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Miscellaneous

Accretive forward funding £26M acquisitions

LXI REIT PLC

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LXi REIT plc

(the "Company" or the "Group")

ACCRETIVE FORWARD FUNDING ACQUISITIONS TOTTALLING £26 MILLION AT 5% NIY

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the following forward funding acquisitions, funded by its recent £250 million equity capital raise (the "Capital Raise").

The acquisitions total £26 million and reflect an accretive 5% net initial yield (net of purchase costs), versus the current portfolio valuation yield of 4.5%. The assets are secured to strong tenant covenants on long-term, index-linked and fixed uplift leases and are underpinned by affordable rents with strong ESG credentials.

For each of these forward funding acquisitions, full planning consent is in place, the Agreements for Lease have been exchanged and the properties are being funded on a fixed price basis. The Company will receive a cash-backed income from the developers during the construction periods in line with the purchase yields.

The Company has now deployed £170 million since the Capital Raise, which closed on 9 February 2022, and is in solicitors' hands on a range of further assets which will deploy the balance of the proceeds in short order.

Tesco and Home Bargains forward funding

The Company has acquired, by means of a pre-let forward funding transaction, a 45,000 sq ft Tesco foodstore (75% of the total value) and a 22,000 sq ft Home Bargains (25% of the total value) in Houghton le Spring. The property will include 329 car parking spaces, as well as electric vehicle charging points, and comprises a large, nine-acre site.

The foodstore has been fully pre-let to Tesco Stores Limited (the principal UK trading company of the Tesco group) on an unbroken 20-year lease. The starting rent reflects a low rent per sq ft and increases five yearly in line with CPI inflation.

The Home Bargains store has been fully pre-let to TJ Morris Ltd (the principal group company) on an unbroken 15-year lease. The starting rent reflects a low rent per sq ft and increases five yearly upwards only in line with open market value.

Tesco is a FTSE 100 constituent with a market cap of approximately £22 billion. Home Bargains is a leading discount retailer, operating over 500 stores and with net assets of £1.3 billion.

Co-op foodstore forward funding

The Company has acquired, through a pre-let forward funding transaction, a convenience store in Horncastle. The property benefits from a new, 25-year lease to Co-Operative Food Group Limited (with a one-off break right at year 15), with fixed rental uplifts of 2.5% per annum compounded every five years.

The property occupies a strategic location with direct access to key arterial road routes. The Co-operative Group, which was established in 1844, now operates 4,500 outlets and has an annual turnover of £11.5 billion.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 2138008YZGXOKAXQVI45

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 a dividend of 6.3 pence per ordinary share for the year commencing on 1 April 2022 and a dividend of 6 pence per ordinary share for the year which commenced on 1 April 2021¹.

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 UK Listing 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, EPRA/NAREIT and MSCI indices.

Further information on the Company is available at www.lxireit.com

¹ 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.

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