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6 March 2023

**Alternative Income REIT plc**  
(the "Company" or the "Group")

**INTERIM REPORT AND FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**Resilient portfolio providing secure, inflation-linked long-term income**

**Remain on track to deliver target annual dividend of at least 5.7p per share for the financial year ending 30 June 2023**

The Board of Directors of Alternative Income REIT plc (ticker: AIRE), the owner of a diversified portfolio of UK commercial property assets predominantly let on long leases with index-linked rent reviews, is pleased to announce its interim report and financial statements for the half year ended 31 December 2022.

**Simon Bennett, Non-Executive Chairman of Alternative Income REIT plc, comments:**

"The half year results reflect the resilience of the Company's portfolio, and the Company remains on track to deliver the Board's previously announced target annual dividend of at least 5.7pence per share<sup>1</sup> ("pps"), which is expected to be fully covered.

Whilst not immune from the headwinds affecting the UK and wider global economy at the present time, 96% of the Group's portfolio benefits from index-linked rent reviews. Combining this with a strong balance sheet, modest overheads and low fixed borrowing costs until 2025, helps ensure the Company is well positioned to ride-out successfully the current economic storm and to continue to deliver attractive, secure and progressive income to our shareholders."

**Financial Highlights**

**At 31 December 2022 (the 'Period End')**

|  | <b>31 December 2022<br/>(unaudited)</b> | <b>30 June 2022<br/>(audited)</b> | <b>Change</b> |
|--|---|-----------------------------------|---------------|
| Net Asset Value ('NAV')                                      | £67.9 million                           | £77.6 million                     | -12.5%        |
| NAV per share  | 84.34p                                  | 96.40p                            | -12.5%        |
| Share price  | 66.70p                                  | 82.10p                            | -18.8%        |
| Share price discount to NAV <sup>A</sup>                     | 20.9%                                   | 14.8%                             | +6.1%         |
| Investment property fair value (based on external valuation) | £107.4 million                          | £117.9 million                    | -8.9%         |
| Loan to gross asset value ('GAV') <sup>A</sup>               | 36.8%                                   | 33.7%                             |               |
| Loan facility <sup>2</sup>                                   | £41.0 million                           | £41.0 million                     | -             |

**For the half year ended 31 December 2022 (the 'Period')**

|   | <b>2022<br/>(unaudited)</b> | <b>2021<br/>(unaudited)</b> | <b>Change</b> |
|---|-----------------------------|-----------------------------|---------------|
| EPRA earnings per share ('EPS') <sup>A</sup>  | 3.45p                       | 3.28p                       | +5.2%         |
| Adjusted EPS <sup>A</sup>   | 3.35p                       | 2.79p                       | +20.1%        |
| Dividend cover <sup>A</sup>   | 121.8%                      | 107.3%                      | +14.5%        |
| Dividends per share   | 2.75p                       | 2.60p                       | +5.8%         |
| Dividend yield (annual) <sup>A</sup>  | 8.3%                        | 7.6%                        | +0.7%         |
| Operating profit (including gain on sale of investment property but excluding fair value changes) | £3.5 million                | £3.4 million                | +2.9%         |
| (Loss)/profit before tax  | (£7.3 million)              | £6.2 million                | -217.3%       |
| EPS (loss)/profit   | (9.08p)                     | 7.74p                       | -217.3%       |
| Share price total return <sup>A</sup>   | -15.4%                      | +5.8%                       |               |

|  |              |              |        |
|--|--------------|--------------|--------|
| NAV total return <sup>A</sup>              | -9.6%        | +9.7%        |        |
| Annualised gross passing rent <sup>A</sup> | £7.5 million | £6.6 million | +13.6% |
| Ongoing charges <sup>A</sup>               | 1.42%        | 1.44%        | -2 bps |

- The NAV decreased in aggregate by £9.7 million to £67.9 million, equivalent to 84.34pps as at 31 December 2022 (30 June 2022: £77.6 million, equivalent to 96.40pps). The majority of the decrease is due to a £10.1 million reduction in the fair value of the investment properties impacted by upward yield movement across the wider real estate sector, driven primarily from rises in interest rates and inflation during 2022.
- Dividends in respect of the Period totalled 2.75pps, a 5.8% increase on the first six months to 31 December 2021 and in line with the Board's target annual dividend of at least 5.7pps<sup>1</sup>, which is expected to be fully covered. Dividends in respect of the period were covered 121.8% by earnings.
- EPS amounted to a loss of 9.08pps for the Period (half year ended 31 December 2021: profit of 7.74p). The majority of this arose from the £10.1 million reduction in the fair value of the investment properties in the Period.
- The Group's loan matures in October 2025 and is fixed at a weighted average interest cost of 3.19%. The loan continues to have significant headroom to the lender's loan to value covenant of 60% and remains comfortably within the Group's stated borrowing limit of not exceeding 40% of GAV (measured at drawdown).

<sup>A</sup> Considered to be an Alternative Performance Measure. Further details can be found at the end of this section and full calculations are set out following the financial statements.

<sup>1</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.

<sup>2</sup> The loan facility at 31 December 2022 of £41.0 million (30 June 2022: same) is with Canada Life Investments, matures on 20 October 2025 and has a weighted average interest cost of 3.19%.

## Operational Highlights

### At the Group's Period End of 31 December 2022:

- The Group's property portfolio had a fair value of £107.4 million across 19 properties (30 June 2022: £117.9 million across 19 properties). There were no property transactions in the Period.
- The EPRA Net Initial Yield <sup>A</sup> ('NIY') increased to 6.5% at 31 December 2022 (30 June 2022: 5.7%).
- 96% of the Group's income is inflation linked to the Retail Price Index ('RPI') or the Consumer Price Index ('CPI').
- The assets were fully let at the Period End and throughout the Period.
- The weighted average unexpired lease term ('WAULT') at the Period End was 17.0 years to the earlier of break and expiry (30 June 2022: 17.5 years) and 18.8 years to expiry (30 June 2022: 19.4 years).

### Income and expense during the Period

- Rent recognised during the Period was £3.9 million (half year to 31 December 2021: £3.7 million), of which £0.2 million (31 December 2021: £0.3 million) was accrued debtors for the combination of minimum uplifts and rent-free period. The number of tenants at the half year was 21 (31 December 2021: 20).
- All of the rent due in 2022 has been collected.
- The portfolio had annualised gross passing rent<sup>A</sup> of £7.5 million across 19 properties (31 December 2021: £6.6 million across 18 properties), increasing by 13.6% due to the acquisition of Volvo, Slough in Q1 2022 and various rent reviews during the 12 months to 31 December 2022.
- A total of 7 rent reviews took place during the Period with a combined uplift of £247,000 representing an average of 8.38% growth in contracted rent across those properties affected and 3.43% across the portfolio.
- Ongoing charges at the Period end was 1.42% a slight decrease from the comparable prior period.
- The Group received £825,000 in the Period, in full and final settlement of litigation to recover costs incurred on work to replace defective cladding on the Travelodge Hotel, Swindon. This one-off receipt has been proportionally allocated as £606,000 to capital, as a reduction in acquisition costs and £219,000 to revenue, as other property income. Further detail is contained in Note 15.3 of the financial statements.

### Post balance sheet highlights

- On 1 February 2023, the Board declared an interim dividend of 1.375pps in respect of the quarter ended 31 December 2022. This was paid on 24 February 2023 to shareholders on the register as at 10 February 2023. The ex-dividend date was 9 February 2023.

- A lease renewal for a further 5 years from 14 January 2023 has been agreed with Pets at Home for the Group's unit in Droitwich. Negotiations are in progress with Mears Group, in respect of Bramall Court, Salford, to change the use of the property from student accommodation to social housing, whilst entering a nomination agreement with Salford City Council.
- Over the six month period to 30 June 2023, 26% of the Group's income will be reviewed (five annual index-linked rent reviews and three periodic index-linked rent reviews (5 years since the previous reviews)).

## ENQUIRIES

### Alternative Income REIT plc

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via H/Advisors Maitland below

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Further information on Alternative Income REIT plc is available at [www.alternativeincomereit.com](http://www.alternativeincomereit.com) <sup>3</sup>

## NOTES

Alternative Income REIT plc aims to generate a sustainable, secure and attractive income return for shareholders from a diversified portfolio of UK property investments, predominately in alternative and specialist sectors. The majority of the assets in the Group's portfolio are let on long leases which contain inflation linked rent review provisions.

The Company's investment adviser is M7 Real Estate Limited ("M7"). M7 is a leading specialist in the pan-European, regional, multi-tenanted real estate market. The company has 225 employees in 14 countries and territories. The team manages over 590 properties with a value of circa €5.9 billion.

<sup>3</sup> Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website or any other website, is incorporated into, or forms part of, this announcement nor, unless previously published on a Regulatory Information Service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

## Chairman's Statement

### Overview

I am pleased to present the unaudited half-yearly report of Alternative Income REIT plc (the "Company") together with its subsidiaries (the "Group") for the half year ended 31 December 2022.

During the period under review the real estate sector as a whole has seen an upward movement in property yields, which therefore results in a downward movement in valuations. The Company's portfolio was not immune to this adverse movement and for the half year ended 31 December 2022 the Group's net asset value showed a fall of £9.7 million to £67.9 million (30 June 2022: £77.6 million). That said, the portfolio has shown some resilience as the valuation fall has, in the main part, been materially lower than the benchmark property indices and the Company's peer group.

Whilst not immune from the headwinds affecting the UK economy at the present time, 96% of the Group's portfolio benefits from index-linked rent reviews. Combining this with a strong balance sheet, modest overheads and low fixed borrowing costs until 2025, helps ensure the Company is well positioned to ride-out successfully the current economic storm and to continue to deliver attractive, secure and progressive income to our shareholders.

### Dividends & Earnings

The Company declared interim dividends of 2.75pps in respect of the half year ended 31 December 2022, an increase of 5.8% on the dividends declared for the half year ended 31 December 2021 of 2.60pps. Dividends declared for the Period are in line with the Board's target annual dividend of at least 5.7pps<sup>1</sup>, which is expected to be fully covered.

As set out in Note 8 to the Condensed Consolidated Financial Statements, these dividends were well-covered by both EPRA Earnings<sup>A</sup> of 3.45pps (31 December 2021: 3.28pps), and the Group's Adjusted EPS<sup>A</sup> (representing cash) of 3.35pps (31 December 2021: 2.79pps).

### Financing

At 31 December 2022, the Group had fully utilised its £41.0 million loan facility with Canada Life Investments. The weighted average interest cost of the Group's facility is 3.19% and the loan is repayable on 20 October 2025. If repayment is made prior to this date, and the corresponding Gilt rate is lower than the contracted rate of interest, then the loan terms provide for an early redemption fee, which at 31 December 2022 would have been a £nil cost (31 December 2021: £2,551,803).

### Environmental, Social and Governance ("ESG")

The Board recognises the importance of ESG to sustainable investment and to the wider business and investor community. In order to meet these expectations, the Group's Investment Adviser has adopted a number of strategies to maintain a conscientious approach to ESG in respect of the Group's property portfolio. With increasing energy costs there has been a renewed focus on sustainability and the Board will continue to maintain its focus on this and seek opportunities, wherever possible to reduce the Group's carbon footprint.

