

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2025.

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-12386

LXP INDUSTRIAL TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation of organization)

13-3717318
(I.R.S. Employer
Identification No.)

515 N Flagler Dr, Suite 408, West Palm Beach, FL 33401

(Address of principal executive offices) (zip code)

(212) 692-7200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Shares of beneficial interest, par value \$0.0001 per share, classified as Common Stock	LXP	New York Stock Exchange
6.50% Series C Cumulative Convertible Preferred Stock, par value \$0.0001 per share	LXPPRC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 295,756,383 common shares of beneficial interest, par value \$0.0001 per share, as of April 30, 2025.

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WHERE YOU CAN FIND MORE INFORMATION:

We file and furnish annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, which we refer to as the SEC. We file and furnish information electronically with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file or furnish electronically with the SEC. The address of the SEC's Internet site is <http://www.sec.gov>. We also maintain a web site at <http://www.lxp.com> through which you can obtain copies of documents that we file or furnish with the SEC. The contents of that web site are not incorporated by reference in or otherwise a part of this Quarterly Report on Form 10-Q or any other document that we file or furnish with the SEC.

PART I. - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS **LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES** **CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited and in thousands, except share and per share data)

	March 31, 2025	December 31, 2024
Assets:		
Real estate, at cost	\$ 4,134,987	\$ 4,176,294
Real estate - intangible assets	314,431	318,444
Land held for development	82,920	82,827
Investments in real estate under construction	17,500	5,947
Real estate, gross	4,549,838	4,583,512
Less: accumulated depreciation and amortization	1,070,872	1,047,166
Real estate, net	3,478,966	3,536,346
Assets held for sale	8,050	—
Right-of-use assets, net	15,364	16,484
Cash and cash equivalents	70,935	101,836
Restricted cash	242	237
Investments in non-consolidated entities	39,264	40,018
Deferred expenses, net	39,098	39,820
Rent receivable – current	2,361	2,052
Rent receivable – deferred	83,213	85,757
Other assets	22,021	20,762
Total assets	\$ 3,759,514	\$ 3,843,312
Liabilities and Equity:		
Liabilities:		
Mortgages and notes payable, net	\$ 53,602	\$ 54,930
Term loan payable, net	248,397	297,814
Senior notes payable, net	1,089,892	1,089,373
Trust preferred securities, net	127,918	127,893
Dividends payable	41,354	41,164
Liabilities held for sale	219	—
Operating lease liabilities	15,860	17,114
Accounts payable and other liabilities	46,247	57,055
Accrued interest payable	15,349	10,517
Deferred revenue - including below-market leases, net	5,632	6,751
Prepaid rent	18,190	19,918
Total liabilities	1,662,660	1,722,529
Commitments and contingencies		
Equity:		
Preferred shares, par value \$0.0001 per share; authorized 100,000,000 shares:		
Series C Cumulative Convertible Preferred, liquidation preference \$96,770; 1,935,400 shares issued and outstanding	94,016	94,016
Common shares, par value \$0.0001 per share; authorized 600,000,000 shares, 295,728,056 and 294,499,790 shares issued and outstanding in 2025 and 2024, respectively	30	29
Additional paid-in-capital	3,317,057	3,315,104
Accumulated distributions in excess of net income	(1,339,223)	(1,316,993)
Accumulated other comprehensive income	2,926	6,136
Total shareholders' equity	2,074,806	2,098,292
Noncontrolling interests	22,048	22,491
Total equity	2,096,854	2,120,783
Total liabilities and equity	\$ 3,759,514	\$ 3,843,312

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands, except share and per share data)

	Three Months Ended March 31,	
	2025	2024
Gross revenues:		
Rental revenue	\$ 87,893	\$ 85,207
Other revenue	970	1,044
Total gross revenues	88,863	86,251
Expense applicable to revenues:		
Depreciation and amortization	(50,512)	(47,509)
Property operating	(17,129)	(15,188)
General and administrative	(10,390)	(9,493)
Non-operating income	520	3,769
Interest and amortization expense	(16,280)	(16,984)
Loss on debt satisfaction	(350)	—
Change in allowance for credit loss	—	5
Gain on sale of real estate	24,635	—
Income before provision for income taxes and equity in losses of non-consolidated entities	19,357	851
Provision for income taxes	(215)	(125)
Equity in losses of non-consolidated entities	(980)	(1,281)
Net income (loss)	18,162	(555)
Less net loss attributable to noncontrolling interests	816	286
Net income (loss) attributable to LXP Industrial Trust shareholders	18,978	(269)
Dividends attributable to preferred shares - Series C	(1,572)	(1,572)
Allocation to participating securities	(127)	(90)
Net income (loss) attributable to common shareholders	\$ 17,279	\$ (1,931)
Net income (loss) attributable to common shareholders - per common share basic	\$ 0.06	\$ (0.01)
Weighted-average common shares outstanding - basic	291,706,064	291,288,383
Net income (loss) attributable to common shareholders - per common share diluted	\$ 0.06	\$ (0.01)
Weighted-average common shares outstanding - diluted	292,298,271	291,288,383

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited and in thousands)

	Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ 18,162	\$ (555)
Other comprehensive income (loss):		
Change in unrealized loss on interest rate swaps, net	(3,189)	(1,101)
Company's share of other comprehensive income (loss) of non-consolidated entities	(21)	41
Other comprehensive loss	(3,210)	(1,060)
Comprehensive income (loss)	14,952	(1,615)
Comprehensive loss attributable to noncontrolling interests	816	286
Comprehensive income (loss) attributable to LXP Industrial Trust shareholders	\$ 15,768	\$ (1,329)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited and in thousands, except share and per share data)

LXP Industrial Trust Shareholders									
Three Months Ended March 31, 2025	Total	Number of Preferred Shares	Preferred Shares	Number of Common Shares	Common Shares	Additional Paid-in-Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests
Balance December 31, 2024	\$ 2,120,783	1,935,400	\$ 94,016	294,499,790	\$ 29	\$ 3,315,104	\$ (1,316,993)	\$ 6,136	\$ 22,491
Issuance of partnership interest in real estate	443	—	—	—	—	—	—	—	443
Issuance of common shares and deferred compensation amortization, net	2,995	—	—	1,872,451	1	2,994	—	—	—
Repurchase of common shares to settle tax obligations	(1,041)	—	—	(128,133)	—	(1,041)	—	—	—
Forfeiture of employee common shares	—	—	—	(516,052)	—	—	—	—	—
Dividends/distributions (\$0.135 per common share)	(41,278)	—	—	—	—	—	(41,208)	—	(70)
Net income (loss)	18,162	—	—	—	—	—	18,978	—	(816)
Other comprehensive loss	(3,189)	—	—	—	—	—	—	(3,189)	—
Company's share of other comprehensive loss of non-consolidated entities	(21)	—	—	—	—	—	—	(21)	—
Balance March 31, 2025	<u>\$ 2,096,854</u>	<u>1,935,400</u>	<u>\$ 94,016</u>	<u>295,728,056</u>	<u>\$ 30</u>	<u>\$ 3,317,057</u>	<u>\$ (1,339,223)</u>	<u>\$ 2,926</u>	<u>\$ 22,048</u>
Three Months Ended March 31, 2024									
	Total	Number of Preferred Shares	Preferred Shares	Number of Common Shares	Common Shares	Additional Paid-in-Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests
Balance December 31, 2023	\$ 2,265,457	1,935,400	\$ 94,016	293,449,088	\$ 29	\$ 3,330,383	\$ (1,201,824)	\$ 9,483	\$ 33,370
Issuance of partnership interest in real estate	464	—	—	—	—	—	—	—	464
Issuance of common shares and deferred compensation amortization, net	2,283	—	—	1,446,693	—	2,283	—	—	—
Repurchase of common shares to settle tax obligations	(1,588)	—	—	(160,079)	—	(1,588)	—	—	—
Purchase of noncontrolling interest in consolidated joint venture	(4,910)	—	—	—	—	(3,396)	—	—	(1,514)
Forfeiture of employee common shares	—	—	—	(446,133)	—	—	—	—	—
Dividends/distributions (\$0.13 per common share)	(39,577)	—	—	—	—	—	(39,502)	—	(75)
Net loss	(555)	—	—	—	—	—	(269)	—	(286)
Other comprehensive loss	(1,101)	—	—	—	—	—	—	(1,101)	—
Company's share of other comprehensive income of non-consolidated entities	41	—	—	—	—	—	—	41	—
Balance March 31, 2024	<u>\$ 2,220,514</u>	<u>1,935,400</u>	<u>\$ 94,016</u>	<u>294,289,569</u>	<u>\$ 29</u>	<u>\$ 3,327,682</u>	<u>\$ (1,241,595)</u>	<u>\$ 8,423</u>	<u>\$ 31,959</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities:	\$ 38,986	\$ 38,916
Cash flows from investing activities:		
Investment in real estate under construction	(7,175)	(24,195)
Capital expenditures	(2,963)	(2,610)
Insurance proceeds	840	—
Net proceeds from sale of real estate	34,118	—
Investments in non-consolidated entities	(247)	(609)
Distributions from non-consolidated entities in excess of accumulated earnings	—	855
Deferred leasing costs	(1,361)	(1,094)
Change in real estate deposits, net	(34)	(43)
Net cash provided by (used) in investing activities	23,178	(27,696)
Cash flows from financing activities:		
Dividends to common and preferred shareholders	(41,018)	(39,540)
Principal amortization payments	(1,374)	(1,325)
Principal payments on debt, excluding normal amortization	(50,000)	—
Cash contributions from noncontrolling interests	443	464
Cash distributions to noncontrolling interests	(70)	(75)
Purchase of noncontrolling interests	—	(4,910)
Issuance of common shares, net of costs and repurchases to settle tax obligations	(1,041)	(1,862)
Net cash used in financing activities	(93,060)	(47,248)
Change in cash, cash equivalents and restricted cash	(30,896)	(36,028)
Cash, cash equivalents and restricted cash, at beginning of period	102,073	199,463
Cash, cash equivalents and restricted cash, at end of period	\$ 71,177	\$ 163,435
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents at beginning of period	\$ 101,836	\$ 199,247
Restricted cash at beginning of period	237	216
Cash, cash equivalents and restricted cash at beginning of period	\$ 102,073	\$ 199,463
Cash and cash equivalents at end of period	\$ 70,935	\$ 163,213
Restricted cash at end of period	242	222
Cash, cash equivalents and restricted cash at end of period	\$ 71,177	\$ 163,435

