Alternative Income REIT PLC

NAV, Dividend Declaration & 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 December 2025

Declares an interim dividend of 1.40 pence per share ("pps") for the quarter ended 31 December 2025

The target annual dividend of no less than 5.6pps for the year ending 30 June 2026†

Dividend cover of 106.4% for the quarter

Unaudited NAV total return of 2.3% for the quarter

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 December 2025.

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

The Board is pleased to declare its second interim dividend for the year ending 30 June 2026 of 1.4pps for the quarter ended 31 December 2025, which is in line with the Company's dividend target of 5.6pps. As explained previously, the resetting of the dividend target for this financial year is entirely due to the increase in interest costs associated with the Group's new HSBC banking facilities. The dividend cover for the quarter stood at 106.4% and the dividend target, remains subject to the continued timely collection of rent across the portfolio.

In this quarter, the Group completed the sale of the Applegreen petrol filling station, Crawley ("Crawley") for £4.5 million (gross of disposal costs in October 2025), which represented a significant premium of £500,000 to its book value. The Group's portfolio at 31 December 2025 was valued at £103.5 million, reflecting this sale and on a like-for-like basis, the property values increased by £175,000 or 0.2% during the quarter. The Group's portfolio benefits from being both fully let and with 92.1% of leases subject to index-linked rent reviews.

As at 31 December 2025, the Group's unaudited Net Asset Value (NAV) was £68.0 million, or 84.5pps, marking a 0.6% increase from the previous quarter. Including the 1.40pps dividend paid during the quarter, this equates to an unaudited NAV total return of 2.3% for the quarter.

Overview of Key Financials

	At 31 December 2025 (unaudited)	**At 30 September 2025 (audited)**	**Change**
Net Asset Value ("NAV")	£68.0 million	£67.6 million	+0.6%
NAV per share	84.5p	84.0p	+0.6%
Share price per share	73.6p	71.0p	+3.7%
Share price discount to NAV	12.9%	15.4%	-2.5%

Investment property fair value (based on external valuation)	£103.5 million	£107.6 million	-3.8%
Loan to gross asset value ("GAV") A B	34.3%	36.8%	

	Quarter ended 31 December 2025 (unaudited)	Quarter ended 30 September 2025 (unaudited)	Change
EPRA earnings per share A	1.5p	1.8p	-13.0%
Adjusted earnings per share A	1.5p	1.9p	-22.0%
Dividend cover A,D	106.4%	136.4%	-30.0%
Total dividends per share	1.40p	1.40p	-
Dividend yield (annualised)A,C	7.6%	8.7%	-1.1%
Earnings per share	1.9p	1.9p	-
Share price total return A	5.6%	-2.0%	+7.6%
NAV total return A	2.3%	2.2%	0.1%
Annualised passing rent	£7.9 million	£8.1 million	-2.5%
Ongoing charges A (annualised)	1.6%	1.5%	+0.1%

A Considered to be an Alternative Performance Measure.

B The loan facility at 31 December 2025 of £41.0 million with HSBC UK Bank Plc had a weighted average interest cost of 5.13%.(30 September 2025: £41.0 million with Canada Life Investments matured on 20 October 2025). At 31 December 2025, the loan drawn was £36.6million (30 September 2025: £41.0 million).

C Dividend yield is based on the target dividend of 5.6 pence per share, divided by the share price at the end of the quarter.

D Dividend cover is the ratio to measure the Groups ability to pay its dividend and is calculated as Earnings per share by dividend per share.

Dividend Declaration, Earnings Per Share and Dividend Cover

The Board is pleased to declare its second interim dividend of 1.4pps for the quarter ended 31 December 2025, in line with the Company's dividend target of 5.6pps for the year ending 30 June 2026. The resetting of the dividend target for this financial year, which is lower than the previous year's, is entirely due to the increase in interest costs associated with the Group's new HSBC banking facilities. This interim dividend will be distributed as Property Income Distribution ("PID") and will be paid on 27 February 2026 to shareholders on the register on 13 February 2026. The ex-dividend date will be 12 February 2026.

