Annual Report & Financial Statements

For the year ended 30 June 2026

www.alternativeincomereit.com

Alternative Income REIT

Welcome

Alternative Income REIT PLC aims to offer investors a secure, diversified and index-linked income return, whilst at least maintaining capital values in real terms, through exposure to alternative and specialist real estate sectors in the UK. The Company's focus is to construct a portfolio with a weighted average unexpired lease term in excess of ten years and inflation linkage on at least 75% of the portfolio's gross passing rent, each at the time of investment.

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Financial highlights
At 30 June 2026

Net Asset Value ('NAV')
£67.0m
2025: £67.3m
Change: -0.4%

NAV per share
83.27p
2025: 83.64p
Change: -0.4%

Share price
69.20p
2025: 74.00p
Change: -6.5%

Share price discount to NAV[A]
16.9%
2025: 11.5%
Change: 5.4%

Investment property fair value
£103.1m
2025: £107.4m
Change: -4.0%

Loan to gross asset value ('GAV')[A]
34.4%
2025: 36.9%
Change: -2.4%

Loan facility drawn
£36.6m
2025: £41.0m
Change: -10.7%

[A] Alternative Performance Measure, please see pages 78 to 79 for further details.

Financial highlights

- At the year end the Group is fully invested in 19 properties having disposed one property in the year.
- The net asset value ('NAV') reduced by 0.4% from 83.64 pence per share ('pps') to 83.27pps, mainly due to the expected increase in finance costs but also due to increased corporate costs due to corporate transaction activity and the reduction in property values.
- The dividend for the year of 5.6pps is in line with the previous Board's target annual dividend, and is a 9.7% decrease on prior year's dividend of 6.2pps. The resetting of the dividend was due to increase in financing costs of the new long-term debt facilities.
- Profit before tax of £4.3 million, equivalent to 5.39pps, reflects a decrease in the Group's property portfolio value plus increased financing costs and exceptional corporate activity costs in the year.
- The Group's portfolio benefits from having a strong tenant profile, being fully let, with all rent due from its tenants collected as it falls due and with over 80% of rent reviews being index linked.
- The Group secured new long-term facilities with HSBC UK Bank plc of £41 million, consisting of a term loan of £31 million and a £10 million revolving credit facility ('RCF'). Both the term loan and RCF are on floating rates for a fixed term of five years with an option to extend by two years if mutually acceptable. Further details of the new facilities are contained in both the Chairman's Statement and Note 13 to the Consolidated Financial Statements.
- Loan to GAV of 34.4% and interest cover ratio ('ICR') of 422.2% give significant headroom on the lender's loan covenants. Further details are contained in Note 13 to the Consolidated Financial Statements.

For the year ended 30 June

Dividend per share
5.60p
2025: 6.20p
Change: -9.7%

Earnings per share ('EPS')
5.39p
2025: 9.02p
Change: -40.2%

EPRA EPS [A]
6.34p
2025: 6.57p
Change: -3.5%

Operating profit*
£6.7m
2025: £6.7m
Change: 0.0%

Dividend cover
99.8%
2025: 108.4%
Change: -8.6%

Share price total return [A]
1.3%
2025: 21.6%
Change: -20.3%

Gross passing rental income
£8.0m
2025: £8.1m
Change: -1.2%

Adjusted EPS
5.59p
2025: 6.72p
Change: -16.8%

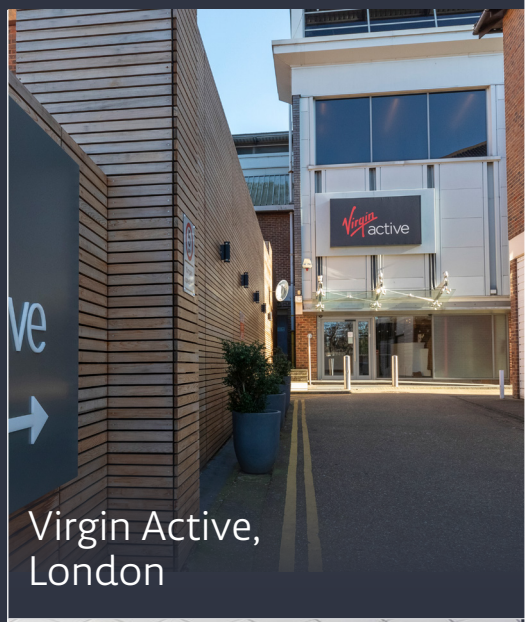
Profit before tax
£4.3m
2025: £7.3m
Change: -41.4%

Dividend yield
8.1%
2025: 8.4%
Change: -0.3%

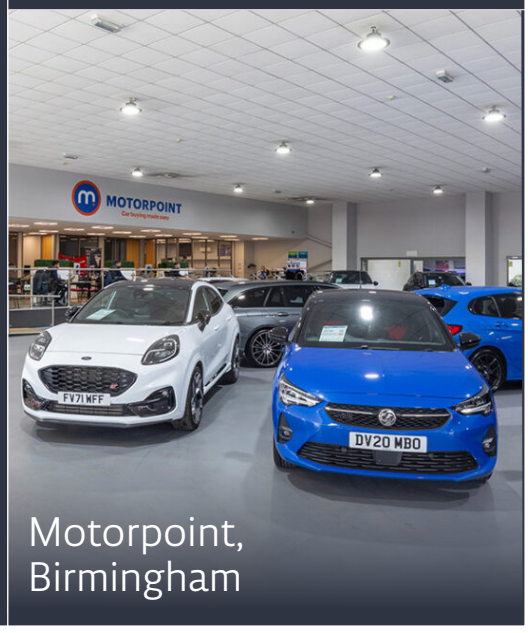
NAV total return
6.4%
2025: 11.1%
Change: -4.7%

Ongoing charges
1.52%
2025: 1.57%
Change: -5bps

* (including gain on sale of investment property but excluding fair value changes)



Virgin Active, London



Motorpoint, Birmingham

Group Operational Overview

At the year end of 30 June 2026:

Group's property portfolio value

£103.1m

The property portfolio had a fair value of £103.1 million across 19 properties
(2025: £107.4 million across 20 properties)

EPRA Net Initial Yield [A] ('NIY')

7.3%

The European Public Real Estate Association ('EPRA') NIY [A] was 7.3%.
(2025: 7.1%)

Inflation linked

81.9%

81.9% of rental income is inflation linked to the Retail Price Index or the Consumer Price Index.
(2025: 92.3%)

The property portfolio was fully let at both the current and previous year end.

100%

Weighted average unexpired lease term ('WAULT'):

15.0 years

to the earlier of break and expiry
(2025: 15.6 years)

16.7 years

to expiry
(2025: 17.2 years)

Income during the year

Rent recognised

£8.3m

Rent recognised amounted to £8.3 million
(2025: £7.9 million)

Rent reviews

9

A total of nine rent reviews took place during the year, reflecting an increase of 5.3% on the reviewed rent. The combined rental uplift of £179,000 provides an increase of 2.3% across the portfolio.

[A] Alternative Performance Measure, please see pages 78 to 79 for further details.

Property transactions during the year

One Transaction

In October 2025, the **Group's petrol filling station** in Crawley was sold for £4.5 million (gross of disposal costs).

Significant changes to leases

In April 2026, **Snap Fitness** surrendered its lease of the gym in Chiswick, London, where it was paying £158,210 per annum, paying a surrender premium of £225,000 together with contributions of two months rent free and nine months capital fit-out incentive for the new tenant. Pure Gym has taken a new lease of the property, on Snap Fitness surrender, at £120,000 per annum for 15 years, with a tenant break at year 10.

Events after the reporting date

Offer for the Company by Glenstone REIT plc

On 12 June 2026, Glenstone REIT plc ('Glenstone') announced a cash offer to acquire the ordinary share capital of the Company not already held by Glenstone and its concert parties for 70.0 pence per share. On 6 July 2026, Glenstone announced an increased final cash offer of 71.4 pence per share (the 'Offer'). Following the declaration of the Company's fourth quarterly interim dividend of 1.4 pence per share on 23 July 2026, the cash consideration payable under the Offer was adjusted to 70.0 pence per share, with eligible shareholders entitled to retain the dividend.

On 9 September 2026, Glenstone announced that the acceptance condition and all other conditions of the Offer had been satisfied or waived, and that the Offer had become unconditional. Following this announcement, the Board reconsidered its recommendation and advised shareholders to accept the Offer, taking into account the certainty of the cash consideration available and the risks associated with remaining a minority shareholder in a Glenstone-controlled company.

As at the date of publication of this Annual Report, Glenstone holds or has received valid acceptances in respect of approximately 87.08% of the Company's issued ordinary share capital, representing 70,101,776 shares.

Should Glenstone reach the statutory compulsory acquisition threshold of 90% of the shares to which the Offer relates, it intends to exercise its rights under the Companies Act 2006 to acquire the remaining shares and subsequently re-register the Company as a private limited company.

Chairman's Statement



I am pleased to present the annual audited results of Alternative Income REIT PLC (the 'Company') together with its subsidiaries (the 'Group') for the financial year ended 30 June 2026.

£103.1m
Property portfolio value

£179,000
Combined rental uplift

2.3%
Increase on contracted rent

Overview

A number of key changes have taken place subsequent to the financial year ended 30 June 2026, including the takeover of the Company by Glenstone REIT plc whose offer became unconditional on 9 September 2026 and led to the appointment of a new board.

From a property perspective, the year under review has been challenging, with geopolitical instability in the Gulf adding further uncertainty to the on-going global tariff disputes. Closer to home, business confidence has remained low as increasing tax burdens and persistent inflationary pressures continue to negatively influence investor sentiment and occupational demand.

Rental growth across the market has remained modest and whilst interest rates have held steady, the market expectations are that interest rates are more likely to rise, rather than fall. These factors have contributed to a further period of stagnation within the real estate sector.

From an income perspective, the Group continues to perform well in this challenging market with the portfolio demonstrating some degree of resilience. The portfolio benefits from its long-dated and high yielding leases, together with index-linked rental uplifts, providing a stable and predictable income stream.

During the year, one property transaction was completed, being the sale of the Group's petrol filling station in Crawley for £4.5 million, a gain of £0.5 million based on its market value at the end of the previous year, with the net proceeds being used to repay £4.4 million of debt. Mainly as a result of this sale, the portfolio value has decreased by £4.24 million and at 30 June 2026 was valued at £103.11 million (2025: £107.35 million). On a like-for-like basis, making allowance for the sale of Crawley, the value of the Group's properties decreased marginally by £240,000.

The portfolio should continue to perform relatively well during periods of higher inflation, given that 81.9% of its rental income is subject to index-linked reviews and 18.1% of rental income is not subject to any cap on rental increases. During the financial year, a total of nine rent reviews took place, generating an aggregate rental uplift of circa £179,000. This represents a 2.3% increase in contracted rental income across the Group's portfolio and further demonstrated the defensive characteristics of the Group's long-term strategy.

In the Chairman's Statement last year, it was reported that the Group has secured new long-term debt facilities with HSBC UK Bank plc ('HSBC') for a term of five years, with an option to extend by two years if mutually acceptable to both parties.

Together with the active asset management initiatives being undertaken, the Board believes that the portfolio will continue to deliver an attractive and sustainable yield, supported by its improving rental income profile. This position is encouraging as global inflationary pressures continue to show signs of persisting. In the UK, concerns around renewed inflation continue to constrain the prospect of meaningful reductions in interest rates, thereby delaying the broader economic stimulus that lower borrowing costs would otherwise be expected to provide.

At the year end, the portfolio net initial yield has increased to 7.3% (2025: 7.1%) and a WAULT to the first break of 15.0 years and 16.7 years to expiry (30 June 2025: 15.6 and 17.2 years, respectively).

Refinancing of the Group's Debt

The Group's £41.0 million loan facility with Canada Life matured and was repaid on its due date of 20 October 2025.

The Group successfully refinanced its £41 million 3.19% fixed rate debt with Canada Life during the year with new long-term debt facilities with HSBC comprising a fixed term loan of £31 million and a £10 million RCF and were used to refinance the Group's £41 million loan with Canada Life which ended on 20 October 2025.

The facilities are for a fixed term of five years from 20 October 2025, with an option to extend by two years if mutually acceptable. Whilst there is no present intention, AIRE has the right, through an accordion mechanism, to request an increase in the size of the RCF by up to a further £10 million, over the course of the facility.

Both the HSBC loan and RCF are floating rate with a margin of 1.7% per annum plus SONIA (sterling overnight index average rate). The margin represents an improvement in terms on the previous debt facilities, but total finance costs have increased as a result of the higher prevailing base rates. At 30 June 2026, the weighted average interest cost was 4.76%. The loan and the RCF are aggregated for the purposes of the debt's financial covenants and, being based on a Loan to Value covenant which is not to exceed 60% and an Interest Cover Ratio ('ICR') to be greater than 160%, represent an improvement over the previous terms.

At year end, the Group had drawn down a total of £36.6 million from the facility, made up of the loan of £31 million and the RCF of £5.6 million, following the use of the proceeds from the disposal of Crawley to reduce the RCF by £4.4 million (30 June 2025: debt £41.0 million).

Following the Glenstone takeover offer being declared unconditional on 9 September 2026, HSBC issued a Reservation of Rights letter in connection with the change of control in the Group. On 28 October 2026, AIRE and HSBC entered into a waiver and amendment letter to the Facility Agreement, under which HSBC consented to the change of control and the Company's subsequent de-listing from the London Stock Exchange, agreed to continue funding future utilisations and waived any right to require repayment as a result of the change of control.

Corporate activity and change of control

The financial year ended 30 June 2026 and the period subsequently have been marked by significant corporate activity, culminating in a change of control of the Company following Glenstone's takeover of the Company.

In March 2026, AEW UK REIT plc ('AEWU') had announced that it was considering a possible all-share offer for the Company. Following discussions and due diligence, AEWU confirmed on 21 April 2026 that it would not proceed with its possible offer. AEWU subsequently announced a renewed possible all-share offer in July 2026, which was also withdrawn in August 2026 without a firm offer being made.

These approaches, together with the subsequent Glenstone Offer, resulted in the Company incurring professional advisory and other transaction-related costs which have had a one-off impact to the Company's reported earnings for the year to 30 June 2026 and will also impact the current financial year's earnings.

With respect to the year under review, professional costs incurred by the Company's previous Board, principally in dealing with AEWU's possible offer which was aborted on 21 April 2026, amounted to £732,000 (0.91 pence per share).

On 12 June 2026, Glenstone announced a cash offer for the shares in the Company that it did not already own. This was followed on 6 July 2026 by an increased final cash offer of 71.4 pence per share, subsequently adjusted to 70.0 pence per share following the declaration of the Company's fourth quarterly interim dividend of 1.4 pence per share, which eligible shareholders were entitled to retain.

On 9 September 2026, Glenstone announced that the Offer had become unconditional, following satisfaction of the acceptance condition and all other relevant conditions.

Changes to the composition of the Board followed this change of control, including the resignations of both Simon Bennett and Stephanie Eastment and the appointment of three new Glenstone directors to the Board, including my own re-appointment. I would like to acknowledge the contribution of both Simon and Stephanie whom I enjoyed working with and thank them for their stewardship of the Company over the last few years.

As at the date of publication of this Annual Report, Glenstone holds or has received valid acceptances in respect of approximately 87.08% of the Company's issued ordinary share capital. The Offer will remain open until acceptances reach a level whereby Glenstone can effect the compulsory acquisition of the remaining shares, following which the Company will be de-listed and re-registered as a private company and 100%-owned subsidiary of Glenstone. In the meantime, the Board's priority is to oversee an orderly transition, maintain appropriate governance and ensure that the Company's property portfolio continues to be managed responsibly by AIRE's current service providers.

Dividends and Earnings

During this financial year, the Company declared four interim dividends totalling 5.6 pence per share ('pps') (30 June 2025: 6.2pps). Historically the Board has paid dividends in four instalments each financial year. The Board does not intend to continue with this practice and, instead, will declare dividends in the future in compliance with the REIT regime's rules.

Discount

The discount of the share price to NAV at 30 June 2026 widened to 16.9% (30 June 2025: 11.5%). The Board monitors the discount level throughout the year and has the authority to both issue and buy back shares. Although these powers have not been used to date, the Board believes these authorities are important powers for it to have available, if required, and therefore recommends that shareholders vote in favour of their continuance at the forthcoming AGM.

Board

The Board, comprising three directors, has always been deliberately kept small given the size of the Company. I had served on the Board as Glenstone's representative since March 2021 until I resigned on 6 July 2026 when Glenstone announced its takeover offer.

I have therefore had influence and knowledge of the strategy of the Company for a considerable amount of time and deep knowledge of the portfolio.

Following my subsequent reappointment to the Board on 15 September 2026, a new Board, comprising myself, Ben Green and Rob Maybury, was appointed on 30 September 2026. My fellow directors appointed me to be Chair.

We are committed to ensuring the Company maintains appropriate levels of governance during the period and to acting in the best interests of all shareholders. Following our initial governance review, we have maintained the Company's previous committee structure and each of the Committees comprise all members of the Board. The Audit Committee is chaired by Rob Maybury. The Management and Engagement Committee is chaired by myself.

It is Glenstone's intention to keep its offer open and to reach a level of acceptances whereby it can exercise its rights to acquire AIRE's remaining shares compulsorily under the Companies Act ('Squeeze Out') and apply to de-list the Company's shares from the London Stock Exchange and re-register AIRE as a private company, wholly owned by Glenstone. In the event that acceptances for Glenstone's offer do not reach the required threshold for the Squeeze Out to proceed, then the Company will appoint a new independent director to join the Board of AIRE.

AGM

The Company will hold its AGM at 10:00am on Monday 7 December 2026 at the offices of JTC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF.

The Board always welcomes engagement with shareholders, who should be aware that if they are unable to attend in person, they can submit questions to the Board by emailing the Company Secretary at AIRE.Cosec@jtcgroup.com or by writing to me at the Group's registered office, namely, Alternative Income REIT PLC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF.

Outlook

The Group's index-linked portfolio, with its properties let on predominantly long dated and high yielding leases, has continued to perform relatively well, when compared with its peer group. In the coming financial year, approximately 41.9% of the Group's income will be subject to rent reviews (27.9% as annual index-linked rent reviews and the remaining 14.0% being periodic three or five yearly index-linked rent reviews).

Interest rates have fallen 50 basis points since June 2025, with the Bank of England's base rate now standing at 3.75%, providing a more supportive backdrop for property valuations.

With most of the portfolio on index-linked leases, the sustained inflationary environment has continued to drive rental income growth in real terms, providing shareholders with a natural inflation hedge. Combined with the Group's active asset management initiatives, the Board remains confident the portfolio will continue to deliver an attractive yield underpinned by its secure and growing rental income.

As set out in the Offer Document, Glenstone now intends to proceed with the Delisting and will, accordingly, procure that the Company makes applications (i) to the Stock Exchange for the cancellation of the admission to trading of the Company's shares on the main market for listed securities and (ii) to the FCA for the cancellation of the listing of the Company's shares on the closed ended investment funds category of the Official List, together being the Delisting.

It is expected that the Delisting will take effect once Glenstone is able to exercise its statutory squeeze-out rights to compulsorily acquire the Company's remaining shares held by non-assenting shareholders.

I would like to take this opportunity to thank all the Company's advisers for their professional services and support during the financial year.



Adam Smith
Chairman
28 October 2026

Business Model and Strategy

Alternative Income REIT PLC is a real estate investment trust listed on the closed-ended investment funds category of the Official List of the Financial Conduct Authority ('FCA') and traded on the Main Market of the London Stock Exchange. As part of its business model and strategy, the Group has maintained and intends to maintain its UK REIT status.

The Company is governed by a Board of non-executive directors (the 'Board') and has no employees. The Board is responsible for determining the Company's investment objective and investment policy. Like many other REITs and investment companies, the day-to-day management and administration of the Company is outsourced by the Board to third party providers, including Martley Capital Real Estate Investment Management Limited ('Martley Capital') as Investment Adviser, Langham Hall Fund Management LLP as AIFM and JTC (UK) Limited as Company Secretary.

Investment Objective

The investment objective of the Group is to generate a secure and predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, predominantly within the alternative and specialist sectors.

Investment Policy

In order to achieve the investment objective, the Group invests in freehold and long leasehold properties across the whole spectrum of the UK property sector. The Group's emphasis is on alternative and specialist property sectors in order to access the attractive value and capital preservation qualities which such sectors offer.

The Group invests in properties that can generate predictable income streams through long leases which have contractual exposure to inflation rates, focusing on properties which have the ability to deliver secure income and preserve capital value, with an attractive entry yield.

The Group will supplement this with active asset management initiatives for certain properties.

Permitted sectors include, but are not limited to the following, subject at all times to the assessment of their appeal and specific asset investment opportunities: healthcare; leisure; hotels and serviced apartments; education; automotive; car parks; residential; supported living; student accommodation; logistics; storage; communications; supermarkets (within the alternative and specialist real estate sectors). In addition, permitted sectors include: offices; shopping centres; retail and retail warehouses; and industrial (being defined as 'Traditional' real estate sectors), subject to the limitations on sector exposure below.

The Group is not permitted to invest in land assets, including development land which does not have a development agreement attached, agriculture or timber.

Each investment must enable the portfolio to comply with the following minimum targets at the time of investment:

- a weighted average unexpired lease term ('WAULT') in excess of ten years;
- at least 75% of the gross passing rent being from leases with rent reviews linked to a commonly used measure of inflation (typically RPI or CPI);
- at least 50% of the gross asset value ('GAV') of properties being in alternative and specialist sectors; and
- over 90% of properties being freehold or very long leasehold (over 100 years).

Whilst each acquisition is made on a case-by-case basis, properties typically offer the following characteristics:

- a value of between £2 million and £30 million;
- existing tenants with strong business fundamentals and profitable operations;
- depth of tenant/operator demand;
- alternative use value;
- current passing rent close to or below rental value; and
- long-term demand drivers, including demographics, use of technology or built-for-purpose real estate.

The Group may invest in commercial properties or portfolios of commercial property assets which, in addition, include ancillary or secondary utilisations.

The Group may invest in corporate and other entities that hold property and the Group may also invest in conjunction with third-party investors.

The Group may engage in full or partial interest rate hedging or use derivatives to seek to mitigate the risk of interest rate increases as part of the Group's portfolio management.

Investment limits

The Group will invest and manage its assets with the objective of spreading investment risk through the following:

- Investment in a single property limited to 15% of GAV (measured at the time of investment).
- Exposure to a single tenant covenant will be limited to 15% of GAV.
- The Group may commit up to a maximum of 10% of its GAV (measured at the point of capital commitment) in development activities.
- Investment in unoccupied and non-income producing assets will, at the time of investment, not exceed 5% of Estimated Rental Value ('ERV').

The Group will not invest in other closed-ended investment companies.

If the Group invests in derivatives for the purposes of efficient portfolio and cash management, the total notional value of the derivatives at the time of investment will not exceed, in aggregate, 20% of GAV.

Borrowings

The Group may utilise borrowings with a view to enhancing returns over the medium term. Borrowings, where utilised will be on a limited recourse basis for each investment on all or part of the total portfolio and will not exceed 40% of GAV (measured at drawdown) of each relevant investment or of the portfolio.

Dividend Policy

The Board's policy during the year under review was to pay dividends in four instalments each financial year. The Board does not intend to continue with this practice and, instead, will declare dividends in the future in compliance with the REIT regime's rules.

Key Performance Indicators

Adjusted EPS[1]

KPI and definition
Adjusted EPS from core operational activities, as adjusted for non-cash items. A key measure of a company's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. See Note 8 to the financial statements.

Relevance to strategy
This reflects the Group's ability to generate earnings from the portfolio which underpins dividends.

Performance
5.59pps
For the year ended 30 June 2026
(2025: 6.72pps)

Dividend per share[2]

KPI and definition
Dividends declared in relation to the period are in line with the stated dividend target as set out in the Prospectus at IPO. Having achieved the target dividend of 5.60 pence per Ordinary Share per annum, the aim is to ensure an increasing dividend in line with the Company's Investment Objective.

Relevance to strategy
The Group seeks to deliver a sustainable income stream from its portfolio, which it distributes as dividends.

Performance
5.60pps
For the year ended 30 June 2026
(2025: 6.20pps)

Net Asset Value ('NAV')[1] per share

KPI and definition
NAV is the value of an entity's assets minus the value of its liabilities. See Note 8 to the financial statements.

Relevance to strategy
Provides stakeholders with the most relevant information on the fair value of the assets and liabilities of the Group.

Performance
£67.04 million/ 83.27pps
At 30 June 2026
(2025: £67.33 million/83.64pps)

Leverage (Loan-to-GAV)[3]

KPI and definition
The proportion of the Group's assets that is funded by borrowings.

Relevance to strategy
The Group utilises borrowings to enhance returns over the medium term. Borrowings will not exceed 40% of GAV (measured at drawdown).

Performance
34.43%
At 30 June 2026
(2025: 36.88%)

Net Initial Yield ('NIY')

KPI and definition
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with purchasers' costs estimated by the Group's External Valuers.

Relevance to strategy
The NIY is an indicator of the ability of the Group to meet its target dividend after adjusting for the impacts of leverage and deducting operating costs.

Performance
7.25%
At 30 June 2026
(2025: 7.07%)

Weighted Average Unexpired Lease Term ('WAULT') to break and expiry

KPI and definition
The average lease term remaining to expiry across the portfolio, weighted by contracted rent.

Relevance to strategy
The WAULT is a key measure of the quality of the portfolio. Long leases underpin the security of our future income.

Performance
15.0 years to break and 16.7 years to expiry
At 30 June 2026
(2025: 15.6 years to break and 17.2 years to expiry)

1 The reconciliation of this APM is set out in Note 8 of the Notes to the Consolidated Financial Statements.
2 The reconciliation of this APM is set out in Note 9 of the Notes to the Consolidated Financial Statements.
3 The reconciliation of this APM is set out in the Alternative Performance Measures Calculations section following the Notes to the Consolidated Financial Statements.

EPRA Performance Measures

EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

EPRA BPR GOLD

The EPRA performance measures of the Group follow. All are Alternative Performance Measures.

EPRA Net Tangible Assets[1]

Measure and definition
The EPRA NTA deducts the break cost of bank borrowings from the EPRA NAV.

Purpose
A measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. The Group has UK REIT status and as such no deferred tax is required to be recognised in the accounts.

Performance
£67.04 million/ 83.27pps

At 30 June 2026
(2025: £67.33 million/83.64pps)

EPRA Net Reinstatement Value[1]

Measure and definition
The EPRA NRV adds back the purchasers' costs deducted from the EPRA NAV and deducts the break cost of bank borrowings.

Purpose
A measure that highlights the value of net assets on a long-term basis.

Performance
£73.74 million/ 91.60pps

At 30 June 2026
(2025: £74.31 million/92.30pps)

EPRA Net Disposal Value[1]

Measure and definition
The EPRA NDV deducts the break cost of bank borrowings from the EPRA NAV.

Purpose
A measure that shows the shareholder value if assets and liabilities are not held until maturity.

Performance
£67.04 million/ 83.27pps

At 30 June 2026
(2025: £67.33 million/83.64pps)

EPRA LTV[2]

Measure and definition
Debt (net of cash balances) divided by the market value of properties (including net receivables).

Purpose
A key (shareholder-gearing) metric to determine the percentage of debt comparing to the appraised value of the properties.

Performance
32.90%

At 30 June 2026
(2025: 34.82%)

EPRA Earnings/EPS[1]

Measure and definition
Earnings from operational activities.

Purpose
A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.

Performance
£5.11 million/6.34pps

For the year ended 30 June 2026
(2025: £5.29 million/6.57pps)

EPRA NIY[2] – unaudited

Measure and definition
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

Purpose
A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of two portfolios compare.

Performance
7.25%

At 30 June 2026
(2025: 7.07%)

EPRA 'Topped-up' NIY[2] – unaudited

Measure and definition
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

Purpose
A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of two portfolios compare.

