflation.

Scenario	Rental Income	Costs
Base case scenario (Scenario 1)	100% contractual rent received when due and rent reviews based on forward looking inflation curve, capped at the contractual rate of the individual leases.	Investment Adviser fee based on terms of the signed agreement (percentage of NAV or market cap as per Note 23), other costs in line with contractual terms.
Scenario 2	Rental income to fall by 20%.	Costs expected to remain the same as the base case, with an allowance for vacancy costs.
Scenario 3	Rental income expected to remain the same as the base case.	10% increases on base case costs to all administrative expenses.

1. Basis of preparation (continued)

The Group continues to maintain covenant compliance for its LTV and ICR thresholds throughout the going concern assessment period under each of the scenarios modelled. The lowest amount of ICR headroom experienced in the worst-case stress scenarios was 57% on one of the secured lender covenants. Based on the latest bank commissioned valuations, secured property values would in aggregate have to fall by 54% before LTV covenants are breached. The lowest fall is within the BLB facility where a fall of more than 13% would lead to an LTV breach. Similarly, the strictest interest cover covenant within each of the ring-fenced banking groups is 225%, where the portfolio is forecast to have an average group interest cover ratio of 351% during the going concern period.

Having reviewed and considered three modelled scenarios, the Directors consider that the Group has adequate resources in place for at least 12 months from the date these interim results have been authorised for issue and have therefore adopted the going concern basis of accounting in preparing the interim financial statements.

2. Significant accounting judgements, estimates and assumptions

There have been no new or material revisions to the nature and amount of judgements and estimates reported in the Annual Report 2024, other than changes to certain assumptions applied in the valuation of properties. Details of the key assumptions applied at 31 December 2024 are set out in Note 13. For the acquisition during the period the concentration test (as defined in the Annual Report 2024) was applied and met resulting it being accounted for as an asset purchase.

3. Summary of material accounting policies

The principal accounting policies adopted in this report are consistent with those applied in the Group's audited financial statements for the year ended 30 June 2024 and are expected to be consistently applied during the year ending 30 June 2025.

3.1. New standards issued and effective

There were a number of new standards and amendments to existing standards which are required for the Group's accounting period beginning on 1 July 2024.

The following amendments are effective for the period beginning 1 July 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

There was no material effect from the adoption of the above-mentioned amendments to IFRS effective in the period. They have no significant impact to the Group as they are either not relevant to the Group's activities or require accounting which is already consistent with the Group's current accounting policies.

3.2. New standards issued but not yet effective

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None of these are expected to have a material impact on the consolidated financial statements of the Group.

4. Operating Segments

Operating segments are identified on the basis of internal financial reports about components of the Group that are regularly reviewed by the chief operating decision maker (which in the Group's case is the Board, comprising the Non-Executive Directors, and the Investment Adviser) in order to allocate resources to the segments and to assess their performance.

The internal financial reports contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the consolidated financial statements.

The Group's property portfolio comprises investment property. The Board considers that all the properties have similar economic characteristics. Therefore, in the view of the Board, there is one reportable segment.

The geographical split of revenue and material applicable non-current assets was:

Revenue	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
UK	56,034	52,924	107,063
France	2,137	-	788
	58,171	**52,924**	**107,851**
Investment Properties			
UK	1,700,700	1,667,910	1,704,280
France	62,340	-	63,936
	1,763,040	**1,667,910**	**1,768,216**
Assets held for sale			
UK	62,950	-	-
France	-	-	-
	62,950	**-**	**-**

5. Gross rental income

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Rental income – freehold property	32,348	28,488	58,345
Rental income – long leasehold property	25,823	23,993	49,063
Surrender premiums	-	443	443
Gross rental income	**58,171**	**52,924**	**107,851**
Property insurance recoverable	514	306	621
Property tax recoverable	285	-	-
Service charge recoverable	3,467	3,003	6,201
Total property insurance and service charge income	**4,266**	**3,309**	**6,822**
Total property income	**62,437**	**56,233**	**114,673**

5. Gross rental income (continued)

Included within rental income is a £960,000 (six months to 31 December 2023: £1,099,000; year to 30 June 2024: £2,197,000) rent smoothing adjustment that arises as a result of IFRS 16 'Leases' requiring that rental income in respect of leases with rents increasing by a fixed percentage be accounted for on straight-line basis over the lease term. During the period this resulted in an increase in rental income and an offsetting entry being recognised in profit or loss as an adjustment to the investment property revaluation.

Also included in rental income is a £323,000 (six months to 31 December 2023: £216,000; year to 30 June 2024 £237,000) adjustment for lease incentives. Tenant lease incentives are recognised on a straight line basis over the lease term as an adjustment to rental income. During the period this resulted in an increase in rental income and an offsetting entry being recognised in profit or loss as an adjustment to the investment property revaluation.

On an annualised basis, rental income comprises £55,096,000 relating to the Group's largest tenant and £34,510,000 relating to the Group's second largest tenant. There were no further tenants representing more than 10% of annualised gross rental income during either year.

6. Service charge expense

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Property insurance expenses	566	354	714
Property tax expense	285	-	-
Service charge expenses	3,757	3,318	6,727
Total property insurance and service charge expenses	**4,608**	**3,672**	**7,441**

7. Administrative and other expenses

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Investment Adviser fees (Note 23)	4,636	4,829	9,472
Directors' remuneration (Note 8)	235	222	410
Corporate administration fees	591	500	1,049
Legal and professional fees	900	817	1,475
Other administrative expenses	1,213	1,240	2,812
Total administrative and other expenses	**7,575**	**7,608**	**15,218**

8. Directors' remuneration

The Group has no employees. The Directors, who are the key management personnel of the Group, are appointed under letters of appointment for services. Directors' remuneration, all of which represents fees for services provided, was as follows:

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Directors' fees	211	199	371
Employer's National Insurance Contribution	24	23	39
Total Directors' remuneration	**235**	**222**	**410**

9. Finance Income and expense

Finance income

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Interest received on bank deposits	48	42	306
Income from financial assets held at amortised cost	252	247	494
Finance income on unwinding of discounted receivable	-	202	203
Finance income on settlement of interest rate derivatives	10,236	10,476	22,778
Total finance income	**10,536**	**10,967**	**23,781**

Finance expense

Interest payable on bank borrowings	22,040	17,731	36,823
Commitment fees payable on bank borrowings	433	536	817
Amortisation of loan arrangement fees*	1,043	1,661	2,403
Total finance expense	**23,516**	**19,928**	**40,043**

*This includes a non-recurring exceptional charge of £nil (six months to 31 December 2023: £281,000, year to 30 June 2024: £70,000), relating to the acceleration of unamortised arrangement fees in respect of the modification of loan facilities under IFRS 9.

