

6 August 2025

Alternative Income REIT PLC
(the "Company" or "Group" or "AIRE")
NET ASSET VALUE, DIVIDEND DECLARATION AND PORTFOLIO VALUATION UPDATE
TO 30 JUNE 2025

**Board's target of a total annual dividend of 6.2pps for the year ended 30 June 2025[†] has been met,
an increase of 5.1% on the prior year target of 5.9pps**

Unaudited NAV total return for the quarter of 2.5%

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 30 June 2025.

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

"The Board is pleased to announce that it has met its annual dividend target of 6.2 pence per share ('pps') for the year ended 30 June 2025, following the declaration today of a fourth interim dividend of 1.55 pps for the quarter ended 30 June 2025. The target dividend is covered by cash earnings.

The Group's portfolio benefits from being fully let, with all of the rent from its tenants being collected when falling due, and with over 90% of rent reviews being index linked. At 30 June 2025, the Group's unaudited NAV was £67.3 million, 83.6 pps, representing a 0.6% increase over the previous quarter. When combined with the 1.55 pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.5%.

The Group will continue to benefit from the low borrowing costs on its existing £41m loan facilities until October 2025. As previously reported, the Board secured offers of re-financing from six separate banks and institutional debt providers. The Group has now agreed terms on its new long term facilities and continues to work, with its advisers, to finalise the documentation. The Board remains confident that the requisite re-financing will be completed shortly and I look forward to providing a further update at that time."

Overview of Key Financials

	At 30 June 2025 (unaudited)	At 31 March 2025 (unaudited)	Change
Net Asset Value ("NAV")	£67.3 million	£66.9 million	+0.6%
NAV per share	83.6p	83.0p	+0.6%
Share price per share	74.0p	68.5p	+8.0%
Share price discount to NAV	11.5%	17.5%	-6.0%
Investment property fair value (based on external valuation)	£107.4 million	£107.0 million	+0.4%
Loan to gross asset value ("GAV") ^{A B}	36.9%	37.1%	

	Quarter ended 30 June 2025 (unaudited)	Quarter ended 31 March 2025 (unaudited)	Change
EPRA earnings per share ^A	1.6p	1.7p	-5.9%
Adjusted earnings per share ^A	1.6p	1.7p	-5.9%
Dividend cover ^A	101.3%	107.7%	-6.5%
Total dividends per share	1.55p	1.55p	-
Dividend yield (annualised) ^A	8.4%	9.1%	-0.7%

Earnings per share	2.1p	2.6p	-19.2%
Share price total return ^A	10.3%	-0.8%	+11.1%
NAV total return ^A	2.5%	3.2%	-0.8%
Annualised passing rent	£8.1 million	£7.8 million	+2.3%
Ongoing charges ^A (annualised)	1.6%	1.5%	+0.1%

^A Considered to be an Alternative Performance Measure.

^B The loan facility at 30 June 2025 of £41.0 million (31 March 2025: £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 fourth interim dividend of 1.55pps for the quarter ended 30 June 2025. This dividend crystallises the Board's annual dividend target of 6.2pps for the year and this represents an increase of 5.1% on the previous year's target of 5.9 pps. This fourth interim dividend will be distributed as Property Income Distribution ("PID") and will be paid on 29 August 2025 to shareholders on the register on 15 August 2025. The ex-dividend date will be 14 August 2025.

The Adjusted EPS was 1.6pps for the quarter (31 March 2025: 1.7pps). The dividend cover for the quarter decreased to 101.3% (31 March 2025: 107.7%).

Refinance of the Group's Borrowing Facilities

The Group will continue to benefit from the low borrowing costs on its existing £41m loan facilities, which has a weighted average interest cost of 3.19% and matures in October 2025. The current Bank of England interest rate is 4.25% and as a result the Group's finance costs, which amounted to approximately £1.4m for the year ended 30 June 2025 will rise significantly in this financial year. This increase in cost will, when the new facilities are drawn down, mean that there will be a reduction in distributable income.

As previously reported, the Board secured offers of re-financing from six separate banks and institutional debt providers in good time. The Group has now agreed terms on its new long term facilities and continues to work, with its advisers, to finalise the documentation. The Board remains confident that the requisite re-financing will be completed shortly.

Property Portfolio

The Group's portfolio benefits from being fully let, with all of the rent from its tenants being collected when falling due, and with over 90% of rent reviews being index linked and continues to provide a secure and growing rental income stream. At 30 June 2025, the Group owned 20 properties (31 March 2025: 20 properties) valued at £107.4million (31 March 2025: £107.0 million). At 30 June 2025, the Net Initial Yield on the Group's portfolio was 7.1% (31 March 2025: 7.1%) and the Group's assets remain fully let. The weighted average unexpired lease term at 30 June 2025 was 15.6 years to the earlier of break and expiry (31 March 2025: 15.9 years) and 17.2 years to expiry (31 March 2025: 17.5 years).

The Group's contracted annual rent increased by 0.4% during the quarter (31 March 2025: 0.2%). The increase was due to annual indexation rent review of three leases to Meridian in Dudley and Sheffield. 92.3% of leases in the portfolio are index-linked, with 36.4% of the contracted rental income reviewed annually. Active management of the portfolio continued this quarter: BGEN, one of the tenants at the Group's St Helens industrial property, has taken a new five-year lease, with annual RPI linked rent reviews, at £63,750 per annum on the land adjacent to their industrial unit on the estate. In Crawley, prior to an index-linked rent review in July 2025, the lease to Petrogas Group UK Limited has been assigned to the Rontec Group, one of the leading players in the UK forecourt industry.

Progress is also being made with various asset management initiatives, and as a consequence the Estimated Rental Value of the Group's property assets has risen again by 0.30% this quarter (31 March 2025: 0.27%). In the current quarter to 30 September 2025, 13.2% of the Group's income will be reviewed with one annual index-linked rent review and one 3 yearly indexed rent review.

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

At 30 June 2025, the Group's unaudited NAV was £67.3 million, 83.6pps (31 March 2025: £66.9 million, 83.0pps), representing a 0.6% 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 2.5% (31 March 2025: 3.2%). Over the quarter, the Company's share price increased by 8.0% to 74.0pps, reflecting a substantial decrease in the discount from 17.5% to 11.5%.

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

	Pence per share	£ million
NAV at 31 March 2025	83.0	66.9
Valuation movement in property portfolio	+0.5	+0.4
Income earned for the period	+2.5	+2.1
Expenses for the period	-0.4	-0.4
Net finance costs for the period	-0.4	-0.4
Interim dividend paid during the quarter	-1.6	-1.3
NAV at 30 June 2025	83.6	67.3

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 30 June 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 the collection of all the rent due for the quarter ended 30 June 2025. Over 90% of the portfolio's contracted rent is payable quarterly in advance with the remainder payable monthly in advance.

† 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

Martley Capital Real Estate Investment Management Ltd

Richard Croft
Jane Blore

020 4551 1240

Panmure Liberum Limited

Alex Collins
Tom Scrivens

020 3100 2000

H/Advisors Maitland (Communications Advisor)

Billy Moran
Rachel Cohen
Daisy Padovan

07747 113 930 / 020 7379 5151
aire-maitland@h-advisors.global

The Company's LEI is 213800MPBIJS12Q88F71.

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

¹ 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 secure and predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, predominantly within alternative and specialist 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 circa 35 employees across five offices in the UK and Europe. The team manages assets with a value of circa £900 million across 23 mandates (at 30 June 2025).