Performance
7.25%

At 30 June 2026
(2025: 7.25%)

EPRA Vacancy[2] – unaudited

Measure and definition
Estimated Rental Value ('ERV') of vacant space divided by ERV of the whole portfolio.

Purpose
A 'pure' percentage measure of investment property space that is vacant, based on ERV.

Performance
0.00%

At 30 June 2026
(2025: 0.00%)

EPRA Cost Ratio[2] – unaudited

Measure and definition
Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

Purpose
A key measure to enable meaningful measurement of the changes in a company's operating costs.

Performance
23.07%

For the year ended 30 June 2026
(2025: 15.14%)

1 The reconciliation of this APM is set out in Note 8 of the Notes to the Consolidated Financial Statements.
2 The reconciliation of this APM is set out in the EPRA Performance Measures Calculations section following the Notes to the Consolidated Financial Statements.

Investment Adviser's Report

Market Outlook

UK Economic Outlook

The UK economy maintained stronger-than-expected momentum through the second quarter of 2026. GDP grew by 0.6% in Q1 and monthly output expanded by 0.1% in May, reversing April's 0.1% decline. This left GDP 0.7% higher in the three months to May than in the preceding three-month period, marking a sixth consecutive period of underlying expansion [A]. Annual GDP growth strengthened to 1.3% in May, its fastest pace since mid-2025, although the Bank of England continues to caution that the effects of the Middle East energy shock may weigh on activity in the second half of the year [B]. The UK's relative performance has improved, with Q1 growth outpacing both the Eurozone (-0.2%) and the United States (0.4%), leaving the UK 6.0% above its Q4 2019 level compared with 6.6% for the Eurozone and 15.1% for the US [C].

Labour market conditions softened further but remained broadly resilient. The unemployment rate was 4.9% in the three months to May 2026, unchanged from the previous quarter but 0.2 percentage points higher than a year earlier.

Unemployment claimants increased to 1.69 million in June and youth unemployment climbing to 14.7% [D]. Payrolled employment continued to edge lower and vacancies remained on a downward trend, consistent with ongoing hiring caution among employers. Annual regular pay growth held at 3.4% in the three months to May, its weakest rate since 2020 and further evidence that wage pressures are easing [E]. The British Chambers of Commerce continues to expect a gradual loosening of labour market conditions, forecasting unemployment to average 5.2% in 2026 and business investment to contract by 2.2% [F].

Inflationary pressures eased during Q2 as energy-related price pressures moderated. CPI inflation fell to 2.6% in June 2026 from 2.8% in May [G]; with lower motor fuel prices making the largest downward contribution to the decline following the US-Iran ceasefire and the associated de-escalation in Middle East energy risk. Services inflation also eased to 3.6% from 3.7%, although underlying domestic price pressures remain above levels consistent with the Bank of England's 2% target. The Bank's June Monetary Policy Report revised down its near-term inflation outlook, reflecting lower energy prices and a more limited pass-through from the earlier Middle East energy shock [H].

Against this backdrop, the Monetary Policy Committee left Bank Rate unchanged at 3.75% in both June and July. The June decision was passed by a 7-2 majority, with two members voting for a 25 basis point increase, – the two dissenters favouring a 0.25 percentage point increase to 4% – as falling global energy prices were weighed against services inflation of 3.7% [I]. By the end of July, markets had largely abandoned expectations of further policy easing during 2026, reflecting concerns over persistent services inflation and the risk of renewed energy price pressures [J]. Since then, markets have moved to price a high probability of a rate increase in November, and 10-year gilt yields have risen above 5.4%, their highest level in nearly two decades [K]. This marks a sharp reversal from pre-conflict pricing, which had implied additional easing through 2026.

Survey evidence paints a mixed but gradually improving picture. ONS business surveys suggest that turnover expectations have stabilised after weakening earlier in the year, while consumer confidence has recovered noticeably from its spring lows. The July ONS Business Insights and Conditions Survey found 14% of trading businesses expecting a turnover decrease, roughly in line with the 13% recorded in March and well down from the deterioration seen through the conflict-hit spring months [L]. Meanwhile, the Consumer Confidence Index rose to -13 in July, its strongest reading since early 2022, supported by easing inflation and lower fuel costs [M].

Overall, while growth has remained resilient, the outlook has deteriorated since the period end. Inflation has risen to 3.1% in August [N] and the Bank of England expects it to exceed 4% in early 2027 [O], although wage pressures continue to moderate. The labour market is also gradually loosening and business investment remains subdued. The Bank of England's decision to hold the Bank Rate signals continued caution in the face of persistent services inflation and uncertainty over the energy outlook. The BCC continues to forecast subdued 2026 growth (0.9%), rising unemployment (5.2%) and contracting business investment, and while sentiment has improved from its spring lows it remains fragile. The result is an outlook of modest expansion rather than renewed acceleration, with the principal risks stemming from energy markets, inflation persistence and the prospect of a further rise in interest rates.

UK Real Estate Outlook

UK real estate investment totalled £51.2 billion in the 12 months to June 2026, a period characterised by an exceptionally strong end to 2025 followed by a more cautious first half of 2026. Activity peaked at £21.6 billion in Q4 2025, supported by Welltower's £6.4 billion acquisition of the Barchester and HC-One care home portfolios, before moderating to a combined £20.7 billion across Q1 and Q2 2026 as geopolitical uncertainty and higher financing costs tempered investor activity [P]. Despite softer volumes, large-scale transactions remained a defining feature of the market, including Unite Group's £723 million acquisition of Empiric Student Property and Morgan Stanley/Ridgeback's £1.0 billion purchase of the Metra Living PRS portfolio. Overseas capital continued to play a leading role, with inflows doubling to a near four-year high of £8.3 billion in Q4 on a 116% surge in North American buying, before rotating from a six-year-high European quarter in Q1 (£2.1 billion) to a North American-led Q2 (£2.9 billion), although net overseas investment fell sharply in Q2 as elevated disposal activity reduced net purchasing to one of the lowest levels on record.

Monetary and pricing conditions became more challenging during the year. Following the Bank of England's reduction of Bank Rate to 3.75% in December 2025, expectations for further easing were disrupted by the Middle East conflict and its impact on energy markets. CPI inflation rose to 3.3% in March 2026 before easing to 2.6% in June 2026, while the Monetary Policy Committee maintained Bank Rate at 3.75% throughout 2026, including at its July meeting. The June decision was split 7-2, with two members voting for a 25 basis point increase [Q]. The investment market reflected this shift in sentiment. Prime All Property yields hardened from 5.58% in Q3 2025 to 5.55% in Q4, before softening to 5.63% in Q1 2026 and 5.66% in Q2 2026 as investors reassessed interest rate and inflation risks [P]. As a consequence, Oxford Economics has revised its 2026 forecast for All Property capital growth to broadly flat, with total returns expected to be approximately 4.9%, compared with pre-conflict expectations of around 7.8%, although returns are still forecast to strengthen to 6-7% per annum during 2027-28 [R].

The living sector remained the dominant area of the market, attracting £22.4 billion of investment, equivalent to 44% of total annual transaction volumes. Following a record £10.6 billion in Q4 2025, activity

Sources:
- [A] ONS (2026), GDP monthly estimate, UK: May 2026;
- [B] Bank of England (2026), Monetary Policy Report – April 2026;
- [C] House of Commons Library (2026), GDP international comparisons: Economic indicators;
- [D] ONS (2026), Labour market overview, UK: July 2026;
- [E] ONS (2026), Average weekly earnings in Great Britain: May 2026;
- [F] British Chambers of Commerce (2026), Quarterly Economic Forecast Q2 2026;
- [G] ONS (2026), Consumer price inflation, UK: June 2026;
- [H] Bank of England (2026), Monetary Policy Report – June 2026;
- [I] Bank of England (2026), Monetary Policy Summary and Minutes – June 2026;
- [J] Reuters poll (2026), cited in BritSavvy, Bank of England July 2026 rate decision;
- [K] Trading Economics (2026), UK Gilt Yields Rise as Energy Prices Lift Rate-Hike Bets, 28 September 2026;

Sources:
- [L] ONS (2026), Business Insights and Conditions Survey (March and June/July 2026 waves);
- [M] NIQ/GfK (2026), UK Consumer Confidence Index – March-July 2026;
- [N] ONS (2026), Consumer price inflation, UK: August 2026;
- [O] Bank of England (2026), Monetary Policy Summary and Minutes – September 2026;
- [P] LSH Research (2026), UKIT Q3 2025, UKIT Q4 2025, UKIT Q1 2026, UKIT Q2 2026 – UK Investment Transactions;
- [Q] Bank of England (2025/2026), Monetary Policy Summary and Minutes, December 2025 – June 2026;
- [R] LSH Research/Oxford Economics (2026), UKIT Q2 2026 All Property Total Return Forecast;
- [S] CBRE (2026), UK All Property Q1/Q2 2026 press releases;
- [T] The AIC (2026), AEW UK REIT bid situation update, 29 June 2026;
- [U] Alternative Income REIT PLC (2026), NAV, Dividend Declaration & Portfolio Valuation updates, FY2026;
- [V] J.P. Morgan Asset Management (2026), Guide to the Markets – UK.

normalised during the first half of 2026, although build-to-rent and private rented sector assets continued to attract significant institutional interest and hotels recorded their strongest transaction volumes for two years [P]. Industrial and retail markets experienced greater volatility, both benefiting from large transactions in late 2025 before weaker activity in early 2026. Nevertheless, performance remained resilient: MSCI data indicate retail delivered total returns of approximately 3.7% during the first half of 2026, ahead of industrial at 2.6%, highlighting the continued importance of income growth and constrained supply in supporting values [S].

Within listed real estate, UK REIT discounts continued to narrow. By June 2026, the eight companies in the AIC UK Commercial Property sector traded at an average 20.7% discount to NAV, compared with approximately 28% at the start of the year, although still above the long-term average of around 17% [T]. Against this backdrop, AIRE continued to demonstrate operational resilience. The Company achieved its targeted annual dividend of at least 5.6p per share for FY2026, reported a NAV of 83.3p per share, and generated a 1.5% NAV total return during the quarter to June 2026. Performance was supported by a fully let portfolio, 100% rent collection, 82% index-linked leases and a 7.2% net initial yield [U]. The share price discount widened to 16.9%, reflecting broader sector sentiment rather than portfolio-specific factors [U]. Long-term capital market assumptions published by J.P. Morgan Asset Management continue to suggest that core real assets can generate high single-digit annualised returns over the coming decade, supporting the investment case for income-focused strategies [V].

UK real estate enters the second half of 2026 against a backdrop of resilient occupier fundamentals but increased macroeconomic uncertainty. Transaction volumes remain heavily dependent on a relatively small number of large transactions, while vendors continue to resist price adjustments in the absence of financial pressure [P]. With expectations of near-term yield compression largely removed, income growth has become the principal driver of returns. Oxford Economics forecasts retail to deliver annual total returns of approximately 7.5% to 2030, ahead of 6.4% for the All Property market, reflecting attractive starting yields and improving occupational fundamentals [R]. At the same time, constrained supply, continued rental growth, tightening sustainability requirements and the UK's enduring appeal to international capital should provide support to values over the medium term, notwithstanding ongoing geopolitical and inflation-related risks.

Portfolio Activity During the Year

The following transactions happened during the year:

- The sale of the petrol filling station in Crawley, let to Rontec Roadside Retail Limited, completed in October 2025 for £4.5 million (gross of disposal costs). The price reflects 17.8% premium on original purchase price and £500,000 premium on the property's book value at 30 June 2025 and a net exit yield of 6.3%. The proceeds were used to reduce the HSBC RCF.

The following asset management initiatives were undertaken during the year:

- In April 2026 Snap Fitness has surrendered its lease of the gym in Chiswick, London paying a surrender premium of £225,000 together with contributions of two months rent free and nine months capital fit out incentive for the new tenant. Simultaneously Pure Gym has taken a new lease at £120,000 per annum for 15 years with a tenant's break at year 10.

Rent Reviews

A total of nine rent reviews took place (excluding Crawley) during the year with a combined uplift of £179,016 with an average increase in contracted rent of 5.1%. The portfolio showed an increase of 2.3% on a like-for-like basis.

Negotiations are in progress in respect of lease regears and renewals with many tenants including Meridian Steel, B&M, Pets at Home and BGEN. The Company remains supportive of its occupiers to work together to improve the environmental sustainability of the portfolio.

NAV Movements

	2026		2025	
For the year ended 30 June	**Pence per share**	**£m**	**Pence per share**	**£m**
NAV at beginning of year	83.64	67.33	80.90	65.12
Change in fair value of investment property	(0.43)	(0.35)	2.45	1.97
Income earned for the year	11.11	8.94	10.64	8.57
Gain on disposal of property	0.39	0.31	–	–
Finance costs for the year	(2.51)	(2.02)	(1.78)	(1.44)
Expenses for the year 2026:	(2.26)	(1.81)	(2.29)	(1.84)
Exceptional corporate activity costs*:	(0.92)	(0.73)	–	–
Dividends paid during the year	(5.75)	(4.63)	(6.28)	(5.05)
NAV at the end of the year	**83.27**	**67.04**	**83.64**	**67.33**

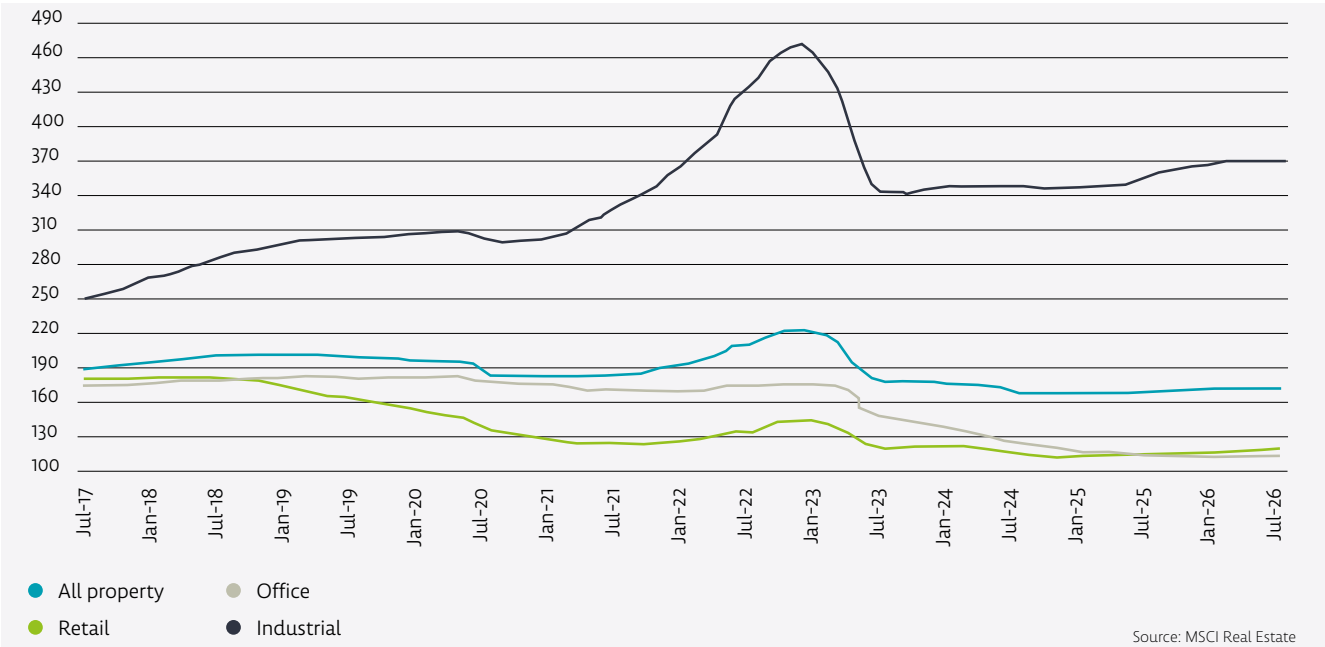
* Exceptional corporate activity costs arose from professional advisory, legal, corporate finance and other costs in connection with evaluating and responding to a number of unsolicited takeover and corporate proposals.

Valuation

At 30 June 2026 the Group owned 19 property assets (2025: 20) and the portfolio was valued at £103.11 million (2025: £107.35 million). During the year the Group successfully sold the petrol filling station in Crawley, therefore on a like-for-like basis, the value of the Group's properties decreased marginally to £103.11 million from £103.35 million.

MSCI Capital Value Growth Index

Jul 2017 (launch date of Company) to Jun 2026



Source: MSCI Real Estate

Asset location map

At 30 June 2026



1. Pocket Nook Industrial Estate, St Helens
2. Bramall Court, Salford
3. Grazebrook Industrial Estate, Works 1 & 2, Dudley
4. Motorpoint, Birmingham
5. Premier Inn, Camberley
6. Silver Trees, Bristol
7. Prime Life Care Home, Solihull
8. Droitwich Spa Retail Park, Droitwich
9. Duke House, Swindon
10. Virgin Active, London
11. Hoddesdon Energy, Hoddesdon
12. Unit 2, Dolphin Park, Sittingbourne
13. Volvo Slough, Slough
14. Prime Life Care Home, Brough
15. Pure Gym, Chiswick, London
16. Pure Gym, Vauxhall, London
17. Champneys Beauty College, Tring
18. Unit 14, Provincial Park, Sheffield
19. YMCA Nursery, Southampton

Summary by Sector
at 30 June 2026

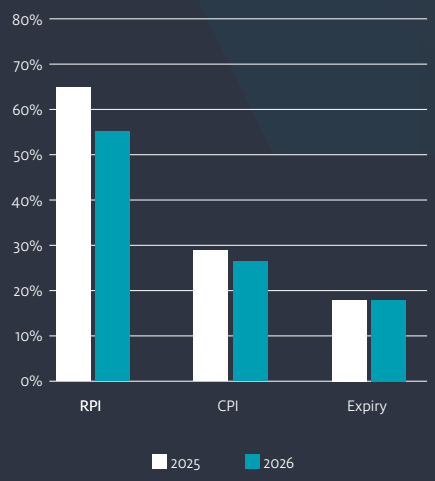
Sector	Number of Properties	Valuation (£m)	Market Value (%)	Occupancy by ERV (%)	WAULT to break (years)	Gross Passing Rental Income (£m)	ERV (£m)	ERV [1] (%)
Industrial Warehouse	4	26.6	25.8	100.0	21.5	1.9	2.0	27.4
Healthcare	3	17.2	16.7	100.0	22.5	1.3	1.2	15.8
Hotel	2	11.9	11.6	100.0	11.5	1.0	0.8	11.4
Automotive & Petroleum	2	11.8	11.4	100.0	10.9	0.9	0.8	10.5
Residential	1	10.9	10.5	100.0	15.1	0.9	0.8	11.3
Leisure	3	10.4	10.1	100.0	7.9	0.9	0.8	10.4
Retail Warehouse	1	5.6	5.4	100.0	2.8	0.5	0.4	5.3
Power Station	1	4.5	4.4	100.0	5.7	0.3	0.3	4.5
Education	2	4.2	4.1	100.0	15.0	0.3	0.2	3.4
Total/Average	**19**	**103.1**	**100.0**	**100.0**	**15.0**	**8.0**	**7.3**	**100.0**

Summary by Geographical Area
at 30 June 2026

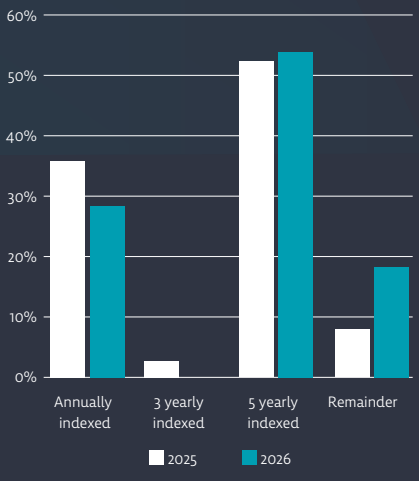
Geographical Area	Number of Properties	Valuation (£m)	Market Value (%)	Occupancy by ERV (%)	WAULT to break (years)	Gross Passing Rental Income (£m)	ERV (£m)	ERV [1] (%)
West Midlands	4	27.4	26.5	100.0	8.6	2.2	2.0	27.2
The North West & Merseyside	2	22.7	22.0	100.0	32.5	1.6	1.5	21.3
Rest of South East	4	17.2	16.7	100.0	7.4	1.3	1.2	16.4
South West	2	12.1	11.8	100.0	19.9	1.0	0.9	12.0
London	3	10.4	10.1	100.0	7.9	0.9	0.8	10.5
Eastern	2	7.0	6.8	100.0	8.1	0.5	0.4	6.1
Yorkshire and the Humber	2	6.3	6.1	100.0	15.6	0.5	0.5	6.5
Total/Average	**19**	**103.1**	**100.0**	**100.0**	**15.0**	**8.0**	**7.3**	**100.0**

1 The ERV (%) in the summary by sector and geographical area is calculated using the precise unrounded ERV figures, not the rounded ERV (£m).

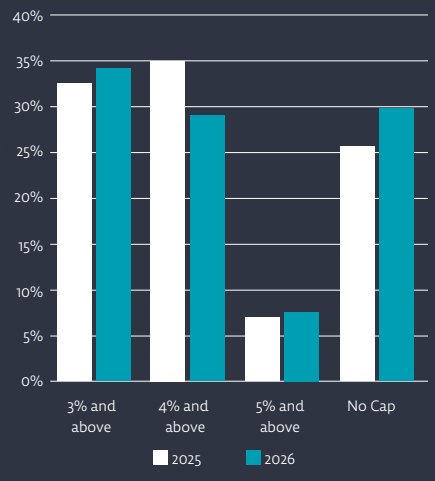
Passing Rent by Rent Review Type (%)



Passing Rent by Review Frequency (%)



Passing Rent by Cap Band (%)



The table above illustrates the weighting of the Group's contracted rental income, based on the type of rent review associated with each lease.

Income Allocation by Type	
Inflation linked – RPI	**55.2%** (2025: 64.2%)
Inflation linked – CPI	**26.7%** (2025: 28.1%)
Expiry or Open Market Value Reviews	**18.1%** (2025: 7.7%)

Property Portfolio

at 30 June 2026

"From an income standpoint, the economic environment has seen our portfolio continuing to perform well, benefiting from its long dated and high yielding leases with index-linked rental increases."



Sector
Industrial Warehouse

Region
The North West & Merseyside

Market value
£11.80m

1. Pocket Nook Industrial Estate
St Helens



Sector
Residential

Region
The North West & Merseyside

Market value
£10.85m

2. Bramall Court
Salford



Sector
Industrial Warehouse

Region
West Midlands

Market value
£8.05m

3. Grazebrook Industrial Estate
Works 1 & 2, Dudley



Sector
Automotive & Petroleum

Region
West Midlands

Market value
£7.55m

4. Motorpoint Ltd
Birmingham



Sector
Healthcare

Region
South West

Market value
£6.83m

5. Silver Trees
Bristol



Sector
Hotel

Region
Rest of South East

Market value
£6.63m

6. Premier Inn
Camberley



Sector
Healthcare

Region
West Midlands

Market value
£6.20m

7. Prime Life Care Home
Solihull



Sector
Retail Warehouse

Region
West Midlands

Market value
£5.55m

8. Droitwich Spa Retail Park
Droitwich



Sector
Hotel

Region
South West

Market value
£5.30m

9. Duke House
Swindon



Sector
Leisure

Region
London

Market value
£5.28m

10. Virgin Active
London



Sector
Industrial Warehouse

Region
Rest of South East

Market value
£4.69m

11. Unit 2, Dolphin Park
Sittingbourne



Sector
Power Station

Region
Eastern

Market value
£4.53m

12. Hoddesdon Energy
Hoddesdon



Sector
Automotive & Petroleum

Region
Rest of South East

Market value
£4.25m

13. Volvo Slough
Slough



Sector
Healthcare

Region
Yorkshire and the Humber

Market value
£4.20m

14. Prime Life Care Home
Brough



Sector
Leisure

Region
London

Market value
£1.57m

15. Pure Gym
Chiswick, London



Sector
Leisure

Region
London

Market value
£3.58m

16. Pure Gym
Vauxhall, London



Sector
Education

Region
Eastern

Market value
£2.50m

17. Champneys Beauty College
Tring



Sector
Industrial Warehouse

Region
Yorkshire and the Humber

Market value
£2.10m

18. Unit 14, Provincial Park
Sheffield



Sector
Education

Region
Rest of South East

Market value
£1.68m

19. YMCA Nursery
Southampton

Total property portfolio

£103.1m

Top Ten Tenants at 30 June 2026

Tenants	Property	Annual Contracted Rental Income (£'000)	% of Portfolio Total Passing Rental Income	WAULT to break (Years)
Mears Group Plc	Bramall Court, Salford	838	10.5%	15.1
Meridian Steel Ltd	Grazebrook Industrial Estate, Dudley & Sheffield	824	10.3%	0.9
Prime Life Ltd	Prime Life Care Home, Brough & Solihull	808	10.1%	22.4
Motorpoint Ltd	Motorpoint, Birmingham	568	7.1%	11.0
Virgin Active Health Clubs Ltd	Virgin Active, London	521	6.6%	8.3
Handsale Ltd	Silver Trees, Bristol	509	6.4%	22.6
Premier Inn Hotels Ltd	Premier Inn, Camberley	504	6.3%	5.7
Travelodge Hotels Ltd	Duke House, Swindon	481	6.0%	17.9*
Pure Gym Ltd	Pure Gym, Chiswick & Vauxhall	407	5.1%	7.4
B&M Bargains	Droitwich Spa Retail Park, Droitwich	364	4.6%	3.2
Total		**5,824**	**73.0%**	**11.8****

* The WAULT calculations includes an additional three years reflecting a landlord's option to extend until 31 May 2044.
** This WAULT calculation, which considers income solely from the top ten tenants, differs from the portfolio-wide WAULT of 15.0 years.

Tenancy Schedule

Tenant	Property	Annual Contracted Rental Income (£'000)	Break Date	Expiry Date
Mears Group Plc	Bramall Court	838		16/08/2041
Motorpoint Ltd	Motorpoint	568		24/06/2037
Virgin Active Health Clubs Ltd	Virgin Active	521		28/09/2034
Handsale Ltd	Silver Trees	509		14/01/2049
Premier Inn Hotels Ltd	Premier Inn	504	25/03/2032	24/03/2037
Travelodge Hotels Ltd	Duke House	481		31/05/2044
Prime Life Ltd	Prime Life Care Home, Solihull	473		21/11/2048
Meridian Steel Ltd	Grazebrook Industrial Estate, Works 2	400		21/05/2027
B&M Bargains	Droitwich Spa Retail Park	364		31/08/2029
Prime Life Ltd	Prime Life Care Home, Brough	335		21/11/2048
Hoddesdon Energy Ltd	Hoddesdon Energy	333	27/02/2032	26/02/2050
Doré Metal Services Southern Ltd	Unit 2, Dolphin Park	307	13/09/2028	12/09/2033
Pure Gym Ltd	Pure Gym, Vauxhall, London	287		10/12/2032
Volvo Car UK Ltd	Volvo Slough	281		16/03/2037
Meridian Steel Ltd	Grazebrook Industrial Estate, Works 1	267		21/05/2027
Biffa Waste Services Ltd	Pocket Nook Industrial Estate	203		24/02/2133
Secretary of State for Communities & Local Government	Pocket Nook Industrial Estate	200	30/01/2033	29/01/2048
Champneys Tring	Champneys Beauty College	175		18/04/2039
Meridian Steel Ltd	Unit 14, Provincial Park	157		21/05/2027
Biffa Waste Services Ltd	Pocket Nook Industrial Estate	150		31/03/2134
BGEN Ltd	Pocket Nook Industrial Estate	145		04/04/2027
YMCA Fairthorne Group	YMCA Nursery	145		17/02/2044
Pure Gym	500 Chiswick High Road	120	23/04/2036	23/04/2041
Pets at Home	Droitwich Spa Retail Park	113		13/01/2028
BGEN Ltd	Pocket Nook Industrial Estate	66	05/04/2027	04/04/2030
The Salvation Army Trustee Company	Duke House	27		17/07/2032
Kingscrown Land & Commercial Ltd	Pocket Nook Industrial Estate	-*		28/09/2045
Camberley Properties Ltd	Premier Inn	-		23/06/3010
Southern Electric Parcel Distribution Plc	Premier Inn	-		20/02/2111
GreenSquareAccord Limited	Duke House	-		17/09/3006

* Ground rents less than £150 per annum.