The above finance expense includes the following in respect of liabilities not classified as fair value through profit or loss:

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Total interest expense on financial liabilities held at amortised cost	23,083	19,392	39,226
Fee expense not part of effective interest rate for financial liabilities held at amortised cost	433	536	817
Total finance expense	**23,516**	**19,928**	**40,043**

10. Taxation

a) Tax credit in profit or loss	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
UK corporation tax	**-**	-	-
France corporation tax	**-**	-	-
UK deferred tax	**-**	-	-
France deferred tax	(374)	-	(140)
	(374)	-	(140)

b) Total tax credit			
Tax credited in profit and loss as per the above	(374)	-	(140)
Total tax credit	**(374)**	**-**	**(140)**

10. Taxation continued

The Company and its subsidiaries operate as a UK Group REIT. Subject to continuing compliance with certain rules, the UK REIT rules exempt the profits of the Group's property rental business from UK corporation tax. To operate as a UK Group REIT a number of conditions had to be satisfied in respect of the Company, the Group's qualifying activity and the Group's balance of business. Since 21 December 2017 the Group has met all such applicable conditions.

The reconciliation of the profit before tax multiplied by the standard rate of corporation tax for the period of 25% (30 June 2024: 25% 31 December 2023: 25%) to the total tax (credited) is as follows:

c) Reconciliation of the tax credited for the period	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Profit/(loss) on ordinary activities before taxation	**36,156**	**(54,220)**	**(21,324)**
Theoretical tax at UK standard corporation tax rate	9,039	(13,555)	(5,331)
Effects of:			
Investment property revaluation not subject to taxation	(1,801)	14,485	24,269
Financial instruments revaluation not taxable	2,080	8,068	-
Disposal of interest rate derivative	-	-	-
Residual business losses	(13)	1,721	2,481
French subsidiary allowable expenses	(374)	-	(140)
Other non-taxable items	-	-	-
REIT exempt income	(9,305)	(10,719)	(21,419)
Total tax credit for the period	**(374)**	**-**	**(140)**

11. Earnings per share

Earnings per share ("EPS") amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The European Public Real Estate Association ("EPRA") publishes guidelines for calculating adjusted earnings on a comparable basis. EPRA EPS is a measure of EPS designed by EPRA to enable entities to present underlying earnings from core operating activities, which excludes fair value movements on investment properties and derivatives.

The Company has also included an additional earnings measure called "Adjusted Earnings" and "Adjusted EPS". Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings by deducting one-off items such as debt restructuring costs. Adjusted Earnings is considered a better reflection of the measure over which the Board assesses the Group's trading performance and dividend cover.

Following the updated September 2024 EPRA best practice recommendations guidelines, the specific adjustment to EPRA earnings in relation to finance income received on interest rate derivatives is now included within the EPRA earnings calculation. While the result is that there is no impact to the Adjusted earnings in any prior period, the EPRA earnings was previously reported as £25,825,000 for the six months ended 31 December 2023 and £53,283,000 for the year ended 30 June 2024. As such the comparative period calculations in the table below have been adjusted to reflect the new guidelines retrospectively.

In the current period, the costs in relation to the secondary listing on the JSE have been included as an exceptional item under EPRA earnings and adjusted for as per the new guidance.

The reconciliation of IFRS Earnings, EPRA Earnings and Adjusted Earnings is shown below:

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000 restated	Audited Year to 30 June 2024 £'000 Restated
Net income/(loss) attributable to ordinary shareholders	**36,530**	**(54,220)**	**(21,184)**
EPRA adjustments:			
Changes in fair value of investment properties	(7,202)	57,940	65,825
Changes in interest rate derivatives measured at fair value through profit and loss	8,320	32,272	31,251
Deferred tax credit	(374)	-	(140)
Fees for listing on the JSE	113	-	-
EPRA earnings	**37,387**	**35,992**	**75,752**
Adjustments for:			
Non-cash write down of loan arrangement fees in respect of loan restructuring	-	281	70
Adjusted Earnings	**37,387**	**36,273**	**75,822**
	Number[1]	**Number[1]**	**Number[1]**
Weighted average number of ordinary shares	**1,246,239,185**	**1,246,239,185**	**1,246,239,185**

[1] Based on the weighted average number of ordinary shares in issue

11. Earnings per share (continued)

	Unaudited Six months to 31 December 2024 Pence per share	Unaudited Six months to 31 December 2023 Pence per share	Audited Year to 30 June 2024 Pence per share
Basic and Diluted EPS	**2.9**	**(4.4)**	**(1.7)**
EPRA adjustments:			
Changes in fair value of investment properties	(0.6)	4.7	5.3
Changes in fair value of interest rate derivatives measured at fair value through profit and loss	0.7	2.6	2.5
Deferred tax credit	-	-	-
Fees for listing on the JSE	-	-	-
EPRA EPS	**3.0**	**2.9**	**6.1**
Adjustments for:			
Non-cash write down of loan arrangement fees in respect of loan restructuring	-	-	-
Adjusted EPS	**3.0**	**2.9**	**6.1**

Headline Earnings per share

The JSE listing requirements mandate the calculation of headline earnings (In accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants) and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 Earnings per share. Disclosure of headline earnings is not a requirement of IFRS.

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Net income/(loss) attributable to ordinary shareholders	**36,530**	**(54,220)**	**(21,184)**
Headline earnings adjustments:			
Changes in fair value of investment properties	(7,202)	57,940	65,825
Headline earnings	**29,328**	**3,720**	**44,641**
Changes in interest rate derivatives measured at fair value through profit and loss	8,320	32,272	31,251
Deferred tax credit	(374)	-	(140)
Fees for listing on the JSE	113	-	-
EPRA earnings	**37,387**	**35,992**	**75,752**
Non-cash write down of loan arrangement fees in respect of loan restructuring	**-**	281	70
Adjusted earnings	**37,387**	**36,273**	**75,822**
	Number[1]	**Number[1]**	**Number[1]**
Weighted average number of ordinary shares	**1,246,239,185**	**1,246,239,185**	**1,246,239,185**
Basic earnings per share	**2.9**	**(4.4)**	**(1.7)**
Headline earnings per share	**2.4**	**0.3**	**3.6**
EPRA earnings per share	**3.0**	**2.9**	**6.1**
Adjusted earnings per share	**3.0**	**2.9**	**6.1**

12. Dividends

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Amounts recognised as a distribution to ordinary Shareholders in the period:			
Dividends	**37,948**	**37,574**	**75,335**

On 4 July 2024, the Board declared a fourth interim dividend for the year ended 30 June 2024 of 1.515 pence per share, which was paid on 16 August 2024 to shareholders on the register on 12 July 2024. This was not included as a liability as at 30 June 2024.

