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If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, but not any accompanying personalised Form of Proxy, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, the distribution of this document in jurisdictions other than the United Kingdom, including the Excluded Territories, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## **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)*

### **Notice of General Meeting**

**to consider proposals to disapply pre-emption rights in connection with the allotment of up to 155,433,165 New Ordinary Shares pursuant to an Initial Placing, Placing, Open Offer, Offer for Subscription and Intermediaries Offer**

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Notice of a general meeting of the Company to be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH on 11 October 2018 at 12.00 p.m. is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval.

**Shareholders are requested to complete and return the Form of Proxy accompanying this document for use at the General Meeting. In order to be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so as to be received no later than 12.00 p.m. on 9 October 2018.**

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## EXPECTED TIMETABLE

2018

|   |                                 |
|---|---------------------------------|
| Posting of this Circular, the notice of General Meeting and Forms of Proxy                  | 24 September                    |
| Prospectus published and Issue opens  | 24 September                    |
| Latest time and date for receipt of Forms of Proxy for use at the General Meeting           | 12.00 p.m. on 9 October         |
| <b>General Meeting</b>  | <b>12.00 p.m. on 11 October</b> |
| Announcement of the results of the General Meeting through a Regulatory Information Service | 11 October                      |
| Announcement of the results of the Issue  | 12 October                      |
| Admission and dealings in New Ordinary Shares commence                                      | 8.00 a.m. on 16 October         |
| CREST accounts credited with uncertificated New Ordinary Shares                             | 16 October                      |
| Where applicable, definitive share certificates despatched by post in the week commencing*  | 22 October                      |

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\* *Underlying applicants who apply to Intermediaries for New Ordinary Shares under the Intermediaries Offer will not receive share certificates*

The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

All references to times in this document are to London times.

# LETTER FROM THE CHAIRMAN

## 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)*

*Directors:*

Stephen Hubbard *(Non-executive Chairman)*  
Colin Smith OBE *(Non-executive Director)*  
Jan Etherden *(Non-executive Director)*  
John Cartwright *(Non-executive Director)*

*Registered Office:*

Mermaid House  
2 Puddle Dock  
London  
EC4V 3DB

24 September 2018

*To Shareholders*

Dear Sir or Madam

### **1 Introduction**

The Company was launched as a closed-ended investment company in February 2017. It is registered as an investment company under section 833 of the Companies Act and conducts its affairs so as to enable it to continue to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

The Company has successfully deployed the £293 million of equity and debt capital raised both on and since its IPO in February 2017 and, consequently, on 6 August 2018, the Company announced that it has been considering a further equity raise to fund further investments in line with its investment policy and objective and with a view to delivering further value for its Shareholders.

To that end, the Company has today published a prospectus in connection with the proposed issue of New Ordinary Shares by way of an initial placing, placing, open offer, offer for subscription and intermediaries offer for a target issue of 88,914,318 New Ordinary Shares at an issue price of 112.75 pence per New Ordinary Share (the “**Issue**” and the “**Issue Price**”).

A copy of the prospectus of the Company in respect of the Issue (the “**Prospectus**”) is enclosed with this document.

Shareholder approval is required to authorise the Directors to allot New Ordinary Shares pursuant to the Issue. In addition, as the Open Offer is not being made to all Shareholders (as Shareholders in Excluded Territories are restricted from participating in the Open Offer) and by virtue of the Initial Placing, the Issue cannot be treated as being fully pre-emptive. Therefore, approval of Shareholders is required to allot New Ordinary Shares on a non-pre-emptive basis.

Accordingly, the Directors are convening a General Meeting to be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH at 12.00 p.m. on 11 October 2018. The formal notice convening the General Meeting is set out at the end of this document.

The Issue Resolutions that will be put to Shareholders at the General Meeting are:

- Resolution 1 – to authorise the allotment of up to 155,433,165 New Ordinary Shares pursuant to the Issue; and
- Resolution 2 – to authorise the allotment of the New Ordinary Shares referred to in Resolution 1 on a non-pre-emptive basis (although Shareholders will be entitled to subscribe for New Ordinary Shares under the Open Offer),

(together with the Issue, the “**Proposals**”).

The purpose of this document is to provide you with details, and to explain the benefits, of the Proposals and to set out the reasons why the Directors are recommending that you vote in favour of the Issue Resolutions at the General Meeting.

