LEXINGTON REALTY TRUST

2020

ANNUAL LETTER TO SHAREHOLDERS

LXP LEXINGTON REALTY TRUST

DALLAS MARKET

LEXINGTON REALTY TRUST

2020 ANNUAL LETTER TO SHAREHOLDERS

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Company Overview

Since 1993, Lexington Realty Trust (NYSE: LXP) has been a market leader in acquiring, owning, and operating high-quality single-tenant commercial properties in the United States. We seek to generate superior risk-adjusted returns through purchasing and developing premium industrial real estate in key U.S. logistics markets with high growth potential.

DALLAS MARKET

Dear Fellow Shareholders

Lexington Realty Trust had an outstanding 2020, delivering excellent results across our respective business lines. While the year brought unexpected uncertainty due to Covid-19, our portfolio and our operations each proved exceptionally resilient. Successful execution of our business plan in 2020 moved us closer to our goal of becoming a 100% industrial REIT. Notable highlights from 2020 that added to our overall success included:

- **Attractive Portfolio Composition** – Increased industrial exposure to 91% of overall portfolio[1]
- **Strong Asset Growth** – Purchased $612 million of high-quality industrial assets in target growth markets and invested $60 million in new development projects
- **Focused Capital Recycling Strategy** – Disposed of $433 million of primarily non-core assets
- **Resilient Portfolio Operations** – Collected 99.8% of Cash Base rents and leased 5.2 million square feet
- **Opportunistic Capital Markets Activity** – Raised $225 million of equity and issued $400 million of bonds
- **Impeccable Balance Sheet** – Low leverage of 4.8x Net Debt to Adjusted EBITDA and strong cash position at year-end
- **Consistent Dividend Growth** – Increased annualized dividend/distribution 2.4% to $0.43 per diluted common share
- **Increased ESG Efforts[2]** – Continued building out ESG platform and increased disclosure related to ESG

2020 Notable Highlights

$612 MILLION
INDUSTRIAL PROPERTIES ACQUIRED

$60 MILLION
INDUSTRIAL DEVELOPMENT FUNDED

$433 MILLION
PROPERTIES SOLD

99.8%
RENTAL COLLECTIONS

91%
INDUSTRIAL EXPOSURE[1]

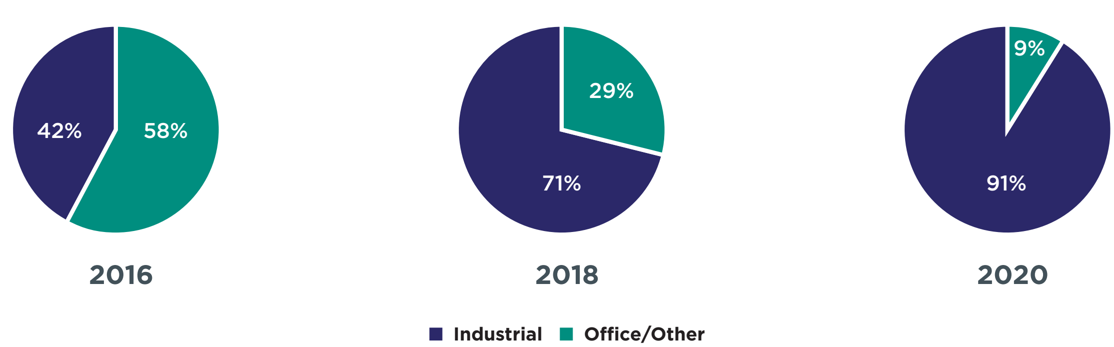
5.2 MILLION
SQUARE FEET LEASED

$225 MILLION
EQUITY RAISED

$400 MILLION
DEBT ISSUANCE

2.4%
ANNUALIZED DIVIDEND INCREASE

High-Quality Industrial Portfolio Has Emerged[1]



[1]Based on gross book value of consolidated real estate assets, excluding held for sale assets, as of 12/31/2020. [2]ESG – Environmental, Social, and Governance.

Attractive Portfolio Composition

Over the last five years, we have engineered substantial change through our dedicated focus on acquiring and developing high-quality industrial real estate and disposing of office and other assets. Our diligence and hard work have paid off as we near completion of our portfolio transition. We have largely cycled out of the office sector, monetizing most of our office portfolio. We believe the industrial sector continues to have strong fundamentals and an expanding opportunity set.

