# 2023 Annual Letter to Shareholders

## Table of Contents

- Company Overview ........................................... 1
- Introduction .................................................. 2
- 2023 Highlights .............................................. 3
- High-Quality Investment Platform .......................... 4
- 2023 Development Progress ................................. 5
- Strong Leasing Performance ................................ 6
- Attractive Leasing Outcomes ................................. 7
- Advancing Corporate Responsibility Efforts ............... 8
- Four Pillars of Corporate Responsibility ................... 9
- Balance Sheet Strategy ...................................... 10
- Capital Markets Activity .................................... 11
- Financials ....................................................... 11
- Summary ....................................................... 12
- Corporate Information ...................................... 13
Company Overview

LXP Industrial Trust (NYSE: LXP) is a real estate investment trust (REIT) that is an active acquirer, operator and developer of premium warehouse/distribution real estate in target U.S. logistics markets in the Sunbelt and lower Midwest with high-growth potential. Through its multi-channel investment strategy, LXP has the flexibility to pursue a variety of income and growth opportunities focused on the industrial sector.

HIGHLIGHTS

30 Years Publicly-Traded

$5.1B Gross Assets

54.6M SF

100% Leased

77% Top 25 Markets

32% Green Building Certified

1. As of 12/31/2023. 2. For stabilized portfolio. 3. Based on CoStar.com inventory data for top industrial markets. 4. For consolidated and stabilized industrial portfolio.
Dear Fellow Shareholders

Reflecting over the past 30 years, LXP Industrial Trust (“LXP”) looked quite different than the company it is today. Over this time, the company grew in size, refined and improved its strategy with changing markets and navigated the ups and downs that accompany investing in real estate. Growth requires embracing change and we are proud of the company we have built since listing on the NYSE over 30 years ago. LXP’s transformation has resulted in a high-quality portfolio of primarily single-tenant, warehouse and distribution assets in key logistics markets with contractual rent growth, a promising development platform, strong mark-to-market leasing outcomes and opportunities, a best-in-class ESG+R program and excellent corporate governance.

LXP rang the bell at the NYSE in late 2023 to commemorate our 30-year anniversary as a publicly-traded company. Our Board of Trustees, leadership team and both new and long-standing employees joined us in our celebration. This event provided us the opportunity to pause and appreciate how far LXP has come. It was also a good reminder that we have more to do and that we welcome the change that is essential for our continued growth.

As we have acted on opportunities and navigated market challenges, we’ve not only grown as a company, but also as a cohesive team working together to execute. Our 2023 performance further reflects the considerable progress we have made and strengthens the platform we have created.

WILL EGLIN
Chairman, President and CEO
2023 Highlights

LXP delivered strong operating results in 2023 through notable achievements in leasing, development, asset sales and leverage reduction. Leasing volume was robust, underscored by significant rental increases and a 100% leased stabilized industrial portfolio at year-end. In our development program, we completed the base building construction of seven new facilities, further expanding our footprint in our target markets. Our office disposition plan is now nearly complete after disposing of the majority of our remaining office assets during the year. Through our prudent execution over the course of the year, we took advantage of refinancing opportunities that will effectively extend our debt maturities to 2027 and we reduced leverage to 6.0x net debt to Adjusted EBITDA.

While industrial real estate market fundamentals remain solid, the leasing market for new construction continued to be challenged in 2023 with the supply in big box product giving prospective tenants more options and the ability to defer space use decisions. That said, market dynamics, such as lower new spec construction starts and expected rate cuts, offer the backdrop for a more favorable leasing and valuation environment in the near to medium-term. We believe we are well-positioned to capitalize on these market tailwinds as we look to lease our remaining development portfolio and expand our build-to-suit pipeline.

Our corporate responsibility efforts continued to be a focus in 2023 and resulted in a variety of positive achievements and recognition. In addition, we published our 2022 Corporate Responsibility Report and partnered with certain non-profit organizations to make a greater impact in our local New York, Texas and Florida communities. With further enhancements made during the year to our ESG+R program, we increased our GRESB® Real Estate Benchmark score and maintained our Public Disclosure score of “A”, with the highest score in our peer group. Finally, in our commitment to consistent Board refreshment protocols, we appointed Jamie Handwerker as our new Lead Independent Trustee in May and rotated our Board committee leadership roles later in the year.