### **2 Background to, and reasons for, the Issue**

As stated above, the Company has successfully deployed the £293 million of equity and debt capital raised on and since its IPO in February 2017 and, consequently, has been considering a

further equity raise to fund further investments in line with its investment policy and objective and with a view to delivering further value for its Shareholders.

The Investment Advisor, on behalf of the Company, has identified a significant pipeline of additional assets which meet the Company's investment policy and objective, including off-market assets identified through the Investment Advisor's extensive contacts and relationships.

The Investment Advisor has already commenced negotiations and discussions concerning the acquisition of such assets for the Company. Furthermore, the Investment Advisor has entered into exclusivity agreements on behalf of the Company in relation to the acquisition of a number of assets.

The assets in question are located in the UK and are leased to institutional grade tenants on long term leases with rents indexed upwards only in line with inflation.

The assets, which total over £200 million in value, are diversified across a wide range of sub-sectors, including budget hotels, discount food, industrial and office. They benefit from a long weighted average unexpired lease term to first break of 23 years and a blended net initial yield of approximately 5.75 per cent. and are structured as both pre-let forward funding and standing investments.

These acquisitions are subject to on-going due diligence by the Investment Advisor and its professional advisers. The Company currently has no binding contractual obligations with potential vendors and 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 resulting from the proposed Issue within three months following Admission.

### **3 Benefits of the Proposals**

The Board believes that the Issue will have the following benefits for the Company:

- The new assets to be acquired using the Gross Issue Proceeds are expected to further diversify the Company's portfolio of properties in terms of tenant, geographic and sector exposures.
- Raising new equity is expected to broaden the Company's investor base, and enhance the size and liquidity of the Company's share capital.
- Growing the Company will spread the fixed operating costs over a larger capital base, thereby reducing the Company's ongoing charges ratio.

### **4 Overview of the Issue**

The Company is targeting an issue of approximately £100.3 million (gross) or approximately £98.2 million (net of expenses) through the issue of 88,914,318 New Ordinary Shares pursuant to the Issue at the Issue Price of 112.75 pence per New Ordinary Share. If the overall demand exceeds this target the Directors have reserved the right, following consultation with the Joint Bookrunners, to increase the size of the Issue to a maximum of 155,433,165 New Ordinary Shares. The actual number of New Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Admission. The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment policy and objective, as more fully set out in the Prospectus.

The New Ordinary Shares will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid in respect of the Ordinary Shares by reference to a record date after Admission.

The Issue Price is calculated by reference to the net asset value per Ordinary Share as at 1 September 2018 (unaudited) of 113.2 pence per Ordinary Share, adjusted by deducting: (i) the dividend of 1.375 pence per share announced on 6 August 2018 in respect of the period from 1 April 2018 to 30 June 2018 payable on 28 September 2018 to those Shareholders on the register at 7 September 2018; and (ii) the dividend targeted at 1.375 pence per share and expected to be announced in due course (in line with the Company's stated dividend target) in respect of the period from 1 July 2018 to 30 September 2018. In addition, the Issue Price will reflect the costs and expenses of the Issue which have been capped at 2.0 per cent. of the Gross Issue Proceeds.

### *Initial Placing*

The Company is targeting the issue of 44,457,159 New Ordinary Shares at the Issue Price pursuant to the Initial Placing. The Initial Placed Shares are not subject to scaling back to satisfy valid applications by Qualifying Shareholders under the Open Offer and are not part of the Placing, the Open Offer, the Offer for Subscription or the Intermediaries Offer. The Initial Placing is not being underwritten.

Conditional on Admission, a group of private, Spanish family offices linked to Mr Ram Bhavnani (the "Spanish Family Office Investors"), have committed to invest an aggregate of approximately £40 million pursuant to the Initial Placing. Mr Bhavnani built the family's wealth principally through investing in the banking sector, culminating in the sale of their 15 per cent. stake in Spanish bank Bankinter, in 2007, for US\$1.2 billion. The New Ordinary Shares to be issued to the Spanish Family Office Investors are being issued at the Issue Price and will be subject to lock-up restrictions for a period of two years from the date of Admission pursuant to the terms of the Investor Lock-in Deed.

Assuming that 88,914,318 New Ordinary Shares are issued pursuant to the Issue, the Spanish Family Office Investors are expected to hold in aggregate 12.4 per cent. of the Enlarged Share Capital but will not have a representative appointed to the Board on Admission.

