

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a supplementary prospectus relating to LXi REIT plc (the "**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("**FCA**") made pursuant to section 73A of the Financial Services and Markets Act 2000 (the "**Supplementary Prospectus**").

This Supplementary Prospectus has been approved by the FCA under the UK Prospectus Regulation. The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Supplementary Prospectus.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus (comprising a Summary, a Registration Document and a Securities Note) published by the Company on 18 February 2021 relating to an Initial Placing, Open Offer, Offer for Subscription and Intermediaries Offer of New Ordinary Shares and a Share Issuance Programme of up to 400 million New Ordinary Shares in aggregate (less the number of New Ordinary Shares issued pursuant to the Initial Issue) (the "**Prospectus**"). Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

The Company and each of the Directors, whose names appear on page 7 of this Supplementary Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and the Supplementary Prospectus makes no omission likely to affect its import.

LXi REIT PLC

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

SUPPLEMENTARY PROSPECTUS

Share Issuance Programme of New Ordinary Shares

Investment Advisor
LXi REIT Advisors Limited

AIFM
Alvarium Fund Managers (UK) Limited

*Sponsor, Joint Global Co-ordinator, Joint Broker, Joint Bookrunner and Intermediaries
Offer Adviser*
Peel Hunt LLP

Joint Broker, Joint Global Co-ordinator and Joint Bookrunner
Jefferies

Each of Peel Hunt LLP ("**Peel Hunt**"), Jefferies International Limited, both of which are authorised and regulated in the United Kingdom by the FCA, and Jefferies GmbH, registered in Germany and authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (together, Jefferies International Limited and Jefferies GmbH, being "**Jefferies**"), is acting exclusively for the Company and for no-one else and will not regard any other person (whether or not a recipient of this Supplementary Prospectus or the Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the Initial Issue, the Share Issuance Programme, any Admission and the other arrangements referred to in the Prospectus and this Supplementary Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt or Jefferies by the FCA under FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or

unenforceable, neither Peel Hunt nor Jefferies nor any person affiliated with them, assumes any responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this Supplementary Prospectus or the Prospectus or for any other statement made or purported to be made by Peel Hunt, Jefferies, or on their behalf, the Company or any other person in connection with the Company, the New Ordinary Shares, the Initial Issue, the Share Issuance Programme or any Admission and nothing contained in this Supplementary Prospectus or the Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Neither Peel Hunt nor Jefferies (together with their respective affiliates) assumes any responsibility for the accuracy, completeness or verification of this Supplementary Prospectus or the Prospectus and accordingly each of them disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Supplementary Prospectus, the Prospectus or any such statement.

Prospective investors should rely only on the information contained in this Supplementary Prospectus and the Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus and the Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the AIFM, the Investment Advisor, Peel Hunt or Jefferies or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Prospectus Regulation Rules, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules neither the delivery of this Supplementary Prospectus nor any subscription for or purchase of New Ordinary Shares made pursuant to the Initial Issue or the Share Issuance Programme shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Supplementary Prospectus.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold into or within the United States, except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. Outside the United States, the New Ordinary Shares may be sold pursuant to Regulation S under the US Securities Act ("**Regulation S**"). Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

Neither this Supplementary Prospectus nor the Prospectus constitutes an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Peel Hunt or Jefferies. The offer and sale of New Ordinary Shares has not been and will not be registered under the applicable securities law of Canada, Japan, Australia, Singapore or the Republic of South Africa. Subject to certain exemptions, the New Ordinary Shares may not be offered to or sold within Canada, Japan, Australia, Singapore or the Republic of South Africa or to any national, resident or citizen of Canada, Japan, Australia, Singapore or the Republic of South Africa. None of the Company, Peel Hunt or Jefferies, or any of their respective representatives, is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the New Ordinary Shares.

Copies of this Supplementary Prospectus will be available on the Company's website and the National Storage Mechanism of the FCA at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

23 June 2021

Events arising since publication of the Prospectus

This Supplementary Prospectus is being published in relation to the Share Issuance Programme. This Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules following the publication of the Company's report and accounts for the financial year ended 31 March 2021. This Supplementary Prospectus has been approved for publication by the FCA.

A. Significant new factors

Report and accounts for the financial year ended 31 March 2021

On 19 May 2021, the Company published its annual report and audited accounts for the financial year ended 31 March 2021 (the "**2021 Annual Report and Accounts**"). By virtue of this Supplementary Prospectus, the parts of the 2021 Annual Report and Accounts referenced in this Supplementary Prospectus are incorporated into, and form part of, the Prospectus. The parts of the 2021 Annual Report and Accounts not referenced in this Supplementary Prospectus are either not relevant for investors or are covered elsewhere in the Prospectus. To the extent that any part of the 2021 Annual Report and Accounts that is incorporated into the Prospectus by reference itself contains information that is incorporated by reference, such information shall not form part of the Prospectus.

Historical financial information incorporated by reference

Historical financial information relating to the Company on the matters referred to below is included in the 2021 Annual Report and Accounts as set out in the table below and is expressly incorporated by reference into this Supplementary Prospectus and the Prospectus (and Part 6 of the Registration Document is supplemented accordingly).