On 3 October 2024 the Board declared a first interim dividend for the year ending 30 June 2025 of 1.53 pence per share, which was paid on 15 November 2024 to shareholders on the register on 11 October 2024. The withholding tax element of the dividend of £2.3 million was settled in January 2025.

On 9 January 2025, the Board declared a second interim dividend for the year ending 30 June 2025 of 1.53 pence per share, which was paid on 28 February 2025 to shareholders on the register on 31 January 2024. This has not been included as a liability as at 31 December 2024.

13. Investment Properties

In accordance with IAS 40 'Investment Property', the Group's investment properties have been independently valued at fair value by Cushman & Wakefield, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuations have been prepared in accordance with the RICS Valuation — Global Standards (the 'Red Book') and incorporate the recommendations of the International Valuation Standards Committee which are consistent with the principles set out in IFRS 13.

The independent valuer in forming its opinion on valuation makes a series of assumptions. All the valuations of the Group's investment property at 31 December 2024 are classified as 'level 3' in the fair value hierarchy defined in IFRS 13. The valuations are ultimately the responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

	Freehold £'000	Long Leasehold £'000	Total £'000
At 1 July 2024	972,016	796,200	1,768,216
Transfer from Leasehold to Freehold	23,030	(23,030)	-
Property additions	-	49,700	49,700
Capitalised acquisition costs	15	1,148	1,163
Currency exchange movement	(1,680)	-	(1,680)
Revaluation movement	8,369	222	8,591
Transfers to assets held for sale	(62,950)	-	(62,950)
Valuation at 31 December 2024	**938,800**	**824,240**	**1,763,040**

At 1 July 2023	899,440	786,250	1,685,690
Property additions	101,104	34,700	135,804
Capitalised acquisition costs	8,093	2,317	10,410
Currency exchange movement	(874)	-	(874)
Revaluation movement	(35,747)	(27,067)	(62,814)
Valuation at 30 June 2024	**972,016**	**796,200**	**1,768,216**

At 1 July 2023	899,440	786,250	1,685,690
Property additions	36,350	-	36,350
Capitalised acquisition costs	2,108	38	2,146
Revaluation movement	(29,688)	(26,588)	(56,276)
Valuation at 31 December 2023	**908,210**	**759,700**	**1,667,910**

13. Investment Properties (continued)

Reconciliation of Investment Property to Independent Property Valuation	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Investment Property at fair value per Group Statement of Financial Position	1,763,040	1,667,910	1,768,216
Market Value of Property classified as Financial Assets held at amortised cost (Note 15)	7,200	7,290	7,530
Market value of property held as Asset held for sale (Note 14)	62,950	-	-
Total Independent Property Valuation	**1,833,190**	**1,675,200**	**1,775,746**

Of the nineteen properties held under long leaseholds, the years unexpired on the headleases are as follows: five properties with between 114 and 155 years, and fourteen properties with between 966 and 986 years. The Group has no material liabilities in respect of these headleases.

Included within the carrying values of investment properties at 31 December 2024 is £11,880,000 (six months to 31 December 2023: £9,822,000, year to 30 June 2024: £10,920,000) in respect of the smoothing of fixed contractual rent uplifts as described in Note 5. The difference between rents on a straight-line basis and rents receivable is included within the carrying value of the investment properties but does not increase that carrying value over fair value.

Included within the carrying values of investment properties at 31 December 2024 is £1,462,000 (six months to 31 December 2023: £816,000, year to 30 June 2024: £1,033,000) in respect of the lease incentives with tenants in the form of rent free debtors as described in Note 5 and capitalised letting fees.

The effect of these adjustments on the revaluation movement for the period is as follows:

	Unaudited Six months to 31 December 2024 £'000	Unaudited Six months to 31 December 2023 £'000	Audited Year to 30 June 2024 £'000
Revaluation movement per above	8,591	(56,276)	(62,814)
Rent smoothing adjustment (Note 5)	(960)	(1,099)	(2,197)
Lease Incentive adjustment	(323)	(565)	(564)
Movements in capitalised letting fees	(106)	-	(218)
Foreign exchange movement through OCI	-	-	(32)
Change in fair value recognised in profit or loss	**7,202**	**(57,940)**	**(65,825)**

Valuation techniques and key unobservable inputs

Valuation techniques used to derive fair values

The valuations have been prepared on the basis of market value which is defined in the RICS Valuation Standards as 'the estimated amount for which an asset or liability should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'. Market value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

Unobservable inputs

Significant unobservable inputs include: the estimated rental value (“ERV”) based on market conditions prevailing at the valuation date and the equivalent yield (defined as the weighted average of the net initial yield and reversionary yield). Other unobservable inputs include but are not limited to the future rental growth – the

13. Investment Properties (continued)

estimated average increase in rent based on both market estimations and contractual situations and the physical condition of the individual properties determined by inspection.

A decrease in ERV would decrease fair value. A decrease in the equivalent yield would increase the fair value.

Sensitivity of measurement of significant unobservable inputs

The determination of the valuation of the Group's investment property portfolio is open to judgements and is inherently subjective by nature.

Sensitivity analysis – impact of changes in net initial yields and rental values

Six months to 31 December 2024	UK	France	Total
Fair value*	**1,763.7m**	**£62.3m**	**£1,826.0m**
Range of Net Initial Yields	**4.5%-8.3%**	**5.9% - 6.6%**	**4.5% - 8.3%**
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£0.3m - £5.3m**	**£0.6m - £0.8m**	**£0.3m - £5.3m**
Weighted average of Net Initial Yields	**6.0%**	**6.3%**	**6.0%**
Weighted average of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£2.9m**	**£0.7m**	**£2.9m**

**Inclusive of asset held for sale*

Year ended 30 June 2024	UK	France	Total
Fair value	**£1,704.3m**	**£63.9m**	**£1,768.2m**
Range of Net Initial Yields	**4.6% - 8.0%**	**5.2% - 6.8%**	**4.6% - 8.0%**
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£0.3m - £5.1m**	**£0.6m - £0.8m**	**£0.3m - £5.1m**
Weighted average of Net Initial Yields	**5.9%**	**6.3%**	**5.9%**
Weighted average of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£2.9m**	**£0.7m**	**£2.9m**

Six months to 31 December 2023	UK	France	Total
Fair value	**£1,667.9m**	-	**£1,667.9m**
Range of Net Initial Yields	**4.6% - 8.1%**	**-**	**4.6% - 8.0%**
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£0.3m - £5.2m**	**-**	**£0.3m - £5.2m**
Weighted average of Net Initial Yields	**5.8%**	**-**	**6.0%**
Weighted average of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	**£2.9m**	**-**	**£2.9m**

13. Investment Properties (continued)

The table below analyses the sensitivity on the fair value of investment properties for changes in rental values and net initial yields:

	+2% Rental value £m	-2% Rental value £m	+0.5% Net Initial Yield £m	-0.5% Net Initial Yield £m
Increase/(decrease) in the fair value of investment properties as at 31 December 2024	36.5	(36.5)	(141.3)	167.6
Increase/(decrease) in the fair value of investment properties as at 31 December 2023	33.4	(33.4)	(132.7)	158.2
Increase/(decrease) in the fair value of investment properties as at 30 June 2024	35.4	(35.4)	(138.1)	164.1

14. Asset held for sale

One of the Group's Investment properties is considered to meet the conditions relating to assets held for sale, as per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The property was sold post period end as shown in Note 25. Assets held for sale are disclosed at their fair value.

