

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Tender Offer or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, you should consult another appropriately authorised independent financial adviser.

You should read the whole of this document. In addition, this document should be read in conjunction with the accompanying Tender Form (if you hold AIRE Shares in certificated form).

If you have sold or otherwise transferred all of your AIRE Shares (other than pursuant to the Tender Offer), please forward this document (but not the personalised Tender Form) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of AIRE Shares, you should retain these documents.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

TENDER OFFER

FOR UP TO 20,125,000 ORDINARY SHARES IN THE CAPITAL OF

ALTERNATIVE INCOME REIT PLC

BY

GLENSTONE PROPERTY PLC

The procedure for acceptance of the Tender Offer is set out in paragraphs 6 to 8 of the letter from Glenstone contained in this document and, in respect of AIRE Shares held in certificated form, in the Tender Form. To take up the Tender Offer in respect of AIRE Shares held in certificated form, you must complete and return the accompanying Tender Form (together with the relevant share certificate(s) or other document(s) of title) as soon as possible and, in any event, so as to be received by Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 1.00 p.m. (London time) on 17 November 2020. Tenders in respect of AIRE Shares held in uncertificated form should be made electronically through CREST so that the relevant TTE Instruction settles no later than 1.00 p.m. (London time) on 17 November 2020. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

For AIRE Shareholders holding AIRE Shares in certificated form, this document should be read in conjunction with the Tender Form.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FRN: 111421), has approved this document for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Dickson Minto W.S. is acting exclusively for Glenstone in connection with the Tender Offer and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than Glenstone for providing the protections afforded to clients of Dickson Minto W.S., nor for providing advice in relation to the Tender Offer or any matter relating thereto.

Overseas Jurisdictions

The release, publication or distribution of this document in, and the availability of the Tender Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.

In particular, copies of this document, the Tender Form and any other formal documentation relating to the Tender Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Unless otherwise permitted by applicable law and regulation, the Tender Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Tender Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The receipt of cash pursuant to the Tender Offer by AIRE Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other, tax laws. Each AIRE Shareholder is urged to consult their independent professional adviser regarding the tax consequences of accepting the Tender Offer.

This document has been prepared for the purpose of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Information relating to AIRE Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by AIRE Shareholders, persons with information rights and other relevant persons for the receipt of communications from AIRE may be provided to Glenstone during the period from the announcement of the Tender Offer to the Closing Date in accordance with the Companies Act 2006.

In order to make the Tender Offer to AIRE Shareholders, Glenstone may process certain personal data about AIRE Shareholders, including their name, address, the number of AIRE Shares held by them and, if applicable, CREST account details. Glenstone will process this data in order to send this document and the accompanying Tender Form to AIRE Shareholders and, where applicable, to send any payments to AIRE Shareholders who choose to participate in the Tender Offer. It is in Glenstone's legitimate interests to process data for this purpose. Glenstone may also process data in order to perform (or take steps to enter into) a contract with AIRE Shareholders who choose to participate in the Tender Offer. Glenstone will not process AIRE Shareholders' personal data for any other purpose or for longer than it needs to in order to achieve the purposes set out in this document. AIRE Shareholders have certain rights in relation to their personal data, including rights of access, rectification, restriction of processing, erasure, to object to certain processing, data portability and the right to complain to the Information Commissioner's Office if they are not satisfied with how their personal data is processed. Please see Glenstone's privacy policy (at <http://www.glenstoneproperty.co.uk/privacy-cookies/>) for further details about Glenstone's processing of personal data.

IMPORTANT DATES AND TIMES

The dates and times set out below in connection with the Tender Offer may change in accordance with the terms and conditions of the Tender Offer, as described in this document.

