



LXP INDUSTRIAL TRUST
2021 Annual Letter to Shareholders



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Company Overview

LXP Industrial Trust (NYSE: LXP) is an active acquirer, owner and developer of premium warehouse/distribution real estate in key U.S. logistics markets with high-growth potential.

2021 NOTABLE HIGHLIGHTS¹

98%

Warehouse/Distribution
Exposure²

\$886

Million Industrial Assets
Purchased/Completed

\$112

Million Ongoing Industrial
Development Funded

\$824

Million Assets Sold

11.6%

Annualized Dividend
Increase

8.5

Million Square Feet
Leased

\$400

Million 10-Yr Debt
Issuance at 2.375% Rate

53%

Total Shareholder Return³

¹As of 12/31/2021. ²Based on Gross Book Value of consolidated real estate assets, excluding held for sale assets. ³S&P Capital IQ, as of 12/31/2021.



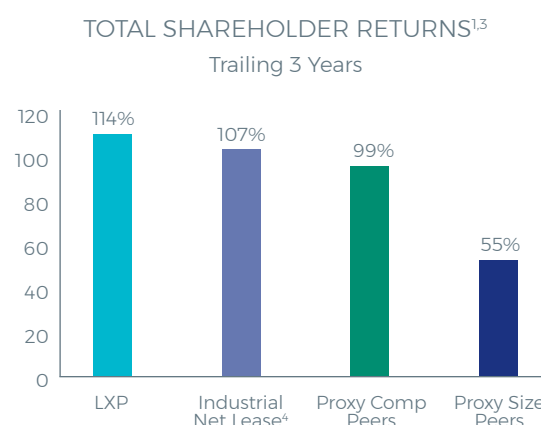
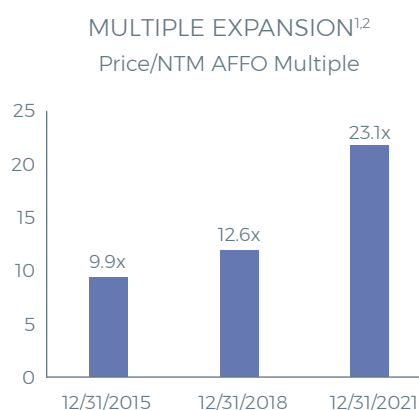
GREENVILLE-SPARTANBURG, SC MARKET

Dear Fellow Shareholders

LXP Industrial Trust produced outstanding operational and financial results in 2021. With nearly record-breaking volume in acquisitions, development, leasing and dispositions, we substantially completed our portfolio transformation. Our emphasis on high-quality, primarily single-tenant warehouse/distribution assets, along with the recapitalization of a special purpose industrial portfolio to a newly-formed joint venture, increased our warehouse/distribution exposure to nearly 100% of our gross assets. We adopted a new name and corporate brand

in 2021 to better align with the nature of our industrial-focused business and forward-growth strategy. We also made sizeable progress with respect to our ESG+R program and continue to build a responsible program that we believe enhances our company and shareholder value. It was a year of many firsts and notable accomplishments, delivered by our dedicated team, who are highly motivated to create shareholder value. Our portfolio transformation has produced favorable results, which have benefitted all our stakeholders.

Portfolio Transformation Has Produced Favorable Results



2021 HIGHLIGHTS

- **Enhanced Portfolio Composition** – Increased warehouse/distribution exposure to 98% of overall portfolio based on gross book value
- **Robust Investment Activity** – Acquired/completed \$886 million of high-quality warehouse/distribution assets in our target industrial markets and invested \$112 million in new and ongoing development projects
- **Focused Capital Recycling Efforts** – Disposed of \$824 million of assets, including the recapitalization of a special purpose industrial portfolio to a newly-formed joint venture
- **Strong Portfolio Operations** – Leased 8.5 million square feet, raising industrial Base and Cash Base Rents 10.9% and 6.7%, respectively
- **Opportunistic Capital Markets Activity** – Issued \$400 million of Senior Notes due in 2031, with an attractive, fixed interest rate of 2.375%
- **Flexible Balance Sheet** – Maintained moderate leverage of 5.5x Net Debt to Adjusted EBITDA and had strong cash position at year end
- **Consistent Dividend Growth** – Increased the dividend 11.6% from the previous quarterly dividend to \$0.48 per diluted common share (*annualized*)
- **Advanced ESG+R Program** – Received 1st place ranking for U.S. industrial listed companies in inaugural GRESB submission and published first Corporate Responsibility Report

