

6 March 2024

## **LONDONMETRIC PROPERTY PLC COMPLETION OF MERGER, ADMISSION OF SHARES AND COMPANY UPDATE**

### **COMPLETION OF MERGER AND ADMISSION OF SHARES**

LondonMetric Property Plc ("LondonMetric" or "Company") is pleased to announce that the Scheme of Arrangement in respect of the merger between LondonMetric and LXi REIT plc ("LXi") ("Merger") became effective on 5 March 2024 ("Effective Date") and that admission of 942,960,279 New LondonMetric Ordinary Shares is expected today at 8.00 a.m. ("Admission").

The Company is pleased to also confirm that, as envisaged in the Prospectus, it has successfully concluded the acquisition of LXi REIT Advisors Limited and appointed Nick Leslau as a Non-Executive Director of LondonMetric as from the Effective Date ("Appointment"). Further disclosure on the Admission and the Appointment is set out at the end of this announcement.

The Merger creates the UK's leading triple net lease REIT with a highly efficient and internally managed structure and a well capitalised balance sheet. The £6.2 billion portfolio is aligned to structurally supported sectors of logistics, healthcare, convenience, entertainment and leisure with a strong exposure to assets that are mission critical to occupiers. The Company's sector leading WAULT of 19 years on FRI leases and 99% occupancy provides a strong platform for income longevity and growth with a high exposure to contractual rental uplifts as well as reversionary open market reviews.

### **COMPANY UPDATE**

#### **Logistics acquisition for £13 million**

LondonMetric is pleased to announce that it has exchanged on an off-market acquisition of a 213,000 sq ft logistics development for £13.0 million. The development is located on a 20 acre site at Radway Green, Crewe, and consists of five units ranging from 18,000 to 60,000 sq ft.

The developer Marshall CDP ("CDP") will take a three year leaseback of the site and pay a rent of £1.5 million pa, reflecting a net initial yield of c.11%. Upon letting of the development, LondonMetric will pay CDP an overage payment based on a fixed percentage of the difference between the initial purchase price and open market value. Based on a market rent of £1.8 million pa, LondonMetric expects to achieve a yield on cost of c.8%.

#### **Sale of further non-core assets**

LondonMetric announces that it has sold two further non-core assets for £5.9 million which reflects a 5% premium to the valuation as at 31 December 2023. The assets comprise:

- 37,000 sq ft B&Q unit in Burnley let for a further seven years and acquired as part of the CT Property Trust portfolio in August 2023; and
- 20,000 sq ft vacant office in Halesowen acquired as part of the Mucklow portfolio in 2019.

Following these sales, LondonMetric has sold £184 million of assets so far this financial year ending 31 March 2024.

### **Rent reviews & lettings**

Since the half year ended 30 September 2023, LondonMetric has agreed 66 rent reviews and lettings adding £3.3 million pa of rent.

Of the 50 rent reviews that were settled over this period, 21 related to logistics assets at an average uplift of 23% against previous passing rent on a five yearly basis, with open market reviews settled at an average uplift of 37%.

Seven logistics lettings and regears have also been signed since 30 September 2023 at a rent which is 42% higher than previous passing rent.

### **Full year results**

LondonMetric Property Plc will announce its full year results for the year ending 31 March 2024 on Tuesday 4 June 2024.

### **Andrew Jones, Chief Executive of LondonMetric, commented:**

"The Merger is a transformational deal that creates the UK's leading triple net lease REIT with full occupancy and exceptional income longevity and certainty of income growth. The new larger business will deliver better liquidity, material economies of scale, substantial cost savings with improved terms in both debt and equity markets. Our enlarged balance sheet will also allow better access to new opportunities of scale, which will drive accelerated earnings and dividend progression.

"I would like to take this opportunity to welcome both our new shareholders as well as our new colleagues from LXI including Nick Leslau to the Board. Our team is strongly aligned to shareholders and has deep real estate experience with a strong track record for capital allocation, asset recycling and active management.

"As evidenced by today's update, we will continue to reposition parts of the portfolio with an emphasis on growing our exposure to logistics which remains our strongest conviction call and is delivering high organic rental growth. We are also seeing interesting investment opportunities arising from debt refinancings and fund redemptions and the acquisition announced today is an excellent example of an innovative transaction that leverages our strong relationship with the developer and offers an attractive return profile."

### **Further disclosure in relation to Admission and the Appointment**

As set out in the Scheme Document, New Ordinary Shares in uncertificated form are expected to be credited to CREST accounts on or after 8.00 a.m. on 6 March 2024 and definitive share certificates for the New Ordinary Shares in certificated form are expected to be dispatched by no later than 19 March 2024. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares in issue, including the right to receive and retain dividends and other distributions declared, made or paid, if any, by reference to a record date on or after the Effective Date.

Following Admission, the Company will have 2,036,519,647 Ordinary Shares in issue and admitted to trading on the London Stock Exchange's main market, each such share carrying one vote (the Company holds no shares in treasury). This figure may be used by LondonMetric Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

As noted above, Nick Leslau BSc(hons) Est Man FRICS joins the board as a Non-Executive Director. Nick is a Fellow of the Royal Institute of Chartered Surveyors and chairman of the Prestbury group of companies. He was chief executive of Burford Holdings Plc for approximately ten years up to 1997 and group chairman and chief executive of Prestbury Group Plc from 1998. Nick has sat on many quoted and unquoted company boards including, most recently, Max Property Group Plc, Secure Income REIT plc and LXi REIT plc and is a member of the Bank of England Property Forum. There is no further information relating to Nick and his appointment that requires disclosure under Listing Rules 9.6.11 and 9.6.13.