The fair value of the properties, and its comparative value, is disclosed in the table below along with associated assets and liabilities:

	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Asset held for sale	62,950	-	-
	62,950	**-**	**-**

15. Financial asset arising from sale and leaseback transactions

	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
At start of period	11,023	10,819	10,819
Interest income recognised in profit and loss	252	494	247
Lease payments received during the period	(145)	(290)	(145)
At end of period	**11,130**	**11,023**	**10,921**

On 8 June 2022, the Group acquired an Asda store in Carcroft, via a sale and leaseback transaction for £10.6 million, this has been recognised in the Statement of Financial Position as a Financial asset in accordance with IFRS 9. The financial asset is measured using the amortised cost model, which recognises the rental payments as financial income and reductions of the asset value based on the implicit interest rate in the lease. As at 31 December 2024 the market value of the property was estimated at £7.2 million (30 June 24: £7.5 million and 31 December 23: £7.3 million).

Assets held at amortised cost are assessed annually for impairment with any impairment recognised as an allowance for expected credit losses measured at an amount equal to the lifetime expected credit losses. The Group considers historic, current and forward-looking information to determine expected credit losses arising from either a change in the interest rate implicit in the lease or factors impacting the customer's ability to make lease payments. Based on the information currently available the Group does not expect any credit losses and the asset has not been impaired in the period.

16. Trade and other receivables

	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Interest receivable on settlement derivatives	3,870	4,946	-
Trade and other receivables	6,405	6,077	6,116
Prepayments	969	877	1,310
Receivable from joint venture disposal	-	-	1,475
Total trade and other receivables	**11,244**	**11,900**	**8,901**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the period from incorporation to 31 December 2024. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's tenants. Both the expected credit loss provision and the incurred loss provision in the current and prior year are immaterial. No reasonable possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

17. Trade and other payables

	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Accrued interest payable	9,623	8,072	6,984
Corporate accruals	11,221	10,561	9,684
VAT payable	5,296	4,385	4,362
Total trade and other payables	**26,140**	**23,018**	**21,030**

18. Interest rate derivatives

	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Non-current asset: Interest rate swaps	8,048	12,499	10,369
Non-current asset: Interest rate caps	1,279	3,242	3,301
Current asset: Interest rate swaps	10,045	13,456	13,150
Current asset: Interest rate caps	3,026	2,252	544
Total	**22,398**	**31,449**	**27,364**

The interest rate cap and interest rate swap is remeasured to fair value by the counterparty bank on a quarterly basis.

18. Interest rate derivatives (continued)

The fair value at the end of the period comprises:	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
At start of the period	31,449	57,583	57,583
Interest rate derivative premium paid on inception	-	47,494	43,708
Disposal of interest rate derivatives	-	(40,612)	(40,612)
Changes in fair value of interest rate derivative in the period (P&L)	1,915	(8,782)	(22,105)
Changes in fair value of interest rate derivative in the period (OCI)	(730)	(1,456)	(734)
Credit to the income statement (P&L)	(10,236)	(22,469)	(10,167)
Credit to the income statement (OCI)	-	(309)	(309)
As at the end of the period	**22,398**	**31,449**	**27,364**

To partially mitigate the interest rate risk that arises as a result of entering into the floating rate debt facilities referred to in Note 19, the Group has entered into derivative interest rate swaps and caps.

A summary of these derivatives as at 31 December 2024 is shown in the table below:

Issuer	Derivative Type	Notional amount £m	Premium Paid £m	Mark to Market 31 December 2024 £m	Average Strike Rate	Effective Date	Maturity Date
BLB	Interest Rate Swap	£37.3	£1.7	£0.5	2.64%	Mar-23	Mar-26
BLB	Interest Rate Swap	£22.2	£1.0	£0.8	2.64%	Mar-23	Mar-26
BLB	Interest Rate Swap	£27.4	£1.2	£0.5	2.64%	Mar-23	Mar-26
Wells Fargo	Interest Rate Swap	£30.0	£2.3	£0.5	1.40%	Sep-23	Jul-25
SMBC	Interest Rate Swap	£50.0	£3.7	£0.8	1.40%	Sep-23	Jul-25
SMBC	Interest Rate Swap	£67.0	£6.5	£2.6	1.87%	Sep-23	Sep-26
Barclays	Interest Rate Cap	£96.6	£2.9	£1.6	1.40%	Aug-24	Jul-25
Wells Fargo	Interest Rate Swap	£204.3	£22.2	£9.9	2.10%	Sep-23	Jul-27
Wells Fargo	Interest Rate Swap	£50.0	£4.8	£1.8	1.79%	Sep-23	Jul-26
Wells Fargo	Interest Rate Swap	£3.2	£0.4	£0.3	0.00%	Feb -24	Jul-27
SMBC	Interest Rate Cap	£96.6	£1.4	£1.3	1.40%	Jul-25	Jan-26
SMBC	Interest Rate Cap	£30.0	£0.4	£0.4	1.40%	Jul-25	Jan-26
SMBC	Interest Rate Cap	£50.0	£0.8	£0.8	1.40%	Jul-25	Jan-26
SMBC	Interest Rate Cap	£3.0	£0.4	£0.2	1.46%	Nov-23	Jun-27
SMBC	Interest Rate Swap	£37.5	£0.6	£0.4	3.61%	Mar-24	Sep-26
Total		**£805.1**	**£50.3**	**£22.4**			

18. Interest rate derivatives (continued)

93% of the Group's outstanding debt as at 31 December 2024 was hedged through the use of fixed rate debt or financial instruments (30 June 2024: 90%). It is the Group's target to hedge at least 50% of the Group's total debt at any time using fixed rate loans or interest rate derivatives.

Movements in the Group's fair value derivatives are recognised in the profit and loss. There was one derivative terminated in the prior year that hedged the Wells facility and was accounted for under hedge accounting; on derecognition of hedge accounting, the cash flow hedge reserve is recycled to the profit and loss over the remaining term of the Wells Fargo facility.

