

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 10-K**

- ☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the fiscal year ended December 31, 2023, or
- ☐ Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934  
Commission File Number 1-13374



The Monthly Dividend Company®

**REALTY INCOME CORPORATION**

(Exact name of registrant as specified in its charter)

**Maryland**

**33-0580106**

(State or Other Jurisdiction of Incorporation or Organization)

(IRS Employer Identification Number)

**11995 El Camino Real, San Diego, California 92130**

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(858) 284-5000**

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, \$0.01 Par Value	O	New York Stock Exchange
6.000% Series A Cumulative Redeemable Preferred Stock, \$0.01 Par Value	O PR	New York Stock Exchange
1.125% Notes due 2027	O27A	New York Stock Exchange
1.875% Notes due 2027	O27B	New York Stock Exchange
1.625% Notes due 2030	O30	New York Stock Exchange
4.875% Notes due 2030	O30A	New York Stock Exchange
5.750% Notes due 2031	O31A	New York Stock Exchange
1.750% Notes due 2033	O33A	New York Stock Exchange
5.125% Notes due 2034	O34	New York Stock Exchange
6.000% Notes due 2039	O39	New York Stock Exchange
2.500% Notes due 2042	O42	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 every Interactive Data File required to be submitted 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 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 an 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

At June 30, 2023, the aggregate market value of the Registrant's shares of common stock, \$0.01 par value, held by non-affiliates of the Registrant was \$42.3 billion based upon the last reported sale price of \$59.79 per share on the New York Stock Exchange on June 30, 2023, the last business day of the Registrant's most recently completed second fiscal quarter. The determination of affiliate status for purposes of this calculation is not necessarily a conclusive determination for other purposes.

There were 861,123,757 shares of common stock outstanding as of February 15, 2024.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Part III, Items 10, 11, 12, 13, and 14 incorporate by reference certain specific portions of the definitive Proxy Statement for Realty Income Corporation's Annual Meeting expected to be held on May 17, 2024, to be filed pursuant to Regulation 14A. Only those portions of the proxy statement which are specifically incorporated by reference herein shall constitute a part of this annual report.

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**REALTY INCOME CORPORATION**  
**Index to Form 10-K**  
**December 31, 2023**

	<u>Page</u>
<u>PART I</u>	
Item 1: <a href="#">Business</a>	<a href="#">2</a>
Item 1A: <a href="#">Risk Factors</a>	<a href="#">8</a>
Item 1B: <a href="#">Unresolved Staff Comments</a>	<a href="#">22</a>
Item 1C: <a href="#">Cybersecurity</a>	<a href="#">22</a>
Item 2: <a href="#">Properties</a>	<a href="#">23</a>
Item 3: <a href="#">Legal Proceedings</a>	<a href="#">23</a>
Item 4: <a href="#">Mine Safety Disclosures</a>	<a href="#">23</a>
<u>PART II</u>	
Item 5: <a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">23</a>
Item 6: <a href="#">Reserved</a>	<a href="#">24</a>
Item 7: <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">25</a>
Item 7A: <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">44</a>
Item 8: <a href="#">Financial Statements and Supplementary Data</a>	<a href="#">46</a>
Item 9: <a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">86</a>
Item 9A: <a href="#">Controls and Procedures</a>	<a href="#">86</a>
Item 9B: <a href="#">Other Information</a>	<a href="#">87</a>
Item 9C: <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">87</a>
<u>PART III</u>	
Item 10: <a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">87</a>
Item 11: <a href="#">Executive Compensation</a>	<a href="#">87</a>
Item 12: <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">87</a>
Item 13: <a href="#">Certain Relationships, Related Transactions and Director Independence</a>	<a href="#">87</a>
Item 14: <a href="#">Principal Accounting Fees and Services</a>	<a href="#">87</a>
<u>PART IV</u>	
Item 15: <a href="#">Exhibits and Financial Statement Schedules</a>	<a href="#">88</a>
Item 16: <a href="#">Form 10-K Summary</a>	<a href="#">94</a>
<u>SIGNATURES</u>	<a href="#">95</a>

## PART I

### Item 1: **Business**

*In this Annual Report on Form 10-K, unless the context otherwise requires, references to “Realty Income,” the “Company,” “we,” “our” or “us” refer to Realty Income Corporation and our subsidiaries.*

#### THE COMPANY

Realty Income, The Monthly Dividend Company®, is an S&P 500 company and member of the S&P 500 Dividend Aristocrats® index for having increased its dividend every year for over 25 consecutive years. We invest in people and places to deliver dependable monthly dividends that increase over time. We are structured as a real estate investment trust (“REIT”), requiring us to annually distribute at least 90% of our taxable income (excluding net capital gains) in the form of dividends to our stockholders. The monthly dividends are supported by the cash flow generated from real estate in which we own or hold interests in under long-term net lease agreements with our commercial clients.

Realty Income was founded in 1969, and listed on the New York Stock Exchange (“NYSE”: O) in 1994. Over the past 55 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term net lease agreements with our commercial clients. As of December 31, 2023, we owned or held interests in 13,458 properties located in the United States (“U.S.”) and Europe.

On January 23, 2024, we closed on our previously announced merger with Spirit Realty Capital, Inc. (“Spirit”, formerly NYSE: SRC), which is further described in note 21, *Subsequent Events*, to the consolidated financial statements. The Spirit portfolio consisted of 2,018 U.S. retail, industrial, and other properties across 49 states. With assets that are highly complementary to our existing portfolio, this transaction enhances the diversification and depth our real estate portfolio and will allow us to strengthen our longstanding relationships with existing clients and curate new ones.

#### BUSINESS PHILOSOPHY AND STRATEGY

We believe that actively managing a diversified portfolio of commercial properties under long-term, net lease agreements produces consistent and predictable income. A net lease typically requires the client to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, clients of our properties typically pay rent increases based on: (1) fixed increases, (2) increases tied to inflation (typically subject to ceilings), or (3) additional rent calculated as a percentage of the clients’ gross sales above a specified level. We believe that a portfolio of properties under long-term net lease agreements with our commercial clients generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

Diversification is also a key component of our investment philosophy. We believe that diversification of the portfolio by client, industry, geography, and property type leads to more consistent and predictable income for our stockholders by reducing vulnerability that can come with any single concentration. Our investment activities have led to a diversified property portfolio and as of December 31, 2023, we owned or held interests in 13,458 properties located in all 50 U.S. states, Puerto Rico, the United Kingdom (“U.K.”), France, Germany, Ireland, Italy, Portugal, and Spain and doing business in 86 industries.

As we look to continue to expand geographically across Europe, we focus upon building relationships with new multinational clients that seek a real estate partner with an expanding geographic footprint.

#### Investment Strategy

We seek to acquire, invest in and develop high-quality real estate that our clients consider important to the successful operation of their businesses. We generally seek to own or hold interests in commercial real estate that has some or all of the following characteristics:

- Properties in markets or locations important to our clients;
- Properties with strong demographic attributes or that we deem to be profitable for our clients;
- Properties with real estate valuations that approximate replacement costs;
- Properties with rental or lease payments that approximate market rents for similar properties;

- Properties that can be purchased with the simultaneous execution or assumption of long-term net lease agreements, offering both current income and the potential for future rent increases;
- Properties that leverage relationships with clients, sellers, investors, or developers as part of a long-term strategy; and
- Properties that leverage our proprietary insights, including those in locations and geographic markets we expect to remain strong or strengthen in the future.

We typically seek to invest in properties or portfolios of properties owned or leased by clients that are already or could become leaders in their respective businesses supported by mechanisms including (but not limited to) occupancy of prime real estate locations, pricing, merchandise assortment, service, quality, economies of scale, consumer branding, e-commerce, and advertising. We have an internal team dedicated to sourcing such opportunities, often using our relationships with various clients, owners/developers, brokers, and advisers to uncover and secure transactions. We also undertake thorough research and analysis to identify what we consider to be appropriate property locations, clients, and industries for investment. This research expertise is instrumental to uncovering investment opportunities in markets where we believe we can add value.

In selecting potential investments, we generally look for clients with the following attributes:

- Reliable and sustainable cash flow, including demonstrated economic resiliency;
- Revenue and cash flow from multiple sources;
- Are willing to sign a long-term lease (10 or more years); and
- Are large owners and users of real estate.

From a retail perspective, our investment strategy is to target clients that have a service, non-discretionary, and/or low-price-point component to their business. We target investments with clients who have demonstrated resiliency to e-commerce or have a strong omnichannel retail strategy, uniting brick-and-mortar and mobile browsing, both of which reflect the continued importance of last mile retail, the movement of goods to their final destination, real estate as part of a customer experience and supply chain strategy. Our overall investments (including last mile retail) are driven by an optimal portfolio strategy that, among other considerations, targets allocation ranges by asset class and industry. We review our strategy periodically and stress test our portfolio in a variety of positive and negative economic scenarios to ensure we deliver consistent earnings growth and value creation across economic cycles. As a result of the execution of this strategy, approximately 91% of our annualized retail contractual rent on December 31, 2023, is derived from our clients with a service, non-discretionary, and/or low price point component to their business. We believe these characteristics enhance the stability of the rental revenue generated from these properties.

After applying this investment strategy, we pursue those transactions where we believe we can achieve an attractive investment spread over our cost of capital and favorable risk-adjusted returns. We will continue to evaluate all investments for consistency with our objective of owning net lease assets.

### **Underwriting Strategy**

To be considered for acquisition, investments must meet stringent underwriting requirements. We analyze investments based on one or more of the following criteria:

- Industry, client (including credit), and market conditions;
- Expected financial returns under various scenarios (including default);
- The value of real estate (based on replacement cost, comparative rental rates and alternative uses), or other collateral backing the client's contractual obligations; and
- Store profitability for retail locations if profitability data is available or the importance of the real estate location to the operations of the clients' business.

With regard to real estate investments, we typically own the land and building in which a client conducts its business or which are critical to the client's ability to generate revenue. It has been our experience that clients must retain their profitable and critical locations to survive. Therefore, in the event of reorganization, we believe they are less likely to reject a lease of a profitable or critical location because this would terminate their right to use the property.

Thus, as the property owner, we believe that we should fare better than unsecured creditors of the same client in the event of reorganization. If a property is rejected by our client during reorganization, we own the property and can either lease it to a new client or sell the property. In addition, we believe that the risk of default on real estate leases

can be further mitigated by monitoring the performance of our clients' individual locations and considering whether to proactively sell locations that meet our criteria for disposition.

We conduct comprehensive reviews of the business segments and industries in which our clients operate. In addition, prior to entering any transaction, our credit research team conducts a review of a client's credit quality. The information reviewed may include reports and filings, including any public credit ratings, financial statements, debt and equity analyst reports, and reviews of corporate credit spreads, stock prices, market capitalization, and other financial metrics. We conduct due diligence, including financial reviews of the client, monitor our clients' credit quality on an ongoing basis, and provide summaries of these findings to management.

At December 31, 2023, 39.6% of our total portfolio annualized contractual rent (as defined in "Property Portfolio Information" below) comes from properties leased to our investment grade clients, their subsidiaries or affiliated companies. At December 31, 2023, our top 20 clients (based on percentage of total portfolio annualized contractual rent) represented 40.2% of our annualized rent and 10 of these clients have investment grade credit ratings or are subsidiaries or affiliates of investment grade companies.

### **Asset Management Strategy**

In addition to pursuing new properties for investment, we seek to increase earnings and dividends through active asset management.

Generally, our asset management efforts seek to achieve:

- Rent increases during and at the expiration of existing leases, when market conditions permit;
- Optimum exposure to certain clients, industries, and markets through re-leasing vacant properties and selectively selling properties;
- Maximum asset-level returns on properties that are renewed, re-leased or sold; and
- Additional value creation opportunities from the existing portfolio by leveraging internal capabilities to enhance individual properties, pursue alternative uses, and derive ancillary revenue.

As part of our ongoing credit and predictive analytics research, we continually monitor our portfolio for any changes that could affect the performance of our clients, our clients' industries, and the real estate locations in which we have invested. We also regularly analyze our portfolio with a view towards optimizing its returns and enhancing its overall credit quality. Our active asset management strategy pursues asset sales when we believe the reinvestment of the sale proceeds will:

- Generate higher returns;
- Enhance the credit quality of our real estate portfolio;
- Extend our average remaining lease term; and/or
- Strategically decrease client, industry, or geographic concentration.

The active management of the portfolio is an essential component of our long-term strategy of maintaining high occupancy.

### **Capital Philosophy**

Our goal is to deliver dependable monthly dividends to our stockholders that increase over time. Historically, we have met our principal short-term and long-term capital needs, including the funding of high-quality real estate acquisitions, property development, and capital expenditures, by issuing common stock, preferred stock, long-term unsecured notes and term loan borrowings. Over the long term, we believe that common stock should be the majority of our capital structure. We may issue common stock when we believe our share price is at a level that allows for the proceeds of an offering to be accretively invested into additional properties or to permanently finance properties that were initially financed by our revolving credit facility, commercial paper programs, or shorter-term debt securities. However, we cannot assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

### **Human Capital**

We put great effort into cultivating an inclusive company culture. We seek to hire talented employees with diverse backgrounds and perspectives and look to foster an environment that allows for regular, open communication where capable team members have fulfilling careers and are encouraged to engage with and make a positive impact on our Company, its operations, its business partners, and the communities in which we operate.

Employees operate as "One Team" and, together, we are committed to providing an engaging work environment centered on our values of:

- Do the Right Thing,
- Take Ownership,
- Empower Each Other,
- Celebrate Differences, and
- Give More than We Take.

#### *Recruitment, Development and Retention*

At the heart of our corporate culture lie our dedicated employees, who form the foundation of our organization, representing our most valuable assets. As of December 31, 2023, our workforce comprises 418 professionals. The majority of our talented team members are recruited and hired from the communities in which we operate, embodying our commitment to local engagement. To extend the scope of our talent acquisition efforts, we have implemented various initiatives, including college and high school internship programs. Our comprehensive approach encompasses a wide range of strategies, such as engaging with affinity associations, utilizing targeted job advertisements, employing sourcing software that emphasizes diversity criteria, and fostering employee referrals. These measures ensure that we continually attract and embrace a diverse pool of candidates. Furthermore, we recognize that internal mobility within our organization unlocks yet another great source of talent. By encouraging our current employees to expand their skills and take on new challenges, we tap into a rich reservoir of potential that enhances our workforce's capabilities and reinforces our corporate culture.

We offer leadership development programs and train on critical topics such as ethics, insider trading, anti-discrimination and harassment, cybersecurity, diversity, equality and inclusion, safety, and other Company policies. We provide professional development opportunities for One Team members and provide assistance and support to employees who are pursuing job-related licenses, certifications, and continuing education.

Employee retention is essential for supporting a positive culture and productive workforce. Accordingly, we believe we offer competitive compensation and benefits packages. Benefits include medical, dental, and vision coverage for employees and their families, 401(k) or equivalent plans with Company matching opportunity; paid time-off or equivalent vacation; disability and life insurance; and, in years that the Company's performance meets certain goals, the ability to earn equity in the Company subject to applicable vesting periods.

Additional information regarding our human capital programs and initiatives is available in our annual Proxy Statement and Sustainability Report, both of which can be found on our website. Information on our website, including our Sustainability Report, is not incorporated by reference into this Annual Report.

#### *Diversity, Equality and Inclusion (DE&I)*

We believe that the diversity of our One Team and our dedication to inclusion are foundational to our success. We continue DE&I training and learning sessions to build employee awareness and action while also encouraging open discussion amongst colleagues. Our DE&I initiatives are designed to enhance knowledge, deepen understanding, facilitate conversations on critical DE&I topics, encourage inclusive interactions, and cultivate a sense of belonging. In addition, we conduct pay equity analyses to help ensure equitable pay for employees who perform similar work under similar circumstances, regardless of gender, race, or ethnicity.

#### *Employee Health, Safety and Wellbeing*

We prioritize the health, safety, and wellbeing of our team members. Our wellbeing program is designed to empower employees through a range of activities and educational initiatives that contribute to both their personal and professional development. In fostering a healthy work environment, we promote work-life balance by offering flexible schedules and providing discounted fitness programs, paid family leave, parental leave, onsite lactation rooms, an infant-at-work program, employee health fairs, and an employee assistance program, among other programs and services.

### **Government Regulation**

#### *General*

Compliance with various governmental regulations has an impact on our business, including our capital expenditures, earnings and competitive position, which can be material. We incur costs to monitor and take actions to comply with governmental regulations that are applicable to our business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, REIT and other tax laws and regulations, environmental and health and safety laws and regulations, local zoning, usage and other regulations relating to real property and the Americans with Disabilities Act of 1990, or ADA. We believe that our properties generally have the necessary permits and approvals needed and are in compliance with applicable laws and regulations.



### ***Environmental Matters***

Investments in real property can create a potential for environmental liability. Federal, state and local environmental laws and regulations regulate releases of hazardous or toxic substances into the environment. While our tenants are generally primarily responsible for compliance with environmental laws and regulations, we as owner of property can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We can face such liability regardless of our knowledge of the contamination; the timing of the contamination; the cause of the contamination; or the party responsible for the contamination of the property. We have no knowledge of any hazardous substances existing on our properties in violation of any applicable laws; however, no assurance can be given that such substances are not currently located on any of our properties.

Some of our properties contain, have contained, or are adjacent to or near properties that contain or have contained storage tanks for petroleum products or that involve or involved the use of hazardous or toxic substances. Under certain laws and regulations, a current or previous owner, operator or tenant may be required to investigate and clean-up hazardous or toxic substances or petroleum product releases or threats of releases, and may be held liable to a government entity or third parties for property damage and for investigation, clean-up and monitoring costs incurred by those parties in connection with actual or threatened contamination. These laws typically impose clean-up responsibility and liability without regard to fault, or whether or not the owner, operator or tenant knew of or caused the contamination. The liability may be joint and several for the full amount of the investigation, clean-up and monitoring costs incurred or to be incurred or actions to be undertaken, although a party held jointly and severally liable may seek contributions from other identified, solvent, responsible parties for their fair share toward these costs. In addition, strict environmental laws regulate a variety of activities that can occur on a property, including the storage of petroleum products or other hazardous or toxic substances, air emissions and water discharges. Such laws may impose fines or penalties for violations.

Environmental laws also govern asbestos-containing materials ("ACM"). Federal regulations require building owners and those exercising control over a building's management to identify and warn, through signs and labels, of potential hazards posed by workplace exposure to ACM in their building. The regulations also have employee training, record keeping and due diligence requirements pertaining to ACM. Significant fines can be assessed for violation of these regulations, and we could be subject to lawsuits if personal injury from exposure to ACM occurs. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and/or disposal of ACM when those materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for improper handling or a release into the environment of ACM and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with ACM. In addition, our properties may contain or develop harmful mold or other airborne contaminants. The presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. Further, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury occurs.

### ***Americans with Disabilities Act of 1990***

Our properties are generally required to comply with ADA. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA, as well as a number of additional federal, state and local laws and regulations, may require modifications to properties we currently own and any properties we purchase, or may restrict renovations of those properties. Noncompliance with these laws or regulations could result in fines or an award of damages to private litigants, as well as the incurrence of costs to make modifications to attain compliance. Although our tenants are generally responsible for compliance with the ADA and other similar laws or regulations, we could be held liable as the owner of the property for a failure of one of our tenants to comply with such laws or regulations. As of December 31, 2023, we have not received notice from any governmental authority, nor are we otherwise aware, of any non-compliance with the ADA that we believe would have a material adverse effect on our business, financial position or results of operations.

### ***Available Information***

We maintain a corporate website at [www.realtyincome.com](http://www.realtyincome.com). On our website we make available, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, Form 3s, Form 4s, Form 5s, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file these reports with the Securities and Exchange Commission (the "SEC"). None of the information on our website is deemed to be part of this report.



## PROPERTY PORTFOLIO INFORMATION

At December 31, 2023, out of the 13,458 properties that we owned or held interests in, 13,265 properties were vastly leased under net lease agreements. A net lease typically requires the client to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, clients of our properties typically pay rent increases based on: (1) fixed increases, (2) increases tied to inflation (typically subject to ceilings), or (3) additional rent calculated as a percentage of the clients' gross sales above a specified level.

We define total portfolio annualized contractual rent as the monthly aggregate cash amount charged to clients, inclusive of monthly base rent receivables, as of the balance sheet date, multiplied by 12, excluding percentage rent, interest income on loans and preferred equity investments, and including our pro rata share of such revenues from properties owned by unconsolidated joint ventures. We believe total portfolio annualized contractual rent is a useful supplemental operating measure, as it excludes properties that were no longer owned at the balance sheet date and includes the annualized rent from properties acquired during the quarter. Total portfolio annualized contractual rent has not been reduced to reflect reserves recorded as adjustments to generally accepted accounting principles in the United States, ("U.S. GAAP") rental revenue in the periods presented.

### Top 10 Industry Concentrations

We are engaged in a single business activity, which is the leasing of property to clients, generally on a net basis. That business activity spans various geographic boundaries and includes property types and clients engaged in various industries. Even though we have a single segment, we believe our investors continue to view diversification as a key component of our investment philosophy and so we believe it remains important to present certain information regarding our property portfolio classified according to the business of the respective clients, expressed as a percentage of our total portfolio annualized contractual rent:

Percentage of Total Portfolio Annualized Contractual Rent by Industry <sup>(1)</sup>					
	As of				
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Grocery	11.4%	10.0%	10.2%	9.8%	7.9%
Convenience Stores	10.2	8.6	9.1	11.9	12.3
Dollar Stores	7.1	7.4	7.5	7.6	7.9
Home Improvement	5.9	5.6	5.1	4.3	2.9
Drug Stores	5.5	5.7	6.6	8.2	8.8
Restaurants-Quick Service	5.2	6.0	6.6	5.3	5.8
Restaurants-Casual	4.4	5.1	5.9	2.8	3.2
Automotive Service	4.3	4.0	3.2	2.7	2.6
Health and Fitness	3.9	4.4	4.7	6.7	7.0
Gaming	3.9	2.9	—	—	—

<sup>(1)</sup> The presentation of Top 10 Industry Concentrations combines total portfolio contractual rent from the U.S. and Europe. Europe consists of properties in the U.K., starting in May 2019, in Spain, starting in September 2021, in Italy, starting in October 2022, in Ireland, starting in June 2023, and in France, Germany, and Portugal, starting in December 2023.

### Property Type Composition

The following table sets forth certain property type information regarding our property portfolio as of December 31, 2023 (dollars in thousands):

Property Type	Number of Properties	Approximate Leasable Square Feet <sup>(1)</sup>	Total Portfolio Annualized Contractual Rent	Percentage of Total Portfolio Annualized Contractual Rent
Retail	13,053	179,880,600	\$ 3,304,177	81.8 %
Industrial	365	84,737,900	514,306	12.7
Gaming <sup>(2)</sup>	2	5,053,400	157,945	3.9
Other <sup>(3)</sup>	38	2,411,200	65,443	1.6
Totals	13,458	272,083,100	\$ 4,041,871	100.0 %

<sup>(1)</sup> Excludes 2,962 acres of leased land categorized as agriculture at December 31, 2023.

<sup>(2)</sup> Includes our pro rata share of leasable square feet of properties owned by unconsolidated joint ventures.

<sup>(3)</sup> "Other" includes 27 properties classified as agriculture, consisting of approximately 0.3 million leasable square feet and \$38.0 million in annualized contractual rent and 10 properties classified as office, consisting of approximately 2.1 million leasable square feet and \$27.4 million in annualized contractual rent, as well as one land parcel under development.

### Client Diversification

The following table sets forth the 20 largest clients in our property portfolio, expressed as a percentage of total portfolio annualized contractual rent, which does not give effect to deferred rent, at December 31, 2023:

Client	Number of Leases	Percentage of Total Portfolio Annualized Contractual Rent <sup>(1)</sup>
Dollar General	1,659	3.8 %

Walgreens	369	3.8
Dollar Tree / Family Dollar	1,229	3.3
7-Eleven	634	3.0
EG Group Limited	415	2.5
Wynn Resorts	1	2.5
FedEx	77	2.2
B&Q (Kingfisher)	50	1.9
Asda	37	1.9
Sainsbury's	35	1.8
LA Fitness	68	1.6
BJ's Wholesale Clubs	33	1.5
Lifetime Fitness	23	1.5
MGM (Bellagio)	1	1.4
CVS Pharmacy	191	1.4
Walmart / Sam's Club	67	1.4
Tractor Supply	186	1.3
Tesco	22	1.3
AMC Theaters	35	1.2
Red Lobster	200	1.2
<b>Total</b>	<b>5,332</b>	<b>40.2 %</b>

(1) Amounts for each client are calculated independently; therefore, the individual percentages may not sum to the total. Excludes non-rental contractual income on loans and preferred equity investments.

### Lease Expirations

The following table sets forth certain information regarding the timing of the lease term expirations in our portfolio (excluding rights to extend a lease at the option of the client) and their contribution to total portfolio annualized contractual rent as of December 31, 2023 (dollars in thousands):

Year	Total Portfolio <sup>(1)</sup>				
	Expiring Leases		Approximate Leasable Square Feet	Total Portfolio Annualized Contractual Rent	Percentage of Total Portfolio Annualized Contractual Rent
	Retail	Non-Retail			
2024	474	14	6,370,500	\$ 79,995	2.0 %
2025	923	33	13,637,900	206,416	5.1
2026	857	33	16,009,800	196,878	4.9
2027	1,422	37	22,307,900	290,171	7.2
2028	1,687	55	32,588,600	399,179	9.9
2029	1,270	36	26,622,100	325,645	8.1
2030	593	23	16,570,500	193,642	4.8
2031	556	40	23,481,400	267,873	6.6
2032	974	34	18,223,300	260,477	6.3
2033	772	19	18,140,100	224,888	5.6
2034	622	9	11,805,300	231,472	5.7
2035	441	4	5,857,200	118,280	2.9
2036	440	8	7,968,500	145,275	3.6
2037	521	9	8,826,600	137,739	3.4
2038	323	14	10,111,700	112,376	2.8
2039-2143	1,960	59	30,509,600	851,565	21.1
<b>Totals</b>	<b>13,835</b>	<b>427</b>	<b>269,031,000</b>	<b>\$ 4,041,871</b>	<b>100.0 %</b>

(1) Leases on our multi-client properties are counted separately in the table above. This table excludes 270 vacant units.

