

**RNS**

Acquisition

£73M of accretive acquisitions at 5.4% NIY

LXI REIT PLC

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LXi REIT plc

(the "Company" or the "Group")

ACCRETIVE ACQUISITIONS TOTALLING £73 MILLION AT 5.4% NIY

EQUITY DEPLOYED

PORTFOLIO UPDATE

The Board of LXi REIT plc (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce £73 million of new investments, funded by its recent £250 million equity capital raise (the "Capital Raise").

The acquisitions, which have been transacted on an off-market basis, reflect an accretive 5.4% net initial yield (net of purchase costs), versus the current portfolio valuation yield of 4.5%. The assets benefit from strong tenant covenants on long-term, fixed uplift leases and are underpinned by affordable rents.

The Company has now fully deployed the net proceeds of the £250 million Capital Raise, which closed on 9 February 2022, and is in solicitors' hands on a range of further assets to be funded through the Company's debt facilities.

Asda foodstore

The Company has acquired a 73,000 sq ft foodstore in Halesowen, Birmingham. The property is fully let to Asda Stores Limited (the principal group company) on a long lease with 22 years unexpired to first break and benefits from five yearly rental uplifts at a fixed growth rate of 3% per annum compounded.

The dominant store, which includes 600 parking spaces and was built in 2008, trades strongly and benefits from a significant catchment population of 1.1 million residents within a 20-minute drive time.

Asda is the UK's third largest grocer, operating 600 stores and serving 18 million customers a week.

Compass training facility

Following its acquisition of the Compass Milton Keynes site announced on 14 February 2022, the Company has acquired a second Compass training and conference facility extending to 127,000 sq ft, on a substantial 18.5 acre site, in Stone, Staffordshire.

The property is again fully let to Compass Group Holdings plc, a FTSE 100 constituent, with a market cap of approximately £30 billion, on a long lease with 17 years unexpired to first break. The current rent equates to a low £12 per sq ft and reviews annually with a fixed uplift of 2.5% per annum compounded.

The property is well located and is underpinned by a strong residual and alternative use value, including for potential residential use, with the property surrounded by recently developed, modern housing.

Portfolio update

Following the full deployment of the proceeds of the £250 million capital raise, the portfolio is now positioned as follows:

- 191 properties which are 100% let or pre-let on long-term, triple-net leases to 70 strong tenants, with a long WAULT to first break of 22 years;

- 96% of the rental income is either inflation-linked (74%) or contains fixed uplifts (22%);
- The Company's sub-sector weightings are: Foodstores and essentials (25%), Industrial and logistics (17%), Budget hotels (13%), Healthcare (8%), Car parks (5%), Life sciences (4%), Drive-thru coffee (4%), Garden centres (4%), Pubs (3%), Education (2%) and Other (15%).

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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