The derivatives have been valued in accordance with IFRS 13 by reference to interbank bid market rates as at the close of business on the last working day prior to each balance sheet date. The fair values are calculated using the present values of future cash flows, based on market forecasts of interest rates and adjusted for the credit risk of the counterparties. The amounts and timing of future cash flows are projected on the basis of the contractual terms.

All interest rate derivatives are classified as level 2 in the fair value hierarchy as defined under IFRS 13 and there were no transfers to or from other levels of the fair value hierarchy during the period.

19. Bank borrowings

Amounts falling due within one year:	Unaudited 31 December 2024 £'000	Audited 30 June 2024 £'000	Unaudited 31 December 2023 £'000
Secured debt	30,000	96,560	96,560
Unsecured debt	50,000	-	-
Less: Unamortised finance costs	(92)	(44)	(194)
	79,908	**96,516**	**96,366**
Amounts falling due after more than one year:			
Secured debt	97,982	186,225	116,903
Unsecured debt	570,600	414,981	374,299
Less: Unamortised finance costs	(3,882)	(3,554)	(3,675)
	664,700	**597,652**	**487,527**
Bank borrowing per consolidated statement of financial position	**744,608**	**694,168**	**583,893**

During the period, the Group's Deka facility of £96.6m matured and was refinanced with a new £100 million facility with ING bank at a margin of 1.55% over SONIA. The facility comprises a £75.0 million term loan and a £25.0 million revolving credit facility. The term of the loan is for three years with two further one-year extension options.

The Group also announced the completion of an agreement with a group of institutional investors for a private placement of €83.0 million new senior unsecured notes. The notes have a term of seven years and a fixed rate coupon of 4.4%.

19. Bank borrowings (continued)

A summary of the Group's borrowing facilities as at 31 December 2024 are shown below:

Lender	Facility	Expiry	Expiry[20]	Credit Margin	Variable/ hedged	Loan commitment £m	Amount drawn 31 December 2024 £m
HSBC	Revolving credit facility	Sep 2026	Sep 2028	1.70%	SONIA – 4.70%	£75.0	£11.1
BLB	Term Loan	Mar 2026	Mar 2026	1.65%	HEDGE – 2.64%	£86.9	£86.9
Wells Fargo	Revolving credit facility	Jul 2025	Jul 2027	2.00%	HEDGE – 1.40%	£30.0	£30.0
Wells Fargo	Revolving credit facility	Jul 2025	Jul 2027	2.00%	SONIA – 4.70%	£9.0	£-
ING	Term Loan and revolving credit facility	Jul 2027	Jul 2029	1.55%	HEDGE – 2.88%	£99.1	£96.6
ING	Term Loan and revolving credit facility	Jul 2027	Jul 2029	1.55%	SONIA – 4.70%	£0.9	£0.9
Syndicate	Revolving credit facility	Jul 2027	Jul 2029	1.50%	HEDGE – 2.06%	£210.5	£210.5
Syndicate	Revolving credit facility	Jul 2027	Jul 2029	1.50%	HEDGE – 4.70%	£39.5	£39.5
Syndicate	Term Loan	Jul 2025	Jul 2026	1.50%	HEDGE – 1.40%	£50.0	£50.0
Syndicate	Term Loan	Jul 2026	Jul 2027	1.50%	HEDGE – 1.79%	£50.0	£50.0
SMBC	Term Loan	Sep 2026	Sept 2028	1.40%	HEDGE – 1.87%	£67.0	£67.0
SMBC	Term Loan	Sep 2026	Sept 2028	1.55%	HEDGE – 3.61%	£37.5	£37.5
Private placement	Notes	July 2031	July 2031	1.72%	HEDGE – 2.72%	£68.6	£68.6
Total						**£824.0**	**£748.6**

The Group has been in compliance with all of the financial covenants across the Group's bank facilities as applicable throughout the periods covered by these financial statements.

Any associated fees in arranging the bank borrowings that are unamortised as at the end of the period are offset against amounts drawn under the facilities as shown in the table above. Some debt facilities are secured by charges over the Group's investment properties and by charges over the shares of certain group companies, not including the Company itself. There have been no defaults of breaches of any loan covenants during the current or any prior period.

The Group's borrowings carried at amortised cost are considered to be approximate to their fair value.

20 Including extension options that can be utilised following approval from all parties

20. Share capital

Six months to 31 December 2024 (unaudited)	Ordinary shares of 1 pence Number	Share capital £'000	Share premium reserve £'000	Capital reduction reserve £'000	Total £'000
As at 1 July 2024	1,246,239,185	12,462	500,386	629,196	1,142,044
Dividends paid in the period	-	-	-	(37,948)	(37,948)
As at 31 December 2024	**1,246,239,185**	**12,462**	**500,386**	**591,248**	**1,104,096**
Year to 30 June 2024 (audited)					
As at 1 July 2023	1,246,239,185	12,462	500,386	704,531	1,217,379
Dividend paid in the year	-	-	-	(75,335)	(75,335)
As at 30 June 2024	**1,246,239,185**	**12,462**	**500,386**	**629,196**	**1,142,044**
Six months to 31 December 2023 (unaudited)					
As at 1 July 2023	1,246,239,185	12,462	500,386	704,531	1,217,379
Dividends paid in the period	-	-	-	(37,574)	(37,574)
As at 31 December 2023	**1,246,239,185**	**12,462**	**500,386**	**666,957**	**1,179,805**

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All ordinary shares carry equal voting rights. The aggregate ordinary shares in issue at 31 December 2024 total was 1.246 billion.

21. Cash flow hedge reserve

	Unaudited Six months to 31 December 2024 £'000	Audited Year to 30 June 2024 £'000	Unaudited Six months to 31 December 2023 £'000
At start of the period	1,539	3,304	3,304
Recycled comprehensive loss to profit and loss	(730)	(1,154)	(432)
Fair value movement of interest rate derivatives in effective hedges	-	(611)	(611)
At the end of the period	**809**	**1,539**	**2,261**

A previously hedge accounted derivative in relation to the Wells Fargo facility was terminated in the prior year. The residual balance of the derivative is recycled to the income statement over the remaining period of the Wells Fargo loan to July 2025.

22. Capital commitments

The Group had no capital commitments outstanding as at 31 December 2024 (30 June 2024: none; 31 December 2023: none).