### *Placing*

Peel Hunt and BofA Merrill Lynch have each agreed to use their respective reasonable endeavours to procure subscribers pursuant to the Placing for the New Ordinary Shares. The terms and conditions which shall apply to any subscription for New Ordinary Shares pursuant to the Placing are set out more fully in the Prospectus.

### *Open Offer*

New Ordinary Shares are being offered to Qualifying Shareholders by way of the Open Offer. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by subscribing for their Open Offer Entitlements, being 7 New Ordinary Shares for every 31 Existing Ordinary Shares held and registered in their name at the Record Date.

If the Issue proceeds, valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Any New Ordinary Shares not taken up under the Open Offer will be made available under the Excess Application Facility, the Initial Placing, the Placing, the Offer for Subscription and the Intermediaries Offer. Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements. Fractions will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders who wish to subscribe for more New Ordinary Shares than their Open Offer Entitlement could make an application under the Excess Application Facility, the Offer for Subscription, the Intermediaries Offer or, if appropriate, the Placing. **Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Entitlements cannot be traded.**

The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. on 11 October 2018 with admission and commencement of dealings in New Ordinary Shares expected to take place at 8.00 a.m. on 16 October 2018.

Further details as to how Shareholders can apply for New Ordinary Shares are set out in the Prospectus. Shareholders should not subscribe for or purchase any New Ordinary Shares except on the basis of information set out in the Prospectus.

### *Offer for Subscription*

The Directors are also proposing to offer New Ordinary Shares under the Offer for Subscription, subject to the terms and conditions set out in the Prospectus. The Offer for Subscription is being made available in the United Kingdom, Guernsey, Jersey and the Isle of Man. Individual applications must be for a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter, although the Board has discretion to accept applications below these minimum amounts. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

### *Intermediaries Offer*

Prospective investors may also subscribe for New Ordinary Shares pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom, Guernsey, Jersey and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

No New Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands or the Isle of Man. A minimum application of 1,000 New Ordinary Shares per Underlying Applicant will apply. Allocations to Intermediaries will be determined solely by the Company (following consultation with Peel Hunt, in its capacity as intermediaries offer adviser).

### *Scaling back and allocation*

The Directors have reserved the right, following consultation with the Joint Bookrunners, to increase the size of the Issue up to 155,433,165 New Ordinary Shares if overall demand exceeds 88,914,318 New Ordinary Shares.

In the event that commitments under the Issue exceed the maximum number of New Ordinary Shares available, applications under the Issue (other than applications up to Qualifying Shareholders' full entitlement under the Open Offer) will be scaled back at the Company's discretion following consultation with the Joint Bookrunners. The basis of allocation of New Ordinary Shares under the Issue will be:

- (i) to Initial Placees (the Initial Placed Shares are not subject to scaling back to satisfy valid applications by Qualifying Shareholders under the Open Offer and are not part of the Placing, the Open Offer, the Offer for Subscription or the Intermediaries Offer);
- (ii) to each Qualifying Shareholder who applies, up to his full entitlement under the Open Offer (New Ordinary Shares issued to Qualifying Shareholders under the Open Offer are not subject to scaling back to satisfy valid applications under the Initial Placing, the Placing, the Offer for Subscription or the Intermediaries Offer);
- (iii) any New Ordinary Shares not taken up under the Open Offer, to applicants under the Initial Placing, the Placing, the Offer for Subscription, the Intermediaries Offer and the Excess Application Facility, with applications scaled back at the discretion of the Company following consultation with the Joint Bookrunners.

There will be no priority given to applications under the Placing, applications under the Offer for Subscription, applications under the Intermediaries Offer or applications under the Excess Application Facility pursuant to the Issue.

### *Dilution*

Assuming 88,914,318 New Ordinary Shares are issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will suffer a maximum dilution of 15.6 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue;
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer, will suffer a maximum dilution of approximately 31.1 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- the New Ordinary Shares will represent approximately 31.1 per cent. of the Enlarged Share Capital.