We’re pleased with our 2023 accomplishments and are excited to share them with you in greater detail.

Since I joined LXP’s Board in 2017, I’ve had the opportunity to work with some great individuals whose level of talent is top-notch. My 40 years of experience in sell-side research, investing and shareholder engagement complement other trustees’ skills, including real estate, communications, compliance, ESG, cyber security and logistics. I couldn't be more excited about my new role as Lead Independent Trustee. I’m humbled by this appointment and look forward to providing leadership guidance on the Board and to management.

JAMIE HANDWERKER
LXP’s Lead Independent Trustee
High-Quality Investment Platform

In 2023, we continued to concentrate our investment efforts on building out our development platform in our target markets. We made significant progress during the year, investing $122 million dollars, completing 4.2 million square feet of new construction and leasing 1.9 million square feet of available spec space. Since our development program began, we’ve leased and placed into service nearly five million square feet of development projects, of which 1.8 million square feet was placed in service in 2023. We continue to see activity at our remaining development projects and are hopeful that the bulk of the remaining 3.7 million square feet can be leased in 2024.

We expect build-to-suit opportunities to be a focus for us in 2024 given the decline in new spec construction starts and the attractive yields build-to-suit projects offer without the leasing risk associated with spec development. With a long and successful track record in the build-to-suit space and strong merchant builder relationships, we believe LXP is well-positioned to capitalize on new investment prospects that will further enhance shareholder returns.

Our development business has become a much larger part of our multi-channel investment strategy, providing us the opportunity to add high-quality industrial assets to our portfolio at superior pricing compared to the purchase market. As we explore new avenues of growth opportunities in 2024, we are encouraged by the market dynamics taking place in the build-to-suit area.

— BRENDAN MULLINIX
Executive Vice President, CIO

---

INDUSTRIAL PORTFOLIO HIGHLIGHTS1

- **112** Properties
- **54.3M** SF
- **6.0 Years** Weighted-Average Lease Term2
- **49%** Investment Grade Tenancy3
- **4.1%** Quarterly Same-Store NOI Growth7
- **9.5 Years** Average Portfolio Age4
- **33.0’** Average Clear Height5
- **2.6%** Average Annual Rental Escalation6

---

1. As of 12/31/2023. 2. Weighting based on ABR. 3. Percent of ABR. Credit ratings are based upon either tenant, guarantor or parent/Ultimate parent. 4. Weighting based on square footage, excluding land parcels. 5. Based on internal and external sources. 6. Average annual rental escalation based on next rent step percentage. Excludes escalating leases in last year after last escalation. 7. Excludes properties acquired, developed and sold during the applicable periods.
2023 Development Progress¹

**Phoenix**
- Previously leased ~392K SF facility was placed in service
- ~488K SF facility leased (placed in service in 1Q 2024)

**Greenville Spartanburg**
- ~1.1M SF facility base building construction completed
- ~305K SF facility leased and placed in service

**Indianapolis**
- ~1.1M SF facility base building construction completed

**Columbus**
- ~1.1M SF facility leased and placed in service

**Central Florida**
- ~1.1M SF facility base building construction completed
- ~271K SF (two facilities) base building construction completed
  - ~58K SF leased and placed in service

---

**Development Program Highlights²**

- **8.5M SF**
  - new construction completed

- **4.8M SF**
  - leased/placed in service³

- **3.3%**
  - average annual escalations

- **6.6%**
  - weighted average estimated cash stabilized yield⁴

- **523 Acres**
  - of development land available

- **100 Acres**
  - of Phoenix land leased to data center user

- **3.7M SF**
  - available for lease

---

1. As of 12/31/2023.
2. Beginning in 2019 through 2/14/2024.
3. A property placed in service indicates tenant has taken occupancy and revenue recognition has begun.
4. As of 12/31/2023. For properties placed into service. Excluding developer fees or partner promotes, if any.
Strong Leasing Performance

We maintained strong momentum throughout the year, leasing 6.8 million square feet at attractive Base and Cash Base rental increases of approximately 52% and 37%, respectively, excluding fixed-rate renewals. Lease escalators continue to trend upward, with the average escalator on leases signed in 2023 at 37%, excluding fixed-rate renewals. Also, during the year, we addressed our existing vacancy, bringing our stabilized industrial portfolio to 100% leased, and grew same-store NOI by 4.1%.

