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Statement re Possible Offer

STATEMENT RE POSSIBLE OFFER

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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**FOR IMMEDIATE RELEASE****15 May 2026****GLENSTONE REIT PLC****("Glenstone")****LEI Number: 213800SCA6CUFTRCLC82****Possible Cash Offer for Alternative Income REIT plc ("AIRE" or the "Company") and Request for Board Engagement****Introduction**

Glenstone's group has been the largest shareholder in AIRE since November 2020 and, as at the date of this announcement, holds 19,325,461 shares in AIRE, representing 24.0 per cent. of AIRE's issued share capital.

Glenstone is making this announcement regarding the future of AIRE following a 12 month period of discussions with the AIRE Board committee of independent directors ("Independent Board Committee") regarding the future direction of the Company, a process which commenced in April 2025.

Glenstone has supported the Independent Board Committee's intention to explore strategic options for the Company given the challenges associated with AIRE's continued independence as one of the smallest REITs traded on the London Stock Exchange.

Following the withdrawal of AEW UK REIT plc ("AEWU") from discussions with the Company on 21 April 2026 and in the apparent absence of a viable exit for Glenstone's investment through a sale of the Company, Glenstone confirms that it is now considering a possible all-cash offer for the entire issued and to be issued share capital of AIRE that Glenstone does not already own (the "Possible Cash Offer").

In a letter from Glenstone addressed to the Independent Board Committee on 27 April 2026 (the "Letter"), Glenstone requested an explanation of the due diligence concerns which led to AEWU's withdrawal and of the level of abortive transaction costs incurred by the Company. In addition, as the Independent Board Committee's public exploration of a possible sale has yielded no alternative buyers for the Company, Glenstone has also requested that the Independent Board Committee now considers a managed wind down and enters into discussions over the terms of the Possible Cash Offer.

Glenstone has not received a constructive response from the Independent Board Committee to the Letter.

The Possible Cash Offer

Glenstone confirms that it is now considering a Possible Cash Offer for the entire issued and to be issued share capital of the Company which it does not currently own.

It is Glenstone's intention that, if a binding offer were to be made by Glenstone for AIRE in accordance with the Code, this would be solely in cash and structured as a contractual offer under the applicable provisions of the Code and the Companies Act 2006.

Following the completion of the Possible Cash Offer, Glenstone would intend to implement changes designed to maximise the value of the Company's assets while reducing the Company's operating costs.

The Possible Cash Offer, should it be made, will have an acceptance condition of 50 per cent.

It is therefore possible that, following completion of the Possible Cash Offer and subject to the level of acceptances received from shareholders, Glenstone's shareholding will be between 50 per cent. and 100 per cent. of AIRE shares.

If Glenstone holds less than 100 per cent. of AIRE shares following the implementation of any Possible Cash Offer it would look to implement a managed wind-down of the Company in order to achieve an eventual exit for all shareholders. However, Glenstone would expect to hold certain of AIRE's assets for the longer term if Glenstone acquires the entire Company.

In addition, subject to the level of acceptances by AIRE shareholders, Glenstone would seek to transfer the Company's listing to The International Stock Exchange ("TISE") in order to maintain the Company's REIT status and to provide a dealing facility for shareholders at a lower operating cost than on the London Stock Exchange.

Possible Cash Offer price

Glenstone is a longstanding shareholder in the Company and is relatively familiar with its portfolio such that it does not need to undertake extensive due diligence in order to proceed with the Possible Cash Offer.

The price (if any) which Glenstone would be prepared to offer pursuant to the Possible Cash Offer would be informed, amongst other factors, by:

- a review of the due diligence information shared with AEWU, to the extent that Glenstone's request to provide such information is met by the Independent Board Committee; and
- Glenstone's assessment of the Company's future prospects, with particular regard to developing macroeconomic conditions.

Glenstone hopes to engage constructively with the Independent Board Committee and the Company's advisers in this regard.

Pre-conditions to a firm offer announcement

The announcement of any firm offer for AIRE by Glenstone would be subject to and conditional upon the prior satisfaction (or waiver) of certain pre-conditions. These pre-conditions include:

1. the completion of confirmatory due diligence to the satisfaction of Glenstone;
2. the provision of certain consents, waivers and approvals by AIRE's lender; and
3. final approval from the Board of Glenstone.

Glenstone reserves the right to waive any or all of these pre-conditions in its sole discretion. In addition, Glenstone reserves its position in respect of making a Possible Cash Offer with or without a Board recommendation. Even in the event that these pre-conditions are satisfied or waived, there can be no certainty that any firm offer will be made.

Background to, and reasons for, the Possible Cash Offer

12 month period of discussions with AIRE

AIRE is now one of the smallest REITs listed on the London Stock Exchange and has not issued any further equity since its IPO in 2017 when it was launched as the AEW Long Lease REIT PLC. In 2019 following the termination of the investment management agreement with AEW UK Investment Management LLP, the Company's Board undertook a strategic review which explored options to realise value for shareholders but ultimately failed to find a buyer for the portfolio at that time.