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(Unaudited and in thousands)

	Three Months Ended March 31,	
	2025	2024
Supplemental disclosure of cash flow information:		
Interest paid	\$ 10,468	\$ 10,799
Income taxes paid	224	128
Supplemental schedule of non-cash investing activities:		
Accounts payable related to Investment in real estate under construction	\$ 11,340	\$ 35,631
Reclassification of Real estate, net to Investments in real estate under construction	\$ 10,844	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025 and 2024

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

The Company and Financial Statement Presentation

LXP Industrial Trust (together with its consolidated subsidiaries, except when the context only applies to the parent entity, the “Company”) is a Maryland real estate investment trust (“REIT”) that owns a portfolio of equity investments focused on Class A warehouse and distribution real estate facilities. Class A real estate encompasses attractive and efficient buildings of high quality that are well-designed and constructed with above-average material, workmanship and finishes and are well-maintained and managed.

As of March 31, 2025, the Company had ownership interests in approximately 118 consolidated real estate properties, located in 16 states. The properties in which the Company has an interest are primarily net leased to tenants in various industries.

The Company believes it has qualified as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, the Company will not be subject to federal income tax, provided that distributions to its shareholders equal at least the amount of its REIT taxable income as defined under the Code. The Company is permitted to participate in certain activities from which it was previously precluded in order to maintain its qualification as a REIT, so long as these activities are conducted in entities which elect to be treated as taxable REIT subsidiaries (“TRS”) under the Code. As such, the TRS are subject to federal income taxes on the income from these activities.

The Company conducts its operations indirectly through (1) property owner subsidiaries, which are single purpose entities, (2) a wholly-owned TRS, Lexington Realty Advisors, Inc., and (3) joint ventures. Property owner subsidiaries are landlords under leases for properties in which the Company has an interest and/or borrowers under loan agreements secured by properties in which the Company has an interest and lender subsidiaries are lenders under loan agreements where the Company made an investment in a loan asset, but in all cases are separate and distinct legal entities. Each property owner subsidiary is a separate legal entity that maintains separate books and records. The assets and credit of each property owner subsidiary with a property subject to a mortgage loan are not available to creditors to satisfy the debt and other obligations of any other person, including any other property owner subsidiary or any other affiliate. Consolidated entities that are not property owner subsidiaries do not directly own any of the assets of a property owner subsidiary (or the general partner, member or managing member of such property owner subsidiary), but merely hold partnership, membership or beneficial interests therein, which interests are subordinate to the claims of such property owner subsidiary's (or its general partner's, member's or managing member's) creditors.

The unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q (this “Quarterly Report”) for the three months ended March 31, 2025 have been prepared by the Company in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. However, in the opinion of management, the interim financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 13, 2025 (“Annual Report”).

Basis of Presentation and Consolidation. The Company's unaudited condensed consolidated financial statements are prepared on the accrual basis of accounting in accordance with GAAP. The financial statements reflect the accounts of the Company and its consolidated subsidiaries. The Company consolidates wholly-owned subsidiaries, partnerships and joint ventures which it controls (i) through voting rights or similar rights or (ii) by means other than voting rights if the Company is the primary beneficiary of a variable interest entity (“VIE”). Entities which the Company does not control and entities which are VIEs in which the Company is not a primary beneficiary are accounted for under appropriate GAAP.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025 and 2024

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

As of March 31, 2025, the Company had interests in five consolidated joint ventures with developers, consisting of three development projects and two land joint ventures with ownership interests ranging from 80% to 95.5%. Each joint venture acquired land parcels for industrial development of which three development projects were substantially completed and placed into service. The Company determined that the joint ventures are variable interest entities in accordance with the applicable accounting guidance. The Company concluded that it is the primary beneficiary in each of the joint ventures and as such, the joint ventures' operations are consolidated in the Company's condensed consolidated financial statements.

The assets of each VIE are only available to satisfy such VIE's respective liabilities. Below is a summary of selected financial data of consolidated VIEs for which the Company is the primary beneficiary included in the unaudited condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Real estate, net	\$ 378,199	\$ 380,563
Total assets	\$ 389,107	\$ 392,791
Total liabilities	\$ 8,001	\$ 8,603

Use of Estimates. Management has made a number of significant estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses to prepare these unaudited condensed consolidated financial statements in conformity with GAAP. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates when facts and circumstances dictate. The most significant estimates made include the recoverability of current and deferred accounts receivable, allocation of property purchase price to tangible and intangible assets acquired and liabilities assumed, the determination of VIEs and which entities should be consolidated, the determination of impairment of long-lived assets and equity method investments, valuation of derivative financial instruments, valuation of awards granted under compensation plans, the determination of the incremental borrowing rate for leases where the Company is the lessee, the determination of the term and fair value of sales-type leases, the estimated credit losses for investments in sales-type leases and the useful lives of long-lived assets. Actual results could differ materially from those estimates.

Recently Issued Accounting Guidance. In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 ("ASU 2023-09"), "Improvements to Income Tax Disclosures" that requires public companies to annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company does not expect a material impact on the financial statement disclosures.

In January 2025, the FASB issued ASU 2025-01, as an update to ASU 2024-03, "Disaggregation of Income Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires enhanced disclosures regarding income statement expenses, including disaggregation of significant categories such as depreciation and amortization of real estate assets, property operating expenses and employee compensation, within relevant expense captions presented in the income statement. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 31, 2027. The Company is currently evaluating ASU 2024-03 to determine its impact on our financial statement disclosures.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025 and 2024

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

(2) Earnings Per Share

A portion of the Company's non-vested share-based payment awards are considered participating securities and as such, the Company is required to use the two-class method for the computation of basic and diluted earnings per share. Under the two-class computation method, net losses are not allocated to participating securities unless the holder of the security has a contractual obligation to share in the losses. The non-vested share-based payment awards are not allocated losses as the awards do not have a contractual obligation to share in losses of the Company.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
BASIC		
Net income (loss) attributable to common shareholders	\$ 17,279	\$ (1,931)
Weighted-average number of common shares outstanding - basic	291,706,064	291,288,383
Net income (loss) attributable to common shareholders - per common share basic	\$ 0.06	\$ (0.01)
DILUTED		
Net income (loss) attributable to common shareholders - basic	\$ 17,279	\$ (1,931)
Weighted-average common shares outstanding - basic	291,706,064	291,288,383
Effect of dilutive securities:		
Unvested share-based payment awards	592,207	—
Weighted-average common shares outstanding - diluted	292,298,271	291,288,383
Net income (loss) attributable to common shareholders - per common share diluted	\$ 0.06	\$ (0.01)

For amounts per common share, generally all incremental shares are considered anti-dilutive for periods that have a loss from continuing operations attributable to common shareholders. In addition, other common share equivalents may be anti-dilutive in certain periods.

