

LXi REIT plc

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

£19 MILLION FORWARD FUNDING INVESTMENT, PRE-LET FOR 35-YEARS**PROFITABLE DISPOSAL****ACCRETIVE LEASE RE-GEARS****EXPANSION OF LXI REIT ADVISORS' TEAM**

The Board of LXi REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce that the Company has exchanged contracts on the forward funding acquisition of a 94,000 sq ft garden centre in Reading (the "Property") for a total cost of £19 million, reflecting an accretive 5.3% net initial yield (net of acquisition costs).

The Property is pre-let to Dobbies, the UK's largest garden centre operator and an existing tenant of the Company, on a new 35-year lease, with no break right, and benefits from CPI plus 1% pa rental uplifts, reviewed on an annual basis, with a collar of 1.5% pa and a cap of 4% pa.

The rent has been set at a low and sustainable level which is forecast to provide rent cover of at least two times (net income of twice the rental level) and the Property is underpinned by a strong residual value.

The substantial site, which extends to seven acres and will have 316 parking spaces, is well located in Shinfield, Reading, with a large and affluent catchment population of 1.1 million people within a 30-minute drive.

The Property will sell 3,000 items of Sainsbury's grocery and household products, under the terms of a joint venture between Dobbies and Sainsbury's, which has been rolled out recently across the Dobbies estate and is proving to be extremely successful.

Dobbies provide online connectivity through both home delivery and click & collect.

The Company is working with Dobbies to ensure that the development, which will replace an existing small garden centre, is built with sustainable materials, and that the Property incorporates energy efficiency features such as solar panelling, rainwater harvesting, air/ground source heat pumps, recycling/waste management and EV charging points.

Construction works are scheduled to complete in spring 2022 and the Company will earn an income during the construction period. The development will be funded through utilising the Company's revolving credit facility.

The Company will now own four long-let garden centres. One of the key benefits of garden centres is their flexible planning consent, which permits the sale of a wide range of products, including food. Garden centres have been classified as essential retail and thus have continued to trade during the UK's last two national lockdowns.

This latest acquisition takes the Company's total funding deployed/committed to £170 million since its £125 million capital raise in March 2021, across 13 separate transactions in structurally supported sectors (foodstores, industrial, drive-thru coffee and garden centres), with a long weighted average unexpired lease term to first break of 22 years and with 100% of the rent roll being inflation-linked (86% to RPI, 11% to CPI+1 and 3% to CPI).

Profitable disposal

The Company has sold a small, ancillary retail parade acquired last year as part of the Co-op foodstore portfolio purchase.

The sale proceeds of £575,000 represent a 100% premium to the purchase price paid by the Company and will be deployed into the Company's accretive forward funding pipeline.

Accretive lease re-gears

The Company is pleased to report that it has proactively completed the extension of the occupational lease terms on six Greene King pubs (the "Re-gearred Assets") from 13 years to expiry to 20 years to expiry, without break, in return for a 10% reduction in the passing rent.

The Re-gearred Assets' rent represents 43% of the total rent of the Company's pub assets.

Having discussed the matter with the Company's Valuer in advance, it is anticipated that the re-gear will have a material positive impact on the value of the Re-gearred Assets, along with providing the additional security of longer term cash flows with annual contractual fixed rental uplifts of 2.5% pa.

Expansion of LXI REIT Advisors' team

The Company is pleased to announce that its Investment Advisor, LXI REIT Advisors Limited, has made two appointments to further strengthen its team.

Michael Maddox joins as Assistant Fund Manager and will work closely with co-Fund Managers Simon Lee and John White. Michael brings a wealth of long income property experience, having held key roles at Aviva Investors and KFIM.

Charlotte Price joins as Financial Controller and will work closely with CFO, Freddie Brooks. Charlotte trained and practised in the audit team at BDO, where she gained significant experience of UK REITs.

FOR FURTHER INFORMATION, PLEASE CONTACT:

| | |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| LXI REIT Advisors Limited Simon Lee (Partner, Fund Manager) John White (Partner, Fund Manager) | Via Maitland/AMO |
| Peel Hunt LLP Luke Simpson/Liz Yong | 020 7418 8900 |
| Jefferies International Ed Matthews/Tom Yeadon | 020 7029 8000 |
| Maitland/AMO (Communications Adviser) James Benjamin | 07747 113 930 lxireit-maitland@maitland.co.uk |

The Company's LEI is: 2138008YZGXOKAXQVI45

NOTES:

LXI REIT plc invests in UK commercial property assets let, or pre-let, on long-term, triple-net, inflation-linked leases to a wide range of strong tenant covenants across a diverse range of robust property sectors.

The Company aims to provide shareholders with an attractive return, in the form of quarterly income distributions and with the potential for capital and income growth from key strategies which include indexed rental uplifts, pre-let forward fundings, sale and leasebacks, and off-market, value driven acquisitions and sales.

The Company is targeting an annual dividend of 6.0 pence per ordinary share for the 12-months commencing 1 April 2021* and has delivered an average total NAV return of 10.1% pa since IPO to 31 March 2021. The Group's medium-term total return target is a minimum of 8% pa.

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 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on the Company is available at www.lxireit.com

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