As a result of our transition, we have built a high-quality industrial platform, which we believe is well-positioned for long-term cash flow growth. During this time, we have acquired $2.5 billion of industrial real estate encompassing 35 million square feet, while disposing of roughly the same amount of office and other assets. Our overall industrial portfolio consists primarily of warehouse/distribution properties with attractive attributes, including building quality, age, and user versatility in targeted growing industrial logistics markets in the Sunbelt and lower Midwest.

Overall Industrial Portfolio Highlights[1]

112
NUMBER OF PROPERTIES

53.9 MILLION
TOTAL SQUARE FOOTAGE

$218 MILLION
NET OPERATING INCOME[2]

98.7%
LEASED

7.4 YEARS
WEIGHTED-AVERAGE LEASE TERM[3]

50.8%
INVESTMENT GRADE TENANCY[4]

12 YEARS
AVERAGE AGE OF PORTFOLIO[5]

80%
WAREHOUSE/DISTRIBUTION[6]

32.5 FEET
AVERAGE CLEAR HEIGHT[7]

2.1%
AVERAGE ANNUAL ESCALATIONS[8]

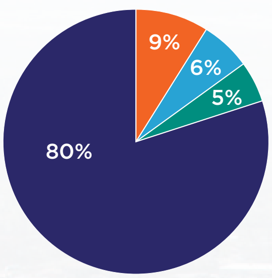
[1]As of 12/31/2020. [2]Twelve months 2020 NOI for consolidated industrial properties owned as of 12/31/2020. [3]Cash basis for consolidated industrial properties owned as of 12/31/2020. [4]As a % of Base Rent for consolidated industrial properties owned as of 12/31/2020. Credit ratings are based upon either tenant, guarantor, or parent/ultimate parent. [5]As a % of square footage for all industrial properties owned as of 12/31/2020. [6]As a % of Base Rent for consolidated industrial properties owned as of 12/31/2020. [7]Based on internal and external sources. [8]Based on Cash Base Rents for single-tenant leases (properties greater than 50% leased to a single-tenant) owned as of 12/31/2020. Excludes rent from prior tenants.


HYSTER

Strong Asset Growth

Strong execution of our growth initiatives in 2020 resulted in the purchase of $612 million of high-quality, predominately single-tenant warehouse/distribution facilities. Totaling 6.6 million square feet, these assets featured compelling attributes, including an average age of two years, a weighted-average lease term of 8.3 years, and attractive average annual rental escalations of 2.3%. Further adding to our growth strategy, we invested $60 million in new development projects during the year. Asset sales of $433 million in 2020 supplemented our capital markets activities and helped fund our growth initiatives.

Warehouse/Distribution Focus[1]



- Warehouse/Distribution
- Manufacturing
- Light Manufacturing
- Cold Storage/Freezer

Warehouse/Distribution Attributes[2]

# of Properties	**86**
Total Square Footage	**46.0 Million**
Weighted-Average Age[3]	**10.3 Years**
Weighted-Average Cash Base Rent per SF[4]	**$3.79**
Weighted-Average Lease Term	**7.0 Years**
Average Annual Rent Escalations[5]	**2.2%**
Average Building Size (SF)	**534,476**
Average Clear Height (Feet)[6]	**32.3**
% of Top 25 Markets[7]	**66.4%**

[1] As a % of Base Rent for consolidated industrial properties owned as of 12/31/2020. [2] As of 12/31/2020. [3] Based on square footage. [4] Excludes vacant square footage. [5] Based on Cash Base Rents for single-tenant leases (properties greater than 50% leased to a single tenant) owned as of 12/31/2020. [6] Based on internal and external sources. [7] Based on CoStar.com inventory data.