### Geographic Diversification

The following table sets forth certain geographic information regarding our property portfolio as of December 31, 2023 (dollars in thousands):

Location	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Percentage of Total Portfolio Annualized Contractual Rent
Alabama	408	98 %	4,438,600	1.7 %
Alaska	7	100	304,100	0.1
Arizona	255	99	4,011,100	1.8
Arkansas	266	99	2,851,200	1.0
California	352	99	12,448,900	5.2
Colorado	170	98	2,707,600	1.3
Connecticut	52	98	1,754,700	0.6
Delaware	24	100	141,100	0.1
Florida	891	99	10,597,400	5.0
Georgia	576	98	9,194,300	3.3
Hawaii	22	100	47,800	0.2
Idaho	28	96	189,100	0.1
Illinois	559	97	13,332,200	4.8
Indiana	432	98	8,255,200	2.4
Iowa	114	99	3,529,200	0.8

Kansas	198	97	4,716,700	1.0
Kentucky	378	99	6,356,500	1.5
Louisiana	357	100	5,332,700	1.9
Maine	85	99	1,208,700	0.6
Maryland	79	97	3,070,300	1.1
Massachusetts	207	100	6,664,300	4.4
Michigan	476	99	5,923,200	2.4
Minnesota	261	99	4,340,300	1.7
Mississippi	310	98	4,582,500	1.2
Missouri	396	98	5,495,500	1.8
Montana	25	100	227,800	0.1
Nebraska	81	99	1,131,600	0.3
Nevada	75	99	4,622,400	2.3
New Hampshire	54	94	667,300	0.4
New Jersey	146	96	2,277,000	1.4
New Mexico	111	100	1,354,200	0.6
New York	339	98	4,973,000	3.0
North Carolina	421	99	8,404,400	2.7
North Dakota	21	95	427,800	0.1
Ohio	714	99	16,015,900	3.8
Oklahoma	342	100	4,479,700	1.5
Oregon	43	100	660,900	0.3
Pennsylvania	343	97	6,232,000	2.2
Rhode Island	31	100	214,600	0.2
South Carolina	328	99	5,211,100	1.8
South Dakota	36	100	504,700	0.2
Tennessee	461	97	7,355,400	2.3
Texas	1,607	99	27,773,500	9.6
Utah	39	100	1,585,500	0.4
Vermont	18	100	173,500	0.1
Virginia	368	99	7,378,500	2.2
Washington	82	98	1,863,600	0.8
West Virginia	93	100	879,600	0.4
Wisconsin	297	100	6,693,400	1.9
Wyoming	23	100	157,700	0.1
Puerto Rico	6	100	59,400	*
France	28	100	1,475,900	0.4
Germany	4	100	189,900	0.1
Ireland	4	100	311,500	0.1
Italy	30	100	2,592,700	0.7
Portugal	4	100	142,300	*
Spain	90	100	6,772,600	1.4
United Kingdom	291	100	27,780,500	12.6
Totals/average	13,458	100 %	272,083,100	100.0 %

\*Less than 0.1%

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the documents incorporated by reference, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. When used in this annual report, the words “estimated,” “anticipated,” “expect,” “believe,” “intend,” “continue,” “should,” “may,” “likely,” “plans,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements include discussions of our business and portfolio; growth strategies and intentions to acquire or dispose of properties (including timing, partners, clients and terms); re-leases, re-development and speculative development of properties and expenditures related thereto; future operations and results; the announcement of operating results, strategy, plans, and the intentions of management; and trends in our business, including trends in the market for long-term leases of freestanding, single-client properties. Forward-looking statements are subject to risks, uncertainties, and assumptions about Realty Income Corporation which may cause our actual future results to differ materially from expected results. Some of the factors that could cause actual results to differ materially are, among others, our continued qualification as a real estate investment trust; general domestic and foreign business, economic, or financial conditions; competition; fluctuating interest and currency rates; inflation and its impact on our clients and us; access to debt and equity capital markets and other sources of funding (including the terms and partners of such funding); continued volatility and uncertainty in the credit markets and broader financial markets; other risks inherent in the real estate business including our clients' solvency, client defaults under leases, increased client bankruptcies, potential liability relating to environmental matters, illiquidity of real estate investments, and potential damages from natural disasters; impairments in the value of our real estate assets; changes in domestic and foreign income tax laws and rates; property ownership through joint ventures, partnerships and other arrangements which may limit control of the underlying investments; epidemics or pandemics including measures taken to limit their spread, the impacts on us, our business, our clients, and the economy generally; the loss of key personnel; the outcome of any legal proceedings to which we are a party or which may occur in the future; acts of terrorism and war; and the anticipated benefits from mergers and acquisitions including from the merger with Spirit (the "Merger").

Additional factors that may cause risks and uncertainties include those discussed in the sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this annual report on Form 10-K, for the year ended December 31, 2023.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are not guarantees of future plans and performance and speak only as of the date this annual report was filed with the SEC. Actual plans and operating results may differ materially from what is expressed or forecasted in this annual report and forecasts made in the forward-looking statements discussed in this annual report might not materialize. We do not undertake any obligation to update forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

**Item 1A: Risk Factors**

This “Risk Factors” section contains references to our “capital stock” and to our “stockholders.” Unless expressly stated otherwise, the references to our “capital stock” represent our common stock and any class or series of preferred stock which may be outstanding from time to time, while the references to our “stockholders” represent holders of our common stock and any class or series of preferred stock which may be outstanding from time to time.

**Risks Related to Our Business and Industry**

***In order to grow we need to continue to acquire investment properties. The acquisition of investment properties may be subject to competitive pressures.***

We face competition in the acquisition and operation of our properties. We expect competition from businesses, individuals, fiduciary accounts and plans, and other entities engaged in real estate investment and financing. This competition may result in a higher cost for properties we wish to purchase.

***Negative market conditions or adverse events affecting our existing or potential clients, or the industries in which they operate, could have an adverse impact on our ability to attract new clients, re-lease space, collect rent or renew leases, which could adversely affect our cash flow from operations and inhibit growth.***

Cash flow from operations depends in part on our ability to lease space to our clients on economically favorable terms and to collect rent from our clients on a timely basis. We could be adversely affected by various facts and events over which we have limited or no control, such as:

- Lack of demand in areas where our properties are located;
- Inability to retain existing clients and attract new clients;
- Oversupply of space and changes in market rental rates;
- Declines in our clients’ creditworthiness and ability to pay rent, which may be affected by their operations (including as a result from changes in consumer behaviors or preferences impacting our clients operations), economic downturns and competition within their industries from other operators;
- Defaults by and bankruptcies of clients, failure of clients to pay rent on a timely basis, or failure of our clients to comply with their contractual obligations;
- Changes in laws, rules or regulations that negatively impact clients or our properties;
- Epidemics, pandemics or outbreaks of illness, disease or virus that affect countries or regions in which our clients and their parent companies operate or in which our properties or corporate headquarters are located;
- Changes in consumer behaviors (e.g., decrease in discretionary consumer spending), preferences or demographics impacting our clients’ operations;
- Supply chain disruptions;
- Economic or physical decline of the areas where the properties are located; and
- Deterioration of physical condition of our properties.

If our clients do not renew their leases as they expire, we may not be able to rent or sell the properties. Leases that are renewed, and some new leases for properties that are re-leased, may have terms that are less economically favorable than expiring lease terms, or may require us to incur significant costs, such as renovations, improvements on behalf of the client or lease transaction costs. Negative market conditions may cause us to sell vacant properties for less than their carrying value, which could result in impairments. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to our stockholders and service our indebtedness. A significant portion of the costs of owning property, such as real estate taxes, insurance and maintenance, are not necessarily reduced when circumstances cause a decrease in rental revenue from the properties. In a weakened financial condition, our clients may not be able to pay these costs of ownership and we may be unable to recover these operating expenses from them.

At any time, any of our clients may experience a downturn in its business that may weaken its operating results or overall financial condition. As a result, a client may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent or declare bankruptcy. Any client bankruptcy or insolvency, leasing delay or failure to make rental payments when due could result in the termination of our client’s lease and material losses to us. Further, the occurrence of a client bankruptcy or insolvency could diminish or eliminate the income we receive from our client’s lease or leases. A bankruptcy court might authorize a client to terminate one or more of its leases with us. If that happens, our claim against the bankrupt client for unpaid future

rent would be subject to statutory limitations that most likely would result in rent payments that would be substantially less than the remaining rent we are owed under the leases (it is also possible that we may not receive any unpaid future rent under terminated leases) or we may elect not to pursue claims against a client for terminated leases. Claims we have for unpaid past rent, if any, may not be paid in full, or at all. Client bankruptcies within a given property may also adversely impact our ability to re-release that property at favorable terms, or at all. Moreover, in the case of a client's leases that are not terminated as the result of its bankruptcy, we may be required or elect to reduce the rent payable under those leases or provide other concessions, reducing amounts we receive under those leases. As a result, client bankruptcies may have a material adverse effect on our results of operations and financial condition. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to stockholders and service our indebtedness.

Downturns in any of our industries could adversely affect our clients (including, for example, the recent challenges faced by our clients in the theater industry), which in turn could also have a material adverse effect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock and any outstanding preferred stock. In addition, some of our properties are leased to clients that may have limited financial and other resources and, therefore, they are more likely to be adversely affected by a downturn in their respective businesses, including any downturns that have resulted or may result from the COVID-19 pandemic or other epidemics or pandemics, or in the regional, national or international economy. Furthermore, we have made and may continue to make selected acquisitions of properties that fall outside our historical focus on freestanding, single-client, net-lease retail locations in the U.S. As a result, we may be exposed to a variety of new risks by expanding into new property types and/or new jurisdictions outside the U.S. and properties leased to clients engaged in non-retail businesses. These risks may include limited experience in managing certain types of new properties, new types of real estate locations and lease structures, and the laws and culture of non-U.S. jurisdictions.

***As a property owner, we may be subject to unknown environmental liabilities.***

Investments in real property can create a potential for environmental liability. An owner of property can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We can face such liability regardless of our knowledge of the contamination; the timing of the contamination; the cause of the contamination; or the party responsible for the contamination of the property.

There may be environmental conditions associated with our properties of which we are unaware. A number of our properties are leased to operators of convenience stores that sell petroleum-based fuels, to operators of oil change and tune-up facilities, and operators that use chemicals and other waste products. These facilities and some other of our properties, use, or may have used in the past, underground lifts or storage tanks for the storage of petroleum-based or waste products, which could create a potential for the release of hazardous substances. Certain of our other properties, particularly those leased for industrial-type purposes, may also involve operations or activities that could give rise to environmental liabilities.

The presence of hazardous substances on a property may adversely affect our client's ability to continue to operate that property or our ability to lease or sell that property and we may incur substantial remediation costs or third-party liability claims. Although our leases generally require our clients to operate in compliance with all applicable federal, state, and local environmental laws, ordinances and regulations, and to indemnify us against any environmental liabilities arising from the clients' activities on the properties, we could nevertheless be subject to liability, including strict liability, by virtue of our ownership interest. There also can be no assurance that our clients could or would satisfy their indemnification obligations under their leases. The discovery of environmental liabilities attached to our properties could have an adverse effect on our results of operations, our financial condition, or our ability to make distributions to stockholders and to pay the principal of and interest on our debt securities and other indebtedness.

Some of our properties were built during the period when asbestos was commonly used in building construction and we may acquire other buildings that contain asbestos in the future. Environmental laws govern the presence, maintenance, and removal of asbestos-containing materials, or ACMs, and require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, that they adequately inform or train those who may come into contact with asbestos and that they undertake special precautions, including removal or other abatement in the event that asbestos is disturbed during renovation or demolition of a building. These laws may impose fines and penalties on building owners or operators for failure to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

While we have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability or claim relating to environmental contamination, if environmental contamination should exist on any of our properties, we could be subject to liability, including strict liability, by virtue of our ownership interest. In addition, while we maintain environmental insurance policies, it is possible that our insurance could be insufficient to address any particular environmental situation and/or that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all. Our clients are generally responsible for, and indemnify us against, liabilities for environmental matters that arise during the lease terms as a result of clients' activities on the properties. However, it is possible that one or more of our clients could fail to have sufficient funds to cover any such indemnification or to meet applicable state financial assurance obligations or such environmental contamination may predate our client's lease term, and thus we may still be obligated to pay for any such environmental liabilities.

***If we fail to qualify as a REIT, it could adversely impact us, and the amount of dividends we are able to pay would decrease, which could adversely affect the market price of our capital stock and could adversely affect the value of our debt securities.***

We believe that, commencing with our taxable year ended December 31, 1994, we have been organized and have operated, and we intend to continue to operate, so as to qualify as a REIT under Sections 856 through 860 of the Code. However, we cannot make any assurances that we have been organized or have operated in a manner that has satisfied the requirements for qualification as a REIT, or that we will continue to be organized or operate in a manner that will allow us to continue to qualify as a REIT. Qualification as a REIT involves the satisfaction of numerous requirements under highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations, as well as the determination of various factual matters and circumstances not entirely within our control. As we have recently expanded into new geographies and transactional structures, and may continue to do so in the future, the analyses of our REIT qualification, and our ability to ensure such qualification, have become, and may become in the future, more complex. For example, in order to qualify as a REIT, at least 95% of our gross income in each year must be derived from qualifying sources, and we must pay distributions to stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains). If we fail to satisfy any of the requirements for qualification as a REIT, we may be subject to certain penalty taxes or, in some circumstances, we may fail to qualify as a REIT. If we were to fail to qualify as a REIT in any taxable year:

- We would be required to pay regular U.S. federal corporate income tax on our taxable income;
- We would not be allowed a deduction for amounts distributed to our stockholders in computing our taxable income;
- We could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost;
- We would no longer be required to make distributions to stockholders; and
- This treatment would substantially reduce amounts available for investment or distribution to stockholders because of the additional tax liability for the years involved, which could have a material adverse effect on the market price of our capital stock and the value of our debt securities.

Even if we qualify for and maintain our REIT status, we may be subject to certain federal, state, local and foreign taxes on our income and property. For example, if we have net income from a prohibited transaction, that income will be subject to a 100% tax. In addition, our taxable REIT subsidiaries are subject to federal, state and, in some cases, foreign taxes at the applicable tax rates on their income and property. Any failure to comply with legal and regulatory tax obligations could adversely affect our ability to conduct business and could adversely affect the market price of our capital stock and the value of our debt securities.

***Legislative or other actions affecting REITs could have a negative effect on us or our investors.***

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Services, or the IRS, and the U.S. Department of the Treasury, or the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect us or our investors, including holders of our common stock or debt securities. We cannot predict how changes in the tax laws might affect us or our investors. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other



entities more attractive relative to an investment in a REIT. In addition, the tax treatment of certain of our sale-leaseback transactions could change, which could make such sale-leaseback transactions less attractive to potential sellers and lessees and negatively impact our operations.

***Distribution requirements imposed by law limit our flexibility.***

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our taxable income, excluding net capital gains, each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our taxable income (including net capital gains) each year. In addition, we are subject to a 4% nondeductible excise tax to the extent that we fail to distribute during any calendar year at least the sum of 85% of our ordinary income for that calendar year, 95% of our capital gain net income for the calendar year, and any amount of that income that was not distributed in prior years. We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the nondeductible excise tax. Differences in timing between the receipt of income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

***Future issuances of equity securities could dilute the interest of holders of our common stock.***

Our future growth will depend, in large part, upon our ability to raise additional capital. Raising additional capital through the issuance of equity securities can dilute the interests of holders of our common stock. The interests of our common stockholders could also be diluted by the issuance of shares of common stock pursuant to stock incentive plans. Our Board of Directors is authorized to cause us to issue preferred stock of any class or series with dividend, voting and other rights as determined by our Board of Directors (such as the shares of preferred stock that were issued in connection with the closing of the Merger with Spirit) which could dilute, or otherwise adversely affect, the interest of holders of our common stock.

***We may acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell or refinance such assets.***

We have in the past and may in the future acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership units in an operating partnership, which could result in stockholder dilution through the issuance of operating partnership units that, under certain circumstances, may be exchanged for shares of our common stock. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to restrictions on our ability to dispose of, or refinance the debt on, the acquired properties in order to protect the contributors' ability to defer recognition of taxable gain. Similarly, we may be required to incur or maintain debt we would otherwise not incur so we can allocate the debt to the contributors to maintain their tax bases. In the event we take any action that incurs taxable gain allocated to these contributors, we may be required to make them whole under tax protection agreements. These restrictions could limit our ability to manage, control, sell or refinance an asset at a time, or on terms, that would be favorable absent such restrictions.

***We are subject to risks associated with debt and preferred stock financing.***

We intend to incur additional indebtedness in the future, including borrowings under our \$4.25 billion unsecured revolving credit facility and our \$3.0 billion commercial paper programs.

Our revolving credit facility grants us the option, subject to obtaining lender commitments and other customary conditions, to expand the borrowing limits thereunder to up to \$5.25 billion. The credit agreement governing our revolving credit facility also governs our \$250.0 million unsecured term loan facility due March 2024 and, on January 6, 2023, we entered into the term loan agreement (the "2023 term loan agreement") governing our 2023 term loans, pursuant to which we borrowed an aggregate of approximately \$1.0 billion in multicurrency borrowings. The 2023 term loan agreement also permits us to incur additional term loans, up to an aggregate of \$1.5 billion in total borrowings, pursuant to an accordion expansion feature, which is subject to obtaining lender commitments and other customary conditions. The term loans pursuant to our 2023 term loan agreement mature in January 2025 with one remaining 12-month maturity extension available at our option. At December 31, 2023, we also had a total of \$18.6 billion of outstanding unsecured senior debt securities (excluding unamortized net original issuance premiums, deferred financing costs and basis adjustments on interest rate swaps designated as fair value hedges), including approximately \$4.2 billion denominated in Sterling (of which \$1.2 billion is related to our privately placed Sterling notes), \$1.2 billion denominated in Euro thereunder, and approximately \$822.4 million of outstanding mortgage debt (excluding unamortized net discounts and deferred financing costs).

In connection with the consummation of the closing of the Merger on January 23, 2024, we effectively assumed Spirit's existing term loans with various lenders. Specifically, on January 22, 2024, we entered into an amended and restated term loan agreement, pursuant to which we borrowed \$800 million in aggregate total borrowings, \$300 million of which matures on August 22, 2025 and \$500 million of which matures on August 20, 2027 (the "\$800 million term loan agreement"), and an amended and restated term loan agreement pursuant to which we borrowed \$500 million in aggregate total borrowings which matures on June 16, 2025. The \$800 million term loan agreement and the \$500 million term loan agreement became effective upon the closing of the Merger on January 23, 2024. Our A3/A- credit ratings provide for a borrowing rate of 80 basis points over the applicable benchmark rate, which includes adjusted Secured Overnight Financing Rate ("SOFR") for US Dollar-denominated loans, adjusted Sterling Overnight Indexed Average ("SONIA") for Sterling-denominated loans, and Euro Interbank Offered Rate ("EURIBOR") for Euro-denominated loans. In conjunction with closing, we executed one-year variable-to-fixed interest rate swaps which fix our per annum interest rate at 5.0% over the initial term. In addition, as a result of the Merger, all outstanding secured indebtedness, liabilities, and other indebtedness of Spirit and its subsidiaries, including \$2.75 billion of additional senior unsecured notes that were originally issued by Spirit Realty Capital, L.P., substantially all of which were exchanged for senior unsecured notes issued by us, became indebtedness and liabilities of ours or our subsidiaries, as the case may be, which substantially increased the total secured indebtedness and the total liabilities and other indebtedness of us and our subsidiaries.

Pursuant to our unsecured commercial paper programs we may offer and sell up to \$3.0 billion of commercial paper at any time. We use our revolving credit facility as a liquidity backstop for the repayment of notes issued under the commercial paper programs. Specifically, we maintain unused borrowing capacity under our revolving credit facility equal to the aggregate principal amount of borrowings outstanding under our commercial paper programs from time to time. We may in the future enter into amendments and restatements of our revolving credit facility and term loan facilities, or enter into new revolving credit facilities or term loan facilities, and any such amended, restated or replacement revolving credit facilities or term loan facilities may increase the amounts we are entitled to borrow, subject to customary conditions, compared to our current revolving credit facility and term loan facilities, or we may incur other indebtedness. We may also in the future increase the size of our commercial paper programs or establish new commercial paper programs. We expect that we will continue to use our current and any new revolving credit facilities we may enter into (in each case as the same may be expanded, amended or restated, if applicable, from time to time), as a liquidity backstop for the repayment of notes issued under our current or any new commercial paper programs that we may maintain from time to time.

To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to make required payments on our debt or to pay dividends on our common stock. We also face variable interest rate risk as the interest rates on our revolving credit facility, term loan facilities, and commercial paper programs are variable (subject to our interest rate swaps on our term loan facilities, in effect from time to time), and the interest rates on any credit facilities and term loan facilities we may enter into in the future may be variable, and could therefore increase over time. In addition, commercial paper borrowings are short-term obligations and the interest rate on newly issued commercial paper varies according to market conditions at the time of issuance. Similarly, some of the indebtedness to which we have become subject to subsequent to the Merger may also bear interest at variable rates. In addition, while we may enter into hedging and other derivatives instruments to mitigate our exposure to fluctuations in borrowing and currency rates, we may not realize the anticipated benefits from these arrangements or they may be insufficient to mitigate our exposure. We also face the risk that we may be unable to refinance or repay our debt as it comes due. Given past disruptions in the financial markets and ongoing global financial uncertainties, we also face the risk that one or more of the participants in our revolving credit facility may be unwilling or unable to lend us money.

We have incurred and may continue to incur indebtedness that is denominated in local currencies to fund our international investments and operations. However, it is possible that such indebtedness may be insufficient or may be on unacceptable terms requiring us to use non-local currency indebtedness. In such event, we may be subject to foreign exchange rate volatility. While we may enter into hedging and other derivatives instruments to mitigate our exposure to fluctuations in foreign exchange rates, we may not realize the anticipated benefits from these arrangements or these arrangements may be insufficient to mitigate our exposure.

Our revolving credit facility, our term loan facilities, and our mortgage loan documents contain provisions that could limit or, in certain cases, prohibit the payment of dividends and other distributions to holders of our common stock

and any outstanding preferred stock. The credit agreements governing our revolving credit facility and term loan facilities provide that, if an event of default (as defined in the credit agreements, as applicable) exists, we may not pay any dividends or make other distributions on (except distributions payable in shares of a given class of our stock to the stockholders of that class), or repurchase or redeem, among other things, any shares of our common stock or any outstanding preferred stock, during any period of four consecutive fiscal quarters in an aggregate amount in excess of the greater of (i) the sum of 95% of our adjusted funds from operations (as defined in the credit agreements, as applicable) for that period plus the aggregate amount of cash distributions made to holders of our outstanding preferred stock for that period, and (ii) the minimum amount of cash distributions required to be made to our stockholders in order to maintain our status as a REIT for federal income tax purposes and to avoid the payment of income or excise taxes that would otherwise be imposed under specified sections of the Code on income we do not distribute to our stockholders, except we may repurchase or redeem shares of our outstanding preferred stock, if any, with net proceeds from the issuance of shares of our common stock or preferred stock.

The credit agreements each provide that, in the event of a failure to pay principal, interest, or any other amount payable thereunder when due or upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or with respect to one or more of our subsidiaries that in the aggregate meet a significance test set forth in the credit agreements, we and our subsidiaries (other than our wholly-owned subsidiaries) may not pay dividends or make other distributions on (except for (a) distributions payable in shares of a given class of our stock to the stockholders of that class and (b) dividends and distributions described in (ii) above), or repurchase or redeem, among other things, any shares of our common stock or preferred stock. If any such event of default under the applicable credit agreements (or under any other credit agreement or debt instrument with similar terms that we may in the future enter into or be subject to) were to occur, it would likely have a material adverse effect on the market price of our outstanding common stock and any outstanding preferred stock and on the market value of our debt securities which could limit the amount of dividends or other distributions payable to holders of our common stock and any outstanding preferred stock or the amount of interest and principal we are able to pay on our indebtedness, or prevent us from paying those dividends, other distributions, interest or principal altogether, and may adversely affect our ability to qualify, or prevent us from qualifying, as a REIT.

Our indebtedness could also have other important consequences to holders of our common stock, outstanding preferred stock, and our debt securities, including: increasing our vulnerability to general adverse economic and industry conditions; limiting our ability to obtain additional financing to fund future working capital, acquisitions, capital expenditures and other general corporate requirements; requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures, and general corporate requirements; limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and putting us at a disadvantage compared to our competitors with less indebtedness.

If we default under a credit facility, loan agreement, or other debt instrument, the lenders will generally have the right to demand immediate repayment of the principal and interest on all of their loans and, in the case of secured indebtedness, to exercise their rights to seize and sell the collateral. Moreover, a default under a single loan or debt instrument may trigger cross-default or cross-acceleration provisions in other indebtedness and debt instruments, giving the holders of such other indebtedness and debt instruments similar rights to demand immediate repayment and to seize and sell any collateral.

***Real estate ownership is subject to particular conditions that may have a negative impact on our revenue.***

We are subject to all of the inherent risks associated with the ownership of real estate. In particular, we face the risk that rental revenue from our properties may be insufficient to cover all corporate operating expenses, debt service payments on indebtedness we incur, and distributions on our capital stock. Additional real estate ownership risks include:

- Adverse changes in general or local economic conditions;
- Changes in supply of, or demand for, similar or competing properties;
- Changes in interest rates and operating expenses (including energy costs, shortages and rationing);
- Competition within an industry and for our clients;
- Changes in market rents;
- Inability to lease properties upon termination of existing leases;
- Renewal of leases at lower rental rates;
- Inability to collect rental revenue from our clients due to financial hardship, including bankruptcy;

- Changes in tax, real estate, zoning and environmental laws that may have an adverse impact upon the value of real estate;
- Uninsured property liability;
- Property damage or casualty losses;
- Unexpected expenditures for capital improvements, including requirements to bring properties into compliance with applicable federal, state and local laws;
- The need to periodically renovate and repair our properties;
- Risks assumed as manager for development or redevelopment projects;
- Physical or weather-related damage to properties;
- The potential risk of functional obsolescence of properties over time;
- Acts of terrorism and war;
- Changes in consumer behaviors, preferences or demographics;
- The impacts of climate change; and
- Acts of God and other factors beyond the control of our management.

