

Alternative Income REIT PLC

NAV, Dividend Declaration and Portfolio Valuation

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Alternative Income REIT PLC

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

NET ASSET VALUE, DIVIDEND DECLARATION AND PORTFOLIO VALUATION UPDATE TO 31 DECEMBER 2024

Declares an interim dividend of 1.55 pence per share ("pps") for the quarter ended 31 December 2024

The target annual dividend remains at 6.2pps for the year ending 30 June 2025[†], an increase of 5.1% on the prior year's target of 5.9pps

Dividend cover of 110.3% for the quarter

Unaudited NAV total return for the quarter of 2.7%

Resilient portfolio well-placed to continue to provide secure, index-linked income with the potential for capital growth

The Board of Directors of Alternative Income REIT PLC (ticker: AIRE), the owner of a diversified portfolio of UK commercial property assets, predominantly let on long leases with index-linked rent reviews, provides a trading and business update and declares an interim dividend for the quarter ended 31 December 2024.

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

"The Company continues to pay a fully covered dividend in line with the 2025 annual dividend target of 6.2ppst. The dividend cover for the quarter was 110.3%. The annual dividend target of 6.2pps is an increase of 5.1% over the previous year's dividend of 5.9pps. The target is subject to the continued collection of rent from the Group's portfolio as it falls due.

At 31 December 2024, the Group's unaudited NAV was £66.0 million, 81.9pps, representing a 0.8% increase over the previous quarter. When combined with the 1.55pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.7%.

The Group's portfolio remains relatively insulated from market fluctuations, benefiting from being 100% let, achieving 100% collection of rent due, and a 91.5% index-linked rent review profile.

The Group's track record demonstrates a secure and increasing income stream. The valuation of the portfolio has risen this quarter by £0.6 million or 1% on a like-for-like basis. The Group continues to benefit from low borrowing costs until October 2025, when the current Canada Life senior loan matures. The Board has appointed a debt adviser to assist with the refinancing and is confident that the requisite financing will be achieved prior to October 2025, albeit at an increased interest rate as compared to the current rate. I look forward to reporting on AIRE's continued progress in the coming months."

Overview of Key Financials

| | At 31 December 2024 | At 30 September 2024 | |
|--|------------------------|-------------------------|--|
| | | | |

| | (unaudited) | (unaudited) | Change |
|---|----------------|----------------|--------|
| Net Asset Value ("NAV") | £66.0 million | £65.4 million | +0.8% |
| NAV per share | 81.9p | 81.3p | +0.8% |
| Share price per share | 70.6p | 72.5p | -2.6% |
| Share price discount to NAV | 13.8% | 10.8% | +3.0% |
| Investment property fair value (based on external valuation) | £106.2 million | £103.1 million | +3.0% |
| Loan to gross asset value ("GAV") ^{A B} | 37.4% | 37.6% | |

| | Quarter ended 31 December 2024 (unaudited) | Quarter ended 30 September 2024 (unaudited) | Change |
|---|--|---|--------|
| EPRA earnings per share ^A | 1.7p | 1.6p | +6.2% |
| Adjusted earnings per share ^A | 1.7p | 1.6p | +6.2% |
| Dividend cover ^A | 110.3% | 100.7% | +9.6% |
| Total dividends per share | 1.55p | 1.55p | - |
| Dividend yield (annualised) ^A | 8.8% | 8.6% | +0.2% |
| Earnings per share | 2.2p | 2.0p | +10.0% |
| Share price total return ^A | -0.5% | 12.3% | |
| NAV total return ^A | 2.7% | 2.5% | +0.2% |
| Annualised passing rent | £7.8 million | £7.8 million | - |
| Ongoing charges ^A (annualised) | 1.5% | 1.5% | - |

^A Considered to be an Alternative Performance Measure.

^B The loan facility at 31 December 2024 of £41.0 million (30 September 2024: £41.0 million) with Canada Life Investments, matures on 20 October 2025 and has a weighted average interest cost of 3.19%.

Dividend Declaration, Earnings Per Share and Dividend Cover

The Board is pleased to declare a second interim dividend of 1.55pps for the quarter ended 31 December 2024, in line with the Company's dividend target of 6.2pps for the year ending 30 June 2025[†], which represents an increase of 5.1% over the previous year. This interim dividend will be distributed as Property Income Distribution ("PID") and will be paid on 28 February 2025 to shareholders on the register on 14 February 2025. The ex-dividend date will be 13 February 2025.

