

Result of Issue

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LXi REIT plc

(the "Company" or "LXi REIT")

Result of Issue

Further to its announcement on 20 May 2019, 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 approximately £200 million pursuant to the issue of a total of 169,111,138 ordinary shares ("**New Ordinary Shares**") in the Company (the "**Issue**"), at an Issue Price of 118 pence per New Ordinary Share. The result of the Issue was well in excess of the target fundraising size and also significantly oversubscribed at the maximum issue size.

The net proceeds of the Issue are expected to be invested in a significant identified pipeline of additional assets, which meet the Company's investment objective and investment policy, including off-market assets identified through the Investment Advisor's extensive contacts and relationships. These additional assets, if acquired, are expected to be accretive and to further diversify the Company's portfolio of properties in terms of tenant, geographic and sector exposures. Although there can be no assurance that any of these properties will be purchased by the Company, the Investment Advisor is confident that it will substantially invest or commit the net proceeds of the Issue within three months following Admission.

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

- 64,937,733 New Ordinary Shares under the Open Offer (including the Excess Application Facility), raising gross proceeds of approximately £76.6 million;
- 79,900,800 New Ordinary Shares under the Placing, raising gross proceeds of approximately £94.3 million;
- 18,544,733 New Ordinary Shares under the Offer for Subscription, raising gross proceeds of approximately £21.9 million; and
- 5,727,872 New Ordinary Shares under the Intermediaries Offer, raising gross proceeds of approximately £6.8 million.

All valid applications received under the Open Offer will be met in full. However, valid applications received under the Excess Application Facility have been scaled back.

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

"We are pleased by the strong response to this Issue and, on behalf of the Board and Investment Advisor, I would like to welcome a range of new investors and thank our existing shareholders for their continuing support, helping the Company to complete successfully this £200 million capital raise.

We look forward to deploying the capital rapidly but carefully in our significant identified pipeline of accretive, long-let and index-linked assets, which are expected to deliver further value for our shareholders."

Terms not otherwise defined in this announcement have the meanings given to them in the Prospectus published by the Company on 20 May 2019.

Applications have been made for admission of the New Ordinary Shares to the premium segment of the Official List of the Financial Conduct 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 17 June 2019.

The New Ordinary Shares do not qualify for the first interim dividend in respect of the year ending 31 March 2020 of 1.4375 pence per Ordinary Share, as announced on 5 June 2019, and which has an ex-dividend date of 13 June 2019.

Alvarium, which is a related party of the Company through their ownership by Alvarium Investments Limited, have invested £301,010 in the Issue (outside of the Open Offer). Pursuant to LR11.1.10R, this investment has been classified as a "smaller related party transaction".

Following the Issue, the Company's issued share capital will comprise 521,426,010 Ordinary Shares and this is the total number of Ordinary Shares with voting rights in the Company. This figure (521,426,010) 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 5.75 pence per Ordinary Share, starting from the financial period commencing 1 April 2019, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a total NAV return of a minimum of 8 per cent. 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 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 EPRA/NAREIT and MSCI indices.

Further information on the Company is available at 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 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 and Peel Hunt 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, and any of its 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 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 and any of its affiliates acting in such capacity. In addition Peel Hunt, and any of its affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Peel Hunt, and any of its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Peel Hunt does 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 have been subject to a product approval process, which has determined that such securities 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 (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the market 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 capital protection, 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 will only procure investors (pursuant to the Placing) 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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