***Real estate property investments are illiquid. We may not be able to acquire or dispose of properties when desired or on favorable terms.***

Real estate investments are relatively illiquid. Our ability to quickly buy, sell or exchange any of our properties in response to changes in economic and other conditions will be limited and U.S. and foreign tax and regulatory regimes and authorities may impose or have the effect of restricting or limiting our ability to sell properties. No assurances can be given that we will recognize full value, at a price and at terms that are acceptable to us, for any property that we are required to sell for liquidity reasons. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations.

***Our acquisition of additional properties may have a significant effect on our business, liquidity, financial position and/or results of operations.***

Our future success will depend, in part, upon our ability to manage our mergers and acquisitions, acquisitions, and expansion opportunities under prevailing market conditions. We are regularly engaged in the process of identifying, analyzing, underwriting, and negotiating possible acquisition transactions. We cannot provide any assurances that we will be successful in consummating future mergers and acquisitions or acquisitions on favorable terms or that we will realize expected cash yields, operating efficiencies, cost savings, revenue enhancements, synergies, or other benefits. Our inability to consummate one or more acquisitions on such terms, our failure to adequately underwrite and identify risks and obligations when acquiring properties, or our failure to realize the intended benefits from one or more acquisitions, could have a significant adverse effect on our business, liquidity, financial position and/or results of operations, including as a result of our incurrence of additional indebtedness and related interest expense and our assumption of unforeseen contingent liabilities in connection with completed acquisitions.

We have made and may continue to make acquisitions of properties (including through the use of alternative acquisition structures such as joint ventures, partnerships, fund and other structures) that fall outside our historical focus on freestanding, single-client, net lease retail locations in the U.S. We may be exposed to a variety of new risks by expanding into new property types (e.g., non-retail businesses), geographies, lease and acquisition structures, and clients who engage in non-retail businesses. These risks may be enhanced by our limited experience in managing new property types, geographies, lease and acquisition structures, clients, and the laws and/or culture of non-U.S. geographies.

***We are subject to additional risks from our international investments and debt.***

We have acquired and may continue to invest in properties outside of the U.S. These investments may expose us to a variety of risks that are different from and in addition to those commonly found in the U.S. Our international investments are subject to additional risks, including:

- The laws, rules and regulations applicable in such jurisdictions outside of the U.S., including those related to property ownership and control by foreign entities;
- Complying with a wide variety of foreign laws, including corruption, employment, data protection, energy usage, health and safety and environmental regulations which may require capital expenditures to maintain or bring our

foreign properties into compliance with applicable regulations and/or may require disclosure of various environmental, social and governance matters;

- Fluctuations in exchange rates between foreign currencies and the U.S. dollar (including risks related to their impact on our results of operations, hedging and other derivative arrangements used to mitigate our exposure to fluctuations in foreign currency rates, translational reporting risks, and exchange controls);
- As we may not have or have only a limited number of properties within a jurisdiction, our experience in that market and with local business may be limited, and our operating costs may be disproportionately higher until the number of properties within a jurisdiction grows;
- We may face challenges with expanding into current or new jurisdictions, such as identifying and securing investment opportunities, hiring and retaining employees, extended time periods for acquiring or disposing of investments, which may increase the cost of funding an investment, and potentially experiencing different cultural and business practices related to employees, rent adjustments, ground leases, and property ownership requirements and limitations;
- Challenges in establishing effective controls and procedures to manage and regulate operations in different regions and to monitor and ensure compliance with applicable regulations, such as applicable laws related to corrupt practices, employment, licensing, construction, energy usage, climate change or environmental compliance;
- Unexpected or other changes in regulatory requirements (including disclosure requirements), tax, tariffs, trade barriers and other laws within jurisdictions outside the U.S. or between the U.S. and such jurisdictions;
- Potentially adverse tax consequences with respect to our properties and/or investment vehicles;
- Initial limited investments within certain regions or countries may result in industry or client concentration risks;
- The impact of regional or country-specific business cycles, inflation and economic instability, including deterioration in political relations with the U.S., instability in, or further withdrawals from, the European Union or other international trade alliances or agreements; and
- Political instability, uncertainty over property rights, civil unrest, acts of war, drug trafficking, political activism or the continuation or escalation of terrorist or gang activities.

We also engage external property managers and other third parties, who assist with managing our international properties. If a property manager or third party fails to meet its obligations or terminates its services, we may need to find a replacement; however, these services may be on less favorable terms and conditions, or we may not be able to find a suitable replacement in a timely manner or at all.

We have incurred and may continue to incur indebtedness that is denominated in local currencies to fund our international investments and operations. However, it is possible that such indebtedness may be insufficient or may be on unacceptable terms requiring us to use non-local currency indebtedness. In such event, we may be subject to foreign exchange rate volatility which may be impacted by various factors, including those described above. While we may enter into hedging and other derivatives instruments to mitigate our exposure to fluctuations in foreign exchange rates, we may not realize the anticipated benefits from these arrangements or these arrangements may be insufficient to mitigate our exposure. For more information, see “—We are subject to risks associated with debt and preferred stock financing.”

If we are unable to adequately address these risks, they could have a significant adverse effect on our operations.

***We may engage in development, speculative development, or expansion projects or invest in new asset classes, which would subject us to additional risks that could negatively impact our operations.***

We may engage in development, speculative development, or other expansion projects, which could require us to raise additional capital and obtain additional state and local permits. A decision by any governmental agency not to issue a required permit or substantial delays in the permitting process could cause us to incur penalties, delay us from receiving rental payments or result in us receiving reduced rental payments, or prevent us from pursuing the development, speculative development, or expansion project altogether. Additionally, any such new development, speculative development, or expansion project may not operate at designed capacity or may cost more to operate than we expect. The inability to successfully complete development, speculative development, or expansion projects or to complete them on a timely basis could adversely affect our business and results of operations.

We have recently increased on investments in assets and transaction structures that are outside of our traditional business, including entering into new asset classes, such as casinos and vertical farms, and entering into (or expanding our use of) new transaction structures, such as joint ventures, lending, and increased exploration of sale-leaseback transactions. In addition, in the future, we may invest in new or different assets or enter into new transaction structures that may or may not be closely related to our current business. These new assets and transaction structures may have new, different or increased risks than what we are currently exposed to in our business and we may not be able to manage these risks successfully. Additionally, when investing in such new assets or transaction structures, we will be exposed to the risk that those assets or structures, or the income generated thereby, will affect our ability to meet the requirements to maintain our REIT status, or will subject us to additional regulatory requirements or limitations. If we are not able to successfully manage the risks associated with such new assets, it could have an adverse effect on our business, results of operations and financial condition.

***Property taxes may increase without notice.***

Real estate property taxes on our properties (including properties we develop or acquire) may increase as property tax rates change and as those properties are assessed or reassessed by tax authorities. While the majority of our leases are under a net lease structure, some or all of such property taxes may not be collectible from our clients.

***We may face extensive regulations from gaming and other regulatory authorities regarding current and future gaming properties.***

As a landlord of a gaming facility or future gaming facilities, we may be impacted by the risks associated with the gaming industry. The ownership, operation, and management of gaming facilities are subject to pervasive regulation. Gaming authorities also retain great discretion such that gaming regulations can impact our gaming clients, individuals associated with the operation of gaming properties, and us as the owner of the real estate and landlord related to such facilities. Gaming laws and regulations can impact all facets of a gaming property, including but not limited to alcoholic beverages, environmental matters, employees, health care, currency transactions, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted, which could adversely affect our operating results, and may also result in additional taxes or licensing fees imposed on us and our gaming clients. In addition, subject to certain administrative due process requirements, gaming regulators generally have broad authority to conduct investigations into the conduct or associations of our officers or certain investors to ensure compliance with applicable standards and suitability to hold a gaming license, and to deny any application or limit, condition, restrict, revoke, or suspend any gaming license, registration, or finding of suitability or approval, or fine any person licensed, registered, or found suitable or qualified as a licensee. As a result, our ability to obtain or maintain our required licenses and approvals, or avoid penalties related thereto, may be subject to risks, including risks outside of our control, and cannot be predicted.

Were a tenant unable to continue to perform under a lease, because of the highly regulated nature of the industry, it may be difficult to re-lease gaming properties. This difficulty may be exacerbated to the extent the gaming property is located in a geography that does not have an expansive gaming footprint, such as one of the properties, in which we are invested. A transfer of interest, including a new lease, will likely require approval of regulators and the licensing of a new gaming operator tenant.

***An uninsured loss or a loss that exceeds the policy limits on our properties could subject us to lost capital or revenue on those properties.***

Our leases generally require our clients to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, due to activities conducted on the properties, except for claims arising from the negligence or intentional misconduct of us or our agents. Additionally, clients are generally required, at the client's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. The insurance policies our clients are required to maintain for property damage are generally in amounts not less than the full replacement cost of the improvements less slab, foundations, supports and other customarily excluded improvements. Our clients are generally required to maintain general liability coverage depending on the client and the industry in which the client operates.

Many of our properties are also covered by flood and earthquake insurance policies (subject to substantial deductibles) obtained and paid for by our clients as part of their risk management programs. Additionally, we have obtained blanket liability, flood and earthquake (subject to substantial deductibles) and property damage insurance policies to protect us and our properties against loss should the indemnities and insurance policies provided by the



clients fail to restore the properties to their condition prior to a loss. We do not carry insurance for certain losses and certain types of losses may be either uninsurable or not economically insurable. However, should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. We also face the risk that our insurance carriers may not be able to provide payment under any potential claims that might arise under the terms of our insurance policies, and we may not have the ability to purchase insurance policies we desire.

In addition, although we obtain title insurance policies on our properties to help protect us and our properties against title defects (such as adverse claims of ownership, liens or other encumbrances), there may be certain title defects that our title insurance will not cover. If a material title defect related to any of our properties is not adequately covered by a title insurance policy, we could lose some or all of our capital invested in and our anticipated profits from such property, cause a financial misstatement or damage our reputation.

***Compliance with the Americans with Disabilities Act of 1990 and fire, safety, and other regulations may require us to make unanticipated expenditures that could adversely impact our results of operations.***

Our properties are generally required to comply with the Americans with Disabilities Act of 1990, or the ADA. The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. The clients to whom we lease properties are obligated by law to comply with the ADA provisions and, in many cases, the clients are generally obligated to cover costs associated with compliance pursuant to the terms of their applicable leases. If required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these clients to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. In addition, our properties must be in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and these expenditures could have a material adverse effect on our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.

***Our business is subject to risks associated with climate change and our sustainability strategies.***

Our business is subject to risks associated with the effects of climate change, and a resulting shift to a lower carbon economy, and may be subject to further risks in the future. Climate change could adversely affect our business through both chronic and acute perils including, but not limited to, extreme weather, changes in precipitation and temperature, and rising sea levels, all of which may result in physical damage to, or a decrease in demand for, our properties located in the areas affected by these conditions, and may adversely impact consumer behaviors, preferences and spending for our clients, which may impact their ability to fulfill their obligations under our leases, or our ability to re-lease the properties in the future. In addition, should the impact of climate change be severe or occur for lengthy periods of time, connectivity, labor and supply chains could impact business continuity for ourselves and our clients. Chronic climate change may lead to increased costs for us and our clients to adapt to the demands and expectations of climate change or lower carbon usage, including with respect to heating, cooling or electricity costs, retrofitting properties to be more energy efficient or comply with new rules or regulations, or other unforeseen costs. These risks could adversely affect our reputation, financial condition or results of operations.

We seek to promote effective energy efficiency and other sustainability strategies and compliance with federal, state and international laws and regulations related to climate change, both internally and with our clients. Our sustainability strategies and efforts to comply with changes in federal, state and international laws and regulations on climate change could result in significant capital expenditures to improve our existing properties or properties we may acquire. Any changes to such laws and regulations could also result in increased operating costs or capital expenditures at our properties. If we are unable to comply with laws and regulations on climate change or implement effective sustainability strategies, our reputation among our clients and investors may be damaged and we may incur fines and/or penalties. Moreover, there can be no assurance that any of our sustainability strategies



will result in reduced operating costs, higher occupancy or higher rental rates or deter our existing clients from relocating to properties owned by our competitors.

In addition, tenants of net-leased properties are responsible for maintenance and other day-to-day management of the properties. This lack of control over our net-leased properties makes it difficult for us to collect property-level environmental metrics and to enforce sustainability initiatives, which may impact our ability to comply with certain regulatory disclosure requirements to which we are subject (such as the anticipated changes to the SEC's climate-related disclosure rules) or comply effectively with established Environmental, Social and Governance ("ESG") frameworks and standards, such as the Global Real Estate Sustainability Benchmarks, Task Force for Climate-Related Financial Disclosures ("TCFD") and the Sustainability Accounting Standards Board. If we are unable to successfully collect the data necessary to comply with these disclosure requirements, we may be subject to increased regulatory risk and if such data is incomplete or unfavorable, our relationship with our investors, our stock price, and our access to capital may be negatively impacted.

***Our charter contains restrictions upon ownership of our common stock.***

Our charter contains restrictions on ownership and transfer of our common stock intended to, among other purposes, assist us in maintaining our status as a REIT for U.S. federal and/or state income tax purposes. For example, our charter restricts any person from acquiring beneficial or constructive ownership of more than 9.8% (by value or by number of shares, whichever is more restrictive) of our outstanding shares of common stock. These restrictions could have anti-takeover effects and could reduce the possibility that a third party will attempt to acquire control of us, which could adversely affect the market price of our common stock.

***The value of certain of our investment in real property may be reduced as the result of the expiration or loss of local tax abatements, tax credit programs, or other governmental incentives.***

Certain of our investments have the benefit of governmental tax incentives aimed at inducing property users to relocate to incentivize development in areas and neighborhoods which have not historically seen robust commercial development. These incentives typically have specific sunset provisions and may be subject to governmental discretion in the eligibility or award of the applicable incentives. The expiration of these incentive programs or the inability of potential clients or users to be eligible for or to obtain governmental approval of the incentives, or the inability to remain compliant with such programs, may have an adverse effect on the value of our investment, cash flow and net income, and may result in impairment charges.

**Risks Related to the Spirit Merger and Transactions Contemplated by the Merger Agreement**

***Following the Merger, we may be unable to integrate the operations of Spirit successfully, or realize the anticipated synergies and related benefits of the Merger and the transactions contemplated by the Merger Agreement or do so within the anticipated time frame.***

The Merger involves the combination of two companies which operated as independent public companies. We will be required to devote significant management attention and resources to integrating the operations of Spirit. Potential difficulties we may encounter in the integration process include the following:

- the inability to successfully combine Spirit's operations with ours in a manner that permits the combined company to achieve operating efficiencies (including with the integration of information technology systems), cost savings and efficiencies, revenues, synergies or other benefits either in the time frame anticipated or at all;
- lost revenue and clients as a result of certain clients of either us or Spirit deciding not to do business with the combined company;
- the continued complexities associated with managing a multi-national combined company, integrating certain personnel from the two companies, and the complexities associated with the separation of personnel;
- the complexities of combining two companies with different histories, regulatory restrictions, markets and clients;
- the failure to retain key employees of either of the two companies;
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Merger and the transactions contemplated by the Agreement and Plan of Merger, dated October 29, 2023 (the "Merger Agreement"), by and among the Company, Saints MD Subsidiary, Inc., a Maryland corporation and wholly owned subsidiary of the Company, and Spirit; and
- performance shortfalls at one or both of the two companies as a result of the diversion of management's attention caused by completing the Merger and integrating Spirit's operations with ours.

In addition, as disclosed, certain legal proceedings were instituted against us, Spirit, and the former Spirit directors and we may see additional legal proceedings instituted in the future. The pendency and outcome of any legal proceedings is uncertain and may result in additional costs, expenses and the diversion of management's attention

all of which could have an adverse effect on our business, operating results and price of our common stock or our ability to raise additional capital.

***Our historical and unaudited pro forma condensed combined financial statements may not be representative of our results after the Merger and the transactions contemplated by the Merger Agreement.***

The Merger and the transactions contemplated by the Merger Agreement were completed in January 2024. Accordingly, our historical financial statements and our operating results for the periods prior to such time do not give effect to those transactions. In addition, the unaudited pro forma condensed combined financial statements related to such transactions that we have previously prepared were created for informational purposes only and do not purport to be indicative of the financial position or results of operations that actually would have occurred had the Merger and the transactions contemplated by the Merger Agreement been completed as of the dates indicated, nor does it purport to be indicative of our future operating results or financial position after the Merger and the transactions contemplated by the Merger Agreement. The unaudited pro forma condensed combined financial statements reflect adjustments, which were based upon preliminary estimates, to allocate the purchase price to Spirit's assets and liabilities and certain estimates and assumptions regarding the Merger and the transactions contemplated by the Merger Agreement that we and Spirit believe are reasonable under the circumstances. In addition, the unaudited pro forma condensed combined financial statements do not reflect other future events that occur after the Merger and the transactions contemplated by the Merger Agreement, including the costs related to the planned integration of the two companies and any future nonrecurring charges resulting from the Merger and the transactions contemplated by the Merger Agreement, and do not consider potential impacts of current market conditions on revenues or expense efficiencies. As a result, we cannot assure you that our historical and unaudited pro forma condensed combined financial statements will be representative of our results for future periods.

***Our common stockholders will be diluted by the Merger.***

At the closing of the Merger, we issued approximately 108.0 million additional shares of common stock. Consequently, as a result of this dilution, our common stockholders as of immediately prior to the Merger have less voting control and influence over our management and policies after the effective time of the Merger than they previously exercised over our management and policies.

**General Risk Factors**

***The market value of our capital stock and debt securities could be substantially affected by various factors.***

The market value of our capital stock and debt securities will depend on many factors, which may change from time to time and may be outside of our control, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market value of our capital stock and debt securities;
- The market for similar securities issued by other REITs;
- General economic, political and financial market conditions;
- The financial condition, performance and prospects of us, our clients and our competitors;
- Changes in legal and regulatory taxation obligations;
- Litigation and regulatory proceedings;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;
- Changes in our credit ratings;
- Actual or anticipated variations in quarterly operating results of us and our competitors; and
- Failure to achieve the perceived benefits of the Merger and the transactions contemplated by the Merger Agreement or if the effect of the Merger and the transactions contemplated by the Merger Agreement on our results of operations or financial condition is not consistent with the expectations of financial or industry analysts.

In addition, over the last several years, prices of common stock and debt securities in the U.S., trading markets have experienced extreme price fluctuations, and the market values of our common stock and debt securities have also fluctuated significantly during this period. As a result of these and other factors, investors who purchase our capital stock and debt securities may experience a decrease, which could be substantial and rapid, in the market value of our capital stock and debt securities, including decreases unrelated to our operating performance or prospects.

***Litigation risks could affect our business.***

From time to time, we are involved in legal proceedings, lawsuits, and other claims including those that may arise out of mergers and acquisitions, acquisitions, development opportunities, dispositions, joint ventures, and other strategic transactions. An unfavorable resolution of litigation may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses and significantly divert the attention of management.

***We depend on key personnel.***

We depend on the efforts of our executive officers and key employees. The loss of the services of our executive officers and key employees could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal and interest on our debt securities and other indebtedness and to make distributions to our stockholders. It is possible that we will not be able to recruit additional personnel with equivalent experience in the net lease industry or retain employees to the same extent as in the past.

***Natural disasters, terrorist attacks, cyber attacks, other acts of violence or war, or other unexpected events may affect the value of our debt and equity securities, the markets in which we operate and our results of operations.***

Natural disasters, terrorist attacks, cyber attacks, other acts of violence or war, or other unexpected events (e.g., pandemics or epidemics) may negatively affect our operations, the market price of our capital stock and the value of our debt securities. There can be no assurance that events like these will not occur or have a direct impact on our clients, our business or the U.S. or world generally. If events like these were to occur, they could materially interrupt our business operations, cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. They also could result in or prolong an economic recession in the U.S. or abroad. Any of these occurrences could have a significant adverse impact on our operating results and revenues and on the market price of our capital stock and on the value of our debt securities. It could also have an adverse effect on our ability to pay principal and interest on our debt securities or other indebtedness and to make distributions to our stockholders.

***We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of that technology could harm our business.***

We, like all businesses, are subject to cyber-attacks and security incidents, which threaten the confidentiality, integrity, and availability of our systems and information resources. Cyber-attacks are malicious cyber activity and a security incident is a successful cyber-attack that has the potential to expose sensitive data, internal systems, or otherwise disrupt business operations. Those attacks and incidents may be due to intentional or unintentional acts by employees, contractors or third-parties, who seek to gain unauthorized access to our or our service providers' systems to disrupt operations, corrupt data, or steal confidential information through malware, computer viruses, ransomware, social engineering (e.g., phishing attachments to e-mails) or other vectors.

The risk of a cybersecurity breach or operational disruption, particularly through a cyber incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased, particularly as remote working has become more common. Our information technology ("IT") networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations and, in some cases, may be critical to the operations of certain of our clients. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption (such as the implementation of systems and/or vendors that provide constant monitoring of our IT networks and related systems for cyber-attacks and incidents); however, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging.

While we maintain some of our own critical IT networks and related systems, we depend on third-parties to provide important software, technologies, tools and a broad array of services and functions, such as payroll, human resources, electronic communications, data storage, and certain finance and treasury functions, among others. In the ordinary course of our business, we collect, process, transmit and store sensitive data, within our own systems and utilize those of third-party providers, including intellectual property, our proprietary business information and that of our clients, suppliers and business partners, as well as personally identifiable information.

Our measures to prevent, detect and mitigate these threats may not be successful in preventing a security incident or data breach or limiting the effects of such a breach. This is particularly so because attack methodologies change frequently or are not recognized until launched, and we also may be unable to investigate or remediate incidents because attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Our clients, joint venture partners, or other third parties with whom we do business may themselves become subject to cyberattacks or security incidents, over which we may have no control, and which could have an indirect adverse impact on them, us or our business relationship.

The primary risks that could directly result from the occurrence of a cyberattack or security incident include operational interruption, damage to our relationship with our clients, reputational damage, and private data exposure. We could be required to expend significant capital and other resources to address an attack or incident, which may not be covered or fully covered by our insurance and which may involve payments for investigations, forensic analyses, legal advice, public relations advice, system repair or replacement, or other services, in addition to any remedies or relief that may result from legal proceedings. Our financial results may be negatively impacted by any such attacks and incidents or any resulting negative media attention. Further, while we carry cyber liability insurance, such insurance may not be adequate to cover all losses related to such events.

***Volatility in market and economic conditions may impact the accuracy of the various estimates used in the preparation of our financial statements and footnotes to the financial statements.***

Various estimates are used in the preparation of our financial statements, including estimates related to asset and liability valuations (or potential impairments), and receivables. Often these estimates require the use of market data values and involve estimates of future performance or receivables collectability all of which can be difficult to accurately predict. Although management believes it has been prudent and used reasonable judgment in making these estimates, it is possible actual results may differ from these estimates.

***Inherent limitations of internal controls over financial statements, disclosure controls and safeguarding of assets may adversely impact our financial condition and results of operations.***

Our internal controls over financial reporting, disclosure controls and procedures and our operating internal controls may not prevent or detect financial misstatements or loss of assets because of inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to financial statement and disclosure accuracy and safeguarding of assets. Failures in our internal controls could result in adverse consequences in our financial reporting and operations, including delays, additional costs, impairment in our ability to access capital, adverse impacts to investor confidence, regulatory review, or litigation.

***Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness.***

Our ability to make distributions on our common stock and any outstanding preferred stock and payments on our indebtedness, and to fund planned acquisitions and capital expenditures will depend on our ability to generate cash in the future. We cannot make any assurances that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock and any outstanding preferred stock, to pay our indebtedness, or to fund our other liquidity needs.

***Disruptions in the financial markets could affect our ability to obtain financing on reasonable terms and have other adverse effects on us, the market price of our common stock, and may make it more difficult or costly for us to raise capital.***

Historically, there have been periods where the global equity and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of equity and debt securities to fluctuate substantially and the spreads on prospective debt financings to widen considerably. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Uncertainty in the equity and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may adversely affect our ability to make acquisitions. A prolonged downturn in the equity or credit markets may cause us to refinance at higher rates, seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to buy or sell properties, may adversely affect the price we purchase or receive for properties, as we and prospective buyers may

experience increased costs of financing or difficulties in obtaining financing. These events in the equity and credit markets may make it more difficult or costly for us to raise capital through the issuance of common stock, preferred stock or debt securities. These disruptions in the financial markets also may have a material adverse effect on the market value of our common stock and debt securities, the income we receive from our properties and the lease rates we can charge for our properties, as well as other unknown adverse effects on us or the economy in general.

***Inflation (including prolonged inflationary periods) may adversely affect our results of operations, financial condition and liquidity.***

Increased inflation or anticipated inflationary periods, such as the period in which we are currently in, could have a more pronounced negative impact on any variable rate debt we incur in the future and on our results of operations. During times when inflation is greater than increases in rent, as provided for in our leases, rent increases may not keep up with the rate of inflation and other costs (including increases in employment and other fees and expenses). Government regulations may limit the indices we can utilize in lease adjustments thereby limiting our ability to increase rent. Even though net leases reduce our exposure to rising property expenses due to inflation, substantial inflationary pressures and increased costs may have an adverse impact on our clients if increases in their operating expenses exceed increases in revenue, which may adversely affect our clients' ability to pay rent. The U.K. government plans to migrate away from the Retail Price Index ("RPI"), to alternatives such as the Consumer Price Index including owner occupiers' housing costs, that may result in a lower measure of inflation and, in turn, have a negative impact on our lease revenue currently tied to RPI in the U.K. Inflationary periods may cause us to experience increased costs of financing, making it difficult to incur or refinance debt at attractive rates or at all, and may adversely affect the properties we can acquire if the cost of financing an acquisition is in excess of our anticipated earnings from such property thereby limiting the properties that can be acquired. To the extent periods of high inflation are prolonged, these results may be exacerbated.

**Item 1B: Unresolved Staff Comments**

There are no unresolved staff comments.

**Item 1C: Cybersecurity**

We maintain a cyber risk management program to identify, assess, manage, mitigate, and respond to cybersecurity threats. We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business. The program is integrated within our enterprise risk management system and addresses our IT networks and related systems that are essential to the operation of our business.

We maintain controls and procedures, including third-party oversight procedures, and cybersecurity training for all employees on an annual basis, which are designed to ensure prompt escalation of cybersecurity incidents so that decisions regarding public disclosure and reporting of such incidents can be made by management in a timely manner.