<i>Event</i>	<i>Time and/or date</i>
Announcement of the Tender Offer	27 October 2020
Publication of this document	3 November 2020
Latest time and date for AIRE Shareholders to accept the Tender Offer	1.00 p.m. on 17 November 2020
Announcement of the results of the Tender Offer	By 8.00 a.m. on 18 November 2020
Unconditional date for the Tender Offer and purchase of AIRE Shares under the Tender Offer (if Tender Offer becomes unconditional)	19 November 2020
CREST accounts credited with unsuccessfully tendered uncertificated AIRE Shares	20 November 2020
CREST accounts credited in respect of Tender Offer proceeds for uncertificated AIRE Shares	By 1 December 2020
Cheques despatched in respect of Tender Offer proceeds for certificated AIRE Shares	By 1 December 2020
Return of share certificates in respect of unsuccessfully tendered certificated AIRE Shares	By 1 December 2020
Despatch of balance share certificates in respect of unsold certificated AIRE Shares	By 1 December 2020

Future dates are indicative only and are subject to change, in which event details of the new times and dates will be announced via a regulatory information service.

References to times in this document are to London times.

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LETTER FROM GLENSTONE PROPERTY PLC

(Incorporated in England and Wales with registered number: 00986343)

Board of Directors:

Christopher Powell (*Chairman*)
Benjamin Green (*Director*)
Andrew Pickering (*Director*)
Rakesh Shaunak (*Director*)
Adam Smith (*Director*)

Registered Office:

Parkway House
Sheen Lane
London SW14 8LS

3 November 2020

Dear AIRE Shareholder,

Tender Offer for up to 20,125,000 ordinary shares in the capital of Alternative Income REIT plc

1. Introduction

On 27 October 2020, Glenstone Property plc (“**Glenstone**”) announced, by means of a regulatory information service announcement (the “**Announcement**”), its intention to make a tender offer (the “**Tender Offer**”) to acquire up to 25.0 per cent. of the issued share capital of Alternative Income REIT plc (“**AIRE**”), at a price of 59.25 pence per AIRE Share, representing a 12.9 per cent. premium above the closing bid price of 52.5 pence per AIRE Share as at the close of business on 26 October 2020, being the last Business Day prior to the date of the Announcement.

The amount of AIRE Shares that are the subject of the Tender Offer is 20,125,000. If the Tender Offer is accepted in full then Glenstone will hold 20,125,000 AIRE Shares, representing a shareholding of 25.0 per cent. of the issued share capital of AIRE as at today’s date.

This document and the accompanying Tender Form contain, amongst other information, the full terms of, and conditions to, the Tender Offer and the procedures for tendering AIRE Shares.

2. Information on Glenstone

Glenstone is a public limited company incorporated in England and Wales which qualifies as a UK real estate investment trust and which is listed on The International Stock Exchange (TISE) in Guernsey. It is an internally managed, diversified property investor with a portfolio of more than 100 properties across the UK and is actively seeking opportunities to reinvest the proceeds of recent asset disposals in pursuit of its investment objectives.

As at the date of this document, Glenstone does not hold any shares in AIRE.

3. Glenstone’s intentions

In the event that the Tender Offer is accepted in full, Glenstone will have a 25.0 per cent. shareholding in AIRE which it will hold as an investment.

Glenstone does not intend to make an offer to acquire the entire issued and to be issued ordinary share capital of AIRE pursuant to Rule 2.7 of the Code nor does it intend to seek a direct role in the management of AIRE’s portfolio or any combination of its own assets with those owned by AIRE.

Glenstone will seek representation on AIRE’s Board and will be supportive of a low operating cost base and other initiatives which seek to maximise returns to shareholders.

Glenstone notes the recent announcement by AIRE of its proposed amendments to AIRE’s investment policy. Glenstone will carefully evaluate these and all of the resolutions which have been proposed by the Board of AIRE for consideration by shareholders at AIRE’s forthcoming AGM due to be held on 26 November 2020.

4. Tender Offer at a 12.9 per cent. premium to the closing bid price on 26 October 2020

Pursuant to the Tender Offer, Glenstone is offering to acquire on the terms and subject to the conditions set out in this document and in the Tender Form, up to 20,125,000 AIRE Shares as follows:

For each AIRE Share: 59.25 pence in cash

The Tender Offer price represents a premium of 12.9 per cent. above the closing bid price per AIRE Share as at the close of business on 26 October 2020, being the last Business Day prior to the date of the Announcement.

