

Incorporated in England and Wales with
Company Number 10535081 and registered
as an investment company under section 833
of the Companies Act 2006

Letter from the Chairman

Directors:

Stephen Hubbard (Non-executive Chairman)
Colin Smith OBE (Non-executive Director)
Jan Etherden (Non-executive Director)
John Cartwright (Non-executive Director)
Patricia Dimond (Non-executive Director)

18 June 2021

To Shareholders

Dear Sir or Madam

Annual Report and Notice of Annual General Meeting ("AGM")

Please find enclosed the Annual Report for the year ended 31 March 2021. On the following page you will find the Notice of Annual General Meeting. Additional copies, together with the Company's Annual Report, can be downloaded from the Investor Relations section of the Company's website at www.lxireit.com.

In line with the requirements of the Companies Act 2006, the Company will hold an AGM of Shareholders to consider the resolutions laid out in the Notice of Meeting. The Company's AGM will be held at the office of LXi REIT Advisors at 10 Old Burlington Street, Mayfair, London, W1S 3AG on 14 July 2021 at 2.00 p.m. There will be no presentation from the Investment Manager and the sole business of the meeting will be to propose the resolutions set out in the Notice of Meeting contained in the Annual Report and Accounts.

Under normal circumstances the Board would encourage Shareholders to attend the Company's Annual General Meeting, however, in light of the continuing Covid-19 pandemic, the Company recommends that Shareholders carefully consider whether it is appropriate to attend the meeting in person. The well-being of Shareholders and service providers is a primary concern of the Directors of the Company. If necessary, in line with Government guidelines, attendance of Shareholders may be restricted or prohibited.

Shareholders should monitor the Company's website: <https://www.lxireit.com/> and London Stock Exchange announcements for any updates regarding the AGM.

Alternatively, Shareholders can contact the Registrar, Link Group, for updated information (please see Notes to the Notice of AGM for the Registrar's contact details). The Board would like to thank all Shareholders for their continued support and understanding in these extraordinary times.

AGM voting

Shareholders are requested to vote by proxy. Given the likelihood of restrictions on attendance, Shareholders are strongly encouraged to appoint the “Chair of the Meeting” as their proxy, rather than another person who may not be permitted to attend the meeting. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 6 to 7.

The outcome of the resolutions will as usual be determined by Shareholder vote based on the proxy votes received. All valid proxy appointments (whether submitted electronically or in hard copy form) will be included. The results of the AGM will be announced to the London Stock Exchange and placed on the Company’s website, as soon as practicable after the conclusion of the AGM.

Questions

Should a Shareholder have a question that they would have raised at the AGM, either of the Board or the Investment Manager, I ask that they send it by email to info@lxireitadvisors.com by 12 July 2021. Answers to questions will be published on the Company’s website in advance of the AGM.

Form of Proxy

With regards to the AGM, kindly note that you will not receive a hard copy form of proxy. For other options please see notes 6 and 7 of the Notice of AGM). Proxy votes must be cast by 2.00 p.m. on 12 July 2021.

Resolutions

The information set out below is an explanation of the business to be considered at the 2021 Annual General Meeting (“AGM” or “Meeting”). The Board strongly urge Shareholders to approve the resolutions set out below as they will do themselves in respect of their own holding.

Resolutions 1 to 12 (inclusive) are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 15 (inclusive) are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Ordinary Resolution 1 – Report and Accounts

The Report and Accounts for the period to 31 March 2021 will be presented to the Annual General Meeting. The Report and Accounts accompany the Notice of Meeting and Shareholders will be given an opportunity to ask questions in advance of the meeting via email to info@lxireitadvisors.com.

Ordinary Resolution 2 – Directors’ Remuneration Report

The Directors’ Remuneration Report is set out in full in the Annual Report and Accounts on pages 49 to 51. The vote is advisory and does not affect the remuneration payable to any individual Director.

