

DISPOSAL AND INVESTMENT ADVISER PURCHASE OF SHARES

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Alternative Income REIT plc

(the "Company" or "Group")

DISPOSAL OF THE WET 'N' WILD WATER PARK ASSET PURCHASE OF COMPANY SHARES BY INVESTMENT ADVISER

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, is pleased to announce the disposal of the Wet 'n' Wild Water Park, North Shields, for a total consideration of £3,204,500 to Serco Leisure Operating Limited, the tenant and a wholly owned subsidiary of Serco Group plc:

- representing a 9.7% uplift on purchase price and a 12.4% premium on book value (as at 30 June 2020);
- reflecting a net exit yield of 6.0%, which compares with the net acquisition yield of 6.2% paid by the Company in September 2017; and
- generating an ungeared IRR for the Company of 8% per annum and a geared IRR of more than 10%.

The Wet 'n' Wild Water Park was pledged as part of the security for the Group's senior debt financing from Canada Life. The structure of the facility means there is no allocated loan amount, release price or other costs resulting from the sale of the asset. The tenant decided to cease operations at the asset in February 2020.

The Group intends to redeploy the proceeds of the sale into its growing pipeline of accretive investment assets in short order.

The Board notes that the Company's Investment Adviser, M7 Real Estate Limited ("M7"), a leading specialist in the pan-European, regional, multi-tenanted real estate market, has purchased and now owns 1,000,000 Ordinary Shares in the Company at a price of 59 pence per share.

Steve Smith, Chairman of Alternative Income REIT plc, commented:

"We are pleased to have completed the disposal of the Wet 'n' Wild Water Park asset at a significant premium to acquisition cost and book value, enabling the Group to recycle the proceeds into an accretive investment in short order.

The acquisition of shares in the Company by M7, the Company's Investment Adviser, underlines M7's commitment to the business and confidence in the potential for growth in both the short and longer term. That commitment is underlined by M7's willingness to onboard the portfolio in May of this year and to undertake the full property and asset management process, unpaid, until 1 October 2020."

ENQUIRIES

Alternative Income REIT PLC	
Steve Smith - Chairman	via Maitland/AMO below
Maitland/AMO (Communications Adviser)	
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The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT PLC is available at www.alternativeincomereit.com¹

About the Group

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, which help to underpin income distributions to shareholders with the potential for income and capital growth.

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. Majority owned by its senior managers, it has over 200 employees in 14 countries across Europe. The team manages over 835 properties with a value of circa €5.1 billion.

Notes

- 1 Neither the content of the Company's website, nor the content of 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.

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