23. Transactions with related parties

Details of the related parties to the Group in the period and the transactions with these related parties were as follows:

a. Directors

Directors' fees

The table below shows the fees per annum for the roles performed by the Board for the year ending 30 June 2025:

Role	Jon Austen	Frances Davies	Nick Hewson	Vince Prior	Sapna Shah	Cathryn Vanderspar
Chair of Board of Directors	-	-	£78,000	-	-	-
Director	£54,500	£54,500	-	£54,500	£54,500	£54,500
Audit and Risk Committee Chair	£10,000	-	-	-	-	-
Nomination Committee Chair*	-	-	-	-	£5,000	-
Senior Independent Director*	-	-	-	£5,000	£5,000	-
Remuneration Committee Chair	-	-	-	-	-	£5,000
ESG Committee Chair	-	£5,000	-	-	-	-
Management Engagement Committee Chair*	-	-	-	£5,000	-	-

**Post period end, Roger Blundell was appointed as a non-executive director from 15 January 2025 with a salary of £54,500 per annum.*

Directors' interests

Details of the direct and indirect interests of the Directors and their close families in the ordinary shares of one pence each in the Company at 31 December 2024 were as follows:

- Nick Hewson: 1,405,609 shares (0.11% of issued share capital)
- Sapna Shah: 118,862 (0.01% of issued share capital)
- Jon Austen: 305,339 shares (0.02% of issued share capital)
- Frances Davies: 36,774 (0.00% of issued share capital)
- Vince Prior: 213,432 shares (0.02% of issued share capital)
- Cathryn Vanderspar: 125,802 shares (0.01% of issued share capital)

23. Transactions with related parties (continued)

b. Investment Adviser

Investment advisory and accounting fees
The investment adviser to the Group, Atrato Capital Limited, is entitled to certain advisory fees under the terms of the Investment Advisory Agreement (the "Agreement") dated 14 July 2021.

The entitlement of the Investment Adviser to advisory fees is by way of what are termed 'Monthly Management Fees' and 'Semi-Annual Management Fees' both of which are calculated by reference to the net asset value of the Group at particular dates, as adjusted for the financial impact of certain investment events and after deducting any un-invested proceeds from share issues up to the date of the calculation of the relevant fee (these adjusted amounts are referred to as 'Adjusted Net Asset Value' for the purpose of calculation of the fees in accordance with the Agreement).

Until the Adjusted Net Value of the Group exceeds £1,500 million, the entitlements to advisory fees can be summarised as follows:

- Monthly Management Fee payable monthly in arrears: 1/12th of 0.7125% per calendar month of Adjusted Net Asset Value up to or equal to £500 million, 1/12th of 0.5625% per calendar month of Adjusted Net Asset Value above £500 million and up to or equal to £1,000 million and 1/12th of 0.4875% per calendar month of Adjusted Net Asset Value above £1,000 million and up to or equal to £1,500 million.
- Semi-Annual Management Fee payable semi-annually in arrears: 0.11875% of Adjusted Net Asset Value up to or equal to £500 million, 0.09375% of Adjusted Net Asset Value above £500 million and up to or equal to £1,000 million and 0.08125% of Adjusted Net Asset Value above £1,000 million and up to or equal to £1,500 million.

For the six month period to 31 December 2024 the total advisory fees payable to the Investment Adviser were £4,636,435 (six months to 31 December 2023: £4,829,236; year to 30 June 2024: £9,472,218) of which £1,739,567 (30 June 2024: £1,745,960; 31 December 2023: £1,859,105) is included in trade and other payables in the consolidated statement of financial position.

During the period the Group agreed with the investment advisor to move the basis of the management fee calculation from net asset value to market capitalisation, effective from 1 July 2025. The current fee thresholds and rates applied to the net asset value are retained in the new agreement. The new agreement provides that 100% of the management fee will be paid monthly such that there is no semi-annual management fee.

The Investment Adviser will also provide the following services as part of the new agreement:

Service	**Fees per annum**
Payment services	£150,000
AIFM	£135,000
Company Secretarial	£250,000

If the proposed internalisation becomes effective, the Investment Adviser will no longer provide services or receive fees in respect of AIFM and payment services.

The Investment Adviser is also entitled to an annual accounting and administration service fee equal to: £55,460; plus (i) £4,496 for any indirect subsidiary of the Company and (ii) £1,745 for each direct subsidiary of the Company.

For the six month period to 31 December 2024 the total accounting and administration service fee payable to the Investment Adviser was £165,041 (six months to 31 December 2023: £160,124, year to 30 June 2024: £363,869) of which £113,024 (six months to 31 December 2023: £80,353; year to 30 June 2024: £91,950) is included in trade and other payables in the consolidated statement of financial position.

23. Transactions with related parties (continued)

Introducer Services

Atrato Partners, an affiliate of the Investment Adviser, is entitled to fees in relation to the successful introduction of prospective investors in connection with subscriptions for ordinary share capital in the Company. The entitlement of the Investment Adviser to introducer fees is by fees and/or commission which can be summarised as follows:

- Commission basis: one per cent of total subscription in respect of ordinary shares subscribed for by any prospective investor introduced by Atrato Partners.

For the six month period to 31 December 2024 the total introducer fees payable to the affiliate of the Investment Adviser were £Nil (six months to 31 December 2023: £Nil; year to 30 June 2024: £Nil)

Interest in shares of the Company

Details of the direct and indirect interests of persons discharged with managerial responsibility of the Investment Adviser and their close families in the ordinary shares of one pence each in the Company at 31 December 2024 were as follows:

- Ben Green: 2,788,162 shares (0.22% of issued share capital)
- Steve Windsor: 2,031,132 shares (0.16% of issued share capital)
- Natalie Markham: 71,039 shares (0.01% of issued share capital)

24. Net asset value per share

NAV per share is calculated by dividing the Group's net assets as shown in the consolidated statement of financial position, by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

The Group uses EPRA Net Tangible Assets ("EPRA NTA") as the most meaningful measure of long-term performance and the measure which is being adopted by the majority of UK REITs, establishing it as the industry standard benchmark. It excludes items that are considered to have no impact in the long term, such as the fair value of derivatives.

The EPRA NTA per share calculation are as follows:

	Unaudited 31 December 2024 £'000	Unaudited 31 December 2023 £'000	Audited 30 June 2024 £'000
Net assets per the consolidated statement of financial position	1,117,446	1,124,889	1,119,474
Fair value adjustment for financial assets at amortised cost	(3,930)	(3,631)	(3,493)
Fair value of interest rate derivatives	(22,398)	(27,364)	(31,449)
EPRA NTA	**1,091,118**	**1,093,894**	**1,084,532**
Ordinary shares in issue	**1,246,239,185**	**1,246,239,185**	**1,246,239,185**
NAV per share - Basic and diluted (pence)	**90p**	**90p**	**90p**
EPRA NTA per share (pence)	**88p**	**88p**	**87p**

25. Subsequent events

In January 2025 the Group acquired a further nine omnichannel Carrefour supermarkets in France via a sale and leaseback with Carrefour. The purchase price was €36.7 million (excluding acquisition costs) at a net initial yield of 6.8%, a weighted average lease term of 12 years and annual uncapped inflation-linked rent reviews.

In February 2025 the Group completed the sale of a Tesco supermarket in Newmarket for £63.5m at a 7.4% premium to the 30 June 2024 valuation. Part of the proceeds were used to repay £31.5 million of the £86.9 million BLB facility.