### Future Growth and Outlook

Investment performance in the foreseeable future may be impacted by the headwinds currently effecting the UK and wider global economy which is experiencing high levels of inflation and low growth, with the UK economy teetering on the brink of a potential recession.

The Group's portfolio of 19 investment properties is resilient and continues to provide long-dated high-yielding rental income. Consequently, the Board remains confident, subject to any tenant defaults, that the Company continues to be on track to deliver its target annual dividend of at least 5.7pps<sup>1</sup> for the year ending 30 June 2023. This dividend is expected to be fully covered and takes account of the fact that over the six month period to 30 June 2023, 26% of the Group's income will be reviewed (five annual index-linked rent reviews and three periodic index-linked rent reviews (5 years since the previous reviews)). Over the next 12-month financial period, 63% of the Group's income will be reviewed (45% annual index-linked rent reviews, 16% periodic index-linked rent reviews, namely 5 years since the previous reviews with 2% on fixed uplifts).

I would like to thank our shareholders, my fellow Directors, the Investment Adviser and our other advisers and service providers who have provided professional support and services to the Group during the Period.

Finally, I would like to thank Alan Sippetts, my predecessor as Chairman, for his contribution to the success of the Company in recent years.

**Simon Bennett**  
Chairman

6 March 2023

## Key Performance Indicators ('KPIs')

| KPI AND DEFINITION  | RELEVANCE TO STRATEGY   | PERFORMANCE  |
|---|---|--|
| <p><b>1. Net Initial Yield ('NIY')<sup>A</sup></b><br/>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 purchasers' costs estimated by the Group's External Valuers.</p>   | <p>The NIY is an indicator of the ability of the Company to meet its target dividend after adjusting for the impacts of leverage and deducting operating costs.</p> | <p><b>6.47%</b><br/>at 31 December 2022<br/><br/>(30 June 2022: 5.70%; 31 December 2021: 5.71%)</p>  |
| <p><b>2. Weighted Average Unexpired Lease Term ('WAULT') to break and expiry</b><br/>The average lease term remaining to expiry across the portfolio, weighted by contracted rent.</p>  | <p>The WAULT is a key measure of the quality of the portfolio. Long leases underpin the security of our future income.</p>  | <p><b>17.0 years to break and 18.8 years to expiry</b><br/>at 31 December 2022<br/><br/>(30 June 2022: 17.5 years to break and 19.4 years to expiry; 31 December 2021: 18.1 years to break and 20.2 years to expiry)</p> |
| <p><b>3. Net Asset Value ('NAV') per share<sup>4</sup></b><br/>NAV is the value of an entity's assets minus the value of its liabilities.</p>   | <p>Provides stakeholders with the most relevant information on the fair value of the assets and liabilities of the Group.</p>                                       | <p><b>£67.90 million/ 84.34pps</b><br/>at 31 December 2022<br/><br/>(30 June 2022: £77.60 million, 96.40pps and 31 December 2021: £72.75 million, 90.38pps)</p>  |
| <p><b>4. Dividend per share</b><br/>Dividends declared in relation to the period are in line with the stated dividend target as set out in the Prospectus at IPO. The Company targets a dividend of 5.50 pence per Ordinary Share per annum once fully invested and leveraged<sup>1</sup>.</p>  | <p>The Company seeks to deliver a sustainable income stream from its portfolio, which it distributes as dividends.</p>  | <p><b>2.75pps</b><br/>for the half year ended 31 December 2022<br/><br/>(year ended 30 June 2022: 5.50pps; half year ended 31 December 2021: 2.60pps)</p>  |
| <p><b>5. Adjusted EPS<sup>A</sup></b><br/>Adjusted EPS from core operational activities, as adjusted for non-cash items. A key measure of a company's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. See Note 7 to the Consolidated Condensed Financial Statements.</p> | <p>This reflects the Company's ability to generate earnings from the portfolio which underpins dividends.</p>   | <p><b>3.35pps</b><br/>for the half year ended 31 December 2022<br/><br/>(year ended 30 June 2022: 5.57pps; half year to 31 December 2021: 2.79pps)</p>   |
| <p><b>6. Leverage (Loan-to-GAV)<sup>A</sup></b><br/>The proportion of the Group's assets that is funded by borrowings.</p>  | <p>The Group utilises borrowings to enhance returns over the medium term. Borrowings will not exceed 40% of GAV (measured at drawdown).</p>                         | <p><b>36.78%</b><br/>at 31 December 2022<br/><br/>(30 June 2022: 33.69% and 31 December 2021: 35.22%)</p>  |

## EPRA Performance Measures

Detailed below is a summary table showing EPRA performance measures (which are all alternative performance measures) of the Group.

| MEASURE AND DEFINITION  | PURPOSE  | PERFORMANCE  |
|---|--|--|
| <p><b>EPRA NIY<sup>5</sup></b><br/>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.</p> | <p>A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of two portfolios compare.</p>   | <p><b>6.47%</b><br/>at 31 December 2022<br/><br/>(30 June 2022: 5.70% and 31 December 2021: 5.72%)</p>   |
| <p><b>EPRA 'Topped-Up' NIY<sup>5</sup></b><br/>This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).</p>                      | <p>A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of two portfolios compare.</p>   | <p><b>7.08%</b><br/>at 31 December 2022<br/>(30 June 2022: 6.41% and 31 December 2021: 6.68%)</p>  |
| <p><b>EPRA NAV<sup>4</sup></b><br/>Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business.</p>                                | <p>Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a real estate investment company with a long-term investment strategy.</p>      | <p><b>£67.90 million/ 84.34pps</b><br/>at 31 December 2022<br/><br/>(30 June 2022: £77.60 million, 96.40pps and 31 December 2021: 72.75 million, 90.38pps)</p>                               |
| <p><b>EPRA Net Reinstatement Value<sup>4</sup></b><br/>The EPRA NRV adds back the purchasers' costs deducted from the EPRA NAV and deducts the break cost of bank borrowings.</p>   | <p>A measure that highlights the value of net assets on a long-term basis.</p>   | <p><b>£74.88 million/ 93.02pps</b><br/>EPRA NRV for the half year ended 31 December 2022<br/><br/>(30 June 2022: £84.78 million/105.31pps and 31 December 2021: £77.20 million/95.91pps)</p> |
| <p><b>EPRA Net Tangible Assets<sup>4</sup></b><br/>The EPRA NTA deducts the break cost of bank borrowings from the EPRA NAV.<br/><br/>As break costs were nil at the period end, the EPRA NTA is the same as the EPRA NAV.</p>  | <p>A measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. The Group has UK REIT status and as such no deferred tax is required to be recognised in the accounts.</p> | <p><b>£67.90 million/ 84.34pps</b><br/>EPRA NTA for the half year ended 31 December 2022<br/><br/>(30 June 2022: £77.11 million/95.79pps and 31 December 2021: £70.20 million/87.21pps)</p>  |
| <p><b>EPRA Net Disposal Value<sup>4</sup></b><br/>The EPRA NDV deducts the break cost of bank borrowings from the EPRA NAV.</p>   | <p>A measure that shows the shareholder value if assets and liabilities are not held until maturity.</p>   | <p><b>£67.90 million/ 84.34pps</b><br/>EPRA NDV for the half year ended 31 December 2022<br/><br/>(30 June 2022: £77.11 million/95.79pps and 31 December 2021: £70.20 million/87.21pps)</p>  |
| <p><b>EPRA Earnings/EPS<sup>4</sup></b><br/>Earnings from operational activities.</p>   | <p>A key measure of a company's underlying operating results and an indication of the extent to which current</p>  | <p><b>£2.78 million/ 3.45pps</b><br/>EPRA earnings for the half year ended 31 December 2022</p>  |

|   |   |   |
|---|---|---|
|   | dividend payments are supported by earnings.  | (30 June 2022: £5.05 million/ 6.27pps and 31 December 2021: £2.64 million/ 3.28pps)   |
| <b>EPRA Vacancy</b> <sup>5</sup><br>Estimated Rental Value ('ERV') of vacant space divided by ERV of the whole portfolio.                                   | A 'pure' percentage measure of investment property space that is vacant, based on ERV.        | <b>0.00%</b><br>EPRA vacancy as at 31 December 2022<br><br>(30 June 2022: 0.00% and 31 December 2021: 0.60%)  |
| <b>EPRA Cost Ratio</b> <sup>5</sup><br>Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income. | A key measure to enable meaningful measurement of the changes in a company's operating costs. | <b>15.17%</b><br>EPRA Cost Ratio as at 31 December 2022. The ratio is the same both including and excluding the vacancy costs.<br><br>(30 June 2022: 13.79% and 31 December 2021: 10.27%) |

<sup>4</sup> The reconciliation of this APM is set out in Note 8 of the Notes to the Condensed Consolidated Financial Statements.

<sup>5</sup> The reconciliation of this APM is set out in the EPRA Performance Measures Calculations section following the Notes to the Condensed Consolidated Financial Statements.

# Investment Adviser's Report

## Market Outlook

### *UK Economic Outlook*

The outlook for the UK economy has improved since the beginning of the year and many economists are now predicting that interest rates may now be at, or close to, their peak.

The February 2023 Bank of England base rate increase to 4% was the 10<sup>th</sup> consecutive hike in as many Monetary Policy Committee meetings and took rates to a 14-year high with a cumulative rise of 3.9%. This represents the fastest and largest rise in rates since the late 1980s and is a response to the fastest and largest rise in inflation since the early 1980s. Expectations are that any further rises are likely to be more measured 0.25% increases rather than the 0.5% hikes to which we have recently become accustomed although Capital Economics forecast that lingering domestic inflation pressures will force the Bank to keep interest rates at their peak for all of 2023 before falling to circa. 3.7% by the end of 2024. The impact on commercial property of this rapid change in the interest rate environment is considered further below.

It remains a matter of debate as to whether the economy is currently in recession with the National Institute of Economic and Social Research forecasting mild growth of 0.2% in 2023 and the economy therefore avoiding a technical recession. In contrast, the Bank of England are still predicting a shallow but protracted recession, with a 1% contraction over five quarters, highlighting that most of the drag from higher interest rates has yet to be felt. However, the IMF have recently weighed in with a more gloomy prediction - that Britain will be the only leading economy to suffer a contraction this year.

The significant increase in energy prices as a consequence of the Ukraine war and the emergence of the global economy from the Covid pandemic is now reversing with petrol prices approximately 25% lower than at their peak and average household bills predicted by both The Resolution Foundation and Cornwall Insight to fall below the government's £2,500 p.a. price cap by the summer.

The principal risks to the UK economy appear to be from the squeeze on disposable income, as a result of the increases in the cost of living, and the speed with which inflation will fall. Low-income households are estimated to have seen their disposable income fall by nearly 20% since the onset of Covid according to the National Institute of Economic and Social Research. With respect to inflation, the latest forecasts from the Bank of England have inflation falling from 10.5% to 3.9% by the end of this year, and to 1.4% by the end of 2024, albeit the Bank note that the "risks to inflation are skewed significantly to the upside".

However, the Bank of England's Financial Policy Committee in its most recent assessment judges that "households are more resilient now than in the run-up to the global financial crisis (GFC) in 2007 and that households are, in aggregate, less indebted compared to the peak that preceded the GFC.