Over half of our 2024 lease expirations were addressed in 2023. We are in negotiations for the majority of the remaining 2024 expirations, and anticipate good results, with the renewals expected to produce cash rental increases of 20 to 30% based on current market conditions. Our estimates of current market rents indicate that leases expiring through 2029 are 23% below market, providing us the potential to meaningfully increase rents at lease expiration.

1. As of 12/31/2023. 2. Percent of ABR. 3. Based on independent third-party broker data and current renewal discussions for leases expiring through 2029. 4. Cash rental growth actuals for leases that expired in 2023. Inclusive of leases signed beginning in 1Q 2022. 5. Cash rental growth actuals for leases that expired in 2024. Inclusive of leases signed beginning in 1Q 2023. 6. Exclusive of three fixed rate renewals, which bring the figure to 20%. 7. Projected cash rental growth ranges for remaining expiring leases in 2024. Based on current negotiations and third party broker estimates. This does not include rent escalations over the duration of the leases. There is no guarantee these outcomes will be achieved. 8. Average Annual Rent Escalation based on next rent step percentages. 9. Excludes fixed renewals.
Attractive Leasing Outcomes

LXP’s considerable mark-to-market leasing outcomes reflect the quality of our portfolio and highlight the value of our investment strategy and the strength of our asset management team. Our ability to continue to deliver strong leasing outcomes will further contribute to increased revenue and an enhanced internal growth profile.

We couldn’t be more pleased with the strong leasing outcomes we continue to produce in our industrial portfolio. This speaks to the asset class we’re in, as well as the quality and location of LXP’s assets. While the leasing market has cooled somewhat, our below-market rents and increasing annual escalators point to continued growth as we look ahead.

JAMES DUDLEY
Executive Vice President,
Director of Asset Management

<table>
<thead>
<tr>
<th>MARKET</th>
<th>ATLANTA</th>
<th>DALLAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Square Footage</strong></td>
<td>370,000</td>
<td>676,000</td>
</tr>
</tbody>
</table>
| **Rental Increases** | ~79% - Base Rent  
~62% - Cash Base Rent | ~88% - Base Rent  
~65% - Cash Base Rent | ~58% - Base Rent  
~32% - Cash Base Rent |
| **Lease Term** | 5-Year Term | 7-Year Term | 10-Year Term |
| **Starting Rent** | $6.70 PSF | $5.20 PSF | $6.20 PSF |
| **Annual Escalation** | 4.0% | 4.0% | 4.0% |
| **Property Attributes** | • Built in 2016 to modern specs  
• Excellent access to I-85  
• Located in Airport/North Clayton submarket of Atlanta, one of the largest and most sought after submarkets in the country | • Built in 2008 with modern improvements made in 2018  
• Excellent access to I-75  
• Located in the South Clayton/ Henry County submarket of Atlanta and one of the most sought after distribution submarkets in the country | • Built in 2019 to modern specs  
• Excellent access to I-35W and TX Highway 114  
• Located in the NE Tarrant/ Alliance submarket, one of the primary industrial submarkets in Dallas-Ft. Worth |

1 As of 12/31/2023.
Advancing Corporate Responsibility Efforts

We have successfully built the foundation of our Environmental, Social, Governance and Resilience (ESG+R) program, and in 2023 we focused on finding new and improved approaches to further enhance our program. Our goal is to continue making a difference as it relates to our business and stakeholders, the environment and our local communities. Notable activities in 2023 included conducting a Greenhouse Gas inventory of our Scope 1, 2 and 3 GHG emissions, partnering with certain non-profit organizations, hosting multiple employee trainings and events, completing our first solar project, increasing our green building certified square footage and executing more leases with green language. As a result of our efforts, we continued our progress toward achieving our corporate responsibility initiatives and goals.