In recent years Glenstone, through its representative director, has consistently sought to support the Company's Board in pursuing strategic options designed to maximise value for all shareholders. Glenstone is disappointed that a transaction capable of delivering an exit for shareholders has yet to be achieved, during a period in which many other subscale REITs have been consolidated by larger REITs or taken private.

More recently, the Glenstone group, as AIRE's largest shareholder, has engaged with the Independent Board Committee of AIRE for over 12 months regarding the future of the Company. Glenstone put forward a number of proposals to the Independent Board Committee in November 2025, including a request for the Board to search for possible offerors under the framework of a "formal sale process" under the Code set alongside an indicative cash offer proposal, intended to provide a reference point for any third party interest arising during the formal sale process. The Independent Board Committee rejected Glenstone's proposals at the time and has, instead, undertaken its own process to identify possible buyers for the Company.

Possible offer by AEWU and termination of discussions

In March 2026, the Independent Board Committee agreed the terms of a possible offer from AEWU which was, following an inconclusive due diligence process, terminated by AEWU on 21 April 2026. Glenstone had expressed its support for this transaction on 10 March 2026, when requested to do so by the Boards of both AEWU and AIRE and, at that time, agreed in principle to provide an irrevocable undertaking to this effect.

When announcing its intention not to bid for AIRE, AEWU stated that *"it was established during the course of due diligence that agreement on certain key matters could not be concluded"*.

Following AEWU's no-bid announcement on 21 April 2026, Glenstone expressed its concern to AIRE that the matters arising during the due diligence process appear to have been sufficiently material to result in AEWU's

withdrawal and requested that the Independent Board Committee provide an explanation to either Glenstone or the Company's shareholders in an announcement. Glenstone also expressed concerns about the level of aborted transaction costs which have been incurred by the Company.

Despite there being no immediate acknowledgement of Glenstone's requests, Glenstone was surprised that the Independent Board Committee did not take the opportunity to assuage shareholders' concerns by addressing these matters and clarifying AIRE's position with respect to AEWU's withdrawal in its announcement of its trading update to 31 March 2026 released on 29 April 2026.

Next steps

Glenstone strongly encourages the AIRE Independent Board Committee to engage constructively with the Possible Cash Offer and to provide shareholders with greater clarity regarding the strategic options available to the Company.

There can be no certainty that any firm offer will be made for AIRE, nor as to the terms on which any firm offer might be made.

In accordance with Rule 2.6(a) of the Code, Glenstone is required, by no later than 5.00 p.m. (London time) on 12 June 2026, being 28 days after the date of this announcement, to either announce a firm intention to make an offer for AIRE in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers (the "Takeover Panel") in accordance with Rule 2.6(c) of the Code.

Further announcements will be made as and when appropriate.

Enquiries:

Glenstone REIT PLC

+44 (0) 20 3915 9180

Rob Maybury - Finance Director

J Goodwin & Co (Financial Adviser to Glenstone)

+44 (0) 20 3976 6215

Rupert Hill / Miquel Colas

Rule 2.4

Under Rule 2.4(c) of the Code, Glenstone is required to provide details of any minimum level, or particular form, of consideration it would be obliged to offer under Rule 6 or Rule 11 (as appropriate). Glenstone confirms that it is not aware of any dealings in AIRE shares that would require it to offer a minimum level, or a particular form, of consideration.

However, in the interest of confidentiality, it has not been practical for Glenstone to make enquiries of all persons acting in concert with it prior to the date of this announcement in order to confirm whether any details are required to be disclosed under Rule 2.4(c)(iv) of the Code. To the extent that any such details are identified following such enquiries, Glenstone will make an announcement disclosing such details as soon as practicable, and in any event by no later than the time it is required to make its Opening Position Disclosure under Rule 8.1 of the Code.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.Glenstonereit.co.uk by no later than 12 noon (London time) on the business day following the date of this announcement. The content of this website is not incorporated into, and does not form part of, this announcement.

Additional information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of AIRE who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore, any person who is subject to the laws of any jurisdiction other than the United Kingdom or any shareholder of AIRE who is not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements. Any failure to comply with such requirements may constitute a violation of the securities laws or regulations of the relevant jurisdictions.

J Goodwin & Co LLP ("**J Goodwin & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Glenstone and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Glenstone for providing the protections afforded to its clients or for providing advice in relation to the subject matter of this announcement.

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This announcement is released by Glenstone and the information contained within this announcement is deemed by Glenstone to constitute inside information for the purposes of Article 7 of the UK version of the EU Market Abuse Regulation (Regulation (EU) No.596/2014) which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a Regulatory Information Service, such information is now considered to be in the public domain.

The person responsible for releasing this announcement on behalf of Glenstone is Rob Maybury, Finance Director.

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