We work with third parties that assist us to identify, assess, and manage cybersecurity risks, including professional services firms, consulting firms, threat intelligence service providers, and penetration testing firms.

Our cybersecurity program and designated incident response team are comprised of key employees, and third-party information security experts from leading cybersecurity incident response firms, who are responsible for efficiently and effectively responding to cybersecurity incidents. We have established comprehensive incident response and recovery plans and continue to evaluate the effectiveness of those plans.

Our Cybersecurity Risk Committee, chaired by our Head of IT, and comprised of functional leaders, provides oversight, direction and guidance related to the cybersecurity risk management decisions.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors – We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of that technology could harm our business."

### **Cybersecurity Governance**

The Board of Directors considers cybersecurity risk as part of its risk oversight function, and the Audit Committee of our Board oversees Realty Income's cybersecurity and other information technology risk exposures and the steps taken by management to monitor and control such exposures. Our cybersecurity risk profile and cybersecurity program status are reported to the Audit Committee on a quarterly basis. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Audit Committee reports to the full Board regarding its activities, including those related to cybersecurity, and the full Board also receives briefings from management on our cybersecurity risk management program, as appropriate.

Our management team, including the Cybersecurity Risk Committee chaired by our Head of IT and comprised of functional leaders across the Company, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our management team has extensive experience implementing and operating cybersecurity technologies, policies, and procedures throughout various industries and includes a Certified Information Systems Security Professional with ISC2.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

#### **Item 2: Properties**

Information pertaining to our properties can be found under Item 1.

#### **Item 3: Legal Proceedings**

Information regarding legal proceedings is included in note 20, *Commitments and Contingencies*, to the consolidated financial statements.

#### **Item 4: Mine Safety Disclosures**

None.

## **PART II**

#### **Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

##### **Market Information**

Our common stock is traded on the NYSE under the ticker symbol "O."

##### **Holders**

There were approximately 13,800 registered holders of record of our common stock as of January 31, 2024. This figure does not reflect the beneficial ownership of shares of our common stock.

**Repurchases of Equity Securities**

During the three months ended December 31, 2023, the following shares of stock were withheld for state and federal payroll taxes on the vesting of employee stock awards, as permitted under the Realty Income 2021 Incentive Award Plan, (the "2021 Plan"):

Period	Total Number of Shares Purchased	Average Price Paid per Share
October 1, 2023 — October 31, 2023	2,242	\$ 49.06
November 1, 2023 — November 30, 2023	1,283	\$ 51.92
December 1, 2023 — December 31, 2023	11,735	\$ 57.22
Total	15,260	\$ 55.58

**Item 6:**      **Reserved**



**Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis reflect our financial condition and results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022. For a discussion of the year ended December 31, 2022 compared to the year ended December 31, 2021, please refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2022.*

**GENERAL**

Realty Income, The Monthly Dividend Company®, is an S&P 500 company and member of the S&P 500 Dividend Aristocrats® index for having increased its dividend every year for over 25 consecutive years. We invest in people and places to deliver dependable monthly dividends that increase over time. We are structured as a REIT requiring us annually to distribute at least 90% of our taxable income (excluding net capital gains) in the form of dividends to our stockholders. The monthly dividends are supported by the cash flow generated from real estate owned under long-term net lease agreements with our commercial clients.

As of December 31, 2023, we owned or held interests in a diversified portfolio of 13,458 properties located in all 50 U.S. states, Puerto Rico, the U.K., France, Germany, Ireland, Italy, Portugal, and Spain, with approximately 272.1 million square feet of leasable space to clients doing business in 86 separate industries. Of the 13,458 properties in the portfolio at December 31, 2023, 13,197, or 98.1%, are single-client properties, of which 13,007 were leased, and the remaining are multi-client properties. Our total portfolio has a weighted average remaining lease term (excluding rights to extend a lease at the option of our client) of approximately 9.8 years.

Unless otherwise specified, references to rental revenue in the Management's Discussion and Analysis of Financial Condition and Results of Operations are exclusive of reimbursements from clients for recoverable real estate taxes and operating expenses totaling \$274.2 million, \$184.7 million and \$104.9 million for the years ended December 31, 2023, 2022 and 2021, respectively.

**RECENT DEVELOPMENTS**
**Closing of Spirit Realty Capital Merger**

On January 23, 2024, we closed on our previously announced merger with Spirit, which is further described in note 21, *Subsequent Events*, to the consolidated financial statements. The Spirit portfolio consisted of 2,018 U.S. retail, industrial and other properties across 49 states. With assets that are highly complementary to our existing portfolio, this transaction enhances the diversification and depth of our real estate portfolio and will allow us to strengthen our longstanding relationships with existing clients and curate new ones.

**Increases in Monthly Dividends to Common Stockholders**

We have continued our 55-year history of paying monthly dividends. In addition, we increased the dividend five times during 2023 and once during 2024. As of February 2024, we have paid 105 consecutive quarterly dividend increases and increased the dividend 123 times since our listing on the NYSE in 1994.

2023 Dividend increases	Month Declared	Month Paid	Monthly Dividend per share		Increase per share	
1st increase	Dec 2022	Jan 2023	\$	0.2485	\$	0.0005
2nd increase	Feb 2023	Mar 2023	\$	0.2545	\$	0.0060
3rd increase	Mar 2023	Apr 2023	\$	0.2550	\$	0.0005
4th increase	Jun 2023	Jul 2023	\$	0.2555	\$	0.0005
5th increase	Sep 2023	Oct 2023	\$	0.2560	\$	0.0005
<b>2024 Dividend increase</b>						
1st increase	Dec 2023	Jan 2024	\$	0.2565	\$	0.0005

The dividends paid per share during 2023 totaled \$3.051, as compared to \$2.967 during 2022, an increase of \$0.084, or 2.8%.

The monthly dividend of \$0.2565 per share represents a current annualized dividend of \$3.0780 per share, and an annualized dividend yield of 5.4% based on the last reported sale price of our common stock on the NYSE of \$57.42 on December 31, 2023. Although we expect to continue our policy of paying monthly dividends, we cannot guarantee that we will maintain our current level of dividends, that we will continue our pattern of increasing dividends per share, or what our actual dividend yield will be in any future period.

### **Investments During 2023**

During the year ended December 31, 2023, we invested \$9.5 billion at an initial weighted average cash yield of 7.1%, including an investment in 1,408 properties, properties under development or expansion, investments in loans and a preferred equity investment. See notes 4, *Investments in Real Estate*, 5, *Investments in Unconsolidated Entities*, and 6, *Investments in Loans*, to the consolidated financial statements for further details.

### **Equity Capital Raising**

We have an At-The-Market ("ATM") program, pursuant to which we may offer and sell up to 120.0 million shares of common stock (1) by us to, or through, a consortium of banks acting as our sales agents or (2) by a consortium of banks acting as forward sellers on behalf of any forward purchasers contemplated thereunder, in each case by means of ordinary brokers' transactions on the NYSE at prevailing market prices or at negotiated prices or by any other methods permitted by applicable law.

During 2023, we raised \$5.5 billion of net proceeds from the sale of common stock, at a weighted average price of \$59.79 per share, primarily through proceeds from the sale of common stock through our At-the-Market ("ATM") Program. The ATM program issuances during 2023 included 91.7 million shares issued pursuant to forward sale confirmations. As of December 31, 2023, 6.2 million shares of common stock subject to forward sale confirmations have been executed but not settled. See note 11, *Issuances of Common Stock*, to the consolidated financial statements for further details.

### **Note Issuances**

In January 2024, we issued \$450.0 million of 4.750% senior unsecured notes due February 2029 and \$800.0 million of 5.125% senior unsecured notes due February 2034. In connection with the Merger, we also completed the \$2.7 billion exchange in principal of outstanding notes issued by Spirit Realty, L.P. ("Spirit OP"). See note 21, *Subsequent Events*, to the consolidated financial statements for further details.

In December 2023, we issued £300.0 million of 5.750% senior unsecured notes due December 2031 and £450.0 million of 6.000% senior unsecured notes due December 2039.

In July 2023, we issued €550.0 million of 4.875% senior unsecured notes due July 2030 and €550.0 million of 5.125% senior unsecured notes due July 2034.

In April 2023, we issued \$400.0 million of 4.700% senior unsecured notes due December 2028 and \$600.0 million of 4.900% senior unsecured notes due July 2033.

In January 2023, we issued \$500.0 million of 5.050% senior unsecured notes due January 2026 and \$600.0 million of 4.850% senior unsecured notes due March 2030.

See note 10, *Notes Payable*, to the consolidated financial statements for further details.

### **Appointment of New Chief Financial Officer and Treasurer ("CFO")**

Effective January 1, 2024, Jonathan Pong was appointed Executive Vice President, CFO and Treasurer, replacing Christie Kelly, our former CFO, upon her planned retirement that was announced in June 2023.

## Portfolio Discussion

### Leasing Results

At December 31, 2023, we had 193 properties available for lease or sale out of 13,458 properties in our portfolio, which represents a 98.6% occupancy rate based on the number of properties in our portfolio. Our property-level occupancy rates exclude properties with ancillary leases only, such as cell towers and billboards, properties with possession pending, and include properties owned by unconsolidated joint ventures.

Below is a summary of our portfolio activity for the periods indicated below:

#### **Three months ended December 31, 2023**

Properties available for lease at September 30, 2023	159
Lease expirations <sup>(1)</sup>	266
Re-leases to same client	(164)
Re-leases to new client	(26)
Vacant dispositions	(42)
Properties available for lease at December 31, 2023	193

#### **Year ended December 31, 2023**

Properties available for lease at December 31, 2022	126
Lease expirations <sup>(1)</sup>	984
Re-leases to same client	(750)
Re-leases to new client	(51)
Vacant dispositions	(116)
Properties available for lease at December 31, 2023	193

<sup>(1)</sup> Includes scheduled and unscheduled expirations (including leases rejected in bankruptcy), as well as future expirations resolved in the periods indicated above.

During the three months ended December 31, 2023, the new annualized contractual rent on re-leases was \$52.7 million, as compared to the previous annual rent of \$50.8 million on the same units, representing a rent recapture rate of 103.6% on the units re-leased, which excludes restructurings associated with the Cineworld bankruptcy. Including Cineworld restructured leases that resulted in lease extensions, the recapture rate was 94.1% for the three months ended December 31, 2023. We re-leased 20 units to new clients without a period of vacancy, and 12 units to new clients after a period of vacancy.

During the year ended December 31, 2023, the new annualized contractual rent on re-leases was \$198.1 million, as compared to the previous annual rent of \$190.3 million on the same units, representing a rent recapture rate of 104.1% on the units re-leased, which excludes restructurings associated with the Cineworld bankruptcy. Including Cineworld restructured leases that resulted in lease extensions, the recapture rate was 101.1% for the year ended December 31, 2023. We re-leased 27 units to new clients without a period of vacancy, and 39 units to new clients after a period of vacancy.

As part of our re-leasing costs, we pay leasing commissions to unrelated, third-party real estate brokers consistent with the commercial real estate industry standard, and sometimes provide rent concessions to our clients. We do not consider the collective impact of the leasing commissions or rent concessions to our clients to be material to our financial position or results of operations.

### **Pan European Sale and Leaseback with Decathlon SE ("Decathlon")**

We entered the markets of France, Germany, and Portugal for the first time through sale-leaseback transactions with affiliates of Decathlon, a world leader in retail sporting goods and an investment grade rated company, for €527.0 million, which includes 82 retail properties located in France, Germany, Italy, Portugal, and Spain.

### **Investments in Unconsolidated Joint Ventures**

In October 2023, we completed our previously announced \$951.4 million acquisition of common and preferred interests from Blackstone Real Estate Trust, Inc. ("BREIT") in a new joint venture that owns a 95% interest in the real estate of The Bellagio Las Vegas. The investment included \$301.4 million of common equity in the joint venture in exchange for an indirect interest of 21.9% in the property and a \$650.0 million preferred equity interest in the joint venture with an expected rate of return of 8.1%.

In November 2023, we established a joint venture with Digital Realty Trust, Inc. ("Digital Realty") to support the development of two build-to-suit data centers in Northern Virginia. We invested approximately \$199.8 million to acquire an 80% equity interest in the venture, while Digital Realty maintains a 20% interest. Each partner will fund its pro rata share of the remaining \$117.7 million estimated development cost for the first phase of the project, which is slated for completion in mid-2024.

See note 5, *Investments in Unconsolidated Entities*, to the consolidated financial statements for further details.

### **Impact of Inflation**

Leases generally provide for limited increases in rent as a result of fixed increases, increases in the consumer price index, or retail price index in the case of certain leases in the U.K. (typically subject to ceilings), or increases in the clients' sales volumes. We expect that inflation will cause these lease provisions to result in rent increases over time. During times when inflation is greater than increases in rent, as provided for in the leases, rent increases may not keep up with the rate of inflation and other costs.

Moreover, our strategic focus on the use of net lease agreements reduces our exposure to rising property expenses due to inflation because the client is responsible for property expenses. Even though the utilization of net leases reduces our exposure to rising property expenses due to inflation, substantial inflationary pressures and increased costs may have an adverse impact on our clients if increases in their operating expenses exceed increases in revenue, which may adversely affect our clients' ability to pay rent. Additionally, inflationary periods may cause us to experience increased costs of financing, make it difficult to refinance debt at attractive rates or at all, and may adversely affect the properties we can acquire if the cost of financing an acquisition is in excess of our anticipated earnings from such property, thereby limiting the properties that can be acquired.

### **Impact of Real Estate and Credit Markets**

In the commercial real estate market, property prices generally continue to fluctuate. Likewise, during certain periods, the global capital markets have experienced significant price volatility, dislocations, and liquidity disruptions, which may impact our access to and cost of capital. We continually monitor the commercial real estate and global capital markets carefully and, if required, will make decisions to adjust our business strategy accordingly.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of December 31, 2023, we had \$4.1 billion of liquidity, which consists of cash and cash equivalents of \$232.9 million, including £46.1 million denominated in Sterling and €43.6 million denominated in Euro, unsettled ATM forward equity of \$337.8 million, and \$3.5 billion of availability under our \$4.25 billion unsecured revolving credit facility, after deducting \$764.4 million in borrowings under our commercial paper programs. We use our unsecured revolving credit facility as a liquidity backstop for the repayment of the notes issued under these programs.

Our primary cash obligations, for the current year and subsequent years, are included in the "Material Cash Requirements" table, which is presented later in this section. We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions and development costs, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs, and cash distributions to common stockholders, primarily through cash provided by operating activities, borrowings under our revolving credit facility, short-term term loans, and under our commercial paper programs, and through public securities offerings.

We expect to fund the next twelve months of obligations through a combination of the following:

- Cash and cash equivalents;
- Future cash flows from operations;
- Issuances of common stock or debt; and
- Additional borrowings under our revolving credit facility and our term loan (after deducting outstanding borrowings under our commercial paper programs).

We believe that our cash and cash equivalents on hand, cash provided from operating activities, and borrowing capacity is sufficient to meet our liquidity needs for the next twelve months. We intend, however, to use permanent or long-term capital to fund property acquisitions and to repay future borrowings under our credit facility and commercial paper programs.

### **Long-Term Liquidity Requirements**

Our goal is to deliver dependable monthly dividends to our stockholders that increase over time. Historically, we have met our principal short-term and long-term capital needs, including the funding of high-quality real estate acquisitions, investments in loans, property development, and capital expenditures by issuing common stock, preferred stock, long-term unsecured notes, and term loan borrowings. Over the long term, we believe that common stock should be the majority of our capital structure. We may issue common stock when we believe our share price is at a level that allows for the proceeds of an offering to be accretively invested into additional properties or to permanently finance properties that were initially financed by our revolving credit facility, commercial paper programs, or shorter-term debt securities. However, we cannot assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

### **Capitalization**

As of December 31, 2023, our total market capitalization was \$65.4 billion. Total market capitalization consisted of \$43.3 billion of common equity (based on the December 31, 2023 closing price on the NYSE of \$57.42 and assuming the conversion of common units of Realty Income, L.P.) and total outstanding borrowings of \$22.1 billion on our revolving credit facility, commercial paper, term loans, mortgages payable, senior unsecured notes and bonds, and our proportionate share of unconsolidated entities' debt (excluding unamortized deferred financing costs, discounts, and premiums). Our total debt to market capitalization was 33.8% at December 31, 2023.

### **Universal Shelf Registration**

On February 16, 2024, we filed a new shelf registration statement with the SEC, which is effective for a term of three years and will expire in February 2027. In accordance with SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) debt securities, (4) depositary shares representing fractional interests in shares of preferred stock, (5) warrants to purchase debt securities, common stock, preferred stock, or depositary shares, and (6) any combination of these securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

### **ATM Program**

As of December 31, 2023, there were approximately 6.2 million shares of unsettled common stock subject to forward sale confirmations through our ATM program, representing approximately \$337.8 million in expected net proceeds, which have been executed at a weighted average price of \$54.70 per share (assuming full physical settlement of all outstanding shares of common stock, subject to such forward sale agreements and certain assumptions made with respect to settlement dates). During the year ended December 31, 2023, we settled approximately 91.7 million shares of common stock previously sold pursuant to forward sale agreements through our ATM program for approximately \$5.4 billion of net proceeds. As of December 31, 2023, we had 81.3 million shares remaining for future issuance under our ATM program. We anticipate maintaining the availability of our ATM program in the future, including the replenishment of authorized shares issuable thereunder.

### **Debt and Financing Activities**

At December 31, 2023, our total outstanding borrowings of revolving credit facility, commercial paper, term loans, mortgages payable, and senior unsecured notes and bonds were \$21.5 billion, with a weighted average maturity of 5.9 years and a weighted average interest rate of 3.9%. As of December 31, 2023, approximately 94% of our total debt was fixed rate debt. See notes 7 through 10 to the consolidated financial statements for additional information about our outstanding debt, along with our debt financing activities during the year ended December 31, 2023 below.

### Note Issuances

During the year ended December 31, 2023, we issued the following notes and bonds (in millions):

Note Issuance	Date of Issuance	Maturity Date	Principal amount	Price of par value	Effective yield to maturity
5.050% Notes	January 2023	January 2026	\$ 500.0	99.618 %	5.189 %
4.850% Notes	January 2023	March 2030	\$ 600.0	98.813 %	5.047 %
4.700% Notes	April 2023	December 2028	\$ 400.0	98.949 %	4.912 %
4.900% Notes	April 2023	July 2033	\$ 600.0	98.020 %	5.148 %
4.875% Notes	July 2023	July 2030	€ 550.0	99.421 %	4.975 %
5.125% Notes	July 2023	July 2034	€ 550.0	99.506 %	5.185 %
5.750% Notes	December 2023	December 2031	£ 300.0	99.298 %	5.862 %
6.000% Notes	December 2023	December 2039	£ 450.0	99.250 %	6.075 %

In January 2024, we issued \$450.0 million of 4.750% senior unsecured notes due February 2029 and \$800.0 million of 5.125% senior unsecured notes due February 2034. In connection with the Merger, we also completed the \$2.7 billion exchange in principal of outstanding notes issued by Spirit OP. See note 21, *Subsequent Events*, to the consolidated financial statements for further details.

### Term Loans

In January 2023, we entered into a term loan agreement, permitting us to incur multicurrency term loans, up to an aggregate of \$1.5 billion in total borrowings. As of December 31, 2023, we had \$1.1 billion in multicurrency borrowings, including \$90.0 million, £705.0 million, and €85.0 million in outstanding borrowings. The 2023 term loans mature in January 2025 with one remaining 12-month maturity extension available at our option. In conjunction with our 2023 term loans, we entered into interest rate swaps which fix our per annum interest rate. As of December 31, 2023, the effective interest rate, after giving effect to the interest rate swaps, was 5.0%.

### Covenants

The following is a summary of the key financial covenants for our senior unsecured notes, as defined and calculated per the terms of our senior notes and bonds. These calculations, which are not based on accounting principles generally accepted in U.S. GAAP, are presented to investors to show our ability to incur additional debt under the terms of our senior notes and bonds as well as to disclose our current compliance with such covenants and are not measures of our liquidity or performance. The actual amounts as of December 31, 2023, are:

Note Covenants	Required	Actual
Limitation on incurrence of total debt	≤ 60% of adjusted assets	39.7 %
Limitation on incurrence of secured debt	≤ 40% of adjusted assets	1.6 %
Debt service coverage (trailing 12 months) <sup>(1)</sup>	≥ 1.5x	4.7x
Maintenance of total unencumbered assets	≥ 150% of unsecured debt	257.9 %

<sup>(1)</sup> Our debt service coverage ratio is calculated on a pro forma basis for the preceding four-quarter period on the assumptions that: (i) the incurrence of any debt (as defined in the covenants) incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other debt since the first day of such four-quarter period), (ii) the repayment or retirement of any of our debt since the first day of such four-quarter period, and (iii) any acquisition or disposition by us of any asset or group since the first day of such four quarters had in each case occurred on January 1, 2023 and subject to certain additional adjustments. Such pro forma ratio has been prepared on the basis required by that debt service covenant, reflects various estimates and assumptions and is subject to other uncertainties, and therefore does not purport to reflect what our actual debt service coverage ratio would have been had transactions referred to in clauses (i), (ii) and (iii) of the preceding sentence occurred as of January 1, 2023, nor does it purport to reflect our debt service coverage ratio for any future period. The following is our calculation of debt service and fixed charge coverage at December 31, 2023 (in thousands, for trailing twelve months):

Net income available to common stockholders	\$	872,309
Plus: interest expense, excluding the amortization of deferred financing costs		703,883
Plus: provision for taxes		52,021
Plus: depreciation and amortization		1,895,177
Plus: provisions for impairment		82,208
Plus: pro forma adjustments		360,009
Less: gain on sales of real estate		(25,667)
Income available for debt service, as defined	\$	3,939,940
Total pro forma debt service charge	\$	837,945
Debt service and fixed charge coverage ratio		4.7x

## Credit Agency Ratings

The borrowing interest rates under our revolving credit facility are based upon our ratings assigned by credit rating agencies. As of December 31, 2023, we were assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Moody's Investors Service has assigned a rating of A3 with a "stable" outlook and Standard & Poor's Ratings Group has assigned a rating of A- with a "stable" outlook. In addition, we were assigned the following ratings on our commercial paper at December 31, 2023: Moody's Investors Service has assigned a rating of P-2 and Standard & Poor's Ratings Group has assigned a rating of A-2.

Based on our credit agency ratings as of December 31, 2023, interest rates under our credit facility for U.S. borrowings would have been at the SOFR, plus 0.725% with a SOFR adjustment charge of 0.10% and a revolving credit facility fee of 0.125%, for all-in drawn pricing of 0.95% over SOFR, for British Pound Sterling borrowings, at the SONIA, plus 0.725% with a SONIA adjustment charge of 0.0326% and a revolving credit facility fee of 0.125%, for all-in drawn pricing of 0.8826% over SONIA, and for Euro Borrowings at one-month EURIBOR, plus 0.725%, and a revolving credit facility fee of 0.125%, for all-in drawn pricing of 0.85% over one-month EURIBOR. In addition, our credit facility provides that the interest rates can range between: (i) SOFR/SONIA/EURIBOR, plus 1.40% if our credit rating is lower than BBB-/Baa3 or our senior unsecured debt is unrated and (ii) SOFR/SONIA/EURIBOR, plus 0.70% if our credit rating is A/A2 or higher. In addition, our credit facility provides for a facility commitment fee based on our credit ratings, which ranges from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, and (ii) 0.10% for a credit rating of A/A2 or higher.

We also issue senior debt securities from time to time and our credit ratings can impact the interest rates charged in those transactions. If our credit ratings or ratings outlook change, our cost to obtain debt financing could increase or decrease. The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

## Material Cash Requirements

The following table summarizes the maturity of each of our obligations as of December 31, 2023 (dollars in millions):

	Credit Facility and Commercial Paper <sup>(1)</sup>	Unsecured Term Loans <sup>(2)</sup>	Mortgages Payable	Senior Unsecured Notes and Bonds <sup>(3)</sup>	Interest <sup>(4)</sup>	Ground Leases Paid by the Company <sup>(5)</sup>	Ground Leases Paid by Our Clients <sup>(6)</sup>	Other <sup>(7)</sup>	Totals
2024	\$ 764.4	\$ 250.0	\$ 740.5	\$ 850.0	\$ 773.8	\$ 14.3	\$ 30.4	\$ 728.5	\$ 4,151.9
2025	—	—	44.0	1,050.0	700.4	12.6	29.8	29.1	1,865.9
2026	—	1,082.0	12.0	2,075.0	587.5	18.3	28.9	11.0	3,814.7
2027	—	—	22.3	2,027.8	525.9	10.1	26.9	0.3	2,613.3
2028	—	—	1.3	2,049.8	443.0	9.9	23.5	—	2,527.5
Thereafter	—	—	2.3	10,509.5	2,173.6	303.8	242.6	3.8	13,235.6
Totals	\$ 764.4	\$ 1,332.0	\$ 822.4	\$ 18,562.1	\$ 5,204.2	\$ 369.0	\$ 382.1	\$ 772.7	\$ 28,208.9

<sup>(1)</sup> The initial term of the credit facility expires in June 2026 and includes, at our option, two six-month extensions. At December 31, 2023, there were no borrowings under our revolving credit facility, and commercial paper programs outstanding were \$764.4 million, which matured between January 2024 and February 2024.

<sup>(2)</sup> The maturity date for our 2023 term loans reflects the closing of our previous twelve-month extension option and assumes the additional twelve-month extension available at the company's option is exercised.

<sup>(3)</sup> Excludes our January 2024 issuance of \$450.0 million of 4.750% senior unsecured notes due February 2029 and \$800.0 million of 5.125% senior unsecured notes due February 2034.

<sup>(4)</sup> Interest on the commercial paper programs, term loans, mortgages payable, and senior unsecured notes and bonds has been calculated based on outstanding balances at period end through their respective maturity dates. Excludes interest on the January 2024 issuances of \$450.0 million of unsecured senior notes due February 2029 and \$800.0 million of unsecured senior notes due February 2034.

<sup>(5)</sup> We currently pay the ground lessors directly for the rent under the ground leases.

<sup>(6)</sup> Our clients, who are generally sub-tenants clients under ground leases, are responsible for paying the rent under these ground leases. In the event our client fails to pay the ground lease rent, we are primarily responsible.