The Tender Offer is conditional on the receipt of 16,100,000 Tenders which represents a shareholding in AIRE by Glenstone of not less than 20.0 per cent. of the issued share capital of AIRE as at the date of the Announcement. This condition may be waived by Glenstone in its sole discretion. Accordingly, if this condition is not satisfied (or waived) by the Closing Date, the Tender Offer will be void. Subject to this condition, any Tenders submitted by AIRE Shareholders shall be irrevocable.

If the Tender Offer is accepted in full, Glenstone would hold 20,125,000 AIRE Shares, which would represent approximately 25.0 per cent. of the issued ordinary share capital of AIRE as at the date of the Announcement.

The consideration for AIRE Shares tendered under the Tender Offer will be settled in cash only.

The Tender Offer will close at 1.00 p.m. on 17 November 2020 and the results of the Tender Offer will be announced by 8.00 a.m. on 18 November 2020.

5. Terms of the Tender Offer

The Tender Offer is subject to the following terms:

- 5.1. AIRE Shares may be tendered under the Tender Offer at a price of 59.25 pence per share in cash. Subject to sub-paragraph 5.7 below, all Tenders will be irrevocable.
- 5.2. If the total number of AIRE Shares tendered exceeds 20,125,000, Tenders will be scaled back *pro rata* to the number of AIRE Shares tendered.
- 5.3. The Tender Offer will remain open until the Closing Date. The Tender Offer will only be available to AIRE Shareholders who are on the Register at 6.00 p.m. on the Record Date and in respect of the number of AIRE Shares held by such AIRE Shareholders as at that time.
- 5.4. **AIRE Shareholders may tender all or any part of their holdings.**
- 5.5. AIRE Shares successfully tendered pursuant to the Tender Offer will be acquired by Glenstone on 19 November 2020 fully paid and free from all liens, charges, equitable interests and encumbrances and together with all rights attaching thereto, including but not limited to the right to all dividends and other distributions (or equivalent) declared on or after the date of the Announcement, and the right to attend and vote at any shareholder meeting of AIRE held after such date. If any dividend or other distribution is announced, declared, made, payable or paid in respect of the AIRE Shares on or after the date of the Announcement and prior to the Closing Date, Glenstone reserves the right to reduce the consideration payable in respect of each AIRE Share under the terms of the Tender Offer by the amount of all or part of any such dividend or other distribution. If Glenstone exercises this right or makes such a reduction in respect of a dividend or other distribution, AIRE Shareholders will be entitled to receive and retain that dividend or other distribution.
- 5.6. The results of the Tender Offer and, if applicable, the extent to which any Tender will be scaled back, will be announced by 8.00 a.m. on 18 November 2020, being the Business Day following the Closing Date.
- 5.7. The Tender Offer is conditional on the receipt by Glenstone of Tenders totalling not less than 16,100,000 AIRE Shares (the "**Minimum Condition**") by the Closing Date. This condition may be waived by Glenstone in its sole discretion and a lower minimum set by Glenstone, which will then be the Minimum Condition. Accordingly, if the Minimum Condition is not satisfied (or waived) by the Closing Date, the Tender Offer will be void.