¹Source: Company filings, SNL as of 12/31/2021. ²Based on analyst consensus AFFO estimates. ³Proxy peer groups as defined in the April 2021 Definitive Proxy Statement (excludes Weingarten Realty Investors after its merger with Kimco Realty Corp., VEREIT after its merger with Realty Income and Mack-Cali Realty Corp. after its rebranding to Veris Residential, Inc.). ⁴Industrial Net Lease peers include STAG and MNR.

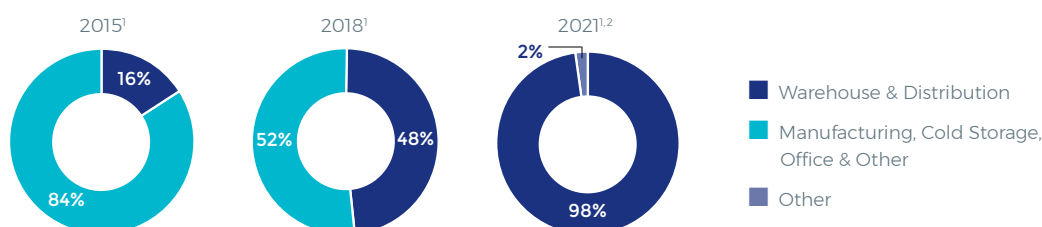
Enhanced Portfolio Composition

We took a huge step forward in 2021, substantially completing our multi-year strategy to transform LXP from a diversified net-lease REIT into a pure-play industrial REIT. Robust acquisition activity, along with the recapitalization of a special purpose industrial portfolio, shifted our portfolio to consist of 98% high-quality,

predominantly Class A warehouse/distribution assets in key logistics markets. We have built a significantly more valuable portfolio that we believe is poised to benefit from strong tenant demand and underlying market rent growth in the industrial sector.

Successfully Transformed Portfolio

High-Quality Portfolio Focused on Warehouse/Distribution Assets – Well Positioned for Growth



¹Portfolio breakdown by Gross Book Value at year-end of each respective year, exclusive of held for sale assets. ²In December 2021, 22 special purpose industrial assets recapitalized into a newly-formed joint venture. Exclusive of the warehouse/distribution portfolio, the remaining 2% of LXP's portfolio was classified to Other.

WAREHOUSE/DISTRIBUTION PORTFOLIO HIGHLIGHTS¹

PORTFOLIO LEVEL

109 Properties
52.7 Million (SF)
99.8% Leased²
6.9 Weighted-Average Lease Term (Years)³
58.9% Investment Grade Tenancy⁴
8.6 Average Age (Years)⁵

ASSET LEVEL

483,839 Average Building Size (SF)
32.7' Average Clear Height⁶
2.8% Average Annual Rental Escalation⁷
14 Green Building Certifications
\$4.35 Average Rent Per Square Foot⁸

Top 25 Markets **70.6%**⁹

Top 50 Markets **88.8%**⁹

¹As of 12/31/21. ²For 2021 Stabilized Portfolio. ³Cash basis. ⁴Percentage of Base Rent for consolidated properties owned as of 12/31/2021. Credit ratings are based upon either tenant, guarantor, or parent/ultimate parent. ⁵Based on square footage. ⁶Based on internal and external sources. ⁷Based on Cash Base Rents for single-tenant leases (properties greater than 50% leased to a single tenant) owned as of 12/31/2021. Average annual rental escalation based on next rent step percentage. ⁸Excludes non-stabilized vacant square footage. ⁹Based on CoStar.com inventory data.

Platform Primed for Growth

Investment activity in 2021 totaled 8.9 million square feet and concentrated on the acquisition of both stabilized and non-stabilized warehouse/distribution assets, development projects and the purchase of developable land. We continue to favor investment in development and non-stabilized assets to pursue incremental yield relative to the purchase market for stabilized assets. Our presence has grown exponentially in our target markets along the Sunbelt and lower Midwest, which we believe exhibit strong demographics, increasing user demand and favorable supply/demand characteristics.

