

# Alternative Income REIT PLC

## NAV, Dividend Declaration and Portfolio Valuation

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**Alternative Income REIT PLC**

(the "Company" or "Group" or "AIRE")

**NET ASSET VALUE, DIVIDEND DECLARATION AND PORTFOLIO VALUATION UPDATE  
TO 31 MARCH 2025**

**Declares an interim dividend of 1.55 pence per share ("pps") for the quarter ended 31 March 2025**

**The target annual dividend remains at 6.2pps for the year ending 30 June 2025<sup>†</sup>, an increase of 5.1% on the prior year<sup>†</sup> of 5.9pps**

**Dividend cover of 107.7% for the quarter**

**Unaudited NAV total return for the quarter of 3.2%**

**Resilient portfolio well-placed to continue to provide secure, index-linked income with the potential for capital growth**

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, provides a trading and business update and declares an interim dividend for the quarter ended 31 March 2025.

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

"The Company continues to pay a fully covered dividend in line with the 2025 annual dividend target of 6.2ppst, which represents an increase of 5.1% over the previous year (30 June 2024: dividends of 5.9pps). The dividend cover for the quarter was 107.7%. The annual dividend target remains subject to the continued collection of rent from the Group's portfolio as it falls due.

At 31 March 2025, the Group's unaudited NAV was £66.9 million, 83.0pps, representing a 1.3% increase over the previous quarter. When combined with the 1.55pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 3.2%.

The Group continues to benefit from low borrowing costs until October 2025, when the Group's current debt facilities mature. As a result of the Group's excellent track record in recent times and the low loan to value of its portfolio, proposals of long term finance were secured from six separate debt providers in a timely fashion. The Board continues to work actively to finalise these discussions and is confident that the requisite financing will be achieved prior to October 2025. I look forward to reporting further on AIRE's progress in the coming months."

**Overview of Key Financials**

	At 31 March 2025 (unaudited)	At 31 December 2024 (unaudited)	Change

Net Asset Value ("NAV")	£66.9 million	£66.0 million	+1.3%
NAV per share	83.0p	81.9p	+1.3%
Share price per share	68.5p	70.6p	-3.0%
Share price discount to NAV	17.5%	13.8%	+3.7%
Investment property fair value (based on external valuation)	£107.0 million	£106.2 million	+0.8%
Loan to gross asset value ("GAV") <sup>A B</sup>	37.1%	37.4%	

	Quarter ended 31 March 2025 (unaudited)	Quarter ended 31 December 2024 (unaudited)	Change
EPRA earnings per share <sup>A</sup>	1.7p	1.7p	-
Adjusted earnings per share <sup>A</sup>	1.7p	1.7p	-
Dividend cover <sup>A</sup>	107.7%	110.3%	-2.6%
Total dividends per share	1.55p	1.55p	-
Dividend yield (annualised) <sup>A</sup>	9.1%	8.8%	+0.3%
Earnings per share	2.6p	2.2p	+18.2%
Share price total return <sup>A</sup>	-0.8%	-0.5%	
NAV total return <sup>A</sup>	3.2%	2.7%	+0.5%
Annualised passing rent	£7.8 million	£7.8 million	-
Ongoing charges <sup>A</sup> (annualised)	1.5%	1.5%	-

<sup>A</sup> Considered to be an Alternative Performance Measure.

<sup>B</sup> The loan facility at 31 March 2025 of £41.0 million (31 December 2024: £41.0 million) with Canada Life Investments, matures on 20 October 2025 and has a weighted average interest cost of 3.19%.

#### Dividend Declaration, Earnings Per Share and Dividend Cover

The Board is pleased to declare a third interim dividend of 1.55pps for the quarter ended 31 March 2025, which is in line with the Company's dividend target of 6.2pps for the year ending 30 June 2025<sup>†</sup>, which represents an increase of 5.1% over the previous year. This interim dividend will be distributed as Property Income Distribution ("PID") and will be paid on 30 May 2025 to shareholders on the register on 16 May 2025. The ex-dividend date will be 15 May 2025.

The Adjusted EPS was 1.7pps for the quarter (31 December 2024: 1.7pps), consistent with the previous quarter. The dividend cover for the quarter marginally decreased to 107.7% this quarter (31 December 2024: 110.3%).

#### Refinance of the Group's Borrowing Facilities

The Group currently benefits from low borrowing costs on its £41 million facility, which has a weighted average interest cost of 3.19% and matures in October 2025. This debt facility was put in place in June 2017, when the Group was originally listed on the London Stock Exchange.

Much has changed in the world in the last eight years, not least the level of interest rates. Over this period of time, the Bank of England interest rate has increased considerably from 0.25% at the time of the original listing to 4.25%, following the announcement by the Bank of England earlier today. As a result, finance costs for the Group, which for the year ending 30 June 2025 will amount to approximately £1.4 million, will rise significantly when the Group's new debt facilities are drawn down, with a commensurate reduction in distributable income.