### *UK Real Estate Outlook*

The challenging economic circumstances in the UK are unsurprisingly impacting the commercial property sector and particularly the investment market at the present time. The occupier market will inevitably also be influenced by any recession although the extent of this will, of course, depend upon the length and depth of any period of economic decline.

Inflation and rising interest rates have brought about an increase in property yields as investors seek an appropriate yield gap between the risk-free rate and commercial property returns. Lower, and less certain expectations about future rental growth also add to pressure on the lowest yields, with the greatest impact seen so far on the industrial and warehouse sector. The ongoing yield shift has reduced values and returns for property investors particularly those with debt for whom the cost is increasing although not necessarily until expiration of their debt term.

In their outlook for the UK Real Estate Market in 2023, CBRE reached five key conclusions.

- First, that real estate prices will stabilise in 2023. They suggest that the spread over gilt yields going forward will be tighter than in the last decade. CBRE argue that as a result of quantitative easing, implemented after the Global Financial Crisis, the spread between commercial real estate yields and those of UK government bonds was abnormally high in a historical context.
- Income returns, rather than capital growth, will drive commercial real estate returns in the year ahead. The financial performance of occupiers and the success of asset management initiatives will be key.
- The performance of other asset classes relative to real estate will affect investor demand particularly as institutions seek to rebalance portfolios as a consequence of the changes in investment performance and outlook in 2022.
- Transaction volumes will fall although the impact of this will be limited on established portfolios.
- Finally, CBRE forecast that the debt market will remain resilient as UK real estate is less leveraged than in the Global Financial Crisis. However, CBRE note that higher debt costs, together with lower asset values, will pose challenges for investors that need to refinance this year and that will inevitably lead to forced, or at least "lender-led", sales particularly by highly leveraged investors and those owning sub-prime assets particularly.



In some of the first analysis of actual transactions in 2023, it has been reported that capital values declined by 0.4% across all UK commercial property in January 2023 according to the latest CBRE Monthly Index. On a sector specific basis, CBRE report that the decline was higher for the Industrial sector across the UK at -0.7% whereas Retail Warehouse sector posted a fall of only -0.2% along with positive rental growth of 0.3% in the month.

In our opinion, as a further consideration, we see no let-up in the value placed by both occupiers and investors on assets and portfolios meeting sustainability criteria as global warming is increasingly being seen to impact upon our climate. Furthermore, more mandatory disclosure requirements are to be introduced in the UK and high energy prices will incentivise investment by reducing the payback period of energy saving measures.

It is worth noting that the fall in the share price of UK REITs in 2022 was some time ahead of the subsequent fall in values in the conventionally traded property market. Investors will be looking to see if an improvement in listed property prices acts again as an indicator of change in market traded values.

### Portfolio Activity

The following asset management initiatives were undertaken during the Period:

- Rent Reviews: A total of 7 rent reviews took place during the Period with a combined uplift of £247,330 representing an average of 8.38% growth in contracted rent across those properties affected and 3.43% across the portfolio.
- Travelodge, Swindon: Litigation, lodged with the Court on 12 November 2021, in respect of cladding replacement works carried out by the Group to the top floors of the asset, was concluded with the £825,000 settlement received in the Period.

The following asset management initiatives were undertaken between the half year and the date of this report:

- A lease renewal for a further 5 years from 14 January 2023 has been agreed with Pets at Home and is currently being documented.
- Negotiations are in progress with Mears Group, in respect of Bramall Court, Salford, to change the use of the property from student accommodation to social housing, whilst entering a nomination agreement with Salford City Council.

### NAV Movements

|   | Half year ended<br>31 December 2022 |              | Half year ended<br>31 December 2021 |              | Year ended<br>30 June 2022 |              |
|---|-------------------------------------|--------------|-------------------------------------|--------------|----------------------------|--------------|
|   | Pence per<br>share                  | £ million    | Pence per<br>share                  | £ million    | Pence per<br>share         | £ million    |
| NAV as at beginning of period/ year         | 96.40                               | 77.60        | 85.58                               | 68.89        | 85.58                      | 68.89        |
| Change in fair value of investment property | (12.53)                             | (10.09)      | 4.34                                | 3.49         | 9.97                       | 8.02         |
| Income earned for the period/year           | 5.41                                | 4.36         | 4.75                                | 3.83         | 9.81                       | 7.90         |
| Gain on sale of property                    | -                                   | -            | 0.12                                | 0.10         | 0.12                       | 0.10         |
| Finance costs for the period/year           | (0.88)                              | (0.71)       | (0.88)                              | (0.71)       | (1.77)                     | (1.42)       |
| Other expenses for the period/year          | (1.08)                              | (0.86)       | (0.59)                              | (0.48)       | (1.77)                     | (1.43)       |
| Dividends paid during the period/year       | (2.98)                              | (2.40)       | (2.94)                              | (2.37)       | (5.54)                     | (4.46)       |
| <b>NAV as at the end of the year</b>        | <b>84.34</b>                        | <b>67.90</b> | <b>90.38</b>                        | <b>72.75</b> | <b>96.40</b>               | <b>77.60</b> |

### Valuation

At 31 December 2022 the Group owned 19 assets (30 June 2022: 19 assets). The 19 properties held for the Period were valued at £107.4 million at 31 December 2022 (30 June 2022: £117.9 million).

Summary by Sector at 31 December 2022

| Sector                 | Number of Properties | Valuation (£m) | Market Value (%) | Occupancy by ERV (%) | WAULT to break (years) | Annualised gross passing rent (£m) | ERV (£m)    | ERV (%)       |
|------------------------|----------------------|----------------|------------------|----------------------|------------------------|------------------------------------|-------------|---------------|
| Industrial             | 4                    | 24.0           | 22.3%            | 100.0%               | 23.3                   | 1.55                               | 1.56        | 22.3%         |
| Hotel                  | 3                    | 20.7           | 19.3%            | 100.0%               | 13.4                   | 1.69                               | 1.45        | 20.7%         |
| Healthcare             | 3                    | 17.9           | 16.7%            | 100.0%               | 26.0                   | 1.17                               | 1.10        | 15.7%         |
| Automotive & Petroleum | 3                    | 15.3           | 14.2%            | 100.0%               | 13.4                   | 1.04                               | 0.99        | 14.1%         |
| Student Accommodation  | 1                    | 12.0           | 11.2%            | 100.0%               | 18.6                   | 0.73                               | 0.67        | 9.6%          |
| Leisure                | 2                    | 5.4            | 5.0%             | 100.0%               | 6.8                    | 0.42                               | 0.39        | 5.5%          |
| Power Station          | 1                    | 4.8            | 4.5%             | 100.0%               | 9.2                    | 0.33                               | 0.33        | 4.8%          |
| Retail                 | 1                    | 5.4            | 5.0%             | 100.0%               | 4.5                    | 0.40                               | 0.38        | 5.4%          |
| Education              | 1                    | 1.9            | 1.8%             | 100.0%               | 21.1                   | 0.13                               | 0.12        | 1.9%          |
| <b>Total/Average</b>   | <b>19</b>            | <b>107.4</b>   | <b>100.0%</b>    | <b>100.0%</b>        | <b>17.0</b>            | <b>7.46</b>                        | <b>6.99</b> | <b>100.0%</b> |

Summary by Geographical Area at 31 December 2022

| Geographical Area           | Number of Properties | Valuation (£m) | Market Value (%) | Occupancy by ERV (%) | WAULT to break (years) | Annualised gross passing rent (£m) | ERV (£m)    | ERV (%)       |
|-----------------------------|----------------------|----------------|------------------|----------------------|------------------------|------------------------------------|-------------|---------------|
| West Midlands               | 4                    | 26.1           | 24.3%            | 100.0%               | 11.9                   | 1.91                               | 1.85        | 26.5%         |
| The North West & Merseyside | 2                    | 23.1           | 21.5%            | 100.0%               | 34.6                   | 1.30                               | 1.23        | 17.6%         |
| Rest of South East          | 5                    | 22.2           | 20.7%            | 100.0%               | 10.9                   | 1.43                               | 1.34        | 19.2%         |
| South West                  | 2                    | 12.7           | 11.9%            | 100.0%               | 22.0                   | 0.87                               | 0.81        | 11.7%         |
| Yorkshire and the Humber    | 2                    | 6.2            | 5.7%             | 100.0%               | 19.2                   | 0.44                               | 0.42        | 6.0%          |
| Scotland                    | 1                    | 6.9            | 6.5%             | 100.0%               | 13.7                   | 0.76                               | 0.61        | 8.7%          |
| London                      | 2                    | 5.4            | 5.0%             | 100.0%               | 6.8                    | 0.42                               | 0.39        | 5.6%          |
| Eastern                     | 1                    | 4.8            | 4.4%             | 100.0%               | 9.2                    | 0.33                               | 0.34        | 4.7%          |
| <b>Total/Average</b>        | <b>19</b>            | <b>107.4</b>   | <b>100.0%</b>    | <b>100.0%</b>        | <b>17.0</b>            | <b>7.46</b>                        | <b>6.99</b> | <b>100.0%</b> |

## Top Ten Occupiers at 31 December 2022

| Tenant                 | Property  | Annualised gross passing rent (£'000) | % of Portfolio Total Annualised gross passing rental |
|------------------------|---|---------------------------------------|--|
| Jupiter Hotels Ltd     | Mercure City Hotel, Glasgow   | 761                                   | 10.2%  |
| Mears Group Plc        | Bramall Court, Salford  | 735                                   | 9.8%   |
| Prime Life Ltd         | Lyndon Croft Care Centre, Solihull and Westerlands Care Village, Brough | 729                                   | 9.8%   |
| Meridian Steel Ltd     | Grazebrook Industrial Estate, Dudley and Provincial Park, Sheffield     | 716                                   | 9.6%   |
| Premier Inn Hotels Ltd | Premier Inn, Camberley  | 504                                   | 6.8%   |
| Motorpoint Ltd         | Motorpoint, Birmingham  | 500                                   | 6.7%   |
| Handsale Ltd           | Silver Trees, Bristol   | 438                                   | 5.9%   |
| Travelodge Hotels Ltd  | Duke House, Swindon   | 403                                   | 5.4%   |
| Hoddesdon Energy Ltd   | Hoddesdon Energy, Hoddesdon   | 333                                   | 4.5%   |
| Pure Gym Ltd           | Pure Gym, London  | 287                                   | 3.8%   |
| <b>Top Ten Total</b>   |   | <b>5,406</b>                          | <b>72.5%</b>   |

## Lease Expiry Portfolio at 31 December 2022 – to the earlier of break or lease expiry

| Year  | Expiring passing rent pa (£'000) | Cumulative (£'000) |
|-------|----------------------------------|--------------------|
|       |                                  |                    |
| 2023  | 131                              | 131                |
| 2024  | 50                               | 181                |
| 2025  | 97                               | 278                |
| 2026  | -                                | 278                |
| 2027  | 1,003                            | 1,280              |
| 2028  | 262                              | 1,542              |
| 2029  | 272                              | 1,815              |
| 2030  | -                                | 1,815              |
| 2031  | -                                | 1,815              |
| 2032  | 863                              | 2,678              |
| 2033  | 540                              | 3,218              |
| 2034  | -                                | 3,218              |
| 2035  | -                                | 3,218              |
| 2036  | 761                              | 3,979              |
| 2037  | 781                              | 4,761              |
| 2038  | -                                | 4,761              |
| 2039+ | 2,701                            | 7,462              |

# Interim Management Report and Directors' Responsibility Statement

## Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the remaining half year of the financial year are set out in the Chairman's Statement and the Investment Adviser's Report above.