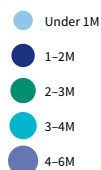
During the year, we further added to our exposure in Phoenix, Houston, Indianapolis, Columbus, Greenville-Spartanburg, Atlanta and Central Florida; continuing to capitalize on our market expertise. We believe we are well-positioned to build on our momentum by

acquiring and developing high-quality assets in growing markets and capturing opportunities to increase rents through our leasing and re-leasing capabilities.

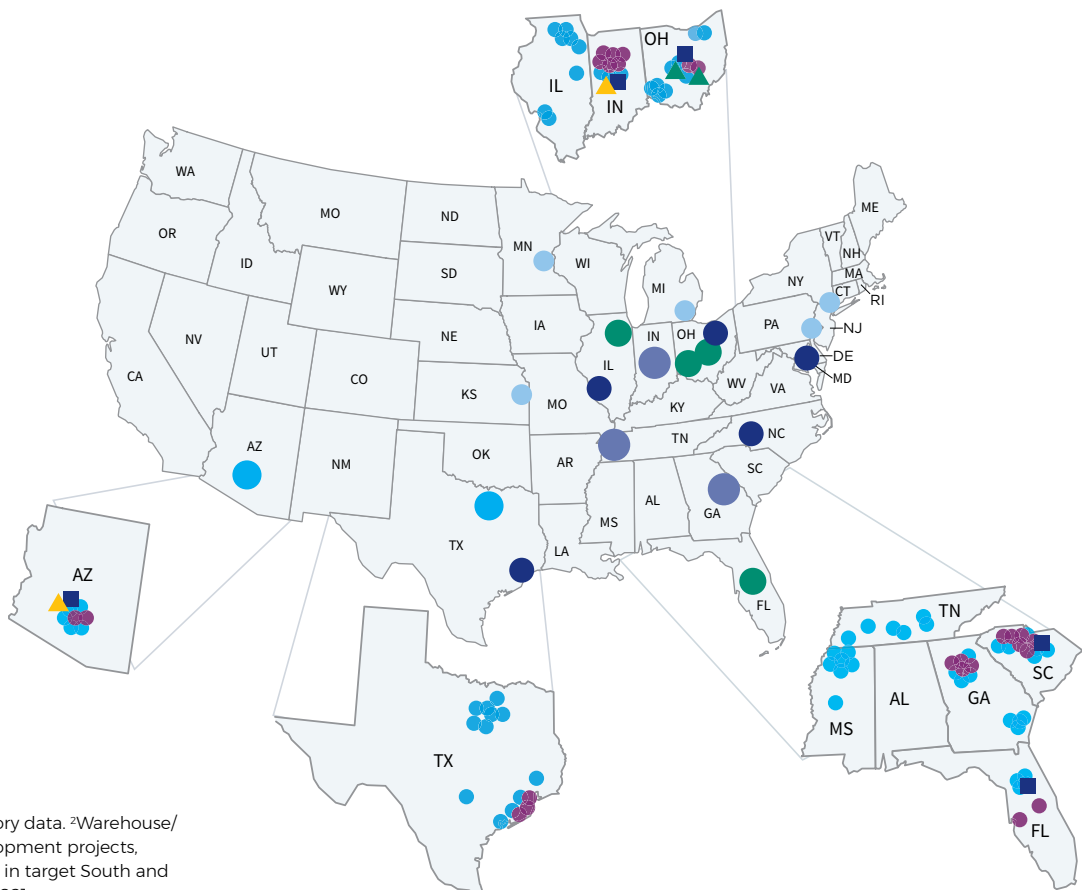
Our 20% interest in our newly-formed special purpose joint venture builds on our institutional fund management capabilities, allows us to generate recurring fee income to enhance our return on equity and provides an equity commitment to invest in an estimated \$750 million in industrial real estate that falls outside of our warehouse/distribution focus. We formed this joint venture to take advantage of growth opportunities that may arise as corporations, including many of our existing tenant relationships, seek to add domestic manufacturing capacity, diversify means of production and create greater supply chain resiliency.