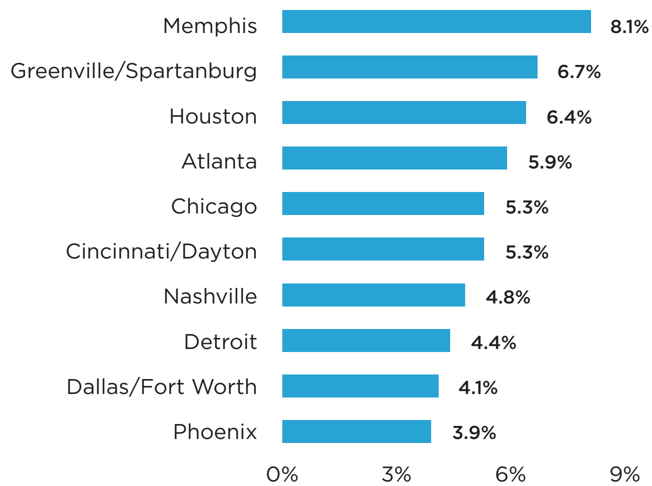
BALTIMORE/DC MARKET

Focused Industrial Investment Strategy

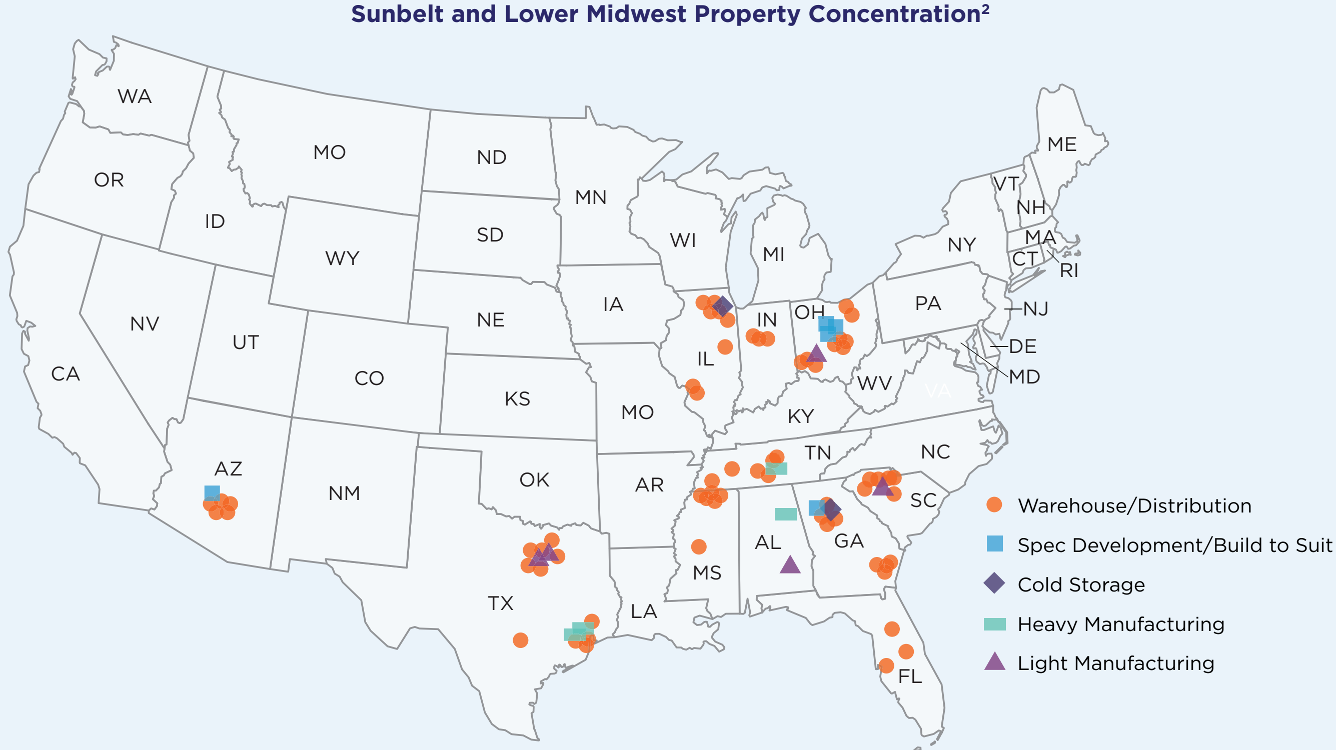
We seek to provide an optimal balance of income and growth through actively managing and expanding our portfolio of industrial real estate with attractive net lease attributes in high-growth logistics markets. We concentrate on brand new or recently constructed modern buildings and emphasize attractive building specifications, including multi-purpose functionality, clear heights, dock ratios, and trailer parking/routing. Our multi-channel investment strategy continues to target warehouse/distribution purchases, build-to-suits, and development opportunities across the Sunbelt and lower Midwest.