<sup>(7)</sup> "Other" consists of \$740.0 million of commitments under construction contracts, and \$32.7 million for re-leasing costs, recurring capital expenditures, and non-recurring building improvements.

## Investments in Unconsolidated Entities

As of December 31, 2023, our pro-rata share of secured debt of unconsolidated entities was approximately \$659.2 million.



## DIVIDEND POLICY

Distributions are paid monthly to holders of shares of our common stock.

Distributions are paid monthly to the limited partners holding common units of Realty Income, L.P., each on a per unit basis that is equal to the amount paid per share to our common stockholders.

In order to maintain our status as a REIT for federal income tax purposes, we generally are required to distribute dividends to our stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains), and we are subject to income tax to the extent we distribute less than 100% of our taxable income (including net capital gains). In 2023, our cash distributions to common stockholders totaled \$2.11 billion, or approximately 115.9% of estimated taxable income of \$1.82 billion. Certain measures are available to us to reduce or eliminate our tax exposure as a REIT, and accordingly, no provision for federal income taxes, other than our taxable REIT subsidiaries (each, a "TRS"), has been made. Our estimated taxable income reflects non-cash deductions for depreciation and amortization. Our estimated taxable income is presented to show our compliance with REIT dividend requirements and is not a measure of our liquidity or operating performance. We intend to continue to make distributions to our stockholders that are sufficient to meet this dividend requirement and that will reduce or eliminate our exposure to income taxes. Furthermore, we believe our cash on hand and funds from operations are sufficient to support our current level of cash distributions to our stockholders. We distributed \$3.051 per share to stockholders during 2023, representing 76.3% of our diluted Adjusted Funds from Operations Available to Common Stockholders ("AFFO") per share of \$4.00.

Future distributions will be at the discretion of our Board of Directors and will depend on, among other things, our results of operations, Funds from Operations Available to Common Stockholders ("FFO"), Normalized Funds from Operations Available to Common Stockholders ("Normalized FFO"), AFFO, cash flow from operations, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, our debt service requirements, and any other factors the Board of Directors may deem relevant. In addition, our credit facility contains financial covenants that could limit the amount of distributions payable by us in the event of a default, and which prohibit the payment of distributions on our common stock in the event that we fail to pay when due (subject to any applicable grace period) any principal or interest on borrowings under our credit facility.

Distributions of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to stockholders as ordinary income, except to the extent that we recognize capital gains and declare a capital gains dividend, or that such amounts constitute "qualified dividend income" subject to a reduced rate of tax. The maximum tax rate of non-corporate taxpayers for "qualified dividend income" is generally 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding requirements have been met with respect to the REIT's stock and the REIT's dividends are attributable to dividends received from certain taxable corporations (such as our TRSs) or to income that was subject to tax at the corporate or REIT level (for example, if we distribute taxable income that we retained and paid tax on in the prior taxable year). However, non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning after December 31, 2017, and before January 1, 2026.

Distributions in excess of earnings and profits generally will first be treated as a non-taxable reduction in the stockholders' basis in their stock, but not below zero. Distributions in excess of that basis generally will be taxable as a capital gain to stockholders who hold their shares as a capital asset. Approximately 6.8% of the distributions to our common stockholders, made or deemed to have been made in 2023, were classified as a return of capital for federal income tax purposes.

## RESULTS OF OPERATIONS

*The following is a comparison of our results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022.*

### Total Revenue

The following summarizes our total revenue (dollars in thousands):

	Years ended December 31,		
	2023	2022	Change
Rental (excluding reimbursable)	\$ 3,683,949	\$ 3,114,972	\$ 568,977
Rental (reimbursable)	274,201	184,685	89,516
Other	120,843	44,024	76,819
Total revenue	<u>\$ 4,078,993</u>	<u>\$ 3,343,681</u>	<u>\$ 735,312</u>

### Rental Revenue (excluding reimbursable)

The table below summarizes our rental revenue (excluding reimbursable) for the years ended December 31, 2023 and 2022 (dollars in thousands):

	Number of Properties	Years ended December 31,		
		2023	2022	Change
Properties acquired during 2023 & 2022	2,608	\$ 808,797	\$ 184,684	\$ 624,113
Same store rental revenue <sup>(1)</sup>	10,498	2,851,747	2,799,549	52,198
Constant currency adjustment <sup>(2)</sup>	N/A	(10,001)	(11,228)	1,227
Properties sold during and prior to 2023	312	5,246	30,371	(25,125)
Straight-line rent and other non-cash adjustments	N/A	(34,721)	20,871	(55,592)
Vacant rents, development and other <sup>(3)</sup>	352	60,097	83,266	(23,169)
Other excluded revenue <sup>(4)</sup>	N/A	2,784	7,459	(4,675)
Totals		<u>\$ 3,683,949</u>	<u>\$ 3,114,972</u>	<u>\$ 568,977</u>

<sup>(1)</sup> The same store rental revenue percentage increase for the year ended December 31, 2023 as compared to the same period in 2022 is 1.9%.

<sup>(2)</sup> For purposes of comparability, same store rental revenue is presented on a constant currency basis using the exchange rate as of December 31, 2023. None of the properties in France, Germany, Ireland, Italy, or Portugal met our same store pool definition for the periods presented.

<sup>(3)</sup> Relates to the aggregate of (i) rental revenue from 325 properties that were available for lease during part of 2023 or 2022, and (ii) rental revenue for 27 properties under development or completed developments that do not meet our same store pool definition for the periods presented.

<sup>(4)</sup> Primarily consists of reimbursements for tenant improvements and rental revenue that is not contractual base rent such as lease termination.

For purposes of determining the same store rent property pool, we include all properties that were owned for the entire year-to-date period, for both the current and prior year, except for properties during the current or prior year that; (i) were vacant at any time, (ii) were under development or redevelopment, or (iii) were involved in eminent domain and rent was reduced. Each of the exclusions from the same store pool are separately addressed within the applicable sentences above, explaining the changes in rental revenue for the period.

Of the 14,262 in-place leases in the portfolio, which excludes 270 vacant units, 11,717, or 82.2%, were under leases that provide for increases in rents through: base rent increases tied to inflation (typically subject to ceilings), percentage rent based on a percentage of the clients' gross sales, fixed increases, or a combination of two or more of the aforementioned rent provisions.

Rent based on a percentage of our client's gross sales, or percentage rent, was \$14.8 million and \$14.9 million for the years ended December 31, 2023 and 2022, respectively, which represents less than 1% of rental revenue.

At December 31, 2023, our portfolio of 13,458 properties was 98.6% leased with 193 properties available for lease, as compared to 99.0% leased with 126 properties available for lease at December 31, 2022. It has been our experience that approximately 1% to 4% of our property portfolio will be available for lease at any given time; however, it is possible that the number of properties available for lease or sale could increase in the future, given the nature of economic cycles and other unforeseen global events.

### Rental Revenue (reimbursable)

A number of our leases provide for contractually obligated reimbursements from clients for recoverable real estate taxes and operating expenses. The increase in contractually obligated reimbursements by our clients for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to higher recoverable real estate tax taxes from overall portfolio growth.

### Other Revenue

Other revenue primarily relates to interest income recognized on financing receivables for certain leases with above-market terms and interest income recognized on client loans and preferred equity investments. The increase in other revenue for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to higher interest income on financing receivables of \$60.9 million driven by an increase in recent sale-leaseback transactions with above-market lease terms, in addition to an increase of \$17.0 million from interest income earned on new loans and preferred equity investments entered into during the year.

### Total Expenses

The following summarizes our total expenses (in thousands):

	Years ended December 31,		
	2023	2022	Change
Depreciation and amortization	\$ 1,895,177	\$ 1,670,389	\$ 224,788
Interest	730,423	465,223	265,200
Property (excluding reimbursable)	42,763	41,645	1,118
Property (reimbursable)	274,201	184,685	89,516
General and administrative	144,536	138,459	6,077
Provisions for impairment	87,082	25,860	61,222
Merger and integration-related costs	14,464	13,897	567
Total expenses	\$ 3,188,646	\$ 2,540,158	\$ 648,488
Total revenue <sup>(1)</sup>	\$ 3,804,792	\$ 3,158,996	
General and administrative expenses as a percentage of total revenue <sup>(1)</sup>	3.8 %	4.4 %	
Property expenses (excluding reimbursable) as a percentage of total revenue <sup>(1)</sup>	1.1 %	1.3 %	

<sup>(1)</sup> Excludes rental revenue (reimbursable).

### Depreciation and Amortization

The increase in depreciation and amortization for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to overall portfolio growth from acquisitions.

### Interest Expense

The following is a summary of the components of our interest expense (in thousands):

	Years ended December 31,	
	2023	2022
Interest on our credit facility, commercial paper, term loans, mortgages, senior unsecured notes and bonds, and interest rate swaps	\$ 788,344	\$ 523,384
Credit facility commitment fees	5,357	4,908
Amortization of debt origination and deferred financing costs	26,670	14,149
(Gain) loss on interest rate swaps	(7,189)	718
Amortization of net mortgage premiums	(12,803)	(13,622)
Amortization of net note premiums	(60,657)	(62,989)
Capital lease obligation	1,509	1,464
Interest capitalized	(10,808)	(2,789)
Interest expense	\$ 730,423	\$ 465,223
<b>Credit facility, commercial paper, term loans, mortgages and senior unsecured notes and bonds</b>		
Average outstanding balances	\$ 20,537,222	\$ 16,460,928
Weighted average interest rates	3.83 %	3.15 %

The increase in interest expense for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to higher average debt and weighted average interest. See notes to the accompanying consolidated financial statements for additional information regarding our indebtedness.

#### Property Expenses (excluding reimbursable)

Property expenses (excluding reimbursable) consist of costs associated with properties available for lease, non-net-leased properties and general portfolio expenses and include, but are not limited to, property taxes, maintenance, insurance, utilities, property inspections and legal fees.

The increase in property expenses (excluding reimbursable) for the year ended December 31, 2023 as compared with the same period in 2022 is primarily impacted by property tax and property management expenses.

#### Property Expenses (reimbursable)

Property expenses (reimbursable) consist of reimbursable property taxes and operating costs paid on behalf of our clients. The increase in property expenses (reimbursable) for the year ended December 31, 2023 is proportional to overall portfolio growth.

#### General and Administrative Expenses

General and administrative expenses are expenditures related to the operations of our company, including employee-related costs, professional fees, and other general overhead costs associated with running our business.

The increase in general and administrative expenses for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to higher payroll-related compensation costs associated with the growth of the company.

#### Provisions for Impairment

Provisions for impairment consist of impairment on long-lived assets and allowances for credit losses on financing receivables and loans.

The increase in impairment for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to higher provisions for impairment associated with our real estate assets, summarized in the following table (dollars in millions):

	Years ended December 31,	
	2023	2022
Carrying value prior to impairment	\$ 194.5	\$ 140.9
Less: total provisions for impairment <sup>(1)</sup>	(82.2)	(25.9)
Carrying value after impairment	\$ 112.3	\$ 115.0

<sup>(1)</sup> Excludes provision for current expected credit loss of \$4.9 million at December 31, 2023.

#### Merger and Integration-Related Costs

Merger and integration-related costs consist of advisory fees, attorney fees, accountant fees, and incremental and non-recurring costs necessary to convert data and systems, retain employees, and otherwise enable us to operate the acquired business or assets efficiently.

For the year ended December 31, 2023, we incurred \$14.5 million of merger and integration-related costs, the majority of which was related to the Spirit merger that closed in January 2024. For the year ended December 31, 2022, we incurred \$13.9 million of merger and integration-related transaction costs in conjunction with our VEREIT merger.

#### Gain on Sales of Real Estate

The following summarizes our property dispositions (dollars in millions):

	Years ended December 31,	
	2023	2022
Number of properties sold	121	170
Net sales proceeds	\$ 117.4	\$ 436.1
Gain on sales of real estate	\$ 25.7	\$ 103.0

### **Foreign Currency and Derivative (Loss) Gain, Net**

We borrow in the functional currencies of the countries in which we invest. Net foreign currency gain and loss are primarily related to the remeasurement of intercompany debt from foreign subsidiaries. Derivative gain and loss primarily relates to mark-to-market adjustments on derivatives that do not qualify for hedge accounting and settlement of designated derivatives reclassified from Accumulated Other Comprehensive Income ("AOCI").

Foreign currency and derivative (loss) gain, net for the year ended December 31, 2023 was a loss of \$13.4 million, primarily due to foreign currency fluctuations related to the remeasurement of intercompany debt.

In June 2022, following the early prepayment of our Sterling-denominated intercompany loan receivable from our consolidated foreign subsidiaries, we terminated the four cross-currency swaps used to hedge the foreign currency exposure of the intercompany loan. As the hedge relationship was terminated and the future principal and interest associated with the prepaid intercompany loan will not occur, \$20.0 million gain was reclassified from AOCI to 'Foreign currency and derivative (loss) gain, net' during the year ended December 31, 2022. The reclassification from AOCI was offset by \$7.9 million in losses from the intercompany loan remeasurement on the final exchange.

### **Equity in Income and Impairment of Investment in Unconsolidated Entities**

Equity in income for the year ended December 31, 2023 primarily relates to investments made in two unconsolidated joint ventures during the fourth quarter of 2023. See note 5, *Investments in Unconsolidated Entities*, to the consolidated financial statements for further details.

The loss for the year ended December 31, 2022 was primarily driven by an other than temporary impairment related to the sale of three equity method investments acquired in our merger with VEREIT in November 2021.

### **Other Income, Net**

Certain miscellaneous non-recurring revenue is included in 'other income, net'. The decrease of \$6.7 million for the year ended December 31, 2023 as compared with the same period in 2022 is primarily due to lower gains on insurance proceeds from recoveries on property losses exceeding our carrying value.

### **Income Taxes**

Income taxes primarily consist of international income taxes accrued or paid by us and our subsidiaries, as well as state and local taxes. The increase in income taxes for the year ended December 31, 2023 as compared with the same period in 2022 is primarily attributable to higher taxable income in the UK; partially offset by lower UK tax rates.

## CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and are the basis for our discussion and analysis of financial condition and results of operations. Preparing our consolidated financial statements requires us to make a number of estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. We believe that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions. This summary should be read in conjunction with the more complete discussion of our accounting policies and procedures included in note 1, *Summary of Significant Accounting Policies*, to our consolidated financial statements in this annual report on Form 10-K for the year ended December 31, 2023. In order to prepare our consolidated financial statements according to the rules and guidelines set forth by U.S. GAAP, many subjective judgments must be made with regard to critical accounting policies.

### **Allocation of the Purchase Price of Real Estate Acquisitions**

Management must make significant assumptions in determining the fair value of assets acquired and liabilities assumed. When acquiring a property for investment purposes, we typically allocate the cost of real estate acquired, inclusive of transaction costs, to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their relative estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value and the value of in-place leases, as applicable. Additionally, above-market rents on certain leases under which we are a lessor are accounted for as financing receivables amortizing over the lease term, while below-market rents on certain leases under which we are a lessor are accounted for as prepaid rent. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value of the land, building and improvements, and identified intangible assets and liabilities and is often based upon the various characteristics of the market where the property is located. In addition, any assumed mortgages are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, client investment grade, maturity date, and comparable borrowings for similar assets. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

### **Provisions for Impairment - Real Estate Assets**

Another significant judgment must be made as to if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. If estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property, a fair value analysis is performed and, to the extent the estimated fair value is less than the current book value, a provision for impairment is recorded to reduce the book value to estimated fair value. Key inputs that we utilize in this analysis include projected rental rates, estimated holding periods, capital expenditures, and property sales capitalization rates. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell. The carrying value of our real estate is the largest component of our consolidated balance sheets. Our strategy of primarily holding properties, long-term, directly decreases the likelihood of their carrying values not being recoverable, thus requiring the recognition of an impairment. However, if our strategy, or one or more of the above assumptions were to change in the future, an impairment may need to be recognized. If events should occur that require us to reduce the carrying value of our real estate by recording provisions for impairment, they could have a material impact on our results of operations.

## NON-GAAP FINANCIAL MEASURES

### **Adjusted Earnings before Interest, Taxes, Depreciation and Amortization for Real Estate ("Adjusted EBITDAre")**

Nareit established an EBITDA metric for real estate companies (i.e., EBITDA for real estate, or EBITDAre) it believed would provide investors with a consistent measure to help make investment decisions among REITs. Our definition of "Adjusted EBITDAre" is generally consistent with the Nareit definition, other than our adjustments to remove foreign currency and derivative gain and loss, excluding gain and loss from the settlement of foreign currency forwards not designated as hedges (which is consistent with our previous calculations of "Adjusted EBITDA"). We define Adjusted EBITDAre, a non-GAAP financial measure, for the most recent quarter as earnings (net income) before (i) interest expense, including non-cash loss (gain) on swaps, (ii) income and franchise taxes, (iii) gain on extinguishment of debt, (iv) real estate depreciation and amortization, (v) provisions for impairment, (vi) merger and integration-related costs, (vii) gain on sales of real estate, (viii) foreign currency and derivative gain and loss, net, (ix) gain on settlement of foreign currency forwards, and (x) our proportionate share of adjustments from unconsolidated entities. Our Adjusted EBITDAre may not be comparable to Adjusted EBITDAre reported by other companies or as defined by Nareit, and other companies may interpret or define Adjusted EBITDAre differently than we do. Management believes Adjusted EBITDAre to be a meaningful measure of a REIT's performance because it provides a view of our operating performance, analyzes our ability to meet interest payment obligations before the effects of income tax, depreciation and amortization expense, provisions for impairment, gain on sales of real estate and other items, as defined above, that affect comparability, including the removal of non-recurring and non-cash items that industry observers believe are less relevant to evaluating the operating performance of a company. In addition, EBITDAre is widely followed by industry analysts, lenders, investors, rating agencies, and others as a means of evaluating the operational cash generating capacity of a company prior to servicing debt obligations. Management also believes the use of an annualized quarterly Adjusted EBITDAre metric, which we refer to as Annualized Adjusted EBITDAre, is meaningful because it represents our current earnings run rate for the period presented. Annualized Adjusted EBITDAre and Annualized Pro Forma Adjusted EBITDAre, as defined below, are also used to determine the vesting of performance share awards granted to executive officers. Annualized Adjusted EBITDAre should be considered along with, but not as an alternative to net income as a measure of our operating performance. We define Annualized Pro Forma Adjusted EBITDAre as Annualized Adjusted EBITDAre, subject to certain adjustments to incorporate Adjusted EBITDAre from properties we acquired or stabilized during the applicable quarter and to remove Adjusted EBITDAre from properties we disposed of during the applicable quarter, and include transaction accounting adjustments in accordance with U.S. GAAP, giving pro forma effect to all transactions as if they occurred at the beginning of the applicable period. Our calculation includes all adjustments consistent with the requirements to present Adjusted EBITDAre on a pro forma basis in accordance with Article 11 of Regulation S-X. The Annualized Pro Forma Adjustments are consistent with the debt service coverage ratio calculated under financial covenants for our senior unsecured notes. We believe Annualized Pro Forma Adjusted EBITDAre is a useful non-GAAP supplemental measure, as it excludes properties that were no longer owned at the balance sheet date and includes the annualized rent from properties acquired during the quarter. Management also uses our ratios of net debt-to-Annualized Adjusted EBITDAre and net debt-to Annualized Pro Forma Adjusted EBITDAre as measures of leverage in assessing our financial performance, which is calculated as net debt (which we define as total debt per the consolidated balance sheets, excluding deferred financing costs and net premiums and discounts, but including our proportionate share of debt from unconsolidated entities, less cash and cash equivalents), divided by annualized quarterly Adjusted EBITDAre and annualized Pro Forma Adjusted EBITDAre, respectively.



The following is a reconciliation of net income (which we believe is the most comparable U.S. GAAP measure) to Adjusted EBITDAre and Annualized Pro Forma EBITDAre calculations for the periods indicated below (dollars in thousands):

	Three months ended December 31,	
	2023	2022
Net income	\$ 219,762	\$ 228,336
Interest	208,313	131,290
Loss on extinguishment of debt	—	—
Income taxes	15,803	9,381
Depreciation and amortization	475,856	438,174
Provisions for impairment	27,281	9,481
Merger and integration-related costs	9,932	903
Gain on sales of real estate	(5,992)	(9,346)
Foreign currency and derivative loss (gain), net	18,371	(2,692)
Gain on settlement of foreign currency forwards	—	2,139
Proportionate share of adjustments from unconsolidated entities	14,983	113
Quarterly Adjusted EBITDAre	\$ 984,309	\$ 807,779
Annualized Adjusted EBITDAre <sup>(1)</sup>	\$ 3,937,236	\$ 3,231,116
Annualized Pro Forma Adjustments	\$ 74,919	\$ 119,876
Annualized Pro Forma Adjusted EBITDAre	\$ 4,012,155	\$ 3,350,992
Total debt per the consolidated balance sheets, excluding deferred financing costs and net premiums and discounts	\$ 21,480,869	\$ 17,935,539
Proportionate share of unconsolidated entities debt, excluding deferred financing costs	659,190	—
Less: Cash and cash equivalents	(232,923)	(171,102)
Net Debt <sup>(2)</sup>	\$ 21,907,136	\$ 17,764,437
Net Debt/Annualized Adjusted EBITDAre	5.6 x	5.5 x
Net Debt/Annualized Pro Forma Adjusted EBITDAre	5.5 x	5.3 x

<sup>(1)</sup> We calculate Annualized Adjusted EBITDAre by multiplying the Quarterly Adjusted EBITDAre by four.

<sup>(2)</sup> Net Debt is total debt per our consolidated balance sheets, excluding deferred financing costs and net premiums and discounts, but including our proportionate share of debt from unconsolidated entities, less cash and cash equivalents.

As described above, the Annualized Pro Forma Adjustments, which include transaction accounting adjustments in accordance with U.S. GAAP, consist of adjustments to incorporate the Adjusted EBITDAre from properties we acquired or stabilized during the applicable quarter and remove Adjusted EBITDAre from properties we disposed of during the applicable quarter, giving pro forma effect to all transactions as if they occurred at the beginning of the period, consistent with the requirements of Article 11 of Regulation S-X. The following table summarizes our Annualized Pro Forma Adjusted EBITDAre calculation for the period indicated below (dollars in thousands):

	Three months ended December 31,	
	2023	2022
Annualized pro forma adjustments from properties acquired or stabilized	\$ 77,012	\$ 120,408
Annualized pro forma adjustments from properties disposed	(2,093)	(532)
Annualized Pro forma Adjustments	\$ 74,919	\$ 119,876

# **FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS ("FFO") AND NORMALIZED FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS ("Normalized FFO")**

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trusts' definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus provisions for impairments of depreciable real estate assets, and reduced by gain on property sales. We define Normalized FFO, a non-GAAP financial measure, as FFO excluding merger and integration-related costs related to our merger with VEREIT. We define diluted FFO and diluted normalized FFO as FFO and normalized FFO adjusted for dilutive noncontrolling interests.

The following summarizes our FFO and Normalized FFO (dollars in millions, except per share data):

	Years ended December 31,		
	2023	2022	% Change
FFO available to common stockholders	\$ 2,822.1	\$ 2,471.9	14.2 %
FFO per common share <sup>(1)</sup>	\$ 4.07	\$ 4.04	0.7 %
Normalized FFO available to common stockholders	\$ 2,836.6	\$ 2,485.8	14.1 %
Normalized FFO per common share <sup>(1)</sup>	\$ 4.09	\$ 4.06	0.7 %

<sup>(1)</sup> All per share amounts are presented on a diluted per common share basis.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable U.S. GAAP measure) to FFO and Normalized FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

	Years ended December 31,	
	2023	2022
Net income available to common stockholders	\$ 872,309	\$ 869,408
Depreciation and amortization	1,895,177	1,670,389
Depreciation of furniture, fixtures and equipment	(2,239)	(2,014)
Provisions for impairment of real estate	82,208	25,860
Gain on sales of real estate	(25,667)	(102,957)
Proportionate share of adjustments for unconsolidated entities <sup>(1)</sup>	4,205	12,812
FFO adjustments allocable to noncontrolling interests	(3,855)	(1,605)
FFO available to common stockholders	\$ 2,822,138	\$ 2,471,893
FFO allocable to dilutive noncontrolling interests	5,552	3,979
Diluted FFO	\$ 2,827,690	\$ 2,475,872
FFO available to common stockholders	\$ 2,822,138	\$ 2,471,893
Merger and integration-related costs	14,464	13,897
Normalized FFO available to common stockholders	\$ 2,836,602	\$ 2,485,790
Normalized FFO allocable to dilutive noncontrolling interests	5,552	3,979
Diluted Normalized FFO	\$ 2,842,154	\$ 2,489,769
FFO per common share:		
Basic	\$ 4.08	\$ 4.04
Diluted	\$ 4.07	\$ 4.04
Normalized FFO per common share:		
Basic	\$ 4.10	\$ 4.06
Diluted	\$ 4.09	\$ 4.06
Distributions paid to common stockholders	\$ 2,111,793	\$ 1,813,432
FFO available to common stockholders in excess of distributions paid to common stockholders	\$ 710,345	\$ 658,461
Normalized FFO available to common stockholders in excess of distributions paid to common stockholders	\$ 724,809	\$ 672,358
Weighted average number of common shares used for FFO and Normalized FFO:		
Basic	692,298	611,766
Diluted	694,819	613,473

<sup>(1)</sup> Includes an other than temporary impairment of \$8.5 million recognized during the year ended December 31, 2022 on our investment in unconsolidated entities, all of which were sold as of December 31, 2022.

We consider FFO and Normalized FFO to be appropriate supplemental measures of a REIT's operating performance as they are based on a net income analysis of property portfolio performance that adds back items such as depreciation and impairments for FFO, and adds back merger and integration-related costs, for Normalized FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative.

**ADJUSTED FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS ("AFFO")**

We define AFFO, a non-GAAP measure, as FFO adjusted for unique revenue and expense items, which we believe are not as pertinent to the measurement of our ongoing operating performance. We define diluted AFFO as AFFO adjusted for dilutive noncontrolling interests.

The following summarizes our AFFO (dollars in millions, except per share data):

	Years ended December 31,		
	2023	2022	% Change
AFFO available to common stockholders	\$ 2,774.9	\$ 2,401.4	15.6 %
AFFO per common share <sup>(1)</sup>	\$ 4.00	\$ 3.92	2.0 %

<sup>(1)</sup> All per share amounts are presented on a diluted per common share basis.