Industrial Geographical Focus

LXP Properties in Top Industrial Markets (by SF)¹



Midwest and Sunbelt Property Concentration²



¹Based on CoStar.com inventory data. ²Warehouse/distribution properties, development projects, and developable land owned in target South and Midwest markets as of 12/31/2021.

Development Success

During the year, we completed and fully leased three development projects, and as of year end, we had five ongoing projects. We also added to our land bank, which now totals 577 acres, likely supporting an estimated nine million square feet of development, in Phoenix, Indianapolis and Columbus. We believe investment in development produces attractive risk-adjusted returns, and in many cases, we can or have achieved yields of approximately 100 to 125 basis points higher than the purchase market. We're pleased with our progress thus far, with two recent successes highlighted below in Atlanta and Greenville-Spartanburg.



Stabilized Development
907,675 SF Warehouse/Distribution Facility
ATLANTA, GA

- Prime location along the I-85 South submarket of Fairburn in Atlanta, Georgia
- Site offers easy access to I-285, the CSX Intermodal Terminal and Hartsfield-Jackson Atlanta International Airport
- Built to modern specs, with 40' clear height, cross-dock and multi-tenant design, LED lighting, 185' truck courts and ample trailer and auto parking
- Building substantially completed Q2 2021
- Shortly after substantial completion, secured a full building user for a lease term of seven years, with 3% annual rental escalations
- Total project cost expected to be \$78.6 million with a stabilized cash yield of 4.9%

THESE SUCCESSFUL DEVELOPMENT OUTCOMES DEMONSTRATE OUR CAPABILITIES WITH RESPECT TO SITE SELECTION, PROJECT MANAGEMENT AND LEASING.



Ongoing Development
2,194,820 SF Warehouse/Distribution Portfolio
GREENVILLE-SPARTANBURG, SC

- Multi-building project that will consist of three properties located along the I-85/101 corridor in Spartanburg West, Greenville-Spartanburg's primary submarket
- Site offers close proximity to I-85, the Greer Inland Port, BMW's highest production volume plant and the GSP International Airport
- Scheduled for completion between the end of 2022 through mid-2023
- Properties feature multi-tenant designs, LED lighting, 185'-210' truck courts and ample trailer and auto parking
- Pre-leased one of the facilities, which will be expanded by 47% from the original plan, for 12 years, with 3% annual rental escalations
- Total project cost expected to be \$162.1 million, with an estimated projected stabilized cash yield of approximately 5%

Market Spotlight – Phoenix

Phoenix is currently one of our favorite markets. We've grown significantly here in recent years and have developed a strong market presence with access to an active flow of attractive opportunities. We have observed record-breaking activity in Phoenix and continue to like the market's strong fundamentals, which we believe are driven by the city's growing population, moderate operating costs, low taxes, affordable labor and proximity to major markets and ports in the Western U.S.

Our recent 420-acre land purchase provides an exciting opportunity to develop an industrial park at attractive yields relative to where similar buildings are trading in the current market. The site can accommodate the development of a substantial amount of square feet, which would significantly increase our square footage in this market.



MARKET HIGHLIGHTS

- 9** Properties¹
- 3.7** Million (SF)¹
- 100%** Leased²
- 6.8** Weighted-Average Lease Term (Years)³
- 58.7%** Investment Grade Tenancy⁴
- 2.2** Average Age (Years)⁵
- 6.6%** Rental Revenue³
- 1** Ongoing Development Project
- 420** Acres Developable Land



¹Includes development project. ²For stabilized properties. ³As a % of Cash Base Rent as of 12/31/2021. ⁴As a % of Base Rent as of 12/31/2021. ⁵Base on square footage.

Strong Leasing and Market Rent Growth

The overall strength of our target markets was evidenced by continued rent growth of 8% on average in 2021. Further, our asset management team has done terrific work in securing leases with new tenants and re-leasing space to existing tenants. We leased nearly 8.4 million square feet in our industrial portfolio in 2021

with attractive industrial Base and Cash Base rental increases of 10.9% and 6.7%, respectively. Our stabilized warehouse/distribution portfolio was 99.8% leased at year end, and approximately 95% of this portfolio has escalations, with an average annual increase of 2.8%.