### *New Ordinary Shares*

The Directors have considered the potential impact of the Issue on the payment of dividends to existing holders of Ordinary Shares and will take steps to ensure that it will not result in any material dilution of the dividends attributable to existing Shareholders. It is the Board's intention, prior to Admission, to declare the quarterly dividend in respect of the three months to 30 September 2018, targeted at 1.375 pence per share in line with the Company's stated dividend target, with a record date prior to the date of Admission. As a consequence, new Shareholders will not be entitled to that dividend. It is expected that the first dividend to which new Shareholders will be entitled will be the third interim dividend which is expected to be paid in March 2019.

### *Authority to allot the New Ordinary Shares pursuant to the Issue*

Pursuant to the requirements of the Companies Act, Shareholders are being asked to approve the following Issue Resolutions:

- Resolution 1 (which will be proposed as an ordinary resolution) to grant the Directors authority to allot up to 155,433,165 New Ordinary Shares (representing approximately 78.9 per cent. of the issued share capital (excluding treasury shares) of the Company at the date of this document) pursuant to the Issue. If approved, this authority will lapse immediately following Admission; and
- Resolution 2 (which will be proposed as a special resolution and which is conditional on the passing of Resolution 1) to grant the Directors authority to allot up to 155,433,165 New Ordinary Shares (representing approximately 78.9 per cent. of the issued share capital of the Company at the date of this document) on a non-pre-emptive basis. If approved, this authority will lapse immediately following Admission.

The Issue is conditional on the passing of both of the Issue Resolutions at the General Meeting.

An ordinary resolution requires a simple majority of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed. A special resolution requires a majority of at least 75 per cent. of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8.00 a.m. on 16 October 2018.

### *Treasury shares*

No Ordinary Shares were held in treasury at the date of this document.

### *CREST*

The New Ordinary Shares will be issued in registered form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of shares under the CREST system. Settlement of transactions in the New Ordinary Shares may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Shareholders applying for New Ordinary Shares may elect to receive New Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **5 Costs of the Proposals**

The total net proceeds of the Issue will depend on the level of subscriptions received pursuant to the Issue but have been capped at 2 per cent. of the Gross Issue Proceeds.

For illustrative purposes only, assuming that 88,914,318 New Ordinary Shares are issued pursuant to the Issue at the Issue Price:

- the Gross Issue Proceeds would be approximately £100.3 million;
- the costs and expenses of the Issue would be approximately £2 million; and
- the net proceeds of the Issue would be approximately £98.2 million.

## **6 Considerations associated with the Proposals**

Shareholders should have regard to the following when considering the Proposals:

- The past performance of the Company or of the Investment Advisor is not necessarily indicative of likely future performance.
- All existing Shareholders not participating in the Issue may be diluted. Assuming 88,914,318 New Ordinary Shares are issued pursuant to the Issue, Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will suffer a maximum dilution of 15.6 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue. Qualifying Shareholders who do not take up any of their Open Offer Entitlement



and Shareholders who are not eligible to participate in the Open Offer, will suffer a maximum dilution of approximately 31.1 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

- The Company has not entered into any legally binding contractual arrangements to acquire any further properties from any potential vendors. There can be no assurance as to how long it will take for the Company to invest the proceeds of the Issue. Even where the Company, acting on advice from the Investment Advisor, has identified and approved the acquisition of a property in line with its investment objective and investment policy it may encounter a number of delays before the property is finally acquired. The past performance of the Investment Advisor in terms of the speed of deployment of the £293 million of equity and debt raised on and since the Company's IPO cannot be taken as an indication of the speed of deployment of the Gross Issue Proceeds.

## **7 Miscellaneous**

Each of Peel Hunt, which is authorised and regulated in the United Kingdom by the FCA, and BofA Merrill Lynch, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA, are acting exclusively for the Company and for no-one else in connection with the Issue and Admission and the other arrangements referred to in this document and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Issue and Admission and the other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in connection with the contents of this document or any matters referred to herein.

Neither Peel Hunt nor BofA Merrill Lynch nor any person affiliated with either of them, assume any responsibility whatsoever and make no representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification, or for any other statement made or purported to be made by Peel Hunt or BofA Merrill Lynch, or on their behalf, the Company or any other person in connection with the Company, the New Ordinary Shares, Admission or the Issue and nothing contained in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Accordingly, each of Peel Hunt and BofA Merrill Lynch disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

## **8 General Meeting**

The Issue is conditional on the approval by Shareholders of the Issue Resolutions to be proposed at the General Meeting of the Company which has been convened for 12.00 p.m. on 11 October 2018.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Articles, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the General Meeting, it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative).