We consider AFFO to be an appropriate supplemental measure of our performance. Most companies in our industry use a similar measurement, but they may use the term "CAD" (for Cash Available for Distribution), "FAD" (for Funds Available for Distribution) or other terms. Our AFFO calculations may not be comparable to AFFO, CAD or FAD reported by other companies, and other companies may interpret or define such terms differently than we do.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable U.S. GAAP measure) to Normalized FFO and AFFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

	Years ended December 31,	
	2023	2022
Net income available to common stockholders	\$ 872,309	\$ 869,408
Cumulative adjustments to calculate Normalized FFO <sup>(1)</sup>	1,964,293	1,616,382
Normalized FFO available to common stockholders	2,836,602	2,485,790
Gain on extinguishment of debt	—	(367)
Amortization of share-based compensation	26,227	21,617
Amortization of net debt premiums and deferred financing costs <sup>(2)</sup>	(44,568)	(67,150)
Non-cash (gain) loss on interest rate swaps	(7,189)	718
Non-cash change in allowance for credit losses	4,874	—
Straight-line impact of cash settlement on interest rate swaps <sup>(3)</sup>	7,190	1,558
Leasing costs and commissions	(9,878)	(5,236)
Recurring capital expenditures	(331)	(587)
Straight-line rent and expenses, net	(141,130)	(120,252)
Amortization of above and below-market leases, net	79,101	63,243
Proportionate share of adjustments for unconsolidated entities	932	(4,239)
Other adjustments <sup>(4)</sup>	23,040	26,264
AFFO available to common stockholders	\$ 2,774,870	\$ 2,401,359
AFFO allocable to dilutive noncontrolling interests	5,540	4,033
Diluted AFFO	\$ 2,780,410	\$ 2,405,392
AFFO per common share:		
Basic	\$ 4.01	\$ 3.93
Diluted	\$ 4.00	\$ 3.92
Distributions paid to common stockholders	\$ 2,111,793	\$ 1,813,432
AFFO available to common stockholders in excess of distributions paid to common stockholders	\$ 663,077	\$ 587,927
Weighted average number of common shares used for computation per share:		
Basic	692,298	611,766
Diluted	694,819	613,473

<sup>(1)</sup> See reconciling items for Normalized FFO presented under "Funds from Operations Available to Common Stockholders ("FFO") and Normalized Funds from Operations Available to Common Stockholders ("Normalized FFO").

<sup>(2)</sup> Includes the amortization of net premiums on notes payable and assumption of our mortgages payable, which are being amortized over the life of the applicable debt, and costs incurred and capitalized upon issuance and exchange of our notes payable, assumption of our mortgages payable and issuance of our term loans, which are also being amortized over the lives of the applicable debt. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

<sup>(3)</sup> Represents the straight-line amortization of \$72.0 million gain realized upon the termination of \$500.0 million in notional interest rate swaps in October 2022, over the term of the \$750.0 million of 5.625% senior unsecured notes due October 2032.

<sup>(4)</sup> Includes non-cash foreign currency losses (gains) from remeasurement to USD, mark-to-market adjustments on investments and derivatives that are non-cash in nature, straight-line payments from cross-currency swaps, obligations related to financing lease liabilities, and adjustments allocable to noncontrolling interests.

We believe the non-GAAP financial measure AFFO provides useful information to investors because it is a widely accepted industry measure of the operating performance of real estate companies that is used by industry analysts and investors who look at and compare those companies. In particular, AFFO provides an additional measure to compare the operating performance of different REITs without having to account for differing depreciation assumptions and other unique revenue and expense items which are not pertinent to measuring a particular company's on-going operating performance. Therefore, we believe that AFFO is an appropriate supplemental performance metric, and that the most appropriate U.S. GAAP performance metric to which AFFO should be reconciled is net income available to common stockholders.

Presentation of the information regarding FFO, Normalized FFO, and AFFO is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO, Normalized FFO, and AFFO in the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO, Normalized FFO, and AFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net income as an indication of our performance. FFO, Normalized FFO, and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO, Normalized FFO, and AFFO should not be considered as measures of liquidity, our ability to make cash distributions, or our ability to pay interest payments.

#### Item 7A: Quantitative and Qualitative Disclosures about Market Risk

We are exposed to economic risks from interest rates and foreign currency exchange rates. A portion of these risks is hedged, but the risks may affect our financial statements.

##### Interest Rates

We are exposed to interest rate changes primarily as a result of our credit facility and commercial paper programs, term loans, mortgages payable, and long-term notes and bonds used to maintain liquidity and expand our real estate investment portfolio and operations. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flow and to lower our overall borrowing costs. To achieve these objectives, we issue long-term notes and bonds, primarily at fixed rates.

In order to mitigate and manage the effects of interest rate risks on our operations, we may utilize a variety of financial instruments, including interest rate swaps, interest rate swaptions, interest rate locks and caps. The use of these types of instruments to hedge our exposure to changes in interest rates carries additional risks, including counterparty credit risk, the enforceability of hedging contracts and the risk that unanticipated and significant changes in interest rates will cause a significant loss of basis in the contract. To limit counterparty credit risk, we will seek to enter into such agreements with major financial institutions with favorable credit ratings. There can be no assurance that we will be able to adequately protect against the foregoing risks or realize an economic benefit that exceeds the related amounts incurred in connection with engaging in such hedging activities. We do not enter into any derivative transactions for speculative or trading purposes.

The following table presents, by year of expected maturity, the principal amounts, average interest rates and estimated fair values of our fixed and variable rate debt as of December 31, 2023. This information is presented to evaluate the expected cash flows and sensitivity to interest rate changes (dollars in millions):

##### Expected Maturity Data

The following table summarizes the maturity of our debt as of December 31, 2023 (dollars in millions):

Year of Principal Due	Fixed rate debt	Weighted average rate on fixed rate debt	Variable rate debt	Weighted average rate on variable rate debt
2024	\$ 1,840.5 <sup>(1)</sup>	4.48 %	\$ 764.4	4.37 %
2025	1,094.0	4.23 %	—	—
2026	2,669.0 <sup>(2)</sup>	4.18 %	500.0 <sup>(3)</sup>	3.05 %
2027	2,050.1	2.66 %	—	—
2028	2,051.1	3.43 %	—	—
Thereafter	10,511.8	3.91 %	—	—
<b>Totals <sup>(4)</sup></b>	<b>\$ 20,216.5</b>	<b>3.84 %</b>	<b>\$ 1,264.4</b>	<b>3.85 %</b>
Fair Value <sup>(5)</sup>	\$ 19,250.2		\$ 1,264.3	

<sup>(1)</sup> In conjunction with our \$250.0 million senior unsecured term loan, which matures in March 2024, we entered into an interest rate swap, and as of December 31, 2023, the effective interest rate on this term loan, after giving effect to the interest rate swap, was 3.8%.

<sup>(2)</sup> The maturity date for our 2023 term loans reflects the closing of our previous twelve-month extension option and assumes the additional twelve-month extension available at the company's option is exercised. In conjunction with closing, we executed one-year variable-to-fixed interest rate swaps, which fix our per annum interest rate at 5.0% over the initial term. Accordingly, the 2023 term loans have been presented as fixed rate debt as of December 31, 2023 in the table above.

<sup>(3)</sup> In January 2023, we issued \$500.0 million of 5.05% senior unsecured notes due January 13, 2026, which were callable at par beginning on January 13, 2024. In conjunction with the pricing of these senior unsecured notes due January 2026, we executed three-year, fixed-to-variable interest rate swaps totaling \$500.0 million, which are subject to the counterparties' right to terminate the swaps at any time following the 2026 notes par call date.

<sup>(4)</sup> Excludes net premiums and discounts recorded on mortgages payable, net premiums recorded on notes payable, deferred financing costs on term loans, mortgages payable, notes payable, and the basis adjustment on interest rate swaps designated as fair value hedges on notes payable.

<sup>(5)</sup> We base the estimated fair value of our fixed rate mortgages and private senior notes payable at December 31, 2023, on the relevant forward interest rate curve, plus an applicable credit-adjusted spread. We base the estimated fair value of the publicly traded fixed rate senior notes and bonds at December 31, 2023, on the indicative market prices and recent trading activity of our senior notes and bonds payable. We believe that the carrying values of the line of credit, commercial paper borrowings, and term loan balances reasonably approximate their estimated fair values at December 31, 2023.

The table above incorporates only those exposures that exist as of December 31, 2023. It does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations, would depend on the exposures that arise during the period, our hedging strategies at the time, and interest rates.

At December 31, 2023, our outstanding mortgages payable, notes, and bonds had fixed interest rates. Interest on our credit facility and commercial paper borrowings and term loans is variable. However, the variable interest rate feature on our term loans have been mitigated by interest rate swap agreements. At December 31, 2023, a 1% change in interest rates on our variable-rate debt would change our interest costs by \$12.6 million.

### **Foreign Currency Exchange Rates**

We are exposed to foreign currency exchange variability related to investments in and earnings from our foreign investments. Foreign currency market risk is the possibility that our results of operations or financial position could be better or worse than planned because of changes in foreign currency exchange rates. We primarily hedge our foreign currency risk by borrowing in the currencies in which we invest thereby providing a natural hedge. We continuously evaluate and manage our foreign currency risk through the use of derivative financial instruments, including currency exchange swaps, and foreign currency forward contracts with financial counterparties where practicable. Such derivative instruments are viewed as risk management tools and are not used for speculative or trading purposes. Additionally, our inability to redeploy rent receipts from our international operations on a timely basis subjects us to foreign exchange risk.



**Item 8: Financial Statements and Supplementary Data**

**Table of Contents**

- A. [Reports of Independent Registered Public Accounting Firm](#)
- B. [Consolidated Balance Sheets, December 31, 2023 and 2022](#)
- C. [Consolidated Statements of Income and Comprehensive Income, Years ended December 31, 2023, 2022, and 2021](#)
- D. [Consolidated Statements of Equity, Years ended December 31, 2023, 2022, and 2021](#)
- E. [Consolidated Statements of Cash Flows, Years ended December 31, 2023, 2022, and 2021](#)
- F. [Notes to Consolidated Financial Statements](#)
- G. [Schedule III Real Estate and Accumulated Depreciation](#)

Schedules not filed: All schedules, other than that indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
Realty Income Corporation:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Realty Income Corporation and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income and comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule III (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 21, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Evaluation of the Fair Value of Land in Real Estate Acquisitions*

As discussed in Note 4 to the consolidated financial statements, during 2023 the Company acquired \$8.2 billion of real estate properties. As discussed in Note 1, the purchase price of a real estate acquisition is typically allocated among the individual components of both tangible and intangible assets and liabilities acquired based on their estimated relative fair values.

We identified the evaluation of the fair value of land in real estate acquisitions as a critical audit matter. Specifically, the measurement of the fair values of land is dependent upon significant assumptions of market land values for which relevant external market data is not always readily available. Subjective and complex auditor judgment was required in evaluating the fair value measurements given the sensitivity of the fair value measurements to changes in these assumptions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to allocate the purchase price of real estate acquisitions. This included controls over the measurement of the fair value of land. For a selection of real estate acquisitions, we involved valuation professionals with specialized skills and knowledge who assisted in evaluating a selection of the Company's acquired land values by comparing them to independently developed ranges using market data from industry transaction databases and published industry reports.

/s/ KPMG LLP

We have served as the Company's auditor since 1993.

San Diego, California  
February 21, 2024

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
Realty Income Corporation:

### *Opinion on Internal Control Over Financial Reporting*

We have audited Realty Income Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income and comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule III (collectively, the consolidated financial statements), and our report dated February 21, 2024 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

San Diego, California  
February 21, 2024

REALTY INCOME CORPORATION AND SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share amounts)

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Real estate held for investment, at cost:		
Land	\$ 14,929,310	\$ 12,948,835
Buildings and improvements	34,657,094	29,707,751
Total real estate held for investment, at cost	49,586,404	42,656,586
Less accumulated depreciation and amortization	(6,072,118)	(4,904,165)
Real estate held for investment, net	43,514,286	37,752,421
Real estate and lease intangibles held for sale, net	31,466	29,535
Cash and cash equivalents	232,923	171,102
Accounts receivable, net	710,536	543,237
Lease intangible assets, net	5,017,907	5,168,366
Goodwill	3,731,478	3,731,478
Investment in unconsolidated entities	1,172,118	—
Other assets, net	3,368,643	2,276,953
Total assets	<u>\$ 57,779,357</u>	<u>\$ 49,673,092</u>
<b>LIABILITIES AND EQUITY</b>		
Distributions payable	\$ 195,222	\$ 165,710
Accounts payable and accrued expenses	738,526	399,137
Lease intangible liabilities, net	1,406,853	1,379,436
Other liabilities	811,650	774,787
Line of credit payable and commercial paper	764,390	2,729,040
Term loan, net	1,331,841	249,755
Mortgages payable, net	821,587	853,925
Notes payable, net	18,602,319	14,278,013
Total liabilities	<u>24,672,388</u>	<u>20,829,803</u>
Commitments and contingencies (Note 20)		
Stockholders' equity:		
Common stock and paid in capital, par value \$0.01 per share, 1,300,000 shares authorized, 752,460 and 660,300 shares issued and outstanding as of December 31, 2023, and December 31, 2022, respectively	39,629,709	34,159,509
Distributions in excess of net income	(6,762,136)	(5,493,193)
Accumulated other comprehensive income	73,894	46,833
Total stockholders' equity	<u>32,941,467</u>	<u>28,713,149</u>
Noncontrolling interests	165,502	130,140
Total equity	<u>33,106,969</u>	<u>28,843,289</u>
Total liabilities and equity	<u>\$ 57,779,357</u>	<u>\$ 49,673,092</u>

*The accompanying notes to consolidated financial statements are an integral part of these statements.*

REALTY INCOME CORPORATION AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
(in thousands, except per share amounts)

	Years ended December 31,		
	2023	2022	2021
<b>REVENUE</b>			
Rental (including reimbursable)	\$ 3,958,150	\$ 3,299,657	\$ 2,064,958
Other	120,843	44,024	15,505
Total revenue	4,078,993	3,343,681	2,080,463
<b>EXPENSES</b>			
Depreciation and amortization	1,895,177	1,670,389	897,835
Interest	730,423	465,223	323,644
Property (including reimbursable)	316,964	226,330	133,605
General and administrative	144,536	138,459	96,980
Provisions for impairment	87,082	25,860	38,967
Merger and integration-related costs	14,464	13,897	167,413
Total expenses	3,188,646	2,540,158	1,658,444
Gain on sales of real estate	25,667	102,957	55,798
Foreign currency and derivative (loss) gain, net	(13,414)	(13,311)	710
Gain (loss) on extinguishment of debt	—	367	(97,178)
Equity in income and impairment of investment in unconsolidated entities	2,546	(6,448)	1,106
Other income, net	23,789	30,511	9,949
Income before income taxes	928,935	917,599	392,404
Income taxes	(52,021)	(45,183)	(31,657)
Net income	876,914	872,416	360,747
Net income attributable to noncontrolling interests	(4,605)	(3,008)	(1,291)
Net income available to common stockholders	\$ 872,309	\$ 869,408	\$ 359,456
Amounts available to common stockholders per common share:			
Net income, basic and diluted	\$ 1.26	\$ 1.42	\$ 0.87
Weighted average common shares outstanding:			
Basic	692,298	611,766	414,535
Diluted	693,024	612,181	414,770
Net income available to common stockholders	\$ 872,309	\$ 869,408	\$ 359,456
Total other comprehensive gain			
Foreign currency translation adjustment	64,326	(55,154)	9,119
Unrealized (loss) gain on derivatives, net	(37,265)	97,054	50,448
Total other comprehensive gain	\$ 27,061	\$ 41,900	\$ 59,567
Comprehensive income available to common stockholders	\$ 899,370	\$ 911,308	\$ 419,023

***The accompanying notes to consolidated financial statements are an integral part of these statements.***

REALTY INCOME CORPORATION AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(in thousands)

**Years ended December 31, 2023, 2022 and 2021**

	Shares of common stock	Common stock and paid in capital	Distributions in excess of net income	Accumulated other comprehensive income (loss)	Total stockholders' equity	Noncontrolling interests	Total equity
Balance, December 31, 2020	361,303	\$ 14,700,050	\$ (3,659,933)	\$ (54,634)	\$ 10,985,483	\$ 32,247	\$ 11,017,730
Net income	—	—	359,456	—	359,456	1,291	360,747
Other comprehensive income	—	—	—	59,567	59,567	—	59,567
Shares issued in merger	162,044	11,556,715	—	—	11,556,715	3,160	11,559,875
Orion Divestiture	—	(1,140,769)	—	—	(1,140,769)	(1,352)	(1,142,121)
Distributions paid and payable	—	—	(1,230,094)	—	(1,230,094)	(1,868)	(1,231,962)
Share issuances, net of costs	67,777	4,453,953	—	—	4,453,953	—	4,453,953
Contributions by noncontrolling interests	—	—	—	—	—	43,390	43,390
Reallocation of equity	—	42	—	—	42	(42)	—
Share-based compensation, net	138	8,221	—	—	8,221	—	8,221
Balance, December 31, 2021	591,262	\$ 29,578,212	\$ (4,530,571)	\$ 4,933	\$ 25,052,574	\$ 76,826	\$ 25,129,400
Net income	—	—	869,408	—	869,408	3,008	872,416
Other comprehensive income	—	—	—	41,900	41,900	—	41,900
Distributions paid and payable	—	—	(1,832,030)	—	(1,832,030)	(4,125)	(1,836,155)
Share issuances, net of costs	68,876	4,570,766	—	—	4,570,766	—	4,570,766
Contributions by noncontrolling interests	—	—	—	—	—	51,221	51,221
Reallocation of equity	—	(3,210)	—	—	(3,210)	3,210	—
Share-based compensation, net	162	13,741	—	—	13,741	—	13,741
Balance, December 31, 2022	660,300	\$ 34,159,509	\$ (5,493,193)	\$ 46,833	\$ 28,713,149	\$ 130,140	\$ 28,843,289
Net income	—	—	872,309	—	872,309	4,605	876,914
Other comprehensive income	—	—	—	27,061	27,061	—	27,061
Distributions paid and payable	—	—	(2,141,252)	—	(2,141,252)	(9,340)	(2,150,592)
Contributions by noncontrolling interests	—	—	—	—	—	40,097	40,097
Share issuance, net of costs	91,902	5,450,982	—	—	5,450,982	—	5,450,982
Share-based compensation, net	258	19,218	—	—	19,218	—	19,218
Balance, December 31, 2023	752,460	\$ 39,629,709	\$ (6,762,136)	\$ 73,894	\$ 32,941,467	\$ 165,502	\$ 33,106,969

*The accompanying notes to consolidated financial statements are an integral part of these statements.*



REALTY INCOME CORPORATION AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Years ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 876,914	\$ 872,416	\$ 360,747
Adjustments to net income:			
Depreciation and amortization	1,895,177	1,670,389	897,835
Amortization of share-based compensation	26,227	21,617	41,773
Non-cash revenue adjustments	(62,029)	(57,009)	(23,380)
(Gain) loss on extinguishment of debt	—	(367)	97,178
Amortization of net premiums on mortgages payable	(12,803)	(13,622)	(3,498)
Amortization of net premiums on notes payable	(60,657)	(62,989)	(10,349)
Amortization of deferred financing costs	26,670	15,613	12,333
(Gain) loss on interest rate swaps	(7,189)	718	2,905
Foreign currency and unrealized derivative loss, net	37,776	220,948	27,223
Gain on sales of real estate	(25,667)	(102,957)	(55,798)
Equity in income and impairment of investment in unconsolidated entities	(2,546)	6,448	(1,106)
Distributions from unconsolidated entities	5,807	1,605	365
Provisions for impairment	87,082	25,860	38,967
Change in assets and liabilities			
Accounts receivable and other assets	(111,286)	(29,524)	(38,292)
Accounts payable, accrued expenses and other liabilities	285,293	(5,290)	(24,714)
Net cash provided by operating activities	2,958,769	2,563,856	1,322,189
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in real estate	(8,053,595)	(8,886,436)	(6,313,076)
Improvements to real estate, including leasing costs	(68,692)	(95,514)	(19,080)
Investment in unconsolidated entities	(1,179,306)	—	—
Investment in loans	(201,621)	—	—
Proceeds from sales of real estate	117,354	436,115	250,536
Return of investment from unconsolidated entities	3,927	1,401	38,345
Net proceeds from sale of unconsolidated entities	—	108,088	—
Proceeds from note receivable	—	5,867	—
Insurance proceeds received	27,279	49,070	—
Non-refundable escrow deposits	(200)	(5,667)	(28,390)
Net cash paid in merger	—	—	(366,030)
Net cash used in investing activities	(9,354,854)	(8,387,076)	(6,437,695)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash distributions to common stockholders	(2,111,793)	(1,813,431)	(1,169,026)
Borrowings on line of credit and commercial paper programs	77,338,040	28,539,299	9,082,206
Payments on line of credit and commercial paper programs	(79,398,193)	(27,434,617)	(7,508,332)
Proceeds from term loan	1,029,383	—	—
Proceeds from notes payable issued	4,239,745	2,154,662	1,033,387
Principal payment on notes payable	—	—	(1,700,000)
Principal payments on mortgages payable	(22,015)	(312,234)	(66,575)
Payments upon extinguishment of debt	—	—	(96,583)
Proceeds from common stock offerings, net	5,439,462	4,556,028	4,442,725
Proceeds from dividend reinvestment and stock purchase plan	11,519	11,654	11,232
Distributions to noncontrolling interests	(7,725)	(3,935)	(1,707)
Net receipts on derivative settlements	7,853	79,763	3,266
Debt issuance costs	(81,898)	(34,156)	(13,405)
Net cash received from Orion Divestiture	—	—	593,484
Other items, including shares withheld upon vesting	(7,022)	(4,790)	(33,552)
Net cash provided by financing activities	6,437,356	5,738,243	4,577,120
Effect of exchange rate changes on cash and cash equivalents	24,023	(20,511)	20,076
Net increase (decrease) in cash, cash equivalents and restricted cash	65,294	(105,488)	(518,310)
Cash, cash equivalents and restricted cash, beginning of period	226,881	332,369	850,679
Cash, cash equivalents and restricted cash, end of period	\$ 292,175	\$ 226,881	\$ 332,369

For supplemental disclosures, see note 18, *Supplemental Disclosures of Cash Flow Information*.

***The accompanying notes to consolidated financial statements are an integral part of these statements.***

REALTY INCOME CORPORATION AND SUBSIDIARIES  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2023

## 1. Summary of Significant Accounting Policies

Realty Income Corporation ("Realty Income," the "Company," "we," "our" or "us") was founded in 1969 and is organized as a Maryland corporation. We invest in commercial real estate and have elected to be taxed as a real estate investment trust ("REIT"). We are listed on the New York Stock Exchange ("NYSE") under the symbol "O".

As of December 31, 2023, we owned or held interests in a diversified portfolio of 13,458 properties located in all 50 states of the United States ("U.S."), Puerto Rico, the United Kingdom ("U.K."), France, Germany, Ireland, Italy, Portugal, and Spain, with approximately 272.1 million square feet of leasable space.

Information with respect to number of properties, leasable square feet, average initial lease term and initial weighted average cash yield is unaudited.

**Basis of Presentation.** These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Intercompany accounts and transactions are eliminated in consolidation. The U.S. Dollar ("USD") is our reporting currency. Unless otherwise indicated, all dollar amounts are expressed in USD.

For our consolidated subsidiaries whose functional currency is not the USD, we translate their financial statements into USD at the time we consolidate those subsidiaries' financial statements. Generally, assets and liabilities are translated at the exchange rate in effect at the balance sheet date. The resulting translation adjustments are included in 'Accumulated other comprehensive income', ("AOCI"), on our consolidated balance sheets. Certain balance sheet items, primarily equity and capital-related accounts, are reflected at the historical exchange rate. Income statement accounts are translated using the average exchange rate for the period.

We and certain of our consolidated subsidiaries have intercompany and third-party debt that is not denominated in our functional currency. When the debt is remeasured to the functional currency of the entity, a gain or loss can result. The resulting adjustment is reflected in 'Foreign currency and derivative (loss) gain, net' in our consolidated statements of income and comprehensive income. In the statement of cash flows, cash flows denominated in foreign currencies are translated using the exchange rates in effect at the time of the respective cash flows or at average exchange rates for the period, depending on the nature of the cash flow items.

**Principles of Consolidation.** These consolidated financial statements include the accounts of Realty Income and all other entities in which we have a controlling financial interest. We evaluate whether we have a controlling financial interest in an entity in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation*.

Voting interest entities ("VOEs") are entities considered to have sufficient equity at risk and which the equity holders have the obligation to absorb losses, the right to receive residual returns and the right to make decisions about the entity's activities. We consolidate voting interest entities in which we have a controlling financial interest, which we typically have through holding of a majority of the entity's voting equity interests.

Variable interest entities ("VIEs") are entities that lack sufficient equity at risk or where the equity holders either do not have the obligation to absorb losses, do not have the right to receive residual returns, do not have the right to make decisions about the entity's activities, or some combination of the above. A controlling financial interest in a VIE is present when an entity has a variable interest, or a combination of variable interests, that provides the entity with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. An entity that meets both conditions above is deemed the primary beneficiary and consolidates the VIE. We reassess our initial evaluation of whether an entity is a VIE when certain reconsideration events occur. We reassess our determination of whether we are the primary beneficiary of a VIE on an ongoing basis based on current facts and circumstances.

At December 31, 2023, we are considered the primary beneficiary of Realty Income, L.P. and certain investments, including investments in joint ventures. Below is a summary of selected financial data of such consolidated VIEs, included on our consolidated balance sheets at December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Net real estate	\$ 2,866,272	\$ 920,032
Total assets	\$ 3,588,720	\$ 1,082,346
Total liabilities	\$ 134,366	\$ 60,127

The portion of a consolidated entity not owned by us is recorded as a noncontrolling interest. Noncontrolling interests are reflected on our consolidated balance sheets as a component of equity. Noncontrolling interests that were created or assumed as part of a business combination or asset acquisition were recognized at fair value as of the date of the transaction (see note 12, *Noncontrolling Interests*).