The principal risks and uncertainties of the Company are set out in the Annual Report and Financial Statements for the year ended 30 June 2022 (the '2022 Annual Report') on pages 24 to 29 and in Note 18. Having reviewed these at the half-yearly meeting, the Board considers the principal risks to be unchanged at the period end, with the Board's perception of heightened uncertainty for many factors (for example changes to interest rates, inflation and costs, and probable UK recession) remaining.

Risks faced by the Company include, but are not limited to, tenant default, portfolio concentration, property defects, the rate of inflation, the property market, property valuation, illiquid investments, environment, breach of borrowing covenants, failure of service providers, dependence on the Investment Adviser, ability to meet objectives, Group REIT status, political and macroeconomic events, disclosure risk, regulatory change (including in relation to climate change).

The Board is of the opinion that these principal risks are equally applicable to the remaining six months of the Group's financial year, as they were to the six months being reported on.

## Related Party Transactions

There have been no changes to the related parties shown in Note 20 of the 2022 Annual Report that could have a material effect on the financial position or performance of the Company or Group. Amounts payable to the Investment Adviser in the six months being reported are shown in the unaudited Condensed Consolidated Statement of Comprehensive Income.

## Going Concern

This report has been prepared on a going concern basis. Note 2 sets out the Board's considerations in coming to this conclusion.

## Directors' Responsibility Statement

The Directors confirm that to the best of our knowledge:

- the condensed consolidated set of financial statements has been prepared in accordance with the UK-adopted IAS 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements; and a description of the principal risks and uncertainties for the remaining half of the year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the 2022 Annual Report that could do so.

As at the date of this report the Directors of the Company are Simon Bennett, Stephanie Eastment and Adam Smith all of whom are non-executive Directors.

**For and on behalf of the  
Board  
Simon Bennett  
Chairman  
6 March 2023**

## Condensed Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2022

|   | Notes | Half year<br>ended 31<br>December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|---|-------|---|---|--|
| <b>Income</b>   |       |   |   |  |
| Rental and other income   | 3     | 4,350   | 3,826   | 7,901  |
| Property operating (expense)/ income  | 4     | (357)   | 48  | (330)  |
| <b>Net rental and other income</b>  |       | <b>3,993</b>  | <b>3,874</b>  | <b>7,571</b>   |
| Other operating expenses  | 4     | (499)   | (526)   | (1,101)  |
| <b>Operating profit before fair value change</b>                                  |       | <b>3,494</b>  | <b>3,348</b>  | <b>6,470</b>   |
| Change in fair value of investment properties                                     | 10    | (10,088)  | 3,494   | 8,023  |
| Gain on disposal of investment property   | 10    | -   | 97  | 96   |
| <b>Operating (loss)/ profit</b>   |       | <b>(6,594)</b>  | <b>6,939</b>  | <b>14,589</b>  |
| Finance expense   | 6     | (714)   | (711)   | (1,423)  |
| <b>(Loss)/ profit before tax</b>  |       | <b>(7,308)</b>  | <b>6,228</b>  | <b>13,166</b>  |
| Taxation  | 7     | -   | -   | -  |
| <b>(Loss)/ profit and total comprehensive income attributable to shareholders</b> |       | <b>(7,308)</b>  | <b>6,228</b>  | <b>13,166</b>  |
| <b>(Loss)/ earnings per share (pence) (basic and diluted)</b>                     | 8     | <b>(9.08p)</b>  | <b>7.74p</b>  | <b>16.36p</b>  |
| <b>EPRA EPS (pence) (basic and diluted)</b>                                       | 8     | <b>3.45p</b>  | <b>3.28p</b>  | <b>6.27p</b>   |
| <b>Adjusted EPS (pence) (basic and diluted)</b>                                   | 8     | <b>3.35p</b>  | <b>2.79p</b>  | <b>5.57p</b>   |

All items in the above statement are derived from continuing operations. The accompanying notes 1 to 19 form an integral part of these Condensed Consolidated Financial Statements.

## Condensed Consolidated Statement of Financial Position

As at 31 December 2022

|  | Notes | As at<br>31 December<br>2022<br>(unaudited)<br>£'000 | As at<br>31 December<br>2021<br>(unaudited)<br>£'000 | As at<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|-------|--|--|--|
| <b>Assets</b>                            |       |  |  |  |
| <b>Non-current Assets</b>                |       |  |  |  |
| Investment properties                    | 10    | 104,430  | 105,220  | 115,124  |
|  |       | <b>104,430</b>                                       | <b>105,220</b>                                       | <b>115,124</b>                                 |
| <b>Current Assets</b>                    |       |  |  |  |
| Receivables and prepayments              | 11    | 4,185  | 8,962  | 4,034  |
| Cash and cash equivalents                |       | 2,854  | 2,243  | 2,542  |
|  |       | <b>7,039</b>   | <b>11,205</b>  | <b>6,576</b>                                   |
| <b>Total Assets</b>                      |       | <b>111,469</b>                                       | <b>116,425</b>                                       | <b>121,700</b>                                 |
| <b>Liabilities</b>                       |       |  |  |  |
| <b>Non-current Liabilities:</b>          |       |  |  |  |
| Interest bearing loans and borrowings    | 13    | (40,672)   | (40,568)   | (40,620)                                       |
| Lease obligations                        | 14    | (282)  | (317)  | (299)  |
|  |       | <b>(40,954)</b>                                      | <b>(40,885)</b>                                      | <b>(40,919)</b>                                |
| <b>Current Liabilities</b>               |       |  |  |  |
| Payables and accrued expenses            | 12    | (2,585)  | (2,749)  | (3,146)  |
| Lease obligations                        | 14    | (34)   | (37)   | (36)   |
|  |       | <b>(2,619)</b>                                       | <b>(2,786)</b>                                       | <b>(3,182)</b>                                 |
| <b>Total Liabilities</b>                 |       | <b>(43,573)</b>                                      | <b>(43,671)</b>                                      | <b>(44,101)</b>                                |
| <b>Net Assets</b>                        |       | <b>67,896</b>  | <b>72,754</b>  | <b>77,599</b>                                  |
| <b>Equity</b>                            |       |  |  |  |
| Share capital                            | 17    | 805  | 805  | 805  |
| Capital reserve                          |       | 75,417   | 75,417   | 75,417   |
| (Deficit)/ retained earnings             |       | (8,326)  | (3,468)  | 1,377  |
| <b>Total equity</b>                      |       | <b>67,896</b>  | <b>72,754</b>  | <b>77,599</b>                                  |
| <b>Net Asset Value per share (pence)</b> | 8     | <b>84.34p</b>  | <b>90.38p</b>  | <b>96.40p</b>                                  |

The accompanying notes 1 to 19 form an integral part of these Condensed Consolidated Financial Statements.

The financial statements were approved by the Board of Directors on 2 March 2023 and were signed on its behalf by:

**Simon Bennett**

**Chairman**

Company number: 10727886

## Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2022

|   | Notes | Share capital<br>£'000 | Capital reserve<br>£'000 | Retained earnings<br>£'000 | Total equity<br>£'000 |
|---|-------|------------------------|--------------------------|----------------------------|-----------------------|
| <b>For the half year ended<br/>31 December 2022 (unaudited)</b> |       |                        |                          |                            |                       |
| <b>Balance as at 30 June 2022</b>                               |       | 805                    | 75,417                   | 1,377                      | 77,599                |
| Total comprehensive loss  |       | -                      | -                        | (7,308)                    | (7,308)               |
| Dividends declared  | 9     | -                      | -                        | (2,395)                    | (2,395)               |
| <b>Balance as at 31 December 2022</b>                           |       | <b>805</b>             | <b>75,417</b>            | <b>(8,326)</b>             | <b>67,896</b>         |
| <b>For the half year ended<br/>31 December 2021 (unaudited)</b> |       |                        |                          |                            |                       |
| <b>Balance as at 30 June 2021</b>                               |       | 805                    | 75,417                   | (7,329)                    | 68,893                |
| Total comprehensive income                                      |       | -                      | -                        | 6,228                      | 6,228                 |
| Dividends declared  | 9     | -                      | -                        | (2,367)                    | (2,367)               |
| <b>Balance as at 31 December 2021</b>                           |       | <b>805</b>             | <b>75,417</b>            | <b>(3,468)</b>             | <b>72,754</b>         |
| <b>For the year ended 30 June 2022<br/>(audited)</b>            |       |                        |                          |                            |                       |
| <b>Balance as at 30 June 2021</b>                               |       | 805                    | 75,417                   | (7,329)                    | 68,893                |
| Total comprehensive income                                      |       | -                      | -                        | 13,166                     | 13,166                |
| Dividends declared  | 9     | -                      | -                        | (4,460)                    | (4,460)               |
| <b>Balance as at 30 June 2022</b>                               |       | <b>805</b>             | <b>75,417</b>            | <b>1,377</b>               | <b>77,599</b>         |

The accompanying notes 1 to 19 form an integral part of these Condensed Consolidated Financial Statements.

## Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2022

|  | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|--|
| <b>Cash flows from operating activities</b>                |   |   |  |
| (Loss)/profit before tax                                   | (7,308)   | 6,228   | 13,166   |
| <b>Adjustment for:</b>                                     |   |   |  |
| Finance expenses   | 714   | 711   | 1,423  |
| Gain on sale of investment property                        | -   | (97)  | (96)   |
| Change in fair value of investment properties              | 10,088  | (3,494)   | (8,023)  |
| <b>Operating results before working capital changes</b>    | <b>3,494</b>  | <b>3,348</b>  | <b>6,470</b>   |
| <b>Change in working capital</b>                           |   |   |  |
| Increase in other receivables and prepayments              | (151)   | (5,280)   | (352)  |
| (Decrease)/increase in other payables and accrued expenses | (561)   | (297)   | 100  |
| <b>Net cash from / (used in) operating activities</b>      | <b>2,782</b>  | <b>(2,229)</b>  | <b>6,218</b>   |
| <b>Cash flows from investing activities</b>                |   |   |  |
| Purchase of investment property                            | -   | -   | (5,375)  |
| Disposal of investment property                            | -   | 5,397   | 5,396  |
| Reduction in acquisition costs – note 15.3                 | 606   | -   | -  |
| <b>Net cash from / (used in) investing activities</b>      | <b>606</b>  | <b>5,397</b>  | <b>21</b>  |
| <b>Cash flows from financing activities</b>                |   |   |  |
| Finance costs paid   | (662)   | (659)   | (1,319)  |
| Dividends paid   | (2,395)   | (2,362)   | (4,455)  |
| Payment of lease obligations                               | (19)  | (19)  | (38)   |
| <b>Net cash used in financing activities</b>               | <b>(3,076)</b>  | <b>(3,040)</b>  | <b>(5,812)</b>   |
| Net increase in cash and cash equivalents                  | 312   | 128   | 427  |
| Cash and cash equivalents at beginning of period/year      | 2,542   | 2,115   | 2,115  |
| <b>Cash and cash equivalents at end of period/year</b>     | <b>2,854</b>  | <b>2,243</b>  | <b>2,542</b>   |

The accompanying notes 1 to 19 form an integral part of these Condensed Consolidated Financial Statements.



# Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2022

## 1. Corporate Information

Alternative Income REIT plc (the "Company") is a public limited company and a closed ended Real Estate Investment Trust ('REIT') incorporated on 18 April 2017 and domiciled in the UK and registered in England and Wales. The registered office of the Company is located at 1 King William Street, London, United Kingdom, EC4N 7AF.

The Company's Ordinary Shares were listed on the Official List of the FCA and admitted to trading on the Main Market of the London Stock Exchange on 6 June 2017.

## 2. Accounting policies

### 2.1 Basis of preparation

These condensed consolidated interim financial statements for the half year ended 31 December 2022 have been prepared in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting'. They do not include all the information required for annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 30 June 2022 (the '2022 Annual Financial Report').

These condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties that have been measured at fair value. The condensed consolidated financial statements are presented in Sterling, which is the Group's presentational and functional currency, and all values are rounded to the nearest thousand pounds, except where otherwise shown.

The financial information in this report does not constitute statutory accounts within the meaning of sections 434-436 of the Companies Act 2006 and has not been audited nor reviewed by the Company's auditor. The financial information for the year ended 30 June 2022 has been extracted from the published accounts that have been delivered to the Registrar of Companies, and the report of the auditor was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (the 'Group'). Subsidiaries are the entities controlled by the Company, being Alternative Income Limited and Alternative Income REIT Holdco Limited. IFRS 10 outlines the requirements for the preparation of consolidated financial statements, requiring an entity to consolidate the results of all investees it is considered to control. Control exists where an entity is exposed to variable returns and has the ability to affect those returns through its power over the investee.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

### New standards, amendments and interpretations

#### Standards effective from 1 July 2022

The Group has applied the following new standards and amendments in this set of condensed consolidated financial statements:

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022)
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16) (effective 1 January 2022)
- Reference to the Conceptual Framework (Amendments to IFRS 3) (effective 1 January 2022)

The new standards and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### Forthcoming requirements

The following are new standards, interpretations and amendments, which are not yet effective, and have not been early adopted in this financial information, that will or may have an effect on the Group's future financial statements:

- Amendments to IAS 1 which clarifies the criteria used to determine whether liabilities are classified as current or non-current (effective 1 January 2024). These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendment is not expected to have

an impact on the presentation or classification of the liabilities in the Group based on rights that are in existence at the end of the reporting period.

There are other new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the condensed consolidated financial statements of the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for annual periods beginning after 1 July 2022 and early application is permitted; however the Group has not early adopted the new or amended standards in preparing these condensed consolidated financial statements:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective 1 January 2023)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (effective 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective 1 January 2023)
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) (effective 1 January 2023)
- Classification of liabilities as current or non-current (Amendments to IAS 1) (effective 1 January 2024)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective 1 January 2024)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (Optional)

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## **2.2 Significant accounting judgements and estimates**

The condensed consolidated financial statements have been prepared on the basis of the accounting policies, significant judgements, estimates and key assumptions as set out in the notes to the 2022 Annual Financial Report, and are expected to be applied consistently for the year ending 30 June 2023.

No changes have been made to the Group's accounting policies as a result of the amendments and interpretations which became effective in the period as they do not have a material impact on the Group. Full details can be found in the 2022 Annual Financial Report.

## **2.3 Segmental information**

Each property held by the Group is reported to the chief operating decision maker. In the case of the Group, the chief operating decision maker is considered to be the Board of Directors. The review process for segmental information includes the monitoring of key performance indicators applicable across all properties. These key performance indicators include Net Asset Value, Earnings per Share and valuation of properties. All asset cost and rental allocations are also reported by property. The internal financial reports received by the Directors cover the Group and all its properties and do not differ from amounts reported in the financial statements. The Directors have considered that each property has similar economic characteristics and have therefore aggregated the portfolio into one reportable segment under the provisions of IFRS 8.

## **2.4 Going concern**

The condensed consolidated financial statements have been prepared on a going concern basis.

The robust financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and the accompanying notes.

The Investment Adviser on behalf of the Board has projected the Group's cash flows for the period up to 30 September 2023, challenging and sensitising inputs and assumptions to ensure that the cash forecast reflects a realistic outcome given the uncertainties associated with the current economic environment. The scenarios applied were designed to be severe but plausible, and to take account of the availability of mitigating actions that could be taken to avoid or reduce the impact or probability of the underlying risks.

The Group's debt of £41 million does not mature until 2025 and the Group has reported full compliance with its loan covenants to date. Based on cash flow projections, the Directors expect the Group to continue to remain compliant. The headroom of the loan to value covenant is significant and any reduction in property values that would cause a breach would be significantly more than any reduction currently envisaged.

Based on the above, the Board believes that the Group has the ability and adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of the financial statements.

### 3. Rental and other income

|  | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|--|
| Gross rental income                                      | 3,696   | 3,484   | 7,036  |
| Spreading of minimum contracted future - rent indexation | 209   | 291   | 541  |
| Spreading of tenant incentives - rent free periods       | (49)  | (44)  | (73)   |
| Other property income                                    | 223   | -   | 1  |
| <b>Gross rental income (adjusted)</b>                    | <b>4,079</b>  | <b>3,731</b>  | <b>7,505</b>   |
| Service charges and direct recharges (see note 4)        | 271   | 95  | 396  |
| <b>Total rental and other income</b>                     | <b>4,350</b>  | <b>3,826</b>  | <b>7,901</b>   |

All rental, service charges and direct recharges and other income are derived from the United Kingdom.

Other property income for the half year ended 31 December 2022 mainly relates to the allocation to revenue of £219,000 arising from a settlement of the litigation in respect of replacement of defective cladding for Travelodge, Swindon. Further detail is provided in Note 15.3.

### 4. Operating expenses

|  | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|--|
| Service charges and direct recharges (see note 3)                                | 271   | 95  | 396  |
| Property operating expenses  | 80  | 54  | 136  |
| Reversal of provision for impairment of trade receivables *                      | 6   | (197)   | (202)  |
| <b>Property operating expenses/(income)</b>                                      | <b>357</b>  | <b>(48)</b>   | <b>330</b>   |
| Operating costs **/**  | 210   | 270   | 588  |
| Investment management fee  | 191   | 180   | 368  |
| Directors' remuneration (note 5) ***   | 55  | 43  | 82   |
| Auditor remuneration   | 43  | 33  | 63   |
| <b>Other operating expenses</b>  | <b>499</b>  | <b>526</b>  | <b>1,101</b>   |
| <b>Total operating expenses</b>  | <b>856</b>  | <b>478</b>  | <b>1,431</b>   |
| <b>Total operating expenses (excluding service charges and direct recharges)</b> | <b>585</b>  | <b>383</b>  | <b>1,035</b>   |

\*Reversal of provision for impairment of trade receivables has been reclassified from other operating expenses to property operating (income)/expenses for the half year ended 31 December 2021.

\*\*Included in the operating costs for the year ended 30 June 2022 is £1,250 of fees paid to Stephanie Eastment for due diligence incurred in advance of her appointment as a Director.

\*\*\*Tax and social security costs have been reclassified from operating costs to directors' remuneration for the half year ended 31 December 2021.

|   | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|---|---|---|--|
| <b>Audit</b>                                  |   |   |  |
| Statutory audit of Annual Report and Accounts | 38  | 28  | 53   |
| Statutory audit of Subsidiary Accounts        | 5   | 5   | 10   |
| <b>Total fees due to auditor</b>              | <b>43</b>   | <b>33</b>   | <b>63</b>  |

Moore Kingston Smith LLP has not provided any non-audit services to the Group.

## 5. Directors' remuneration

|                                     | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|-------------------------------------|---|---|--|
| Directors' fees                     | 50  | 39  | 75   |
| Tax and social security *           | 5   | 4   | 7  |
| <b>Total directors remuneration</b> | <b>55</b>   | <b>43</b>   | <b>82</b>  |

\*Tax and social security has been reclassified from operating costs to directors remuneration for the half year ended 31 December 2021.

The Group had no employees during the period/ year.

## 6. Finance expenses

|  | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|--|
| Interest payable on loan                       | 653   | 653   | 1,307  |
| Amortisation of loan arrangement fee (note 13) | 52  | 52  | 104  |
| Other finance costs                            | 9   | 6   | 12   |
| <b>Total</b>                                   | <b>714</b>  | <b>711</b>  | <b>1,423</b>   |

## 7. Taxation

|   | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year<br>ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|---|---|---|--|
| <b>Tax charge comprises:</b>  |   |   |  |
| <b>Analysis of tax charge in the period</b>   |   |   |  |
| (Loss)/profit before tax  | (7,308)   | 6,228   | 13,166   |
| Theoretical tax charge at UK corporation average tax rate of 20.50% (31 December 21 and 30 June 2022: 19.00%) | (1,498)   | 1,183   | 2,502  |
| Effects of tax-exempt items under REIT regime   | 1,498   | (1,183)   | (2,502)  |
| <b>Total</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>   |

The Group maintained its REIT status and as such, no deferred tax asset or liability has been recognised in the current period.

## Factors that may affect future tax charges

Due to the Group's status as a REIT and the intention to continue meeting the conditions required to retain approval as a REIT in the foreseeable future, the Group has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

## 8. (Loss)/ earnings per share (EPS) and Net Asset Value (NAV) per share

|   | Half year<br>ended<br>31 December<br>2022<br>(unaudited) | Half year<br>ended<br>31 December<br>2021<br>(unaudited) | Year<br>ended<br>30 June<br>2022<br>(audited) |
|---|--|--|---|
| <b>(Loss)/ earnings per share:</b>  |  |  |   |
| Total comprehensive (loss)/ income (£'000)  | (7,308)  | 6,228  | 13,166  |
| Weighted average number of shares (number)  | 80,500,000   | 80,500,000   | 80,500,000                                    |
| <b>(Loss)/ earnings per share (basic and diluted)</b>                                   | <b>(9.08p)</b>   | <b>7.74p</b>   | <b>16.36p</b>                                 |
| <b>EPRA EPS:</b>  |  |  |   |
| Total comprehensive (loss)/ income (£'000)  | (7,308)  | 6,228  | 13,166  |
| Adjustment to total comprehensive (loss)/ income:                                       |  |  |   |
| Change in fair value of investment properties (£'000)                                   | 10,088   | (3,494)  | (8,023)                                       |
| Gain on disposal of investment property (£'000)   | -  | (97)   | (96)  |
| <b>EPRA earnings (basic and diluted) (£'000)</b>  | <b>2,780</b>   | <b>2,637</b>   | <b>5,047</b>                                  |
| <b>EPRA EPS (basic and diluted)</b>   | <b>3.45p</b>   | <b>3.28p</b>   | <b>6.27p</b>                                  |
| <b>Adjusted EPS:</b>  |  |  |   |
| EPRA earnings (basic and diluted) (£'000) – as above                                    | 2,780  | 2,637  | 5,047   |
| Adjustments:  |  |  |   |
| Rental income recognised in respect of guaranteed fixed rental uplifts (£'000) (Note 3) | (209)  | (291)  | (541)   |
| Rental income recognised in respect of rent free periods (£'000) (Note 3)               | 49   | 44   | 73  |
| Amortisation of loan arrangement fee (£'000) (Note 6)                                   | 52   | 52   | 104   |
| Write-off of receivables  | 16   | -  | 4   |
| Reversal of provision for impairment of trade receivables (Note 4)                      | 6  | (197)  | (202)   |
| <b>Adjusted earnings (basic and diluted) (£'000)</b>                                    | <b>2,694</b>   | <b>2,245</b>   | <b>4,485</b>                                  |
| <b>Adjusted EPS (basic and diluted)**</b>   | <b>3.35p</b>   | <b>2.79p</b>   | <b>5.57p</b>                                  |

\*\* Adjusted EPS is a measure used by the Board to assess the level of the Group's dividend payments. This metric adjusts EPRA earnings for non-cash items in arriving at an adjusted EPS as supported by cash flows.