It is proposed that the authorities sought at the General Meeting, if approved, will be in substitution for any existing authorities obtained by the Company to issue Ordinary Shares and will lapse on Admission.

The formal notice convening the General Meeting is set out at the end of this document.

## **9 Action to be taken in respect of the General Meeting**

Shareholders will find enclosed with this document a personalised Form of Proxy for use at the General Meeting.

Shareholders are asked to complete and return the Form of Proxy, in accordance with the instructions printed thereon, to the Company's Registrar, Link Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received as soon as possible and, in any event, by no later than 12.00 p.m. on 9 October 2018.

Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the General Meeting. The return of a Form of Proxy will not prevent Shareholders from attending the General Meeting and voting in person should they so wish.

Recipients of this document who are the beneficial owners of Ordinary Shares held through a nominee should follow the instructions provided by their nominee or their professional adviser if no instructions have been provided.

#### **10 Recommendation**

The Board considers that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Issue Resolutions to be proposed at the General Meeting. The Directors intend to vote in favour of the Issue Resolutions in respect of their holdings of Ordinary Shares; amounting to 317,682 Ordinary Shares in aggregate (representing approximately 0.2 per cent. of the issued share capital of the Company as at the date of this document).

Yours faithfully

Stephen Hubbard  
(*Chairman*)

## DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

|                                      |  |
|--------------------------------------|--|
| <b>“Admission”</b>                   | admission of the New Ordinary Shares to be issued pursuant to the Issue: (i) to trading on the Main Market becoming effective in accordance with the LSE Admission Standards; and (ii) to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules |
| <b>“Articles”</b>                    | the articles of association of the Company in force at the date of this document   |
| <b>“BofA Merrill Lynch”</b>          | Merrill Lynch International, the Company’s joint bookrunner  |
| <b>“Business Day”</b>                | a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business  |
| <b>“Companies Act”</b>               | the Companies Act 2006, as amended from time to time   |
| <b>“Company”</b>                     | LXi REIT plc   |
| <b>“CREST”</b>                       | the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form   |
| <b>“CREST Regulations”</b>           | the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended   |
| <b>“CTA 2010”</b>                    | Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force  |
| <b>“Directors” or “Board”</b>        | the board of directors of the Company  |
| <b>“Enlarged Share Capital”</b>      | the issued Ordinary Share capital of the Company immediately following Admission   |
| <b>“Euroclear”</b>                   | Euroclear UK & Ireland Limited   |
| <b>“Excess Application Facility”</b> | the arrangement pursuant to which Qualifying Shareholders may apply for Excess New Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer   |
| <b>“Excess New Shares”</b>           | such number of New Ordinary Shares as may be allocated to the Excess Application Facility (as determined by Peel Hunt, BofA Merrill Lynch and the Company) that have not been taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements  |
| <b>“Excluded Territories”</b>        | each of Australia, Canada, Japan, New Zealand, the Republic of South Africa, the United States and any other jurisdiction where the availability of the Issue would breach any applicable law  |
| <b>“Existing Ordinary Shares”</b>    | the 196,881,707 existing Ordinary Shares in issue as at the date of this document  |
| <b>“FCA”</b>                         | the UK Financial Conduct Authority   |
| <b>“Form of Proxy”</b>               | the personalised form of proxy provided with this document for use by Shareholders in connection with the General Meeting  |
| <b>“FSMA”</b>                        | the UK Financial Services and Markets Act 2000, as amended   |
| <b>“General Meeting”</b>             | the general meeting of the Company to be held at 12.00 p.m. on 11 October 2018 for the purpose of approving the Issue Resolutions  |
| <b>“Gross Issue Proceeds”</b>        | the gross proceeds of the Issue  |