**Reclassification.** Certain prior period amounts have been reclassified to conform to the current year presentation.

Value-added tax receivable is included in 'Other assets, net', on our consolidated balance sheets. Previously, this was categorized as 'Accounts receivable, net' on our consolidated balance sheets.

**Use of Estimates.** The consolidated financial statements were prepared in conformity with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Income per Common Share.** Basic net income per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income available to common stockholders, plus income attributable to dilutive shares and convertible common units for the period, by the weighted average number of common shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period. For more detail, see note 17, *Net Income per Common Share*.

**Cash Equivalents and Restricted Cash.** We consider all short-term, highly liquid investments that are readily convertible to cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. Restricted cash includes cash proceeds from the sale of assets held by qualified intermediaries in anticipation of the acquisition of replacement properties in tax-free exchanges under Section 1031 of the U.S. Internal Revenue Code, impounds related to mortgages payable and cash that is not immediately available to Realty Income (i.e. escrow deposits for future acquisitions).

Cash accounts maintained on behalf of Realty Income in demand deposits at commercial banks and money market funds may exceed federally insured levels or may be held in accounts without any federal insurance or any other insurance or guarantee. However, Realty Income has not experienced any losses in such accounts.

**Income Taxes.** We have elected to be taxed as a REIT, under the Internal Revenue Code of 1986, as amended. We believe we have qualified and continue to qualify as a REIT. Under the REIT operating structure, we are permitted to deduct dividends paid to our stockholders in determining our taxable income. Assuming our dividends equal or exceed our taxable net income in the U.S., we generally will not be required to pay U.S. income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements, except for federal income taxes of our taxable REIT subsidiaries ("TRS"). A TRS is a subsidiary of a REIT that is subject to federal, state and local income taxes, as applicable. Our use of TRS entities enables us to engage in certain business activities while complying with the REIT qualification requirements and to retain any income generated by these businesses for reinvestment without the requirement to distribute those earnings. For our international territories, we are liable for taxes in the United Kingdom and Spain. Accordingly, provisions have been made for U.K. and Spain income taxes. Therefore, the income taxes recorded on our consolidated statements of income and comprehensive income represent amounts accrued or paid by Realty Income and its subsidiaries for U.S. income taxes on our TRS entities, city and state income and franchise taxes, and income taxes for the U.K. and Spain.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes primarily due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties for tax purposes, among other things.

We regularly analyze our various international, federal and state filing positions and only recognize the income tax effect in our financial statements when certain criteria regarding uncertain income tax positions have been met. We believe that our income tax positions would more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provisions for uncertain tax positions have been recorded on our consolidated financial statements.

**Lease Revenue Recognition and Accounts Receivable.** The majority of our leases are accounted for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon our client's sales, or percentage rent, is recognized only after our client exceeds their sales breakpoint. Rental increases based upon changes in the consumer price indices are recognized only after the changes in the indexes have occurred and are then applied according to the lease agreements. Contractually obligated rental revenue from our clients for recoverable real estate taxes and operating expenses are included in contractually obligated reimbursements by our clients, a component of rental revenue, in the period when such costs are incurred. Taxes and operating expenses paid directly by our clients are recorded on a net basis.

Other revenue includes certain property-related revenue not included in rental revenue and interest income recognized on financing receivables for certain leases with above-market terms.

We assess the probability of collecting substantially all of the lease payments to which we are entitled under the original lease contract as required under ASC 842, *Leases*. We assess the collectability of our future lease payments based on an analysis of creditworthiness, economic trends and other facts and circumstances related to the applicable clients. If we conclude the collection of substantially all of lease payments under a lease is less than probable, rental revenue recognized for that lease is limited to cash received going forward, existing operating lease receivables, including those related to straight-line rental revenue, must be written off as an adjustment to rental revenue, and no further operating lease receivables are recorded for that lease until such future determination is made that substantially all lease payments under that lease are now considered probable. If we subsequently conclude that the collection of substantially all lease payments under a lease is probable, a reversal of lease receivables previously written off is recognized.

**Loans Receivable.** The loans we acquired during 2023 are classified as held for investment and are carried at their amortized cost basis. We recognize interest income on loans receivable using the effective-interest method. Direct costs associated with originating loans, along with any premium or discount, are deferred and amortized as an adjustment to interest income over the term of the loan using the effective interest method. When management identifies the full recovery of the contractually specified payments of principal and interest of a loan is less than probable, we evaluate the expected loss amount and place it on non-accrual status. We made the accounting policy election to record accrued interest on our loan portfolio separate from our loan receivable and other lending investments. These loans and the related interest receivable are presented in 'Other assets, net' on our consolidated balance sheets.

**Allowance for Credit Losses.** The allowance for credit losses, which is recorded as a reduction to loans receivable and financing receivable within 'Other assets, net' on our consolidated balance sheets, is measured using a probability of default method based on our client's respective credit ratings and the expected value of the underlying collateral upon its repossession. Included in our model are factors that incorporate forward-looking information. Allowance for credit losses is presented in 'Provisions for impairment' in our consolidated statements of income and comprehensive income.

During the year ended December 31, 2023, we recognized a provision for credit losses of \$4.9 million, which includes \$2.5 million of allowances on loans receivable and \$2.4 million of allowances on financing receivables.

**Gain on Sales of Real Estate.** When real estate is sold, the carrying amount of the applicable assets is derecognized with a corresponding gain from the sale recognized in our consolidated statements of income and comprehensive income. We record a gain on sale of real estate pursuant to provisions under ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets*. We determine whether we would have a controlling financial interest in the property after the sale. We record a gain from the sale of real estate provided that various criteria, relating to the terms of the sale and any subsequent involvement by us with the real estate, have been met.

**Allocation of the Purchase Price of Real Estate Acquisitions.** We evaluate whether or not substantially all of the value of acquired assets is concentrated in a single identifiable asset or group of identifiable assets to determine whether a transaction is accounted for as an asset acquisition or a business combination. A majority of our

acquisitions qualify as asset acquisitions, and the transaction costs associated with those acquisitions are capitalized. On the other hand, we expense the transaction costs and categorize them as merger and integration-related costs on our consolidated statements of income and comprehensive income for transactions that qualify as a business combination. For business combinations, we recognize the amount of any purchase consideration that exceeds the fair value of all identified assets acquired and liabilities assumed as goodwill and may record measurement period adjustments within one year of the acquisition date as permitted under ASC 805, *Business Combinations*.

For asset acquisitions, we allocate the cost of real estate acquired, inclusive of transaction costs, to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their relative estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases and the value of in-place leases, as applicable. Additionally, above-market rents on certain leases under which we are a lessor are accounted for as financing receivables amortizing over the lease term, while below-market rents on certain leases under which we are a lessor are accounted for as prepaid rent. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair values of the land, building and improvements, and identified intangible assets and liabilities, utilizing market-based evidence and commonly applied valuation approaches. In addition, any assumed notes payable or mortgages are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, client investment grade, maturity date, and comparable borrowings for similar assets. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

Our estimated fair value determinations are based on management's judgment, utilizing various factors, including: market land and building values, market rental rates, discount rates and capitalization rates. Our methodology for measuring and allocating the fair value of real estate acquisitions includes both observable market data (categorized as level 2 on the three-level valuation hierarchy of ASC 820, *Fair Value Measurement*), and unobservable inputs that reflect our own internal assumptions (categorized as level 3 under ASC 820). Given the significance of the unobservable inputs we believe the allocations of fair value of real estate acquisitions should be categorized as level 3 under ASC 820. From time to time, we have used, and may continue to use, the assistance of independent third parties specializing in real estate valuations to prepare our purchase price allocations.

The allocation of tangible assets (which includes land and buildings/improvements) of an acquired property with an in-place lease is based upon relative fair value. Land is typically valued utilizing the sales comparison (or market) approach. Buildings and improvements are typically valued under the replacement cost approach. In allocating the fair value to identified intangibles for above-market or below-market leases, an amount is recorded based on the present value of the difference between (i) the contractual amount to be paid pursuant to the in-place lease and (ii) our estimate of fair market lease rate for the corresponding in-place lease, measured over the remaining assumed contract term of the lease. The value of in-place leases is determined by our estimated costs related to acquiring a client and the carrying costs that would be incurred over the vacancy period to locate a client if the property were vacant, considering market conditions and costs to execute similar leases at the time of acquisition.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on our consolidated statements of income and comprehensive income. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to depreciation and amortization expense over the remaining periods of the respective leases. If a lease is terminated prior to its stated expiration, all unamortized amounts relating to that lease are recorded to revenue or expense as appropriate.

**Real Estate and Lease Intangibles Held for Sale.** We generally reclassify assets to held for sale when the disposition has been approved, there are no known contingencies relating to the sale and the consummation of the disposition is considered probable within one year. Upon classifying a real estate investment as held for sale, we will no longer recognize depreciation expense related to the depreciable assets of the property. Assets held for sale are recorded at the lower of carrying value or estimated fair value, less the estimated cost to dispose of the assets. Twenty-nine properties were classified as held for sale at December 31, 2023.

If circumstances arise that we previously considered unlikely and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify the property as held for investment. We measure and record

a property that is reclassified as held for investment at the lower of (i) its carrying value before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment or (ii) the estimated fair value at the date of the subsequent decision not to sell.

**Investment in Unconsolidated Entities.** Investments in unconsolidated entities of which we are not considered the primary beneficiary, include VIEs and are accounted for using the equity method as we have the ability to exercise significant influence over operating and financing policies of these investments. We initially recognize the fair value of our contribution as an equity method investment. We subsequently adjust these balances for our proportionate share of net earnings/losses of the entities, distributions received and contributions made. Transaction costs related to the formation of equity method investments are also capitalized, resulting in a basis difference. This basis difference is amortized over the estimated useful life of the respective underlying assets and/or liabilities. The carrying value of our investment is included in 'Investment in unconsolidated entities' on our consolidated balance sheets. We record our proportionate share of net income from the unconsolidated entities in 'Equity in income and impairment of investment in unconsolidated entities' in our consolidated statements of income and comprehensive income. With regard to distributions from unconsolidated entities, we have elected the nature of distribution approach as the information is available to us to determine the nature of the underlying activity that generated the distributions. In accordance with such approach, cash flows generated from the operations of an unconsolidated entity are classified as a return on investment (cash inflow from operating activities) and cash flows that are generated from other activities, such as property sales, debt refinancing or sale and redemptions of our investments of our investments are classified as a return of investment (cash inflow from investing activities). Our contribution to the unconsolidated entities or any distributions from them as returns of investment are classified as investing activities.

Our investment in unconsolidated entities includes preferred interests. Upon acquisition, we assess whether such investment should be considered debt or equity securities based on investment terms. As of December 31, 2023, our investment balance includes preferred interests classified as equity securities without a readily determinable fair value, for which we elect to apply the measurement alternative and record the value of the investment at cost, less any applicable impairment.

**Goodwill.** Upon the closing of a business combination, after identifying all tangible and intangible assets and liabilities, the excess consideration paid over the fair value of the assets and liabilities acquired and assumed, respectively, represents goodwill.

**Deferred Financing Costs.** Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining or originating financing. Deferred financing costs, other than those associated with the line of credit, are presented on our consolidated balance sheets as a direct deduction from the carrying amount of the related debt liability. Deferred financing costs related to the line of credit are included in 'other assets, net' in the accompanying consolidated balance sheets. These costs are amortized to interest expense over the terms of the respective financing agreements that approximates the effective interest method.

**Depreciation and Amortization.** Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as incurred. Buildings and improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction, development, construction, interest and other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of property improvements to accommodate the client's use, but in any event no later than one year from the completion of major construction activity.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:



Buildings	25 to 35 years
Building improvements	4 to 35 years
Equipment	5 to 25 years
Lease commissions and property improvements to accommodate the client's use	The shorter of the term of the related lease or useful life
Acquired in-place leases	Remaining terms of the respective leases

**Provisions for Impairment - Real Estate Assets.** We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property, a fair value analysis is performed and, to the extent the estimated fair value is less than the current book value, a provision for impairment is recorded to reduce the book value to estimated fair value. Key assumptions that we utilize in this analysis include projected rental rates, estimated holding periods, capital expenditures and property sales capitalization rates. For further details, see note 13, *Fair Value Measurements*.

**Provisions for Impairment - Goodwill.** Goodwill is not amortized, but is subject to impairment reviews annually, or more frequently if necessary. Goodwill is qualitatively assessed to determine whether a quantitative impairment assessment is necessary. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. If the carrying value of the asset exceeds its estimated fair value, an impairment loss is recognized, and the asset is written down to its estimated fair value. We perform our annual goodwill impairment assessment as of June 30. During the years ended December 31, 2023, 2022 and 2021, there were no impairments of goodwill.

**Provisions for Impairment - Investment in Unconsolidated Entities.** During our ownership of properties that are accounted for under the equity method and considered unconsolidated entities, and when circumstances indicate that a decrease in the value of an equity method investment has occurred that is other than temporary, we recognize an impairment loss, which requires significant judgment. To determine whether the impairment loss is other-than-temporary, we consider whether it has the ability and intent to hold the investment until the carrying value is fully recovered. We evaluate the impairment of our investment in unconsolidated entities in accordance with accounting standards for equity investments by first reviewing each investment for indicators of impairment. If indicators are present, we estimate the fair value of the investments. If the carrying value of the investment is greater than the estimated fair value, we make an assessment of whether the impairment is temporary or other-than-temporary. In making this assessment, we consider the length of time and the extent to which fair value has been less than cost, the financial condition and near-term prospects of the entity, and our intent and ability to retain the interest long enough for a recovery in market value. The investment is then reduced to its estimated fair value if conclusions indicate the impairment is other than temporary.

**Equity Offering Costs.** Underwriting commissions and offering costs have been reflected as a reduction of additional paid-in-capital on our consolidated balance sheets.

**Derivative and Hedging Activities.** Derivatives are financial arrangements among two or more parties with returns linked to or “derived” from an underlying equity, debt, commodity, other asset, liability, interest rate, foreign exchange rate or another index, or the occurrence or nonoccurrence of a specified event. The settlement of a derivative is determined by its underlying notional amount specified in the contract. Derivative contracts may be entered into outright or embedded within a non-derivative host contract, and may be listed, traded on exchanges or privately negotiated directly between two parties.

We actively manage interest rate and foreign currency exposures arising from our liquidity and funding activities using derivative instruments. We record all derivatives on the balance sheet at fair value. The majority of inputs used to value our derivatives fall within level 2 of the fair value hierarchy. The recognition of changes in the fair value of derivatives is recorded in net income unless the derivative is designated as a cash flow or net investment hedge, in which case the change in fair value is recorded in other comprehensive income and subsequently reclassified to a designated account in our consolidated statements of income and comprehensive income in the periods during which the hedged transaction affects earnings.

**Segment Reporting.** Our business is characterized as owning and leasing commercial properties under long-term, mostly triple net lease agreements (whereby clients are responsible for property taxes, insurance and maintenance



costs), and these economic characteristics are similar across various property types, geographic locations, and industries in which our clients operate. Information reviewed by our chief operating decision maker in evaluating performance and allocating resources are primarily operating results and cash flow analysis for the overall company. Therefore, we operate and manage the business in one operating and reportable segment.

ASC 280, *Segment Reporting*, requires certain entity-wide annual disclosures for entities with a single reportable segment. The following table disaggregates domestic and international revenue by major asset types and geographic regions (in millions):

	Years ended December 31,			
	2023			
	U.S.	U.K.	Other <sup>(1)</sup>	Total
Retail	\$ 2,754.2	\$ 374.0	\$ 65.4	\$ 3,193.6
Industrial	515.4	43.7	—	559.1
Other <sup>(2)</sup>	205.5	—	—	205.5
Rental (including reimbursable)	\$ 3,475.1	\$ 417.7	\$ 65.4	\$ 3,958.2
Other revenue				120.8
Total revenue				\$ 4,079.0
	2022			
	U.S.	U.K.	Other <sup>(1)</sup>	Total
Retail	\$ 2,455.9	\$ 243.3	\$ 30.9	\$ 2,730.1
Industrial	465.2	30.2	—	495.4
Other <sup>(2)</sup>	74.2	—	—	74.2
Rental (including reimbursable)	\$ 2,995.3	\$ 273.5	\$ 30.9	\$ 3,299.7
Other revenue				44.0
Total revenue				\$ 3,343.7
	2021			
	U.S.	U.K.	Other <sup>(1)</sup>	Total
Retail	\$ 1,566.7	\$ 138.9	\$ 4.2	\$ 1,709.8
Industrial	261.5	9.6	—	271.1
Other <sup>(2)</sup>	84.1	—	—	84.1
Rental (including reimbursable)	\$ 1,912.3	\$ 148.5	\$ —	\$ 2,065.0
Other revenue				15.5
Total revenue				\$ 2,080.5

<sup>(1)</sup> Other includes properties in Spain, starting in September 2021, in Italy, starting in October 2022, in Ireland, starting in June 2023, and in France, Germany, and Portugal starting in December 2023.

<sup>(2)</sup> Other includes the following asset types: office, agriculture and gaming.

Long-lived assets include items such as property, plant, equipment and right-of-use assets subject to operating and finance leases. As of December 31, 2023, no individual country or asset-type represented more than 10% of total revenue, other than as presented in the tables above. In addition, as of December 31, 2023, no individual country or asset-type represented more than 10% of the total assets, other than as presented in the tables below. The following table disaggregates domestic and international total long-lived assets (in millions):

	As of December 31,							
	2023				2022			
	U.S.	U.K.	Other <sup>(1)</sup>	Total	U.S.	U.K.	Other <sup>(1)</sup>	Total
Long-lived assets	\$ 36,577.1	\$ 6,787.1	\$ 1,496.1	\$ 44,860.3	\$ 33,685.6	\$ 4,596.1	\$ 582.7	\$ 38,864.4
Remaining assets				12,919.1				10,808.7
Total assets				\$ 57,779.4				\$ 49,673.1

<sup>(1)</sup> Other includes properties in Spain, starting in September 2021, in Italy, starting in October 2022, in Ireland, starting in June 2023, and in France, Germany, and Portugal, starting in December 2023.

### Recent Accounting Standards Not Yet Adopted.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes*, to enhance income tax disclosures, provide more information about tax risks and opportunities present in worldwide operations, and to disaggregate existing income tax disclosures. The guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. We are currently evaluating the impact on our financial statement disclosures.

In November 2023, FASB issued Accounting Standards Update ASU 2023-07, *Segment Reporting*, establishing improvements to reportable segments disclosures to enhance segment reporting under Topic 280. This ASU aims to change how public entities identify and aggregate operating segments and apply quantitative thresholds to determine their reportable segments. This ASU also requires public entities that operate as a single reportable segment to provide all segment disclosures in Topic 280, not just entity level disclosures. The guidance will be effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and the amendments should be applied retrospectively to all periods presented in the financial statements. We are currently evaluating the impact on our financial statement disclosures.

## 2. Merger with VEREIT, Inc. and Orion Office REIT Inc. Divestiture

### Merger with VEREIT

On November 1, 2021, we completed our acquisition of VEREIT, Inc. ("VEREIT"), and the merger was consummated. Pursuant to the terms of the Merger Agreement and subject to the terms thereof, upon the consummation of the merger, (i) each outstanding share of VEREIT common stock, and each outstanding common partnership unit of VEREIT Operating Partnership, L.P., ("VEREIT OP") owned by any of its partners other than VEREIT, Realty Income or their respective affiliates, was automatically converted into 0.705 of newly issued shares of our common stock, or in certain instances, Realty Income L.P. units, and (ii) each VEREIT OP outstanding common unit owned by VEREIT, Realty Income or their respective affiliates remained outstanding as partnership interests in the surviving entity. Each outstanding VEREIT stock option and restricted stock unit that were unvested as of November 1, 2021 were converted into equivalent options and restricted stock units, in each case with respect to the share of the Company's common stock, using the equity award exchange ratio in accordance with the Merger Agreement.

#### A. Merger and Integration-Related Costs

In conjunction with our merger with VEREIT, we incurred merger-related transaction costs of \$4.8 million, \$13.9 million, and \$167.4 million for the years ended December 31, 2023, 2022, and 2021, respectively. Merger and integration-related costs consist of advisory fees, attorney fees, accountant fees, public filing fees and additional incremental and non-recurring costs necessary to convert data and systems, retain employees and otherwise enable us to operate the acquired business or assets efficiently.

#### B. Unaudited Pro Forma Financial Information

Our consolidated results of operations for year ended December 31, 2021 include \$176.3 million of revenues and \$36.7 million of net income associated with the results of operations of VEREIT OP.

The following unaudited pro forma information presents a summary of our combined results of operations for the year ended December 31, 2021 as if our merger with VEREIT had occurred on January 1, 2020 (in millions, except per share data). The following pro forma financial information is not necessarily indicative of the results of operations had the acquisition been effected on the assumed date, nor is it necessarily an indication of trends in future results. In accordance with ASC 805, *Business Combinations*, the following information excludes the impact of the spin-off of office assets to Orion Office REIT Inc. ("Orion").

	Year ended December 31, 2021	
Total revenues	\$	3,084.3
Net income	\$	734.6
Basic and diluted earnings per share	\$	1.27

The unaudited pro forma financial information above includes the following nonrecurring significant adjustment made to account for certain costs incurred as if our merger with VEREIT had been completed on January 1, 2020: merger and integration-related costs of \$167.4 million were excluded within the pro forma financial information for 2021.

### Orion Divestiture

Following the closing of our merger with VEREIT, we contributed 92 office real estate assets, a consolidated real estate venture holding one office asset, and an unconsolidated real estate venture holding five office assets to a wholly owned subsidiary named Orion. On November 12, 2021, we distributed the outstanding shares of Orion common stock to our shareholders on a pro rata basis at a rate of one share of Orion common stock for every ten shares of Realty Income common stock held on November 12, 2021, the applicable record date. The fair market value of these shares for tax distribution was determined to be \$20.6272 per share, which was calculated using the five-day volume weighted average share price after issuance. For more detail, see note 16, *Distributions Paid and Payable*.

In conjunction with the Orion Divestiture, we incurred approximately \$1.9 million and \$6.0 million of transaction costs during the year ended December 31, 2022 and 2021, which were included in 'Merger and integration-related costs' within our consolidated statements of income and comprehensive income.

As part of the Orion Divestiture, Orion paid us a dividend of \$425.0 million and reimbursed \$170.2 million to us for the early redemption of mortgage loans underlying the contributed assets prior to the effectuation of the Orion Divestiture. The distribution of Orion resulted in the derecognition of net assets of \$1.74 billion, which net of the aforementioned cash payments of \$595.2 million, resulted in a reduction to additional paid in capital of \$1.14 billion.

### 3. Supplemental Detail for Certain Components of Consolidated Balance Sheets (in thousands):

A. Accounts receivable, net, consist of the following at:	December 31, 2023		December 31, 2022	
Straight-line rent receivables, net	\$	516,692	\$	363,993
Client receivables, net		193,844		179,244
	\$	710,536	\$	543,237
B. Lease intangible assets, net, consist of the following at:	December 31, 2023		December 31, 2022	
In-place leases	\$	5,500,404	\$	5,324,565
Accumulated amortization of in-place leases		(1,746,377)		(1,409,878)
Above-market leases		1,811,400		1,697,367
Accumulated amortization of above-market leases		(549,319)		(443,688)
Other items		1,799		—
	\$	5,017,907	\$	5,168,366
C. Other assets, net, consist of the following at:	December 31, 2023		December 31, 2022	
Financing receivables, net	\$	1,570,943	\$	933,116
Right of use asset - financing leases		706,837		467,920
Right of use asset - operating leases, net		594,712		603,097
Loan receivable, net		205,339		—
Value-added tax receivable		100,672		24,726
Prepaid expenses		33,252		28,128
Impounds related to mortgages payable		53,005		18,152
Derivative assets and receivables – at fair value		21,170		83,100
Corporate assets, net		12,948		12,334
Credit facility origination costs, net		12,264		17,196
Restricted escrow deposits		6,247		37,627
Interest receivable		6,139		—
Investment in sales type lease		6,056		5,951
Non-refundable escrow deposits		200		5,667
Other items		38,859		39,939
	\$	3,368,643	\$	2,276,953

D. Accounts payable and accrued expenses consist of the following at:	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Notes payable - interest payable	\$ 218,811	\$ 129,202
Derivative liabilities and payables – at fair value	119,620	64,724
Property taxes payable	78,809	45,572
Accrued costs on properties under development	65,967	26,559
Value-added tax payable	64,885	23,375
Accrued income taxes	61,070	22,626
Accrued property expenses	54,208	25,290
Mortgages, term loans, and credit line - interest payable	8,580	5,868
Other items	66,576	55,921
	<u>\$ 738,526</u>	<u>\$ 399,137</u>
E. Lease intangible liabilities, net, consist of the following at:	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Below-market leases	\$ 1,728,027	\$ 1,617,870
Accumulated amortization of below-market leases	(321,174)	(238,434)
	<u>\$ 1,406,853</u>	<u>\$ 1,379,436</u>
F. Other liabilities consist of the following at:	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Lease liability - operating leases, net	\$ 425,213	\$ 440,096
Rent received in advance and other deferred revenue	312,195	269,645
Lease liability - financing leases	44,345	49,469
Security deposits	28,250	15,577
Other acquisition liabilities	1,647	—
	<u>\$ 811,650</u>	<u>\$ 774,787</u>

#### 4. Investments in Real Estate

##### A. Acquisitions of Real Estate

Below is a summary of our acquisitions for the year ended December 31, 2023 (unaudited):

	<b>Number of Properties</b>	<b>Leasable Square Feet (in thousands, unaudited)</b>	<b>Investment (\$ in millions)</b>	<b>Weighted Average Lease Term (Years)</b>	<b>Initial Weighted Average Cash Lease Yield <sup>(1)</sup></b>
Acquisitions - U.S.	838	15,030	\$ 3,802.3	15.9	6.9 %
Acquisitions - Europe	177	14,737	3,080.4	13.7	7.1 %
Total acquisitions	1,015	29,767	\$ 6,882.7	14.9	7.0 %
Properties under development <sup>(2)</sup>	390	8,094	1,270.3	16.4	6.8 %
Total <sup>(3)</sup>	1,405	37,861	\$ 8,153.0	15.1	7.0 %

<sup>(1)</sup> The initial weighted average cash lease yield for a property is generally computed as estimated contractual first year cash net operating income, which, in the case of a net leased property, is equal to the aggregate cash base rent for the first full year of each lease, divided by the total cost of the property. Since it is possible that a client could default on the payment of contractual rent (defined as the monthly aggregate cash amount charged to clients, inclusive of monthly base rent receivables), we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above. Contractual net operating income used in the calculation of initial weighted average cash lease yield includes approximately \$4.4 million received as settlement credits as reimbursement of free rent periods for the year ended December 31, 2023.