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The 2021 Annual Report and Accounts have been prepared in accordance with IFRS and were audited by BDO LLP, whose report was unqualified. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

B. Supplements to the Summary

As a result of the publication of the 2021 Annual Report and Accounts, the summary document which forms part of the Prospectus is hereby supplemented as follows:

2.	Key information on the issuer				
b.	What is the key financial information regarding the issuer?				
	Table 1: Additional information relevant to closed end funds				
	Share Class	Total NAV*	No. of shares*	NAV per share*	Historical performance of the Company*
	Ordinary	£781.4 million	621,827,616	125.7p (including current financial year revenue items)	Since the Company's Ordinary Shares were first admitted to trading on the London Stock Exchange's main market on 27 February 2017, the Ordinary Shares, including dividends paid to Shareholders, had delivered, as at 31 March 2021: (i) a total shareholder return of 53 per cent., comprising growth in the market price of Ordinary Shares and dividends per Ordinary Share declared to 31 March 2021; and (ii) an average annual total NAV return of 10.1 per cent. per annum, comprising compounded annual NAV growth and dividends paid to shareholders to 31 March 2021.
	*As at 31 March 2021.				

Table 2: Income statement for closed end funds

	Financial year ended 31 March 2021 (audited) (£m)
Consolidated Statement of Comprehensive Income	
Rental income	42.8
Administrative and other expenses	(5.9)
Operating profit before change in fair value and gain on disposal of investment property	36.9
Change in fair value of investment property	0.1
Gain on disposal of investment property	6.3
Change in fair value of financial instruments	-
Operating profit	43.3
Gain on refinancing	1.9
Finance income	-
Finance costs	(5.3)
Profit before tax	39.9
Taxation	-
Profit and total comprehensive income attributable to shareholders	39.9
Earnings per share – basic and diluted	7.6p

Table 3: Balance sheet for closed end funds

	As at 31 March 2021 (audited) (£m)
Consolidated Statement of Financial Position	
Non-current assets:	
Investment property	887.5
Trade and other receivables	0.4
<i>Total non-current assets</i>	<i>887.9</i>
Current assets:	
Trade and other receivables	13.7
Deferred acquisition costs	1.4
Cash and cash equivalents	87.1
<i>Total current assets</i>	<i>102.2</i>
Total assets	990.1
Current liabilities:	
Trade and other payables	18.3
<i>Total current liabilities</i>	<i>18.3</i>
Non-current liabilities:	
Bank borrowings	186.6
Trade and other payables	3.8
<i>Total non-current liabilities</i>	<i>190.4</i>
Total liabilities	208.7

Net assets	781.4
Equity:	
Share capital	6.2
Share premium reserve	544.5
Capital reduction reserve	62.1
Retained earnings	168.6
<i>Total equity</i>	<i>781.4</i>
Net Asset Value per share – basic and diluted	125.7p
EPRA NTA per share	125.7p

C. Significant change

Save as disclosed below, there has been no significant change in the financial position of the Group since 31 March 2021, being the end of the last financial period for which audited financial information has been published.

The significant changes since 31 March 2021 comprise:

Dividends

- On 19 May 2021, the Board declared a quarterly dividend for the quarter ending 31 March 2021 of 1.46 pence per Ordinary Share, in line with the Group's previously announced target.
- The Company is targeting a dividend of 6.0 pence per Ordinary Share for the financial year that commenced on 1 April 2021.¹

Acquisitions

Since 31 March 2021, the Group has exchanged contracts to acquire or completed the acquisition of assets with a total purchase price (excluding purchase costs) of £140.6 million at an average net initial yield of 5.1 per cent. as set out below.

The Group completed the following acquisitions since 31 March 2021:

- an Asda foodstore in Clydebank, Glasgow with a 23-year unexpired lease term and five yearly RPI linked uplifts;
- a pre-let forward funding of a Lidl foodstore in East Ham, Greater London with a 25-year lease from build completion and five yearly RPI linked uplifts;
- a Dobbies garden centre in Gloucester with a 35-year unexpired lease term and annual RPI linked uplifts;
- a Cazoo industrial asset in Doncaster with a 19.5-year unexpired lease term and five yearly RPI linked uplifts;
- a substantial industrial facility in the Midlands with a 25-year unexpired lease term and five yearly RPI linked uplifts; and

¹ The target dividend is a target only and not a profit forecast and there can be no assurance that it will be met.

- a Tesco foodstore in Welling, Greater London with a 15-year unexpired lease term and five yearly RPI linked uplifts.

The Group exchanged on the following acquisitions since 31 March 2021:

- a pre-let forward funding of a Aldi in Glasgow with a 16-year lease from build completion and five yearly RPI linked uplifts (completion expected Q2 2021);
- a pre-let forward funding of a portfolio of 10 Costa drive-thru assets diversified across the UK with a 15-unexpired lease term and five yearly RPI linked uplifts (completion expected Q3 2021); and
- a fully-let forward funding of a Dobbies garden centre in Reading with a new 35-year lease with no break right with annual CPI plus 1 per cent. uplifts (completion expected Q3 2021).

Debt extension

On 19 April 2021, the Company received credit approval from a new lender and Lloyds Bank plc (the existing lender) to increase its existing Revolving Credit Facility by an additional £65 million, along with an uncommitted £65 million accordion on the same terms as the existing facility agreement. The new lender will enter into the existing facility agreement alongside Lloyds Bank plc, subject to completion of satisfactory due diligence.

D. Additional information

Withdrawal rights

In accordance with Article 23(2) of the UK Prospectus Regulation, investors who have agreed before this Supplementary Prospectus was published to purchase or subscribe for New Ordinary Shares the allotment of which has not become fully unconditional have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplementary Prospectus was published, to withdraw their agreement. Any such investors should contact the Company Secretary.

Responsibility

The Company, whose registered office appears below, and the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and the Supplementary Prospectus makes no omission likely to affect its import.

The Directors of the Company are:

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)

The registered office of the Company is:

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

Documents available for inspection

Copies of this Supplementary Prospectus, the Prospectus and the 2021 Annual Report and Accounts are available for inspection on the Company's website at www.lxireit.com and, until the Share Issuance Programme closes, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, United Kingdom.

General

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

23 June 2021