|                                      |  |
|--------------------------------------|--|
| <b>“Initial Placed Shares”</b>       | the New Ordinary Shares which are to allocated pursuant to the Initial Placing   |
| <b>“Initial Placees”</b>             | any persons who have agreed to subscribe for Initial Placed Shares pursuant to the Initial Placing   |
| <b>“Initial Placing”</b>             | the conditional placing by the Joint Bookrunners on behalf of the Company of the Initial Placed Shares as described in the Prospectus  |
| <b>“Intermediaries”</b>              | the entities listed in paragraph 16 of Part 8 of the Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of the Prospectus                                   |
| <b>“Intermediaries Offer”</b>        | the offer of New Ordinary Shares by the Intermediaries to retail investors   |
| <b>“Investment Advisor”</b>          | LXi REIT Advisors Limited  |
| <b>“Investor Lock-in Deed”</b>       | the lock-in deed between the Company, the Spanish Family Office Investors and Peel Hunt dated 24 September 2018, a summary of which is set out in paragraph 10.5 of Part 8 of the Prospectus   |
| <b>“Issue”</b>                       | the target issue of up to 88,914,318 New Ordinary Shares pursuant to the Initial Placing, the Placing, the Open Offer, the Offer for Subscription and the Intermediaries Offer   |
| <b>“Issue Price”</b>                 | 112.75 pence per New Ordinary Share  |
| <b>“Issue Resolutions”</b>           | resolutions 1 and 2 to be proposed at the General Meeting  |
| <b>“Joint Bookrunners”</b>           | BofA Merrill Lynch and Peel Hunt   |
| <b>“Link Asset Services”</b>         | a trading name of Link Market Services Limited   |
| <b>“Listing Rules”</b>               | the listing rules made by the UK Listing Authority under section 73A of FSMA   |
| <b>“London Stock Exchange”</b>       | London Stock Exchange plc  |
| <b>“LSE Admission Standards”</b>     | the admission and disclosure standards published by the London Stock Exchange  |
| <b>“Main Market”</b>                 | the main market for listed securities operated by the London Stock Exchange  |
| <b>“New Ordinary Shares”</b>         | the new Ordinary Shares to be issued by the Company pursuant to the Issue  |
| <b>“Non-CREST Shareholders”</b>      | Shareholders holding Ordinary Shares in certificated form  |
| <b>“Offer for Subscription”</b>      | the offer for subscription of New Ordinary Shares at the Issue Price on the terms set out in Part 12 of the Prospectus   |
| <b>“Official List”</b>               | the official list maintained by the UK Listing Authority   |
| <b>“Open Offer”</b>                  | the offer to Qualifying Shareholders, constituting an invitation to apply for New Ordinary Shares, on the terms and subject to the conditions set out in Part 11 of the Prospectus and, in the case of Non-CREST Shareholders, the Open Offer Application Form |
| <b>“Open Offer Application Form”</b> | the application form on which Non-CREST Shareholders who are registered on the Register as at the Record Date may apply for New Ordinary Shares under the Open Offer   |
| <b>“Open Offer Entitlement”</b>      | the entitlement of Qualifying Shareholders to apply for New Ordinary Shares pursuant to the Open Offer on the basis of 7 New Ordinary Shares for every 31 Existing Ordinary Shares held and registered in their names as at the Record Date                    |
| <b>“Ordinary Shares”</b>             | ordinary shares of £0.01 each in the capital of the Company  |

|  |   |
|--|---|
| <b>“Overseas Shareholders”</b>           | Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom                                      |
| <b>“Peel Hunt”</b>                       | Peel Hunt LLP, the Company’s sponsor, broker, joint bookrunner and intermediaries offer adviser   |
| <b>“Placing”</b>                         | the conditional placing of New Ordinary Shares at the Issue Price as described in the Prospectus  |
| <b>“PRA”</b>                             | the UK Prudential Regulation Authority  |
| <b>“Proposals”</b>                       | the proposals described in this document in connection with the Issue and the Issue Resolutions   |
| <b>“Prospectus”</b>                      | the prospectus of the Company in respect of the Issue and Admission dated 24 September 2018   |
| <b>“Qualifying Shareholders”</b>         | holders of Existing Ordinary Shares on the Register on the Record Date (other than certain Overseas Shareholders as described in Part 11 of the Prospectus)                     |
| <b>“Record Date”</b>                     | close of business on 20 September 2018  |
| <b>“Register”</b>                        | the register of members of the Company  |
| <b>“Regulatory Information Service”</b>  | a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange   |
| <b>“Shareholder”</b>                     | a holder of Ordinary Shares   |
| <b>“Spanish Family Office Investors”</b> | the group of private, Spanish Family officers linked to Mr Ram Bhavnani, who have committed to invest an aggregate of approximately £40 million pursuant to the Initial Placing |
| <b>“UK” or “United Kingdom”</b>          | the United Kingdom of Great Britain and Northern Ireland  |
| <b>“UK Listing Authority”</b>            | the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA   |
| <b>“Underlying Applicants”</b>           | investors who wish to acquire New Ordinary Shares under the Intermediaries Offer who are clients of any Intermediary  |