The Adjusted EPS was 1.7pps for the quarter (30 September 2024: 1.6pps), an increase of 6.2% over the quarter. The dividend cover for the quarter increased significantly from 100.7% at 30 September 2024 to 110.3% this quarter.

Property Portfolio

The Group's portfolio is relatively insulated from market fluctuations, benefiting from being 100% let, with 100% collection of rent due and 91.5% index-linked rent review profile, which continues to provide a secure and growing rental income stream.

At 31 December 2024, the Group held 20 properties (30 September 2024: 19 properties) valued at £106.2 million (30 September 2024: £103.1 million). This valuation includes the acquisition of Tring for £2.5 million, with the like-for-like increase therefore being £0.6 million. The total increase for the quarter ended 31 December 2024 amounted to 3.0%.

At 31 December 2024, the Net Initial Yield on the Group's portfolio was 7.1% (30 September 2024: 7.1%) and the Group's assets remained 100% let (30 September 2024: 100%). The weighted average unexpired lease term at 31 December 2024 was 16.1 years to the earlier of break and expiry (30 September 2024: 16.2 years) and 17.7 years to expiry (30 September 2024: 18.1 years).

The Group's contracted annualised rent increased by 2.6% during the quarter to 31 December 2024 (30 September 2024: 1.3%). This was due to annual indexation of two leases and the inclusion of Tring. 91.5% of leases within our portfolio are index-linked, with 35.2% of the contracted rental income reviewed annually. Active management of the portfolio continues this quarter; Pure Gym's tenant break in 2027, in London, has been removed with their lease now extended to 2032. BGEN, one of the tenants at our St Helens industrial asset, is staying in occupation for a further two years. Discussions continue with three other tenants considering re-gearing leases, removing tenant breaks and extending lease lengths. The Estimated Rental Value of the Group's property assets has risen marginally by 0.2% this quarter.

For the upcoming quarter to 31 March 2025, 5.9% of the Group's income will be reviewed with an annual index-linked rent review.

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

At 31 December 2024, the Group's unaudited NAV was £66.0 million, 81.9pps (30 September 2024: £65.4 million, 81.3pps), representing a 0.8% increase over the previous quarter.

When combined with the 1.55pps dividend paid in the quarter, this produces an unaudited NAV total return for the quarter of 2.7% (30 September 2024: 2.5%). Over the quarter, the Company's share price decreased by 2.6% to 70.6pps, reflecting an increase in the discount from 10.8% to 13.8%.

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

| | Pence per share | £ million |
|--|-----------------|-------------|
| NAV at 30 September 2024 | 81.3 | 65.4 |
| Valuation movement in property portfolio | +0.5 | +0.4 |
| Income earned for the period | +2.7 | +2.3 |
| Expenses for the period | -0.6 | -0.5 |
| Net finance costs for the period | -0.4 | -0.4 |
| Interim dividend paid during the quarter ended 30 September 2024 | -1.6 | -1.2 |
| NAV at 31 December 2024 | 81.9 | 66.0 |

The NAV attributable to the ordinary shares has been calculated under International Financial Reporting Standards as adopted by the United Kingdom and incorporates both the Group's property portfolio individually valued on a 'Red Book' basis at 31 December 2024 and net income for the quarter but does not include a provision for the interim dividend declared today (see above).

The income earned for the period includes an accrual for the minimum contractual uplifts contained in the index-linked leases. In the event that inflation is greater than these minimum contractual uplifts, the actual income will be greater than the income currently accrued.

Rent Collection

Rent collection remains resilient with 100% collection of rent due for the quarter ended 31 December 2024. 90.50% of the portfolio's contracted rent is payable quarterly in advance, rising from 83.6% at 30 September 2024. The remainder is payable monthly in advance.

† This is a target and not a formal dividend forecast or a profit forecast

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The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT PLC is available at www.alternativeincomereit.com¹.

¹ Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website or any other website, is incorporated into, or forms part of, this announcement nor, unless previously published on a Regulatory Information Service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

NOTES

Alternative Income REIT PLC aims to generate a sustainable, secure and attractive income return for shareholders from a diversified portfolio of UK property investments, with a particular focus on alternative and specialist real estate sectors. The majority of the assets in the Group's portfolio are let on long leases which contain index linked rent review provisions.

The Company's asset manager is Martley Capital Real Estate Investment Management Limited ("Martley Capital"). Martley Capital is a full-service real estate investment management platform whose activities cover real estate investing, lending, asset management and fund management. It has over 35 employees across five offices in the UK and Europe. The team manages assets with a value of circa £900 million across 20 mandates (at 31 December 2024).

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