- 5.8. In respect of AIRE Shares held in uncertificated form, all Tenders must be made in accordance with the instructions set out in this document. A Tender of uncertificated shares will only be valid when the procedure set out in this document is complied with, save where this condition is expressly waived by Glenstone in its sole discretion.
- 5.9. AIRE Shareholders holding AIRE Shares in uncertificated form should not complete the Tender Form and instead should follow the instructions detailed herein for uncertificated shares.
- 5.10. In respect of AIRE Shares held in certificated form, all Tenders must be made on the Tender Form which accompanies this document. Tender Forms must be duly completed in accordance with the instructions set out in this document and in the Tender Form, which (together with the notes in the Tender Form) constitute part of the terms of the Tender Offer. A Tender of certificated AIRE Shares will only be valid where the procedure for tendering set out in this document and in the Tender Form is complied with, save where this condition is expressly waived by Glenstone in its sole discretion.
- 5.11. The Tender Offer and all Tenders will be governed by, and construed in accordance with, English law and delivery of a Tender Form or receipt of a TTE Instruction will constitute submission to the jurisdiction of the English courts.
- 5.12. No person outside the UK receiving a copy of this document or a Tender Form may treat the same as constituting an invitation or offer to him/her unless the Tender Offer is lawfully made in the relevant territory. It is the responsibility of any such person to satisfy himself/herself as to full observance of the laws of that territory.
- 5.13. All documents and remittances sent by or to AIRE Shareholders will be sent at the risk of the person entitled to them. If the Tender Offer does not become or is not declared unconditional or otherwise lapses, Tender Forms, share certificates and other documents of title will be returned by post not later than ten Business Days after the date of such lapse, or, in the case of AIRE Shares held in uncertificated form, the Receiving Agent will provide instructions to Euroclear to transfer all AIRE Shares held in escrow balance by TFE Instruction to the original available balances to which those AIRE Shares relate, as soon as practicable.
- 5.14. If only part of a holding of AIRE Shares is successfully tendered pursuant to the Tender Offer, the relevant AIRE Shareholder will be entitled to the following:
 - 5.14.1. if AIRE Shares are held in certificated form – a certificate in respect of the unsold AIRE Shares from AIRE; or
 - 5.14.2. if AIRE Shares are held in uncertificated form – the transfer by the Receiving Agent of the original available balances of those unsold AIRE Shares.
- 5.15. Further copies of the Tender Form may be obtained on request from the Receiving Agent, Link Group, whose office is at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- 5.16. All decisions as to the number of AIRE Shares tendered and the validity, eligibility (including the time and date of receipt), priority and acceptance for payment of any Tender of AIRE Shares will be made by Glenstone in its sole discretion, which decision shall be final and binding on all of the parties (except as otherwise required under applicable law). Glenstone reserves the absolute right to reject any or all Tenders it determines not to be in proper form or the acceptance or payment for which, in the opinion of Glenstone, may be unlawful. No Tender of AIRE Shares will be deemed to be validly made until all defects or irregularities have been cured or waived.
- 5.17. None of Glenstone, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities in Tenders, and none of them will incur any liability for failure to give any such notice.
- 5.18. AIRE Shares successfully tendered will be acquired by Glenstone on 19 November 2020, up to a maximum of 20,125,000 AIRE Shares.

- 5.19. Any accidental omission to provide, or any delay or non-receipt of, this document or the Tender Form to or by any person entitled to receive the same shall not invalidate any aspect of the Tender Offer.
- 5.20. Any capitalised term used herein and not defined in this document shall have the meaning ascribed thereto in the Tender Form.
- 5.21. Certain figures have been subjected to rounding adjustments.

6. Procedure for Tendering

To take up the Tender Offer:

- 6.1. AIRE Shareholders who hold AIRE Shares in uncertificated form, i.e. electronically in CREST, must follow the procedure set out in paragraph 7 below; and
- 6.2. AIRE Shareholders who hold AIRE Shares in certificated form, i.e. in paper form, must complete and return the Tender Form together with their original share certificate(s) and/or other document(s) of title in accordance with the instructions set out in paragraph 8 below, and the instructions printed on the Tender Form. The below instructions should be read together with the notes on the Tender Form.

If you hold AIRE Shares in both certificated and uncertificated forms, you should complete a Tender Form in respect of the AIRE Shares held in certificated form and send a TTE Instruction in respect of the AIRE Shares held in uncertificated form.

AIRE Shareholders who hold their AIRE Shares via an investment platform should be notified of the Tender Offer electronically. For the majority of such shareholders, the investment platform will be responsible for responding to the Tender Offer on their behalf and may request that AIRE Shareholders who wish to tender all or some of their shares in AIRE notify them well in advance of the Closing Date.

AIRE Shareholders who have not been notified of this corporate action or who are in any doubt about how to tender all or some of their shares in AIRE should contact the investment platform which holds their shares as soon as possible.

AIRE Shareholders who do not wish to tender any AIRE Shares under the Tender Offer should take no action, either in relation to the Tender Form or the sending of a TTE Instruction.