## NOTICE OF GENERAL MEETING

### 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)*

Notice is hereby given that a General Meeting of LXi REIT plc (the “**Company**”) will be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH at 12.00 p.m. on 11 October 2018 to consider and, if thought fit, approve the following resolutions, in the case of Resolution 1 as an ordinary resolution and in the case of Resolution 2 as a special resolution:

### ORDINARY RESOLUTION

- 1 **THAT** the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised, in substitution for any existing authorities, pursuant to and in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot new ordinary shares of one penny each in the capital of the Company (“**New Ordinary Shares**”), up to an aggregate nominal amount of £1,554,332 in connection with the Issue (as defined and described in the circular to shareholders dated 24 September 2018 of which this notice forms part, the “**Circular**”), such authority to expire immediately following Admission (as defined in the Circular), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require New Ordinary Shares to be allotted and the Directors may allot New Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

- 2 **THAT**, conditional on the passing of Resolution 1 above, in substitution for any existing authorities, the Directors be and they are hereby empowered, pursuant to section 570 of the Act to allot New Ordinary Shares for cash pursuant to the authority referred to in Resolution 1 above as if section 561 of the Act did not apply to any such allotment provided that this power: (i) shall be limited to the allotment of New Ordinary Shares for cash up to an aggregate nominal amount of £1,554,332; and (ii) shall expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted in pursuance of such an offer or agreement as if such power had not expired.

**By Order of the Board**  
**PraxisIFM Fund Services (UK) Limited**  
Company Secretary  
Dated: 24 September 2018

*Registered Office:*  
Mermaid House  
2 Puddle Dock  
London  
EC4V 3DB

These notes should be read in conjunction with the notes on the Form of Proxy.

### **1. Voting record date**

Only members registered in the Register of Members of the Company at the close of business on 9 October 2018 shall be entitled to attend and vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the close of business on 9 October 2018 shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

If the General Meeting is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to attend, speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the General Meeting is adjourned for more than 48 hours, then the voting record date will be the close of business on the day which is two days (excluding non-working days) before the day of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

### **2. Rights to attend and vote**

Members are entitled to attend and vote at the forthcoming General Meeting or at any adjournment(s) thereof. On a poll each member has one vote for every one share held.

### **3. Right to appoint proxies**

Pursuant to Section 324 of the Companies Act 2006 (the “**Act**”), a member entitled to attend and vote at the General Meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

A Form of Proxy is enclosed. The completion of the Form of Proxy or any CREST proxy instruction (as described in Note 8) will not preclude a shareholder from attending and voting in person at the General Meeting.

If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from shareholders over which he is given discretion and any voting rights in respect of his own shares) is such that he will have a notifiable obligation under the Disclosure Guidance and Transparency Rules of the UK Listing Authority, the Chairman will make the necessary notifications to the Company and to the Financial Conduct Authority. Therefore, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3 per cent. or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules. Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Act. Persons nominated to receive information rights under Section 146 of the Act have been sent this notice of General Meeting and are hereby informed, in accordance with Section 149(2) of the Act, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this General Meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of shareholders in relation to the appointment of proxies in this paragraph does not apply to nominated persons.

#### **4. Proxies' rights to vote at the General Meeting**

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

#### **5. Voting by corporate representatives**

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Act provided they do not do so in relation to the same shares.

#### **6. Receipt and termination of proxies**

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar (Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF) by no later than 12.00 p.m. on 9 October 2018.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

#### **7. Communication with the Company**

Members may not use any electronic address provided either in the notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

#### **8. Electronic receipt of proxies**

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA10) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website [www.euroclear.com](http://www.euroclear.com).

#### **9. Questions at the General Meeting**

Any member attending the General Meeting has the right to ask questions. Section 319A of the Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

#### **10. Website**

A copy of the notice of the General Meeting, including these explanatory notes and other information required by Section 311A of the Act, is included on the Company's website, [www.lxireit.com](http://www.lxireit.com).



**11. Total voting rights at date of notice**

As at 20 September 2018 (being the last practicable date prior to the publication of this notice) the total number of ordinary shares in the Company in issue is 196,881,707. The total number of voting rights on that date is therefore 196,881,707.

