

TENDER OFFER

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Glenstone Property PLC
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FOR IMMEDIATE RELEASE

27 October 2020

**ANNOUNCEMENT OF TENDER OFFER AT A PREMIUM BY GLENSTONE PROPERTY PLC FOR UP TO 20,125,000
ORDINARY SHARES IN ALTERNATIVE INCOME REIT PLC
AT A PRICE OF 59.25 PENCE PER SHARE**

Tender Offer at a Premium

Glenstone Property PLC ("Glenstone") announces its intention to acquire up to 20,125,000 ordinary shares for cash in Alternative Income REIT PLC ("AIRE"), representing up to 25.0 per cent. of AIRE's issued share capital, by way of a tender offer (the "Tender Offer") at a price of 59.25 pence per share and by way of market purchases.

- The Tender Offer price of 59.25 pence per share represents a premium of 12.9 per cent. above the closing bid price of 52.5 pence per share as at the close of business on 26 October 2020, being the last business day prior to the publication of this announcement.
- The Tender Offer provides AIRE's shareholders with a liquidity event, at a premium to the share price, which is being made available to all AIRE's shareholders, against the background of the prevailing macro-economic uncertainty.
- Full details of the Tender Offer are anticipated to be sent to shareholders within seven days of this announcement; in the meantime Glenstone intends to purchase a limited number of AIRE's shares in the market subject to availability.
- The Tender Offer will be conditional on the receipt of sufficient tenders which, when aggregated with any shares purchased by Glenstone in the market, represent a shareholding of not less than 20.0 per cent. of AIRE's issued share capital on the date that the Tender Offer is made. This condition may be waived by Glenstone in its sole discretion.
- If the Tender Offer is oversubscribed, such that the aggregate number of tendered AIRE shares would result in Glenstone holding in excess of 20,125,000 AIRE shares, tenders will be scaled back *pro rata* to the number of shares in AIRE that have been tendered.

Glenstone is a public limited company incorporated in England & Wales which qualifies as a UK real estate investment trust and which is listed on The International Stock Exchange (TISE) in Guernsey. It is an internally managed, diversified property investor with a portfolio of more than 100 properties across the UK and is actively seeking opportunities to reinvest the proceeds of recent asset disposals in pursuit of its investment objectives.

As at the date of this announcement, Glenstone does not hold any shares in AIRE.

Glenstone does not intend to make an offer to acquire the entire issued and to be issued ordinary share capital of AIRE pursuant to Rule 2.7 of the Code nor does it intend to seek a direct role in the management of AIRE's portfolio or any combination of its own assets with those owned by AIRE.

Further on Glenstone's Intentions

In the event that the Tender Offer is accepted in full, Glenstone will have a 25.0 per cent. shareholding in AIRE which it will hold as an investment.

Glenstone will seek representation on AIRE's Board and will be supportive of a low operating cost base and other initiatives which seek to maximise returns to shareholders.

Glenstone notes the recent announcement by AIRE of its proposed amendments to AIRE's investment policy. Glenstone will carefully evaluate these and all of the resolutions which have been proposed by the Board of AIRE for consideration by shareholders at AIRE's forthcoming AGM due to be held on 26 November 2020.

Further Information on the Tender Offer and Timetable

The Tender Offer will be made by means of a tender offer document including a tender form (collectively, the "Tender Offer Document") which is expected to be sent within seven days of this announcement (the "Posting Date"), to each shareholder of AIRE (each, an "AIRE Shareholder") whose name appears on the register of shareholders at the latest practicable date prior to despatch.

Glenstone intends to purchase a limited number of shares in the market from the date of this Announcement and to cease market purchases prior to the Posting Date.

The Tender Offer will be open from the Posting Date and is expected to close 21 days following the date of this announcement at 1.00 p.m. on 17 November 2020 (as shall be specified in the Tender Offer Document, being the "Closing Date"). The Tender Offer will only be available to AIRE Shareholders who are on its shareholder register as of 6.00 p.m. on the Closing Date.

The maximum number of shares of AIRE which may be tendered by AIRE Shareholders pursuant to the Tender Offer (the "Tender Shares") will be specified in the Tender Offer Document. To the extent that Glenstone purchases shares of AIRE in the market it shall make announcements to this effect and the number of Tender Shares will be such that the maximum number of shares in AIRE which Glenstone will own following the completion of the Tender Offer will be 20,125,000, representing 25.0 per cent. of AIRE's issued share capital as at the date of this announcement.

If the Tender Offer is oversubscribed such that the aggregate number of tendered AIRE shares exceeds the maximum number of Tender Shares, tenders will be scaled back *pro rata* to the number of shares in AIRE that were tendered.

The Tender Offer will be conditional on the receipt of sufficient tenders which, when aggregated with the number of shares purchased in the market by Glenstone, represent a shareholding in AIRE by Glenstone of 20.0 per cent. of the issued share capital of AIRE on the date that the Tender Offer is made. This condition may be waived by Glenstone in its sole discretion. Accordingly, if this condition is not satisfied (or waived) by the Closing Date, the Tender Offer will be void. Subject to this condition, any tender forms submitted by AIRE Shareholders shall be irrevocable.

Shares in AIRE that are successfully tendered will be acquired by Glenstone fully paid and free from all liens, charges, equitable interests and encumbrances and together with all rights attaching thereto, including the right to all dividends and other distributions declared on or after the date of this announcement, and the right to attend and vote at any meeting of AIRE held after such date.

Settlement of the consideration to which any AIRE Shareholder is entitled pursuant to valid tenders accepted by Glenstone will be made in accordance with the terms of the Tender Offer Document.

The availability of the Tender Offer to AIRE Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. AIRE Shareholders who are not so resident should inform themselves about, and observe, such applicable requirements.

In this announcement, all share capital details are based on the latest publicly available information and certain figures have been subjected to rounding adjustments. This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities. There is no guarantee that the Tender Offer will be made nor that AIRE Shareholders will be able to sell all of their Tender Shares. The Tender Offer shall be made solely by means of the Tender Offer Document which shall contain the full terms and conditions of the Tender Offer, including details of how to tender your shares and so should be read carefully. The Tender Offer Document is important and will require your immediate attention.

Enquiries:

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The Tender Offer is not governed by the City Code on Takeovers and Mergers (the "Code"). However, Rule 2.8 of the Code applies to the statement regarding Rule 2.7 above. Accordingly, Glenstone and any other persons acting in concert with them will, except with the consent of the Panel, be bound by the restrictions under Rule 2.8 of the Code.

This announcement must be read in conjunction with the Tender Offer Document which is to be issued. The Tender Offer Document will contain important information which should be read carefully before any decision is made with respect to the Tender Offer.

If Shareholders are in any doubt about the contents of this announcement or the action they should take, they are recommended to seek their own independent financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FRN: 111421), has approved this announcement for release in the United Kingdom for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Dickson Minto W.S. is acting exclusively for Glenstone in connection with the Tender Offer and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than Glenstone for providing the protections afforded to clients of Dickson Minto W.S., nor for providing advice in relation to the Tender Offer or any matter relating thereto.

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