Calculation of dilutive earnings requires certain potentially dilutive shares to be excluded when the inclusion of such shares would be anti-dilutive. The following table summarizes the potentially dilutive shares excluded from the dilutive earnings per share calculation as the inclusion of such shares would be anti-dilutive:

	Three Months Ended March 31,	
	2025	2024
Preferred shares - Series C	4,710,570	4,710,570

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2025 and 2024
(Unaudited and dollars in thousands, except share/unit and per share/unit data)

(3) Investments in Real Estate

As of March 31, 2025, the details of the development arrangements outstanding are as follows (in \$000's, except square feet):

Project (% owned)	# of Buildings	Market	Estimated Sq. Ft.	Estimated Project Cost	GAAP Investment Balance as of 3/31/2025 ⁽¹⁾	LXP Amount Funded as of 3/31/2025 ⁽²⁾	Estimated Base Building Completion Date	% Leased as of 3/31/2025
Redevelopment Project								
Richmond (100%) ⁽³⁾	1	Richmond, VA	252,351	\$ 4,700	\$ 11,119	\$ —	1Q 2026	— %
Land Infrastructure Improvements								
Reems & Olive (95.5%) ⁽⁴⁾	N/A	Phoenix, AZ	N/A	11,459	6,381	7,036	N/A	N/A
			252,351	\$ 16,159	\$ 17,500	\$ 7,036		

(1) Excludes leasing costs, incomplete costs, and developer incentive fees or partner promotes, if any.

(2) Excludes noncontrolling interests' share.

(3) During the first quarter, the tenant vacated the building, which is part of a four building integrated campus, and the Company began redeveloping the property into a standalone warehouse and distribution facility.

(4) Represents infrastructure development costs to prepare the land for vertical development.

As of March 31, 2025, the Company's aggregate investment in the ongoing development arrangements was \$17,500. This amount included capitalized interest of \$42 for the three months ended March 31, 2025 and is presented as investments in real estate under construction in the accompanying unaudited condensed consolidated balance sheet. For the three months ended March 31, 2024, capitalized interest for development arrangements was \$1,211.

As of March 31, 2025, the details of the land held for industrial development are as follows (in \$000's, except acres):

Project (% owned)	Market	Approx. Developable Acres	GAAP Investment Balance as of 3/31/2025	LXP Amount Funded as of 3/31/2025 ⁽¹⁾
Reems & Olive (95.5%)	Phoenix, AZ	315	\$ 75,327	\$ 74,188
Mt. Comfort Phase II (80%)	Indianapolis, IN	116	5,861	4,661
ATL Fairburn JV (100%)	Atlanta, GA	14	1,732	1,768
		445	\$ 82,920	\$ 80,617

(1) Excludes noncontrolling interests' share.

(4) Dispositions and Impairment

The following table summarizes the Company's dispositions during the three months ended March 31, 2025. There were no dispositions during the three months ended March 31, 2024.

Sale of real estate, net (dollars in \$000's)	Three months ended March 31, 2025
Number of buildings	1
Building square feet	241,997
Net proceeds from sale of real estate	\$ 34,118
Net book value	\$ 9,483
Gain on the sale of real estate	\$ 24,635

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The Company had one property classified as held for sale at March 31, 2025. The Company did not have any properties classified as held for sale as of December 31, 2024. Assets and liabilities of the property held for sale as of March 31, 2025 consisted of the following:

	March 31, 2025
Assets:	
Real estate, at cost	\$ 13,199
Real estate, intangible assets	2,353
Accumulated depreciation and amortization	(8,171)
Deferred expenses, net	4
Other	665
	<u>\$ 8,050</u>
Liabilities:	
Accounts payable and other liabilities	<u>\$ 219</u>

The Company assesses on a regular basis whether there are any indicators that the carrying value of its real estate assets may be impaired. Potential indicators may include prolonged vacancy at a property, tenant financial instability, change in the estimated holding period of the asset, the potential sale or transfer of the property in the near future and changes in economic conditions. An asset is determined to be impaired if the asset's carrying value is in excess of its estimated fair value and the Company estimates that its cost will not be recovered.

The Company did not incur any impairment charges on real estate during the three months ended March 31, 2025 and March 31, 2024.

(5) Fair Value Measurements

The following tables present the Company's assets and liabilities measured at fair value on a recurring and non-recurring basis as of March 31, 2025 and December 31, 2024, aggregated by the level in the fair value hierarchy within which those measurements fall:

Description	Balance March 31, 2025	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Interest rate swap assets	\$ 2,944	\$ —	\$ 2,944	\$ —

Description	Balance December 31, 2024	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Interest rate swap assets	\$ 6,134	\$ —	\$ 6,134	\$ —

The majority of the inputs used to value the Company's interest rate swaps fall within Level 2 of the fair value hierarchy, such as observable market interest rate curves; however, the credit valuation associated with the interest rate swaps utilizes Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of March 31, 2025 and December 31, 2024, the Company determined that the credit valuation adjustment relative to the overall interest rate swaps was not significant. As a result, all interest rate swaps have been classified in Level 2 of the fair value hierarchy.

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The table below sets forth the carrying amounts and estimated fair values of the Company's financial instruments as of March 31, 2025 and December 31, 2024:

	As of March 31, 2025		As of December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities				
Debt	\$ 1,519,809	\$ 1,417,949	\$ 1,570,010	\$ 1,459,062

The fair value of the Company's debt is primarily estimated utilizing Level 3 inputs by using a discounted cash flow analysis, based upon estimates of market interest rates. The Company determines the fair value of its Senior Notes using market prices. The inputs used in determining the fair value of these notes are categorized as Level 1 due to the fact that the Company uses quoted market rates to value these instruments. However, the inputs used in determining the fair value could be categorized as Level 2 if trading volumes are low.

Fair values cannot be determined with precision, may not be substantiated by comparison to quoted prices in active markets and may not be realized upon sale. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including discount rates, liquidity risks and estimates of future cash flows, could significantly affect the fair value measurement amounts.

Cash Equivalents, Restricted Cash, Accounts Receivable and Accounts Payable. The Company estimates that the fair value of cash equivalents, restricted cash, accounts receivable and accounts payable approximates carrying value due to the relatively short maturity of the instruments.

(6) **Investments in Non-Consolidated Entities**

Below is a schedule of the Company's investments in non-consolidated entities:

Investment	Percentage Ownership at	Investment Balance as of		Equity in earnings (losses) of non-consolidated entities	
	March 31, 2025	March 31, 2025	December 31, 2024	March 31, 2025	March 31, 2024
NNN MFG Cold JV L.P. ("MFG Cold JV") ⁽¹⁾	20%	\$ 9,645	\$ 10,428	\$ (763)	\$ (990)
NNN Office JV L.P. ("NNN JV") ⁽²⁾	20%	15,062	15,189	(127)	(173)
Etna Park 70, LLC ⁽³⁾	90%	9,901	9,732	(49)	(70)
Etna Park East LLC ⁽⁴⁾	90%	2,346	2,360	(42)	(48)
Lombard Street Lots, LLC ⁽⁵⁾	44.1%	2,310	2,309	1	—
		<u>\$ 39,264</u>	<u>\$ 40,018</u>	<u>\$ (980)</u>	<u>\$ (1,281)</u>

(1) MFG Cold JV is a joint venture formed in 2021 that owns special purpose industrial properties formerly owned by the Company.

(2) NNN JV is a joint venture formed in 2018 that owns office properties formerly owned by the Company.

(3) Joint venture formed in 2017 with a developer entity to acquire a parcel of land.

(4) Joint venture formed in 2019 with a developer entity to acquire a parcel of land.

(5) The Company ceased to consolidate the operations of Lombard Street Lots, LLC in 2024. Lombard Street Lots, LLC ground leases a parcel of land to a parking operator.

The Company earns advisory fees from certain of these non-consolidated entities for services related to acquisitions, asset management and debt placement. Advisory fees earned from these non-consolidated investments for the three months ended March 31, 2025 and 2024 were \$970 and \$1,044, respectively.

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(7) Debt

The Company had the following debt obligations outstanding as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024	Interest Rate	Maturity Date
<u>SECURED DEBT:</u>				
Mortgages:				
Goodyear, AZ	\$ 39,219	\$ 39,418	4.290% ⁽¹⁾	August 2031
Long Island City, NY	14,922	16,097	3.500% ⁽¹⁾	March 2028
Principal balance outstanding	54,141	55,515		
Unamortized debt issuance costs	(539)	(585)		
Total Mortgages and notes payable, net	\$ 53,602	\$ 54,930		
<u>UNSECURED DEBT:</u>				
Term Loan	\$ 250,000	\$ 300,000	SOFR + 1.10% ⁽²⁾⁽³⁾	January 2027
2023 Senior Notes	300,000	300,000	6.750 %	November 2028
2021 Senior Notes	400,000	400,000	2.375 %	October 2031
2020 Senior Notes	400,000	400,000	2.700 %	September 2030
Trust Preferred Securities	129,120	129,120	Three Month SOFR ⁽⁴⁾ + 1.96%	April 2037
Principal balance outstanding	\$ 1,479,120	\$ 1,529,120		
Unamortized debt discount	(3,545)	(3,731)		
Unamortized debt issuance costs	(9,368)	(10,309)		
Total unsecured debt, net	\$ 1,466,207	\$ 1,515,080		
Total Debt Obligations	\$ 1,519,809	\$ 1,570,010		

(1) The weighted-average interest rate at March 31, 2025 and December 31, 2024 was approximately 4.1%.