Environmental, Social and Governance Report

The Group recognises that Environmental, Social and Governance ('ESG') matters and Climate-Related risks are of utmost importance to sustainable investment, long term performance of the Group's property portfolio and a focus for the business and investor community. The Group is committed to understanding how best to consider ESG factors in all facets of its business, from business strategy to investment decisions and company operations.

In order to meet investors' expectations, the Group and its advisers adopt both financial and non-financial strategies to drive long-term value with an innovative yet disciplined and conscientious approach to ESG in respect of the property portfolio management including but not limited to:

Environmental

- A proactive approach to procurement of Energy Performance Certificate ('EPC') reassessments ahead of the requirements set out in the Minimum Energy Efficiency Standards 2023, maintaining quarterly reviews of EPC schedules, identification of opportunities to improve energy efficiency, and working closely with tenants who occupy under full repairing and insuring leases.
- Ongoing environmental reviews and audits as part of regular due diligence, including regular asset inspections to avoid any breach in environmental legislation.
- Responsible refurbishment in respect of all works to assets with consideration of the best approach to improving the EPC rating against potential spend, liaising with tenants in respect of any fit-out or alterations to reuse existing materials where feasible to reduce waste.
- Leverage technology for data management being used to monitor and drive efficiency.

Social

- Commitment to occupier engagement.
- Encourage improvements to each asset such as installing defibrillators & electrical charging points.
- Provision of regular training and awareness to all managers on issues, such as wellbeing and mental health.

Governance

- Client checks being completed on all tenants as well as new suppliers and contractors.
- Regular tenant engagement and inspections to ensure assets are used as agreed within leases.
- Effective tracking of legislative requirements to assess and monitor risks and opportunities.

The Group is limited in its ability to influence ESG factors for the Group's properties as the properties are fully let on commercial full repairing leases in accordance with the Group's strategy to hold long leases.

Diversity

As an externally managed business, the Company does not have any employees or office space. As such, the Group does not operate a diversity policy with regards to any administrative, management and supervisory functions. A description of the Board's policy on director diversity can be found in the Corporate Governance Report of the Annual Report.

Employees

The Group has no employees and accordingly no requirement to report separately in this area as the management of the portfolio has been delegated to the AIFM and Investment Adviser.

The AIFM and Investment Adviser are equal opportunities employers who respect and seek to empower each individual and the diverse cultures, perspectives, skills and experiences within their workforce.

Human Rights

The Group is not within the scope of the Modern Slavery Act 2015 because it has not exceeded the turnover threshold and therefore no further disclosure is required in this regard.

Business Relationships

As well as the critical day-to-day portfolio management, the Group has service providers that ensure the smooth running of the Group's activities. The Group's key service providers are listed in the Annual Report, and the Management Engagement Committee ('MEC') annually review the effectiveness and performance of these service providers, taking into account any feedback received.

The Group, AIFM and Investment Adviser and other third-party service providers maintain high standards of business conduct by acting in a collaborative and responsible manner with all business partners that protects the reputation of the Group as a whole.

Climate-Related Reporting

The Board has considered the applicability of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the evolving UK sustainability reporting framework. The Company has not, for the year ended 30 June 2026, prepared disclosures fully aligned with all TCFD recommendations or IFRS Sustainability Disclosure Standards. The Board considers its current approach proportionate to the nature, size and externally managed structure of the Company but will continue to review reporting requirements and investor expectations as the regulatory landscape develops.

The Company nevertheless considers climate-related risks within its principal risk management and investment oversight processes.

As an externally managed REIT, the Company relies on the AIFM and Investment Adviser to assess and monitor ESG matters and Climate-Related risks and to report regularly to the Board on relevant developments.

Greenhouse Gas Emissions

As an investment company, the Group's own direct environmental impact is minimal and greenhouse gas ('GHG') emissions are negligible. The GHG emissions in relation to the Group's property portfolio is disclosed below.

The Group has followed UK Government environmental reporting guidelines and used the UK Government 2026 greenhouse gas reporting conversion factors for company reporting to identify and report relevant GHG emissions over which it has Operational Control (where data is available) for the 12-month period to 30 June 2026.

An independent consultancy specialising in the application of sustainability in commercial real estate was appointed to calculate the GHG statement and provide verification on the approach used.

Scopes

GHG emissions have been reported against the following 'Scopes', as defined by the GHG Protocol and where relevant:

Scope 1: (not relevant to AIRE): Direct emissions from owned vehicles, controlled boilers and fugitive emissions from air conditioning systems under landlord control.

Scope 2: Indirect emissions from electricity purchased by the Company and consumed within real estate assets owned by the Company.

Scope 3: Indirect emissions from electricity and gas purchased/consumed within AIRE assets, by tenants, where the tenant is counterparty to the energy supply.

Statement of GHG Emissions

The table below sets out the emissions per sector and for the Group overall in the year ended 30 June 2026. The approach taken follows guidance provided by UK Government Reporting Guidelines and EPRA Best Practice Recommendations of Sustainability Reporting 2024.

Sector	Scope	Absolute tonnes of carbon dioxide equivalent (tCO_2e)		Like-for-like comparison of carbon dioxide equivalent (tCO_2e)*		Tonnes of carbon dioxide equivalent per m2 (tCO_2e)	
		2025/26	2024/25	Difference (tCO_2e)	% change	2025/26	2024/25
Retail Park	Scope 2	1.07	1.43	-0.36	-25.17%	n/a**	n/a
Industrial warehouse	Scope 3 – Elec.	50.64	72.95	-22.31	-30.58%	0.0083	0.012
Total	**Scope 2 & 3**	**51.71**	**74.38**	**22.67**	**-30.48%**	**0.0083**	**0.012**

* Like-for-like requires 24 months of data for the current and previous reporting year (July 2024 – June 2026). Both assets provided 24 months of data therefore like-for-like calculations were possible.

** A carbon dioxide equivalent for Scope 2 is not possible as only external areas covered.

Statement of Energy Usage

The table below sets out the energy use per sector and for the Group overall. The approach follows guidance provided by the GHG Reporting Guidelines (DESNZ, 2025) and the EPRA Best Practice Recommendations on Sustainability Reporting 2024.

Sector	Energy Source	Absolute energy usage (kWh)		Like-for-like energy usage (kWh)	
		2025/26	2024/25	Difference (kWh)	% change
Retail park	Electricity	8,151	8,085	66	0.81%
Industrial warehouse	Electricity	386,726	412,171	-25,445	-6.17%
Total	**Electricity**	**394,877**	**420,256**	**-25,379**	**-6.04%**

Intensity Ratios

In addition to reporting relevant absolute GHG emissions (per scope and per sector), the Group has chosen to report intensity ratios, where appropriate. An intensity measure is reported for assets within the like-for-like portfolio, where:

- No major renovation or refurbishment has taken place i.e. affecting more than 50% of the building by area or number of occupants
- Occupancy is at least 75%
- At least 24 months data is available
- Emissions reported relate to an indoor area

Whilst no landlord meters reflect the above criteria for an intensity metric, the Group has applied an intensity figure for one asset, Pocket Nook, an Industrial Warehouse, where the landlord procures the energy and directly recharges this to the tenant. An intensity metric has not been produced for Droitwich Spa retail park on the basis that the landlord-controlled meter does not reflect the above criteria (emissions reported relate to an indoor area).

Normalisation factors

No normalisation factors have been considered for this annual report.

Assurance Statement

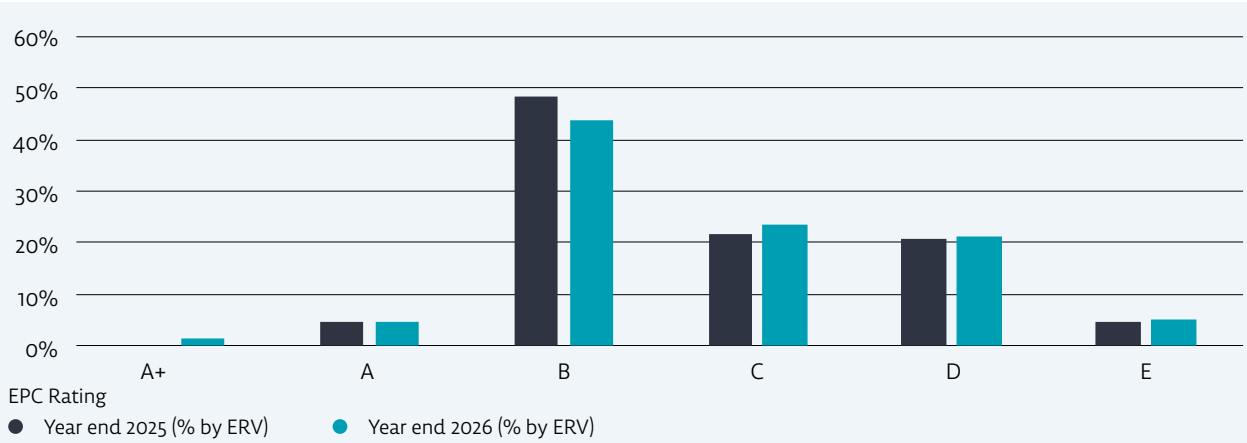
The Group's GHG emissions have been calculated and verified by an independent third-party in accordance with the principles of ISO 14064. A full copy of the methodology used, including scope, source or data and conversion factors, is available on request.

Property Portfolio ESG Activity

During the year ended 30 June 2026, the Group has worked closely with its tenants to encourage improvements in ESG activities within the property portfolio.

Two new EPC's ratings have been carried out for the Driving Centre in St Helens which improved from B46 to A+-6 following refurbishment works & installation of PV panels by the DVLA, and YMCA which fell from B32 to C59 due to the changes in EPC grading for gas fired heating systems. Recommendations of EPC assessors are being considered on two other properties by the occupiers including replacement of LED lighting and boiler replacement.

Year-on-Year EPC Comparison



Other than the changes for SoS and YMCA's EPC rating and the disposal of Crawley (B) the changes within the graph above are as a result of changes to relative ERV levels.

In the histogram above, the highest EPC rating of E applies to Unit 14 Provincial Park, Sheffield where the tenant is considering the cost efficiency of replacing their oil-fired boiler to electric. At Unit 2 Pocket Nook, St Helens, though the nature of the open-ended industrial process does not conform to EPC standard assessment, an exemption can be sought. The remaining properties in the portfolio have an EPC rating of D or above. 50.0% of the portfolio falls between A+ and B.

Section 172(1) Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, in promoting the success of the Company for the benefit of members as a whole.

This section describes how the Board has regard to the likely consequences of any decision in the long term, the need to foster the Company's business relationships with suppliers, customers and others, the desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly as between members of the Company. The Company does not have any employees and therefore s172(1)(b) is not applicable to the Company. The impact of the Company's operations on the community and the environment is set out more fully in the Environmental, Social and Governance section above.

Stakeholder	Issues of importance	Engagement	Effect of engagement on key decisions
Shareholders The Group's investment objective is to deliver an attractive total return to shareholders. Shareholders are directly impacted by changes to the Company's NAV and thus the share price and dividends.	• Attractive and sustainable level of income, earnings and dividends. • Long-term income stream linked to inflationary growth. • Robust corporate governance structure and well-performing service providers. • Strategic direction of the Company. • Execution of investment objective. • Value for money – low ongoing charges.	• Shareholder engagement is set out in the Corporate Governance Report in the Annual Report. • As a publicly listed Company, the Company is subject to Listing Rules and other regulatory disclosure requirements which the Board abides by with the assistance of the Company Secretary and corporate broker.	The effect of shareholder engagement has fed into each aspect of the Board's decision-making. The total aggregate dividends for the year have decreased compared to the prior year and the Board has also worked to keep expenses under control.
Service Providers As an externally managed REIT, the Company conducts all its business through its service providers, the key ones being the Investment Adviser, Property Manager, Company Secretary, AIFM, depositary and corporate broker.	• Reputation of the Company and maintaining high standards of business conduct. • Productive working relationships with the Company. • Fair and transparent service agreements. • Collaboration.	• Effective and consistent engagement both through formal Board meetings and regularly outside the meetings. • Annual evaluation of key service providers. • Culture set by the Board and communicated to all providers.	Clear and effective strategic oversight and culture by the Board has been crucial to enhancing the effectiveness of the Company's key service providers. The Board has worked closely with its service providers to maintain and continually improve processes and to ensure that the Company's values are aligned with them.
Tenants Tenants with strong business fundamentals and profitable operations are one of the key components to ensure a consistent income stream and ability to pay dividends to the Company's shareholders.	• Positive working relationship with the Board, Investment Adviser and Property Manager. • Rent reviews. • Fair lease terms. • Long-term strategy and alignment with the tenant's business operations. • Financial stability of tenants.	• To ensure the Investment Adviser and Property Manager generate and foster good relationships with our tenants. • Focus on asset management initiatives to assist our tenants where applicable.	There is regular contact between the Property Manager and all the Group's tenants. Rent reviews have all been completed on time and collection of rent at 100% is indicative of good tenant relations.
Debt provider The Board and the Investment Adviser maintain a positive working relationship with its debt provider, HSBC UK Bank plc.	• Compliance with loan covenants. • Responsible portfolio management.	• Ongoing engagement by the Investment Adviser throughout the year and by the Board.	The Board and the Investment Adviser have a good relationship with the Group's debt provider.
Society and the environment As an investor in real estate, the Company's assets have an impact on the built environment. Environmental, Social and Governance ('ESG') factors increasingly apply alongside of financial returns.	• Responsible investing together with sustainability. • Long-term strategy to take account of ESG considerations without negatively impacting financial returns.	• Regular engagement with tenants in respect of EPC requirements. • Ensuring shareholder engagement covers ESG.	The Board has encouraged both the Investment Adviser and Property Manager to consider ESG on investment and on an ongoing basis.

Principal decisions

Principal decisions are those that have a material impact to the Group and its key stakeholders. In taking these decisions, the directors considered their duties under section 172 of the Act.

Dividend and Dividend Policy

Given the Company's Investment Objective, dividends are a key matter for the Board to consider and have a material impact on shareholders, as a key stakeholder. For the year ended 30 June 2026, the Board declared four interim dividends totalling 5.6pps (2025: 6.2pps), representing a 9.7% decrease on the previous year.

As last year, the Board paid four interim dividends at quarterly intervals to provide shareholders with a consistent and timely income stream. The Board does not intend to continue with this practice and, instead, will declare dividends in the future in compliance with the REIT regime's rules.

Property Transactions

In the year, one property transaction completed, being the sale of the Group's petrol filling station at Crawley for £4.5 million (gross of disposal costs). This property represented 4.0% of the Group's portfolio capital valuation at 30 September 2025. The disposal represented a net initial yield of 6.3%.

Investment Advisory Fees

The Group's Investment Adviser is Martley Capital Real Estate Investment Management Ltd ('Martley Capital'), with effect from 1 January 2026 the terms of the management fee have been altered so that the Investment Adviser shall be entitled to receive a rate equivalent of 0.50% per annum of NAV (subject to a minimum fee of £400,000 per annum) payable quarterly in advance. This fee is subject to an annual increase from 1 January each year in line with the percentage to change in the Retail Prices Index (RPI) published by the UK Office for National Statistics subject to a minimum annual increase of 3% and a maximum annual increase of 5%.

During the year the Group incurred £380,000 in respect of investment advisory fees to Martley Capital (2025: £360,000). No amounts were accrued at the year-end (2025: £ nil).



Pure Gym
Chiswick, London



Principal Risks and Uncertainties

The Group's assets consist of UK commercial property. Its principal risks are therefore related to the commercial property market in general, but also to the particular circumstances of the individual properties and the tenants within the properties.

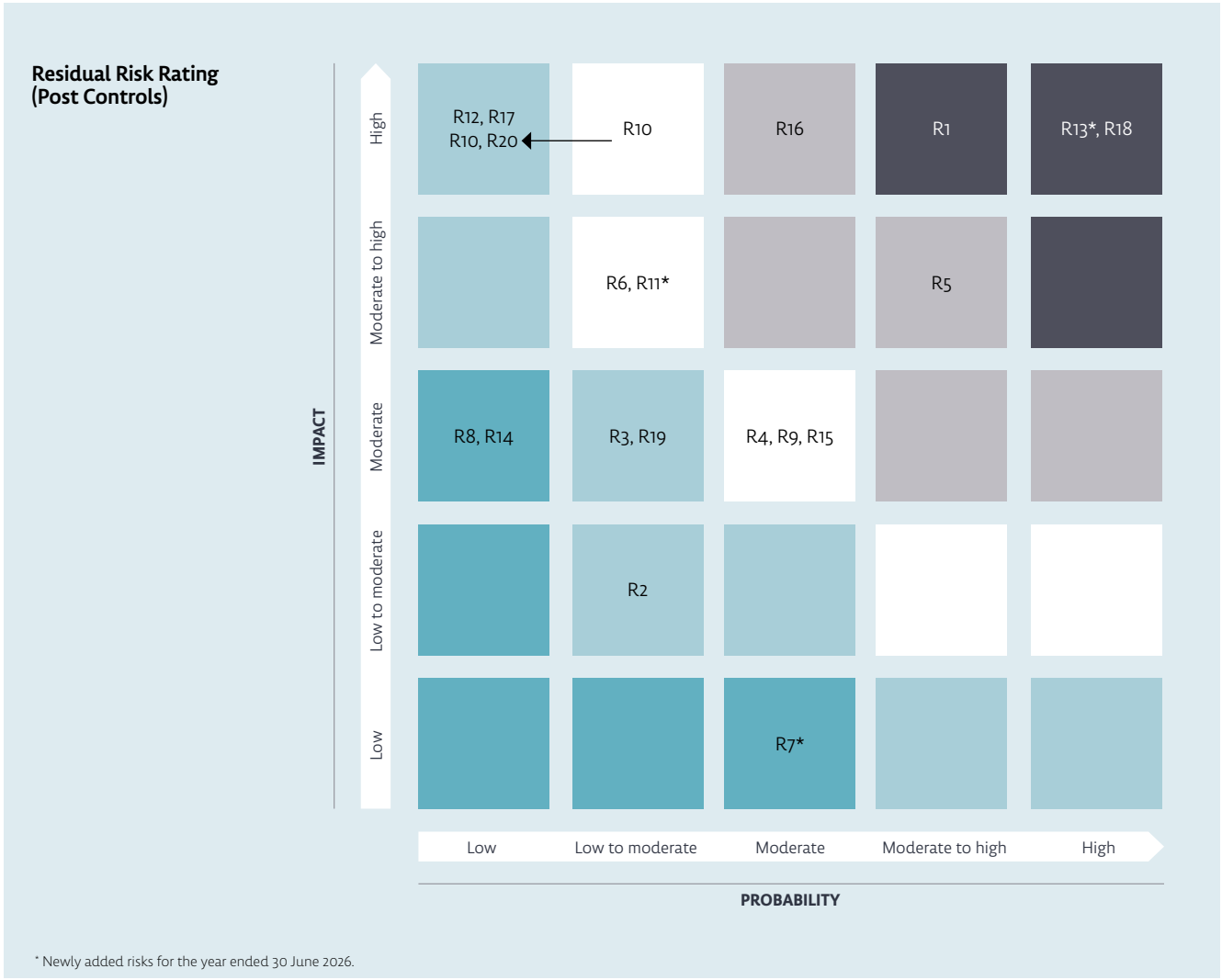
The Board has overall responsibility for reviewing the effectiveness of the system of risk management and internal control which is operated by the AIFM and, where relevant, the Investment Adviser. The Group's ongoing risk management process is designed to identify, evaluate and mitigate the risks the Group faces.

The Board undertakes a semi-annual risk review with the assistance of the Audit Committee, to assess the adequacy and effectiveness of the AIFM's, and where relevant the Investment Adviser's, risk management and internal control systems.

The Board has carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

An analysis of the principal risks and uncertainties is set out in the table below. This does not purport to be exhaustive as some risks are not yet known and some risks are currently not deemed material but could turn out to be material in the future.

Risk matrix at 30 June 2026



* Newly added risks for the year ended 30 June 2026.

Principal risks and their potential impact	How risk is managed	Risk assessment
Real estate risks		
1. Tenant default Failure by tenants to comply with their rental obligations could affect the income that the properties earn and the ability of the Group to pay dividends to its shareholders. Macroeconomic trends discussed through the report, including rising interest rates, higher inflation and the possibility of recession have the ability to materially impact on a tenant's business. This could result in tenants being unable to comply with their rental obligations.	The Group's investment policy limits our exposure to any one tenant to 15% of Gross Asset Value. The maximum exposure to any one tenant (calculated by GAV) is 10.1% as at 30 June 2026. The Group benefits from a balanced portfolio with a diversified tenant base and is therefore not reliant on a single tenant or sector. In the due diligence process prior to acquiring a property, covenant checks are carried out on tenants which are repeated on a regular basis. The Investment Adviser and Property Manager conduct ongoing monitoring and liaise with tenants to manage potential bad debt risk.	**Probability:** Moderate to high **Impact:** High **Movement:** No change
2. Portfolio concentration Any downturn in the UK and its economy or regulatory changes in the UK could have a material adverse effect on the Group's operations or financial condition. Greater concentration of investments in any sector or exposure to the creditworthiness of any one tenant or tenants may lead to greater volatility in the value of the Group's investments, NAV and the Company's share price.	The Group has investment restrictions in place to invest and manage its assets with the objective of spreading and mitigating risk. Having a diversified portfolio in respect of both sector and tenants provides reduced potential volatility in the portfolio and the impact rating for this risk is accordingly set at low to moderate.	**Probability:** Low to moderate **Impact:** Low to moderate **Movement:** No change
3. Property defects Due diligence may not identify all the risks and liabilities in respect of an acquisition (including any environmental, structural or operational defects) that may lead to a material adverse effect on the Group's profitability, the NAV and the Company's share price.	The Group's due diligence relies on the work (such as legal reports on title, property valuations, environmental, building surveys) outsourced to third parties that have appropriate Professional Indemnity cover in place. Both the AIFM and Board review the report produced by the Investment Manager for each prospective acquisition and will challenge accordingly.	**Probability:** Low to Moderate **Impact:** Moderate **Movement:** No change
4. Rate of inflation Rent review provisions may have contractual limits to the increases that may be made as a result of the rate of inflation. If inflation is in excess of such contractual limits, the Group may not be able to deliver targeted returns to shareholders.	The inflation linked (RPI/CPI) leases in the portfolio have contractual rent review collars, with the lowest floor being 0%, and the lowest cap at 3%. The majority of caps are in excess of RPI and CPI forecasts during the next five-year rent review cycle: - Half of the caps are 4.00% or above, including a number with no caps - RPI forecast for next five years of 2.8% - CPI forecast for next five years of 2.1% The risk of inflation is somewhat mitigated by the leases that have no cap. In addition, a total of five leases undergo reviews annually which will allow inflation changes to be reflected expeditiously.	**Probability:** Moderate **Impact:** Moderate **Movement:** No change
5. Property market Any recession or future deterioration in the property market could, inter alia, (i) lead to an increase in tenant defaults, (ii) make it difficult to attract new tenants for its properties, (iii) lead to a lack of finance available to the Group, (iv) cause the Group to realise its investments at lower valuations; and (v) delay the timings of the Group's realisations. Any of these factors could have a material adverse effect on the ability of the Group to achieve its investment objective.	The Group has investment restrictions in place to invest and manage its assets with the objective of spreading and mitigating risk. Most of the leases provide a relatively long unexpired term and contain upward only rent reviews which are linked to either RPI or CPI. Because of these factors, the Group expects that the assets will show less volatile valuation movement over the long term.	**Probability:** Moderate to high **Impact:** Moderate to high **Movement:** No change

Principal risks and their potential impact	How risk is managed	Risk assessment
6. Property valuation Property is inherently difficult to value due to the individual nature of each property. There may be an adverse effect on the Group's profitability, the NAV and the Company's share price in cases where properties are sold whose valuations have previously been materially overstated.	The Group uses an independent valuer (Knight Frank LLP) to value the properties on a quarterly basis at fair value in accordance with accepted RICS appraisal and valuation standards.	**Probability:** Low to moderate **Impact:** Moderate to high **Movement:** No change
7. Operational Risk Property defect in non-freehold/indirectly managed assets leading to loss. Where the Company holds a long lease (or similar interest) rather than the freehold, and/or where day to day building management and buildings insurance are considered by a third party (e.g. freeholder or their managing agent), a building fabric failure or inherent defect (e.g. water ingress, structural or services fault) can: (i) interrupt occupation and rent payments; (ii) create cash-flow timing mismatches pending loss of rent recoveries; (iii) delay remedial works due to third party control over diagnosis, tendering and reinstatement; (iv) cause valuation pressure and additional asset management time; and (iv) generate stakeholder/ tenant dissatisfaction and reputational impact. Insurance may respond, but recoveries can be subject to deductibles, scope disputes and prolonged adjusting.	At purchase, the Investment Adviser and AIFM undertake technical due diligence (surveys, services and envelope inspections; review of service charge regimes, repairing obligations and inherent defect provisions), and legal due diligence is performed to tighten lease covenants, secure step in and information rights, and to require timely remedial action by the freeholder/managing agent. Furthermore, the contractual/insurance structure documents and maintains loss of rent (LoR) cover and verifies the freeholder's buildings insurance adequacy. The Investment Adviser, drawing on extensive property experience, actively communicates with the tenant, AIFM and the Company Board to monitor progress and mitigate operational disruption. In addition, the portfolio is significantly diversified by sector and geography, which reduces risk concentration and limits the propagation of localised events (e.g. flooding) across the portfolio.	**Probability:** Moderate **Impact:** Low **Movement:** N/A (new risk)
8. Investments are illiquid The Group invests in commercial properties. Such investments are illiquid; they may be difficult for the Group to sell and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant property.	The Group aims to hold the properties for long-term income and all property investment/disinvestment is managed carefully to ensure there is no undue pressure on cash flow that would require a quick sale of assets. The Company's dividend is funded from net revenue and is not affected by the portfolio's (il)liquidity.	**Probability:** Low **Impact:** Moderate **Movement:** No change



