10 August 2026

Alternative Income REIT PLC

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

NET ASSET VALUE AND PORTFOLIO VALUATION UPDATE TO 30 JUNE 2026

Unaudited NAV total return for the quarter of 0.4%

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 for the quarter ended 30 June 2026.

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

"At 30 June 2026, the Group's unaudited Net Asset Value (NAV) was £67.0 million, equivalent to 83.3 pence per share ("pps"), representing a decrease of 1.3% from the previous quarter. Including the dividend of 1.40pps paid during the period, the Group delivered an unaudited NAV total return of +0.4% for the quarter.

The Group's portfolio was valued at £103.1 million at 30 June 2026, reflecting a small decrease in value of £340,000 or 0.33% during the quarter. The portfolio continues to demonstrate resilience, remaining 100% let, with 100% rent collection and 81.9% of leases subject to index-linked rent reviews.

The quarter was characterised by significant corporate activity. On 21 April 2026, the Board determined not to extend the deadline for its discussions with AEW UK REIT plc ("**AEWU**") in relation to its indicative all-share proposal. Subsequently, Glenstone REIT plc announced a possible cash offer on 15 May 2026 and made a firm offer (the "**Glenstone Offer**") in the following month.

Following the period end, on 16 July 2026 AEWU announced a revised possible all-share offer valuing AIRE at approximately 77.5 pps based on AEWU's closing share price on Friday 7 August (based on AIRE shareholders receiving 0.725 new AEW UK REIT shares for each AIRE share held). The Board welcomed the proposal and stated that it had the potential to provide a more attractive outcome for shareholders than the Glenstone Offer, whilst noting that there could be no certainty that a firm offer will be made. On 20 July 2026, the Board formally recommended that shareholders reject the Glenstone Offer, believing that it materially undervalued the Company.

This period of corporate activity has resulted in the Board devoting significant time and resources to evaluating the various proposals. The Board recognises that these matters may have raised some uncertainty for shareholders, but the Board is committed to consider the best interests of all shareholders and will continue to issue updates as and when required. Notwithstanding these approaches, the Board remains confident in AIRE's prospects as a standalone company. Following the successful refinancing of the Company's debt facilities with HSBC UK Bank plc, the Board believes the Company is well positioned to continue generating secure and predictable income returns while preserving capital values, through investment in UK alternative and specialist sector real estate."

Overview of Key Financials

	At 30 June 2026 (unaudited)	**At 31 March 2026 (unaudited)**	**Change**
Net Asset Value ("**NAV**")	£67.0 million	£67.9 million	-1.3%
NAV per share	83.3p	84.4p	-1.3%
Share price per share	69.2p	70.3p	-1.6%
Share price discount to NAV	16.9%	16.7%	0.2%
Investment property fair value (based on external valuation)	£103.1 million	£103.45 million	-0.3%
Loan to gross asset value ("**GAV**") [A,B]	34.5%	34.3%	0.2%
Loan facility [B]	£36.6 million	£36.6 million	

	Quarter ended 30 June 2026 (unaudited)	Quarter ended 31 March 2026 (unaudited)	Change
EPRA earnings per share [A,E]	1.7p	1.4p	21.4%
Adjusted earnings per share [A,F]	0.9p	1.4p	-35.5%
Dividend cover [A,D]	65.0%	100.7%	-35.7%
Total dividends per share	1.4p	1.4p	-
Dividend yield (annualised) [A,C]	8.1%	8.0%	0.1%
Earnings per share	0.3p	1.3p	-76.9%
Share price total return [A]	0.4%	-2.6%	
NAV total return [A]	0.4%	1.5%	
Annualised passing rent	£8.0 million	£7.9 million	0.8%
Ongoing charges [A] (annualised)	1.5%	1.5%	-

[A] Considered to be an Alternative Performance Measure.

[B] The loan facility with HSBC UK Bank Plc at 30 June 2026 comprised a fully drawn term loan of £31 million and a revolving credit facility of £10 million of which £5.6 million was drawn down. At 30 June 2026, the weighted average interest cost was 5.45% (31 March 2026: 5.44%).

[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 Group's ability to pay its dividend and is calculated as adjusted earnings per share divided by dividend per share.

[E] EPRA earnings per share excludes non-recurring expenses which in this quarter includes approximately £750,000 of exceptional costs in respect of corporate activity.