(2) Spread includes a 10 basis point daily SOFR adjustment.

(3) During the first quarter of 2025, the Company repaid \$50,000 of the Term Loan resulting in a loss on debt satisfaction of \$350. The SOFR portion of the interest rate was swapped to 4.31% per annum until January 31, 2027.

(4) Interest rate spread contains a 0.26% SOFR adjustment plus a spread of 170 basis points through maturity. \$82,500 is swapped at an average interest rate of 5.20% from October 30, 2024 to October 30, 2027. As of March 31, 2025, the weighted average interest rate of the Trust Preferred Securities was 5.58%, which includes the effect of the interest rate swaps.

The Company capitalized \$99 and \$1,853 of interest expense for the three months ended March 31, 2025 and 2024, respectively.

The Company has an unsecured credit agreement with KeyBank National Association, as agent for a revolving credit facility of up to \$600,000, subject to covenant compliance. The revolving credit facility matures in July 2026 and can be extended to July 2027, subject to certain conditions. The interest rate ranges from SOFR (plus a 0.10% index adjustment) plus and interest rate spread ranging from 0.725% to 1.400%, and the revolving credit facility allows for further reductions upon the achievement of to-be-determined sustainability metrics. The Company had no borrowings under the \$600,000 revolving credit facility as of March 31, 2025 and December 31, 2024.

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(8) Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives. The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the type, amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

Cash Flow Hedges of Interest Rate Risk. The Company's objectives in using interest rate derivatives are to add stability to interest expense, to manage its exposure to interest rate movements and therefore manage its cash outflows as it relates to the underlying debt instruments. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy relating to certain of its variable rate debt instruments. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The Company did not incur any ineffectiveness during the three months ended March 31, 2025 and 2024.

The following table summarizes the terms of our outstanding derivative financial instruments on the Company's balance sheet as of March 31, 2025 and December 31, 2024:

Derivative Type	Number of Instruments	Effective Date	Maturity Date	Notional Value	Fair Value of Asset	
					March 31, 2025	December 31, 2024
Term Loan Interest Rate Swap	4	7/1/2022	1/31/2025	\$ 300,000	\$ —	\$ 678
Term Loan Interest Rate Swap	5	1/31/2025	1/31/2027	250,000	2,163	3,762
Trust Preferred Securities Interest Rate Swap	2	10/30/2024	10/30/2027	82,500	781	1,694
				<u>\$ 632,500</u>	<u>\$ 2,944</u>	<u>\$ 6,134</u>

During the next 12 months, the Company estimates that an additional \$2,291 will be reclassified as a decrease in interest expense if the swaps remain outstanding.

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The table below presents the effect of the Company's derivative financial instruments on the unaudited condensed consolidated statements of operations for the three months ended March 31, 2025 and 2024:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain Recognized in OCI on Derivatives March 31,		Amount of (Income) Loss Reclassified from Accumulated OCI into Income ⁽¹⁾ March 31,	
	2025	2024	2025	2024
Interest Rate Swaps	\$ (1,804)	\$ 1,715	\$ (1,385)	\$ (2,816)
The Company's share of non-consolidated entity's interest rate cap	(37)	147	16	(106)
Total	<u>\$ (1,841)</u>	<u>\$ 1,862</u>	<u>\$ (1,369)</u>	<u>\$ (2,922)</u>

(1) Amounts reclassified from accumulated other comprehensive income (loss) for the Company's interest rate swaps are included in interest expense and for the Company's share of non-consolidated entity's interest rate cap are reclassified to equity in earnings (losses) of non-consolidated entities within the unaudited condensed consolidated statements of operations.

Total interest expense presented in the unaudited condensed consolidated statements of operations, in which the effects of cash flow hedges are recorded, was \$16,280 and \$16,984 for the three months ended March 31, 2025 and 2024, respectively.

The Company's agreements with the swap derivative counterparties contain provisions whereby if the Company defaults on the underlying indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default of the swap derivative obligation. As of March 31, 2025, the Company had not posted any collateral related to the agreements.

(9) Lease Accounting

Lessor

Operating Leases. The Company's lease portfolio as a lessor primarily includes general purpose, single-tenant net-leased real estate assets. Most of the Company's leases require tenants to pay fixed annual rental payments that escalate on an annual basis and variable payments for other operating expenses, such as real estate taxes, insurance, common area maintenance ("CAM"), and utilities, that are based on the actual expenses incurred.

Certain leases allow for the tenant to renew the lease term upon expiration or earlier. Periods covered by a renewal option are included within the lease term only when renewals are deemed to be reasonably certain. Certain leases allow for the tenant to terminate the lease before the expiration of the lease term and certain leases provide the tenant with the right to purchase the leased property at fair market value or a stipulated price upon expiration of the lease term or before.

Accounting guidance under ASC 842 requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease and determining the lease term when the contract has renewal, purchase or early termination provisions.

The Company analyzes its accounts receivable, customer creditworthiness and current economic trends when evaluating the adequacy of the collectability of the lessee's total accounts receivable balance on a lease by lease basis. In addition, tenants in bankruptcy are analyzed and considerations are made in connection with the expected pre-petition and post-petition claims. If a lessee's accounts receivable balance is considered uncollectible, the Company will write-off the receivable balances associated with the lease to rental revenue and cease to recognize lease income, including straight-line rent, unless cash is received. If the Company subsequently determines that it is probable it will collect substantially all of the lessee's remaining lease payments under the lease term; the Company will reinstate the straight-line balance adjusting for the amount related to the period when the lease was accounted for on a cash basis.

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The Company elected that the lease and non-lease components in its leases are a single lease component, which is, therefore, being recognized as rental revenue in its unaudited condensed consolidated statements of operations. The primary non-lease service included within rental revenue is common area maintenance services provided as part of the Company's real estate leases. ASC 842 requires that the Company capitalize, as initial direct costs, only those costs that are incurred due to the execution of a lease. For the three months ended March 31, 2025 and 2024, the Company did not incur any costs that were not incremental to the execution of leases.

The Company manages the risk associated with the residual value of its leased properties by including contract clauses that make tenants responsible for surrendering the space in good condition upon lease termination, holding a diversified portfolio, and other activities. The Company does not have residual value guarantees on specific properties.

Rental Revenue Classification. The following table presents the Company's classification of rental revenue for its operating leases and sales-type lease for the three months ended March 31, 2025 and 2024:

Classification	Three Months Ended March 31,	
	2025	2024
Fixed	\$ 72,890	\$ 70,012
Sales-type lease income	—	1,899
Variable ⁽¹⁾	15,003	13,296
Total	<u>\$ 87,893</u>	<u>\$ 85,207</u>

(1) Primarily comprised of tenant reimbursements.

Future fixed rental receipts for operating leases assuming no new or re-negotiated leases as of March 31, 2025 were as follows:

	Operating
2025 - remainder	\$ 209,809
2026	271,811
2027	239,223
2028	206,139
2029	179,753
2030	137,340
Thereafter	382,597
Total	<u>\$ 1,626,672</u>

The minimum lease payments above do not include reimbursements to be received from tenants for certain operating expenses and real estate taxes and do not include early termination payments provided for in certain leases, unless such payments are reasonably certain to be received.

Certain leases allow for the tenant to terminate the lease if the property is deemed obsolete, as defined, and upon payment of a termination fee to the landlord, as stipulated in the lease. In addition, certain leases provide the tenant with the right to purchase the leased property at fair market value or a stipulated price.

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Lessee

The Company, as lessee, has ground leases, corporate leases for office space, and office equipment leases. All leases were classified as operating leases as of March 31, 2025. The leases have remaining lease terms of up to 32 years. Renewal periods are included in the lease term only when renewal is deemed to be reasonably certain. The lease term also includes periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the termination option. The Company measures its lease payments by including fixed rental payments and variable rental payments that tie to an index or a rate, such as CPI. The Company recognizes lease expense for its operating leases on a straight-line basis over the lease term and variable lease expense not included in the lease payment measurement as incurred.

The accounting guidance under ASC 842 requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease, determining the term of a lease when the contract has renewal or termination provisions and determining the discount rate.

The Company determines whether an arrangement is or includes a lease at contract inception by evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the Company has the right to obtain substantially all of the economic benefits from and can direct the use of, the identified asset for a period of time, the Company accounts for the contract as a lease.

The Company uses the information available at the lease commencement date to determine the discount rate for any new leases. The Company used a portfolio approach to determine its incremental borrowing rate. Lease contracts were grouped based on similar lease terms and economic environments in a manner in which the Company reasonably expects that the outcome from applying a portfolio approach does not differ materially from an individual lease approach. The Company estimated a collateralized discount rate for each portfolio of leases.