Virgin Active London

Principal risks and their potential impact	How risk is managed	Risk assessment
9. Environment The Group is subject to environmental regulations. In addition to regulatory risk, there is a growing importance being placed on ESG credentials by tenants, which could lead to difficulty in letting vacant space. Properties could be impacted by extreme environment events such as flooding. Climate change could accelerate more quickly leading to adverse physical impacts as well as regulatory change. Failure by the Group to meet current or future environmental targets could result in penalties, increased costs, a reduction in asset values and have an adverse effect on the Company's reputation, leading to loss of good quality tenants.	The current regulations require annual mandatory Green House Gas (GHG) reporting, which will be carried out as part of the annual report and will result in minimal expenditure for the Group. Furthermore, the Investment Adviser has prepared an ESG strategy to ensure it meets legal requirements and remains attractive to current and future tenants. Please see the 'Environmental, Social and Governance' section for further information. In depth research is undertaken on each property at acquisition. The Investment Adviser has adopted an environmental policy which it is in the process of applying to all properties within the portfolio.	**Probability:** Moderate **Impact:** Moderate **Movement:** No change
Borrowing risks		
10. Breach of borrowing covenants The Group refinanced its £41 million fixed rate loan facility with a term loan of £31 million and a Revolving Credit Facility ('RCF') of £10 million both with HSBC UK. The covenants for the new facility are that Loan to Value should not exceed 60% and the Interest Cover Ratio (ICR) should be greater than 160% for cash trap and 150% for default ICR, which are both favourable to the previous fixed rate loan. The Group has had no breach of its covenants. Material adverse changes in valuations and net income may lead to breaches in the LTV and interest cover ratio covenants. If the Group is unable to operate within its debt covenants, this could lead to default and the loan facility being recalled. This could result in the Group being forced to sell properties to repay the loan facility, possibly resulting in a substantial fall in the NAV.	The Group monitors the borrowing covenants on a regular ongoing basis by cash flow forecasting, quarterly risk reports and a quarterly compliance certificate. The Group's gearing at 30 June 2026 was 34.4%, materially below the covenant's default LTV of 60%. On the same date the Group's ICR was 422.2%, materially above the covenant cash trap ICR of 160%. Borrowing is carefully monitored by the Group, and action will be taken to conserve cash where necessary to ensure that this risk is mitigated. It is ensured that there is significant headroom in the LTV and interest cover covenants as part of the monitoring process. Diversification of both the portfolio and tenants limit the risk to the Group of any one geographic or sector property event and any one tenant default. Following the year end, the offer by Glenstone REIT plc ("Glenstone") was declared unconditional on 9 September 2026, constituting a change of control under the Group's £41 million HSBC facility. This initially gave HSBC the right to withhold further drawings and to require repayment of amounts outstanding, together with accrued interest. However, on 28 October 2026, AIRE and HSBC entered into a waiver and amendment letter under which HSBC consented to the change of control and subsequent de-listing, agreed to continue funding future utilisations and waived its right to require repayment in connection with the change of control.	**Probability:** Low to moderate* **Impact:** High **Movement:** No change
11. Interest rate exposure The Group is exposed to interest rate risk on its debt (£31million loan and £10million RCF) with HSBC which is on a floating rate basis. Changes in market interest rates will affect the Group's finance costs and future cash flows. A sustained increase in interest rates would result in higher borrowing costs with a resultant negative impact on profitability, cash generation and, potentially, level of dividend.	The Group monitors interest rate movements and market conditions on an ongoing basis, and management assesses the potential impact of changes in interest rates on forecast cash flows, financing costs and covenant compliance. Where considered appropriate and cost effective, the Group may seek to mitigate exposure through the use of hedging, At present, the Group does not utilise derivative financial instruments to manage these exposures. The Group regularly assesses the sensitivity of its financial results to interest rate changes to support decision making and financial planning.	**Probability:** Low to moderate **Impact:** Moderate to High **Movement:** N/A (new risk)
12. Inability to refinance the current loan facility The inability of the Group to obtain new borrowings - of the amount required and at acceptable terms on 20 October 2030 will have an impact on the ability of the Group at this time to generate rental income and thus returns to shareholders. The Group's debt consists of a term loan of £31 million and a £10 million RCF. Both the term loan and RCF are on floating rates for a fixed term of five years from 20 October 2025.	Both the term loan and RCF have an option to extend by two years if terms are mutually acceptable. Advice in respect of this re-finance will be taken at least 18 months in advance of the end of the fixed five-year term. Early discussions with the current lender together with market conditions at that time will drive re-financing direction.	**Probability:** Low **Impact:** Low **Movement:** Probability has moved downward from Low to Moderate to Low

Principal risks and their potential impact	How risk is managed	Risk assessment
Corporate risks		
13. Balance between Company and Shareholder views** There is the risk that even though the Company's objective and strategy continue to be attractive to investors, a significant shareholder, whose interests are not aligned with the interests of other shareholders, could threaten the Company's long-term objectives and viability. This risk was heightened during the year when the Company received two separate approaches in relation to a possible offer for the entire issued and to be issued share capital of the Company. One approach came from a significant shareholder in the Company, which made a cash offer for the Company. The other came from a potential buyer, which made an indicative all-share proposal that the Board did not progress.	The Company reviews all proposals received from its shareholders or other potential buyers together with its financial and legal advisers to form a view on its merits or otherwise. In doing so, the Directors consider their duties to act in the best interests of all shareholders as a whole and not for the benefit of any one shareholder. As at 27 October 2026, Glenstone held or had received acceptances for approximately 87.08% of the Company's issued share capital. Shareholders who have not accepted the offer may face reduced liquidity and changes to the Company's management, strategy and dividend policy. Glenstone has stated its intention that, unless it acquires the entire share capital, the Board will include at least one director independent of Glenstone. Each current director is also a director of Glenstone.	**Probability:** High **Impact:** High **Movement:** N/A (new risk)
14. Failure of service providers The Group has no employees and is reliant upon the performance of third-party service providers. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Group. Should the Group pursue litigation against service providers, there is a risk that the Company may incur costs that are irrecoverable if litigation is unsuccessful.	The Board meets regularly with, and monitors, all of its key service providers, including the Investment Adviser. The Management Engagement Committee (MEC) reviews annually the performance of key service providers in conjunction with their service level agreements and makes use of Key Performance Indicators where relevant. In addition, the Audit Committee's robust and ongoing review of risk management and internal controls covers key service providers.	**Probability:** Low **Impact:** Moderate **Movement:** No change
15. Dependence on the Investment Adviser The future ability of the Group to successfully pursue its investment objective and investment policy may, among other things, depend on the ability of the service providers to retain its existing staff and/or to recruit individuals of similar experience and calibre, and effectively carry out its services. The Group relies on the Investment Adviser to manage the assets and termination of the Investment Adviser agreement could severely affect the Group's ability to effectively manage its operations.	The MEC performs a formal annual review of the Investment Adviser which covers the performance of the portfolio (both capital and income returns) and the performance of and engagement with the Martley Capital fund manager and other supporting staff. In addition, the Board meets regularly with Martley Capital and directors engage with them not only in Board meetings but also by email, telephone and ad hoc meetings. This helps to maintain a good working relationship. The dependence on Martley Capital is managed through segregating the roles of AIFM and Investment Adviser.	**Probability**: Moderate **Impact:** Moderate **Movement:** No change
16. Ability to meet objectives The Group may not meet its investment objective to generate a secure and predictable income, that is sustainable in real terms, and at least maintain capital values in real terms, from investing predominantly in a portfolio of smaller commercial properties in the UK. The Group's exposure to interest rates on its borrowing could negatively impact the Group's ability to pay a level or increasing dividend. Poor relative total return performance may lead to an adverse reputational impact that affects the Group's ability to raise new capital and new funds.	The Group has an investment policy to achieve a balanced portfolio with a diversified tenant base. This is reviewed by the Board at each scheduled Board meeting. The Group's property portfolio has a WAULT to break of 15.0 years and a WAULT to expiry of 16.7 years. Further, over 81.9% of leases have inflation-linked upwards only rent reviews, representing a secure income stream on which to deliver attractive total returns to shareholders. Glenstone has stated that, if it holds less than 100% of the Company, it intends to pursue a managed wind-down, returning cash to shareholders within three years, subject to property market conditions. If implemented, the Company's investment objective, investment policy and dividend policy would be expected to change, subject to any applicable approval requirements. The Board will consider the implications for the Company's REIT status with its advisers.	**Probability:** Moderate **Impact:** High **Movement:** No change
Taxation risk		

* This risk rating applies at 30 June 2026, prior to the change of control on 9 September 2026.

** Shareholders who have not accepted the offer face one of two outcomes:

Squeeze-out: If Glenstone acquires +90% of the shares to which the offer relates, it may compulsorily acquire the remaining shares on the terms of the offer (70.0p per share) under section 979 of the Companies Act 2006.

Delisting: Otherwise, Glenstone has stated its intention to cancel the Company's listing and seek admission to The International Stock Exchange (TISE). Remaining shareholders would then no longer benefit from the UK Listing Rules, the Disclosure Guidance and Transparency Rules or the UK Corporate Governance Code or AIFMD. They would instead be subject to TISE's listing rules, whose continuing obligations are generally regarded as less onerous than those of the Listing Rules.

Principal risks and their potential impact	How risk is managed	Risk assessment
17. Group REIT status The Group has UK REIT status that provides a tax-efficient corporate structure. If the Group fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax.	The Company monitors REIT compliance through the Investment Adviser and Administrator on acquisitions and disposals and distribution levels; the Registrar and Broker on shareholdings; and third-party tax advisers to monitor REIT compliance requirements. Processes are in place to ensure ongoing compliance with REIT regulations.	**Probability:** Low **Impact:** High **Movement:** No change
Political/economic risk		
18. Political and macroeconomic events Such events present risks to the real estate and financial markets that affect the Group and the business of our tenants. The negative economic effects from the deterioration of the global economy, higher inflation and interest rates, the ongoing long-term effects of the Ukraine-Russia war and secondary effects from the pandemic including supply constraints could impact the portfolio, tenants and the ability of the Group to raise capital.	The Group only invests in UK properties with strong alternative use values and long leases, so the portfolio is well positioned to withstand an economic downturn. Tenant default risk arising from political and macroeconomic events is managed as described above. The Investment Adviser monitors both the macro and micro economy with special attention to those factors potentially impacting the Group, and reports to the Board on a regular basis.	**Probability:** High **Impact:** High **Movement:** No change
Regulatory risk		
19. Disclosure risk Failure to properly disclose information to investors or regulators in accordance with various disclosure rules and regulations. Examples include AIFMD investor disclosures, annual reporting requirements, marketing/promotion disclaimers, data protection regulations etc.	Service providers including AIFM, Investment Adviser, Company Secretary, auditor, and corporate broker monitor disclosure obligations and liaise with the Board to ensure requirements are met.	**Probability:** Low to moderate **Impact:** Moderate **Movement:** No change
20. Regulatory change New regulations or changes to existing regulations (particularly in relation to climate change) could result in sub-optimal performance of the Group or, in worst case, inability to continue as a viable business.	The Board receives regular updates on relevant regulatory changes (and prospective changes) from its professional advisers. The Investment Adviser monitors the impact of emerging legislation across all aspects of property investment and ESG has a particularly high profile at this time. The Investment Adviser uses an ESG pre-acquisition checklist to review purchases and also to ensure that the current portfolio is monitored, and that works are carried out as appropriate, with tenant's agreement, to prevent asset depreciation.	**Probability:** Low **Impact:** High **Movement:** No change

Emerging risks

The Board takes account of and considers emerging risks as part of its risk management assessment.

Going Concern and Viability Statement

Going Concern

The Group has considered its cash flows, financial position, liquidity position and borrowing facilities.

In particular, the Group's unrestricted cash balance at the year-end was £2.3 million (2025: £3.1 million). The Group has no capital commitments or contingent liabilities. The Group refinanced its borrowings of £41 million on 20 October 2025 with HSBC ('the HSBC Bank Facilities'). The HSBC Bank Facilities consist of both a fixed term loan of £31 million and a £10 million revolving credit facility, both on floating rates and on a fixed term of five years with an option to extend by two years if mutually acceptable. Details of the new debt facilities are contained in Note 13 to the financial statements which includes covenant details, all of which are reported in accordance with the Group's risk management procedures and policies.

The Group has net current assets of £3.4 million at 30 June 2026 (2025: net current liabilities of £36.5 million) and has the ability to meet its financial obligations as they fall due.

In respect of the Loan, the Group is permitted to utilise up to 40% of GAV measured at drawdown with a Loan to GAV of 34.4% at 30 June 2026. Therefore, the Group had headroom against its borrowing covenant. The lender's loan to value covenant of 60% is significantly higher than the Group's Loan to GAV. In addition, if agreed by the current lender, two properties not secured against the Loan and valued at £8.5 million are available as additional security for the Loan.

The Loan also has a lender's cash trap interest cover covenant of 160% and default interest cover of 150%. At 30 June 2026 the Group's interest cover ratio was 422.2%, giving significant headroom. A 'severe but plausible downside' scenario has been projected. While rent collections have been strong, this scenario projects rent deferrals and write-offs for tenants with difficulty paying rents from operational cash flows. In this scenario the Group still has adequate headroom against the interest cover covenant and positive cash balances. Further detail of the assumptions made in assessing the adoption of Group's going concern basis can be found in Note 2.4.

The Group benefits from a secure, diversified income stream from leases which are not overly reliant on any one tenant or sector, with the Group generating net cash flows from operating activities for the year being reported of £6.7 million. As a result, the directors believe that the Group is well placed to manage its financing and other business risks.

The going concern statement is based on the reporting requirement that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of these financial statements. For the reasons explained above, the Board is satisfied that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and is of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

Following its acquisition of a controlling interest in AIRE, Glenstone now intends to acquire the remaining shares through the ongoing takeover offer and, subject to reaching the relevant threshold, exercise its statutory squeeze-out rights, resulting in AIRE becoming a wholly owned subsidiary of the Glenstone Group. There is no intention to liquidate AIRE or cease its operations. The intention is for AIRE to continue operating as an income-producing property investment business, with the existing portfolio retained during the acquisition process.

The Board therefore considers that Glenstone's intended strategy represents a change in ownership and operational management rather than a cessation of the underlying business and, accordingly, does not have a material adverse impact on the appropriateness of preparing the financial statements on a going concern basis.

Viability Statement

In accordance with provision 30 of the UK Corporate Governance Code, the Board has assessed the prospects of the Group for at least the 12-month period from the date the financial statements are approved as required by the 'Going Concern' provisions.

The Board has considered the nature of the Group's assets and liabilities and associated cash flows and has determined that three years, from the balance sheet date up to 30 June 2029, is an appropriate and realistic timescale over which the performance of the Group can be forecast with a degree of accuracy. Even though the Group's contractual income extends beyond three years, the Board considers this period (the 'Period') to be appropriate, given:

- A major proportion of the leases contain an annual, three or five-year rent review pattern and therefore three years allow for the forecasts to include the reversion arising from most rent reviews;
- It is the period over which the Group's medium-term business plan and cash flows are based; and
- It is often factors beyond the Board's control, such as market uncertainty and unknown tenant issues, that reduce the reliability of forecasting over a longer period.

In performing its viability review, the Board considers the Group's cash flows (noting that the Group's property portfolio had a WAULT to break of 15.0 years and a WAULT to expiry of 16.7 years at 30 June 2026, representing a secure income stream for the Period), REIT compliance and relevant key financial ratios over the Period. The Board carried out a thorough review of the Group's business model, following the change of control following the Glenstone offer being unconditional. The Group will operate as a subsidiary of Glenstone with its own management and will retain the HSBC Bank Facilities which are secured against the Group's portfolio. The cash flow included an estimation of future performance, liquidity and banking covenant tests for the Period. The Board has assessed the extent of any operational disruption; potential curtailment of rental receipts; potential liquidity and working capital shortfalls; and diminished demand for the Group's assets going forward, in adopting a going concern preparation basis and in assessing the Group's longer-term viability.

These assessments are subject to sensitivity analysis, which involves flexing a number of key assumptions and judgements included in the financial projections:

- Tenant default;
- Financing costs;
- Financing and refinancing; and
- Property portfolio valuation movements.

The Group's debt:

The Group has borrowings of £41 million under a loan facility repayable on 20 October 2030 with HSBC. The HSBC Bank Facilities consist of both a fixed term loan of £31 million and a £10 million revolving credit facility, both on floating rates and on a fixed term of five years with an option to extend by two years if mutually acceptable. Details of the HSBC Bank Facilities are contained in Note 13 to the financial statements. Specifically with respect to viability and the Group's debt:

- the Loan covenants – at 30 June 2026, the asset valuations and rental income of the properties secured to HSBC would need to fall by 35.6%, 62.1% and 56.8%, respectively, before breaching the Loan to Value, and Historical and Projected Income Cover Cash Trap covenants; and
- the cash flow modelling has taken account of the HSBC Bank Facilities and its covenants, and future interest rate predictions (assuming interest rate hedging is not put in place). The Group is in compliance with the HSBC Bank Facilities covenants throughout the cash flow period to 30 June 2029.

Based on the prudent assumptions within the Group's forecasts including the rent deferrals, tenant default, void rates, property valuation movements and the successful refinancing of the debt, the Board has a reasonable expectation that for the Period:

- all current and future loan covenants will be complied with throughout the Period;
- REIT tests will similarly be complied with; and
- the Group and the Company will be able to continue in operation and meet its liabilities as they fall due over the Period.

Board Approval of the Strategic Report

The Strategic Report has been approved and signed on behalf of the Board by:



Adam Smith
Chairman
28 October 2026



Meridian Steel, Dudley

Corporate Governance

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Board of Directors

Current directors



Adam Smith

MRICS, non executive director and Chairman

Initially appointed a director on 8 March 2021, resigned on 6 July 2026 and subsequently reappointed on 15 September 2026. Adam became chairman on 30 September 2026 upon the resignation of Stephanie Eastment.

Adam is a Chartered Surveyor and currently serves on the board of Glenstone REIT plc, a real estate investment trust listed on the International Stock Exchange in Guernsey. With over 20 years of experience in real estate investment, management and strategy, Adam brought a wealth of knowledge to the table.

Previously, Adam was the Managing Director of the London and Surrey Group of companies, which were later acquired by Glenstone. Before that, he worked as an investment agent with Edwin Hill, now part of the Altus Group.

The Board considers that Adam Smith brings extensive property knowledge to the Board.



Ben Green

MRICS, non executive director

Appointed non-executive director on 30 September 2026.

Ben is a Member of the Royal Institution of Chartered Surveyors. A former national investment agent, Ben has extensive experience in UK commercial property markets. Ben has coordinated substantial investment transactions both as agent and principal over the last three decades. Ben is also Managing Director of Glenstone REIT plc.



Rob Maybury

FCCA, non executive director and audit committee chair

Appointed non-executive director and audit committee chair on 30 September 2026.

Rob is a Fellow of the Association of Chartered Certified Accountants, with over 20 years' professional experience spanning the accounting, audit and investment property sectors. Rob has extensive expertise in financial reporting, corporate finance, governance and capital management. Rob is also Finance Director of Glenstone REIT plc. The Board considers that Rob Maybury brings the requisite property experience and risk/audit expertise and knowledge to the Board, in his role as audit committee chair.

Past directors

The Board would like to take this opportunity to thank both Simon Bennett and Stephanie Eastment who guided the Group through the Glenstone takeover period.

Simon Bennett

Independent non-executive Chairman

Appointed director on 10 November 2022 and Chairman on 30 November 2022. Resigned 15 September 2026.

Simon is a chartered accountant with extensive experience of providing strategic, financial and other advice to growing companies. He has worked for a number of the world's largest banks and has wide-ranging experience of both the international debt and equity markets. He was Head of Corporate Finance and Head of mid and small caps teams at Credit Lyonnais Securities (now Credit Agricole), as well as head of Corporate Broking at Fairfax IS plc and Sanlam Securities.

Simon is the principal partner of Incremental Capital LLP, which he founded in 2004 to provide corporate finance advice to mid and small cap and growing companies.

The Board considers that Simon Bennett brings a wide-ranging set of skills and experience to the Board, in particular experience as a non-executive director and Chairman as well as investment and capital market knowledge.

Stephanie Eastment

Independent non-executive director

Appointed director and audit committee chair on 1 October 2021. Appointed Interim chair upon the resignation of Simon Bennett. Resigned 30 September 2026.

Stephanie is an independent non-executive director and senior independent director of Murray Income Trust plc, an independent non-executive audit chair of Herald Investment Trust plc and Impax Environmental Markets plc, and an independent non-executive director of RBS Collective Investments Funds Limited. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of The Chartered Governance Institute and a member of the Technical Committee of the Association of Investment Companies. Stephanie has worked in financial services for over 35 years and started her career at KPMG before working at UBS and then Invesco Asset Management for 22 years.

The Board considers that Stephanie Eastment brings considerable investment company and risk/audit expertise and knowledge to the Board, especially in her role as audit committee chair.

Corporate Governance

A number of key changes have taken place subsequent to the financial year ended 30 June 2026, including the Offer by Glenstone which became unconditional on 9 September 2026 and led to the appointment of a new board. The information provided in the Corporate Governance Report is based on the Board composition as at 30 June 2026.

This Corporate Governance Statement comprises pages 32 to 35 and forms part of the Directors' Report.

Statement of compliance

During the year, the Board considered the principles and provisions of the UK Corporate Governance Code 2024 (the UK Code), published by the Financial Reporting Council in January 2024. The Board acknowledges the changes introduced by the UK Code, which apply to financial years beginning on or after 1 January 2025, except for Provision 29, which applies to financial years beginning on or after 1 January 2026.

The Board considers that, throughout the year, the Company has complied with the principles and provisions of the UK Code, except for those provisions relating to:

- the role and responsibilities of the chief executive;
- the role of the senior independent director;
- the establishment of separate Nomination and Remuneration Committees;
- the chair's membership of the Audit Committee; and
- the undertaking of regular externally facilitated board performance evaluations.

The Board considers that these provisions are not appropriate to the Company's structure and size as an externally managed investment company. All of the Group's day-to-day management and administrative functions are outsourced to third parties and, as a result, the Company has no executive directors, employees or internal operations. In addition, given that the Board comprised three directors during the year, the Board believes it is both better governance and practical for the Board as a whole to undertake the functions of the Nomination and Remuneration Committees, and for the chair to be a member of the Audit Committee.

During the year, the Board also considered the requirement for externally facilitated board performance evaluation and, taking into account the Board's composition, including its size and the balance of skills, experience and expertise, concluded that an internal evaluation remained appropriate and sufficient.

The Company will first report against the UK Code 2024 in respect of the financial year ending 30 June 2026. Provision 29 will first apply in respect of the financial year ending 30 June 2027.

Responsibilities

The Board is collectively responsible for the long-term success of the Group. It provides overall leadership, sets the strategic aims of the Group and ensures that the necessary resources are in place for the Group to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls.

The directors are responsible for the determination of the Group's investment policy and investment strategy and have overall responsibility for the Group's activities, including the review of investment activity and performance.

The Board is also responsible for the control and supervision of the AIFM and Investment Adviser. The Board ensures the maintenance of a sound system of internal controls and risk management and reviews the overall effectiveness of systems in place. They are responsible for approval of any changes to the capital, corporate and/or management structure of the Group.

The Board does not routinely involve itself in day-to-day business decisions, but there is a formal schedule of matters that require the Board's specific approval, as set out below, as well as those which can be delegated to the Board committees and the AIFM. The Board retains responsibility for all such delegated matters.

The AIFM is responsible for portfolio management, risk management and approval of property and net asset valuations of the Group pursuant to AIFM Directive, (the 'AIFMD')

The directors have adopted a formal schedule of matters reserved for decision by the Board. These include the following:

1. Establishing and monitoring the Company's business strategy;
2. Oversight of the Group's operations;
3. Appointment and removal of the Company's key service providers;
4. Alterations to the Company's capital or corporate structure;
5. Approval of half-yearly and annual report and accounts and declaration of dividends;
6. Ensuring the maintenance of a sound system of risk management and internal controls;
7. Oversight of AIFM functions;
8. Oversight of contracts not in the ordinary course of business;
9. Raising of new capital and major financing facilities;
10. Determining the remuneration of the directors, subject to the articles of association and shareholder approval as appropriate;
11. Approval of all policies, and specific risk management policies including insurance, borrowing limits and corporate security;
12. Board appointments and removals; and
13. Any decision likely to have a material impact on the Company or Group.

Composition & Independence

During the year the Board consisted of three non-executive directors including the Chairman. Simon Bennett and Stephanie Eastment were considered independent at the time of and since their appointment and up to their resignations. The Board has considered and determined that Adam Smith, Ben Green and Rob Maybury are not considered independent directors at the time of and since their respective appointment as they are directors of Glenstone REIT plc, the Company's largest shareholder, which is considered to be a circumstance that impairs their independence in accordance with provision 10 of the UK code. All directors are independent of the AIFM and Investment Adviser.

The directors' other principal commitments are listed on page 31. During the year, the Board was satisfied that all directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration to their other commitments.

The directors were advised on appointment of the expected time required to fulfil their roles and have confirmed that they remain able to make that commitment. All changes in any director's commitments outside the Group are required to be disclosed and approved prior to the acceptance of any such appointment.

Chairman

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He promotes a culture of openness and debate and facilitates constructive Board relations and the effective contribution of all directors. In liaison with the Company Secretary, he ensures that the directors receive accurate, timely and clear information. He demonstrates an objective judgement and promotes a culture of openness and constructive debate to ensure the effective contribution of all directors, and facilitates a supportive, co-operative and open environment between the AIFM and Investment Adviser and the directors. He is also responsible for ensuring that the views of shareholders are communicated to the Board as a whole.

During the year under review, the Chairman, Simon Bennett, was deemed by his fellow Board member to be independent in character and judgement and free of any conflicts of interest. The Chairman had no significant commitments other than those disclosed in his biography on page 31.

Given the size of the Board and the Group, it is not considered necessary to appoint a senior independent director.

Board meetings

The Group has four scheduled Board meetings each year with additional meetings arranged as necessary. In addition, the directors meet frequently outside of scheduled Board meetings.

At each Board meeting, the directors follow a formal agenda which is set by the Chairman, and the Board papers are circulated in advance by the Company Secretary to ensure that the directors receive accurate, clear and timely information to help them discharge their duties. The Board is provided with financial information, together with briefing notes and papers in relation to changes in the Group's economic and financial environment, statutory and regulatory changes and corporate governance best practice. A description of the Group's risk management and internal control systems is set out on page 35.

The Group's main functions are delegated to a number of service providers, each engaged under separate contracts. The management of the Group's portfolio is delegated to the AIFM which, together with the Investment Adviser, manages the assets in accordance with the Group's objectives and policies. The management arrangements can be found on page 42. At each Board meeting, representatives from the AIFM and Investment Adviser attend to present reports to the directors covering the Group's current and future activities, portfolio of assets and its investment performance over the preceding period.

Board committees

During the year the Company had two committees, the Audit Committee and the Management Engagement Committee ('MEC'). Given the structure and size of the Board, the Board does not consider it necessary to appoint a separate Nomination or Remuneration Committee. The Committees' delegated responsibilities are clearly defined in formal terms of reference, which are available on the Company's website. Further details about the MEC are shown below, and about the Audit Committee on pages 36 to 37.

MEC

The Management Engagement Committee comprised Adam Smith as Chair, Simon Bennett and Stephanie Eastment during the year. Following Adam Smith's resignation, the Board agreed that the Committee's responsibilities would be carried out by the Board as a whole.

The Committee's role was to review the continued appointment and terms of the AIFM and Investment Adviser, ensuring these remained appropriate and aligned with the Group's investment policy and objective, and to oversee the performance of other key third-party service providers.

During the year, the Committee reviewed reports from external advisers, the AIFM and the Investment Adviser, and concluded that the AIFM and Investment Adviser agreements remained fair, competitive and in shareholders' interests. It also reviewed the performance of other key service providers, made recommendations to the Board, and reviewed its terms of reference.

Following its annual review, the Committee was satisfied that the continued appointment of both the AIFM and the Investment Adviser remained in the best interests of shareholders.

Meeting attendance

Board meetings are held quarterly, together with scheduled quarterly NAV and dividend declaration meetings. Additional ad hoc Board meetings were held during the year and after the year end in connection with refinancing matters, the AEWU proposals and the subsequent Glenstone Offer. As these meetings were convened as required to address specific matters, rather than forming part of the Board's scheduled meeting cycle, they are not included in the table below. During the year ended 30 June 2026, the number of scheduled meetings, including committee meetings, and each director's attendance were as follows. Director's eligibility to attend the relevant meetings is shown in brackets.

Director	Board Meeting	Audit Committee	MEC
Simon Bennett	8 / 8	2 / 2	1 / 1
Stephanie Eastment*	7 / 8	2 / 2	1 / 1
Adam Smith	8 / 8	2 / 2	1 / 1

* During the period, Stephanie Eastment was unable to attend one dividend approval meeting owing to unavoidable commitments.

