

# Alternative Income REIT PLC

## New Banking Arrangements and Dividend Target

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**Alternative Income REIT PLC**  
(the "Company" or "Group" or "AIRE")

### NEW BANKING ARRANGEMENTS AND DIVIDEND TARGET FOR THE YEAR ENDED 30 JUNE 2026

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 details of its new banking arrangements and dividend target for the year ended 30 June 2026.

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

"I am delighted to be able to announce that AIRE has secured new long term debt facilities with HSBC UK Bank plc ("HSBC"). The facilities, consisting of both a fixed term loan of £31 million and a £10 million revolving credit facility, are on competitive terms.

Over the past few years, including during the global COVID pandemic, AIRE has maintained an enviable record of collecting 100% of the rent. Provided that this remains the case, and in the absence of any other unforeseen circumstances, the Board are targeting a dividend of no less than 5.6<sup>p</sup> pence per share ("pps") for the year ending 30 June 2026 (30 June 2025: 6.2pps)."

#### NEW BANKING FACILITIES

As previously reported, AIRE currently benefits from low borrowing costs on its £41 million debt. This debt facility was put in place when the Group was originally listed on the London Stock Exchange in June 2017. The facility has a weighted average interest cost of 3.19% and matures on 20 October 2025.

The Board has been working, in conjunction with its debt advisers, to refinance the Group's existing debt. Largely as a result of AIRE's excellent track record in recent years, its outstanding record on rent collection and the very low loan to value of its portfolio, AIRE secured separate offers of long term finance from several different lending institutions, all on a competitive basis.

Consequently, the Board is delighted to be able to announce that it has secured long term debt facilities with HSBC UK Bank plc ("HSBC"). The facilities consist of both a fixed term loan of £31 million (the "Term Loan") and a £10 million revolving credit facility ("RCF"), collectively referred to as the "New HSBC Bank Facilities". The term of the New HSBC Bank Facilities is a fixed term of five years from the date of drawdown, which can be extended on request by a further two years, should this be mutually acceptable to both parties.

Whilst there is no present intention, AIRE have the right, through an accordion mechanism, to request an increase in the size of the RCF by up to a further £10 million, over the course of the facility. The Board are also pleased to report that the margin on the New HSBC Bank Facilities of 170 basis points (1.7% per annum) over SONIA (sterling overnight index average rate), represents a significant reduction in margin when compared with the Group's existing debt facilities, albeit against a backdrop of higher base interest rates, as set out below.

The Board intend to take advantage of the lower interest rates on AIRE's existing debt facilities, until these facilities are due for repayment on 20 October 2025. The Group will use the amount drawn down under its New HSBC Bank Facilities to simultaneously repay its existing debt facilities in full.

#### NEW DIVIDEND TARGET FOR THE YEAR ENDING 30 JUNE 2026

Much has changed since the Group took out its current debt facilities in 2017, not least the cost of borrowing. The Bank of England interest rate, which at the time was 0.25%, has increased considerably. Following the announcement last month, the current Bank of England interest rate is 4%. As a result, the finance costs for the Group's current financial year ending on 30 June 2026 will rise significantly to approximately £2.2 million, compared with £1.4 million in previous financial years.

Whilst there will be some mitigation to this figure, principally from the increase in rents from AIRE's property portfolio, this rise in costs will reduce the Group's distributable income. Over the past few years, including during the global COVID pandemic, AIRE has maintained an enviable record of collecting 100% of the rent.

Provided that this remains the case and in the absence of any other unforeseen circumstances, the Board are targeting a dividend of no less than 5.6†pps for the year ending 30 June 2026 (30 June 2025: 6.2pps).

The Board presently expect that a further announcement regarding the payment of the first of these interim dividends, will be made in line with the Group's usual timetable for such announcements in October 2025.

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

## ENQUIRIES

### Alternative Income REIT PLC

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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 ON AIRE

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.

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