7. AIRE Shares held in uncertificated form (i.e. electronically in CREST)

If the AIRE Shares which you wish to tender are held in uncertificated form, you must take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of AIRE Shares which you wish to Tender under the Tender Offer to an escrow balance, specifying Link Group (in its capacity as a CREST receiving agent under its participant ID RA10 and member account ID 20963GLE referred to below) as the Receiving Agent, **as soon as possible and in any event so that the transfer to escrow settles by not later than 1.00 p.m. on 17 November 2020, being the Closing Date.**

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your AIRE Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the AIRE Shares which you wish to Tender.

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- (i) the number of AIRE Shares to be transferred to an escrow balance;
- (ii) your member account ID;
- (iii) your participant ID;

- (iv) the participant ID of the Receiving Agent, this is: **RA10**;
- (v) the member account ID of the Receiving Agent, this is: **20963GLE**;
- (vi) the corporate action number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (vii) a contact name and telephone number inserted in the shared note field;
- (viii) the intended settlement date. This should be as soon as possible and, in any event, not later than the Closing Date;
- (ix) the Corporate Action ISIN. This is **GB00BDVK7088**; and
- (x) input with standard TTE Instruction priority of 80.

By sending a TTE Instruction, you irrevocably authorise and instruct the Receiving Agent to undertake all necessary steps and actions in order to complete and settle your acceptance of the Tender Offer on your behalf.

After settlement of the TTE Instruction, you will not be able to access the AIRE Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent for the Tender Offer until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will collect the AIRE Shares in escrow which have been tendered for onward transfer to Glenstone.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your AIRE Shares to settle prior to the Closing Date. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. You are reminded that the Tender Offer closes at 1.00 p.m. on 17 November 2020, the Closing Date. The Tender Offer will only be available to AIRE Shareholders who are on the Register at 6.00 p.m. on the Record Date and in respect of the number of AIRE Shares held by such AIRE Shareholders as at that date.

An appropriate announcement will be made if any of the details contained in this paragraph are altered for any reason.

8. AIRE Shares held in certificated form (i.e. share certificates held in paper form)

If the AIRE Shares which you wish to Tender are held in certificated form, you should complete the enclosed Tender Form and return it together with the original certificate(s) and/or any other forms of title. The completed and signed Tender Form should be sent either by post or by hand during normal business hours only to Link Group, whose office is at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, **as soon as possible, and in any event, so as to be received not later than 1.00 p.m. on 17 November 2020, being the Closing Date.** No Tenders received after that time will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to the directors of Glenstone or its agents to have been sent from a Restricted Jurisdiction may be rejected as an invalid tender. For further information on Overseas Shareholders, see the section headed "Overseas Shareholders" below.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent **as soon as possible, and in any event, so as to be received not later than 1.00 p.m. on 17 November**

2020, being the Closing Date, together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those AIRE Shares for which your certificate(s) is/are unavailable, you should complete a letter of indemnity, which can be obtained by writing to AIRE's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE or by first telephoning 0370 702 0000. The completed indemnity should be returned to AIRE's registrar, who also should be instructed at the time of completing the indemnity to send the resulting new share certificate to the Receiving Agent, in order to accompany your completed Tender Form.

9. Deposits of AIRE Shares into, and withdrawals of AIRE Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any AIRE Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of AIRE Shares or otherwise). AIRE Shareholders who elect to convert any such AIRE Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the AIRE Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to the Closing Date.

You are advised to read this document carefully. If you have any queries relating to the procedure for tendering, please contact the Receiving Agent, Link Group, on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

AIRE Shareholders should note that, once tendered pursuant to the Tender Offer, AIRE Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

10. Settlement

Settlement of the consideration to which any AIRE Shareholder is entitled pursuant to valid tenders accepted by Glenstone will be made by 1 December 2020, as follows:

10.1 *AIRE Shares held in uncertificated form, i.e. electronically in CREST*

Where an accepted Tender relates to AIRE Shares held in uncertificated form, the consideration due will be paid by means of a CREST payment in favour of the tendering AIRE Shareholder's payment bank in accordance with the CREST payment arrangements.