Supplemental information related to operating leases is as follows:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Weighted-average remaining lease term		
Operating leases (years)	8.7	8.5
Weighted-average discount rate		
Operating leases	4.2 %	4.0 %

The components of lease expense for the three months ended March 31, 2025 and 2024 were as follows:

Income Statement Classification	Fixed		Variable		Total
2025:					
Property operating	\$	859	\$	15	\$ 874
General and administrative ⁽¹⁾		475		66	541
Total	\$	1,334	\$	81	\$ 1,415
2024:					
Property operating	\$	878	\$	15	\$ 893
General and administrative		381		67	448
Total	\$	1,259	\$	82	\$ 1,341

(1) For the three months ended March 31, 2025 and 2024, the general and administrative lease expense excludes a reduction of \$226 and \$42, respectively, to lease expense for the sublease of the Company's office space in New York, New York.

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The Company recognized sublease income related to its ground leases in rental revenue of \$811 and \$830 for the three months ended March 31, 2025 and 2024, respectively.

The following table shows the Company's maturity analysis of its operating lease liabilities as of March 31, 2025:

	Operating Leases
2025 - remainder	\$ 3,907
2026	4,451
2027	3,968
2028	1,356
2029	518
2030	301
Thereafter	5,095
Total lease payments	\$ 19,596
Less: Imputed interest	(3,736)
Present value of lease liabilities	\$ 15,860

(10) Concentration of Risk

The Company seeks to reduce its operating and leasing risks through the geographic diversification of its properties in target markets, tenant industry diversification, avoidance of dependency on a single asset and the creditworthiness of its tenants. For the three months ended March 31, 2025 and 2024, no single tenant represented greater than 10% of rental revenues.

Cash and cash equivalent balances at certain institutions may exceed insurable amounts. The Company believes it mitigates this risk by investing in or through major financial institutions.

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(11) Equity

Shareholders' Equity:

During the three months ended March 31, 2025 and 2024, the Company granted common shares to certain employees as follows:

	Three Months Ended March 31,	
	2025	2024
<u>Performance Shares</u> ⁽¹⁾		
Shares granted:		
Index - 1Q	643,450	489,182
Peer 1Q	643,445	489,177
<u>Grant date fair value per share:</u> ⁽²⁾		
Index - 1Q	\$ 4.95	\$ 6.01
Peer - 1Q	\$ 4.71	\$ 5.68

Non-Vested Common Shares: ⁽³⁾

Shares issued	561,230	442,100
Grant date fair value	\$ 4,495	\$ 4,249

(1) The shares vest based on the Company's total shareholder return growth after a three-year measurement period relative to an index and a group of peer companies. Dividends are not paid on these grants until earned. Once the performance criteria are met and the actual number of shares earned is determined, such shares vest immediately. During the three months ended March 31, 2025, no performance shares of the 565,435 issued in 2022 vested.

(2) The fair value of awards granted was determined at the grant date using a Monte Carlo simulation model.

(3) The shares vest ratably over a three-year service period, however, in certain situations vesting is cliff-based after a specific number of years and/or subject to meeting certain performance criteria.

At-The-Market Offering Program. The Company maintains an At-The-Market offering program ("ATM program") under which the Company can issue common shares, including through forward sales contracts.

The Company may, from time to time, sell up to \$350,000 of common shares over the term of the ATM program. During the three months ended March 31, 2025 and 2024, the Company did not sell shares under the ATM program.

Stock Based Compensation. During the three months ended March 31, 2025 and 2024, the Company issued 24,277 and 25,755, respectively, of fully vested common shares to members of the Company's Board of Trustees with a fair value of \$225, respectively.

Share Repurchase Program. In August 2022, the Company's Board of Trustees authorized the repurchase of up to an additional 10,000,000 common shares under the Company's share repurchase program, which does not have an expiration date. No common shares were repurchased during the three months ended March 31, 2025 and 2024. As of March 31, 2025, 6,874,241 common shares remain available for repurchase under this authorization. The Company records a liability for repurchases that have not yet been settled as of the period end. There were no unsettled repurchases as of March 31, 2025.

Series C Preferred Stock. The Company had 1,935,400 shares of Series C Cumulative Convertible Preferred Stock ("Series C Preferred") outstanding at March 31, 2025. The shares have a dividend of \$3.25 per share per annum, have a liquidation preference of \$96,770, and the Company, if certain common share prices are achieved, can force conversion into common shares of the Company. As of March 31, 2025, each share was convertible into 2.4339 common shares. This conversion ratio may increase over time if the Company's common share dividend exceeds certain quarterly thresholds.

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If certain fundamental changes occur, holders may require the Company, in certain circumstances, to repurchase all or part of their shares of Series C Preferred. In addition, upon the occurrence of certain fundamental changes, the Company will, under certain circumstances, increase the conversion rate by a number of additional common shares or, in lieu thereof, may in certain circumstances elect to adjust the conversion rate upon the shares of Series C Preferred becoming convertible into shares of the public acquiring or surviving company.

The Company may, at the Company's option, cause shares of Series C Preferred to be automatically converted into that number of common shares that are issuable at the then prevailing conversion rate. The Company may exercise its conversion right only if, at certain times, the closing price of the Company's common shares equals or exceeds 125% of the then prevailing conversion price of the Series C Preferred.

Holders of shares of Series C Preferred generally have no voting rights, but will have limited voting rights if the Company fails to pay dividends for six or more quarters and under certain other circumstances. Upon conversion, the Company may choose to deliver the conversion value to investors in cash, common shares, or a combination of cash and common shares.

A summary of the changes in accumulated other comprehensive income (loss) related to the Company's cash flow hedges is as follows:

	Three Months Ended March 31,	
	2025	2024
Balance at beginning of period	\$ 6,136	\$ 9,483
Other comprehensive income before reclassifications	(1,841)	1,862
Amounts of (income) reclassified from accumulated other comprehensive income to interest expense	(1,369)	(2,922)
Balance at end of period	<u>\$ 2,926</u>	<u>\$ 8,423</u>

(12) Segment Reporting

The Company is a REIT focused on operating, acquiring and developing Class A warehouse and distribution facilities. A majority of the properties are subject to net or similar leases, where the tenant bears all or substantially all of the costs, including cost increases, for real estate taxes, utilities, insurance and ordinary repairs. All of the properties are located in North America and operate within a comparable regulatory environment. The chief operating decision maker ("CODM") reviews the business on a consolidated basis to assess performance and make operating decisions. The Company has only one operating segment because of its organizational and management structure, as well as information used by the CODM to make decisions about resource allocation and assess performance.

The CODM uses consolidated net income (loss), as reported on the unaudited condensed consolidated statements of operations, as a measure when determining where to make investments to achieve growth initiatives and assess the Company's ability to pay dividends. The CODM manages the business using consolidated expenses as reported on the unaudited condensed consolidated statements of operations, as well as regularly provided forecasted expense information for the single operating segment when making decisions about the allocation of operating and capital resources. Details of the Company's assets provided to the CODM are consistent with those reported on the unaudited condensed consolidated balance sheets with particular emphasis on the Company's available liquidity, including its cash and cash equivalents, restricted cash and liabilities.

(13) Related Party Transactions

There were no related party transactions other than those disclosed elsewhere in these unaudited condensed consolidated financial statements.

(14) Commitments and Contingencies

In addition to the commitments and contingencies disclosed elsewhere, the Company has the following commitments and contingencies.

The Company is obligated under certain tenant leases, including its proportionate share for leases for non-consolidated entities, to fund the expansion of the underlying leased properties. The Company, under certain circumstances, may guarantee to tenants the completion of base building improvements and the payment of tenant improvement allowances and lease commissions on behalf of its subsidiaries.

As of March 31, 2025, the Company expects to incur approximately \$41,000, excluding noncontrolling interests' share and potential developer incentive fees or partner buyouts, to substantially fund the consolidated development project commitments, including the vacant development projects placed in service. As of March 31, 2025, the Company has interests in various industrial land parcels held for development. The Company is unable to estimate the timing of any required funding for the potential development projects on these parcels.

From time to time, the Company is directly or indirectly involved in legal proceedings arising in the ordinary course of business. Management believes, based on currently available information, and after consultation with legal counsel, that although the outcomes of those normal course proceedings are uncertain, the results of such proceedings, in the aggregate, will not have a material adverse effect on the Company's business, financial condition and results of operations.

(15) Subsequent Events:

Subsequent to March 31, 2025:

- the Company disposed of one facility outside of Chillicothe, Ohio for a gross disposition price of approximately \$39,621

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Unless stated otherwise or the context otherwise requires, when we use the terms the "Company," the "Trust," "LXP," "we," "our," and "us," we refer collectively to LXP Industrial Trust and its consolidated subsidiaries. All of the Company's interests are held, and all of the property operating activities are conducted through special purposes entities, which we refer to as property owner subsidiaries or lender subsidiaries and are separate and distinct legal entities, but in some instances are consolidated for financial statement purposes and/or disregarded for income tax purposes. References herein to "this Quarterly Report" are to this Quarterly Report on Form 10-Q for the three months ended March 31, 2025. The results of operations contained herein for the three months ended March 31, 2025 and 2024 are not necessarily indicative of the results that may be expected for a full year.