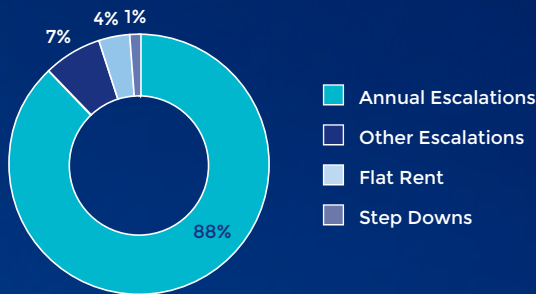


HOUSTON, TX MARKET

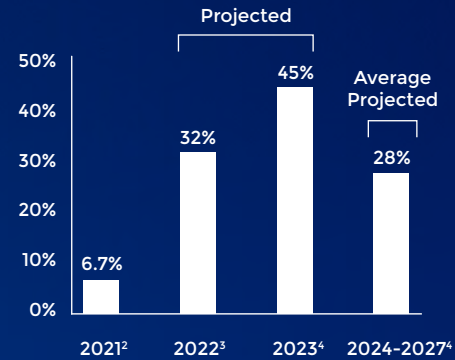
Early in the first quarter of 2022, we conducted an analysis, utilizing a leading national brokerage firm, that highlighted what we believe to be a significant opportunity to achieve strong leasing spreads going forward for our warehouse/distribution properties, underscoring the upside potential in our portfolio. The brokerage firm

estimated the mark-to-market outlook in our warehouse/distribution portfolio for rents through 2027 (approximately 50% of our industrial Base rental revenue). Based on their forecasted rent growth estimates, we believe, on average, these rents will be approximately 30% below market at lease expiration.

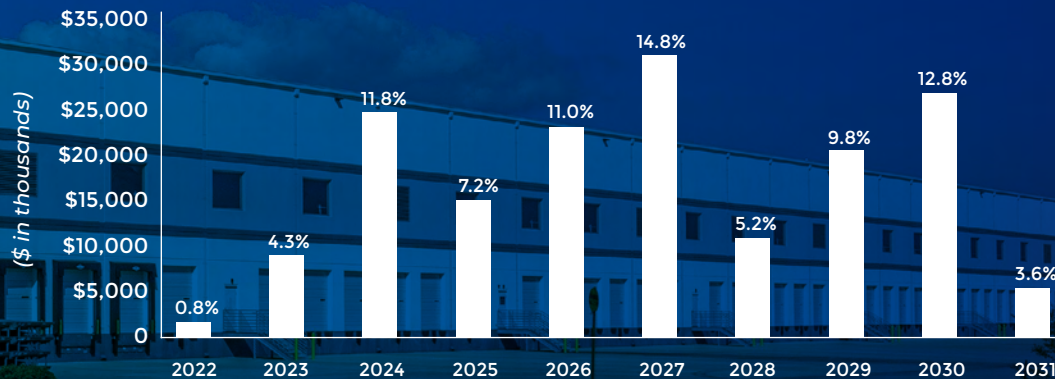
LEASE ESCALATIONS¹



RENEWAL/NEW LEASE RENTAL INCREASES



LEASE ROLLOVER SCHEDULE⁵



¹Based on 2021 consolidated Cash Base Rent for single-tenant industrial leases (properties 50% leased to a single tenant) owned as of 12/31/2021. Excludes rents from prior tenants. ²Cash Base Rent for industrial leases for 12 months prior to the amendment or original expiration of the lease compared to the Cash Base Rent for the first 12 months from lease commencement/extension, excluding free rent as applicable. ³Based on current leasing negotiations. There is no guarantee these outcomes will be achieved. ⁴Based on third party broker forecasted rent growth estimates. There is no guarantee these outcomes will be achieved. ⁵As a % of 12 months consolidated Base Rent for consolidated industrial properties owned as of 12/31/2021.

Top Ranked ESG+R Program Aligned with Established Frameworks

We've worked hard to create a best-in-class Environmental, Social, Governance and Resilience (ESG+R) program, establishing objectives integrated throughout our investment process, which we believe contribute to our ongoing long-term success. In building and maintaining a responsible program, we seek to support all our stakeholders by providing regular reports and detailed disclosure, engaging with tenants and employees on a regular basis and executing on targeted ESG+R initiatives.