Earnings per share are calculated by dividing profit/(loss) for the period/year attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period/year.

|                       | Half year<br>ended<br>31 December<br>2022<br>(unaudited) | Half year<br>ended<br>31 December<br>2021<br>(unaudited) | Year<br>ended<br>30 June<br>2022<br>(audited) |
|-----------------------|--|--|---|
| <b>NAV per share:</b> |  |  |   |
| Net assets (£'000)    | 67,896   | 72,754   | 77,599  |

|                          |               |               |               |
|--------------------------|---------------|---------------|---------------|
| Ordinary Shares (Number) | 80,500,000    | 80,500,000    | 80,500,000    |
| <b>NAV per share</b>     | <b>84.34p</b> | <b>90.38p</b> | <b>96.40p</b> |

EPRA NAV and EPRA NNAV (refer to Glossary) are equal to the NAV presented in the Condensed Consolidated Statement of Financial Position under IFRS and there are no adjusting items. Accordingly, a reconciliation between these measures does not need to be provided.

#### EPRA Net Reinvestment Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV)

|                                       | EPRA NRV       | EPRA NTA and EPRA NDV |
|---------------------------------------|----------------|-----------------------|
| <b>At 31 December 2022</b>            |                |                       |
| Net assets value (£'000)              | 67,896         | 67,896                |
| Purchasers' cost (£'000)              | 6,983          | -                     |
| Break cost on bank borrowings (£'000) | -              | -                     |
|                                       | <b>74,879</b>  | <b>67,896</b>         |
| Ordinary Shares (Number)              | 80,500,000     | 80,500,000            |
| <b>Per share measure</b>              | <b>93.02p</b>  | <b>84.34p</b>         |
| <b>At 31 December 2021</b>            |                |                       |
| Net assets value (£'000)              | 72,754         | 72,754                |
| Purchasers' cost (£'000)              | 7,002          | -                     |
| Break cost on bank borrowings (£'000) | (2,552)        | (2,552)               |
|                                       | <b>77,204</b>  | <b>70,202</b>         |
| Ordinary Shares (Number)              | 80,500,000     | 80,500,000            |
| <b>Per share measure</b>              | <b>95.91p</b>  | <b>87.21p</b>         |
| <b>At 30 June 2022</b>                |                |                       |
| Net assets value (£'000)              | 77,599         | 77,599                |
| Purchasers' cost (£'000)              | 7,664          | -                     |
| Break cost on bank borrowings (£'000) | (486)          | (486)                 |
|                                       | <b>84,777</b>  | <b>77,113</b>         |
| Ordinary Shares (Number)              | 80,500,000     | 80,500,000            |
| <b>Per share measure</b>              | <b>105.31p</b> | <b>95.79p</b>         |

#### 9. Dividends

All dividends are interim dividends

|   | Quarter Ended | Dividend Rate | Half year ended<br>31 Dec 2022<br>(unaudited)<br>£'000 | Half year ended<br>31 Dec 2021<br>(unaudited)<br>£'000 | Year ended<br>30 Jun<br>2022<br>(audited)<br>£'000 |
|---|---------------|---------------|--|--|--|
| <b>Dividends in respect of year ended 30 June 2021</b>  |               |               |  |  |  |
| 4th dividend  | 30 Jun 2021   | 1.640p        | -  | 1,320  | 1,320  |
| <b>Dividends in respect of year ended 30 June 2022</b>  |               |               |  |  |  |
| 1st dividend  | 30 Sep 2021   | 1.300p        | -  | 1,047  | 1,047  |
| 2nd dividend  | 31 Dec 2021   | 1.300p        | -  | -  | 1,046  |
| 3rd dividend  | 31 Mar 2022   | 1.300p        | -  | -  | 1,047  |
| 4th dividend  | 30 Jun 2022   | 1.600p        | 1,288  | -  | -  |
| <b>Dividends in respect of year ending 30 June 2023</b> |               |               |  |  |  |
| 1st dividend  | 30 Sep 2022   | 1.375p        | 1,107  | -  | -  |
| Total dividends paid                                    |               |               | 2,395  | 2,367  | 4,460  |

|   |             |        |              |              |              |
|---|-------------|--------|--------------|--------------|--------------|
| 4th dividend for quarter ended                        | 30 Jun 2021 | 1.640p | -            | (1,320)      | (1,320)      |
| 2nd dividend for quarter ended                        | 31 Dec 2021 | 1.300p | -            | 1,047        | -            |
| 4th dividend for quarter ended                        | 30 Jun 2022 | 1.600p | (1,288)      | -            | 1,288        |
| 2nd dividend for quarter ended                        | 31 Dec 2022 | 1.375p | 1,107        | -            | -            |
| Total dividends payable in respect of the period/year |             |        | <b>2,214</b> | <b>2,094</b> | <b>4,428</b> |

|   |  |  |              |              |              |
|---|--|--|--------------|--------------|--------------|
| Total dividends payable in respect of the period/year |  |  | <b>2.75p</b> | <b>2.60p</b> | <b>5.50p</b> |
|---|--|--|--------------|--------------|--------------|

Dividends declared after the period/year end are not included in the Condensed Consolidated Financial Statements as a liability.

Dividends paid as shown in the Condensed Consolidated Statement of Cash Flows amount to £2,395,000 (31 December 2021: £2,367,000 and 30 June 2022: £4,460,000), any difference to the amount disclosed above is due to withholding tax.

## 10. Investment properties

|  |   |  | Half year<br>ended<br>31 December<br>2022<br>(unaudited) | Half year<br>ended 31<br>December<br>2021<br>(unaudited) | Year ended<br>30 June<br>2022<br>(audited) |
|--|---|--|--|--|--|
|  | Investment<br>properties<br>freehold<br>£'000 | Investment<br>properties<br>leasehold<br>£'000 | Total<br>£'000   | Total<br>£'000   | Total<br>£'000                             |
| <b>UK Investment properties</b>  |   |  |  |  |  |
| At the beginning of the period/year  | 80,980  | 36,925   | 117,905  | 109,230  | 109,230                                    |
| Acquisitions   | -   | -  | -  | -  | 5,375                                      |
| Reduction in acquisition costs – see note 15.3                                     | (606)   | -  | (606)  | -  | -  |
| Disposals  |   |  |  | (5,300)  | (5,300)                                    |
| Change in value of investment properties   | (7,449)                                       | (2,425)  | (9,874)  | 3,800  | 8,600                                      |
| Valuation provided by Knight Frank LLP   | <b>72,925</b>                                 | <b>34,500</b>                                  | <b>107,425</b>   | <b>107,730</b>   | <b>117,905</b>                             |
| Adjustment to fair value for minimum rent indexation of lease income (note 10)     |   |  | (3,367)  | (2,956)  | (3,177)                                    |
| Adjustment for lease obligation  |   |  | 372  | 446  | 396  |
| <b>Total investment properties</b>   |   |  | <b>104,430</b>   | <b>105,220</b>   | <b>115,124</b>                             |
| <b>Change in fair value of investment properties</b>                               |   |  |  |  |  |
| Change in fair value before adjustments for lease incentives and lease obligations |   |  | (9,874)  | 3,800  | 8,600                                      |
| Movement in lease obligations  |   |  | (24)   | (59)   | (109)                                      |
| Adjustment to spreading of contracted future rent indexation and tenant incentives |   |  | (190)  | (247)  | (468)                                      |
|  |   |  | <b>(10,088)</b>  | <b>3,494</b>   | <b>8,023</b>                               |

There were no disposals of properties in the period being reported. The property known as Audi, Huddersfield was disposed of in August 2021 for £5.5 million as shown in the reconciliation below of the gain recognised on disposal through the Condensed Consolidated Statement of Comprehensive Income and the realised gain on disposal in the period/ year; the latter includes changes in fair value of the investment property and minimum rent indexation spreading recognised in previous periods.

|  | Half year<br>ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year<br>ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|---|
|--|---|---|---|

|  |   |           |           |
|--|---|-----------|-----------|
| Gross proceeds on disposal                     | - | 5,500     | 5,500     |
| Selling costs                                  | - | (103)     | (104)     |
| Net proceeds on disposal                       | - | 5,397     | 5,396     |
| Carrying value                                 | - | (5,300)   | (5,300)   |
| <b>Gain on disposal of investment property</b> | - | <b>97</b> | <b>96</b> |

### Valuation of investment properties

Valuation of investment property is performed by Knight Frank LLP, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued. The valuation of the Group's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards (incorporating the International Valuation Standards).

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and yield applicable to those cash flows.

### Fair value measurement hierarchy

IFRS13 'Fair Value Measurement' specifies the fair value hierarchy and as explained in Note 2.6 of the Company's 2022 Audited Financial Statements, the Directors have classified the Company's property portfolio as Level 3. This reflects the fact that inputs to the valuation are not based on observable market data.

### 11. Receivables and prepayments

|  | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|---------------------------------------|
| <b>Receivables</b>                                     |   |   |                                       |
| Rent debtor  | 301   | 279   | 284                                   |
| Less: Provision for impairment of trade receivables    | (2)   | (16)  | (11)                                  |
| Other debtors*   | 327   | 5,591                                       | 244                                   |
| <b>Sub total</b>                                       | <b>626</b>                                  | <b>5,854</b>                                | <b>517</b>                            |
| Spreading of minimum contracted future rent indexation | 2,919                                       | 2,414                                       | 2,709                                 |
| Spreading of tenant incentives - rent free periods     | 448   | 542   | 468                                   |
| Tenant deposit asset (note 12)                         | 118   | 79  | 118                                   |
| Other prepayments                                      | 74  | 73  | 222                                   |
| <b>Total</b>   | <b>4,185</b>                                | <b>8,962</b>                                | <b>4,034</b>                          |

\* Other debtors at 31 December 2021 mainly represent net proceeds from the sale of Trident Business Park, Huddersfield being held by the external lender, Canada Life Investments.