When we use the term "REIT," we mean real estate investment trust. All references to 2025 and 2024, refer to the periods ending March 31, 2025 and 2024, respectively, and our fiscal year ended December 31, 2024.

When we use the term "GAAP," we mean United States generally accepted accounting principles in effect from time to time.

When we use the term "common shares," we mean our shares of beneficial interest par value \$0.0001, classified as common stock. When we use the term "Series C Preferred Shares," we mean our beneficial interest classified as 6.50% Series C Cumulative Convertible Preferred Stock.

When we use the term "base rent," we mean GAAP rental revenue and ancillary income, excluding billed tenant reimbursements and lease termination income.

When we use "Stabilized Portfolio," we mean all real estate properties other than non-stabilized properties. We consider stabilization to occur upon the earlier of 90% occupancy of the property or one-year from the cessation of major construction activities. Non-stabilized, substantially completed development projects are classified within investments in real estate under construction.

The terms "FFO," "Adjusted Company FFO," and "NOI" are defined below.

The following is a discussion and analysis of the unaudited condensed consolidated financial condition and results of operations of LXP Industrial Trust for the three months ended March 31, 2025 and 2024, and significant factors that could affect its prospective financial condition and results of operations. This discussion should be read together with the accompanying unaudited condensed consolidated financial statements of the Company included herein and notes thereto and with the consolidated financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission, or SEC, on February 13, 2025, which we refer to as the Annual Report. Historical results may not be indicative of future performance.

Forward-Looking Statements. This Quarterly Report, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "estimates," "projects," "may," "plans," "predicts," "will," "will likely result" or similar expressions. Readers should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. In particular, among the factors that could cause actual results, performances or achievements to differ materially from current expectations, strategies or plans include, among others, those risks discussed below in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and under the headings "Risk Factors" in this Quarterly Report and under "Risk Factors" in Part I, Item A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Annual Report and other periodic reports filed by the Company with the SEC. Except as required by law, we undertake no obligation to publicly release any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Accordingly, there is no assurance that our expectations will be realized.

Overview

As of March 31, 2025, we had equity ownership interests in approximately 118 consolidated real estate properties, located in 16 states and containing approximately 57.3 million square feet of rentable space, which were approximately 93.3% leased based upon net rentable square feet.

Our portfolio is primarily Class A warehouse and distribution real estate investments focused in our 12 target markets within the Sunbelt and lower Midwest. We expect to grow in these markets by executing on our development pipeline, including through build-to-suits, and opportunistically acquiring facilities in these markets, including through capital recycling. However, increased financing costs continue to negatively impact transaction activity and development starts in our target markets and the markets where we own properties. Due to this, the current key drivers to growth in our revenue are leasing our vacant development properties and mark-to-market of our lease rollover.

First Quarter 2025 Transaction Summary

The following summarizes our transactions during the three months ended March 31, 2025.

Leasing Activity

- Entered into lease extensions encompassing 1.1 million square feet. The average fixed rent on extended leases was \$7.85 per square foot compared to the average fixed rent on these leases before extension of \$6.37 per square foot. The weighted-average cost of tenant improvements and lease commissions was \$1.19 per square foot for the extended leases.

Investments

- Commenced redevelopment of 250,000 square foot warehouse facility located in Richmond, VA.

Dispositions

- Disposed of our interest in one facility for a gross sale price of \$35.0 million in a non-target market.

Debt

- Repaid \$50.0 million of the \$300.0 million term loan.

Critical Accounting Estimates

Our critical accounting estimates are included in Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to these estimates during the three months ended March 31, 2025.

Liquidity and Capital Resources

Cash Flows. We believe that cash flows from operations will continue to provide adequate capital to fund our operating and administrative expenses, regular debt service obligations and all dividend payments in accordance with applicable REIT requirements in both the short-term and long-term. However, our cash flow from operations may be negatively affected in the near term if we experience tenant defaults. In addition, we anticipate that cash on hand, borrowings under our unsecured revolving credit facility, capital recycling proceeds, issuances of equity, mortgage proceeds and other debt, as well as other available alternatives, will provide the necessary capital required by our business.

At March 31, 2025, our secured debt was \$53.6 million compared to \$54.9 million at December 31, 2024. Our property owner subsidiaries do not have mortgage maturities with balloon payments due until 2031. With respect to mortgages encumbering properties where the expected lease rental revenues are sufficient to provide an estimated property value in excess of the mortgage balance, we believe our property owner subsidiaries have sufficient sources of liquidity to meet these obligations through future cash flows from operations, the credit markets and, if determined appropriate by us, a capital contribution from us from either cash on hand (\$70.9 million at March 31, 2025), property sale proceeds and borrowing capacity on our unsecured credit facility (\$600.0 million at March 31, 2025, subject to covenant compliance).

Cash flows from operations were \$39.0 million for the three months ended March 31, 2025 as compared to \$38.9 million for the three months ended March 31, 2024. The increase was primarily related to increased rental revenue related to acquired properties and placing development properties into service and the receipt of a lease termination fee, partially offset by a decrease in cash flow due to property sales and vacancies. The underlying drivers that impact our working capital, and therefore cash flows from operations, are the timing of collection of rents, including reimbursements from tenants, payment of interest on debt and payment of operating and general and administrative costs. We believe the net-lease structure of the leases encumbering a majority of the properties in which we have an interest mitigates the risks of the timing of cash flows from operations since the payment and timing of operating costs related to the properties are generally borne directly by the tenant. The collection and timing of tenant rents are closely monitored by management as part of our cash management program.

Net cash provided by (used in) in investing activities totaled \$23.2 million and \$(27.7) million during the three months ended March 31, 2025 and 2024, respectively. Cash provided by investing activities in 2025 related primarily to proceeds from a property sale, offset by investments in real estate under construction, capital expenditures, lease costs, investments in non-consolidated entities and changes in real estate deposits, net. Cash used in investing activities in 2024 related primarily to investments in real estate under construction, capital expenditures, lease costs, investments in non-consolidated entities and changes in real estate deposits, net, partially offset by distributions from non-consolidated entities in excess of accumulated earnings.

Net cash used in financing activities totaled \$93.1 million and \$47.2 million during the three months ended March 31, 2025 and 2024, respectively. Cash used in financing activities in 2025 was primarily related to the partial repayment of the Term Loan, dividends, and debt service payments, offset by contributions from noncontrolling interests.

At-The-Market Offering Program. We maintain an At-The-Market offering program ("ATM program") under which we can issue common shares, including through forward sales contracts.

We may sell up to \$350.0 million common shares over the term of the program. We did not sell shares under the ATM program during the three months ended March 31, 2025 and 2024, respectively.

Volatility in the capital markets, including as a result of general economic conditions, may negatively affect our ability to access the capital markets through our ATM program and other offerings.

Share Repurchase Program. In August 2022, our Board of Trustees authorized the repurchase of an additional 10.0 million common shares under our share repurchase program with no expiration date. We did not repurchase any common shares during the three months ended March 31, 2025 and 2024. At March 31, 2025, 6.9 million common shares remained available for repurchase under this authorization.

Dividends. Dividends paid to our common and preferred shareholders were \$41.0 million and \$39.5 million in the three months ended March 31, 2025 and 2024, respectively.

We declared a quarterly dividend of \$0.135 per common share during the three months ended March 31, 2025, which is an increase of \$0.005 per common share from the \$0.13 per common share quarterly dividend declared during the three months ended March 31, 2024.

Financings. The following presents our outstanding unsecured debt obligations as of March 31, 2025:

	March 31, 2025	Interest Rate	Maturity Date	Issue Price
Term Loan	\$ 250.0	SOFR + 1.10% ⁽¹⁾⁽²⁾	January 2027	—
2023 Senior Notes	300.0	6.750 %	November 2028	99.423 %
2021 Senior Notes	400.0	2.375 %	October 2031	99.758 %
2020 Senior Notes	400.0	2.700 %	September 2030	99.233 %
Trust Preferred Securities	129.1	Three Month SOFR + 1.96% ⁽³⁾	April 2037	—
Total unsecured debt	<u>\$ 1,479.1</u>			

(1) Spread includes a 10 basis point daily SOFR adjustment.

(2) Repaid \$50.0 million of the Term Loan, resulting in a loss on debt satisfaction of \$0.4 million. The SOFR portion of the interest rate was swapped to 4.31% per annum until January 31, 2027.

(3) Interest rate spread contains a 0.26% SOFR adjustment plus a spread of 170 basis points through maturity. \$82.5 million is swapped at an average interest rate of 5.20% from October 30, 2024 to October 30, 2027. As of March 31, 2025, the weighted average interest rate of the Trust Preferred Securities was 5.58%, which includes the effect of the interest rate swaps.

