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Alternative Income REIT PLC

PUBLICATION OF RESPONSE DOCUMENT

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20 July 2026

Alternative Income REIT plc

("AIRE" or the "Company")

Publication of Response Document

The board of AIRE (the "**Board**") today announces the publication by AIRE of a response document (the "**Response Document**") in respect of the offer document published by Glenstone REIT plc ("**Glenstone**") on 6 July 2026 (the "**Glenstone Offer Document**"), relating to the all-cash offer by Glenstone for the entire issued and to be issued ordinary share capital of AIRE that the Glenstone Group (as defined in the Glenstone Offer Document) does not already hold (the "**Glenstone Offer**").

The Response Document is published in accordance with Rule 25.1 of the City Code on Takeovers and Mergers (the "**Code**"), is available on the Company's website at https://www.alternativeincomereit.com/investors and will be posted to AIRE shareholders and any persons with information rights.

The Board unanimously and strongly recommends that AIRE shareholders who have not accepted the Glenstone Offer do not do so. The Board also unanimously and strongly recommends that AIRE shareholders who have already accepted the Glenstone Offer withdraw their acceptances as soon as possible, to the extent they remain entitled to do so, in accordance with the procedures set out in paragraph 3 of Part C of Part II of the Glenstone Offer Document. The Response Document sets out in detail the reasons behind the recommendation of the Board.

Capitalised terms used but not defined in this announcement have the meanings given to them in the Response Document.

A summary of the key reasons for the AIRE Board's recommendation is set out below. This summary should be read together with the Response Document in its entirety.

The AIRE Board's key reasons for rejecting the Glenstone Offer are as follows:

- **THE GLENSTONE OFFER IS NOT WORTH 71.4 PENCE.** If AIRE declares a fourth interim dividend of 1.4 pence per AIRE Share in order for AIRE to meet its previously announced target dividend for the financial year and Glenstone reduces the Glenstone Offer consideration accordingly, the cash consideration payable under the Glenstone Offer would fall to 70.0 pence per AIRE Share (the "**Effective Value**"). The 1.4 pence increase announced by Glenstone should therefore not be viewed as additional value, on top of any dividend declared by AIRE in order to meet its target dividend for the financial year.

- **THE GLENSTONE OFFER IS AT A MATERIAL DISCOUNT TO AIRE'S NET ASSET VALUE.** The Effective Value of 70.0 pence per AIRE Share represents a material discount of approximately 17 per cent. to AIRE's latest published unaudited net asset value of 84.4 pence per AIRE Share as at 31 March 2026 ("**NAV**").

- **GLENSTONE IS SEEKING CONTROL WITHOUT PAYING AN APPROPRIATE CONTROL PREMIUM.** The Glenstone Offer represents only a negligible premium to AIRE's undisturbed share price[1] and does not, in the Board's view, properly compensate AIRE Shareholders for giving up control of the Company.

- **THE AEWU POSSIBLE OFFER MAY PROVIDE AIRE SHAREHOLDERS WITH A MORE ATTRACTIVE ALTERNATIVE.** AEWU is considering a possible all-share offer which, based on AEWU's closing share price on 15 July 2026, had an implied value of approximately 77.4 pence per AIRE Share. This is a 10.6 per cent. premium to the Effective Value and an 8.4 per cent. premium to the Glenstone Offer Price. It would also allow AIRE Shareholders to remain invested in a listed, income-producing REIT. However, no firm offer has yet been announced and the implied value of the AEWU Possible Offer will fluctuate with AEWU's share price.

- **SIGNIFICANT GOVERNANCE CONCERNS - POTENTIAL CONFLICTS AND REDUCED INDEPENDENT OVERSIGHT.** With Glenstone executives appointed to the Board (and potentially a delisting of the AIRE Shares), there will likely be significantly reduced independent oversight of AIRE, particularly in relation to potential asset disposals, the payment of dividends and other decisions which may give rise to actual or potential conflicts of interest.

- **NON-ACCEPTING AIRE SHAREHOLDERS MAY BE LEFT IN AN UNLISTED, ILLIQUID COMPANY.** Should the Company be delisted, there may be no mechanism through which any remaining minority interest AIRE Shareholders can trade their AIRE Shares. Even if the AIRE's Shares are admitted to TISE, TISE is a much less liquid market than the Main Market of the LSE and would provide very limited liquidity for AIRE Shareholders wishing to trade their AIRE Shares.

- **GLENSTONE CLAIMS THAT IT WILL MAKE COST SAVINGS YET DOES NOT PROVIDE DETAIL ON WHAT THESE ARE OR HOW THEY CAN BE ACHIEVED.** Indeed, not only does Glenstone not explain in sufficient detail what the costs of internalising the management of the Company would be, but it also does not state what the costs would be of implementing its proposals to delist the Shares from the London Stock Exchange and potentially admitting the Shares to TISE.

- **GLENSTONE HAS MADE UNSUBSTANTIATED CLAIMS THAT SEEK TO JUSTIFY THE DISCOUNTED GLENSTONE OFFER.** Glenstone has made unsubstantiated claims suggesting issues within the portfolio. The Board reiterates that it is not aware of any material undisclosed portfolio issue requiring disclosure by AIRE.

- **GLENSTONE ITSELF RECOGNISES VALUE IN AIRE'S ASSETS.** Glenstone has stated that it believes certain of AIRE's assets are attractive and may retain certain assets for the longer term if it acquires 100 per cent. of AIRE.

- **GLENSTONE'S POST-OFFER STRATEGY HAS NO CLEAR TIMELINE AND CREATES POTENTIAL CONFLICTS OF INTERESTS.** Glenstone states that it would conduct a managed wind-down of the Company's portfolio and that it intends for this to be completed within three years, subject to UK property market conditions, but is unable to provide an estimate with certainty as to the duration of the wind-down. Any remaining Shareholders could therefore be locked into the Company for a prolonged period, with insufficient checks and balances around the sales process.

- **THE GLENSTONE OFFER COULD GIVE GLENSTONE CONTROL WITHOUT PROVIDING ALL AIRE SHAREHOLDERS A CLEAN EXIT.** The Acceptance Condition is set at more than 50 per cent. of AIRE's voting rights, whereas for a statutory compulsory acquisition to be invoked, Glenstone has to acquire or contract to acquire not less than 90 per cent. in value of the AIRE Shares to which the Glenstone Offer relates, meaning that Glenstone could take control of the Company with a substantial proportion of Shareholders remaining in the Company without the obligation to acquire the remaining minority shareholders' AIRE Shares, in which case such Shareholders may become trapped with limited or no opportunity for exit.

- **THE AIRE PORTFOLIO IS FULLY LET, LONG-INCOME AND SUBSTANTIALLY INDEX-LINKED.** AIRE's latest published portfolio and financial information demonstrates a resilient, fully let, long-income portfolio with strong rent collection and a substantially index-linked rental profile.

The summary above is not intended to be exhaustive. AIRE Shareholders are strongly encouraged to read the Response Document in full before deciding what action to take in relation to the Glenstone Offer.

For these reasons, the AIRE Board believes that the Glenstone Offer materially undervalues AIRE and is not in the best interests of AIRE Shareholders as a whole.

The AIRE Board unanimously recommends that AIRE Shareholders who have not accepted the Glenstone Offer do not do so and that AIRE Shareholders who have already accepted the Glenstone Offer withdraw their acceptances as soon as possible, to the extent they remain entitled to do so.

For further information please contact:

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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.

Publication on website

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

[1] 69.7 pence on 14 May 2026, being the last Business Day before the commencement of the Glenstone Offer Period.

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