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## Exchange of contracts on Sainsbury's portfolio

### LXI REIT PLC

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#### **LXi REIT plc**

(the "Company" or "LXi REIT")

#### **Exchange of contracts on Sainsbury's portfolio**

Further to its announcement of 21 September 2022, the Board of LXi REIT (ticker: LXI), the specialist inflation-protected very long income REIT, is pleased to confirm that the Company has now exchanged contracts to acquire from Sainsbury's, on a sale and leaseback basis, a portfolio of 18 prime grocery store assets predominantly located in Southern England and to be let to Sainsbury's Supermarkets Limited (the "Target Portfolio").

The purchase price of £500 million equates to a net initial acquisition yield of 5.0 per cent., which is accretive to the Company's portfolio yield of 4.7 per cent.

The Target Portfolio benefits from defensive characteristics including strong trading performance, low and sustainable rents (averaging £17.25 per sq ft), new 15-year lease terms, five yearly upward only CPI inflation-linked rent reviews (capped at 4 per cent. per annum compounded) and attractive 'green' lease provisions. The Target Portfolio comprises modern buildings all with strong ESG credentials including A or B EPC ratings, on large plots with low site cover, and providing omni-channel sales optionality.

The Target Portfolio has a robust tenant covenant being 100 per cent. let to Sainsbury's Supermarkets Limited, the main trading company of J Sainsbury plc. Sainsbury's is the UK's second largest grocery retailer, with 14.6 per cent. market share and a market cap of £4.6 billion.

Completion of the acquisition is conditional upon the Company raising the necessary equity funding, for which the Company is currently in discussions with investors. The balance of the purchase price will be funded via a debt facility, which is anticipated to be drawn at an accretive and attractive, low all-in maximum rate of 1.5 per cent. per annum and otherwise on terms in-line with the Company's borrowing policy.

**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 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 which commenced on 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 UK 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, EPRA/NAREIT, MSCI and STOXX Europe 600 indices.

Further information on the Company is available at [www.lxireit.com](http://www.lxireit.com)

\* This is a target and not profit forecast.

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