Board evaluation and director independence

The Board has established a process for the annual evaluation of its own performance, that of its committees and of the individual directors. This process is led by the Chairman. The other directors, led by the Audit Committee Chair, are responsible for the evaluation of the Chairman.

During the period, due to the potential sale of the Company, the formal board evaluation process for the year ended 30 June 2026 was postponed. The Board considered this to be appropriate in the circumstances and intends to carry out a full evaluation process following the period end.

The appraisal process is regarded by the Board as constructive in identifying areas for improving the functioning and performance of the Board and its committees, and the contribution of individual directors, as well as in building on and developing individual and collective strengths. Board and committee composition, dynamics and expertise, investment strategy, priorities for change and the quality of third-party relationships form part of the matters ordinarily considered as part of the evaluation process.

As at the year end and up to their time of resignation, the Chairman is satisfied that each of the directors continues to be effective and to demonstrate commitment to the role, including in respect of the time devoted to Board and Committee meetings and other duties. The Audit Committee Chair is also satisfied that the Chairman continues to be effective and to demonstrate commitment to the role, including in respect of the time devoted to Board and Committee meetings and other duties.

The Board does not consider that the use of external consultants to conduct this evaluation would provide any meaningful advantage over the process it has adopted and believes that doing so would incur unnecessary expense. However, the Board will continue to assess the merits of engaging an external evaluation provider on an ongoing basis.

The independence of the directors was considered by the Board during the period. During the period, the Board consisted of three non-executive directors, two of whom were considered independent. Adam Smith was not considered to be independent as he is a director of Glenstone REIT plc, one of the Company's largest shareholders. Post the year end and the appointment of Glenstone representatives to the Board, the Board is no longer considered independent.

Director induction, training and development

The Company has established a robust induction process for new directors that covers the Group's investment activities, the role and responsibilities of a director and guidance on corporate governance and applicable regulatory and legislative landscape. New appointees also have the opportunity of meeting with the other directors and relevant persons of the Investment Adviser, AIFM and Company Secretary.

The directors' training and development was assessed as part of the annual effectiveness evaluation and the Chairman regularly reviews and discusses the development needs with each director. Each director is fully aware that they should take responsibility for their own individual development needs and take the necessary steps to ensure they are wholly informed of regulatory and business developments. During the year, the directors received periodic guidance on regulatory and compliance updates from the Company's professional advisers.

Succession planning and Board diversity

The Board as a whole has given full consideration to succession planning as part of the Board's formal annual evaluation to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Board and the balance of skills and expertise now and that may be required in the future. The Board recognises the benefits of a diverse board, being from a variety of factors including balance of skills, knowledge, experience, gender, ethnicity, cognitive and personal strengths and weaknesses.

The Board considers that it has an appropriate balance of skills and experience. The Board considers that, collectively, it has substantial recent and relevant experience of the property sector, investment trusts and financial and public company management.

Tenure policy

The Board has adopted a policy whereby all directors will stand for re-election (or election if appointed in the year) at each AGM. In addition, the directors, including the Chairman, will not stand for re-election as a director of the Company later than the AGM following the ninth anniversary of their appointment to the Board, unless in relation to exceptional circumstances. Adam Smith, Ben Green and Rob Maybury will all stand for election at the 2026 AGM.

Board's diversity policy and diversity information

Diversity policy

At the year end, the Board was comprised of three non-executive directors, two male and one female, who in aggregate have the appropriate balance of skills and experience to meet the future opportunities and challenges facing the Group. The Board reviews its composition and effectiveness as part of the annual Board performance evaluation process and the Board's succession planning.

Diversity information

The Board is supportive of the UK Listing Rules diversity targets for listed companies, and the following table sets out the gender and ethnic diversity of the Board at 30 June 2026, in accordance with the UKLR 6.6.6R(9) and (10) and 14.3.30R. As part of this process, the Board resolved that the Company's year-end date be the most appropriate date for disclosure purposes and confirms that the information in the table is based on voluntary self-declaration made by each director.

Gender Diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	2	67%	1
Women	1	33%	–
Not specified/ prefer not to say	–	–	–

Ethnic Diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	3	100%	1
Not specified/ prefer not to say	–	–	–

The Board is aware of the Hampton Alexander Review on board gender diversity, the Parker Review on ethnic diversity and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management. Although supportive of the UK Listing Rules which set out targets for board diversity, as a company with only three directors it has not been possible, and may continue to not be possible, for the Board to be able to meet the three targets set by the UKLR 6.6.6R(9) as the Board will always appoint the best person for the job. Explanation of this non-compliance, and how the Board may be able to address long term, are set out in the table below.

Requirement	Explanation
At least 40% of the individuals on its board of directors are women	During the year, the Board comprised three directors, one of whom is female, meaning that it has 33% female representation rather than the targeted 40%. Following the changes to the Board post the year end and the Glenstone Offer the Board do not believe that, at this time, it would be in the best interests of the Company to incur the additional expense of appointing additional directors, as the Board has an appropriate mix of skills, knowledge and experience.
At least one of the following senior positions on its board of directors is held by a woman: - The Chair - The Chief Executive Officer - The Senior Independent Director ('SID') - The Chief Financial Officer	For the reasons explained earlier, the Company does not have a SID. As an externally managed REIT, the Company does not have a chief executive officer or chief financial officer and therefore, as allowed by the rules, the Company does not need to report against this target as it is not applicable. However, the Board considers the audit chair is a senior position. As a result, the only FCA-recognised senior position is the chair, which is held by a male. Whereas, the Board believes the Company has two senior positions with one held by a male and one held by a female – the latter thus meeting the spirit of the target.
A minimum of one board member is from a minority ethnic background	The size of the Board, and also the Company, make meeting this target challenging. The Company has committed to ensuring suitable candidates form part of shortlists, albeit final selection will be based on merit considering many factors, including the balance of skills, knowledge, experience, gender, ethnicity, cognitive and personal strengths to ensure the best overall candidate for the role. However, the Board will ensure that active steps are taken to search for and attract ethnically diverse candidates whenever it recruits.

Re-election and election of directors

In accordance with the UK Code, Adam Smith, Ben Green and Rob Maybury having been appointed by the Board since the last AGM, submit themselves for election and will each be standing for election at the Company's forthcoming AGM.

Directors' conflicts of interest

It is the responsibility of each individual director to avoid an unauthorised conflict of interest arising.

A director must request authorisation from the Board as soon as they become aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Group. The Company's Articles of Association (the 'Articles') allow the Board to authorise such potential conflicts, and there is a procedure in place to deal with any actual, or potential, conflicts of interest. Where the conflict arises due to an appointment, the Board deals with each appointment on its individual merit and takes into consideration all relevant circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at Board meetings to ensure that any authorised conflicts remain appropriate. The directors are required to confirm at these meetings whether there has been any change to their position. During the year, and until his resignation on 6 July 2026, Adam Smith had a continuing conflict of interest arising from his directorship of Glenstone REIT plc and was accordingly treated as conflicted in relation to matters concerning Glenstone, including the Glenstone Offer. Appropriate procedures were followed by the Board to manage that conflict.

Relations with shareholders

Communication with shareholders is given high priority by both the Board and the Investment Adviser.

The Chairman and the Company's broker have been in regular contact with major shareholders and report the results of meetings and the views of those shareholders to the Board on a regular basis. In addition, the Company communicates with its shareholders through the Annual and Interim Reports, quarterly trading updates, and at the Company's AGM at which shareholders are given the opportunity to ask questions of the Board and representatives of the Investment Adviser. The Chairman ensures that the Board as a whole has a clear understanding of the views of shareholders by receiving regular updates from the Company's broker, which are tabled at the Company's board meetings.

Any shareholder wishing to contact the Company should address their query to the Chairman and/or the Company Secretary at the registered office address on page 83.

Risk management and internal controls

The Board is responsible for the risk management and internal controls of the Group including their completeness and effectiveness, and the reliability of the financial reporting process. The risk management framework established by the Board has been designed to identify, evaluate and mitigate risks faced by the Group, including emerging risks, on an ongoing basis. In designing the framework, the Board considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting. The framework, including its key procedures established with a view to providing effective financial control, was in place both during the year under review and at the date of this report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made, and which is issued for publication, is reliable, and that the assets of the Group are safeguarded.

Risk management and internal controls are designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board has carried out a review of the effectiveness of the risk management and internal controls as they have operated throughout the year and up to the date of approval of the Annual Report and Financial Statements. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Group's overall investment objective.

In arriving at its judgement of what risks the Group faces, the Board, through the Audit Committee (the 'Committee'), has considered the Group's operations in light of the following factors:

1. the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;
2. the threat of such risks becoming reality;
3. the Group's ability to mitigate the probability and impact of risks on its performance; and
4. the extent to which third parties operate the relevant controls and to what extent reliance can be placed on this.

The Group and Company's risk register sets out the risks relevant to the Group and describes, where relevant, the internal controls that are in place at the Investment Adviser, AIFM and other third-party service providers to mitigate these risks. The risk register identifies the Group's risks, the controls in place to mitigate those risks and how these are monitored. Risks are assessed based on the likelihood of occurrence, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate. The Committee formally reviews the risk register, and the risk heat map and top risks that this generates, on a semi-annual basis. The Committee also undertakes a top-down review of risks and ensures that the risks identified by this align with the top risks identified by the risk matrix bottom-up approach.

The Board meets quarterly with Langham Hall as the Company's AIFM and Depositary. Both report on any significant issues that have been identified in the period and will escalate issues and report to the Board outside of these meetings on an ad hoc basis to the extent that this is required. For the year being reported, no issues arose which required escalation.

The Depositary works with Investment Adviser to undertake its responsibilities regarding cash monitoring, asset verification and general oversight. This includes review of all key event activity by the Group, such as property transactions, and dividend and major expense payments. The AIFM's monitoring of the Investment Adviser includes: quarterly meetings with the Investment Manager; review of management accounts, valuations of the assets and loan compliance; asset verification; and key event activity.

The Investment Adviser in its role as Administrator provides management accounts to the Board, which enables the Board to assess the financial position of the Company. Additional ad hoc reports are received as required and directors have access at all times to the advice of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed.

Most functions for the day-to-day management of the Group are sub-contracted and therefore the Company does not have its own internal audit function. The Board obtains assurances and information from key third-party service providers regarding the internal systems and controls operated in their respective organisations. In addition, third parties are requested to provide a copy of their report on internal controls each year, which are reviewed by the Committee.

Report of the Audit Committee

Committee membership

During the year the Audit Committee comprised Stephanie Eastment as chair, Simon Bennett and Adam Smith when he was a Director. The Audit Committee met twice during the year under review. Subsequent to the year end and the changes to the Board, both Stephanie Eastment and Simon Bennett are no longer members of the Committee having resigned. Accordingly, the Audit Committee comprises of Rob Maybury as chair, Ben Green and Adam Smith.

Both the new audit chair, Rob Maybury and Stephanie Eastment have recent and relevant financial experience. The Board is satisfied that the combined knowledge and experience of its members is such that the Committee as a whole has competence relevant to the sector in which the Company operates given the small size of the Board, it is considered appropriate for the Chair of the Board to be a member of the Audit Committee.

Role of the Committee

The Committee assists the Board in discharging its responsibilities with regard to financial reporting, external audit and internal controls, including:

1. monitoring the integrity of the financial statements of the Group, including its annual and half-yearly reports and reviewing significant financial reporting issues and the judgements which they contain;
2. reviewing the Group's accounting policies;
3. keeping under review the adequacy and effectiveness of the Group's risk management and internal control systems and reviewing and approving the statements to be included in the annual report concerning risk management and internal controls, going concern and annual viability statement;
4. making recommendations to the Board in relation to the appointment/re-appointment or removal of the auditor and approving its remuneration and terms of engagement;
5. reviewing and monitoring the auditor's independence, objectivity and effectiveness; and
6. approving any non-audit services to be provided by the auditor and monitoring the level of fees payable in that respect.

Performance Evaluation

Refer to page 33 of the Corporate Governance section detailing how the review of the Committee's performance has been conducted, and the results of such evaluation.

Activities

The Committee meets at least twice a year to consider the annual report and half-year report and any other matters as specified under its terms of reference. During the year and up to the date of this report, the Committee has:

- reviewed the annual report and advised the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- reviewed the performance and effectiveness, objectiveness and independence of the auditor and considered its re-appointment and remuneration;
- reviewed the non-audit services policy;
- reviewed the risk management and internal controls systems on which the Company is reliant, including those of its key third-party service providers;
- reviewed the Committee's terms of reference which are available on the Company's website; and
- considered the need for the Company to have its own internal audit function.

In addition to the above, at the Company's annual and interim reporting stages, the Committee reviewed the Company's risk management and internal controls, including the Company's risk register, heat risk map, and top risks schedule. The Committee also conducted a top-down review of risks to ensure that these aligned with the top risks identified by the risk management system's bottom-up approach. The audit chair also held several discussions with the Investment Adviser during the year, and with the Investment Adviser and auditor during the course of the audit.

Significant issues considered by the Committee

Valuation

The Committee determined that a key area of consideration in relation to the Consolidated Financial Statements of the Group was the valuation of the investment properties, as it is fundamental to the Group's statement of financial position and audited results. The 19 properties in the portfolio at the year-end were externally valued by qualified independent valuers (using the internationally accepted Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards) and whilst comparable market transactions provide valuation evidence, there are assumptions which involve significant levels of judgement. The Committee considered the valuations, and these were also discussed with the AIFM, Investment Adviser and auditor during the audit of the financial statements. Details of the valuation methodology are contained in Note 10 to the Consolidated Financial Statements.

Measurement of Investment in subsidiary undertakings

The Committee considered the comparison of the carrying value of its investment in subsidiary undertakings with the net assets of the subsidiary's balance sheet, to identify whether the net assets exceeded the carrying amount which would be an indicator of impairment in the carrying value of the subsidiary. The auditor was satisfied that the measurement of the investment in the subsidiary undertaking was free from material misstatement.

Risk management and internal controls

The Committee carefully considers the internal control systems by monitoring the services and controls of its third-party service providers. Details of the Group's risk management and internal controls are detailed on page 35. This details the Committee's work in the year, including bi-annual reviews of the Company's risk management and internal controls, review of the reports it receives on internal control and compliance from the Investment Adviser and the Group's other major service providers. No significant matters of concern were identified.

The Board acknowledges the changes made to the UK Code in January 2024 in reviewing its approach to internal control and related disclosures which applies to financial years beginning on or after 1 January 2026. The Company will therefore first report against this new provision of the UK Code in its annual report for the year ending 30 June 2027.

Internal audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Adviser, AIFM and Depositary provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Group is therefore considered unnecessary.

Going concern and long-term viability of the Group

The Committee considered the Group's financial requirements for the next 12 months from the date of signing of the financial statements and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis.

The Committee also considered the longer-term viability statement within the Annual Report for the year ended 30 June 2026, covering a three-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Group's long-term viability. The Group's viability statement can be found on pages 28 to 29.

Fair, balanced and understandable statement

The Board asked the Committee to advise on whether it considers that the Company's annual report and accounts, taken as a whole, is fair, balanced and understandable, as required under the UK Code. The production of the Company's annual report is a comprehensive process, with input from a range of contributors. The Committee considers the control framework in place (including verification processes), the detailed reviews undertaken at various stages of the production process by the Investment Adviser, the AIFM, the Depositary and the company secretary, combined with the controls in place to ensure completeness and accuracy of the Group's financial records and the security of the Group's assets.

As a result of the work outlined above, the Committee has reviewed the annual report and has concluded (and reported to the Board) that it is satisfied that the annual report taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Independence and objectivity of the auditor

It is the Committee's responsibility to monitor the performance, objectivity and independence of the auditor and this is evaluated by the Committee each year. The Company's external auditor is Moore Kingston Smith LLP ('MKS'). In evaluating MKS's performance, the Committee examines five main criteria – robustness of the audit process, independence and objectivity, quality of delivery, quality of people and service, and value-added advice. Having carried out a review the Committee is satisfied with the auditor's performance and that as the auditor did not carry out non-audit services the objectivity and independence of the auditor was not compromised.

External audit process

The Committee meets at least twice a year with the auditor, once at the planning stage before the audit and again after the audit at the reporting stage. The auditor provides a planning report in advance of the annual audit, and a report on the annual audit. The Committee has an opportunity to question and challenge the auditor in respect of both of these reports.

In addition, at least once a year, the Committee has an opportunity to discuss any aspect of the auditor's work with the auditor in the absence of the AIFM and Investment Adviser and other service providers. After the annual audit, the Committee will review the audit process and consider its effectiveness.

Appointment of the auditor

Following a review of its independence and objectivity, the Committee has recommended to the Board that re-appointment of MKS as the Company's auditor be proposed to shareholders at the forthcoming AGM. MKS has expressed its willingness to continue as the Company's auditor.

MKS was first appointed as the Group's external auditor on 23 June 2021, following a competitive tender process. During the year, Jonathan Russell replaced Jonathan Sutcliffe as the audit partner and this is his first year conducting the Company's audit. In accordance with FRC guidance in relation to the statutory audits of public interest entities, it is intended that the external audit will be put out to tender with the latest time being during the 2030 financial year.

Audit fees and non-audit services

The Committee has sole responsibility for agreeing the audit fee.

An analysis of audit fees is set out below:

Audit fees	Year ended 30 June 2026 £'000	Year ended 30 June 2025 £'000
Statutory audit of Annual Report and Accounts (current year)	79	84
Statutory audit of Subsidiary Accounts	13	13
Statutory audit of Annual Report and Accounts (additional fee on data migration)	–	7
	92	**104**

The Committee has a policy on the engagement of the auditor to supply non-audit services, with prior authorisation of all such services required. Any non-audit services are reviewed by the Committee which makes recommendations for the provision of each non-audit service and ensures that the statutory auditor is not engaged to perform work that is prohibited under UK law.

The non-audit services policy was reviewed, and its application monitored by the Committee during the year and it was agreed that the policy remained appropriate for the Group.

MKS has not provided any non-audit services to the Group.

Rob Maybury
Audit Committee Chair
28 October 2026

Directors' Remuneration Report

This Directors' Remuneration Report for the year ended 30 June 2026 has been prepared in accordance with the Companies Act 2006 and the applicable reporting regulations. The report is presented in two sections: the Remuneration Policy, which sets out the Company's policy on directors' remuneration and was last approved by shareholders at the 2023 annual general meeting; and the Annual Report on Directors' Remuneration, which sets out the remuneration paid to directors for the year ended 30 June 2026 and will be subject to an advisory shareholder vote at the forthcoming annual general meeting.

The Group has no executive directors or employees and, accordingly, operates a straightforward remuneration structure which reflects the duties, responsibilities and time commitment of the non-executive directors. During the year, directors' fees were increased to reflect the additional time commitment and governance responsibilities associated with the role, with fee levels benchmarked against companies of a comparable size and nature.

The Directors' Remuneration Policy was last approved by shareholders at the Company's annual general meeting held on 15 November 2023 and took effect from the conclusion of that meeting. In accordance with section 439A of the Companies Act 2006, the policy must be approved by shareholders at least once every three years and is therefore next due to be submitted for a binding shareholder vote at the Company's forthcoming annual general meeting in December 2026. The Board confirms that the policy remains unchanged from that approved by shareholders in 2023 and has been applied consistently throughout the year under review. The Board considers that the policy remains appropriate for the Company's size, structure and status as an externally managed investment company. Full details of the policy, together with details of the remuneration paid to directors for the year ended 30 June 2026, are set out on pages 38 to 40.

Remuneration Policy

Overview

All directors are non-executive, and the Company follows the recommendation of the UK Code that non-executive directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of non-executive directors should support the strategic objectives of the Company, reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments. The Group has no employees and consequently has no policy on the remuneration of employees.

Fees are reviewed annually in accordance with the above policy. The fee for any new director appointed to the Board will be determined on the same basis. No element of the Directors' remuneration is performance related, nor does any director have any entitlement to bonus schemes, pension schemes, share options or any long-term incentive schemes from the Company.

Service Contracts

Directors do not have service contracts with the Company but are engaged under letters of appointment, copies of which are available for inspection at the Company's registered office. None of the directors has a contract of service with the Group.

Directors Term of Office

Directors are not appointed for a specific term and will stand for annual re-election at the Company's annual general meetings.

Loss of Office

The letters of appointment specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Relations with Shareholders

The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy as a part of any review of directors' fees.

Policy Table

Component	Operation	Link to Strategy
Annual Fee	The Board has set three levels of fees: one for a director and additional levels for the chair of the Audit Committee and the chair of the Board. The approval of shareholders would be required to increase the aggregate limit of £400,000 for directors' remuneration, set out in the Company's Articles.	The level of the annual fee has been set to attract and retain high calibre directors with the skills and experience necessary for the role. The fee has been benchmarked against companies of a similar size in the sector, having regard to the time commitment and expected contribution to the role.
Additional Service Fee	The Company's Articles provide that if any director shall perform or render any special duties or services outside his ordinary duties as a director, he may be paid such reasonable additional fees as may be considered appropriate.	The additional fee offers flexibility for a director to be awarded additional remuneration to adequately compensate a director for any special services or services outside his ordinary duties where this is considered appropriate for the effective functioning of or in furtherance of the Company's aims.
Other Benefits	The Company's Articles provide that directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.	In line with market practice, the Company will reimburse directors for expenses to ensure that they are able to carry out their duties effectively.

Annual Report on Directors' Remuneration

The Board has resolved that a remuneration committee is not appropriate for a company of this nature and a Board of this size. Remuneration therefore forms part of the Board's responsibilities. All Directors are non-executive and all participate in meetings of the Board at which Directors' remuneration is considered.

The level of directors' fees for the year and the preceding year are set out below.

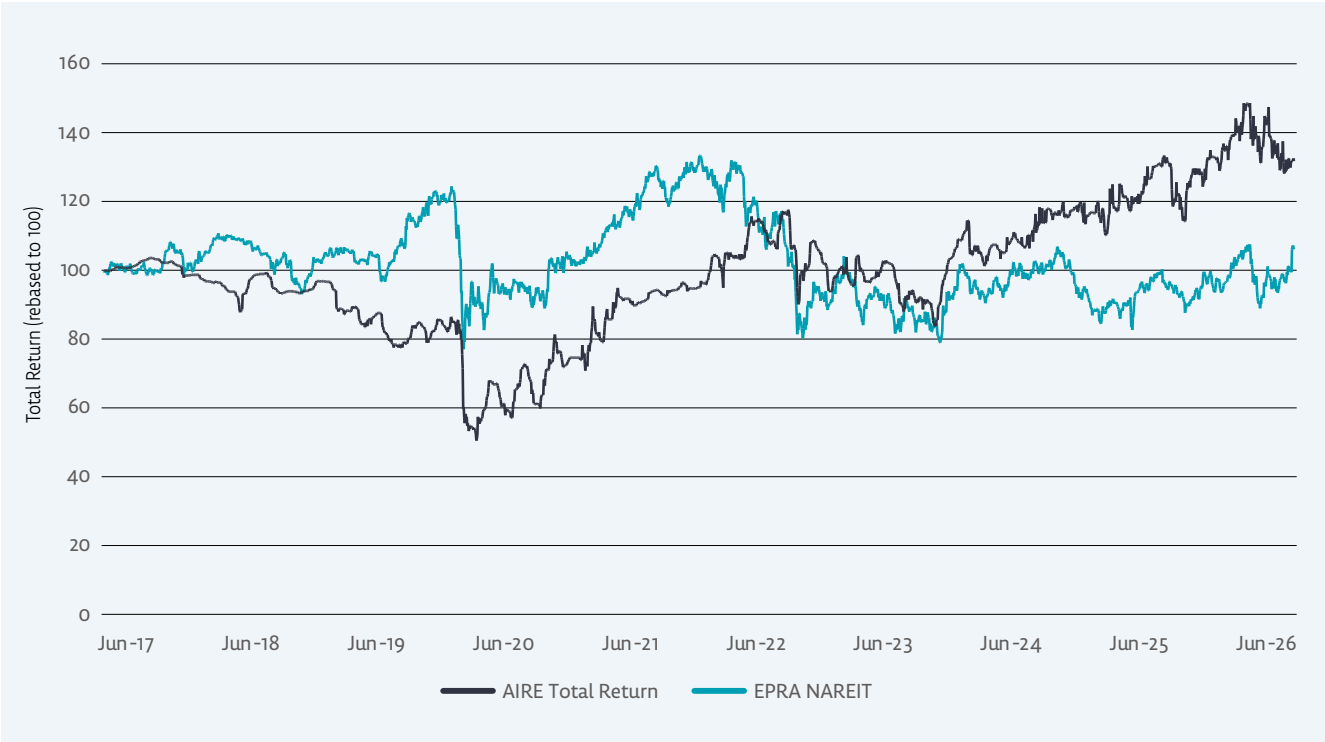
	2026 (£)	2025 (£)
Chairman	44,250	42,000
Audit Committee Chair	36,875	35,000
Director	29,500	28,000

An ordinary resolution will be put to shareholders at the forthcoming AGM to receive and approve the Directors' Remuneration Report. This is an advisory vote only.

Performance of the Company

The chart below compares the share price total return, assuming all dividends re-invested, with the total returns of the FTSE EPRA Nareit UK and FTSE Small Cap Index over the period since the Company's admission to trading to 30 June 2026. The FTSE EPRA Nareit UK Index is considered the most relevant sector benchmark for the Company, while the FTSE Small Cap Index provides a broader comparator against the wider UK equity market.

Total Return vs NAREIT



Directors' fees for 2026 (audited)

The remuneration paid to the directors during the year ended 30 June 2026 is set out in the table below. The Company maintains and pays for directors' and officers' liability insurance cover on the directors' behalf.

	2026			2025		
	Total Fixed Remuneration	Total Expenses	Total Fees	Total Fixed Remuneration	Total Expenses	Total Fees
	(£)	(£)	(£)	(£)	(£)	(£)
Simon Bennett	64,250[1]	827	65,077	42,000	1,770	43,770
Stephanie Eastment	36,875	63	36,938	35,000	64	35,064
Adam Smith[2]	29,500	–	29,500	28,000	–	28,000
Total	**110,625**	**890**	**111,515**	**105,000**	**1,834**	**106,834**

1 Simon Bennett received an additional payment of £20,000 during the period in relation to refinancing work.
2 Resigned on 6 July 2026 and reappointed on 15 September 2026.

Directors' Interests (audited)

Neither the Company's Articles, nor the directors' letters of appointment require a director to own shares in the Company. The interests of the directors and their persons closely associated in the equity of the Company at 30 June 2026 are shown in the table below. There have been no changes to the below holdings since the year end and up to the date of this report.

	2026 Number of shares	2025 Number of shares
Simon Bennett	0	0
Stephanie Eastment[1]	55,000	55,000
Adam Smith[2]	21,225,461	21,225,461

1 25,920 Ordinary Shares are held by Stephanie Eastment and 29,080 are held by persons closely associated with Stephanie Eastment.
2 19,325,461 Ordinary Shares were held by Glenstone REIT plc and 1,900,000 Ordinary Shares were held by Lecram Holdings Ltd, persons closely associated with Adam Smith (2025: 20,155,461 and 1,900,000, respectively); he did not hold any shares in his own name. Adam Smith resigned on 6 July 2026.

None of the directors or persons closely associated with them had a material interest in the Group's transactions, arrangements or agreements during the year.

Relative Importance of Spend on Pay

The table below sets out, in respect of the year ended 30 June 2026, the remuneration paid to the directors. The management fee and dividends incurred are shown to give shareholders a greater understanding of the relative importance of spend on pay.

	2026 £'000	2025 £'000
Directors' remuneration	111	105
Investment Adviser fee	380	360
Dividends	4,629	5,052

Consideration of Shareholder Views

During the year, the Company did not receive any communications from shareholders regarding directors' pay.