The aged debtor analysis of receivables which are past due but not impaired is as follows:

|                                   | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|-----------------------------------|---|---|---------------------------------------|
| Less than three months due        | 597   | 5,816                                       | 515                                   |
| Between three and six months due  | 29  | 38  | 2                                     |
| Between six and twelve months due | -   | -   | -                                     |
| <b>Total</b>                      | <b>626</b>                                  | <b>5,854</b>                                | <b>517</b>                            |

### 12. Payables and accrued expenses

|                 | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|-----------------|---|---|---------------------------------------|
| Deferred income | 1,542                                       | 1,406                                       | 1,501                                 |



|                                    |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| Other creditors                    | 396          | 453          | 642          |
| Accruals                           | 269          | 523          | 576          |
| Bank interest payable              | 258          | 258          | 258          |
| Tenant deposit liability (note 11) | 118          | 79           | 118          |
| Trade creditors                    | 2            | 30           | 51           |
|                                    | <u>2,585</u> | <u>2,749</u> | <u>3,146</u> |

### 13. Interest bearing loans and borrowings

|  | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|---------------------------------------|
| <b>Facility drawn at the beginning of the period/ year</b> | <u>41,000</u>                               | <u>41,000</u>                               | <u>41,000</u>                         |
| Unamortised finance costs brought forward                  | (380)                                       | (484)                                       | (484)                                 |
| Amortisation of finance costs in the period/year           | 52  | 52  | 104                                   |
| <b>At end of period/ year</b>                              | <u>40,672</u>                               | <u>40,568</u>                               | <u>40,620</u>                         |
| Repayable between 1 and 2 years                            | -   | -   | -                                     |
| Repayable between 2 and 5 years                            | 41,000                                      | 41,000                                      | 41,000                                |
| Repayable in over 5 years                                  | -   | -   | -                                     |
| <b>Total at end of the period/ year</b>                    | <u>41,000</u>                               | <u>41,000</u>                               | <u>41,000</u>                         |

As at 31 December 2022, the Group had utilised all of its £41 million fixed interest loan facility with Canada Life Investments and was geared at a loan to Gross Asset Value ('GAV') of 36.78% (31 December 2021: 35.22%, 30 June 2022: 33.73%). The weighted average interest cost of the Group's facility is 3.19% and the facility is repayable on 20 October 2025.

|   | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|---|---|---|---------------------------------------|
| <b>Reconciliation to cash flows from financing activities</b> |   |   |                                       |
| <b>At beginning of the period/ year</b>                       | 40,620                                      | 40,516                                      | 40,516                                |
| <b>Non-cash changes</b>                                       |   |   |                                       |
| Amortisation of loan issue costs                              | 52  | 52  | 104                                   |
| <b>Total at end of the period/ year</b>                       | <u>40,672</u>                               | <u>40,568</u>                               | <u>40,620</u>                         |

### 14. Lease obligations

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid on that date.

The following table analyses the minimum lease payments under non-cancellable leases:

|   | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|---|---|---|---------------------------------------|
| Within one year   | 50  | 50  | 50                                    |
| After one year but less than five years                                   | 150   | 150   | 150                                   |
| More than five years  | 488   | 538   | 513                                   |
| <b>Total undiscounted lease liabilities:</b>                              | <u>688</u>                                  | <u>738</u>                                  | <u>713</u>                            |
| Less: Future finance charge on lease obligations                          | (372)                                       | (384)                                       | (378)                                 |
| <b>Present value of lease liabilities:</b>                                | <u>316</u>                                  | <u>354</u>                                  | <u>335</u>                            |
| <b>Lease liabilities included in the statement of financial position:</b> |   |   |                                       |
| Current   | 34  | 37  | 36                                    |
| Non-current   | 282   | 317   | 299                                   |
| <b>Total:</b>   | <u>316</u>                                  | <u>354</u>                                  | <u>335</u>                            |

### 15. Commitments

## Operating lease commitments - as lessor

The Group has 19 commercial properties with 33 units in its investment property portfolio as set out above. These non-cancellable leases have a remaining term of between 1 month and 112 years, excluding ground leases.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 are as follows:

|  | 31 December<br>2022<br>(unaudited)<br>£'000 | 31 December<br>2021<br>(unaudited)<br>£'000 | 30 June<br>2022<br>(audited)<br>£'000 |
|--|---|---|---------------------------------------|
| Within one year                                  | 7,094                                       | 7,039                                       | 7,071                                 |
| After one year, but not more than two years      | 6,838                                       | 7,723                                       | 7,015                                 |
| After two years, but not more than three years   | 6,558                                       | 7,341                                       | 6,754                                 |
| After three years, but not more than four years  | 7,023                                       | 7,279                                       | 7,011                                 |
| After four years, but not more than five years   | 6,685                                       | 7,307                                       | 7,045                                 |
| After five years, but not more than ten years    | 28,730                                      | 32,323                                      | 29,896                                |
| After ten years, but not more than fifteen years | 24,905                                      | 26,872                                      | 25,935                                |
| More than fifteen years                          | 52,563                                      | 56,370                                      | 55,472                                |
| <b>Total</b>                                     | <b>140,396</b>                              | <b>152,254</b>                              | <b>146,199</b>                        |

During the period there were no (2021: nil) material contingent rents recognised as income.

## 15.2. Capital commitments

There were no capital commitments at the period end (2021: nil).

## 15.3. Financial commitments

In the 2022 Annual Report, it was disclosed that the Company was involved in litigation against two parties to recover £1.1 million of costs. The costs were incurred for work in the period September to December 2020 to replace defective cladding elements uncovered in the external walls of the top floors and rear lift core of the Travelodge Hotel, Swindon. The defective cladding was installed when the property was extended in 2007 and the Company's claims were against the architect and cladding sub-contractor involved. During the period, the Board engaged in mediation with both parties and agreed a full and final settlement of £825,000. Consequent to the resolution of that litigation, the Group have no financial commitments other than those arising from its normal business operations.

The settlement was in respect of the Group's costs to replace the defective cladding, which had been charged to capital, and the professional fees incurred by the Group to undertake the litigation, which had been charged to revenue. Accordingly, the settlement has been proportionally allocated £606,000 to capital, as a reduction in acquisition costs (see Note 10), and £219,000 to revenue, as other property income (see Note 3).

There are no other commitments other than those shown above at the period end (2021: nil).

## 16. Investments in subsidiaries

The Company has two wholly owned subsidiaries as disclosed below:

| Name and company number   | Country of registration and incorporation | Date of incorporation | Principal activity  | Ordinary Shares of £1 held |
|---|---|-----------------------|---------------------|----------------------------|
| Alternative Income REIT Holdco Limited<br>(Company number 11052186) | England and Wales                         | 7 November 2017       | Real Estate Company | 73,158,502                 |
| Alternative Income Limited<br>(Company number 10754641)             | England and Wales                         | 4 May 2017            | Real Estate Company | 73,158,501                 |

Alternative Income REIT plc at 31 December 2022 owns 100% controlling stake of Alternative Income REIT Holdco Limited.

Alternative Income REIT Holdco Limited holds 100% of Alternative Income Limited.

Both Alternative Income REIT Holdco Limited and Alternative Income Limited are registered at 1 King William Street, London, United Kingdom, EC4N 7AF.

**17. Issued share capital**

Ordinary Shares issued and fully paid of 80,500,000 shares at a nominal value of £0.01 per share. This remains unchanged for all period presented.

**18. Transactions with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

**Directors**

Directors of the Group are considered to be related parties. Directors' remuneration is disclosed in note 5.

**Investment Adviser****M7 Real Estate Ltd**

M7 Real Estate Ltd was appointed as Investment Adviser on 14 May 2020. The Interim Investment Advisory agreement (amended with Deed of Variation dated 21 February 2021) specifies that there were fees payable up to 30 September 2020. From 1 October 2020, the annual management fee is calculated at a rate equivalent of 0.50% per annum of NAV (subject to a minimum fee of £90,000 per quarter), payable quarterly in advance. During the period 1 July 2022 to 31 December 2022, the Group incurred £191,000 of which £nil was outstanding at period end (2021: £180,000 of which £90,000 was outstanding at period end).

**19. Events after reporting date****Dividend**

On 1 February 2023, the Board declared an interim dividend of 1.375p in respect of the period from 1 October 2022 to 31 December 2022. This will be paid on 24 February 2023 to shareholders on the register as at 10 February 2023. The ex-dividend date was 9 February 2023.

## EPRA Performance Measures Calculations

|  |            | At 31 December<br>2022<br>(unaudited)<br>£'000 | At 31 December<br>2021<br>(unaudited)<br>£'000 | At 30 June<br>2022<br>(audited)<br>£'000 |
|--|------------|--|--|--|
| <b>EPRA Yield calculations</b>   |            |  |  |  |
| Investment properties wholly owned:  |            |  |  |  |
| - by Company   |            | 1,950  | 2,100  | 2,200                                    |
| - by Alternative Income Limited  |            | 105,475  | 105,630  | 115,705                                  |
| Total – note 10  |            | 107,425  | 107,730  | 117,905                                  |
| Allowance for estimated purchasers' costs                                    |            | 6,983  | 7,002  | 7,665                                    |
| <b>Gross up completed property portfolio valuation</b>                       | <b>B</b>   | <b>114,408</b>                                 | <b>114,732</b>                                 | <b>125,570</b>                           |
| Annualised gross passing rent  |            | 7,462  | 6,620  | 7,217                                    |
| Annualised property outgoings  |            | (55)   | (55)   | (55)                                     |
| <b>Annualised net rents</b>  | <b>A</b>   | <b>7,407</b>                                   | <b>6,565</b>                                   | <b>7,162</b>                             |
| Add: notional rent expiration of rent-free periods or other lease incentives |            | 688  | 1,100  | 893                                      |
| <b>Topped-up net annualised rent</b>   | <b>C</b>   | <b>8,095</b>                                   | <b>7,665</b>                                   | <b>8,055</b>                             |
| <b>EPRA NIY*</b>   | <b>A/B</b> | <b>6.47%</b>                                   | <b>5.72%</b>                                   | <b>5.70%</b>                             |
| <b>EPRA “topped-up” NIY</b>  | <b>C/B</b> | <b>7.08%</b>                                   | <b>6.68%</b>                                   | <b>6.41%</b>                             |

\*The NIY calculation is the same calculation as that for EPRA NIY

|   |            | Half year ended<br>31 December<br>2022 (unaudited)<br>£'000 | Half year ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|---|------------|---|--|---|
| <b>EPRA Cost Ratios</b>                                 |            |   |  |   |
| Include:  |            |   |  |   |
| EPRA Costs (including direct vacancy costs) - note 4    | A          | 585   | 383  | 1,035   |
| Direct vacancy costs                                    |            | -   | -  | -   |
| EPRA Costs (excluding direct vacancy costs)             | B          | 585   | 383  | 1,035   |
| Gross rental income – note 3                            | C          | 3,856   | 3,731  | 7,504   |
| <b>EPRA Cost Ratio (including direct vacancy costs)</b> | <b>A/C</b> | <b>15.17%</b>   | <b>10.27%</b>  | <b>13.79%</b>                                       |
| <b>EPRA Cost Ratio (excluding direct vacancy costs)</b> | <b>B/C</b> | <b>15.17%</b>   | <b>10.27%</b>  | <b>13.79%</b>                                       |

|  |            | Half year ended<br>31 December<br>2022<br>(unaudited)<br>£'000 | Half year ended<br>31 December<br>2021<br>(unaudited)<br>£'000 | Year ended<br>30 June<br>2022<br>(audited)<br>£'000 |
|--|------------|--|--|---|
| <b>EPRA Vacancy rate</b>   |            |  |  |   |
| Annualised potential rental value of vacant premises                   | A          | -  | 40   | -   |
| Annualised potential rental value for the completed property portfolio | B          | 6,998  | 6,609  | 6,987   |
| <b>EPRA Vacancy rate</b>   | <b>A/B</b> | <b>0.00%</b>   | <b>0.60%</b>   | <b>0.00%</b>  |

## Alternative Performance Measure (APM) Calculations

APMs are numerical measures of the Group's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Group's applicable financial framework is IFRS. The Directors assess the Group's performance against a range of criteria which are reviewed as particularly relevant for a closed-end REIT.