In February 2025 the Group completed a private placement with an institutional investor for €39.0 million of new senior unsecured notes. The notes have a maturity of seven years and a fixed rate coupon of 4.1%.

In March 2025 the Group announced it had reached an agreement with Atrato Group to internalise its management function for £19.7 million, with a further £0.3 million for the termination of its AIFM agreement and £0.8 million for the provision of transitionary services for up to nine months post completion. This is subject to a shareholder vote on 20 March 2025 and is expected to take effect from 25 March 2025.

Notes to EPRA and other Key Performance Indicators

This appendix does not form part of the notes to the condensed set of consolidated financial statements.

1. EPRA Earnings and Adjusted Earnings per Share

EPRA EPS is a measure of EPS designed by EPRA to present underlying earnings from core operating activities. Adjusted earnings is EPRA earnings adjusted for company specific items to reflect the underlying profitability of the business.

Following the updated September 2024 EPRA best practice recommendations guidelines, the previous company specific adjustment to EPRA earnings in relation to adding back finance income received on interest rate derivatives is now included within the EPRA earnings calculation. As such the comparative period calculations in the table below have been adjusted to reflect the new guidelines retrospectively.

While the result is that there is no impact to the Adjusted earnings in any prior period, the EPRA earnings was previously reported as £25,825,000 for the six months ended 31 December 2023 and £53,283,000 for the year ended 30 June 2024.

	Six months to 31 December 2024 £'000	Six months to 31 December 2023 £'000	Year to 30 June 2024 £'000
Profit/(Loss) for the period	36,530	(54,220)	(21,184)
Adjustments to remove:			
Changes in fair value of interest rate derivatives measured at FVTPL	8,320	32,272	31,251
Changes in fair value of investment properties	(7,202)	57,940	65,825
Deferred Tax	(374)	-	(140)
JSE listing fees	113	-	-
EPRA Earnings	**37,387**	**35,992**	**75,752**
EPRA EPS	**3.0p**	**2.9p**	**6.1p**
Non-cash write down of loan arrangement fees in respect of loan restructuring	-	281	70
Adjusted Earnings	**37,387**	**36,273**	**75,822**
Weighted average number of ordinary shares[1]	**1,246,239,185**	**1,246,239,185**	**1,246,239,185**
Adjusted EPS	**3.0p**	**2.9p**	**6.1p**

[1] Based on the weighted average number of ordinary shares in issue for the six months to 31 December 2024.

Notes to EPRA and other Key Performance Indicators continued

2. EPRA NTA per share

EPRA NTA is considered to be the most relevant measure for the Group and is now the primary measure of net assets, replacing the previously reported EPRA Net Asset Value metric. For the current period EPRA NTA is calculated as net assets per the consolidated statement of financial position excluding the fair value of interest rate derivatives and includes a revaluation to fair value of investment properties held at amortised cost.

31 December 2024	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
IFRS NAV attributable to ordinary shareholders	**1,117,446**	**1,117,446**	**1,117,446**
Fair value of interest rate derivatives	(22,398)	(22,398)	-
Fair value of financial assets held at amortised cost	(3,930)	(3,930)	(3,930)
Purchasers' costs	-	124,167	-
Fair value of debt	**-**	**-**	(5,947)
EPRA metric	**1,091,118**	**1,215,285**	**1,107,569**
EPRA metric per share	**88p**	**98p**	**89p**

30 June 2024			
IFRS NAV attributable to ordinary shareholders	1,119,474	1,119,474	1,119,474
Fair value of interest rate derivatives	(31,449)	(31,449)	-
Fair value of financial assets held at amortised cost	(3,493)	(3,493)	(3,493)
Purchasers' costs	-	120,239	-
Fair value of debt	-	-	149
EPRA metric	**1,084,532**	**1,204,771**	**1,116,130**
EPRA metric per share	**87p**	**97p**	**90p**

31 December 2023	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
IFRS NAV attributable to ordinary shareholders	**1,124,889**	**1,124,889**	**1,124,889**
Fair value of interest rate derivatives	(27,364)	(27,364)	-
Fair value of financial assets held at amortised cost	(3,631)	(3,631)	(3,631)
Purchasers' costs	-	113,418	-
Fair value of debt	-	-	1,538
EPRA metric	**1,093,894**	**1,207,312**	**1,122,796**
EPRA metric per share	**88p**	**97p**	**90p**

Notes to EPRA and other Key Performance Indicators continued

3. EPRA Net Initial Yield (NIY) and EPRA "topped up" NIY

Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

	Six months to 31 December 2024 £'000	Six month to 31 December 2023 £'000	Year to 30 June 2024 £'000
Investment Property – wholly owned	1,825,990	1,667,910	1,768,216
Completed Property Portfolio	**1,825,990**	**1,667,910**	**1,768,216**
Allowance for estimated purchasers' costs	124,167	113,418	120,239
Grossed up completed property portfolio valuation (B)	**1,950,157**	**1,781,328**	**1,888,455**
Annualised passing rental income – wholly owned	117,771	104,201	112,338
Annualised non–recoverable property outgoings	(1,590)	(897)	(1,116)
Annualised net rents (A)	**116,181**	**103,304**	**111,222**
Rent expiration of rent-free periods and fixed uplifts	390	233	440
Topped up annualised net rents (C)	**116,571**	**103,537**	**111,662**
EPRA NIY (A/B)	**5.96%**	**5.80%**	**5.89%**
EPRA "topped up" NIY (C/B)	**5.98%**	**5.81%**	**5.91%**

All rent free periods expire within the year to 30 June 2025

4. EPRA Vacancy Rate

	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 30 June 2024 £'000
Estimated rental value of vacant space	406	648	591
Estimated rental value of the whole portfolio	118,858	105,371	113,660
EPRA Vacancy Rate	**0.3%**	**0.6%**	**0.5%**

The EPRA vacancy rate is calculated as the ERV of the unrented, lettable space as a proportion of the total rental value of the direct Investment Property portfolio. This is expected to continue to be a highly immaterial percentage as the majority of the portfolio is let to the largest supermarket operators in the UK.

Notes to EPRA and other Key Performance Indicators continued

5. EPRA Cost Ratio

Administrative & operating costs (both including and excluding costs of direct vacancy) divided by gross rental income.