During 2020, we added properties in target markets, including Phoenix, Dallas, Chicago, Atlanta, Savannah, and Greenville/Spartanburg. Additionally, we are interested in building a larger presence in Central Florida and Indianapolis. These markets have exhibited strong demographics, increased user demand, and favorable supply/demand characteristics and are benefiting from e-commerce trends.

Top 10 Markets[1]



Sunbelt and Lower Midwest Property Concentration[2]



[1]Markets defined by CoStar.com. As a % of Base Rent for consolidated industrial properties owned as of 12/31/2020. [2]Industrial properties and development projects owned in target South and Midwest markets as of 12/31/20.

Complementary Growth Opportunities

Pricing continues to be very competitive in the industrial purchase market. While the market opportunity is vast, we intend to stay focused on asset quality. Our increased development focus with long-standing development partners will allow for potentially greater value creation compared to purchases and complement our existing industrial portfolio.

We had success in 2020 with two development projects located in Columbus, Ohio. These value creation events included the execution of a full-building lease prior to the project's completion in the Rickenbacker submarket and a gain on sale from a land position sold in our Etna project. Two more projects were underway as of year-end, including the construction of a speculative development facility in Atlanta and a build-to-suit in Phoenix. We are excited for our future pipeline and intend to continue incorporating development projects in our target markets.

RENDERING — COLUMBUS MARKET

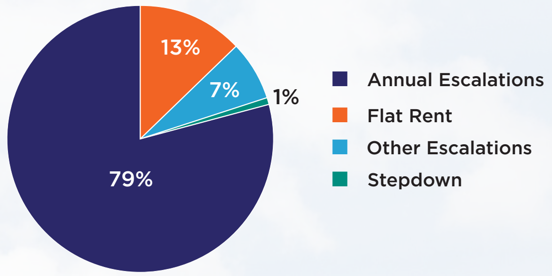
RENDERING — ATLANTA MARKET

RENDERING — PHOENIX MARKET

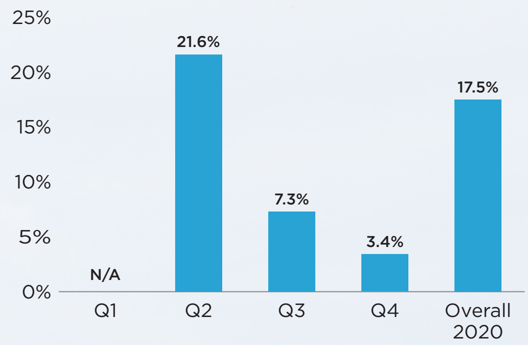
Strong Industrial Rental Growth

Industrial rent growth was strong in 2020, which speaks to the quality of our portfolio and favorable trends in the industrial sector. Further, as of year-end, approximately 86% of our industrial portfolio had rental escalations, with an average annual escalation of 2.1%. Industrial lease rollover remains balanced in the near-term and our asset management team continues to work diligently to procure lease renewals and new tenants for our upcoming industrial expirations. Industrial occupancy remains strong at nearly 99%, with same store net operating income (NOI) up 2% in our industrial portfolio as of year-end.

Attractive Industrial Rental Escalations[1]



Strong 2020 Industrial Rent Renewals[2]