The Adjusted EPS was 1.5pps for the quarter (30 September 2025: 1.9pps) and the dividend cover decreased to 106.4% this quarter (30 September 2025: 136.4%), as a result of the increase in financing costs.

Property Portfolio

The Group's portfolio is riding the storm of recent market fluctuations well and at 31 December 2025, the Group held 19 properties (30 September 2025: 20 properties) valued at £103.5 million (30 September 2025: £107.5 million). The reduction in the valuation for the quarter ended 31 December 2025 reflects the previously announced sale of the Applegreen petrol filling station at Crawley.

At 31 December 2025, the Net Initial Yield on the Group's portfolio was 7.1% (30 September 2025: 7.1%). The weighted average unexpired lease term at 31 December 2025 was 15.4 years to the earlier of break and expiry (30 September 2025: 15.3 years) and 17.1 years to expiry (30 September 2025: 17.0 years).

The Group's contracted annualised rent increased by 0.3% during the quarter (30 September 2025: +0.7%). This was due to annual index-linked rent reviews of the Group's properties in Brough and Solihull. Active management of the portfolio continues with conversations progressing with a number of tenants considering re-gearing leases, removing tenant breaks and extending lease lengths. For the upcoming quarter to 31 March 2026, one annual index-linked rent review in Bristol will take place, which represents 6.2% of the Group's annual rental income.

94.8% of the portfolio's contracted rent is payable quarterly in advance, with the remainder being payable monthly in advance.

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

At 31 December 2025, the Group's unaudited NAV was £68.0 million, 84.5pps (30 September 2025: £67.6 million, 84.0pps, respectively), representing a 0.6% increase over the previous quarter.

When combined with the 1.40pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.3% (30 September 2025: 2.2%). Over the quarter, the Company's share price increased by 3.7% to 73.6pps, reflecting a decrease in the discount from 15.4% to 12.9%.

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

	Pence per share	£ million
NAV at 30 September 2025	**84.0**	**67.6**
Valuation movement in property portfolio	+0.4	+0.3
Income earned for the period	+2.7	+2.2
Expenses for the period	-0.6	-0.5
Net finance costs for the period	-0.7	-0.6
Gain on property sale	+0.1	0.1
Interim dividend paid during the quarter	-1.4	-1.1
NAV at 31 December 2025	**84.5**	**68.0**

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 December 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.

Refinancing

The Group refinanced its long-term loan facility on 20 October 2025 with HSBC UK Bank Plc, using the proceeds to repay the Group's previous Canada Life facility in full. The new HSBC Bank Facilities consist of both a fixed term loan of £31 million and a £10 million revolving credit facility, both on floating rates for a fixed term of five years with an option to extend by two years if mutually agreed by both parties.

The new HSBC bank facilities attract a margin of 1.7% per annum plus SONIA (sterling overnight index average rate). This represents a significant improvement in terms on the previous debt facilities, but total finance costs have increased as a result of the higher interest rate costs. The financial covenants for the new facilities also represent improved terms to the Group, being based on a Loan to Value covenant which is not to exceed 60% and an Interest Cover Ratio to be greater than 160%.

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

ENQUIRIES

Alternative Income REIT PLC

Simon Bennett - Chair

Via AIRE's Company Secretary, Hanway Advisory: 0207 409 0181 or by email: Aire.Cosec@jtcgroup.com

Martley Capital Real Estate Investment Management Ltd	020 4551 1240
Richard Croft	
Jane Blore	
Panmure Liberum Limited	020 3100 2000
Alex Collins	
Tom Scrivens	

The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT PLC is available at www.alternativeincomereit.com[1].

[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 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 40 employees across five offices in the UK and Europe. The team manages assets with a value of circa £1 billion across 30 mandates (at 31 December 2025).