The senior notes are unsecured and require interest payments semi-annually in arrears. We may redeem the senior notes at our option at any time prior to maturity in whole or in part by paying the principal amount of the senior notes being redeemed plus a make-whole premium.

We have an unsecured credit agreement with KeyBank National Association, as agent for a revolving credit facility of up to \$600,000, subject to covenant compliance. The revolving credit facility matures in July 2026 and can be extended to July 2027, subject to certain conditions. The interest rate ranges from SOFR (plus a 0.10% index adjustment) plus an interest rate spread ranging from 0.725% to 1.400%, and the revolving credit facility allows for further reductions upon the achievement of to-be-determined sustainability metrics. We had no borrowings under the \$600,000 revolving credit facility as of March 31, 2025 and December 31, 2024.

As of March 31, 2025, we were compliant with all applicable financial covenants contained in our corporate-level debt agreements.

Development Costs

As of March 31, 2025, the aggregate amount of our consolidated development and redevelopment projects included in investment in real estate under construction are \$17.5 million. We expect to incur approximately \$41.0 million of additional costs, excluding noncontrolling interests' share and potential developer incentive fees or partner buyouts, to fund all of the remaining costs for our consolidated development project commitments, including vacation development projects placed in service. However, the risks associated with development, including supply chain issues, which may be exacerbated as a result of international trade conflicts associated with tariffs, could adversely impact our estimates. As of March 31, 2025, we had three consolidated and two non-consolidated subsidiaries that owned land parcels held for industrial development. We are unable to estimate the timing of any required fundings for potential development projects on these parcels.

Results of Operations

Three months ended March 31, 2025 compared with three months ended March 31, 2024. The increase in net income attributable to common shareholders of \$19.2 million was primarily due to the items discussed below.

The increase in rental revenue of \$2.7 million was primarily due to an aggregate increase in rental revenue of \$8.4 million primarily due to properties placed in service, acquisitions and leasing, partially offset by a decrease in rental revenue of \$5.7 million due to property sales and vacancies.

The increase in depreciation and amortization expense of \$3.0 million was primarily due to properties acquired and/or completed and placed in service.

The increase in general and administrative expense of \$0.9 million was primarily due to the increase in employee compensation, corporate rent expense and a decrease in capitalized payroll.

The decrease in non-operating income of \$3.2 million was primarily due to a decrease in interest income earned from investing in short-term investments.

The decrease in interest and amortization expense of \$0.7 million was primarily due to a \$2.2 million decrease in interest expense related to the 2024 Senior Notes that were repaid in full in 2024 and a decrease of \$0.6 million related to the Trust Preferred Securities. These amounts were partially offset by a \$0.4 million increase in interest expense related to the Term Loan and a decrease in capitalized interest of \$1.7 million due to properties placed into service during 2024.

The increase in gain on sale of real estate of \$24.6 million was related to the disposition of one property in 2025 and no dispositions in 2024.

The increase in net loss attributable to noncontrolling interests of \$0.5 million is primarily related to the recognition of the noncontrolling interests' share of operating losses related to development projects placed into service vacant during 2024.

Same-Store Results

Same-store net operating income, or NOI, which is a non-GAAP measure, represents the NOI for consolidated properties that were owned, stabilized and included in our portfolio for the entirety of the two comparable reporting periods. We define NOI as operating revenues (rental income (less GAAP rent adjustments, non-cash income related to sales-type leases and lease termination income, net), and other property income) less property operating expenses. Other REITs may use different methodologies for calculating same-store NOI, and accordingly same-store NOI may not be comparable to other REITs. Management believes that same-store NOI is a useful supplemental measure of our operating performance because same-store NOI excludes the change in NOI from acquired, expanded and disposed of properties and it highlights operating trends such as occupancy levels, rental rates and operating costs on properties. However, same-store NOI should not be viewed as an alternative measure of our financial performance since it does not reflect the operations of our entire portfolio, nor does it reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. We believe that net income is the most directly comparable GAAP measure to same-store NOI.

The following presents our consolidated same-store NOI, for the three months ended March 31, 2025 and 2024 (\$000's):

	Three Months Ended March 31,	
	2025	2024
Total cash base rent	\$ 64,080	\$ 60,992
Tenant reimbursements	14,817	13,530
Property operating expenses	(15,311)	(14,106)
Same-store NOI	<u>\$ 63,586</u>	<u>\$ 60,416</u>

Our same-store NOI increased for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 by 5.2%, primarily due to an increase in cash base rents. As of March 31, 2025 and March 31, 2024, our historical same-store square footage leased was 99.2% and 98.9%, respectively.

Below is a reconciliation of net income to same-store NOI for periods presented (\$000's):

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 18,162	\$ (555)
Interest and amortization expense	16,280	16,984
Provision for income taxes	215	125
Depreciation and amortization	50,512	47,509
General and administrative	10,390	9,493
Non-operating/fee income	(1,490)	(4,813)
Gain on sale of real estate	(24,635)	—
Loss on debt satisfaction	350	—
Equity in losses of non-consolidated entities	980	1,281
Straight-line adjustments	(959)	(2,702)
Lease incentives	446	138
Amortization of above/below market leases	(1,115)	(449)
Sales-types lease adjustments	—	(597)
NOI	\$ 69,136	\$ 66,414
Less NOI:		
Acquisitions, expansions, developments, redevelopments and dispositions	(5,550)	(5,998)
Same-Store NOI	\$ 63,586	\$ 60,416

Funds From Operations

We believe that Funds from Operations, or FFO, which is a non-GAAP measure, is a widely recognized and appropriate measure of the performance of an equity REIT. We believe FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. As a result, FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities, interest costs and other matters without the inclusion of depreciation and amortization, providing a perspective that may not necessarily be apparent from net income.

The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as “net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sales of certain real estate assets, gains and losses from change in control and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. The reconciling items include amounts to adjust earnings from consolidated partially-owned entities and equity in earnings of unconsolidated affiliates to FFO.” FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs.

We present FFO available to common shareholders - basic and also present FFO available to all equityholders - diluted on a company-wide basis as if all securities that are convertible, at the holder's option, into our common shares, are converted at the beginning of the period. We also present Adjusted Company FFO available to all equityholders - diluted, which adjusts FFO available to all equityholders - diluted for certain items which we believe are not indicative of the operating results of our real estate portfolio and not comparable from period to period. We believe this is an appropriate presentation as it is frequently requested by securities analysts, investors and other interested parties. Since others do not calculate these measures in a similar fashion, these measures may not be comparable to similarly titled measures as reported by others. These measures should not be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity.

Adjusted Company FFO, NOI and the other non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income or loss as determined in accordance with GAAP. FFO, Adjusted Company FFO and NOI, and GAAP net income (loss) differ because FFO, Adjusted Company FFO and NOI exclude many items that are factored into GAAP net income or loss.

Because of the differences between FFO, Adjusted Company FFO, NOI and GAAP net income or loss, FFO, Adjusted Company FFO and NOI may not be accurate indicators of our operating performance, especially during periods in which we are acquiring and selling properties. In addition, FFO, Adjusted Company FFO and NOI are not necessarily indicative of cash flow available to fund cash needs and investors should not consider FFO, Adjusted Company FFO or NOI as alternatives to cash flows from operations, as an indication of our liquidity or as indicative of funds available to fund our cash needs, including our ability to make distributions to our shareholders.

Neither the SEC nor any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO, Adjusted Company FFO and NOI. Also, because not all companies calculate FFO, Adjusted Company FFO and NOI the same way, comparisons with other companies' measures with similar titles may not be meaningful.

The following presents a reconciliation of net income attributable to common shareholders to FFO available to common shareholders and Adjusted Company FFO available to all equityholders for the three months ended March 31, 2025 and 2024 (unaudited and dollars in thousands, except share and per share amounts):

FUNDS FROM OPERATIONS:	Three Months Ended March 31,	
	2025	2024
Basic and Diluted:		
Net income (loss) attributable to common shareholders	\$ 17,279	\$ (1,931)
Adjustments:		
Depreciation and amortization - real estate	48,822	46,208
Amortization of leasing commissions	1,690	1,301
Joint venture and noncontrolling interest adjustment	1,207	1,563
Gain on sale of real estate	(24,635)	—
FFO available to common shareholders - basic	44,363	47,141
Preferred dividends	1,572	1,572
Amount allocated to participating securities	127	90
FFO available to all equityholders - diluted	46,062	48,803
Allowance for credit losses	—	(5)
Loss on debt satisfaction	350	—
Adjusted Company FFO available to all equityholders - diluted	\$ 46,412	\$ 48,798
Per Common Share Amounts		
Basic:		
FFO	\$ 0.15	\$ 0.16
Diluted:		
FFO	\$ 0.16	\$ 0.16
Adjusted Company FFO	\$ 0.16	\$ 0.16
Weighted-Average Common Shares:		
Basic:		
Weighted-average common shares outstanding - basic EPS	291,706,064	291,288,383
Diluted:		
Weighted-average common shares outstanding - diluted EPS	292,298,271	291,288,383
Preferred shares - Series C	4,710,570	4,710,570
Weighted-average common shares outstanding - diluted FFO	297,008,841	295,998,953