Statement of AGM Voting

The Directors' Remuneration Policy was last approved by shareholders at the 2023 AGM. The Directors' Remuneration Report (excluding the Directors' Remuneration Policy) was subject to an advisory vote at the 2025 AGM. The results of those votes are shown below:

Voting	Remuneration Report	Remuneration Policy
For – number of votes cast	6,744,569 (94.39%)	25,145,991 (99.60%)
Against – number of votes cast	400,752 (5.61%)	100,558 (0.40%)
Total votes cast	7,145,321	25,246,549
Number of votes withheld	91,553	70,908

Approval

The Directors' Remuneration Report has been approved by the Board and signed on its behalf by:



Adam Smith
Chairman
28 October 2026

Directors' Report

The Directors' Report, prepared in accordance with the requirements of the Companies Act 2006 and the FCA's UK Listing Rules and the Disclosure Guidance and Transparency Rules, comprises pages 41 to 42, and incorporates the Corporate Governance Statement on pages 32 to 35. In accordance with s414c(11) of the Companies Act 2006, information required to be disclosed in respect of future developments and principal risks and uncertainties is included within the Strategic Report.

Principal Activity

The Company is a closed-ended investment company and is a Real Estate Investment Trust. The Company is a holding company of two wholly owned subsidiaries. The Group invests in properties in accordance with the Investment Objective and Investment Policy.

Results and Dividends

The interim dividends paid by the Company are set out in Note 9 of the Consolidated Financial Statements. A summary of the Group's performance during the year, significant events following the year end and future developments is set out in the Strategic Report on pages 1 to 29.

Directors

The directors in office at the date of this report and subsequent to the year end are shown on page 31. Post year end there have been a number of changes to the Board which are set out on page 31.

Power of Directors

The directors' powers are determined by UK legislation and the Articles. The Articles may be amended by a special resolution of the members. The directors may exercise all of the Company's powers provided that the Articles or applicable legislation do not stipulate that any such powers must be exercised by the members. The Articles govern the appointment and replacement of directors.

Directors' indemnity and insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 30 June 2026 and up to the date of approval of this Report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person. The Company maintains Directors' and Officers' liability insurance.

The Board has agreed to a procedure by which directors may seek independent professional advice if necessary and at the Company's expense. The Company has also arranged for the appropriate provision of Directors' and Officers' Liability Insurance.

Annual General Meeting

The Company's 2026 AGM will be held on Monday, 7 December 2026 at 10:00 am at the offices of JTC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF, the Notice of Annual General Meeting has been set out on pages 85 to 90 of this report.

Voting Entitlement

Each shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary Share held. The Notice of AGM and Form of Proxy stipulate the deadlines for the valid exercise of voting rights and, other than with regard to directors not being permitted to vote their Ordinary Shares on matters in which they have an interest.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Share Capital

At 30 June 2026, and at the date of this report, there are 80,500,000 £0.01 Ordinary Shares in issue, none of which are held in treasury.

Purchase of Own Shares

At the Company's AGM on 10 November 2025, shareholders approved Resolution 12, granting the Company authority to purchase up to 10% of the Company's issued Ordinary Share capital. No shares were bought back under this authority during the year. The authority will expire at the conclusion of the Company's 2026 AGM. Resolution 12 to be proposed at the 2026 AGM seeks to renew the Company's authority to purchase, either for cancellation or to hold in treasury, up to 8,050,000 Ordinary Shares (being 10% of the issued Ordinary Share capital at the date of this report). Any purchases would be made in the market and prices will be in accordance with the terms laid out in the Notice of AGM. The authority will be used where the directors consider it to be in the best interests of shareholders.

Income Entitlement

The profits of the Company available for distribution and determined to be distributed shall be distributed by way of interim or final dividends among the holders of Ordinary Shares.

Capital Entitlement

After meeting the liabilities of the Company on a winding-up, the surplus capital and assets shall be paid to the holders of Ordinary Shares and distributed among such holders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.

Requirements of the UK Listing Rules

UKLR 6.6.1 requires the Company to include specified information in a single identifiable section of the annual report or a cross-reference table indicating where the information is set out. The directors confirm that there are no disclosures required in relation to UKLR 6.6.1.

Substantial Shareholdings

At 30 June 2026 the Company had been notified under Disclosure Guidance and Transparency Rule ('DTR') 5 of the following significant holdings of voting rights in its Ordinary Shares. These holdings may have changed since notification; however, notification of any change is not required until the next applicable threshold is crossed.

Shareholder	Number of Ordinary Shares held	% of Total Voting Rights
Glenstone REIT plc*	19,325,461	24.01
Hargreaves Lansdown, stockbrokers (EO)	19,066,672	23.69
Interactive Investor (EO)	11,230,658	13.95
AJ Bell, stockbrokers (EO)	6,279,368	7.80
Hawksmoor Investment Management	4,965,664	6.17
HSDL, stockbrokers (EO)	2,308,507	2.87
VT Redlands Property Portfolio	3,353,000	4.17

* Includes AIRE Shares held by Glenstone's wholly owned subsidiaries.

Since year end the following changes have been notified to the Company:

Glenstone REIT plc* 70,101,776 Ordinary Shares held representing 87.08% of Total Voting Rights

Related Party Transactions

Related party transactions for the year ended 30 June 2026 can be found in Note 19 to the Consolidated Financial Statements.

Research and Development

No expenditure on research and development was made during the year (2025: Nil).

Donations and Contributions

No political or charitable donations were made during the year (2025: Nil).

Branches Outside the UK

There are no branches of the business located outside the United Kingdom.

Subsidiary companies

Details of the Company's subsidiaries are set out in Note 15 to the Consolidated Financial Statements.

Management Arrangements

Martley Capital Real Estate Investment Management Ltd ('Martley Capital') is the Investment Adviser. The Investment Adviser is appointed under a contract subject to six months' notice.

With effect from 1 January 2026 the terms of the management fee have been altered so that the Investment Adviser shall be entitled to receive a rate equivalent of 0.50% per annum of NAV (subject to a minimum fee of £400,000 per annum) payable quarterly in advance. This fee is subject to an annual increase from 1 January each year in line with the percentage change in the Retail Prices Index (RPI) published by the UK Office for National Statistics subject to a minimum annual increase of 3% and a maximum annual increase of 5%.

During the year the Group incurred £380,000 in respect of investment advisory fees to Martley Capital (2025: £360,000). No amounts were accrued at the year-end (2025: £ nil).

The Investment Adviser has delegated authority to act within defined parameters. Where decisions outside pre-approved criteria are required, specific approval is required from the Board and AIFM. The investment adviser's role is to provide the Group with: investment advice and support; administrative services including reporting, fund accounting and budgeting; asset management; operational advice; and debt adviser advice.

Langham Hall Fund Management LLP is the Group's AIFM, and specific disclosures, including the remuneration of the AIFM as required by the AIFM Directive, are set out on page 43.

Financial Risk Management

Financial risk management and policies can be found in Note 17 to the Consolidated Financial Statements.

Contracts of Significance

There are no contracts of significance of the Company or a subsidiary in which a director is or was materially interested or to which a controlling shareholder was a party.

Statement of Disclosure of Information to Auditor

So far as each director is aware there is no relevant information, which would be needed by the Group's auditor in connection with preparing their audit report (which appears on pages 45 to 48), of which the auditor is not aware; and each director, in accordance with section 418(2) of the Companies Act 2006, has taken all reasonable steps that he ought to have taken as a director to make himself aware of any such information and to ensure that the auditor is aware of such information.

Information Included in the Strategic Report

The information that fulfils the reporting requirements relating to the Group's business during the year and likely future developments can be found on pages 1 to 29.

The Directors' Report has been approved by the Board and signed on its behalf by:



Adam Smith
Chairman
28 October 2026

Information Disclosures under the AIFM Directive ('AIFMD')

Langham Hall Fund Management LLP (the 'AIFM') is authorised by the FCA as a Collective Portfolio Management Investment Firm under the AIFM directive, and was authorised as such, with effect from 21 February 2017.

Requirements for compliance with the Alternative Investment Fund Managers Directive in the UK are set out in the FCA Investment Funds sourcebook. The FCA's general guidance on the AIFM Remuneration Code (SYSC 19B) (the 'Code') was published in January 2014. Under the Code, the senior management committee in its oversight of the AIFM must make relevant remuneration disclosures no later than six months following the end of the financial year, splitting remuneration into fixed and variable remuneration.

The senior management committee approves the list of AIFM Code staff annually. In addition, AIFM Code staff are notified of their status and the implications of this annually.

Remuneration policy

The senior management committee of the AIFM has established a remuneration policy and its purpose is to ensure that the remuneration of its members and employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFM and the AIFs it manages.

This policy applies to the AIFM and Alternative Income REIT PLC as the AIF.

Employee remuneration disclosure

The table below provides an overview of the following:

- Remuneration paid by the AIFM to all staff.

	Headcount	Remuneration (£)
The AIFM's staff		
Fixed remuneration	26	1,538,609
Variable remuneration	25	72,795

Statement of Directors' Responsibilities
in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the Group and parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with the UK adopted international accounting standards. The directors have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with Companies Act 2006 and in accordance with UK adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company, or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the parent Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the Consolidated Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that the Annual Report and the Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the Board



Adam Smith
Chairman
28 October 2026

Independent Auditor's Report to the Members of Alternative Income REIT PLC

Opinion

We have audited the financial statements of Alternative Income REIT Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2026 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Our group audit was scoped by obtaining an understanding of the group and the parent company and their environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. Throughout the year, the group had two components other than the parent company whose transactions and balances are included in the consolidated financial statements. Both components, being, Alternative Income REIT Holdco Limited and Alternative Income Limited, were considered to require a full scope audit. All work on the group audit, the audit of the parent company and the audit of these components was carried out by the group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our scope addressed this matter
Investment property valuations (Group - £99,427,000 and Company - £1,593,000) *Refer to note 2.2 in relation to significant estimates and accounting policies.* *Refer to note 10 in relation to Investment property for the group and note 2b for the company only financial statements.* The valuation of investment property requires significant judgements and estimates to be made by the Directors and the independent valuer and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation. Each property's fair value is impacted by a number of factors, but in particular future rental income and market yields applied thereto, which in turn are impacted by the location, quality and condition of the building and tenant covenant.	**Our audit procedures included:** • We obtained the valuation report prepared by the Directors' independent valuer and discussed the basis of the valuation and key inputs with them. • We confirmed that the basis of the valuations was in accordance with the requirements of the relevant accounting standards. • We assessed and confirmed the external valuer's qualifications, independence and basis of valuation. • We appointed a third-party expert to review the independent valuer's valuation report, considering the appropriateness of the methodology and financial inputs to the fair value calculation utilised. • We tested the key financial inputs the independent valuation experts base their valuation on, being rental income for all properties. We tested 100% of revenue recognised and agreeing the revenue for the period to the revenue utilised by the external experts. • We discussed, critically assessed and challenged the outcomes of the third-party expert review with the independent valuer to gain assurance over the assumptions and obtained the relevant evidence to support these. We have reviewed the disclosures of judgements used in valuations and impact of sensitivities on the valuations. **Our results:** We concluded that the valuation of investment properties and disclosures of the associated level of uncertainty are acceptable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including disclosure omissions, could reasonably influence the economic decisions of users that are taken on the basis of the financial statements.

Materiality for the Group financial statements was set at £1,070,000 (2025: £1,112,000), determined with reference to the benchmark of 1% of total assets (2025: 1%). We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be the principal benchmark which the users of the financial statements would consider in assessing the financial performance of the Group.

Performance materiality is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessment, together with our assessment of the Group's overall control environment, our judgement was that performance materiality for the Group should be 50% of overall financial statements materiality £535,000 (2025: £556,000).

Specific materiality was determined for the measurement of other account balances and classes of transactions not related to investment property. A misstatement of less than materiality for the Group financial statements as a whole could influence the economic decisions of users. As a result, we determined that specific materiality for these areas should be £249,000 (2025: £129,350), based on 5% (2025: 5%) of the average profit of the prior two years less change in property value. We further applied a performance materiality level of 50% (2025: 50%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

We determined that the same benchmark as the Group was appropriate for determining materiality for the Parent Company. Subsidiary investment balances were removed from the gross assets total in this calculation as they are a non-operating asset that do not impact the core financial performance of the Parent Company. Materiality for the Parent Company was set at £773,000 (2025: £19,000) and performance materiality at £386,000 (2025: £9,500).

We agreed to report to the Board any corrected or uncorrected identified misstatements exceeding £53,000 (2025: £55,600) for the Group and £38,000 (2025: £950) for the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included the following considerations:

- We have reviewed and challenged management over the forecasts (cash flow forecasts, profit and balance and balance sheet forecasts) that support the Going Concern Statement and the Viability Statement.
- We have agreed the Group's borrowing facilities and the related covenants to supporting financing documentation and calculations. We have critically assessed the forecast cash flows with reference to budgeted and historic performance by agreeing the inputs and assumptions to supporting documentation.
- We have reviewed cash balances at the year end and assessed whether sufficient liquidity was available to support the group's operations for at least 12 months from the date of approval of the financial statements.
- We have evaluated the group's net asset position at the reporting date and considered whether the level of net assets provided evidence of financial stability and support for the going concern basis of preparation.
- We assessed forecast results against historical performance and performed budget-to-actual analyses to assess the reliability of management's forecasting process.
- We assessed the adequacy and appropriateness of the going concern disclosures included within the financial statements.
- We obtained written representations from management and those charged with governance supporting their assessment that the Group remains a going concern.
- We have challenged the assumptions made by management by comparing them to historical performance and conducted sensitivity analysis on the key areas, such as rent recoverability and covenant compliance headroom with reference to future changes in property valuations and the Group's future financial performance.
- We have obtained loan information for loans settled during the period, confirming payment of all outstanding balances, including interest payments and associated fees.
- We have performed testing over all new loans entered into during the period, obtaining new loan agreements, tracing cash received to the bank account and confirming compliance with all applicable covenants.
- We reviewed the Group's financing arrangements, borrowing facilities and related covenant calculations as well as assessed potential covenant breaches.
- Reviewed the updated going concern memo prepared post transition of ownership, agreeing the key disclosures to supporting information and testing the budgeted projections to expected revenue and income figures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit.

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 44;
- Directors' explanation as their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 44;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meet its liabilities set out on page 37;
- Directors' statement on fair, balanced and understandable financial statements set out on page 36;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 22;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 35;
- Section describing the work of the audit committee set out on page 36.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 44, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/

This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK adopted international financial reporting standards, UK Generally Accepted Accounting Practice, the Listing Rules, the Disclosure and Transparency Rules, and the UK Real Estate Investment Trust ('REIT') regime.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address

We were appointed by the shareholders on 10 November 2025 to audit the financial statements for the period ending 30 June 2026. Our total uninterrupted period of engagement is six years, covering the period ending 30 June 2021 to 30 June 2026.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit board.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.



Jonathan Russell (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
28 October 2026

9 Appold Street
London
EC2A 2AP

Financial Statements

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Notes	2026 £'000	2025 £'000
Income			
Rental and other income	3	8,891	8,570
Property operating expense	4	(709)	(781)
Net rental and other income		**8,182**	**7,789**
Other operating expenses	4	(1,784)	(1,066)
Operating profit before fair value changes and gain on disposal		**6,398**	**6,723**
Change in fair value of investment properties	10	(350)	1,970
Gain on disposal of investment property	10	313	–
Operating profit		**6,361**	**8,693**
Finance expenses	6	(2,024)	(1,435)
Profit before tax		**4,337**	**7,258**
Taxation	7	–	–
Profit and total comprehensive income attributable to shareholders		**4,337**	**7,258**
Earnings per share (basic and diluted)	8	**5.39p**	**9.02p**
EPRA EPS (basic and diluted)	8	**6.34p**	**6.57p**
Adjusted EPS (basic and diluted)	8	**5.59p**	**6.72p**

All items in the above statement are derived from continuing and total operations. No operations were acquired or disposed of during the year.

The accompanying Notes 1 to 20 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 30 June 2026

	Notes	2026 £'000	2025 £'000
Non-current Assets			
Investment properties	10	99,427	103,777
Current Assets			
Trade and other receivables	11	4,522	4,236
Cash and cash equivalents		2,307	3,148
Total current assets		6,829	7,384
Total Assets		**106,256**	**111,161**
Current Liabilities			
Trade and other payables	12	(3,441)	(2,878)
Interest bearing loans and borrowings	13	–	(40,956)
Total current liabilities		**(3,441)**	**(43,834)**
Non-current Liabilities			
Interest bearing loans and borrowings	13	(35,780)	–
Total non-current liabilities		**(35,780)**	**–**
Total Liabilities		**(39,221)**	**(43,834)**
Net Assets		**67,035**	**67,327**
Equity			
Share capital	16	805	805
Capital reserve	2	60,750	65,379
Retained earnings		5,480	1,143
Total capital and reserves attributable to equity holders of the Company		**67,035**	**67,327**
Net Asset Value per share (basic and diluted)	8	**83.27p**	**83.64p**
EPRA Net Tangible Asset per share (basic and diluted)	8	**83.27p**	**83.64p**

The accompanying Notes 1 to 20 form part of these Consolidated Financial Statements.

The Consolidated Financial Statements were approved by the Board of Directors on 28 October 2026 and were signed on its behalf by:



Adam Smith
Chairman
Company number: 10727886

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Notes	Share capital £'000	Capital reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 30 June 2026					
Balance at 30 June 2025		**805**	**65,379**	**1,143**	**67,327**
Total comprehensive income attributable to shareholders		–	–	4,337	4,337
Dividends paid	9	–	(4,629)	–	(4,629)
Balance at 30 June 2026		**805**	**60,750**	**5,480**	**67,035**
For the year ended 30 June 2025					
Balance at 30 June 2024		**805**	**70,431**	**(6,115)**	**65,121**
Total comprehensive income attributable to shareholders		–	–	7,258	7,258
Dividends paid	9	–	(5,052)	–	(5,052)
Balance at 30 June 2025		**805**	**65,379**	**1,143**	**67,327**

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Notes	2026 £'000	2025 £'000
Cash flows from operating activities			
Profit before tax		4,337	7,258
Adjustment for:			
Finance expenses	6	2,024	1,435
Gain on disposal of investment property	10	(313)	–
Change in fair value of investment properties	10	350	(1,970)
Operating results before working capital changes		**6,398**	**6,723**
Change in working capital			
(Increase)/decrease in receivables and prepayments		(391)	2,228
Increase/(decrease) in other payables and accrued expenses		562	(12)
Net cash flow generated from operating activities		**6,569**	**8,939**
Cash flows from investing activities			
Purchase of investment property	10	–	(2,724)
Net proceeds from disposal of investment property	10	4,464	–
Net cash generated/(used in) from investing activities		**4,464**	**(2,724)**
Cash flows from financing activities			
Debt repayment		(41,000)	–
HSBC term loan drawdown		31,000	–
HSBC RCF drawdown		10,000	–
Repayment of RCF		(4,416)	–
Finance costs paid		(1,895)	(1,307)
Refinance costs paid		(934)	–
Dividends paid	9	(4,629)	(5,052)
Net cash used in financing activities		**(11,874)**	**(6,359)**
Net decrease in cash and cash equivalents		(841)	(144)
Cash and cash equivalents at beginning of year		**3,148**	**3,292**
Cash and cash equivalents at end of year		**2,307**	**3,148**

The accompanying Notes 1 to 20 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

1. Corporate Information

Alternative Income REIT PLC (the 'Company') is a public limited company and a closed ended Real Estate Investment Trust ('REIT') incorporated on 18 April 2017 and domiciled in the UK and registered in England and Wales. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF.

The Company's Ordinary Shares are listed on the closed-ended investment funds category of the Official List of the Financial Conduct Authority ('FCA') and have been traded on the Main Market of the London Stock Exchange since the Company's IPO on 6 June 2017.

The nature of the Group's operations and its principal activities are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation

These consolidated financial statements (the 'financial statements') are prepared and approved by the directors in accordance with UK adopted International Accounting Standards ('IFRS') and in accordance with the Companies Act 2006 as applicable to companies reporting under those standards and the UK adopted International Accounting Standards ('IAS') Regulations.

These financial statements have been prepared under the historical cost convention, except for investment properties that have been measured at fair value.

The financial statements are presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000), except where otherwise indicated.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and its subsidiaries (the 'Group').

Subsidiaries are the entities controlled by the Company, being Alternative Income Limited and Alternative Income REIT Holdco Limited.

New standards, amendments and interpretations, and forthcoming requirements

Standards effective from 1 July 2025

Certain new accounting standards and interpretations have been published that are not mandatory for annual periods beginning after 1 July 2025 and early application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards (effective 1 January 2026), comprising amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows
- Presentation and Disclosure in Financial Statements – IFRS 18 (effective 1 January 2027)
- Subsidiaries without Public Accountability: Disclosures – IFRS 19 (effective 1 January 2027)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective date to defer indefinitely)

IFRS 18 will replace IAS 1 Presentation of financial statements for annual periods beginning on or after 1 January 2027. While IFRS 18 will not impact the recognition or measurement of items in the financial statements, including net asset value ('NAV'), it will introduce significant changes to the presentation and disclosure requirements. The Group is currently assessing the impact of adopting IFRS 18 on its consolidated financial statements.

The Group is also evaluating the impact of the amendments to IFRS 9 and IFRS 7, particularly in relation to the classification of financial assets and enhanced disclosure requirements.

The other new standards and amendments listed above which are not yet effective are not expected to have a material impact on the Group in the current or future periods.

2.2 Significant accounting judgements and estimates

In the application of the Group's accounting policies the directors are required to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Valuation of investment properties

The fair value of investment properties is determined by external property valuation experts to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. The Group's properties have been valued on an individual basis. The valuation experts use recognised valuation techniques, applying the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation. Factors include current market conditions, annual rentals, the contractual terms of the leases and their lengths and location. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Note 10.

The information provided to the valuers, and the assumptions and valuation models used by the valuers, are reviewed by the Board and the Audit Committee.

Principal versus agent considerations – services to tenants

The Group arranges for certain services to be provided to tenants. These arrangements are included in the contract the Group enters into as a lessor. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. The Group has determined that it is primarily responsible for fulfilling these services as it directly deals with tenants' complaints and is primarily responsible for the quality or sustainability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

REIT status

The Group is a REIT and does not pay tax on its property income or gains on property sales, provided that at least 90% of the Group's property income is distributed as a dividend to shareholders, which becomes taxable in their hands. In addition, the Group has to meet certain conditions such as ensuring the property rental business represents more than 75% of total profits and assets. Any potential or proposed changes to the REIT legislation are monitored and discussed with HMRC. It is the Board's intention that the Group will continue as a REIT for the foreseeable future.

2.3 Segmental information

Each property held by the Group is reported to the chief operating decision maker. In the case of the Group, the chief operating decision maker is considered to be the Board of Directors. The review process for segmental information includes the monitoring of key performance indicators applicable across all properties. These key performance indicators include Net Asset Value, Earnings per Share and valuation of properties. All asset cost and rental allocations are also reported by property. The internal financial reports received by the directors cover the Group and all its properties and do not differ from amounts reported in the financial statements. The directors have considered that each property has similar economic characteristics and have therefore aggregated the portfolio into one reportable segment under the provisions of IFRS 8.

2.4 Going concern

The financial statements have been prepared on a going concern basis.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The robust financial position of the Group, its net asset and current asset positions, its cash flows, liquidity position and borrowing facilities are described in the financial statements and the accompanying notes. The financial statements also include the Group's objectives, policies and processes for managing its capital, its financial risk management objective and its exposures to market price risk, real estate risk, credit risk and liquidity risk.

The Investment Adviser on behalf of the Board has projected the Group's cash flows for the period up to 30 September 2029, challenging and sensitising inputs and assumptions to ensure that the cash forecast reflects a realistic outcome given the uncertainties associated with the current economic environment. A longer-term projection had also been carried out up to 30 June 2030. The scenarios applied were designed to be severe but plausible, and to take account of the availability of mitigating actions that could be taken to avoid or reduce the impact or probability of the underlying risks.

The Group refinanced its debt of £41 million on 20 October 2025 and the Group has reported full compliance with its loan covenants to date. Based on cash flow projections, the directors expect the Group to continue to remain compliant. The headroom of the loan to value covenant is significant and any reduction in property values that would cause a breach would be significantly more than any reduction currently envisaged.

The Group has borrowings of £41 million under a loan facility repayable on 20 October 2030 with HSBC. The HSBC Bank Facilities consist of both a fixed term loan of £31 million and a £10 million revolving credit facility, both on floating rates and on a fixed term of five years with an option to extend by two years if mutually acceptable. Details of the HSBC Bank Facilities are contained in Note 13 which include covenant details, all of which will be reported in accordance with the Group's risk management procedures and policies.

Based on the above, the Board believes that the Group has the ability and resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

2.5 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Functional and presentational currency

These financial statements are presented in Pound Sterling (£), which is the functional and presentational currency of the Group and its subsidiary undertakings. The functional currency of the Group and its subsidiaries is principally determined by the primary economic environment in which it operates. The Group did not enter into any transactions in foreign currencies during the period.

b) Revenue recognition

i) Rental income

Rental income under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income, which is recognised when it arises. For leases, which contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight-line basis over the lease term.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Lease modifications, such as lease extensions and rent reductions, are accounted for either as a separate lease or not as a separate lease.

A modification will only be treated as a separate lease if it involves the addition of one or more underlying assets at a price that is commensurate with the standalone price of the increase in scope. All other modifications are not treated as a separate lease.

If a modification is a separate lease, a lessee applies the requirements of IFRS 16 to the newly added asset, due as a result of the modification, independently of the original lease. The accounting for the original lease continues unchanged.

If a modification is not a separate lease, the accounting reflects that there is a linkage between the original lease and the modified lease. The existing lease liability is remeasured with a corresponding adjustment to the right-of-use asset on the effective date of the modification.

ii) Service charges and direct recharges

Revenue from service charges is recognised in the accounting period in which the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

iii) Deferred income

Deferred income is rental income received in respect of future accounting periods.

iv) Dilapidation and lease surrender premium

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Consolidated Statement of Comprehensive Income when the right to receive them arises.

c) Financing income and expenses

Financing income comprises interest receivable on funds invested. Financing expenses comprise interest and other costs incurred in connection with the borrowing of funds. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method which is significantly the same as the contracted interest.

d) Investment property

Property is classified as investment property when it is held to earn rentals or for capital appreciation or both. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the replacement of that part will prolong or improve the life of the asset.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in profit or loss, included as part of operating profit under change in fair value of investment properties.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, which are expected to accrue to the Group. All other property expenditure is expensed in the Group profit or loss as incurred.

Investment properties are valued by the external valuer. Any valuation of investment properties by the external valuer must be undertaken in accordance with the current issue of RICS Valuation – Professional Standards (the 'Red Book').

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and yield applicable to those cash flows.

For the purposes of the financial statements, the assessed fair value is:

- reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives; and
- increased by the carrying amount of leasehold obligations.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected after its disposal or withdrawal.

The profit on disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period. Any gains or losses on the retirement or disposal of investment property are recognised in profit or loss in the year of retirement or disposal.

e) Cash and cash equivalents
Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less.

f) Receivables and prepayments
Rent and other receivables are initially recognised at fair value and subsequently at amortised cost. Impairment provisions are recognised based on the process as described in Note 2.2. Any adjustment is recognised in profit or loss as an impairment gain or loss.

g) Other payables and accrued expenses
Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

h) Interest bearing loans and borrowings
All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowing costs are included in the effective interest rate calculation.

i) Provisions
A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

j) Dividend payable to shareholders
Dividends due to the Company's Shareholders are recognised when they become legally payable, as a reduction in the Consolidated Statement of Changes in Equity. Interim equity dividends are recognised when paid. Final equity dividends will be recognised when approved by Shareholders at an AGM. The Directors consider the aggregate of distributable reserves in considering the recommendation and payment of a dividend.

k) Share issue costs
The costs of issuing or reacquiring equity instruments (other than in a business combination) are accounted for as a deduction from equity.

l) Lease obligations
Lease obligations relate to the head rent of investment property and are capitalised at the lease commencement, at the lower of fair value of the property and present value of the minimum lease payments and held as a liability within the Consolidated Statement of Financial Position. The lease payments are discounted using the interest rate implicit in the lease. Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

m) Taxes
Corporation tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

As a REIT, the Group is exempt from corporation tax on the profits and gains from its investments, provided it continues to meet certain conditions as per REIT regulations.

