Released : 05 February 2018 07:00

RNS Number : 8544D
LXI REIT PLC
05 February 2018

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LXi REIT plc

(the "**Company**" or "**LXi REIT**")

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£3.4 MILLION ACQUISITION OF STOBART BIOMASS STORAGE AND PROCESSING PLANT, ROTHERHAM, YORKSHIRE

The Board of LXi REIT plc (ticker: LXI) is pleased to announce that the Company has acquired the freehold interest in the Stobart biomass storage and processing plant in Rotherham, Yorkshire (the "**Property**") in a sale and leaseback transaction. The purchase price for the Property is £3.4 million, reflecting a net initial yield of 6.2% (net of acquisition costs to the Company).

The Property has been acquired with a new 20-year lease in place and is fully let to Stobart Biomass Products Limited and guaranteed by its parent, Stobart Group Ltd ("**Stobart Group**"), a FTSE 250 listed company and one of the UK's leading infrastructure and support service businesses operating in the energy, aviation and rail sectors.

The new 20-year lease, which has no tenant break right, benefits from five yearly Retail Prices Index linked rent reviews (collared at 1.5% per annum and capped at 4% per annum).

The Property extends to a total of six acres and will be used by Stobart Group as a storage and processing site to supply the nearby 41 megawatt Templeborough Biomass Power Plant with biomass timber waste. The Property is located close to the centre of Rotherham and has good access to the national motorway network, with the M1 and M18 in close proximity.

The acquisition is being funded using the proceeds of the Company's new 11.5-year loan facility secured from Scottish Widows in December 2017 at a fixed rate of 2.85% per annum.

John White, Partner of LXi REIT Advisors Limited, commented:

"We are pleased to have acquired, off-market, the Stobart biomass storage and processing facility, which provides the Company with an attractive net initial yield and secure, long-dated, inflation-linked income stream. The property is underpinned by a strong industrial location and residual value and further diversifies the Company's tenant and sector exposure."

The Company's LEI is: 2138008YZGXOKAXQVI45

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

The Company invests 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 across a diverse range of 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 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[1].

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.

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

Note 1: these are targets only and not a profit forecast and there can be no assurance that they will be met.

This information is provided by RNS
The company news service from the London Stock Exchange

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