Off-Balance Sheet Arrangements

As of March 31, 2025, we had investments in various real estate entities with varying structures. The real estate investments owned by our institutional joint ventures are generally financed with non-recourse debt. Non-recourse debt is generally defined as debt whereby the lenders' sole recourse with respect to borrower defaults is limited to the value of the assets collateralized by the debt. The lender generally does not have recourse against any other assets owned by the borrower or any of the members or partners of the borrower, except for certain specified exceptions listed in the particular loan documents. These exceptions generally relate to “bad boy” acts, including fraud, prohibited transfers and breaches of material representations, and environmental matters. We have guaranteed such obligations for certain of our non-consolidated entities with respect to \$432.3 million of such non-recourse debt. We believe the likelihood of making any payments under such guaranties is remote and we generally have an agreement from each partner to reimburse us for its proportionate share of any liability related to a guarantee trigger unless such trigger is caused solely by us.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk relates primarily to our variable-rate indebtedness not subject to interest rate swaps and our fixed-rate debt. Our consolidated aggregate principal variable-rate indebtedness not subject to interest rate swaps was \$46.6 million and \$129.1 million at March 31, 2025 and 2024, which represented 3.0% and 7.2%, respectively, of our aggregate principal consolidated indebtedness. During the three months ended March 31, 2025 and 2024, our variable-rate indebtedness had a weighted-average interest rate of 6.3% and 7.3%, respectively, and had the weighted-average interest rate been 100 basis points higher, our interest expense for the three months ended March 31, 2025 and 2024 would have increased by \$0.1 million and \$0.3 million, respectively. As of March 31, 2025 and 2024, our aggregate principal consolidated fixed-rate debt was \$1.5 billion and \$1.7 billion, respectively, which represented 97.0% and 92.8%, respectively, of our aggregate principal indebtedness.

For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges between willing parties. Accordingly, we derive or estimate fair values using various valuation techniques, such as computing the present value of estimated future cash flows using discount rates commensurate with the risks involved. However, the determination of estimated cash flows may be subjective and imprecise. Changes in assumptions or estimation methodologies can have a material effect on these estimated fair values, especially given the volatility of the current economic environment. The following fair value was determined using the interest rates that we believe our outstanding fixed-rate indebtedness would warrant as of March 31, 2025. We believe the fair value is indicative of the interest rate environment as of March 31, 2025, but this amount does not take into consideration the effects of subsequent interest rate fluctuations. Accordingly, we estimate that the fair value of our fixed-rate indebtedness was \$1.4 billion as of March 31, 2025.

Our interest rate risk objectives are to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we manage our exposure to fluctuations in market interest rates through the use of fixed-rate debt instruments to the extent that reasonably favorable rates are obtainable with such arrangements. We may enter into derivative financial instruments such as interest rate swaps or caps to mitigate our interest rate risk on a related financial instrument or to effectively lock the interest rate on a portion of our variable-rate debt. As of March 31, 2025, we had interest rate swap agreements (see Note 8 to our unaudited condensed consolidated financial statements contained in this Quarterly Report).

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report to determine if such controls and procedures were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management, including each of our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this Quarterly Report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings.

From time to time, we are directly and indirectly involved in legal proceedings arising in the ordinary course of our business, including claims by lenders under non-recourse carve-out guarantees. We believe, based on currently available information, and after consultation with legal counsel, that although the outcomes of those normal course proceedings are uncertain, the results of such proceedings, in the aggregate, will not have a material adverse effect on our business, financial condition and results of operations.

ITEM 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in the Annual Report.

ITEM 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchase of Equity Securities.

There were no repurchases of our common shares during the three months ended March 31, 2025 pursuant to publicly announced repurchase plans.

ITEM 3. Defaults Upon Senior Securities - not applicable.

ITEM 4. Mine Safety Disclosures - not applicable.

ITEM 5. Other Information

During the three months ended March 31, 2025, no trustee or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits.

Exhibit No.	Description
3.1	— Articles of Merger and Amended and Restated Declaration of Trust of the Company, dated December 31, 2006 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 8, 2007)(1).
3.2	— Articles Supplementary Relating to the Reclassification of 8.05% Series B Cumulative Redeemable Preferred Stock, par value \$0.0001 per share, and 7.55% Series D Cumulative Redeemable Preferred Stock, par value \$0.0001 per share (filed as Exhibit 3.4 to the Company's Current Report on Form 8-K filed November 21, 2013)(1).
3.3	— Articles of Amendment to the Amended and Restated Declaration of Trust, dated as of December 14, 2021 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 16, 2021)(1).
3.4	— Articles of Amendment to the Amended and Restated Declaration of Trust, dated as of May 26, 2022 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 27, 2022)(1).
3.5	— Third Amended and Restated By-laws of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed May 19, 2023)(1).
4.1	— Specimen of Common Shares Certificate of the Company (filed as Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021)(1).
4.2	— Form of 6.50% Series C Cumulative Convertible Preferred Stock certificate (filed as Exhibit 4.1 to the Company's Registration Statement on Form 8A filed December 8, 2004)(1).
4.3	— Amended and Restated Trust Agreement, dated March 21, 2007, among the Company, The Bank of New York Trust Company, National Association, The Bank of New York (Delaware), the Administrative Trustees (as named therein) and the several holders of the Preferred Securities from time to time (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 27, 2007 (the "03/27/2007 8-K"))(1).
4.4	— Junior Subordinated Indenture, dated as of March 21, 2007, between Lexington Realty Trust and The Bank of New York Trust Company, National Association (filed as Exhibit 4.2 to the 03/27/07 8-K)(1).
4.5	— Indenture, dated as of May 9, 2014, among the Company and U.S. Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014)(1).
4.6	— Second Supplemental Indenture, dated as of August 28, 2020, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 28, 2020)(1).
4.7	— Third Supplemental Indenture, dated as of August 30, 2021, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 30, 2021)(1).
4.8	— Fourth Supplemental Indenture, dated as of November 13, 2023, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2023)(1).
10.1	— Letter Agreement, dated May 24, 2024, between Nathan Brunner and the Company (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 3, 2025)(1, 4).
31.1	— Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(2).
31.2	— Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(2).
32.1	— Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(3).
32.2	— Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(3).
101.INS	— XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (2, 5)
101.SCH	— Inline XBRL Taxonomy Extension Schema (2, 5)

101.CAL	—	Inline XBRL Taxonomy Extension Calculation Linkbase (2, 5)
101.DEF	—	Inline XBRL Taxonomy Extension Definition Linkbase Document (2, 5)
101.LAB	—	Inline XBRL Taxonomy Extension Label Linkbase Document (2, 5)
101.PRE	—	Inline XBRL Taxonomy Extension Presentation Linkbase Document (2, 5)
104	—	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

- (1) Incorporated by reference.
- (2) Filed herewith.
- (3) Furnished herewith. This exhibit shall not be deemed “filed” for purposes of Section 11 or 12 of the Securities Act of 1933, as amended (the “Securities Act”), or Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of those sections, and shall not be part of any registration statement to which it may relate, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as set forth by specific reference in such filing or document.
- (4) Management contract or compensatory plan or arrangement.
- (5) The following materials from this Quarterly Report on Form 10-Q for the period ended March 31, 2025 are formatted in Inline XBRL (Extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets of the Company; (ii) Unaudited Condensed Consolidated Statements of Operations of the Company; (iii) Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) of the Company; (iv) Unaudited Condensed Consolidated Statements of Changes in Equity of the Company; (v) Unaudited Condensed Consolidated Statements of Cash Flows of the Company; and (vi) Notes to Unaudited Condensed Consolidated Financial Statements of the Company, detailed tagged.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LXP Industrial Trust

Date: May 1, 2025

By: /s/ T. Wilson Eglin

T. Wilson Eglin

Chief Executive Officer and President
(principal executive officer)

Date: May 1, 2025

By: /s/ Nathan Brunner

Nathan Brunner

Chief Financial Officer, Executive Vice President and Treasurer
(principal financial officer)

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, T. Wilson Eglin, certify that:

1. I have reviewed this report on Form 10-Q of LXP Industrial Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 1, 2025

/s/ T. Wilson Eglin

T. Wilson Eglin
Chief Executive Officer

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Nathan Brunner, certify that:

1. I have reviewed this report on Form 10-Q of LXP Industrial Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 1, 2025

/s/ Nathan Brunner
Nathan Brunner
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of LXP Industrial Trust (“the Company”) on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof, I, T. Wilson Eglin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ T. Wilson Eglin

T. Wilson Eglin
Chief Executive Officer
May 1, 2025

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of LXP Industrial Trust (“the Company”) on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof, I, Nathan Brunner, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nathan Brunner

Nathan Brunner
Chief Financial Officer
May 1, 2025