Ordinary Resolution 3 – Directors’ Remuneration Policy

The Directors’ Remuneration Policy is set out in full in the Report and Accounts on page 49. The vote is binding and Shareholder approval will be sought every three years.

Ordinary Resolution 4 – Interim Dividends

The Company aims to provide its Shareholders with secure and growing income, fully covered by the Company’s adjusted earnings, along with capital growth over the medium-term. The Company seeks to pay dividends on a quarterly basis in cash, by way of four equal interim dividends and are requesting Shareholders authorise the Board to pay all dividends as interim dividends.

On 19 May 2021, the Board announced that it would pay a dividend in respect of the quarter ending 31 March 2021 of 1.46 pence per Ordinary Share. On 11 February 2021, the Company announced that it would reinstate annual dividend guidance for the year ending 31 March 2022 of 6 pence per Ordinary Share in aggregate, paid on a quarterly basis in cash, by way of four equal dividends.

The Company is targeting a total Net Asset Value return of a minimum of 8% per annum over the medium-term.

In order to comply with REIT status the Company is required to meet a minimum distribution test for each year that it is a REIT. This minimum distribution test requires the Company to distribute 90% of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes. The target dividends and total NAV return stated above are guidance levels or targets only and not a profit forecast and there can be no assurance that they will be met.

Ordinary Resolutions 5 to 9 – Re-Elections of Directors of the Company

Each of the Board members' biographical details can be found on pages 40 to 41 of the Company's Annual Report together with a reason as to why their re-election is in the Company's long-term interest.

All the Directors will retire and offer themselves for re-election at the forthcoming AGM. The Board recommends all the Directors for re-election for the reasons highlighted in the performance appraisal section of the Annual Report on page 41.

Ordinary Resolutions 10 to 11 – Appointment and Remuneration of Auditor

In accordance with Sections 489 and 492 of the Companies Act 2006 (the "Act"), Shareholders are required to approve the appointment of the Company's auditor each year. In accordance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use Of Competitive Tender Processes and Audit Committee Responsibilities) 2014, Audit Committees are authorised to determine the auditor's remuneration. BDO LLP have expressed their willingness to be appointed as auditor to the Company.

Ordinary Resolution 12 and Special Resolution 13 – Authority to Issue Shares

A prospectus and circular were issued by the Company on 18 February 2021 in respect of a Placing, Open Offer, Offer for Subscription and Intermediaries Offer (the "Programme"). The Programme had a target size of 60,164,539 new Ordinary Shares at 124.5p per new ordinary share. Shareholders granted authority on 11 March 2021 to allot 400 million new Ordinary Shares.

On 11 March 2021, due to the level of take up exceeding the target, the Company took advantage of the upside option to issue a total of 100,401,606 new Ordinary Shares under the programme, raising gross proceeds of approximately £125 million.

In the previous financial year, the Company under a separate programme issued 169,111,138 new Ordinary Shares, raising total gross proceeds of £200 million.

The maximum number of Ordinary Shares which can be admitted to trading on the London Stock Exchange without the publication of a prospectus is 20% of the ordinary share capital on a rolling previous 12-month basis at the time of admission of the shares.

The authority to allot 52,142,601 Ordinary shares granted at the last AGM held on 30 June 2020 will expire at the conclusion of the forthcoming AGM. The Board recommends that the Company be granted a new authority to allot up to a maximum of 62,182,761 Ordinary Shares (representing approximately 10% of the shares in issue at the date of this document) and to dis-apply pre-emption rights when allotting those Ordinary Shares and/or selling shares from treasury. Ordinary resolution 12 and special resolution 13 will be put to Shareholders at the AGM. Shares will be issued under this authority only at the Board's discretion and when it is deemed to be in the best interests of Shareholders as a whole to do so. The advantages are to lower the Company's ongoing charges as expenses are diluted and, in the short term, to address volatility in the share price. Unless otherwise authorised by Shareholders, new Ordinary Shares will not be issued at less than NAV and Ordinary Shares held in treasury will not be sold at less than net asset value.

