

6 February 2017

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*This announcement is an advertisement and does not constitute a prospectus and investors must subscribe for or purchase any shares referred to in this announcement only on the basis of information contained in the prospectus published by LXI REIT plc (the "**Prospectus**") and not in reliance on this announcement. A copy of the Prospectus will, subject to certain access restrictions, shortly be available for inspection on the Company's website: www.lxireit.com, and at the Company's registered office: 5 Old Bailey, London EC4M 7BA. This announcement does not constitute, and may not be construed as, an offer to sell or an invitation to purchase, investments of any description, or a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this announcement or referred to in other written or oral form is intended to form the basis of any contract of sale, investment decision or any decision to purchase shares in the Company.*

LXI REIT plc
(the "**Company**" or "**LXI REIT**")

Publication of Prospectus

Further to the announcement made by LXI REIT Advisors Limited (the "**Investment Advisor**" or "**LXI REIT Advisors**") on 31 January 2017, the Board of Directors¹ of LXI REIT plc announce the publication of the Prospectus in connection with the target fundraising of £200 million² through the issue of 200 million ordinary shares at 100 pence per ordinary share by means of a placing, offer for subscription and intermediaries offer (the "**Issue**") and a subsequent placing programme of up to 200 million ordinary shares in the 12 months from the date of publication of the Prospectus (the "**Placing Programme**").

The Company intends to become a real estate investment trust ("**REIT**") and invest in UK commercial property assets let, or pre-let, on very long (typically 20 to 30 years to expiry or first break), inflation-linked leases to a wide range of strong tenant covenants and will look to invest across a diverse range of target sectors. LXI REIT may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. LXI REIT will not undertake any direct development activity nor assume direct development risk.

LXI REIT is targeting a minimum annual dividend of 5 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 8 per cent. plus per annum over the medium term.³

The Investment Advisor, on behalf of LXI REIT, has already identified a substantial pipeline which should allow initial capital to be substantially invested or committed within six months following admission.

The Prospectus relates to the Issue and the Placing Programme and to the admission of the Company's ordinary shares to the premium listing segment of the Official List of the UK Listing Authority and to trading on the premium segment of the main market for listed securities of the London Stock Exchange.

Further details of the Issue and the Placing Programme are set out in the Prospectus, which will shortly be available on the Company's website (www.lxireit.com), subject to certain access restrictions, and will be available for inspection at the Company's registered office at 5 Old Bailey, London, EC4M 7BA.

A copy of the Prospectus will be submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM.

Expected timetable

Publication of the Prospectus	6 February 2017
Latest time and date for receipt of completed application forms in respect of the offer for subscription	1.00pm, 21 February 2017
Latest time and date for receipt of completed applications from intermediaries in respect of the intermediaries offer	3.00pm, 21 February 2017
Latest time and date for commitments under the placing	5.00pm, 22 February 2017
Publication of the results of the Issue	23 February 2017
Admission and dealings in ordinary shares commence	8.00am, 27 February 2017

Peel Hunt LLP ("**Peel Hunt**") is acting as sole sponsor, broker, placing agent and intermediaries offer adviser to the Company.

For further information please contact:

LXI REIT Advisors Limited John White Simon Lee Jamie Beale	Via Newgate Communications
Peel Hunt LLP Luke Simpson, Alan Sauvain (Corporate Broking) Mark Thompson, Eddie Nissen (Sales) Kathy Boate (Intermediaries)	Tel: 020 7418 8900
Newgate Communications (PR Adviser) James Benjamin Zoë Pocock Lydia Thompson	Tel: 020 7680 6550 Email: lxireit@newgatecomms.com

Note:

1. The Directors are Stephen Hubbard (Chairman), John Cartwright, Jan Etherden and Colin Smith.

2. The Directors have reserved the right, in conjunction with Peel Hunt LLP, to increase the size of the Issue to a maximum of 300 million ordinary shares if overall demand exceeds 200 million ordinary shares, with any such increase being announced through a Regulatory Information Service.

3. This is a target only and not a profit forecast and there can be no assurance that it will be met.

About the AIFM and LXI REIT Advisors Limited

The Company and LJ Capital Limited, acting as the Company's alternative investment fund manager (the "AIFM"), will appoint LXI REIT Advisors as the Company's Investment Advisor pursuant to an investment advisory agreement. The Investment Advisor is owned by the principals, shareholders and directors of Osprey Equity Partners Limited ("Osprey" or "Osprey Equity Partners"). Osprey was formed in 2011 and is 50 per cent. owned by LJ Partnership. LJ Partnership was established in 2009 and has grown to become a substantial, international multi-family office and asset manager, managing US\$10 billion of assets, including US\$4.5 billion of real estate assets, for families, private individuals and institutions. It has over 250 employees and 11 offices around the world.

Osprey Equity Partners has extensive expertise in the purchase and forward funding of commercial property assets let or pre-let on long, index-linked leases to institutional quality tenants across a wide range of sectors. Its current tenants include Premier Inn, Travelodge, Aldi, M&S Simply Food, Sainsbury's, Tesco, B&M, Home Bargains, Costa Coffee, McDonald's and Holland & Barrett.

Osprey Equity Partners has executed 21 transactions in the last four years with a gross asset value of approximately £700 million for family office and private client investors. The vast majority of these assets are let or pre-let to strong tenants on very long term, index-linked leases. Osprey has realised an average annual return of 20% per annum for its exited investments and an average dividend of 6.5% per annum.

The AIFM is regulated in the conduct of investment business by the FCA. The AIFM is, for the purposes of the AIFMD and the rules of the FCA, a "full scope" UK AIFM with a Part 4A permission for managing AIFs, such as the Company.

Disclaimer

This is a financial promotion and is not intended to be investment advice. The content of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by LJ Capital Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

This announcement is an advertisement and does not constitute a prospectus and investors must subscribe for or purchase any shares referred to in this announcement only on the basis of information contained in the Prospectus (and in any supplementary prospectus) and not in reliance on this announcement. Copies of the Prospectus may, subject to any applicable law, be obtained from the registered office of the Company and will be made available for viewing at the National Storage Mechanism at <http://www.morningstar.co.uk/NSM> and on the Company's website at www.lxireit.com. This announcement does not constitute, and may not be construed as, an offer to sell or an invitation to purchase investments of any description, a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this announcement is intended to form the basis of any contract of sale, investment decision or any decision to purchase shares in the Company.

The information contained in this announcement is given at the date of its publication (unless otherwise marked).

Peel Hunt, which is authorised and regulated by the Financial Conduct Authority, is acting for the Company only in connection with the matters described in this announcement and is not acting for or advising any other person, or

treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Peel Hunt or advice to any other person in relation to the matters contained herein.

The shares of the Company have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold into or within the United States absent registration, except pursuant to an applicable exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. Moreover, the shares of the Company have not been, nor will they be, registered under the applicable securities laws of Australia, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom). Further, the Company is not, and will not be, registered under the US Investment Company Act of 1940, as amended. The shares of the Company will be offered outside of the United States pursuant to the provisions of Regulation S of the Securities Act. Subject to certain exceptions, the shares of the Company may not be offered or sold in the United States, Australia, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom or to professional investors in certain EEA member states for which marketing passports have been obtained) or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom or to professional investors in certain EEA member states for which marketing passports have been obtained). The Issue and any subsequent placing under the placing programme, and the distribution of this announcement, in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

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 may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, strategy, plans, proposed acquisitions and objectives, are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and, accordingly, the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Prospectus. 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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