FURTHER RESPONSE TO FIRM OFFER BY GLENSTONE

ALTERNATIVE INCOME REIT PLC

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FOR IMMEDIATE RELEASE

16 June 2026

Alternative Income REIT plc

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

Further response to firm offer announcement by Glenstone REIT plc

1. **Introduction**

The independent Board of AIRE, namely Simon Bennett and Stephanie Eastment (the "**Independent Board**"), notes the announcement by Glenstone REIT plc ("**Glenstone**") on 12 June 2026 of its firm intention to make a cash offer, to be implemented by way of a takeover offer, for the entire issued and to be issued share capital of AIRE not already owned or controlled by Glenstone, at a price of 70 pence per AIRE share (the "**Glenstone Offer**").

The Independent Board is acting in the best interests of all AIRE shareholders as a whole and not for the benefit of any one large shareholder and will consider the Glenstone Offer in that regard. There are many reasons why the Independent Board is not currently in a position to recommend the Glenstone Offer to shareholders, with the principal one being that Glenstone's Offer represents a 17 per cent. discount to AIRE's latest published net asset value of 84.4 pence per share as at 31 March 2026 (the "**Prevailing Net Asset Value**").

2. **Terms of the Glenstone Offer**

The Glenstone Offer represents a negligible premium based on the closing undisturbed share price of 69.7 pence on 14 May 2026, the last business day before a possible offer for AIRE was announced by Glenstone. Furthermore, the Glenstone Offer represents a discount of approximately 6.23 per cent., 6.59 per cent. and 2.90 per cent. to the three, six and twelve-month volume-weighted average share prices of AIRE, respectively.

The Independent Board also notes that the Glenstone Offer price is based on the assumption that no dividends or other returns of capital will be paid and that Glenstone reserves the right to reduce the consideration payable should any such distributions be made prior to completion.

As shareholders in AIRE will be aware, in accordance with its usual practice, the Company announced in October 2025 that its target dividend for the year ended 30 June 2026 would be 5.6 pence per share. In accordance with the Company's dividend policy which was approved by shareholders at the last annual general meeting, four evenly spaced quarterly dividends are paid to shareholders annually. Three interim dividends have been paid for this financial year to date, totalling 4.2 pence per share. Therefore, the Company's target dividend for the financial year requires that a fourth quarterly dividend of 1.4 pence per share be declared in accordance with the Company's usual timetable.

Given that the Glenstone Offer price is based on the assumption that no further dividends or other returns of capital will be paid and that Glenstone reserves the right to reduce the consideration payable should any such distributions be made prior to completion, the payment of the fourth quarterly dividend for the year ended 30 June 2026 would mean that the effective value of the Glenstone Offer to AIRE shareholders would be reduced from 70 pence per share to 68.6 pence per share (the "**Effective Value**"). This would result in the Glenstone Offer representing a discount of approximately 8.10 per cent., 8.46 per cent. and 4.84 per cent. to the three, six and twelve-month volume-weighted average share prices of AIRE, respectively.

3. **The Glenstone Offer is at a substantial discount to AIRE's Prevailing Net Asset Value**

The Effective Value of the Glenstone Offer at 68.6 pence per share represents a discount of approximately 19 per cent. to AIRE's Prevailing Net Asset Value.

The Glenstone Offer therefore contrasts unfavourably with the potential all share offer for AIRE by AEW UK REIT plc, which was agreed in principle, at a 3 per cent. discount to the then prevailing net asset value. This offer was at a level that the Board, including Adam Smith (a director and major shareholder of Glenstone), was prepared to recommend to AIRE shareholders.

The Independent Board also notes that Glenstone previously made a cash offer for AIRE at a large discount to AIRE's stated net asset value. In November 2025, the Independent Board rejected an unfunded indicative cash offer of 66.5 pence per share, which at the time represented a discount of over 20 per cent. to AIRE's then prevailing net asset value.

4. **Other conditions of Glenstone's Offer**

The Glenstone Offer is subject to a number of conditions, including the receipt of acceptances in excess of 50 per cent. of the Company's voting rights (including shares already owned by Glenstone). As a result, there can be no certainty as to the outcome of the Glenstone Offer.

