

## Result of Issue

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LXI REIT PLC  
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### LXi REIT plc

(the "Company" or "LXi REIT")

### Result of Issue

Further to its announcement on 24 September 2018, the Board of Directors (the "Board") of LXi REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce that it has successfully raised gross proceeds of £175 million pursuant to the issue of a total of 155,433,165 ordinary shares ("**New Ordinary Shares**") in the Company (the "**Issue**"), at an Issue Price of 112.75 pence per New Ordinary Share. The result of the Issue was well in excess of the target fundraising size and also oversubscribed at the maximum issue size.

The Issue of New Ordinary Shares will be split as follows:

- 91,438,880 New Ordinary Shares under the Initial Placing, raising gross proceeds of approximately £103.1 million;
- 26,734,137 New Ordinary Shares under the Open Offer (including the Excess Application Facility), raising gross proceeds of approximately £30.1 million;
- 17,723,022 New Ordinary Shares under the Placing, raising gross proceeds of approximately £20 million;
- 17,489,325 New Ordinary Shares under the Offer for Subscription, raising gross proceeds of approximately £19.7 million; and
- 2,047,801 New Ordinary Shares under the Intermediaries Offer, raising gross proceeds of approximately £2.3 million

All valid applications received under the Open Offer (including valid applications under the Excess Application Facility) will be met in full.

### Commenting on today's announcement, Stephen Hubbard, Chairman of LXi REIT plc, said:

"We are delighted to have successfully completed this £175 million capital raising and for the continued strong support received from existing shareholders and new investors. The proceeds raised will enable the Company to fund in short order its significant identified pipeline of specific acquisition opportunities, many of which are off-market.

This capital raise takes the Company's market cap to £396 million since IPO in February 2017 and we remain keenly focused on continuing to deliver further value to investors through our selective investment strategy."

Terms not otherwise defined in this announcement have the meanings given to them in the prospectus published by the Company on 24 September 2018.

Applications have been made for admission of the New Ordinary Shares to the premium segment of the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange plc's main market for listed securities ("**Admission**"). It is expected that Admission will occur at 8.00 a.m. on 16 October 2018.

The New Ordinary Shares do not qualify for the interim quarterly dividend in respect of the period from 1 July to 30 September 2018 of 1.375 pence per Ordinary Share, as announced on 4 October 2018, and which had an ex-dividend date of 11 October 2018.

Salisbury Partners LLP, which is a related party of the Company through their ownership by LJ Partnership, have invested £693,412 in the Issue (outside of the Open Offer). Pursuant to LR11.1.10, this investment has been classified as a "smaller related party transaction".

Following the Issue, the Company's issued share capital will comprise 352,314,872 Ordinary Shares and this is the total number of Ordinary Shares with voting rights in the Company. This figure (352,314,872) may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company

under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

**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 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 an annual dividend of 5.50 pence per ordinary share, starting from the financial period commencing 1 April 2018, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a net total shareholder return of a minimum of 8 per cent. plus per annum over the medium term.\*

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 EPRA/NAREIT index.

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

\* These are targets only and not a profit forecast and there can be no assurance that they will be met.

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The New Ordinary Shares have not been, and will not be, registered under the US Securities Act 1933 or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to or for the account or benefit of US Persons (as defined in Regulation S under the US Securities Act ("**Regulation S**"). In addition the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended. Outside the United States, the New Ordinary Shares may be sold to non-US Persons pursuant to the provisions of Regulation S.

The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations.

This announcement contains forward looking statements, including, without limitation, statements including the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

These forward-looking statements speak only as at the date of this announcement and cannot be relied upon as a guide to future performance. The Company, the Investment Advisor, the AIFM, Peel Hunt and Merrill Lynch International expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Rules of the Financial Conduct Authority, the EU Market Abuse Regulation or other applicable laws, regulations or rules.

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In connection with the Issue, Peel Hunt, Merrill Lynch International and any of their affiliates, may take up a portion of the New Ordinary Shares in the Issue as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such New Ordinary Shares and other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in the Prospectus, once published, to the New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, Peel Hunt, Merrill Lynch International and any of their affiliates acting in such capacity. In addition Peel Hunt, Merrill Lynch International and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Peel Hunt, Merrill Lynch International and any of their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Peel Hunt and Merrill Lynch International do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

#### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares which are the subject of the Issue have been subject to a product approval process, which has determined that such New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or fully predictable return profile, who are not looking for full capital protection or full repayment of the amount invested, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt and Merrill Lynch International will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

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