10.2 *AIRE Shares held in certificated form, i.e. share certificates held in paper form*

Where an accepted Tender relates to AIRE Shares held in certificated form, cheques for the consideration due will be dispatched by the Receiving Agent by first class post to the AIRE Shareholder(s) or agent whose name and address (outside of Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States) is set out in Box 1 (or, if relevant, Box 6) of the Tender Form or, if none is set out, to the registered address of the tendering AIRE Shareholder or, in the case of joint holders, the address of the first named. All payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

11. Taxation

Your attention is drawn to Appendix 2 to this document headed "Taxation". If you are in any doubt about your own tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

12. Overseas Shareholders

The attention of Overseas Shareholders (and any person, including, without limitation, any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Tender Offer outside the United Kingdom) is drawn to paragraphs (viii) and (ix) of Appendix 1 to this document, and, for holders of AIRE Shares in certificated form, to the relevant provisions of the Tender Form.

- 12.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom, may be prohibited or affected by the laws of the relevant overseas jurisdiction. AIRE Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such AIRE Shareholder wishing to tender AIRE Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Tender, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such AIRE Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Glenstone and any person acting on its behalf shall be fully indemnified and held harmless by such AIRE Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 12.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into or by use of mail or by any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.
- Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from a Restricted Jurisdiction including to AIRE Shareholders with registered addresses in a Restricted Jurisdiction or to persons who are custodians, nominees or trustees holding shares for persons in a Restricted Jurisdiction.
- Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked in a Restricted Jurisdiction or otherwise dispatched from a Restricted Jurisdiction and all tendering AIRE Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or the return of Tender Forms.
- 12.3 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related documents in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction in connection with such forwarding, such persons should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph.
- 12.4 The provisions of this paragraph 12 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific AIRE Shareholders or on a general basis by Glenstone in its absolute discretion but only if Glenstone is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities law, or other law.
- 12.5 The provisions of this paragraph 12 supersede any terms of the Tender Offer inconsistent with this paragraph 12.

Overseas Shareholders should inform themselves about, and observe, any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdictions.

13. Further information

The terms and conditions of the Tender Offer are set out in full in paragraph 5 above and the undertakings, representations and warranties to be given by tendering AIRE Shareholders in order to Tender their AIRE Shares are set out in Appendix 1 of this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your AIRE Shares are held in certificated form, to the accompanying Tender Form which should be read in conjunction with this document.

Your decision as to whether to Tender AIRE Shares under the Tender Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.

Yours faithfully,

Christopher Powell
Chairman

Glenstone Property plc

APPENDIX 1

EFFECT OF TENDER

Each AIRE Shareholder by whom, or on whose behalf, a Tender Form is executed, or a TTE Instruction is given irrevocably undertakes, represents, warrants and agrees to and with Glenstone (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (i) the execution of the Tender Form or the receipt of a TTE Instruction (as the case may be) shall constitute an offer to sell to Glenstone such number of AIRE Shares as are inserted (or deemed to have been inserted) in Box 3 of the Tender Form, included in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged or received (as the case may be), such Tender shall be irrevocable;
- (ii) such AIRE Shareholder has full power and authority to tender, sell, assign or transfer the AIRE Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Glenstone, Glenstone will acquire such AIRE Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, or pre-emption rights or other third party rights of any nature and together with all rights attaching thereto, on or after the date of the Announcement including the right to receive all dividends and other distributions declared after that date (other than any dividend or distribution in respect of which Glenstone exercises its right under the terms of the Tender Offer to reduce the consideration payable in respect of each AIRE Share under the Tender Offer);
- (iii) the execution of the Tender Form or receipt of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Glenstone, or any person authorised by Glenstone, as such AIRE Shareholder's attorney ("**attorney**"), and an irrevocable instruction and authority to that attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the AIRE Shares referred to in sub-paragraph (i) above in favour of Glenstone or such other person or persons as Glenstone may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such AIRE Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Glenstone or its nominee(s) or such other person(s) as Glenstone may direct such AIRE Shares;
- (iv) such AIRE Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Glenstone or any of its directors or any person nominated by Glenstone as attorney in the proper exercise of its or his or her powers and/or authorities under this document and the Tender Form;
- (v) such AIRE Shareholder holding AIRE Shares in certificated form will deliver to the Receiving Agent their share certificate(s) and/or other document(s) of title in respect of the AIRE Shares referred to in sub-paragraph (i) above, or an indemnity acceptable to Glenstone and AIRE in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible afterwards and, in any event, no later than 1.00 p.m. (London time) on the Closing Date;
- (vi) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (vii) such AIRE Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Glenstone to be desirable, in each case to complete the purchase of the AIRE Shares and/or to perfect any of the authorities expressed to be given under this document and the Tender Form;
- (viii) such AIRE Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements, that the invitation under the Tender Offer may be made to him under the laws and regulations of the relevant jurisdiction and that he is entitled to accept the Tender Offer under the laws and regulations of the relevant jurisdiction;