### Share Price and Net Asset Value (NAV) Total Return

Share price and NAV total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against FTSE EPRA Nareit UK and FTSE Small Cap, respectively.

|                             |           | <u>Share price</u> | <u>NAV</u> |
|-----------------------------|-----------|--------------------|------------|
| Opening at 30 June 2022     | A         | 82.10p             | 96.40p     |
| Closing at 31 December 2022 | B         | 66.70p             | 84.34p     |
| Return                      | C=(B/A)-1 | (18.76%)           | (12.51%)   |
| Dividend reinvestment *     | D         | 3.38%              | 2.88%      |
| Total shareholder return    | C+D       | (15.38%)           | (9.63%)    |
| Opening at 1 June 2021      | A         | 71.00p             | 85.58p     |
| Closing at 31 December 2021 | B         | 72.20p             | 90.38p     |
| Return                      | C=(B/A)-1 | 1.69%              | 5.61%      |
| Dividend reinvestment*      | D         | 4.15%              | 4.04%      |
| Total shareholder return    | C+D       | 5.84%              | 9.65%      |
| Opening at 1 June 2021      | A         | 71.00p             | 85.58p     |
| Closing at 30 June 2022     | B         | 82.10p             | 96.40p     |
| Return                      | C=(B/A)-1 | 15.63%             | 12.64%     |
| Dividend reinvestment*      | D         | 8.70%              | 9.88%      |
| Total shareholder return    | C+D       | 24.33%             | 22.52%     |

\* Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend.

### Discount

The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value per share.

|                        |         | <u>31 December 2022</u> | <u>31 December 2021</u> | <u>30 June 2022</u> |
|------------------------|---------|-------------------------|-------------------------|---------------------|
| NAV per Ordinary share | A       | 84.34pp                 | 90.38p                  | 96.40p              |
| Share price            | B       | 66.70p                  | 72.20p                  | 82.10p              |
| Discount               | (B-A)/A | 20.92%                  | 20.12%                  | 14.80%              |

### Dividend Cover

The ratio of Group's Adjusted EPS divided by the Group's dividends payable for the relevant period/ year.

|                    |     | <u>31 December 2022</u> | <u>31 December 2021</u> | <u>30 June 2022</u> |
|--------------------|-----|-------------------------|-------------------------|---------------------|
| Adjusted EPS       | A   | 3.35p                   | 2.79 p                  | 5.57p               |
| Dividend per share | B   | 2.75p                   | 2.60p                   | 5.50p               |
| Dividend cover     | A/B | 121.82%                 | 107.31%                 | 101.27%             |

### Loan to GAV

Loan to GAV measures the value of loans and borrowings utilised (excluding amounts held as restricted cash and before adjustments for issue costs) expressed as a percentage of the Group's property portfolio (as provided by the valuer) and the fair value of other assets.

|                      |       | <u>31 December 2022</u> | <u>31 December 2021</u> | <u>30 June 2022</u> |
|----------------------|-------|-------------------------|-------------------------|---------------------|
| Borrowings (£'000)   | A     | 41,000                  | 41,000                  | 41,000              |
| Total assets (£'000) | B     | 111,469                 | 116,425                 | 121,700             |
| Loan to GAV          | (A/B) | 36.78%                  | 35.22%                  | 33.69%              |

### Ongoing Charges

The ongoing charges ratio is the total for all operating costs expected to be regularly incurred expressed as a percentage of the average quarterly NAVs of the Group for the financial period. Note that the ratio for 31 December is based on actual ongoing charges to 31 December and forecast ongoing charges to the following June (shown as annualised in the below calculation).

|   |     | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|-----|------------------|------------------|--------------|
| Other operating expenses for the half year / year (£'000) | A   | 499              | 526              | 1,101        |
| Ongoing charges- annualised where required (£'000)        | B   | 1,034†           | 1012†            | 1,037†       |
| Average net assets (£'000)                                | C   | 72,747           | 70,214           | 73,246       |
| Ongoing charges ratio                                     | B/C | 1.42%            | 1.44%            | 1.42%        |

† Non-recurring legal and professional costs have been excluded in the annualised amount for the period/year presented.

### Annualised gross passing rent

The annualised gross passing rent is the rent roll at the reporting date, taking account of any in-place rent free incentives or step rents annualised on a straight-line basis over the following 12-month period.

### Dividend Yield

The percentage ratio of the Company's declared dividends for the financial year (or historic declared dividends if dividends are yet to be declared for a year) per share divided by the Company's share price at the period/year end.

|                                |     | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--------------------------------|-----|------------------|------------------|--------------|
| Annual dividend target/payable | A   | 5.50p            | 5.50p            | 5.50p        |
| Share price                    | B   | 66.70p           | 72.20p           | 82.10p       |
| Dividend yield                 | A/B | 8.2%             | 7.6%             | 6.7%         |

## **Company Information**

### ***Share Register Enquiries***

The register for the Ordinary Shares is maintained by Computershare Investor Services PLC. In the event of queries regarding your holding, please contact the Registrar on 0370 707 1874 or email: [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk).

Changes of name and/or address must be notified in writing to the Registrar, at the address shown below. You can check your shareholding and find practical help on transferring shares or updating your details at [www.investorcentre.co.uk](http://www.investorcentre.co.uk). Shareholders eligible to receive dividend payments gross of tax may also download declaration forms from that website.

### ***Share Information***

|                       |              |
|-----------------------|--------------|
| Ordinary £0.01 shares | 80,500,000   |
| SEDOL Number          | BDVK708      |
| ISIN Number           | GB00BDVK7088 |
| Ticker/TIDM           | AIRE         |

### ***Share Prices***

The Company's Ordinary Shares are traded on the Main Market of the London Stock Exchange.

### ***Frequency of NAV publication***

The Group's NAV is released to the London Stock Exchange on a quarterly basis and is published on the Company's website [www.alternativeincomereit.com](http://www.alternativeincomereit.com).

### ***Annual and Interim Reports***

Copies of the Annual and Half-Yearly Reports are available from the Group's website.

### ***Financial Calendar 2022***

|                  |                                 |
|------------------|---------------------------------|
| 30 June 2023     | Year end                        |
| September 2023   | Announcement of annual results  |
| November 2023    | Annual General Meeting          |
| 31 December 2023 | Half year end                   |
| March 2024       | Announcement of interim results |

## **Glossary**

|   |   |
|---|---|
| <b><i>Alternative Investment Fund Manager or AIFM or Investment Manager</i></b> | Langham Hall Fund Management LLP.   |
| <b><i>Company</i></b>   | Alternative Income REIT plc.  |
| <b><i>Contracted rent</i></b>   | The annualised rent adjusting for the inclusion of rent subject to rent-free periods.   |
| <b><i>Earnings Per Share ('EPS')</i></b>  | Profit for the period attributable to equity shareholders divided by the weighted average number of Ordinary Shares in issue during the period.   |
| <b><i>EPRA</i></b>  | European Public Real Estate Association, the industry body representing listed companies in the real estate sector.   |
| <b><i>Equivalent Yield</i></b>  | The internal rate of return of the cash flow from the property, assuming a rise to Estimated Rental Value at the next review or lease expiry. No future growth is allowed for.  |
| <b><i>Estimated Rental Value ('ERV')</i></b>                                    | The external valuer's opinion as to the open market rent which, on the date of the valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.  |
| <b><i>External Valuer</i></b>   | An independent external valuer of a property. The Group's External Valuer is Knight Frank LLP.  |
| <b><i>Fair value</i></b>  | The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion.  |
| <b><i>Fair value movement</i></b>   | An accounting adjustment to change the book value of an asset or liability to its fair value.   |
| <b><i>FCA</i></b>   | The Financial Conduct Authority.  |
| <b><i>Gross Asset Value ('GAV')</i></b>   | The aggregate value of the total assets of the Group as determined in accordance with IFRS.   |
| <b><i>IASB</i></b>  | International Accounting Standards Board.   |
| <b><i>IFRS</i></b>  | International financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. |
| <b><i>Investment Adviser</i></b>  | M7 Real Estate Limited.   |
| <b><i>IPO</i></b>   | The admission to trading on the London Stock Exchange's Main Market of the share capital of the Company and admission of Ordinary Shares to the premium listing segment of the Official List on 6 June 2017.  |
| <b><i>Lease incentives</i></b>  | Incentives offered to occupiers to enter into a lease. Typically this will be an initial rent-free period, or a cash contribution to fit-out. Under accounting rules  |



the value of the lease incentive is amortised through the Consolidated Statement of Comprehensive Income on a straight-line basis until the lease expiry.

***Net Asset Value ('NAV')***

Net Asset Value is the equity attributable to shareholders calculated under IFRS.

***Net Asset Value per share***

Equity shareholders' funds divided by the number of Ordinary Shares in issue.

***Net equivalent yield***

Calculated by the Group's External Valuers, net equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent and items as voids and non-recoverable expenditure but ignoring future changes in capital value. The calculation assumes rent is received annually in arrears.

***Net Initial Yield ('NIY')***

The initial net rental income from a property at the date of purchase, expressed as a percentage of the gross purchase price including the costs of purchase.

***Net rental income***

Rental income receivable in the period after payment of ground rents and net property outgoings.

***Ordinary Shares***

The main type of equity capital issued by conventional Investment Companies. Shareholders are entitled to their share of both income, in the form of dividends paid by the Company, and any capital growth.

***pps***

Pence per share.

***REIT***

A Real Estate Investment Trust. A company which complies with Part 12 of the Corporation Tax Act 2010. Subject to the continuing relevant UK REIT criteria being met, the profits from the property business of a REIT, arising from both income and capital gains, are exempt from corporation tax.

***Reversion***

Increase in rent estimated by the Company's External Valuers, where the passing rent is below the ERV.

***Share price***

The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Main Market of the London Stock Exchange.

***Weighted Average Unexpired Lease Term ('WAULT')***

The average lease term remaining for first break, or expiry, across the portfolio weighted by contracted rental income (including rent-frees).

## **Shareholder Information**

### ***Directors***

Simon Bennett (Independent non-executive Chairman)  
Stephanie Eastment (Independent non-executive Director)  
Adam C Smith (Non-executive Director)

### ***Company Website***

<https://www.alternativeincomereit.com/>

### ***Registered Office***

1 King William Street  
London  
EC4N 7AF

### ***AIFM***

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EC4M 7RA

### ***Investment Adviser and Administrator ('Investment Adviser')***

M7 Real Estate Limited  
3<sup>rd</sup> Floor  
The Monument Building  
11 Monument Street  
London  
EC3R 8AF

### ***Property Manager***

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### ***Depositary***

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### ***Consultant Portfolio Manager***

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140a Tachbrook Street  
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### ***Company Secretary***

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EC4N 7AF

### ***Registrar***

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***Auditor***

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***Communications Adviser***

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