Taxation on the profit or loss for the period which is not exempted under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any non-REIT taxable income for the year, using tax rates applicable in the year.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax that is provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the period end date.

n) Non-current assets held for sale
Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Investment properties classified as such are measured at fair value.

o) European Public Real Estate Association ('EPRA')
The Group has adopted the EPRA best practice recommendations. For the year ended 30 June 2026, audited EPS and NAV calculations under EPRA's methodology are included in Note 8 and further unaudited measures are included following the financial statements.

p) Capital and reserves
Share capital
Share capital is the nominal amount of the Company's ordinary shares in issue and is non-distributable.

Capital reserve
The capital reserve represents the cancelled share premium less dividends paid from this reserve. It is a distributable reserve. The share premium account was cancelled in 2017 by Court Order and distributions can be made from this reserve in accordance with the Companies Act 2006, including by way of dividends or share buy backs.

Retained earnings
Retained earnings represent the cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income less dividends paid from this reserve. This reserve is distributable, except for any unrealised gains on investment properties.

2.6 Fair value measurement

The Group measures financial and non-financial assets such as investment properties at fair value at each reporting date.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is defined in IFRS 13 Fair Value Measurement as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on methods described below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to fair value measurement as a whole:

Fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between any of the levels during the year.

Investment property

The valuation of investment property by valuers engaged by the Group who are independently appointed and have the relevant professional qualifications and with recent experience in the location and category of the investment property being valued. Further information in relation to the valuers is provided in Note 10.

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons, and consistent with EPRA's guidance, the valuations of the property portfolio have been classified as Level 3 as defined by IFRS 13. The inputs to the valuations are defined as 'unobservable' by IFRS 13 and these are analysed in Note 10.

3. Rental and other income

	2026	2025
	£'000	£'000
Gross rental income*	8,272	7,916
Spreading of minimum contracted future rent - indexation	183	220
Spreading of tenant incentives - rent free periods	(138)	(214)
Gross rental income (adjusted)	**8,317**	**7,922**
Service charges and direct recharges (see Note 4)	574	648
Total rental and other income	**8,891**	**8,570**

All rental, service charges, direct recharges and other income are derived from the United Kingdom.

* Included in Gross rental income is a lease surrender premium of £335,000 (2025: £nil) which is non-recurring in nature.

4. Expenses

	2026	2025
	£'000	£'000
Property operating expenses	136	133
Service charges and direct recharges (see Note 3)	574	648
Provision for impairment of trade receivables	(1)	–
Property operating expenses	**709**	**781**
Investment Adviser fee	380	360
Operating costs	546	588
Exceptional corporate activity costs*	732	–
Directors' remuneration (Note 5)	126	118
Other operating expenses	**1,784**	**1,066**
Total operating expenses	**2,493**	**1,847**
Total operating expenses (excluding service charges and direct recharges)	**1,919**	**1,199**

* During the year, the Company incurred £0.73 million (2025: £nil) of professional advisory, legal, corporate finance and other costs in connection with evaluating and responding to a number of unsolicited takeover and corporate proposals. These costs are non-recurring in nature.

	2026	2025
	£'000	£'000
Audit		
Statutory audit of Annual Report and Accounts	79	84
Statutory audit of Subsidiary Accounts	13	13
Statutory audit of Annual Report and Accounts (additional fee on data migration)	–	7
Total fees due to auditor	**92**	**104**

5. Directors' remuneration

	2026	2025
	£'000	£'000
Directors' fees	111	105
Tax	14	12
Directors' expenses	1	1
Total fees	**126**	**118**

A summary of the director's remuneration is set out in the Directors' Remuneration Report in the Annual Report.

The Group had no employees during the year.

6. Finance expenses

	2026	2025
	£'000	£'000
Interest payable on loan (Note 13)	1,850	1,307
Amortisation of finance costs (Note 13)	174	128
Total	**2,024**	**1,435**

Interest payable on loan consists of £1,452,000 to HSBC UK Bank Plc and £398,000 to Canada Life. Amortisation of finance costs consists of £129,000 with HSBC plc and £45,000 with Canada Life (2025: £128,000 with Canada Life).

7. Taxation

	2026	2025
	£'000	£'000
Analysis of tax charge in the year		
Profit before tax	**4,337**	**7,258**
Theoretical tax charge at UK corporation tax standard rate of 25.00% (2025: 25.00%)	1,084	1,815
Effects of tax-exempt items under the REIT regime	(1,084)	(1,815)
Taxation for the year	**–**	**–**

The Group maintained its REIT status and as such, no deferred tax asset or liability has been recognised in the current year.

Factors that may affect future tax charges

Due to the Group's status as a REIT and the intention to continue meeting the conditions required to retain approval as a REIT in the foreseeable future, the Group has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Earnings per share ('EPS')and Net Asset Value ('NAV') per share

	2026	2025
EPS:		
Total comprehensive income (£'000)	4,337	7,258
Weighted average number of shares (number)	80,500,000	80,500,000
EPS (basic and diluted)	**5.39p**	**9.02p**
EPRA EPS:		
Total comprehensive income (£'000)	4,337	7,258
Adjustment to total comprehensive income (£'000):		
Change in fair value of investment properties	350	(1,970)
Gain on disposal of investment property	(313)	–
Adjustments for exceptional corporate activity costs	732	–
EPRA earnings (basic and diluted) (£'000)	**5,106**	**5,288**
EPRA EPS (basic and diluted)	**6.34p**	**6.57p**
Adjusted EPS:		
EPRA earnings (basic and diluted) (£'000) – as above	5,106	5,288
Adjustments (£'000):		
Rental income recognised in respect of guaranteed fixed rental uplifts (Note 3)	(183)	(220)
Rental income recognised in respect of rent free periods (Note 3)	138	214
Amortisation of loan finance costs (Note 6)	174	128
Adjustments for exceptional corporate activity costs	(732)	–
Provision/(reversal of provision) for impairment of trade receivables	(1)	–
Adjusted earnings (basic and diluted) (£'000)	**4,502**	**5,410**
Adjusted EPS (basic and diluted)*	**5.59p**	**6.72p**

* Adjusted EPS is a measure used by the Board to assess the level of the Group's dividend payments. This metric adjusts EPRA earnings for non-cash items in arriving at an adjusted EPS as supported by cash flows.

Earnings per share are calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year. As at 30 June 2026 and 2025, there are no dilutive or potentially dilutive equity instruments in existence.

	2026	2025
NAV per share:		
Net assets (£'000)	67,035	67,327
Ordinary Shares (Number)	80,500,000	80,500,000
NAV per share	**83.27p**	**83.64p**

EPRA Net Reinstatement Value ('NRV'), EPRA Net Tangible Assets ('NTA') and EPRA Net Disposal Value ('NDV')

	EPRA NRV	EPRA NTA and EPRA NDV
At 30 June 2026		
Net assets value (£'000)	67,035	67,035
Estimated purchasers' cost (£'000)	6,702	–
	73,737	**67,035**
Ordinary Shares (Number)	80,500,000	80,500,000
Per share measure	**91.60p**	**83.27p**
At 30 June 2025		
Net assets value (£'000)	67,327	67,327
Estimated purchasers' cost (£'000)	6,978	–
	74,305	**67,327**
Ordinary Shares (Number)	80,500,000	80,500,000
Per share measure	**92.30p**	**83.64p**

9. Dividends

All dividends were paid as PIDs	Quarter Ended	Rate	2026 £'000	2025 £'000
Dividends in respect of year ended 30 June 2024				
4th dividend	30-Jun-24	1.625p	–	1,308
Dividends in respect of year ended 30 June 2025				
1st dividend	30-Sep-24	1.550p	–	1,248
2nd dividend	31-Dec-24	1.550p	–	1,248
3rd dividend	31-Mar-25	1.550p	–	1,248
4th dividend	30-Jun-25	1.550p	1,248	–
Dividends in respect of year ended 30 June 2026				
1st dividend	30-Sep-25	1.400p	1,127	–
2nd dividend	31-Dec-25	1.400p	1,127	–
3rd dividend	31-Mar-26	1.400p	1,127	–
Total dividends paid			**4,629**	**5,052**
4th dividend*	30-Jun-24	1.625p	–	(1,308)
4th dividend*	30-Jun-25	1.550p	(1,248)	1,248
4th dividend*	30-Jun-26	1.400p	1,127	–
Total dividends payable in respect of the year			**4,508**	**4,992**
Total dividends payable per share in respect of the year			**5.60p**	**6.20p**

* Dividends declared after the year end are not included in the financial statements as a liability.

10. Investment properties

	Freehold Investment properties £'000	Leasehold Investment properties £'000	2026 Total £'000	2025 Total £'000
At the beginning of the year	75,250	32,100	107,350	102,650
(Disposal)/acquisition during the year	(4,000)	–	(4,000)	2,724
Change in value of investment properties	(65)	(175)	(240)	1,976
Valuation provided by Knight Frank LLP	**71,185**	**31,925**	**103,110**	**107,350**
Adjustment to fair value for minimum rent indexation of lease income (Note 11)			(3,683)	(3,573)
Total investment properties			**99,427**	**103,777**

	2026	2025
Change in fair value of investment properties		
Change in fair value before adjustments for lease incentives and lease obligations	(240)	1,976
Adjustment to spreading of contracted future rent indexation and tenant incentives	(110)	(6)
	(350)	**1,970**

Disposal and acquisition of investment property

The property known as Crawley was sold in October 2025 for £4.5 million as shown in the reconciliation below of the gain recognised on disposal through the Condensed Consolidated Statement of Comprehensive Income; the gain on disposal includes changes in fair value of the investment property and minimum rent indexation spreading recognised in previous periods.

	2026 £'000	2025 £'000
Gross proceeds on disposal	**4,500**	**–**
Selling costs	(36)	–
Net proceeds on disposal	**4,464**	**–**
Carrying value	**(4,000)**	**–**
Minimum rent indexation spreading recognised in previous periods	(151)	–
Gain on disposal of investment property	**313**	**–**

There were no property acquisitions in the year.

Valuation of investment properties

Valuation of investment properties is performed by Knight Frank LLP, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued. The valuation of the Group's investment properties at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Professional Standards (incorporating the International Valuation Standards).

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and yield applicable to those cash flows.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the fair value hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of investment properties are:

1. Estimated Rental Value ('ERV')
2. Net Initial Yield

Increases/(decreases) in the ERV (per sq. ft. per annum) in isolation would result in a higher/(lower) fair value measurement. Increases/(decreases) in the yield in isolation would result in a lower/(higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement, categorised within Level 3 of the fair value hierarchy of the portfolio of investment property and investments are:

Class	Fair value £'000	Valuation technique	Significant unobservable inputs	Range
30 June 2026				
Investment Properties*	103,110	Income capitalisation	ERV Net Initial yield	£5.25 - £21.96 6.01% - 9.27%**
30 June 2025				
Investment Properties*	107,350	Income capitalisation	ERV Net Initial yield	£4.00 - £21.96 4.87% - 8.70%**

* Valuation per Knight Frank LLP.
** Hotels, petrol stations, residential and healthcare are excluded from this range.

Sensitivity analysis below:

			2026	
		Change in ERV	Change in net initial yield	
	£'000	£'000	£'000	£'000
Sensitivity Analysis	**+10%**	**-10%**	**+10%**	**-10%**
Resulting fair value of investment properties	105,586	100,144	96,090	110,708

			2025	
		Change in ERV	Change in net initial yield	
	£'000	£'000	£'000	£'000
Sensitivity Analysis	**+10%**	**-10%**	**+10%**	**-10%**
Resulting fair value of investment properties	109,634	104,628	100,661	115,042

11. Trade and other receivables

	2026	2025
	£'000	£'000
Receivables		
Trade receivables	478	290
Less: Provision for impairment of trade debtors	(1)	(2)
Other debtors	257	192
	734	**480**
Spreading of minimum contracted future rent indexation	3,509	3,426
Spreading of tenant incentives – rent free periods and capital contributions	174	147
	3,683	**3,573**
Tenant deposit asset (Note 12)	–	118
Other prepayments	105	65
	105	**183**
Trade and other receivables	**4,522**	**4,236**

The aged debtor analysis of receivables which are past due but not impaired is as follows:

	2026	2025
	£'000	£'000
Less than three months due	705	476
Between three and six months due	29	4
	734	**480**

12. Trade and other payables

	2026	2025
	£'000	£'000
Deferred income	1,683	1,654
Trade creditors	328	55
Accruals	700	439
Tenant deposit liability (Note 11)	–	118
Loan interest payable (Note 13)	393	256
Other creditors	337	356
Total trade and other payables	**3,441**	**2,878**

13. Interest bearing loans and borrowings

	2026	2025
	£'000	£'000
Facility drawn	**41,000**	**41,000**
Repayment of Canada Life loan facility	(41,000)	–
HSBC term loan	31,000	–
HSBC RCF drawdown	10,000	–
Total loan drawn	**41,000**	**41,000**
Repayment of HSBC RCF	(4,416)	–
Total loan outstanding	**36,584**	**41,000**
Unamortised finance costs brought forward	(44)	(172)
Refinancing costs	(934)	–
Amortisation of finance costs (Note 6)	174	128
At end of year	**35,780**	**40,956**
Repayable less than one year	–	41,000
Repayable between one and two years	–	–
Repayable between two and five years	36,584	–
Total at end of the year	**36,584**	**41,000**

At the year end, the Group had utilised £36.58 million of its loan facilities with HSBC UK Bank Plc (30 June 2025: £41.0 million). The loans outstanding comprise a term loan of £31.0 million plus £5.6 million of RCF. The total RCF which is available is £10.0 million of which £4.4 million was repaid following the sale of Crawley. The debt is repayable on 20 October 2030.

The loan facilities are geared at a loan to Gross Asset Value ('GAV') of 34.4% (30 June 2025: 36.9%). The interest rate for the year was on average 4.76%. The interest payable on the HSBC facilities was on average 5.45% (margin of 1.7% plus SONIA in the period 20 October to 30 June 2026) and the interest payable on the Canada Life loan to 20 October 2025 was at a fixed rate of 3.19%. Interest expense incurred during the period amounted to £1.85 million (30 June 2025: £1.31 million), £0.39 million of which is outstanding (30 June 2025: £0.26 million). The interest payable on the HSBC facilities are paid quarterly on the 20th of January, April, July and October.

Amortisation of finance costs are recognised through the effective interest method over the expected life of the loan facilities to 20 October 2030.

Under the terms of the HSBC debt facilities the Loan to Value ('LTV') covenant is not to exceed 60% (30 June 2025: should not exceed 50%) and the Interest Cover Ratio ('ICR') to be greater than 160% for cash trap and 150% for default ICR (30 June 2025: ICR to be greater than 330%).

Whilst there is no present intention, AIRE has the right, through an accordion mechanism, to request an increase in the size of the RCF by up to a further £10 million, over the course of the facility.

	2026	2025
	£'000	£'000
Reconciliation to cash flows from financing activities		
At beginning of the year	**40,956**	**40,828**
Repayment of Canada Life loan facility	(41,000)	–
HSBC term loan	31,000	–
HSBC RCF drawdown	10,000	–
Repayment of HSBC RCF	(4,416)	–
Refinancing costs	(934)	–
Total cash changes	**(5,350)**	**–**
Non-cash changes		
Amortisation of loan issue costs	174	128
Total at end of the year	**35,780**	**40,956**

14. Commitments

14.1. Operating lease commitments – as lessor

The Group has 19 commercial properties with 33 units in its investment property portfolio (2025: 20 commercial properties with 34 units). These non-cancellable leases have a remaining term of between 9 months and 108 years (2025: 21 months to 109 years), excluding ground leases.

Future minimum rentals receivable under non-cancellable operating leases as at the year-end are as follows:

	2026	2025
	£'000	£'000
Within one year	10,677	8,878
After one year, but not more than two years	5,166	6,182
After two years, but not more than three years	6,030	5,938
After three years, but not more than four years	6,060	6,017
After four years, but not more than five years	6,071	6,060
After five years, but not more than ten years	25,358	26,703
After ten years, but not more than fifteen years	19,083	20,668
More than fifteen years	40,932	44,326
	119,377	**124,772**

During the year ended 30 June 2026 there were no material contingent rents recognised as income (2025: nil).

14.2. Capital and financial commitments

There were no capital or financial commitments at the year-end (2025: nil).

15. Investments in subsidiaries

The Company has two wholly owned subsidiaries as disclosed below:

Name and company number	Country of registration and incorporation	Date of incorporation	Principal activity	Ordinary Shares held
Alternative Income REIT Holdco Limited (Company number 11052186)	England and Wales	7 Nov 2017	Real Estate Company	73,158,502*
Alternative Income Limited (Company number 10754641)	England and Wales	4 May 2017	Real Estate Company	73,158,501*

* Ordinary shares of £1.00 each.

Alternative Income REIT PLC owns 100% of Alternative Income REIT Holdco Limited.

Alternative Income REIT Holdco Limited owns 100% of Alternative Income Limited.

Both Alternative Income REIT Holdco Limited and Alternative Income Limited are registered at The Scalpel, 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF.

16. Issued share capital and reserves

	2026		2025	
	£'000	Number of Ordinary Shares	£'000	Number of Ordinary Shares
Ordinary Shares of £0.01 each issued and fully paid				
At the beginning and end of the year	805	80,500,000	805	80,500,000

17. Financial risk management and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and further risks inherent to investing in investment property. The Group has limited exposure to foreign currency risk as most of its transaction is in Sterling. The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The principal risks facing the Group in the management of its portfolio follows:

17.1 Market price risk

Market price risk is the risk that future values of investments in property will fluctuate due to changes in market prices. To manage market price risk, the Group diversifies its portfolio geographically in the UK and across property sectors.

The disciplined approach to the purchase, sale and asset management ensures that the value is maintained to its maximum potential. Prior to any property acquisition or sale, detailed research is undertaken to assess expected future cash flow. The Board and the Investment Adviser meet regularly and are responsible for recommending investment purchases or sales to the AIFM which makes the ultimate decision. In order to monitor property valuation fluctuations, the Investment Adviser meets with the independent external valuer on a regular basis. The valuer provides a property portfolio valuation quarterly, so any movements in the value can be accounted for in a timely manner and reflected in the NAV every quarter.

17.2 Real estate risk

Property investments are illiquid assets and can be difficult to sell, especially if local market conditions are poor. Illiquidity may also result from the absence of an established market for investments, as well as legal or contractual restrictions on resale of such investments.

There can be no certainty regarding the future performance of any of the properties acquired for the Group. The value of any property can go down as well as up.

Real property investments are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income generated and expenses incurred from such investments.

There are additional risks in vacant, part vacant, redevelopment and refurbishment situations, although these are not prospective investments for the Group.

These aspects, and their effect on the Group from a going concern perspective are discussed in more detail in the Going Concern policy note.

17.3 Credit risk

Credit risk is the risk that the counterparty (to a financial instrument) or tenant (of a property) will cause a financial loss to the Group by failing to meet a commitment it has entered into with the Group.

It is the Group's policy to enter into financial instruments with reputable counterparties. All cash deposits are placed with an approved counterparty, Barclays International.

In respect of property investments, in the event of a default by a tenant, the Group will suffer a rental shortfall and additional costs concerning re-letting the property. The Investment Adviser monitors tenant arrears in order to anticipate and minimise the impact of defaults by occupational tenants.

The table below shows the Group's exposure to credit risk:

	2026	2025
	£'000	£'000
Debtors	735	482
Cash and cash equivalents	2,307	3,148
Total	**3,042**	**3,630**

17.4 Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its borrowings. It is the risk the Group will encounter difficulty in meeting its financial obligations as they fall due as the majority of the Group's assets are investment properties and therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by quarterly review/monitoring of forecast and actual cash flows by the Investment Adviser and Board.

The below table summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

2026	On demand £'000	< 3 months £'000	3 - 12 months £'000	1 - 5 years £'000	Total £'000
Interest bearing loans and borrowings	–	–	–	36,584	36,584
Interest payable	–	530	1,627	7,094	9,251
Payables and accrued expenses	328	976	–	–	1,304
Total	**328**	**1,506**	**1,627**	**43,678**	**47,139**

2025	On demand £'000	< 3 months £'000	3 - 12 months £'000	1 - 5 years £'000	Total £'000
Interest bearing loans and borrowings	–	–	41,000	–	41,000
Interest payable	–	327	327	–	654
Payables and accrued expenses	55	727	–	–	782
Total	**55**	**1,054**	**41,327**	**–**	**42,436**

17.5 Fair value of financial instruments

There is no material difference between the carrying amount and fair value of the Group's financial instruments.

17.6 Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to the risk of changes in market interest rates because the Group's loan is at a variable rate. Both the HSBC loan and RCF have a margin of 1.7% per annum plus SONIA (sterling overnight index average rate) (Note 13).

The sensitivity analysis illustrates the estimated impact on annual interest expense arising from reasonable possible changes in market interest rates. Movements of 1% and 2% have been presented as they represent both typical and more severe but plausible changes in interest rates. Based on the Group's variable-rate borrowings of approximately £36.6 million, a 1% increase/(decrease) in interest rates would increase/(decrease) annual loan interest expense by £366k, while a 2% increase/(decrease) would increase/(decrease) annual loan interest expense by £732k.

Sensitivity analysis below:

	2026			
	Change in interest rate		Change in interest rate	
	£'000	£'000	£'000	£'000
Interest rate risk	**+1%**	**-1%**	**+2%**	**-2%**
Interest expense	366	(366)	732	(732)

18. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To enhance returns over the medium term, the Group utilises borrowings on a limited recourse basis for each investment or all or part of the total portfolio. The Group's policy is to borrow up to a maximum of 40% loan to GAV (measured at drawdown). Alongside the Group's borrowing policy, the directors intend, at all times, to conduct the affairs of the Group so as to enable the Group to qualify as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder). The REIT status compliance requirements include 90% distribution test, interest cover ratio, 75% assets test and the substantial shareholder rule, all of which the Group remained compliant in both this and the prior year.

The monitoring of the Group's level of borrowing is performed primarily using a Loan to GAV ratio. The Loan to GAV ratio is an alternative performance measure and its calculation is shown below. The Group Loan to GAV ratio at the year-end was 34.4% (2025: 36.9%).

Breaches in meeting the financial covenants would permit the lender to immediately call loans and borrowings. During the year, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

19. Transactions with related parties and the Investment Adviser

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors

Directors are considered to be related parties. Their fees and interests in shares are disclosed in the Remuneration Report in the Annual Report.

Investment Adviser

The Group's Investment Adviser is Martley Capital Real Estate Investment Management Ltd ('Martley Capital') and has been since 15 March 2024. For the period to 31 December 2025, the annual management fee is calculated at a rate equivalent of 0.50% per annum of NAV (subject to a minimum fee of £90,000 per quarter), payable quarterly in advance.

For the period from 1 January 2026, the annual management fee is calculated at a rate equivalent of 0.50% per annum of NAV (subject to a minimum of £100,000 per quarter), payable quarterly in advance. This fee is subject to an annual increase from 1 January each year in line with the percentage change in the Retail Prices Index (RPI) published by the UK Office for National Statistics subject to a minimum annual increase of 3% and a maximum annual increase of 5%.

During the year the Group incurred £380,000 in respect of investment advisory fees to Martley Capital (2025: £360,000). No amounts were accrued at the year-end (2025: £ nil).

20. Events after the reporting date

On 12 June 2026, Glenstone announced a cash offer to acquire the entire issued and to be issued ordinary share capital of AIRE that the Glenstone Group does not already hold at 70.0 pence in cash for each AIRE Share, to be implemented by means of a takeover offer. On 9 September 2026 the Glenstone offer became unconditional with 50.42% of AIRE shareholders accepting the Glenstone offer at 70 pence per share. On this date the Board recommended that the Glenstone offer be accepted so shareholders realise 70 pence per share. As at 27 October 2026 this acceptance level had increased to 87.08%.

Following the Glenstone offer becoming unconditional on 9 September 2026, resulting in a change of control of the Group, HSBC issued a Reservation of Rights letter. On 28 October 2026, AIRE and HSBC entered into a waiver and amendment letter to the Facility Agreement, pursuant to which HSBC consented to the change of control and the Company's subsequent de-listing from the London Stock Exchange, agreed to continue funding future utilisations and waived any right to require repayment of amounts outstanding as a result of, or in connection with, the change of control.

On 1 October 2026 the Group drew down an additional £1.0 million under the RCF to fund additional corporate costs as a result of the corporate activity. The total RCF drawn as at 1 October amounted to £6.6 million leaving £3.4 million to be drawn as required.

Company Statement of Financial Position

As at 30 June 2026

	Notes	2026 £'000	2025 £'000
Assets			
Non-current Assets			
Investments in subsidiary companies	2	73,158	73,158
Investment property	2	1,593	1,746
Total non-current assets		**74,751**	**74,904**
Current Assets			
Receivables and prepayments	3	172	121
Cash and cash equivalents		53	128
Total current assets		**225**	**249**
Total Assets		**74,976**	**75,153**
Current Liabilities			
Payables and accrued expenses	4	(13,546)	(7,307)
Net Assets		**61,430**	**67,846**
Equity			
Share capital	6	805	805
Capital reserve	2	60,750	65,379
(Accumulated losses)/Retained earnings		(125)	1,662
Total capital and reserves attributable to equity holders of the Company		**61,430**	**67,846**
Net Asset Value per share		**76.31p**	**84.28p**

As permitted by s408 Companies Act 2006, the Company's profit and loss account has not been presented in these financial statements.

The Company's loss for the year was £1,787,000 (2025: profit of £12,051,000).

The financial statements were approved by the Board on 28 October 2026 and were signed on its behalf by:



Adam Smith
Chairman
Company number: 10727886

The accompanying Notes 1 to 7 form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 June 2026

	Share capital £'000	Capital reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 30 June 2026				
Balance at 30 June 2025	**805**	**65,379**	**1,662**	**67,846**
Total comprehensive loss	–	–	(1,787)	(1,787)
Dividends paid	–	(4,629)	–	(4,629)
Balance at 30 June 2026	**805**	**60,750**	**(125)**	**61,430**
For the year ended 30 June 2025				
Balance at 30 June 2024	**805**	**70,431**	**(10,389)**	**60,847**
Total comprehensive income	–	–	12,051	12,051
Dividends paid	–	(5,052)	–	(5,052)
Balance at 30 June 2025	**805**	**65,379**	**1,662**	**67,846**

The accompanying Notes 1 to 7 form an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 30 June 2026

1. Accounting policies

Basis of preparation

These financial statements are prepared and approved by the directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and in accordance with applicable accounting standards.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions which are permissible under FRS 101 as the equivalent disclosures are contained within the Group's consolidated financial statements.

- a cash flow statement and related notes;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- the disclosures of the remuneration of key management personnel;
- disclosure of related party transactions with other wholly owned members of the Ultimate Parent;
- the disclosure of financial instruments and other fair value measurements.

The financial statements are presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated. They have been prepared on the historical cost basis, with the exception of investment properties.

The principal accounting policies adopted in the preparation of the Company's financial statements are consistent with the Group which are described in Note 2.5 of the Consolidated Financial Statements but makes amendments where necessary in order to comply with the Companies Act 2006 and taking advantage of the FRS 101 exemptions mentioned above.

New standards effective for the current accounting period do not have a material impact on the financial statements of the Company.

The accounting policies used are otherwise consistent with those contained in the Company financial statements for the year ended 30 June 2026.