- (ix) such AIRE Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from any Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Jurisdiction, and such AIRE Shareholder is accepting the Tender Offer from outside any Restricted Jurisdiction;
- (x) the creation of an assured payment obligation in favour of such AIRE Shareholder's payment bank in accordance with the CREST assured payment arrangements as referred to in sub-paragraph 10.1 of the "Settlement" section above will, to the extent of the obligations so created, discharge fully any obligation of Glenstone to pay such AIRE Shareholder the consideration to which he is entitled under the Tender Offer in respect of AIRE Shares held in uncertificated form;
- (xi) on execution, the Tender Form takes effect as a deed; and
- (xii) the execution of the Tender Form or the receipt of a TTE Instruction (as the case may be) constitutes such AIRE Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form.

To the extent not prohibited by or ineffective under applicable law, each AIRE Shareholder by whom or on whose behalf a Tender Form is executed or a TTE Instruction is given, irrevocably agrees to assume liability for, pay and indemnify Glenstone from and against any and all liabilities, obligations, damages, losses, settlements, judgments, claims, actions, suits, penalties, costs, expenses and other sanctions (civil or criminal) suffered or incurred by Glenstone as a result of the breach by such AIRE Shareholder of any of the undertakings, representations, warranties, or agreements contained in this Appendix 1.

A reference above to an AIRE Shareholder includes a reference to the person or persons executing the Tender Form or giving the TTE Instruction. In the event of more than one person executing a Tender Form or giving a TTE Instruction, the above provisions will apply to them jointly and severally.

APPENDIX 2

TAXATION

The following summary, which is intended as a general guide only to certain UK tax considerations, is based on current UK legislation and HMRC published practice which may change, possibly with retrospective effect. It summarises certain limited aspects of the UK taxation treatment of acceptance of the Tender Offer. The summary relates only to the position of AIRE Shareholders who are resident in the UK for taxation purposes at all relevant times and who hold their AIRE Shares beneficially as an investment (other than under a personal equity plan or an individual savings account) and who have not (and are not deemed to have) acquired their AIRE Shares by reason of an office or employment. The comments set out in this Appendix 2 below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply. This summary is not intended to be, and should not be construed to be, legal or taxation advice to any AIRE Shareholder.

Any AIRE Shareholder who is in any doubt as to his or her taxation position or who may be subject to taxation in any jurisdiction other than the United Kingdom should consult an appropriately qualified independent professional adviser immediately.

1. UK taxation of chargeable gains

An AIRE Shareholder's liability to UK taxation of chargeable gains in respect of the disposal of AIRE Shares pursuant to the Tender Offer will depend on that shareholder's individual circumstances.

The sale of AIRE Shares by an AIRE Shareholder pursuant to the Tender Offer will constitute a disposal, or part disposal, of his or her shareholding. Such a disposal or part disposal may give rise to a liability to UK taxation of chargeable gains depending on that AIRE Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the AIRE Shareholder's base cost in his holding of AIRE Shares.

2. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT should be payable by AIRE Shareholders as a result of accepting the Tender Offer.

DEFINITIONS

The following definitions apply throughout this document unless otherwise stated or the context otherwise requires.

