



RNS

Miscellaneous

Result of Subsequent Issue - £250 million raised

LXI REIT PLC

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LXi REIT plc
(the "**Company**" or "**LXi REIT**")

Result of Subsequent Issue - £250 million raised

Further to the Company's announcements on 18 and 20 January 2022, the Board of Directors (the "**Board**") of LXI REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the results of its Subsequent Issue (the "**Subsequent Issue**").

The Board, as announced on 9 February 2022, taking into account the strong level of support received from investors and the depth of the Investment Advisor's pipeline of nearer term investment opportunities, which has grown to a level now in excess of £350 million, determined to increase the size of the Subsequent Issue to £250 million (from £125 million) (the "**Maximum Issue Size**").

Demand for the Subsequent Issue significantly exceeded the Maximum Issue Size. All valid applications received under the Open Offer will be met in full, however, valid applications received under the Excess Application Facility, Placing, Offer for Subscription and Intermediaries Offer have been scaled back. Accordingly, the Company will issue a total of 176,056,338 ordinary shares ("**New Ordinary Shares**") at the Issue Price of 142 pence per New Ordinary Share, raising gross proceeds of £250 million.

The Subsequent Issue of New Ordinary Shares will be split as follows:

- 66,280,766 New Ordinary Shares under the Open Offer (including the Excess Application Facility), raising gross proceeds of approximately £94.1 million;
- 95,506,745 New Ordinary Shares under the Subsequent Placing, raising gross proceeds of approximately £135.6 million;
- 5,796,332 New Ordinary Shares under the Offer for Subscription, raising gross proceeds of approximately £8.2 million; and
- 8,472,495 New Ordinary Shares under the Intermediaries Offer, raising gross proceeds of approximately £12.0 million.

Commenting on today's announcement, Stephen Hubbard, Chairman of LXI REIT plc, said:

"We have seen exceptionally strong investor demand for our issue, and together with the strength of our nearer term pipeline of over £350 million of accretive investment opportunities and the Investment Advisor's track record of rapid deployment, we chose to double the size of our capital raise to £250 million. We are very grateful for the continued support from our existing and new investors.

"The Company's strategy continues to be implemented successfully and we expect our secure, long-let index-linked portfolio to continue to perform strongly, benefiting from further growth, diversification and outperformance from predominantly off-market investments and forward funding opportunities, and to deliver further attractive inflation-protected income returns and

capital growth for our shareholders."

Simon Lee, Co-Manager of LXI REIT plc, commented:

"We are very pleased with the result of this oversubscribed capital raise, especially given the tougher market conditions, and we would like to thank our existing investors for their continuing support and to welcome a wide range of new shareholders to the Company. We look forward to deploying the proceeds of the raise swiftly and prudently into our accretive near-term pipeline of long-let, inflation-linked assets diversified across a range of defensive and structurally supported sub-sectors and leased to strong tenant covenants, all of which we expect will create further sustainable value for our shareholders."

Terms not otherwise defined in this announcement have the meanings given to them in the quadripartite prospectus (comprising a summary, a registration document, a supplement and a securities note) published by the Company on 20 January 2022 (the "**Prospectus**").

Applications have been made for admission of the New Ordinary Shares to the premium segment of the Official List of the Financial Conduct Authority and to trading on the premium segment of the London Stock Exchange plc's main market ("**Admission**"). It is expected that Admission will occur at 8.00 a.m. on 14 February 2022.

Following the Subsequent Issue, the Company's issued share capital will comprise 911,569,741 Ordinary Shares and this is the total number of Ordinary Shares with voting rights in the Company. This figure (911,569,741) may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

LXI REIT plc invests in UK commercial property assets let, or pre-let, on very long (typically 20 to 30 years to expiry or first break), inflation-linked leases to a wide range of strong tenant covenants across a diverse range of robust property sectors.

The Company may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. The Company will not undertake any direct development activity nor assume direct development risk.

The Company is targeting an annual dividend of 6.3 pence per Ordinary Share for the 12 months commencing 1 April 2022*.

The Company, a real estate investment trust ("**REIT**") incorporated in England and Wales, is listed on the premium listing segment of the Official List of the Financial Conduct Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in February 2017.

The Company is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

** These are guidance levels or targets only and not a profit forecast. In setting this target the Board has applied sensitivities to contracted rental income that reflect the possible impact of the COVID-19 pandemic and assessed the effect of such sensitivities on the net earnings and liquidity of the Group. The target assumes that future rent collection is not materially lower than that achieved so far throughout the pandemic and the Board reserves the right to withdraw or amend guidance in the event that rent collection materially worsens.*

There can be no assurance that this target will be met and it should not be taken as an indication of the Group's expected future results which may be impacted by events or circumstances existing or arising after the date of this announcement.

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In addition the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended.

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In connection with the Subsequent Issue, Peel Hunt, Jefferies and/or Alvarium Securities, and any of their affiliates, may take up a portion of the New Ordinary Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such New Ordinary Shares and other securities of the Company or related investments in connection with the Subsequent Issue or otherwise. Accordingly, references in the Prospectus to the New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, Peel Hunt and any of its affiliates and/or Jefferies and any of its affiliates and/or Alvarium Securities and any of its affiliates acting in such capacity. In addition Peel Hunt, Jefferies and/or Alvarium Securities, and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Peel Hunt, Jefferies and/or Alvarium Securities, and any of their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Peel Hunt, Jefferies and Alvarium Securities do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK's implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended ("**UK MiFID II**"); and (b) the UK's implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and in particular Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible

counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the market price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Issue and/or Share Issuance Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt, Jefferies and Alvarium Securities will only procure investors (pursuant to the Subsequent Issue) who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

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