	Six months to 31 December 2024 £'000	Six months to 31 December 2023 £'000	Year to to 30 June 2024 £'000
Administration expenses per IFRS	**7,575**	**7,608**	**15,218**
Service charge income	(4,266)	(3,309)	(6,822)
Service charge costs	4,608	3,672	7,441
Net Service charge costs	**342**	**363**	**619**
Total costs (including direct vacant property costs) (A)	**7,917**	**7,971**	**15,837**
Vacant property costs	(198)	(85)	(331)
Total costs (excluding direct vacant property costs) (B)	**7,719**	**7,886**	**15,506**
Gross rental income per IFRS	**58,171**	**52,924**	**107,851**
Less: service charge components of gross rental income	-	-	-
Add: Share of Gross rental income from Joint Ventures	-	-	-
Gross rental income (C)	**58,171**	**52,924**	**107,851**
EPRA Cost ratio (including direct vacant property costs) (A/C)	**13.6%**	**15.1%**	**14.7%**
EPRA Cost ratio (excluding vacant property costs) (B/C)	**13.3%**	**14.9%**	**14.4%**

*1. **Property operating expenses are net of costs capitalised in accordance with IFRS of £nil (2023: £0.1 million). Capitalised costs relate to development expenditure on the property portfolio.***

Notes to EPRA and other Key Performance Indicators continued

6. EPRA LTV

Net debt divided by total property portfolio and other eligible assets.

	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 30 June 2024 £'000
Group Net Debt			
Borrowings from financial institutions	744,608	583,893	694,168
Net payables	37,491	34,481	34,832
Less: Cash and cash equivalents	(40,631)	(37,068)	(38,691)
Group Net Debt Total (A)	**741,468**	**581,306**	**690,309**
Group Property Value			
Investment properties at fair value	1,763,040	1,667,910	1,768,216
Asset held for sale	62,950		
Intangibles	-	-	-
Net receivables	-	-	-
Financial assets	11,130	10,921	11,023
Total Group Property Value (B)	**1,837,120**	**1,678,831**	**1,779,239**
Group LTV (A/B)	**40.36%**	**34.63%**	**38.80%**
Share of Joint Ventures Debt			
Bond loans	-	-	-
Net payables	-	-	-
JV Net Debt Total (A)	**-**	**-**	**-**
Group Property Value	**-**	-	-
Owner-occupied property	**-**	-	-
Investment properties at fair value	-	-	-
Total JV Property Value (B)	**-**	**-**	**-**
JV LTV (A/B)	**0.00%**	**0.00%**	**0.00%**
Combined Net Debt (A)	**741,468**	**581,306**	**690,309**
Combined Property Value (B)	**1,837,120**	**1,678,831**	**1,779,239**
Combined LTV (A/B)	**40.36%**	**34.63%**	**38.80%**

7. EPRA Like-for-Like Rental Growth

Changes in net rental income for those properties held for the duration of both the current and comparative reporting period.

Sector	Six months to 31 December 2024 £'000	Six months to 31 December 2023 £'000	Like-for-Like rental growth %
UK	**52,518**	**51,439**	**2.1%**

The like-for-like rental growth is based on changes in net rental income for those properties which have been held for the duration of both the current and comparative reporting. This represents a portfolio valuation, as assessed by the valuer of £1.6 bn (31 December 2023: £1.3 bn).

Notes to EPRA and other Key Performance Indicators continued

8. EPRA Property Related Capital Expenditure

Amounts spent for the purchase and development of investment properties (including any capitalised transaction costs).

	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 30 June 2024 £'000
Group			
Acquisitions	50,861	38,391	145,834
Development	2	110	380
Investment properties	-	-	-
Group Total CapEx	**50,863**	**38,501**	**146,214**
Joint Venture			
Acquisitions	-	-	-
Development	-	-	-
Investment properties	-	-	-
Joint Venture Total CapEx	**-**	**-**	**-**
Total CapEx	**50,863**	**38,501**	**146,214**

Acquisitions relate to purchase of investment properties in the year and includes capitalised acquisition costs. Development relates to capitalised costs in relation to development expenditure on the property portfolio.

9. Total Shareholder Return

Total Shareholder Return ("TSR") is measured by reference to the growth in the Group's share price over a period, plus dividends declared for that period.

Total Shareholder Return	Six months to 31 December 2024 Pence per share	Six months to 31 December 2023 Pence per share	Year to 30 June 2024 Pence per share
Share price at start of the period / year	72.50	73.00	73.00
Share price at the end of the period / year	68.10	86.90	72.50
(Decrease)/Increase in share price	(4.40)	13.90	(0.50)
Dividends declared for the period	3.06	3.03	6.06
(Decrease)/Increase in share price plus dividends	**(1.34)**	**16.93**	**5.56**
Share price at start of period	**72.50**	**73.00**	**73.00**
Total Shareholder Return	**(2%)**	**23%**	**8%**

10. Net loan to value ratio

The proportion of our gross asset value that is funded by borrowings calculated as statement of financial position borrowings less cash balances divided by total investment properties valuation.

Net loan to value	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 30 June 2024 £'000
Bank borrowings	744,608	583,893	694,168
Less cash and cash equivalents	(40,631)	(37,068)	(38,691)
Net borrowings	703,977	546,825	655,477
Investment properties and asset held for sale	1,825,990	1,667,910	1,768,216
Net loan to value ratio	**39%**	**33%**	**37%**

11. Annualised passing rent

Annualised passing rent is the annualised cash rental income being received as at the stated date.

COMPANY INFORMATION

Directors	Nick Hewson (Non-Executive Chair) Sapna Shah (Senior Independent Director & Chair of Nomination Committee) Jon Austen (Chair of Audit Committee) Roger Blundell (Non-Executive Director) Frances Davies (Chair of ESG Committee) Vince Prior (Chair of Management Engagement Committee) Cathryn Vanderspar (Chair of Remuneration Committee)
Company Secretary	Atrato Partners Limited c/o Hillier Hopkins, First Floor, Radius House, 51 Clarendon Road Watford WD17 1HP
Registrar	MUFG Corporate Markets The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
AIFM	JTC Global AIFM Solutions Limited Ground Floor Dorey Court Admiral Park St Peter Port Guernsey Channel Islands GY21 2HT
Investment Adviser	Atrato Capital Limited 10 Bishops Square London E1 6EG
Financial Adviser and Joint Corporate Broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
Joint Corporate Broker	Goldman Sachs International Plumtree Court 25 Shoe Lane London EC4A 4AU
JSE Sponsor	PSG Capital Proprietary Limited 1st Floor, Ou Kollege Building 35 Kerk Street Stellenbosch 7600

Auditors	BDO LLP 55 Baker Street London W1U 7EU
Property Valuers	Cushman & Wakefield 125 Old Broad Street London EC2N 1AR
Financial PR Advisers	FTI 200 Aldersgate Street London EC1A 4HD
Website	www.supermarketincomereit.com
Registered Office	3rd Floor 10 Bishops Square London E1 6EG
LSE Share Code	SUPR
JSE Share Code	SRI
ISIN	GB00BF345X11
LEI	2138007FOINJKAM7L537

This report will be available on the Company's website.

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