Going concern

The financial statements have been prepared on a going concern basis.

For an assessment of going concern refer to the accounting policy 2.4 of the Consolidated Financial Statements.

Investments in subsidiary companies

Investments in subsidiary companies which are all 100% owned by the Company are included in the statement of financial position at cost less provision for impairment.

Impairment of non-financial assets

The carrying amounts of the Company's investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Deferred income

Deferred income is rental income received in respect of future accounting periods.

2. Investments

2a. Investments in Subsidiary Companies

	2026	2025
	£'000	£'000
At the beginning and end of the year	**73,158**	**73,158**

A list of subsidiary undertakings at 30 June 2026 is included on Note 15 of the Consolidated Financial Statements.

The directors have considered the recoverability of the investment in subsidiary companies by comparing the carrying value of the investment to the net asset value of the subsidiaries. The directors consider the net asset value of the subsidiary to be a reliable proxy to the recoverable amount as the properties held by the Company are carried at fair value. The net asset value of the subsidiary companies exceed the carrying amount of the investment in subsidiaries and the directors have concluded that no impairment is necessary.

2b. Investment property

	2026	2025
	£'000	£'000
At the beginning of the year	1,746	1,803
Revaluation of investment property	(150)	(50)
Adjustment to fair value for minimum rent indexation of lease income	(3)	(7)
	1,593	**1,746**

3. Receivables and prepayments

	2026	2025
	£'000	£'000
Spreading of contracted future – rent indexation	82	82
Other prepayments	48	39
Trade receivables	42	–
	172	**121**

4. Payables and accrued expenses

	2026	2025
	£'000	£'000
Due to subsidiaries	12,549	6,830
Deferred income	–	34
Trade creditors	307	4
Accruals	600	358
Other creditors	90	81
	13,546	**7,307**

Amounts due to subsidiaries are unsecured, interest free and repayable on demand.

5. Dividends paid and payable

Details of dividends paid and payable in respect of the year are set out in Note 9 of the consolidated financial statements.

6. Issued share capital

	2026		2025	
	£'000	Number of Ordinary Shares	£'000	Number of Ordinary Shares
Ordinary Shares of £0.01 each issued and fully paid				
At the beginning and end of the year	805	80,500,000	805	80,500,000

7. Contingent liabilities, capital commitments and related party transactions

As at 30 June 2026 the Company had no contingent liabilities or capital commitments (2025: nil).

Related party transactions are the same for the Company as for the Group. For details refer to Note 19 of the Consolidated Financial Statements.

General

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Premier Inn
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EPRA Performance Measures

(Unaudited)

		2026	2025
EPRA Yield calculations		**£'000**	£'000
Investment properties wholly owned:			
– by Company		1,675	1,825
– by Alternative Income Limited		101,435	105,525
Total – Note 10		**103,110**	**107,350**
Allowance for estimated purchasers' costs (Note 8)		6,702	6,978
Gross up completed property portfolio valuation	B	109,812	114,328
Annualised cash passing rental income		7,968	8,084
Annualised property outgoings		(5)	(5)
Annualised net rents	A	7,963	8,079
Add: notional rent expiration of rent-free periods or other lease incentives		–	212
Topped-up net annualised rent	C	7,963	8,291
EPRA NIY	**A/B**	**7.25%**	**7.07%**
EPRA 'topped-up' NIY	**C/B**	**7.25%**	**7.25%**

		2026	2025
EPRA Cost Ratios		**£'000**	£'000
Include:			
EPRA Costs (including direct vacancy costs) (Note 4)	A	1,199	1,204
Direct vacancy costs		–	–
EPRA Costs (excluding direct vacancy costs)	B	1,919	1,199
Gross rental income (adjusted) (Note 3)	C	8,317	7,922
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**23.07%**	**15.14%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**23.07%**	**15.14%**

There were no overheads nor operating expenses capitalised in the year in line with IFRS (2025: nil).

		2026	2025
EPRA Vacancy rate		**£'000**	£'000
Annualised potential rental value of vacant premises	A	–	–
Annualised potential rental value for the completed property portfolio	B	7,330	7,337
EPRA Vacancy rate	**A/B**	**0.00%**	**0.00%**

The Group has not incurred any direct vacancy costs in both the current or prior years.

		2026	2025
EPRA LTV		**£'000**	£'000
Gross debt drawn		36,584	41,000
Less: cash and cash equivalents		(2,307)	(3,148)
Net debt	**A**	**34,277**	**37,852**
Investment property at fair value (Note 10)		103,110	107,350
Trade and other receivables (Note 11)		4,470	4,236
Less: Trade and other payables (Note 12)		(3,389)	(2,878)
Total Property Value	B	104,191	108,708
EPRA LTV	**A/B**	**32.90%**	**34.82%**

	2026	2025
EPRA Property-related Capital Expenditure	**£'000**	£'000
Acquisitions including incidental costs of purchase and tenant incentives (Note 10)	–	2,724
Total capital expenditure	–	2,724
Conversion from accruals to cash basis	–	–
Total capital expenditure on a cash basis	–	2,724

Group has no Joint Ventures so there is no joint venture property to disclose in the above.

Alternative Performance Measures (APMs)

(Unaudited)

APMs are numerical measures of the Group's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Group's applicable financial framework is IFRS. The directors assess the Group's performance against a range of criteria which are reviewed by investors as particularly relevant for a closed-end REIT.

Discount

The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value per share.

		2026	2025
NAV per Ordinary Share	A	83.27p	83.64p
Share price	B	69.20p	74.00p
Discount	**(A-B)/A**	**16.90%**	**11.52%**

Dividend Cover

The ratio of Group's Adjusted EPS divided by the Group's dividends payable for the relevant year.

		2026	2025
Adjusted EPS	A	5.59p	6.72p
Dividend per share	B	5.60p	6.20p
Dividend cover	**A/B**	**99.82%**	**108.37%**

Dividend Yield

The ratio of Group's annual dividends per share divided by the Group's share price for the relevant year.

		2026	2025
Annual dividends paid	A	5.60p	6.20p
Share price	B	69.20p	74.00p
Dividend yield	**A/B**	**8.09%**	**8.38%**

Loan to GAV

Loan to GAV measures the value of loans and borrowings utilised (excluding amounts held as restricted cash and before adjustments for issue costs) expressed as a percentage of the combined valuation of the property portfolio (as provided by the valuer) and the fair value of other assets.

		2026	2025
Borrowings (£'000)	A	36,584	41,000
Total assets (£'000)	B	106,256	111,161
Loan to GAV	**A/B**	**34.43%**	**36.88%**

Ongoing Charges

The ongoing charges ratio is the total for all operating costs expected to be regularly incurred expressed as a percentage of the average quarterly NAVs of the Group for the financial year.

		2026	2025
Other operating expenses for the year (£'000)	A	1,784	1,066
Adjustments for exceptional corporate activity costs (£'000)	B	(732)	–
One-off legal fees (£'000)	C	(10)	(26)
Abortive property acquisition costs (£'000)	D	(12)	(2)
	E=A+B+C+D	1,030	1,038
Average net assets (£'000)	F	67,592	66,139
Ongoing charges ratio	**E/F**	**1.52%**	**1.57%**

Share Price and Net Asset Value (NAV) Total Return

Share price and NAV total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against FTSE EPRA Nareit UK and FTSE Small Cap, respectively.

		Share price	NAV
Opening at 30 June 2025	A	74.00p	83.64p
Closing at 30 June 2026	B	69.20p	83.27p
Return	C=(B/A)-1	-6.49%	-0.44%
Dividend reinvestment*	D	7.77%	6.88%
Total return for the year ended 30 June 2026	**C+D**	**1.28%**	**6.44%**

Opening at 30 June 2024	A	66.00p	80.90p
Closing at 30 June 2025	B	74.00p	83.64p
Return	C=(B/A)-1	12.12%	3.38%
Dividend reinvestment*	D	9.51%	7.76%
Total return for the year ended 30 June 2025	**C+D**	**21.63%**	**11.14%**

* Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend.

Glossary

Adjusted Earnings Per Share ('Adjusted EPS')	Adjusted earnings per share excludes change in fair value of investment properties, profit or losses on disposal of investment properties and other non-cash items. It includes non-recurring expenses.
Alternative Investment Fund Manager or AIFM or Investment Manager	Langham Hall Fund Management LLP.
Company	Alternative Income REIT PLC.
Contracted rent	The annualised rent adjusting for the inclusion of rent subject to rent-free periods.
Earnings Per Share ('EPS')	Profit for the period attributable to equity shareholders divided by the weighted average number of Ordinary Shares in issue during the period.
EPRA	European Public Real Estate Association, the industry body representing listed companies in the real estate sector.
Estimated Rental Value ('ERV')	The external valuer's opinion as to the open market rent which, on the date of the valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.
External Valuer	An independent external valuer of a property. The Group's External Valuer is Knight Frank LLP.
Fair value	The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion.
Fair value movement	An accounting adjustment to change the book value of an asset or liability to its fair value.
FCA	The Financial Conduct Authority.
Gross Asset Value ('GAV')	The aggregate value of the total assets of the Group as determined in accordance with IFRS.
Gross Passing Rental Income	The gross passing rent is the rent roll at the reporting date, taking account of any in-place rent free incentives or step rents on a straight-line basis over the following 12-month period.
IASB	International Accounting Standards Board.
ICR	Interest cover ratio is the passing rental income for the period less non recoverable costs, divided by the interest costs for the relevant period.
IFRS	International financial reporting standards. On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board.

Investment Adviser or Martley Capital	Martley Capital Real Estate Investment Management Limited.
IPO	The admission to trading on the London Stock Exchange's Main Market of the share capital of the Company and admission of Ordinary Shares to the premium listing segment (now the Closed-ended investment funds category) of the Official List on 6 June 2017.
Lease incentives	Incentives offered to occupiers to enter into a lease. Typically, this will be an initial rent-free period, or a cash contribution to fit-out. Under accounting rules, the value of the lease incentive is amortised through the Consolidated Statement of Comprehensive Income on a straight-line basis until the lease expiry.
Loan to Value ('LTV')	The value of loans and borrowings utilised (excluding amounts held as restricted cash and before adjustments for issue costs) expressed as a percentage of the combined valuation of the property portfolio (as provided by the valuer) and the fair value of other investments.
Net Asset Value ('NAV')	Net Asset Value is the equity attributable to shareholders calculated under IFRS.
Net Asset Value per share	Equity shareholders' funds divided by the number of Ordinary Shares in issue.
Net equivalent yield	Calculated by the Group's External Valuers, net equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent and items as voids and non-recoverable expenditure but ignoring future changes in capital value. The calculation assumes rent is received annually in arrears.
Net Initial Yield ('NIY')	The initial net rental income from a property at the date of purchase, expressed as a percentage of the gross purchase price including the costs of purchase. Initial yield does not include cost of purchase.
Net rental income	Rental income receivable in the period after payment of ground rents and net property outgoings.
Ordinary Shares	The main type of equity capital issued by conventional Investment Companies. Shareholders are entitled to their share of both income, in the form of dividends paid by the Company, and any capital growth.
REIT	A Real Estate Investment Trust. A company which complies with Part 12 of the Corporation Tax Act 2010. Subject to the continuing relevant UK REIT criteria being met, the profits from the property business of a REIT, arising from both income and capital gains, are exempt from corporation tax.
Reversion	Increase in rent estimated by the Company's External Valuers, where the passing rent is below the ERV.
Share price	The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Main Market of the London Stock Exchange.
Weighted Average Unexpired Lease Term ('WAULT')	The average lease term remaining for first break, or expiry, across the portfolio weighted by contracted rental income (including rent-frees).

Company Information

Share Register Enquiries

The register for the Ordinary Shares is maintained by Computershare Investor Services PLC. In the event of queries regarding your holding, please contact the Registrar on 0370 707 1874 or email: web.queries@computershare.co.uk

Changes of name and/or address must be notified in writing to the Registrar, at the address shown below. You can check your shareholding and find practical help on transferring shares or updating your details at www.investorcentre.co.uk. Shareholders eligible to receive dividend payments gross of tax may also download declaration forms from that website.

Share Information

Ordinary £0.01 shares	80,500,000
SEDOL Number	BDVK708
ISIN Number	GB00BDVK7088
Ticker/TIDM	AIRE

Share Prices

The Company's Ordinary Shares are traded on the Main Market of the London Stock Exchange.

Frequency of NAV publication

The Group's NAV is released to the London Stock Exchange on a quarterly basis and is published on the Company's website www.alternativeincomereit.com.

Annual and Interim Reports

Copies of the Annual and Half-Yearly Reports are available from the Group's website.

Financial Calendar

30 June	Year end
October	Announcement of annual results
December	Annual General Meeting
31 December	Half year end
March	Announcement of interim results

Shareholder Information

Directors

Adam Smith (non-executive Chairman)
Ben Green (non-executive director)
Rob Maybury (non-executive director)

Property Manager

Mason Owen and Partners Limited
7th Floor
20 Chapel Street
Liverpool
L3 9AG

Registered Office

The Scalpel 18th Floor
52 Lime Street
London
EC3M 7AF

https://www.alternativeincomereit.com/

Registered in England and Wales No. 10727886

Valuer

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Company Secretary

Hanway Advisory Limited
The Scalpel 18th Floor
52 Lime Street
London
EC3M 7AF

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

AIFM

Langham Hall Fund Management LLP
Broadwalk House, 3rd Floor
5 Appold Street
Broadgate
London
EC2A 2DA

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Depositary

Langham Hall UK Depositary LLP
Broadwalk House, 3rd Floor
5 Appold Street
Broadgate
London
EC2A 2DA

Corporate Broker

Shore Capital & Corporate Ltd
Cassini House,
57 St James's Street
London
SW1A 1LD

Investment Adviser and Administrator

Martley Capital Real Estate Investment Management Ltd
The Rookery, 4th Floor
2 Dyott Street
London
WC1A 1DE

Notice of Annual General Meeting

If you are in any doubt as to what action to take you are recommended to consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in Alternative Income REIT PLC, you should pass this document, together with the accompanying Form of Proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

ALTERNATIVE INCOME REIT PLC

(Incorporated in England and Wales with registered number 10727886)

Notice of the Annual General Meeting which has been convened for Monday, 7 December 2026 at 10.00 a.m. at the offices of JTC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF is set out below.

To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and in any event not later than 10.00 a.m. on Thursday, 3 December 2026.

Alternative Income REIT

28 October 2026

Dear Shareholder,

Notice of Annual General Meeting

Alternative Income REIT PLC (the 'Company') will be holding its 2026 Annual General Meeting ('AGM') at 10.00 a.m. on Monday, 7 December 2026 at the offices of JTC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF. The formal notice of AGM and the resolutions to be proposed are set out on pages 86 to 90 of this document.

If you would like to vote on the resolutions, please fill in the Form of Proxy sent to you with this notice and return it to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible. They must receive it no later than 10.00 a.m. on Thursday, 3 December 2026.

Recommendation

The Board considers that all resolutions contained in this Notice of AGM are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Board unanimously recommends that you vote in favour of the proposed resolutions as the Directors intend to do in respect of their own beneficial holdings.



Yours faithfully

Adam Smith
Chairman

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Alternative Income REIT PLC (the '**Company**') will be held at 10.00 a.m. on Monday, 7 December 2026 at the offices of JTC, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF to transact the following business.

You will be asked to consider and, if thought fit, approve the following resolutions. Resolutions 1 to 9 (inclusive) will be proposed as ordinary resolutions and resolutions 10 to 13 (inclusive) will be proposed as special resolutions.

Ordinary Resolutions

Report and Accounts

1. To receive the audited financial statements of the Company for the financial year ended 30 June 2026 and the reports of the directors and auditor on those financial statements ('**Annual Report and Accounts**').

Directors' Remuneration Report

2. To approve the Directors' Remuneration Report (excluding the part containing the Directors' Remuneration Policy) contained within the Annual Report and Accounts.

Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy contained in the Annual Report and Accounts.

Directors

4. To elect Adam Smith as a director of the Company.
5. To elect Rob Maybury as a director of the Company.
6. To elect Ben Green as a director of the Company.

Auditor

7. To re-appoint Moore Kingston Smith LLP as independent auditor of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.
8. To authorise the Audit Committee to determine the auditor's remuneration.

Directors' authority to allot shares

9. That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the '**Act**') to exercise all the powers of the Company to:

    a) allot shares of £0.01 each in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £268,333; and

    b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £536,666 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 9) in connection with an offer by way of a rights issue to:

        i. holders of ordinary shares in the Company ('**Ordinary Shares**') in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

        ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors of the Company otherwise consider necessary, and so that the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirement of any regulatory body or stock exchange or any other matter.

    This authority shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and shall expire at the end of the next Annual General Meeting of the Company or on 7 March 2028, whichever is earlier, save that under each authority the Company may, before such expiry, make any offers or agreements which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after such expiry and the directors may allot shares or grant such rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of any such offer or agreement as if the relevant authority conferred by this resolution had not expired.

Special Resolutions

Disapplication of pre-emption rights

10. That, if Resolution 9 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

    a. to allotments for rights issues and other pre-emptive issues;

    b. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £80,500; and

c. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 7 March 2028) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. That if Resolution 9 is passed, the Board be authorised in addition to any authority granted under Resolution 10 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £80,500 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

b. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 7 March 2028) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase own shares

12. That, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares of £0.01 on such terms and in such manner as the directors may from time to time determine, provided that:

a) The maximum number of Ordinary Shares hereby authorised to be acquired between the date of this resolution and the date of the Company's AGM to be held in 2027 shall be 8,050,000 or, if less, that number of Ordinary Shares which is equal to 10% of the Ordinary Shares in issue as at the passing of this resolution;

b) the minimum price (exclusive of expenses) which may be paid for any Ordinary Share is £0.01;

c) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share is the higher of:

i. an amount equal to 105% of the average of the middle market quotations for such Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased; and

ii. the higher of (a) the price of the last independent trade and (b) the highest current independent bid for such Ordinary Share on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out;

d) this authority shall expire at the end of the next Annual General Meeting or at the close of business on 7 March 2028, whichever is earlier, unless previously renewed, varied or revoked by the Company in general meeting;

e) the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract would or might require the Company to purchase its Ordinary Shares after such expiry and the Company shall be entitled to purchase its Ordinary Shares pursuant to any such contract as if the power conferred hereby had not expired; and

f) any Ordinary Shares bought back under the authority hereby granted may, at the discretion of the directors, be cancelled or held in treasury.

Notice period for general meetings other than annual general meetings

13. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By order of the Board

Hanway Advisory Limited

Company Secretary

Registered Office:
The Scalpel 18th Floor
52 Lime Street
London
EC3M 7AF
(Company Number: 10727886)

Explanatory Notes to the Resolutions

Resolutions 1 to 9 (inclusive) are proposed as ordinary resolutions. This means that for each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 10 to 13 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The Board considers that all resolutions contained in the Notice of AGM are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Board unanimously recommends that you vote in favour of the proposed resolutions as the directors intend to do in respect of their own beneficial holdings.

Explanations of Resolutions 4 and 9 to 13 inclusive are set out below.

Remuneration Policy

Resolution 3

In accordance with section 439A of the Companies Act 2006, the Company is required to seek shareholder approval for its Directors' Remuneration Policy at least once every three years, or sooner if changes are proposed. The current policy was last approved by shareholders at the Company's 2023 Annual General Meeting and is therefore being submitted to shareholders again at this year's AGM. The Board confirms that the policy remains unchanged from that previously approved by shareholders. If approved, the policy will take effect from the conclusion of the AGM.

Directors' authority to allot shares

Resolution 9

The purpose of this resolution is to provide the Directors with authority to allot shares.

The authority given to Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 551 of the Companies Act 2006. The authority in this resolution will allow the Directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £268,333 (26,833,333 Ordinary Shares), which is equivalent to approximately one third of the current issued ordinary share capital of the Company as at 27 October 2026 (being the latest practicable date prior to the publication of this notice). The authority will expire immediately following the Company's 2027 Annual General Meeting or 7 March 2028, whichever is earlier.

The authority in paragraph (b) will allow the Directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a pre-emptive rights issue up to an aggregate nominal value of £536,666 (53,666,666 Ordinary Shares), which is approximately two thirds of the Company's issued share capital as at 27 October 2026 (inclusive of the nominal value of £268,333 sought under paragraph (a) of the resolution). This is in line with corporate governance guidelines. There is no present intention to exercise this authority.

Disapplication of pre-emption rights

Resolutions 10 and 11

If the directors wish to exercise the authority under Resolution 9 to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme), company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the directors will need the flexibility to finance business opportunities to allot new shares (or to grant rights over shares) for cash or to sell treasury shares for cash without first offering them to existing shareholders in proportion of their holdings. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 10 would authorise the directors to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the allotment of shares for cash or sale of treasury shares for cash up to an aggregate nominal value of £80,500, which is equivalent to approximately 10 per cent. of the Company's issued ordinary share capital as at 27 October 2026 (being the latest practicable date prior to the publication of this notice).

Resolution 10 also seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders.

The Board intends to adhere to the guidance issued by the Investment Association (as updated in February 2023), the Pre-Emption Group's Statement of Principles (as updated in November 2022) (the 'Statement of Principles') and the template resolutions published by the Pre-Emption Group in November 2022.

The directors therefore seek an additional authority under Resolution 11 to issue shares for cash on a non-pre-emptive basis up to an aggregate nominal value of £80,500 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which is equivalent to approximately 10 per cent. of the Company's issued ordinary share capital as at 27 October 2026 (being the latest practicable date prior to the publication of this notice), if used only for the purposes of financing (or refinancing, if the authority is to be used within twelve months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles.

The purpose of this resolution is to provide flexibility to allot shares without first offering them to existing shareholders, where this is considered to be in the best interests of shareholders.

Ordinary Shares will only be issued pursuant to these resolutions for cash on a non-pre-emptive basis at a premium to the prevailing net asset value at the time of issue (in order to take account of the costs of such issue) and will therefore be non-dilutive to the prevailing net asset value for existing shareholders.

If given, the authorities contained in Resolutions 10 and 11 will expire at the conclusion of the 2027 Annual General Meeting or on 7 March 2028 (the date which is 15 months after the passing of the resolution), whichever is earlier.

Shareholders will note that Resolutions 10 and 11 also relate to treasury shares.

Authority to purchase own shares

Resolution 12

In certain circumstances, it may be advantageous for the Company to purchase its own shares and this resolution seeks the authority from shareholders to continue to do so. The directors will continue to exercise this authority only when, in the light of market conditions prevailing at the time, they believe that it is in the best interests of shareholders as a whole and as a means of correcting any imbalance between supply and demand for the shares. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. Under the Act, the Company can hold its own shares in treasury following a buy back, instead of having to cancel them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 10 above) and provides the Company with additional flexibility in the management of its capital base. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares. If the directors exercise the authority conferred by resolution 12, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The resolution specifies the maximum number of Ordinary Shares that may be acquired (approximately 10 per cent. of the Company's issued ordinary share capital as at 27 October 2026 (being the latest practicable date prior to the publication of this notice)) and the maximum and minimum prices at which they may be bought. The authority sought is in line with the Investment Association's Share Capital Management Guidelines.

There are no warrants or options to subscribe for Ordinary Shares outstanding at 27 October 2026 (being the latest practicable date prior to the publication of this notice).

If given, this authority will expire at the conclusion of the 2027 Annual General Meeting or on 7 March 2028 (the date which is 15 months after the date of passing of the resolution), whichever is earlier.

The directors intend to seek renewal of this authority at subsequent Annual General Meetings in accordance with current best practice.

Notice period for general meetings other than annual general meetings

Resolution 13

This resolution is to allow the Company to hold general meetings (other than an Annual General Meeting) on 14 clear days' notice. The notice period required by the Act for general meetings of the Company is 21 clear days unless: (i) shareholders approve a shorter notice period, which cannot however be less than 14 clear days; and (ii) the Company offers the facility for all shareholders to vote by electronic means. Annual General Meetings must always be held on at least 21 clear days' notice.

The Company intends to give as much notice as is practicable when calling a general meeting. The 14 clear days' notice period will not be used as a matter of routine, but only in circumstances where it would clearly be to the advantage of shareholders as a whole, the business of the meeting is time-sensitive or flexibility is merited by the nature of the business of the meeting. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Further information about the AGM

Right to attend the AGM

Only those shareholders registered on the Company's Register of Members at close of business on 3 December 2026 (or in the event of an adjournment, at close of business on the date which is two working days prior to the adjourned meeting), or their duly appointed proxy shall be entitled to attend and vote at the AGM. Changes to the Register of Members after the deadline shall be disregarded in determining the rights of persons to attend and vote at the AGM.

Appointment of a proxy

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to vote at the AGM and at any adjournment thereof. A shareholder may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. To be valid, your Form of Proxy must be received no later than 10 a.m. on 3 December 2026 (or, if the meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). You may return your Form of Proxy using the pre-paid envelope provided or delivered by post or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Amended instructions must also be received by Computershare by the deadline for receipt of Forms of Proxy.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

Appointment of proxy online

A proxy may be submitted electronically using www.investorcentre.co.uk/eproxy. Members can use this service to vote or appoint a proxy on-line. The same voting deadline of 48 hours before the timing of the AGM applies as if you were using a personalised proxy form to vote or appoint a proxy by post to vote for you. You will need your Control Number, Shareholder Reference Number (SRN) & PIN which can be found on your Form of Proxy or email notice.

CREST members

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as

to be received by the issuer's agent, Computershare Investor Services PLC (ID 3RA50), by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

Corporate Representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Ordinary Shares.

Asking questions in advance of the AGM

Except as provided above, shareholders who have general queries about the meeting should contact the Company's Registrar, Computershare, at: www.investorcentre.co.uk/contactus or by telephone on +44 (0) 370 707 1874 or the Company Secretary at the Registered Office address.

You may not use any electronic address provided either in this notice or any related documents (including the Chairman's letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.

Shareholders may submit questions to the Board in advance of the AGM by emailing such questions to AIRE.Cosec@jtcgroup.com.

Nominated Persons

If you are a person who has been nominated under section 146 of the Act to enjoy information rights (Nominated Person):

- you may have a right under an agreement between you and the member of the Company who has nominated you to have Information Rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the AGM;
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to exercise of voting rights; and
- your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Website publication of audit concerns

Pursuant to Chapter 5 of Part 16 of the Act (sections 527 to 531), where requested by a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital, the Company must publish on its website a statement setting out any matter that such members propose to raise at the AGM relating to audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM. The request:

- may be in hard copy form signed by the member, stating the full member's name and address and should be sent to the Company Secretary, Hanway Advisory Limited, The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF or in electronic form stating the member's full name, address, and shareholder reference and should be sent to AIRE.Cosec@jtcgroup.com stating 'AGM' in the subject field;
- must identify the statement to which it relates, either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it; and
- must be received by the Company at least one week before the AGM.

Where the Company is required to publish such a statement on its website, it will not require the members making the request to pay any expenses incurred by the Company in complying with the request, and will forward the statement to the Company's Auditor no later than the time the statement is made available on the Company's website. The Company's response to any statement will be dealt with as part of the business of the AGM.

Total Voting Rights

As at 27 October 2026 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 80,500,000 Ordinary Shares of £0.01 each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 27 October 2026 are 80,500,000 Ordinary Shares.

Website

A copy of this notice, and other information required by section 311A of the Act, can be found at: https://www.alternativeincomereit.com.

Inspection of documents

The following documents will be available for inspection at the Company's registered office from the date of this notice during usual business hours on any weekday (Saturdays, Sundays and bank holidays excluded) until the date of the meeting and also on the date and at the location of the meeting from 15 minutes before the AGM until it ends:

- copies of letters of appointment of the non-executive directors;
- copies of the articles of association; and
- register of directors' interests.



Alternative Income REIT

Registered address
Alternative Income REIT PLC
The Scalpel,
18th Floor,
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