2023 ACHIEVEMENTS AND ACCOMPLISHMENTS

<table>
<thead>
<tr>
<th>ENVIRONMENTAL</th>
<th>SOCIAL</th>
<th>GOVERNANCE</th>
<th>RESILIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Published 2022 Corporate Responsibility Report aligned with established reporting frameworks, including GRI, TCFD, SASB and the UN Sustainable Development Goals (make linkable to 2022 CR Report)</td>
<td>Named a 2023 Green Lease Leader with gold recognition by the IMT and U.S. Department of Energy’s Better Building Alliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased GRESB Real Estate Benchmark score and received highest Public Disclosure score within peer group</td>
<td>Awarded as a member of ENERGY STAR Certification Nation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieved over five million square feet of green building certifications</td>
<td>Conducted a tenant feedback survey through Kingsley Associates, achieving a satisfaction score in excess of the KA average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executed over seven million square feet of green leases</td>
<td>Selected as a “Best Company to Work For” in New York</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed first solar project</td>
<td>Achieved inclusion into the 2023 Bloomberg Gender-Equality Index</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 As of 12/31/2023. 2 Includes consolidated and non-consolidated properties.
Four Pillars of Corporate Responsibility

**ENVIRONMENTAL**

We are committed to creating a more sustainable portfolio.

Green Building Certified Square Footage (Cumulative)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4.6</td>
</tr>
<tr>
<td>2020</td>
<td>5.5</td>
</tr>
<tr>
<td>2021</td>
<td>8.1</td>
</tr>
<tr>
<td>2022</td>
<td>12.9</td>
</tr>
<tr>
<td>2023</td>
<td>17.3</td>
</tr>
</tbody>
</table>

\(^1\)As of 12/31/2023. 2. Includes consolidated and non-consolidated properties.

**SOCIAL**

We strive to make a meaningful impact in our local communities.

Partner Organizations

**GOVERNANCE**

We believe prudent oversight, appropriate disclosure and shareholder engagement are integral to good governance.

Aligned with Established Reporting Frameworks

**RESILIENCE**

We take critical steps to address climate-related physical and transition risks in our portfolio.

Established a TCFD Resilience Program

**AREAS OF FOCUS**

- Decarbonization Program
- Shadow Metering
- Additional GBCs and Green Leases
- Renewable Energy
- Charitable Giving
Balance Sheet Strategy

In 2023, we continued to enhance the company’s balance sheet position and maintained considerable financial flexibility. Net debt to Adjusted EBITDA was 6.0 times at year-end, a meaningful decrease from 6.4 times at year-end 2022. We expect leverage to decline over time as we lease up our remaining development pipeline and mark rents to market, adding additional EBITDA to the portfolio. Our $600 million revolving credit facility was fully available at year-end and approximately 93% of our debt was effectively at fixed interest rates. Consistent with our goal of raising our quarterly dividend annually, our Board of Trustees authorized a $0.02 annualized dividend increase late in the year, representing a 4% increase over the prior dividend.\(^1\)

---

1. Annualized dividend of $0.52 per common share commenced in 1Q 2024.
Capital Markets Activity

Late in 2023, we took advantage of improving capital market conditions and completed a bond offering and term loan extension. We raised $300 million aggregate principal amount of 6.75% Senior Notes due in 2028 at an issue price of 99.423% of the principal amount. A portion of the proceeds was used to pay down our revolving credit facility, with the remaining proceeds currently earmarked for our development funding needs and the repayment of our 2024 senior notes maturing in June of 2024. Additionally, our $300 million term loan was extended from 2025 to 2027. With the expected payment of the 2024 notes, we’ll have no debt maturing until 2027, and a proforma weighted-average interest rate of 3.8% and a weighted-average term of 6.5 years. Approximately 7% of our debt is currently floating, which is expected to increase to 27% at the beginning of 2025. This provides us with the option of swapping some of this exposure or refinancing with other long-term fixed rate options with the prospect of rate cuts on the horizon.

With continued uncertainty in the capital markets, we felt it was prudent to take some refinancing risk off the table in 2023. We capitalized on the opportunity to refinance a portion of the company’s debt, effectively extending our maturities out to 2027.

BETH BOULERICE
Executive Vice President, CFO

Financials

Our 2023 financial results were strong, driven by successful leasing outcomes, recent development that began contributing revenue and the delay in office sales.