Any new ordinary share issues will be issued at a premium to net asset value (ex-income).

Special Resolution 14 – Share Repurchases

The Companies Act 2006 allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

No Ordinary Shares will be sold from treasury at a price less than the net asset value per existing ordinary share at the time of their sale unless they are first offered pro rata to existing Shareholders. No Ordinary Shares were bought back since the Company's launch.

The Company may seek to address any significant discount to net asset value at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis.

The Directors currently have the authority to make market purchases of up to 78,161,758 Ordinary Shares and are seeking to renew this authority to issue up to 14.99% of the Company's issued share capital, which equates to 93,211,959 at the date of this notice. The maximum price (exclusive of expenses) which may be paid for an ordinary share must not be more than the higher of:

- (i) 5% above the average of the mid-market values of the Ordinary Shares for the five Days before the purchase is made; or
- (ii) at a price stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time.

Ordinary Shares will only be repurchased at prices below the prevailing net asset value per ordinary share, which should have the effect of increasing the net asset value per ordinary share for the remaining Shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each AGM of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available uncommitted cash resources of the Group.

Ordinary Shares repurchased by the Company may be held in treasury or cancelled.

The Directors will have regard to the Company's REIT status when making any repurchase, and purchases of Ordinary Shares may be made only in accordance with Companies Act 2006, the Listing Rules and the Disclosure Guidance and Transparency Rules.

Investors should note that the repurchase of Ordinary Shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be repurchased.

Settlement of ordinary share transactions in the Company are settled by the CREST share settlement system.

Special Resolution 15 – General Meetings

Resolution 15 seeks Shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) at 14 clear days' notice. The Company will only use this shorter notice period where it is merited by the purpose of the meeting and will endeavour to give at least 14 working days' notice if possible, in line with the recommendations of the UK Corporate Governance Code.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any matter referred to in this document or as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, the distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of LXI REIT plc will be held at the offices of LXI REIT Advisors at 10 Old Burlington Street, Mayfair, London, W1S 3AG on 14 July 2021 at 2.00 p.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 15 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and adopt the Company's Annual Report and Accounts for the year to 31 March 2021, with the reports of the Directors and Auditor thereon.
2. To approve the Directors' Remuneration Report included in the Annual Report for the year to 31 March 2021.
3. To approve the Company's Remuneration Policy.
4. To authorise the Directors to declare and pay all dividends of the Company as interim dividends.
5. To re-elect Stephen Hubbard as a Director of the Company.
6. To re-elect John Cartwright as a Director of the Company.
7. To re-elect Jeannette Etherden as a Director of the Company.
8. To re-elect Colin Smith as a Director of the Company.
9. To re-elect Patricia Dimond as a Director of the Company.
10. To re-appoint BDO LLP as Auditor to the Company.
11. To authorise the Directors to fix the remuneration of the Auditor until the conclusion of the next Annual General Meeting of the Company.
12. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot up to 62,182,761 Ordinary Shares of 1 pence each in the capital of the Company (equivalent to 10% of the Ordinary Shares in issue at the date of this notice of Annual General Meeting), such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired.

SPECIAL RESOLUTIONS

13. That subject to the passing of resolution 12 the Directors be and are hereby empowered (pursuant to sections 570 and 573 of the Companies Act 2006) to allot Ordinary Shares of 1 pence each and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 12 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into

an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired.

14. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ('the Act') to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1 pence each, provided that:
 - a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 93,211,959 (representing 14.99% of the Company's issued Ordinary Share capital (excluding shares held in Treasury) at the date of this notice of Annual General Meeting);
 - b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1.00 pence;
 - c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
 - d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
 - e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.
15. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

By order of the Board

Jenny Thompson

For and on behalf of

PraxisIFM Fund Services (UK) Limited
Company Secretary

18 June 2021

Registered Office:

1st Floor,
Senator House
85 Queen Victoria Street,
London EC4V 4AB

1 COVID-19 Measures

In response to the current COVID-19 pandemic, the UK Government has established restrictions on indoor public gatherings. In light of these measures, the Board will make arrangements such that the legal requirements to hold the meeting can be satisfied through the attendance of two shareholders. The AGM will be held at the location, date and time as set out in the Notice of Meeting, however physical attendance by any other shareholders at the meeting will likely not be possible.