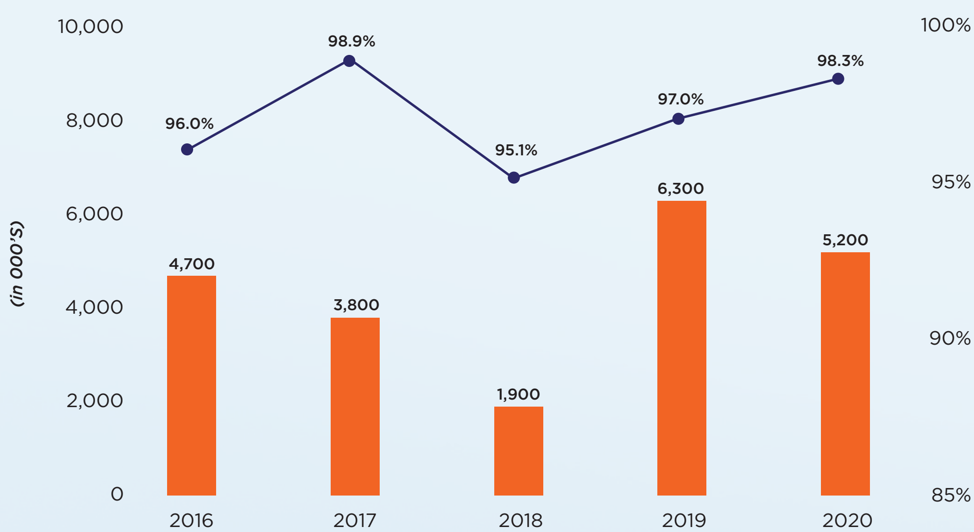


[1]Based on twelve months consolidated Cash Base Rent for single-tenant industrial leases (properties greater than 50% leased to a single tenant) owned as of 12/31/2020. Excludes rents from prior tenants. [2]Leases greater than 10,000 square feet. Cash Base Rent for twelve months prior to the amendment or original expiration of the lease compared to the Cash Base Rent for the first twelve months after the renewal period, excluding free rent as applicable. No new or extended leases in Q1 2020.

Resilient Portfolio Operations

In 2020, the REIT sector suffered overall as a result of the pandemic. Certain asset classes, including the industrial sector, fared better than others, with high rental collections as a leading indicator of portfolio resilience. We collected 99.8% of Cash Base rents throughout the year, which was among the best in the industry. Further, our asset management team executed high leasing volume throughout the pandemic, completing 5.2 million square feet of leasing. Our portfolio was 98.3% leased as of year-end.

Historical Leasing Volume and Portfolio Occupancy



ATLANTA MARKET

Opportunistic Capital Markets Activity

We opportunistically accessed both the equity and debt markets in 2020. Through an underwritten equity offering and our At-the-Market (ATM) program, we raised net proceeds of $225 million. Additionally, we entered into forward sales transactions through our ATM program for five million common shares. On the debt side, we completed an attractive bond issuance of $400 million aggregate principal amount 2.70% Senior Notes due in 2030. Proceeds raised during the year allowed us to be a net acquirer and retire higher interest rate debt.

Impeccable Balance Sheet

Our balance sheet remains in excellent shape with leverage at 4.8 times Net Debt to Adjusted EBITDA at year-end. We had substantial cash on the balance sheet at year-end and full availability on our unsecured revolving credit facility. Asset sales during the year contributed to a decrease in secured debt, which enhanced our unencumbered NOI to over 89%. We believe we are extremely well-positioned to fund future growth initiatives.

Consistent Annualized Dividend

We have maintained a comparatively low Adjusted Company Funds from Operations (FFO) Payout Ratio, which allows for ample retained cash flow to invest back into our core business. Positive results in 2020 supported a 2.4% dividend increase, which equates to an expected annualized dividend of $0.43 per common share for 2021. We believe our goal for consistent modest dividend growth each year is likely achievable as we maintain a conservative low payout ratio.

Attractive Credit Metrics[1]

55.6%
ADJUSTED COMPANY FFO PAYOUT RATIO[2]

3.8 BILLION
UNENCUMBERED ASSETS

89.3%
UNENCUMBERED NET OPERATIONAL INCOME (NOI)

30.4%
DEBT/GROSS ASSETS

3.1%
SECURED DEBT/GROSS ASSETS

4.8X
NET DEBT TO ADJUSTED EBITDA

$600 MILLION
CREDIT FACILITIES AVAILABILITY[3]

[1]As of 12/31/2020. [2]FFO – Funds from Operations. [3]Subject to covenant compliance.

Increased ESG Efforts

In 2020, we increased our ESG efforts by establishing a more concentrated approach to our current platform. These efforts included hiring an ESG consultant, enhancing disclosure, and preparing to participate in public sustainability reporting. We understand the importance in doing so and are working towards an appropriate program that aligns with the characteristics of our portfolio. Our ESG objectives are integrated throughout our investment process and contribute to our ongoing long-term success on behalf of our stakeholders, including shareholders, employees, tenants, suppliers, creditors, and local communities.

PHOENIX MARKET | GREEN BUILDING CERTIFICATION

Environmental

We are currently developing strategies that reduce our environmental impact and operational costs, a critical component of our program. These strategies include tracking and monitoring landlord-paid utilities and utility data, implementing green building certifications when feasible, and annually evaluating sustainability opportunities, such as solar arrays, to increase energy efficiency and reduce costs.

