RNS Miscellaneous

DEBT REFI SIGNED & 6.6P ANNUAL DIVI TARGET

LXI REIT PLC

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LXi REIT plc

(the "**Company**", the "**Group**" or "**LXi**")

FINAL STEP OF £773 MILLION DEBT REFINANCING SIGNED AND

INCREASE IN ANNUAL DIVIDEND TARGET TO 6.6 PENCE

The Board of LXi REIT plc (ticker: LXI), the specialist inflation-protected very long income REIT, is pleased to announce the signing of a £565 million loan facility, being the final step of the refinancing of its near-term debt maturities, and allows the Company to increase its annual dividend target.

Cyrus Ardalan, Chairman, commented:

"We are delighted to have signed this facility, which represents the final step of our comprehensive refinancing programme. The combination of the medium-term and revolving bank facilities, along with the long-term institutional facilities announced on 6 March, provides the Company with operational flexibility, including an ability to migrate further to unsecured/debt capital markets funding in due course. It will also underpin our long-term progressive dividend policy."

Bank Facility

The Company has signed a new, £565 million secured, interest-only debt facility with a syndicate of banks comprising a number of the Company's existing lenders ("**Bank Facility**"). The Bank Facility comprises a £200 million five-year revolving credit facility, a £115 million five-year term loan and a £250 million three-year term loan.

The blended margin on the Bank Facility is 2.23% per annum over SONIA. The Company has purchased interest rate caps representing £400 million of notional to cap the SONIA cost of the Bank Facility at a rate of 2.0% per annum, resulting in an all-in rate of 4.23% per annum for the first 3-years of the facility.

The cost of the £400 million of SONIA caps was fully covered by the value of the derivatives owned by the Company. The Company expects to hedge the remaining £165 million shortly through a 5-year swap with no initial cost.

The Bank Facility provides the Company with substantial covenant headroom together with appropriate remedial cure rights ahead of any potential breach trigger. Drawing the Bank Facility is conditional on finalising market-standard property due diligence and the redemption of certain of the Company's existing financing arrangements and release of the associated security.

The Company was advised on the Bank Facility by Rothschild & Co.

Wider Refinancing

The Bank Facility represents the final step of the Group's refinancing of its shorter-term debt maturities, following the recent signing of the £148 million 16-year term loan with an institutional lender and extension of the £60 million HSBC loan, as announced on 6 March 2023.

The Company now benefits from a well-diversified group of lenders with eight different banks and lending organisations across its capital structure.

The loan facilities repaid in full as a result of the refinancing are:

- £385 million unsecured bridge facility with HSBC and Barclays, maturing May 2023;
- £124 million secured facilities with M&G, maturing April and October 2023;
- £165 million secured revolving credit facility with Lloyds and RBSi, maturing June 2024; and
- €60 million secured facility with Blackstone, maturing April 2026.

Following drawdown of the Company's new debt facilities and redemption of the Company's previous arrangements that were repaid in this refinancing, the Company's debt now reflects the following statistics, assuming a fully drawn revolving credit facility:

- Total borrowings: £1,298.6m (pre refinancing: £1,313.0m)
- Weighted average debt maturity: 6-years (pre refinancing: 3-years)
- Weighted average capped interest cost: 4.69% per annum[1] (pre refinancing: 4.30% per annum)

New annual dividend target

Following the signing of the Group's comprehensive refinancing, the Company is pleased to announce a new annual dividend target of 6.6 pence per share for the 12-month period that commenced on 1 April 2023 (a 4.8% increase on the dividend target for the year ended 31 March 2023).

The new divided is anticipated to be paid in four quarterly instalments and reflects the Company's policy of paying a progressive dividend which is fully covered by net earnings.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 2138008YZGXOKAXQVI45

NOTES

LXI REIT plc invests in commercial property assets predominantly in the UK, 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 6.6 pence per ordinary share for the year which commenced on 1 April 2023[2].

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

1 Expected capped annual cost of debt assumes the all-in rate of the new 16-year term facility based on the UK Treasury Gilt 2039 as at 12 April 2023 and the £165 million remainder of the Bank Facility is swapped at the 5-year SONIA swap rate as at 12 April 2023. The final cost of each facility will be announced by the Company in due course

2 This is a target and not a profit forecast

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