The Independent Board also notes that, under the Companies Act 2006, on the basis of the Glenstone Offer as currently structured, compulsory acquisition of minority shareholders may only be effected once Glenstone has acquired or agreed to acquire not less than 90 per cent. of the shares to which the Glenstone Offer relates. Accordingly, there can be no certainty that Glenstone will be able to acquire the entire issued share capital of the Company. Shareholders who do not accept the Glenstone Offer are therefore likely to become minority shareholders in a company controlled by Glenstone. It is only if Glenstone acquired or agreed to acquire not less than 90 per cent. of the shares to which the Glenstone Offer relates that shareholders' statutory rights to have their share compulsorily acquired by Glenstone are triggered.

5. **Potential consequences for minority AIRE shareholders if the Glenstone Offer is successful**

Glenstone's stated intentions include internalising management through appointing its own executives to the AIRE Board, pursuing a managed wind-down of the portfolio and delisting AIRE shares from the London Stock Exchange. The Independent Board are concerned that this would significantly weaken and potentially end the effective checks and balances that the current independent non-executive directors provide.

The Independent Board also notes that, if AIRE's shares were delisted, the Company would no longer be subject to listed company governance requirements. This is particularly concerning given Glenstone's stated intention to pursue a managed wind-down of the Company's portfolio, and the possible conflict of interest that would arise.

Glenstone itself is a REIT, with Adam Smith owning 26.45 per cent. of its issued share capital (as per the latest PDMR announcement published by Glenstone), and has stated that it would expect to hold certain of AIRE's assets for the longer term to deliver sustainable returns to its shareholders.

The Independent Board is also concerned that these measures would not only remove the liquidity and ability for minority shareholders to trade in the Company's shares, but would also mean that there may be limited independent oversight in relation to key decisions, including asset disposals, capital allocation and dividend policy and minority shareholders would have significantly reduced protections compared to those currently in place.

6. **Statements made by Glenstone regarding AIRE**

AIRE's property portfolio
The Independent Board, comprising experienced non-executive directors, is fully aware of the Company's regulatory disclosure obligations. In that context, the Independent Board notes the comments made about the Company's portfolio and can confirm that it is not currently aware of any material issues that fall to be disclosed by AIRE in that regard.

The AIRE Board includes Adam Smith, as the Glenstone representative, who has participated in all ordinary course board meetings of AIRE over the last five years and continues to do so, including subsequent to the lapsed offer by AEW UK REIT plc ("**AEWU**"). Had any material matters relating to the Company's portfolio have arisen which required disclosure, either during the course of normal board meetings or during the in-depth work undertaken as part of the AEWU due diligence in which Mr. Smith took part, he would be fully aware of such matters and his duty as a director of the Company to require disclosure of material matters.

AIRE's cost base
AIRE is a well-run company which has a tightly controlled cost base with an ongoing charge ratio of 1.57 per cent. as at 30 June 2025.

7. **Summary**

As at 31 March 2026, AIRE had a property portfolio consisting of 19 properties valued at £103.45 million and unaudited net assets equivalent to 84.4 pence per share. AIRE's portfolio continues to demonstrate resilience, remains fully let, with 100 per cent. rent collection and is predominantly let on long leases with index linked rent reviews. As at 31 March 2026, the weighted average unexpired lease term was more than 15 years to the earlier of break and expiry and 16.8 years to expiry.

The Glenstone Offer price and its Effective Value are at significant discounts to AIRE's Prevailing Net Asset Value and, in the view of the Independent Board, does not adequately compensate shareholders for the quality, longevity and inflation-linked nature of the Company's revenue streams. Furthermore, the long and inflation-linked nature of its leases, means that AIRE's income profile is both attractive and predictable. The Independent Board is mindful of the large proportion of its shareholder base who are private investors, who hold the Company's shares for dividend income.

The Independent Board has engaged constructively with Glenstone and might be prepared to provide further information in the event that a proposal that is capable of being recommended to shareholders is received from Glenstone. In the view of the Independent Board, the Glenstone Offer does not currently meet that threshold.

As a result**, AIRE shareholders are strongly advised to take no action in relation to the Glenstone Offer**.

For further information please contact:

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