[F] Adjusted earnings per share includes non-recurring expenses, but excludes change in fair value of investment properties, profit or losses on disposal of investment properties and other non-cash items.

Earnings per share and Dividend Cover

The fourth quarter interim dividend of 1.4pps (31 March 2026: 1.4pps) was announced on 23 July 2026 and is in line with the Company's dividend target of 5.6pps. All rents due in the period were collected in full and the dividend would have been fully covered by earnings in the quarter, on a normalised basis, were it not for the exceptional costs relating to the corporate activity, which amounted to approximately £750,000. EPRA earnings per share was 1.7 pence.

Property Portfolio

At 30 June 2026, the Group held 19 properties (31 March 2026: 19 properties) valued at £103.1 million (31 March 2026: £103.45 million). In the quarter ended 30 June 2026, the portfolio valuation decreased marginally by 0.33% (£340,000), attributable to a slight weakening in the industrial market. The Group's portfolio continues to demonstrate resilience in a difficult marketplace and the quarter ended 30 June 2026 benefitted from remaining 100% let, with 100% rent collection and 81.9% of leases being subject to index-linked rent reviews.

At 30 June 2026, the Net Initial Yield on the Group's portfolio was 7.3% (31 March 2026: 7.2%). The weighted average unexpired lease term at 30 June 2026 was 15.0 years to the earlier of break and expiry (31 March 2026: 15.1 years) and 16.7 years to expiry (31 March 2026: 16.8 years).

During the quarter, the Group's contracted annualised rent increased by 0.8% (31 March 2026: 0.2%), driven by the five-yearly review at Travelodge, Duke House, Swindon and a further four annual reviews. These uplifts were partly offset by a reduced rent at the Group's gym facility in Chiswick, following the surrender of one lease and the new letting to Pure Gym.

Further to the announcement made on 9 July 2026, the Company is providing an update on Meridian Steel Limited, which currently lets three industrial units located in Dudley and Sheffield (the "Properties"). Since then, the Company has been in active discussions with the tenant, which are ongoing. The Board would like to reiterate that as a result of the parent company guarantee in the Properties, which AIRE has benefit of, the Company expects minimal impact on its rental income for the financial year ending 30 June 2027. Further information will be provided as new information becomes available.

At 30 June 2026, 81.9% of leases within the portfolio are index-linked, with 27.9% of the contracted rental income reviewed annually. Active portfolio management continues to focus on re-gearing leases, removing tenant breaks and extending lease lengths. For the current quarter ending 30 September 2026, 10.5% of the Group's income is subject to rent review, reflecting the annual review of AIRE's largest tenant by contracted income at Bramall Court, Salford.

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

At 30 June 2026, the Group's unaudited NAV was £67.0 million, 83.3pps (31 March 2026: £67.9 million, 84.4pps), representing a 1.3% decrease over the previous quarter. The decrease in NAV for the quarter was driven by the small reduction in the Group's property portfolio and the exceptional costs associated with the corporate activity highlighted above. Given the on-going corporate activity, the Board expects that the exceptional costs will continue in the new financial year to 30 June 2027.

When combined with the 1.40pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of +0.4% (31 March 2026; +1.5%). Over the quarter, the Company's share price decreased by 1.6% to 69.2pps, reflecting a small increase in the discount from 16.7% to 16.9%.

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

	Pence per share	**£ million**
NAV at 31 March 2026	**84.4**	**67.9**
Valuation movement in property portfolio	-0.5	-0.4
Income earned for the period	+2.9	+2.3
Expenses for the period	-0.5	-0.4
Exceptional corporate activity costs expensed for the period	-0.9	-0.7
Net finance costs for the period	-0.7	-0.6
Interim dividend paid during the quarter	-1.4	-1.1
NAV at 30 June 2026	**83.3**	**67.0**

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 30 June 2026 and net income for the quarter but does not include a provision for the interim dividend declared on 23 July 2026.

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.

For the purposes of Rule 29.5 of the Takeover Code, the Board confirms that it has received confirmation from Knight Frank that an updated valuation of the Company's property portfolio as at the date of this announcement would not be materially different from the valuation as 30 June 2026, which forms the basis of the Company's unaudited net asset value announced today.

ENQUIRIES

Alternative Income REIT PLC

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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 30 June 2026).