2021 HIGHLIGHTS & SUCCESSES

- Published ESG+R objectives and environmental targets
- Earned the first place ranking for industrial listed companies in the U.S. in first GRESB® Assessment
- Published first Corporate Responsibility Report, aligned with SASB Real Estate Standards
- Increased green building certifications to 20, with 2nd highest BREEAM rating for an industrial property in the U.S.
- Received 3.96/5 for overall satisfaction in first tenant survey for industrial portfolio
- Signed on to support the UN Women's Empowerment Principles and the CEO Action for Diversity and Inclusion
- Reported to the Bloomberg Gender-Equality Index (Added to Index in 2022)
- ISS Governance Quality average score of 1 for 2021, representing the lowest governance risk





E - The impact we have on the environment counts.

In 2021, we evaluated sustainability and efficiency initiatives across the portfolio to reduce energy consumption and drive down greenhouse gas emissions, including setting specific targets. We continue to explore green building certifications and work to increase the number of green leases in our portfolio.



S - Focused on making a positive difference.

To further engage with our tenants, in 2021, we distributed a tenant survey to collect and assess feedback. We also conducted an employee satisfaction survey, achieving a high participation rate. A primary focus for LXP is our commitment to diversity, equity, and inclusion (DEI). Our DEI committee meets regularly to foster a diverse, equitable, and inclusive workplace.



G - Transparency is essential in business.

We pride ourselves on our governance best practices and have consistently been recognized in this area. In 2021, we further enhanced our disclosure, published a Stakeholder Engagement Policy, performed enterprise risk assessments and management succession planning and supported various organizations with respect to ESG+R. Our Board of Trustees is currently 38% female, and in April 2022, we fulfilled a commitment we made to one of our largest investors and further diversified our Board membership.



R - Engaged in mitigating climate change-related risks.

One of our main focuses in 2021 was building our resilience program. We are a supporter of the Task Force on Climate Related Disclosures (TCFD) and have engaged a climate analytics firm to evaluate physical risk across our portfolio due to climate change. We also use this climate analytics software as part of our due diligence process for acquisitions.



ENVIRONMENTAL TARGETS

25% reduction in GHG emissions over 10 years¹

25% reduction in energy consumption over 10 years¹

15% reduction in water consumption over 10 years²

40% diversion rate within 10 years

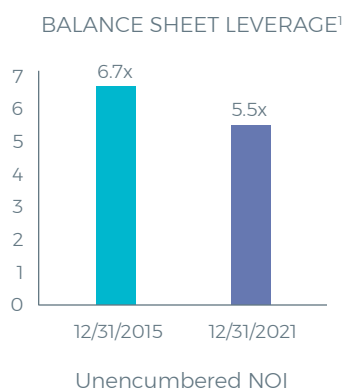
¹2.5% annually. ²1.5% annually.

Flexible Balance Sheet Strategy

We continue to focus on sustaining a strong balance sheet and maintaining investment-grade ratings. Leverage has come down considerably since we began our portfolio transformation, ending 2021 with net debt to Adjusted EBITDA of 5.5x and unencumbered NOI of approximately 93%. Fortunately, we have very little exposure to rising interest rates given the previous work we have done to extend our debt maturities. During the year, we issued \$400 million of Senior Notes due in 2031 with an attractive fixed rate of 2.375%, allowing us to retire shorter maturity, higher priced debt. Our total debt outstanding had an attractive weighted-average interest rate of 2.8%, with a weighted-average term of 7.5 years at year end.

With the sale of our non-industrial assets substantially complete, in 2021, our Board of Trustees announced a dividend increase that brings our payout ratio more in-line with our peers after several years of maintaining a low payout ratio in order to retain cash flow and support our growth plan with capital generated from our portfolio. The newly declared quarterly common share dividend of \$0.12 per share, or \$0.48 per share annualized, represents an 11.6% increase over the prior dividend. Subject to Board approval, our intent to increase the dividend annually moving forward reflects our confidence in the direction of market rent growth and our opportunity to raise rents going forward.

PORTFOLIO DE-LEVERAGING



Source: Company filings, SNL as of 12/31/2021.

¹Leverage reflects net debt / LTM Adjusted EBITDA.