Social

Actively engaging with our stakeholders provides valuable insight to inform strategy, attract and retain top talent, and strengthen tenant relationships. We intend to work with our tenants to understand their leasing and operational needs, coordinate health/wellness initiatives, and assess tenant satisfaction surveys. Our employees' health and well-being are a top priority for us, and we conduct various trainings and activities for our employees to participate in throughout the year. Finally, we support our local communities through philanthropic events and volunteering.

Governance

Transparency is essential to our business. We strive to implement best governance practices and are mindful of the concerns of our shareholders. Our goal is to increase our ESG transparency and disclosure through reporting to frameworks, such as GRESB (the global ESG benchmark for real assets) and providing regular ESG updates to shareholders and other stakeholders. We developed a Stakeholder Engagement Policy to disclose our process when working with our key stakeholders.

MENU

2020 Financial Results

Consistent financial and operational performance in 2020 led to positive results across the board. While we will continue to experience some earnings dilution over the near-term as we complete our portfolio transition, we believe that warehouse/distribution assets are demonstrably superior compared to office properties in terms of long-term cash flow growth.

2020	TOTAL	
Gross Revenues	$330.4 Million	
Net Income	$186.4 Million	($0.66 per diluted common share)
Adjusted Company FFO	$209.5 Million	($0.76 per diluted common share)
Funds Available for Distribution	$188.1 Million	
Common Dividends Declared Per Share[1]	$0.42	

[1]Expected annualized dividend of $0.43 per common share to commence in 2021.

Summary

Despite a challenging year for many, we produced consistent results and continued to commit capital to grow our business. We significantly increased our industrial exposure by adding high-quality industrial assets to our portfolio while continuing to dispose of non-core assets. Portfolio operations remained resilient and our balance sheet is strong. Reflecting on the last five years, we have taken considerable action to improve our company and have successfully monetized much of our office portfolio, while constructing a high-quality industrial platform. As we complete our transition to a 100% industrial REIT, we believe our strong cash position, retained cash flow, proceeds from dispositions, and access to capital markets provide us considerable capacity to fund future growth initiatives. We hope you continue to stay safe and healthy and appreciate your support of Lexington.

T. WILSON EGLIN
Chairman, Chief Executive Officer and President

Corporate Information

LEFT TO RIGHT: **Nabil Andrawis** (Taxation), **Brendan Mullinix** (Chief Investment Officer), **Lara Johnson** (Investments), **Will Eglin** (Chairman and Chief Executive Officer), **Beth Boulerice** (Chief Financial Officer), **Joe Bonventre** (Chief Operating Officer), **Natasha Roberts** (Investments), and **James Dudley** (Asset Management).

Independent Trustees

Richard S. Frary[1,2,4,5]
Founding Partner
Tallwood Associates, Inc.

Lawrence L. Gray[2,4]
Chief Executive Officer
GrayCo, Inc.

Jamie Handwerker[1,3]
Partner
KSH Capital

Claire A. Koeneman[2,3]
Partner
Golin

Howard S. Roth[1,3]
Principal
HSR Advisors

Executive Officers

T. Wilson Eglin[4]
Chairman
Chief Executive Officer
President

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

Beth Boulerice
Executive Vice President
Chief Financial Officer
Treasurer

Brendan Mullinix
Executive Vice President
Chief Investment Officer

James Dudley
Executive Vice President

Lara Johnson
Executive Vice President

Mark Cherone
Chief Accounting Officer

Patrick Carroll
Executive Vice President
Chief Risk Officer

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NYSE Symbols

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LXPPRC (Preferred)

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(201) 680-6578 (outside of U.S.)
www-us.computershare.com/investor

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

Direct Share Purchase Plan

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

Independent Registered Public Accounting Firm

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

Forward-Looking Statements

Reference is made to "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 for discussion of certain factors that might cause actual results to differ materially from those set forth in any forth in any forward-looking statements included herein.

Non-GAAP Financial Measures and Defined Terms

See our Quarterly Supplemental Information, Fourth Quarter 2020, on our website for reconciliations of non-GAAP financial measures and the definitions of certain defined terms.

[1]Audit Committee Member [2]Compensation Committee Member [3]Nominating and Corporate Governance Committee Member [4]Executive Committee Member [5]Lead Trustee

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