This situation is constantly evolving, and the UK Government may change the current restrictions or implement further measures during the affected period. Shareholders should monitor the Company's website at www.lxireit.com and London Stock Exchange announcements for any updates regarding the AGM. Alternatively, shareholders can contact the Registrar, Link Group, for updated information (please see Notes to the Notice of AGM for the Registrar's contact details).

2 Voting record date

Only members registered in the Register of Members of the Company at the close of business on 12 July 2021 shall be entitled to vote at the Annual General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the close of business on 12 July 2021 shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

If the Annual General Meeting is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to attend, speak and vote (subject to UK Government restrictions) at the adjourned meeting. If the Annual General Meeting is adjourned for more than 48 hours, then the voting record date will be the close of business on the day which is two days (excluding non-working days) before the day of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

3 Rights to attend and vote

Subject to UK Government restrictions, members are entitled to attend and vote at the forthcoming Annual General Meeting or at any adjournment(s) thereof. On a poll each member has one vote for every one share held.

4 Right to appoint proxies

Pursuant to Section 324 of the Companies Act 2006 (the "Act"), a member entitled to attend and vote at the Annual General Meeting may appoint more than one proxy (subject to UK Government restrictions), provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the Annual General Meeting (subject to the above Stay at Home Measures) or at any adjournment thereof.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 2.00 p.m. on 12 July 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5 Proxies' rights to vote at the Annual General Meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

6 Appointment, receipt and termination of proxies

To appoint a proxy, you may:

- (a) register your appointment on the Signal Shares portal at www.signalshares.com;
- (b) request a paper form of proxy from the Company's registrar using the details below; or
- (c) in the case of CREST members, appoint a proxy via CREST (see note 7 below).

By registering on the Signal Shares portal at www.signalshares.com, you can manage your shareholding, including: (i) casting your vote; (ii) changing your dividend payment instruction; (iii) updating your address; and (iv) selecting your communication preference.

To be effective, the proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it.

Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, Link Group PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

If a paper form of proxy is requested from the Company's registrar, it should be completed and returned to Link Group PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL to be received not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it.

If you need help with voting online, or require a paper form of proxy, please contact the Company's registrar, Link, by email at enquiries@linkgroup.co.uk or by telephone on 0871 664 0391 (if calling from the UK) or on +44 (0) 371 664 0391 (if calling from outside of the UK). Link are open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to Link Group.

7 Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA10) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website www.euroclear.com.

- a. Voting by corporate representatives
- b. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Act provided they do not do so in relation to the same shares. Please see note 1 above in relation to the restrictions around physical attendance at the meeting due to COVID-19. Communication with the Company

Members may not use any electronic address provided either in the notice of Annual General Meeting or any related documents to communicate with the Company for any purpose other than those expressly stated.

8 Questions at the Meeting

If the Stay at Home Measures continue in force as at the date of the AGM, shareholders are invited to submit to the Company Secretary any questions they would otherwise have asked at the AGM via email to info@lxireitadvisors.com. Such questions will be considered by the Board. If any relevant questions are received, the Company Secretary will respond to those questions directly and may also, if the Board so determines, and subject to any regulatory restrictions, publish on the Company's website a summary of responses to questions received.

9 Website

A copy of the notice of the Annual General Meeting, including these explanatory notes and other information required by Section 311A of the Act, is included on the Company's website, www.lxireit.com.

10 Total voting rights at date of notice

As at 1 June 2021 (being the last practicable date prior to the publication of this notice) the total number of Ordinary Shares in the Company in issue was 621,827,616. The total number of voting rights on that date was therefore 621,827,616.