**LXP HAS MAINTAINED
INVESTMENT-GRADE RATINGS
SINCE 2016.**



**\$916 MILLION OF CAPITAL RETURNED TO SHAREHOLDERS SINCE 2015
THROUGH SHARE REPURCHASES AND DIVIDENDS.¹**

CREDIT METRICS SUMMARY¹

56.7%

Adjusted Company
FFO Payout Ratio

\$4.2B

Unencumbered Assets

92.6%

Unencumbered NOI

33.4%

(Debt + Preferred)/
Gross Assets

31.4%

Debt/Gross Assets

1.7%

Secured Debt/Gross Assets

33.5%

Unsecured Debt/
Unencumbered Assets

5.5x

Net Debt/Adjusted EBITDA²

5.9x

(Net Debt + Preferred)/
Adjusted EBITDA²

\$600.0M

Credit Facilities Availability³

¹As of 12/31/2021. ²Includes prorata share of non-consolidated assets. ³Subject to covenant compliance.

Financials

Financial results were strong in 2021, with Adjusted Company FFO coming in at the high-end of our guidance range.

2021	Total
Gross Revenues	\$344.0 Million
Net Income	\$385.1 Million (\$1.34 per diluted common share)
Adjusted Company FFO	\$223.2 Million (\$0.78 per diluted common share)
Funds Available for Distribution	\$202.2 Million
Common Dividends Declared Per Share ¹	\$0.43

¹Annualized Dividend of \$0.48 per common share commenced in 2022.

In summary, 2021 was a fantastic year for LXP and we believe our company is in a position of extraordinary strength with excellent prospects. Our portfolio exhibits the high-quality attributes that we believe will lead to attractive leasing outcomes and long-term growth. We have put in an immense amount of hard work to be where we are today. With our transformation to a 100% single-tenant, industrial REIT substantially complete, we are proud of the company we have created. We believe we have a much more valuable portfolio as a result, with strong prospects for continued growth. As always, we appreciate your support as a shareholder and look forward to the year ahead.



T. WILSON EGLIN
Chairman, Chief Executive Officer and President



Corporate Information



BACK ROW LEFT TO RIGHT: Lawrence Gray, Joseph Bonventre, Patrick Carroll (Chief Risk Officer), Howard Roth, Nabil Andrawis, Brendan Mullinix, Claire Koeneman, Lara Johnson, James Dudley. FRONT ROW LEFT TO RIGHT: Elizabeth Noe, Will Eglin, Beth Boulterice, Richard Frary, Jamie Handwerker

Independent Trustees

Richard S. Frary^{1,2,4}
Lead Trustee

Lawrence L. Gray^{2,4}

Jamie Handwerker^{1,2}
Claire A. Koeneman^{2,3}

Nancy Elizabeth Noe³
Howard S. Roth^{1,3}

Leadership Team

T. Wilson Eglin⁴
Chairman
Chief Executive Officer
President

Joseph S. Bonventre
Executive Vice President
Chief Operating Officer
General Counsel
Secretary

Beth Boulterice
Executive Vice President
Chief Financial Officer
Treasurer

Brendan Mullinix
Executive Vice President
Chief Investment Officer

Lara Johnson
Executive Vice President

James Dudley
Executive Vice President

Nabil Andrawis
Executive Vice President

Corporate Headquarters

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Investor Relations

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NYSE Symbols

LXP (Common)
LXPPRC (Preferred)

Transfer Agent and Registrar

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Tel: (800) 850-3948 (toll-free)
(201) 680-6578 (outside of U.S.)
www-us.computershare.com/investor

Overnight correspondence:
Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202

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.

Independent Registered Public Accounting Firm

Deloitte & Touche LLP, U.S.
New York, NY

Forward-Looking Statements

Reference is made to "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 for discussion of certain factors that might cause actual results to differ materially from those set forth in any forward-looking statements included herein.

Non-GAAP Financial Measures and Defined Terms

See our Quarterly Supplemental Information, Fourth Quarter 2021, on our website for reconciliations of non-GAAP financial measures and the definitions of certain defined terms.

¹Audit Committee Member ²Compensation Committee Member ³Nominating and Corporate Governance Committee Member ⁴Executive Committee Member



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