“AIRE”	Alternative Income REIT plc, a public limited company incorporated in England and Wales with registered number 10727886, whose registered office is at 1 King William Street, London, United Kingdom, EC4N 7AF;
“AIRE Shareholder”	a holder or holders of AIRE Shares;
“AIRE Shares” or “Ordinary Shares”	ordinary shares of one penny each in the capital of AIRE;
“Announcement”	the regulatory information service announcement in relation to the Tender Offer dated 27 October 2020;
“Australia”	the Commonwealth of Australia, its states, territories and possessions;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London;
“Canada”	Canada, its provinces, territories and all areas subject to its jurisdiction and any political sub-division thereof;
“certificated” or “in certificated form”	shares held in certificated form, that is shares held in paper form;
“closing bid price”	the bid quotation for the relevant share on the close of trading on the Main Market on the relevant date;
“Closing Date”	1.00 p.m. on 17 November 2020;
“Code”	the City Code on Takeovers and Mergers;
“CREST”	the system for the electronic settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
“CREST Manual”	the CREST Reference Manual referred to in agreements entered into by Euroclear;
“CREST member”	a person who is, in relation to CREST, a system-member (as defined in the Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
“CREST payment”	has the meaning given to that term in the CREST Manual;
“CREST sponsor”	a person who is, in relation to CREST, a sponsoring system-participant (as defined in the Regulations);
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Euroclear”	Euroclear UK & Ireland Limited;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Glenstone”	Glenstone Property plc, a public limited company incorporated in England and Wales with registered number 00986343, whose registered office is at Parkway House, Sheen Lane, London, England, SW14 8LS;

“HMRC”	HM Revenue & Customs in the UK;
“Japan”	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof;
“Link Group”	the trading name of Link Market Services Limited;
“London Stock Exchange”	London Stock Exchange plc;
“Main Market”	the main market for listed securities operated by the London Stock Exchange;
“member account ID”	the identification code or number attached to a participant ID in CREST;
“middle market closing price”	the middle market quotation for the relevant share on the close of trading on the Main Market on the relevant date;
“Minimum Tender Amount”	16,100,000 AIRE Shares, or such lower amount as Glenstone may determine in its sole discretion;
“New Zealand”	New Zealand, its territories and possessions and all areas under its jurisdiction and political sub divisions thereof;
“Overseas Shareholders”	AIRE Shareholders whose registered addresses are outside the UK or who are citizens, residents or nationals of countries other than the UK or who are nominees of, or trustees for, citizens, residents or nationals in countries other than the UK;
“participant ID”	the identification code used in CREST to identify a particular CREST participant;
“Receiving Agent”	Link Group, whose registered office is at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Record Date”	6.00 p.m. on 17 November 2020;
“Register”	the register of members of AIRE;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“Republic of South Africa”	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub divisions thereof;
“Restricted Jurisdiction”	Australia, Canada, Japan, New Zealand, the Republic of South Africa, the United States and any other jurisdiction where the making or acceptance of the Tender Offer would violate the relevant laws of that jurisdiction;
“Tender”	a tender made by an AIRE Shareholder in order to accept the Tender Offer;
“Tender Form”	the tender form issued by Glenstone for use by certificated AIRE Shareholders in connection with the Tender Offer;
“Tender Offer”	the tender offer by Glenstone to AIRE Shareholders to tender their AIRE Shares on the terms and conditions set out in this document and the Tender Form and, where the context admits, any revision or subsequent version, variation, extension or renewal thereof;

“Tender Offer Document”	this document;
“TFE Instruction”	a transfer from escrow instruction (as defined in the CREST Manual);
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual);
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share recorded on the Register as being held electronically, in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“United States”	the United States of America, its possessions and territories, all areas subject to its jurisdiction or any political subdivision thereof, any state of the United States of America and the District of Columbia.

In this document, “this document” means and includes, the letter from Glenstone, the Appendices thereto and the accompanying Tender Form.

All references to legislation in this document are to English legislation unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

All references to time in this document are to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

For the purposes of this document, subsidiary, subsidiary undertaking, undertaking and associated undertaking have the meanings given by sections 1159 and 1162 of and Schedule 7 to the Companies Act 2006.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.