<table>
<thead>
<tr>
<th>2023</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>$340.5 Million</td>
</tr>
<tr>
<td>Net Income Attributable to Common Shareholders</td>
<td>$23.9 Million ($0.08 per share)</td>
</tr>
<tr>
<td>Adjusted Company FFO</td>
<td>$206.2 Million ($0.70 per share)</td>
</tr>
<tr>
<td>Funds Available for Distribution</td>
<td>$184.7 Million</td>
</tr>
<tr>
<td>Common Dividends Per Share</td>
<td>$0.50 on an annualized basis</td>
</tr>
</tbody>
</table>

1. Proforma for the satisfaction of the 2024 bonds before or at maturity with 2028 bond issuance proceeds. 2. Percentages on bar graph denote weighted-average interest rate. 3. Rate is fixed through January 2025 via interest rate swaps. From February 2025 through January 2027, rate is Adjusted Term SOFR plus 100 basis points.

Attractive weighted-average interest rate of 3.8% with a weighted-average term of 6.5 years, with approximately 92% at fixed rates (through January 2025).
Summary

We’re proud of the progress we made in 2023 and look forward to continuing our momentum in 2024. Our focus remains on de-leveraging our balance sheet, leasing our remaining development pipeline, producing strong mark-to-market leasing outcomes and exploring build-to-suit opportunities. While the loss of office revenue, timing of development leasing and increased interest expense will impact 2024 earnings, we believe the building blocks of sustainable growth are strongly in our favor as we look ahead, including fixed rental escalations of 2.6%, below market rents and occupancy gains in our development portfolio.

The company looks quite different than it did 30 years ago, but what has remained constant is our responsibility and dedication to our shareholders, employees, tenants, suppliers, partners and communities. Our belief is that change is essential to our success, and we will continue to drive value-enhancing growth for the benefit of all our stakeholders in the years ahead. As always, we thank you for your support and trust in LXP.

Sincerely,

Will Eglin
Chairman, President and CEO
Corporate Information

Independent Trustees
Jamie Handwerker1,2,3
Arun Gupta2,3
Claire A. Koeneman3,4
Howard S. Roth1

Lawrence L. Gray1,4
Derrick Johnson1,4
Nancy Elizabeth Noe1

Leadership Team
T. Wilson Eglin
Chairman
Chief Executive Officer
President
Joseph S. Bonventre
Executive Vice President
Chief Operating Officer
General Counsel
Secretary
Beth Boulerice
Executive Vice President
Chief Financial Officer
Treasurer
Brendan Mullinix
Executive Vice President
Chief Investment Officer
James Dudley
Executive Vice President
Director of Asset Management
Nabil Andrawis
Executive Vice President
Director of Taxation

Investor Relations
LXP Industrial Trust
Telephone: (212) 692-7200
E-mail: ir@lxp.com

NYSE Symbols
LXP (Common)
LXPPRC (Preferred)

Transfer Agent and Registrar
Computershare
P.O. Box 43006
Providence, RI 02940-3006
Tel: (800) 850-3948 (toll-free)
(201) 680-8576 (outside of U.S.)
www-us.computershare.com/investor

Other Offices
12200 Coit Road
Suite 1270
Dallas, TX 75251
Tel: (214) 210-3770
Penn1
New York, NY 10119
Tel: (212) 692-7200

Corporate Headquarters
515 N. Flagler Drive
Suite 408
West Palm Beach, FL 33401
Tel: (212) 692-7200

Direct Share Purchase Plan
Information regarding our Direct Share Purchase Plan, including the dividend reinvestment component, may be obtained from our transfer agent and registrar, Computershare. Answers to many of your shareholder questions and requests for forms are available by visiting www-us.computershare.com/investor.

Website
www.lxp.com

Forward-Looking Statements
Reference is made to “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 for discussion of certain factors that might cause actual results to differ materially from those set forth in any forth in any forward-looking statements included herein.

Non-GAAP Financial Measures and Defined Terms
See our Quarterly Supplemental Information, Fourth Quarter 2023, on our website for reconciliations of non-GAAP financial measures and the definitions of certain defined terms.