The Board has been working, in conjunction with its debt advisers, to replace the Group's existing debt facilities. As a result of the Group's excellent track record in recent times and the low loan to value of its portfolio, proposals of long term finance were secured from six separate debt providers in a timely fashion. The Board continues to work actively to finalise these discussions and is confident that the requisite financing will be achieved prior to October 2025. The Board expects to be able to provide a further update in the coming months.

### Property Portfolio

The Group's portfolio continues to provide a secure and growing rental income stream and continues to be resilient in the face of recent market fluctuations. The portfolio continues to be fully let, with all rent collections being made on their due date. In addition, 91.5% of the Group's contracted rental income benefits from having index-linked rent reviews and 35.4% of this is reviewed on an annual basis.

At 31 March 2025, the Group owned 20 properties (31 December 2024: 20 properties) valued at £107.0million (31 December 2024: £106.2 million). The total increase in valuation for the quarter ended 31 March 2025 amounted to 0.8%.

At 31 March 2025, the Net Initial Yield on the Group's portfolio was 7.1% (31 December 2024: 7.1%) and the Group's continues to be fully let. The weighted average unexpired lease term at 31 March 2025 was 15.9 years to the earlier of break and/or expiry (31 December 2024: 16.1 years) and 17.5 years to expiry (31 December 2024: 17.7 years).

The Group's contracted annualised rent increased by 0.2% during the quarter to 31 March 2025 (31 December 2024: 2.6%). This was principally due to the annual indexation rent review of the lease to Handsale in Bristol. Active management of the portfolio continues this quarter; BGEN, one of the tenants at our St Helens industrial asset, is remaining in occupation of the land adjacent to their unit, under a tenancy at will, pending agreement of a new lease. In Crawley, the lease to Petrogas Group UK Limited is being assigned to their new corporate purchaser trading as EG On the Move, prior to rent review negotiations in July 2025. Discussions continue with another occupier for a surrender and simultaneous new lease; whilst conversations progress with three other tenants considering re-gearing leases, removing tenant breaks and extending lease lengths.

### Net Asset Value, Share Price and Share Price Discount to NAV

At 31 March 2025, the Group's unaudited NAV was £66.9 million, 83.0pps (31 December 2024: £66.0 million, 81.9pps), representing a 1.3% increase over the previous quarter.

When combined with the 1.55pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 3.2% (31 December 2024: 2.7%). Over the quarter, the Company's share price decreased by 3.0% to 68.5pps, reflecting an increase in the discount from 13.8% to 17.5%.

The table below sets out the movement in NAV during the quarter.

	Pence per share	£ million
<b>NAV at 31 December 2024</b>	<b>81.9</b>	
	<b>66.0</b>	
Valuation movement in property portfolio	+1.0	
	+0.8	
Income earned for the period	+2.7	
	+2.2	
Expenses for the period	-0.5	
	-0.4	
Net finance costs for the period	-0.5	
	-0.4	
Interim dividend paid during the quarter	-1.6	
	-1.3	
<b>NAV at 31 March 2025</b>	<b>83.0</b>	<b>66.9</b>

The NAV attributable to the ordinary shares has been calculated under International Financial Reporting Standards as adopted by the United Kingdom and incorporates both the Group's property portfolio individually valued on a 'Red Book' basis at 31 March 2025 and net income for the quarter but does not include a provision for the interim dividend declared today (see above).

The income earned for the period includes an accrual for the minimum contractual uplifts contained in the index-linked leases. In the event that inflation is greater than these minimum contractual uplifts, the actual income will be greater than the income currently accrued.

## Rent Collection

Rent collection remains resilient with full collection of rent due for the quarter ended 31 March 2025. 90.5% of the portfolio's contracted rent is payable quarterly in advance, with the remainder payable on a monthly in advance basis.

† This is a target and not a formal dividend forecast or a profit forecast

## ENQUIRIES

### Alternative Income REIT PLC

Simon Bennett - Chair

via H/Advisors Maitland below

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The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT PLC is available at [www.alternativeincomereit.com](http://www.alternativeincomereit.com)<sup>1</sup>.

<sup>1</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.

## 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, with a particular focus on alternative and specialist real estate sectors. The majority of the assets in the Group's portfolio are let on long leases which contain index linked rent review provisions.

The Company's asset manager is Martley Capital Real Estate Investment Management Limited ("Martley Capital"). Martley Capital is a full-service real estate investment management platform whose activities cover real estate investing, lending, asset management and fund management. It has over 35 employees across five offices in the UK and Europe. The team manages assets with a value of circa £865million across 23 mandates (at 31 March 2025).

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