As set out in the Prospectus, and as a result of the Merger, following Admission, Nick Leslau together with certain entities associated with him will hold 52,788,122 Ordinary Shares in the Company representing 2.59% of the share capital in LondonMetric. In addition, Robert Fowlds, Non-Executive Director of LondonMetric, will hold 136,780 Ordinary Shares in the Company, reflecting an increase of 32,780 Ordinary Shares and representing 0.01% of the share capital in LondonMetric.

Capitalised terms used but not defined in this announcement have the meanings given to them in the combined circular and prospectus published by the Company in connection with the Combination on 6 February 2024. All references to times in this announcement are to times in London (unless otherwise stated).

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***Important Notice***

*Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority (the "FCA"), and the Prudential Regulation Authority (the "PRA"), is acting exclusively for LondonMetric and no one else in connection with the Merger or any other matter referred to in this announcement, and will not be responsible to anyone other than LondonMetric for providing the protections afforded to clients of Barclays nor for providing advice in connection with the Merger or any other matters referred to in this announcement.*

*Peel Hunt LLP ("Peel Hunt"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for LondonMetric and for no one else in connection with the Merger or any other matter referred to in this announcement and will not be responsible to any person other than LondonMetric for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with Merger or any other matters referred to in this announcement.*

*J.P. Morgan Securities PLC, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), and which is authorised in the United Kingdom by the PRA and regulated by the PRA and the FCA, is acting as financial adviser exclusively for LondonMetric and no one else in connection with the Merger and will not regard any other person as its client in relation to the Merger and will not be responsible to anyone other than LondonMetric for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Merger or any other matter or arrangement referred to in this announcement.*

*This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Merger or otherwise, nor shall there be any purchase, sale, acquisition issuance, exchange or transfer of securities or such solicitation pursuant to the Merger or otherwise in any jurisdiction in contravention of applicable law.*

*The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them.*

*This announcement does not constitute a prospectus or prospectus equivalent document. The New Ordinary Shares issued pursuant to the Merger are not being offered to the public by means of this announcement. The Merger will be subject to the applicable requirements of the Takeover Code (the "Code"), the Takeover Panel (the "Panel"), the London Stock Exchange and the FCA.*

### **Overseas Shareholders**

*This announcement has been prepared for the purpose of complying with English law, the Listing Rules, the Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England. Nothing in this announcement should be relied on for any other purpose.*

*The availability of the New Ordinary Shares (and the ability of persons to hold such shares) in, and the release, publication or distribution of this announcement in or into, jurisdictions other than the United Kingdom may be restricted by the laws and/or regulations of those jurisdictions (a "Restricted Jurisdiction"). Persons into whose possession this announcement comes who are not resident in the United Kingdom, or who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom, should inform themselves of, and observe, any such applicable laws and/or regulations. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to participate in the Merger may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by LondonMetric or required by the Code and permitted by applicable law and regulation, participation in the Merger has not been made, and the New Ordinary Shares to be issued pursuant to the Merger have not been made, available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and all documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions.*

*Further details in relation to Overseas Shareholders are contained in the Combined Circular and Prospectus and/or Scheme Document.*

### **Notice to US investors**

*The Merger relates to the securities of an English company with a listing on the London Stock Exchange and has been implemented pursuant to a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company in England listed on the London Stock Exchange, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules.*

*The financial information included in the Combined Circular and Prospectus and other documentation related to the Merger has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The New Ordinary Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United*

*States and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements under the US Securities Act and applicable US state securities laws. If LondonMetric effects the Merger by way of a scheme of arrangement under English law, the New Ordinary Shares to be issued in the Merger will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. LXi will advise the Court that its sanction of the Scheme will be relied upon by LondonMetric as an approval of the scheme of arrangement following a hearing on its fairness to LXi Shareholders at which hearing all such LXi Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all LXi Shareholders.*

*The New Ordinary Shares to be issued to LXi Shareholders in the Merger pursuant to a scheme of arrangement under English law may generally be resold without restriction under the US Securities Act, except for resales by persons who are or will be affiliates (within the meaning of Rule 144 under the US Securities Act). "Affiliates" of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. LXi Shareholders who are or will be affiliates of LondonMetric or LXi prior to, or of LondonMetric after, the Effective Date will be subject to certain US transfer restrictions relating to the New Ordinary Shares received pursuant to the Scheme as will be further described in the Scheme Document. LXi Shareholders who believe that they may be or will be affiliates for purposes of the US Securities Act should consult their own legal advisors prior to any resale of New Ordinary Shares received under the Scheme.*

*None of the securities referred to in this announcement have been approved or disapproved by the SEC or any US state securities commission, nor have any such authorities passed judgment upon the fairness or the merits of the Merger or determined if this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.*

*US holders of LXi Ordinary Shares also should be aware that the transaction contemplated herein may have tax consequences in the United States and that such consequences, if any, are not described herein. US holders of LXi Ordinary Shares are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Merger applicable to them.*

*It may be difficult for US holders of LXi Ordinary Shares to enforce their rights and claims arising out of the US federal securities laws since LondonMetric and LXi are organized in countries other than the United States and some or all of their officers and directors may be residents of, and some or all of their assets may be located in, jurisdictions other than the United States. US holders of LXi Ordinary Shares may have difficulty effecting service of process within the United States upon those persons or recovering against judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. US holders of LXi Ordinary Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.*

*Further details in relation to US investors are contained in the Combined Circular and Prospectus and/or the Scheme Document.*