In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the initial weighted average cash lease yield is computed as follows: estimated cash net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs.

<sup>(2)</sup> Includes £34.3 million of investments in U.K. development properties and €29.3 million of investment in Spain development properties, converted at the applicable exchange rates on the funding dates.

<sup>(3)</sup> Our clients occupying the new properties are 88.7% retail, 8.5% industrial, and 2.8% other property types based on net operating income. Approximately 31.4% of the net operating income generated from acquisitions during the year ended December 31, 2023 is from investment grade rated clients, their subsidiaries, or affiliated companies.

The aggregate purchase price of the assets acquired during the year ended December 31, 2023 has been allocated as follows (in millions):

	Acquisitions - USD	Acquisitions - Sterling	Acquisitions - Euro
Land <sup>(1)</sup>	\$ 779.5	£ 477.2	€ 288.6
Buildings and improvements	2,842.5	909.0	462.3
Lease intangible assets <sup>(2)</sup>	430.0	130.1	36.8
Other assets <sup>(3)</sup>	559.9	257.3	35.2
Lease intangible liabilities <sup>(4)</sup>	(115.1)	(12.4)	(0.9)
Other liabilities <sup>(5)</sup>	(9.1)	(2.6)	(9.6)
	<u>\$ 4,487.7</u>	<u>£ 1,758.6</u>	<u>€ 812.4</u>

<sup>(1)</sup> Sterling-denominated land includes £7.1 million of right of use assets under long-term ground leases.

<sup>(2)</sup> The weighted average amortization period for acquired lease intangible assets is 11.3 years.

<sup>(3)</sup> USD-denominated other assets consist entirely of financing receivables with above-market terms. Sterling-denominated other assets primarily consist of £66.1 million of financing receivables with above-market terms and £191.1 million of right-of-use assets accounted for as finance leases. Euro-denominated other assets consist of €17.4 million of financing receivables with above-market terms, €10.6 million of right-of-use assets accounted for as finance leases and €7.2 million of right-of-use assets under ground leases.

<sup>(4)</sup> The weighted average amortization period for acquired lease intangible liabilities is 16.9 years.

<sup>(5)</sup> USD-denominated other liabilities consist entirely of deferred rent on certain below-market leases. Sterling-denominated other liabilities primarily consist of £2.3 million of deferred rent on certain below-market leases and £0.2 million of lease liabilities under financing leases. Euro-denominated other liabilities consists of €1.6 million of deferred rent on certain below-market leases, €4.4 million of lease liabilities under ground leases, €2.1 million of lease liabilities under financing leases, and €1.5 million of other liabilities.

The properties acquired during the year ended December 31, 2023 generated total revenue and net income of \$302.3 million and \$152.4 million, respectively.

#### B. Investments in Existing Properties

During the year ended December 31, 2023, we capitalized costs of \$59.8 million on existing properties in our portfolio, consisting of \$49.6 million for non-recurring building improvements, \$9.9 million for re-leasing costs, and \$0.3 million for recurring capital expenditures. In comparison, during the year ended December 31, 2022, we capitalized costs of \$96.7 million on existing properties in our portfolio, consisting of \$88.3 million for non-recurring building improvements, \$5.2 million for re-leasing costs, and \$3.2 million for recurring capital expenditures.

#### C. Properties with Existing Leases

The value of the in-place and above-market leases is recorded to 'Lease intangible assets, net' on our consolidated balance sheets, and the value of the below-market leases is recorded to 'Lease intangible liabilities, net' on our consolidated balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all of our in-place leases, for the years ended December 31, 2023, 2022 and 2021 were \$651.1 million, \$634.9 million, and \$247.6 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue in our consolidated statements of income and comprehensive income. The amounts amortized as a net decrease to rental revenue for capitalized above-market and below-market leases for the years ended December 31, 2023, 2022 and 2021 were \$61.5 million, \$55.6 million, and \$35.4 million, respectively. If a lease was to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense, as appropriate.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the above-market and below-market lease intangibles and the amortization of the in-place lease intangibles at December 31, 2023 (dollars in thousands):

	Net increase (decrease) to rental revenue	Increase to amortization expense
2024	\$ (57,431)	\$ 593,845
2025	(51,025)	512,189
2026	(43,447)	456,383
2027	(34,900)	395,966
2028	(24,525)	336,868
Thereafter	356,100	1,458,777
Totals	<u>\$ 144,772</u>	<u>\$ 3,754,028</u>

#### D. Gain on Sales of Real Estate

The following table summarizes our properties sold during the periods indicated below (dollars in millions):

	Years ended December 31,		
	2023	2022	2021
Number of properties	121	170	154
Net sales proceeds	\$ 117.4	\$ 436.1	\$ 250.3
Gain on sales of real estate	\$ 25.7	\$ 103.0	\$ 55.8

#### 5. Investments in Unconsolidated Entities

The following is a summary of our investments in unconsolidated entities as of December 31, 2023 and 2022 (in thousands):

Investment	Ownership %	Number of Properties	Carrying Amount <sup>(1)</sup> of Investment as of	
	As of December 31, 2023		12/31/2023	12/31/2022
Bellagio Las Vegas Joint Venture - Common Equity Interest	21.9%	1	\$ 296,097	\$ —
Bellagio Las Vegas Joint Venture - Preferred Equity Interest	n/a	n/a	650,000	—
Data Center Development Joint Venture	80.0%	2	226,021	—
Industrial Partnerships	20.0%	—	—	—
<b>Total investment in unconsolidated entities</b>			<b>\$ 1,172,118</b>	<b>\$ —</b>

<sup>(1)</sup> The total carrying amount of the investments was greater than the underlying equity in net assets (i.e., basis difference) by \$2.2 million as of December 31, 2023.

Equity in income and impairment of investment in unconsolidated entities consists of the following (in thousands):

Investment	Years ended December 31,		
	2023	2022	2021
Bellagio Las Vegas Joint Venture - Common Equity Interest	\$ 2,139	\$ —	\$ —
Data Center Development Joint Venture	—	—	—
Industrial Partnerships	407	(6,448)	1,106
<b>Equity in income and impairment of investment in unconsolidated entities</b>	<b>\$ 2,546</b>	<b>\$ (6,448)</b>	<b>\$ 1,106</b>

#### A. Bellagio Las Vegas Joint Venture Interests

In October 2023, we invested \$951.4 million to acquire common and preferred interests from Blackstone Real Estate Trust, Inc. ("BREIT") in a joint venture that owns a 95.0% interest in the real estate of The Bellagio Las Vegas. The investment included \$301.4 million of common equity in the joint venture in exchange for an indirect interest of 21.9% in the property and a \$650.0 million preferred equity interest in the joint venture. The unconsolidated entity had total debt outstanding of \$3.0 billion as of December 31, 2023, all of which was non-recourse to us with limited customary exceptions.

The Company's preferred equity investment entitles it to certain preferential cumulative distributions out of operating and capital proceeds pursuant to the terms and conditions of the preferred equity. There is no maturity date on the preferred equity investment, which bears interest of 8.1%, payable monthly in arrears in cash, with rate increases commencing in year 7. BREIT may cause the joint venture to redeem all or a portion of the preferred equity investment, and Realty Income may cause the joint venture to redeem all or a portion of the preferred equity investment if BREIT or its affiliates cease to control the joint venture, in each case, for a cash payment equaling the sum of the amount to be redeemed plus, prior to the first anniversary of the transaction, a redemption fee of 3.0%, or, after the first anniversary and prior to the fourth anniversary of the transaction, a redemption fee of 2.0%. Interest income is determined by applying the interest rate to the sum of the outstanding balance of preferred equity and any accrued but unpaid interests. During the year ended December 31, 2023, we recognized interest income of \$13.0 million included within 'Other revenue' in our consolidated statements of income and comprehensive income.

We have determined that this joint venture is a VIE, and we are not the primary beneficiary as we do not have power to direct activities that most significantly impact the joint venture's economic performance. As a holder of preferred interests, we do not receive any additional voting rights, nor do we have conversion and redemption rights. Our maximum exposure to loss associated with this VIE is limited to our common and preferred equity investments.

#### **B. Data Center Development Joint Venture**

In November 2023, we established a joint venture with Digital Realty Trust, Inc. ("Digital Realty") to support the development of two build-to-suit data centers in Northern Virginia. We invested \$201.2 million to acquire an 80.0% equity interest in the venture, while Digital Realty maintains a 20.0% interest. We have determined that this joint venture is a VIE. While we have an 80.0% interest in the joint venture, we are not the primary beneficiary because we do not have power to direct activities that significantly impact the joint venture's economic performance as we were not engaged when the joint venture partner initially developed the construction plan and entered into the lease agreement. Digital Realty is the managing member, and we do not have substantive kick-out rights. We will continuously evaluate whether we are the primary beneficiary as the power to direct activities that most significantly affect economic performance can change over the life of the joint venture. Our maximum exposure to loss associated with this VIE is limited to our equity investment and our pro rata share of the remaining \$117.7 million of estimated development costs for the first phase of the project.

#### **C. Industrial Partnerships**

All seven assets held by our industrial partnerships were sold during the year ended December 31, 2022. As the portion of the net proceeds applied to our investment basis that we expected to receive at closing was less than our \$121.4 million carrying amount of investment in unconsolidated entities, we recognized an other than temporary impairment of \$8.5 million during the year ended December 31, 2022. The other than temporary impairments are included in 'Equity in income and impairment of investment in unconsolidated entities' in our consolidated statements of income and comprehensive income for the periods presented.

### **6. Investments in Loans**

The following table presents information about our loans as of December 31, 2023 (dollars in thousands):

	<b>Amortized Cost</b>	<b>Allowance</b>	<b>Carrying Amount <sup>(1)</sup></b>
Senior Secured Note Receivable	\$ 174,337	\$ (2,498)	\$ 171,839
Mortgage Loan	33,500	—	33,500
<b>Total</b>	<b>\$ 207,837</b>	<b>\$ (2,498)</b>	<b>\$ 205,339</b>

<sup>(1)</sup> The total carrying amount of the investment in loans excludes accrued interest of \$3.4 million as of December 31, 2023, which is recorded to 'Other assets, net' on our consolidated balance sheets.

#### **A. Senior Secured Note Receivable**

In November 2023, the Company purchased a Sterling-denominated senior secured note with a principal amount of £142.0 million, equivalent to \$180.9 million as of December 31, 2023. The interest only note bears interest at Sterling Overnight Indexed Average ("SONIA") plus 6.75% and matures in October 2029. The Company paid £136.7 million for the note and accounted for the discount at amortized cost. The discount is being amortized over the term of the note.

#### **B. Mortgage Loan**

In October 2023, the Company issued a \$33.5 million mortgage loan which is collateralized by nine automotive service properties located across seven different states. The interest only loan bears interest at 8.25% subject to annual increases and matures in October 2038.

### **7. Revolving Credit Facility and Commercial Paper Programs**

#### **A. Credit Facility**

We have a \$4.25 billion unsecured revolving multicurrency credit facility that matures in June 2026, includes two six-month extensions that can be exercised at our option, and allows us to borrow in up to 14 currencies, including USD. Our revolving credit facility also has a \$1.0 billion expansion option, which is subject to obtaining lender commitments. Under our revolving credit facility, our current investment grade credit ratings provide for USD borrowings at the Secured Overnight Financing Rate ("SOFR"), plus 0.725% with a SOFR adjustment charge of 0.10% and a revolving credit facility fee of 0.125%, for all-in pricing of 0.95% over SOFR, British Pound Sterling at



the SONIA, plus 0.725% with a SONIA adjustment charge of 0.0326% and a revolving credit facility fee of 0.125%, for all-in pricing of 0.8826% over SONIA, and Euro Borrowings at one-month Euro Interbank Offered Rate ("EURIBOR"), plus 0.725%, and a revolving credit facility fee of 0.125%, for all-in pricing of 0.85% over one-month EURIBOR.

As of December 31, 2023, we had a borrowing capacity of \$4.25 billion available on our revolving credit facility (subject to customary conditions to borrowing) and no outstanding balance as compared to an outstanding balance at December 31, 2022 of \$2.0 billion, comprised of €1.8 billion Euro and £70.0 million Sterling borrowings.

The weighted average interest rate on outstanding borrowings under our revolving credit facility was 4.8% during the year ended December 31, 2023, and 1.8% during the year ended December 31, 2022. Our revolving credit facility is subject to various leverage and interest coverage ratio limitations, and at December 31, 2023, we were in compliance with the covenants under our revolving credit facility.

As of December 31, 2023, credit facility origination costs of \$12.3 million are included in 'Other assets, net', as compared to \$17.2 million at December 31, 2022, on our consolidated balance sheets. These costs are being amortized over the remaining term of our revolving credit facility.

#### ***B. Commercial Paper Programs***

We have a USD-denominated unsecured commercial paper program, under which we may issue unsecured commercial paper notes up to a maximum aggregate amount outstanding of \$1.5 billion, as well as a Euro-denominated unsecured commercial paper program, which permits us to issue additional unsecured commercial notes up to a maximum aggregate amount of \$1.5 billion (or foreign currency equivalent). Our Euro-denominated unsecured commercial paper program may be issued in USD or various foreign currencies, including but not limited to, Euros, Sterling, Swiss Francs, Yen, Canadian Dollars, and Australian Dollars, in each case, pursuant to customary terms in the European commercial paper market.

The commercial paper ranks on a parity in right of payment with all of our other unsecured senior indebtedness outstanding from time to time, including borrowings under our revolving credit facility, our term loans and our outstanding senior unsecured notes. Proceeds from commercial paper borrowings are used for general corporate purposes.

As of December 31, 2023, the balance of borrowings outstanding under our commercial paper programs was \$764.4 million, including €583.0 million of Euro-denominated borrowings, as compared to \$701.8 million outstanding commercial paper borrowings, including €361.0 million of EUR borrowings, at December 31, 2022. The weighted average interest rate on outstanding borrowings under our commercial paper programs was 4.8% for the year ended December 31, 2023, and 1.6% for the year ended December 31, 2022. As of December 31, 2023, our weighted average interest rate on outstanding borrowings under our commercial paper programs was 4.4%. We use our \$4.25 billion revolving credit facility as a liquidity backstop for the repayment of the notes issued under the commercial paper programs. The commercial paper borrowings generally carry a term of less than a year.

We regularly review our credit facility and commercial paper programs and may seek to extend, renew or replace our credit facility and commercial paper programs, to the extent we deem appropriate.

#### **8. Term Loans**

In January 2023, we entered into a term loan agreement, permitting us to incur multicurrency term loans, up to an aggregate of \$1.5 billion in total borrowings. As of December 31, 2023, we had \$1.1 billion in multicurrency borrowings, including \$90.0 million, £705.0 million, and €85.0 million in outstanding borrowings. The 2023 term loans mature in January 2025, with one remaining twelve-month maturity extension available at our option. Our A3/A- credit ratings provide for a borrowing rate of 80 basis points over the applicable benchmark rate, which includes adjusted SOFR for USD-denominated loans, adjusted SONIA for Sterling-denominated loans, and EURIBOR for Euro-denominated loans. In conjunction with our 2023 term loans, we entered into interest rate swaps which fix our per annum interest rate. As of December 31, 2023, the effective interest rate, after giving effect to the interest rate swaps, was 5.0%.

We also have a \$250.0 million senior unsecured term loan, which matures in March 2024. In conjunction with this term loan, we entered into an interest rate swap and as of December 31, 2023, the effective interest rate on this term loan, after giving effect to the interest rate swap, was 3.8%.

At December 31, 2023, deferred financing costs of \$0.1 million are included net of the term loans principal balance, as compared to \$0.2 million related to our \$250.0 million term loan at December 31, 2022, on our consolidated balance sheets. These costs are being amortized over the remaining term of the term loans. As of December 31, 2023, we were in compliance with the covenants contained in the term loans.

## 9. Mortgages Payable

During the year ended December 31, 2023, we made \$22.0 million in principal payments, including the full repayment of two mortgages for \$17.4 million. During the year ended December 31, 2022, we made \$312.2 million in principal payments, including the full repayment of 12 mortgages for \$308.0 million. No mortgages were assumed during the year ended December 31, 2023. We assumed eight mortgages on 17 properties totaling \$45.1 million during the year ended December 31, 2022. Assumed mortgages are secured by the properties on which the debt was placed and are considered non-recourse debt with limited customary exceptions which vary from loan to loan.

Our mortgages contain customary covenants, such as limiting our ability to further mortgage each applicable property or to discontinue insurance coverage without the prior consent of the lender. At December 31, 2023, we were in compliance with these covenants.

The balance of our deferred financing costs, which are classified as part of 'Mortgages payable, net', on our consolidated balance sheets, was \$0.4 million and \$0.8 million at December 31, 2023 and 2022, respectively. These costs are being amortized over the remaining term of each mortgage.

The following table summarizes our mortgages payable as of December 31, 2023 and 2022 (dollars in millions):

As Of	Number of Properties <sup>(1)</sup>	Weighted Average Stated Interest Rate <sup>(2)</sup>	Weighted Average Effective Interest Rate <sup>(3)</sup>	Weighted Average Remaining Years Until Maturity	Remaining Principal Balance	Unamortized Premium (Discount) and Deferred Financing Costs Balance, net	Mortgage Payable Balance
December 31, 2023	131	4.8 %	3.3 %	0.4	\$ 822.4	\$ (0.8)	\$ 821.6
December 31, 2022	136	4.8 %	3.3 %	1.4	\$ 842.3	\$ 11.6	\$ 853.9

<sup>(1)</sup> At December 31, 2023, there were 16 mortgages on 131 properties and at December 31, 2022, there were 18 mortgages on 136 properties. With the exception of one Sterling-denominated mortgage which is paid quarterly, the mortgages require monthly payments with principal payments due at maturity. At December 31, 2023 and December 31, 2022, all mortgages were at fixed interest rates.

<sup>(2)</sup> Stated interest rates ranged from 3.0% to 6.9% at December 31, 2023 and December 31, 2022, respectively.

<sup>(3)</sup> Effective interest rates ranged from 0.5% to 6.6% and 2.7% to 6.6% at December 31, 2023 and December 31, 2022, respectively.

The following table summarizes the maturity of mortgages payable as of December 31, 2023, excluding \$0.8 million related to unamortized net discounts and deferred financing costs (dollars in millions):

Year of Maturity	Principal
2024	\$ 740.5
2025	44.0
2026	12.0
2027	22.3
2028	1.3
Thereafter	2.3
Totals	\$ 822.4

## 10. Notes Payable

### A. General

At December 31, 2023, our senior unsecured notes and bonds are USD-denominated, Sterling-denominated, and Euro-denominated. Foreign-denominated notes are converted at the applicable exchange rate on the balance sheet date. The following are sorted by maturity date (in thousands):

	Maturity Dates	Principal (Currency Denomination)	Carrying Value (USD) as of	
			December 31, 2023	December 31, 2022
4.600% Notes due 2024	February 6, 2024	\$	499,999	499,999
3.875% Notes due 2024	July 15, 2024	\$	350,000	350,000
3.875% Notes due 2025	April 15, 2025	\$	500,000	500,000
4.625% Notes due 2025	November 1, 2025	\$	549,997	549,997
5.050% Notes due 2026	January 13, 2026	\$	500,000	—
0.750% Notes due 2026	March 15, 2026	\$	325,000	325,000
4.875% Notes due 2026	June 1, 2026	\$	599,997	599,997
4.125% Notes due 2026	October 15, 2026	\$	650,000	650,000
1.875% Notes due 2027 <sup>(1)</sup>	January 14, 2027	£	318,450	301,225
3.000% Notes due 2027	January 15, 2027	\$	600,000	600,000
1.125% Notes due 2027 <sup>(1)</sup>	July 13, 2027	£	509,520	481,960
3.950% Notes due 2027	August 15, 2027	\$	599,873	599,873
3.650% Notes due 2028	January 15, 2028	\$	550,000	550,000
3.400% Notes due 2028	January 15, 2028	\$	599,816	599,816
2.200% Notes due 2028	June 15, 2028	\$	499,959	499,959
4.700% Notes due 2028	December 15, 2028	\$	400,000	—
3.250% Notes due 2029	June 15, 2029	\$	500,000	500,000
3.100% Notes due 2029	December 15, 2029	\$	599,291	599,291
4.850% Notes due 2030	March 15, 2030	\$	600,000	—
3.160% Notes due 2030	June 30, 2030	£	178,332	168,686
4.875% Notes due 2030 <sup>(1)</sup>	July 6, 2030	€	607,915	—
1.625% Notes due 2030 <sup>(1)</sup>	December 15, 2030	£	509,520	481,960
3.250% Notes due 2031	January 15, 2031	\$	950,000	950,000
5.750% Notes due 2031 <sup>(1)</sup>	December 5, 2031	£	382,140	—
3.180% Notes due 2032	June 30, 2032	£	439,461	415,691
5.625% Notes due 2032	October 13, 2032	\$	750,000	750,000
2.850% Notes due 2032	December 15, 2032	\$	699,655	699,655
1.800% Notes due 2033	March 15, 2033	\$	400,000	400,000
1.750% Notes due 2033 <sup>(1)</sup>	July 13, 2033	£	445,830	421,715
4.900% Notes due 2033	July 15, 2033	\$	600,000	—
2.730% Notes due 2034	May 20, 2034	£	401,247	379,544
5.125% Notes due 2034 <sup>(1)</sup>	July 6, 2034	€	607,915	—
5.875% Bonds due 2035	March 15, 2035	\$	250,000	250,000
3.390% Notes due 2037	June 30, 2037	£	146,487	138,563
6.000% Notes due 2039 <sup>(1)</sup>	December 5, 2039	£	573,210	—
2.500% Notes due 2042 <sup>(1)</sup>	January 14, 2042	£	318,450	301,225
4.650% Notes due 2047	March 15, 2047	\$	550,000	550,000
Total principal amount			\$ 18,562,064	\$ 14,114,156
Unamortized net premiums, deferred financing costs, and cumulative basis adjustment on fair value hedge <sup>(2)</sup>			40,255	163,857
			\$ 18,602,319	\$ 14,278,013

<sup>(1)</sup> Interest paid annually. Interest on the remaining senior unsecured notes and bond obligations included in the table is paid semi-annually.

<sup>(2)</sup> In January 2023, in conjunction with the pricing of these senior unsecured notes due January 2026, we entered into three-year, fixed-to-variable interest rate swaps, which are accounted for as fair value hedges. See note 14, *Derivative Instruments* for further details.

The following table summarizes the maturity of our notes and bonds payable as of December 31, 2023, excluding \$40.3 million related to unamortized net premiums, deferred financing costs, and basis adjustment on interest rate swaps designated as fair value hedges (dollars in millions):

Year of Maturity	Principal
2024	\$ 850.0
2025	1,050.0
2026	2,075.0
2027	2,027.8
2028	2,049.8
Thereafter	10,509.5
Totals	<u>\$ 18,562.1</u>

As of December 31, 2023, the weighted average interest rate on our notes and bonds payable was 3.8%, and the weighted average remaining years until maturity was 6.7 years.

Interest incurred on all of the notes and bonds was \$598.6 million, \$431.3 million, and \$286.4 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Our outstanding notes and bonds are unsecured; accordingly, we have not pledged any assets as collateral for these or any other obligations.

All of these notes and bonds contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. At December 31, 2023, we were in compliance with these covenants.

#### B. Note Issuances

During the years ended December 31, 2023 and 2022 we issued the following notes and bonds (in millions):

2023 Issuances	Date of Issuance	Maturity Date	Principal amount	Price of par value	Effective yield to maturity
5.050% Notes	January 2023	January 2026	\$ 500.0 <sup>(1)</sup>	99.618 %	5.189 %
4.850% Notes	January 2023	March 2030	\$ 600.0	98.813 %	5.047 %
4.700% Notes	April 2023	December 2028	\$ 400.0	98.949 %	4.912 %
4.900% Notes	April 2023	July 2033	\$ 600.0	98.020 %	5.148 %
4.875% Notes	July 2023	July 2030	€ 550.0	99.421 %	4.975 %
5.125% Notes	July 2023	July 2034	€ 550.0	99.506 %	5.185 %
5.750% Notes	December 2023	December 2031	£ 300.0	99.298 %	5.862 %
6.000% Notes	December 2023	December 2039	£ 450.0	99.250 %	6.075 %
2022 Issuances	Date of Issuance	Maturity Date	Principal amount	Price of par value	Effective yield to maturity
1.875% Notes	January 2022	January 2027	£ 250.0	99.487 %	1.974 %
2.500% Notes	January 2022	January 2042	£ 250.0	98.445 %	2.584 %
3.160% Notes	June 2022	June 2030	£ 140.0	100.000 %	3.160 %
3.180% Notes	June 2022	June 2032	£ 345.0	100.000 %	3.180 %
3.390% Notes	June 2022	June 2037	£ 115.0	100.000 %	3.390 %
5.625% Notes	October 2022	October 2032	\$ 750.0	99.879 %	5.641 %

<sup>(1)</sup> In January 2023, we issued \$500 million of 5.05% senior unsecured notes due January 13, 2026, which were callable at par beginning on January 13, 2024.

In January 2024, we issued \$450.0 million of 4.750% senior unsecured notes due February 2029 and \$800.0 million of 5.125% senior unsecured notes due February 2034. See note 21, *Subsequent Events*, for further details.

### C. Note Repayments

We redeemed the following principal amounts (in millions) of certain outstanding notes, prior to their maturity. As a result of these early redemptions, we recognized the following losses on extinguishment of debt (in millions) in our consolidated statements of income and comprehensive income. There were no comparable repayments for the years ended December 31, 2023 or 2022.

2021 Repayments	Principal Amount <sup>(1)</sup>	Loss on Extinguishment of Debt	
		Amount of Loss	Period Recognized
4.650% notes due August 2023 redeemed in December 2021	\$ 750.0	\$ 46.4	December 31, 2021
3.25% notes due October 2022 redeemed in January 2021	\$ 950.0	\$ 46.5	March 31, 2021

<sup>(1)</sup> The redeemed principal amounts presented exclude the amounts we paid in accrued and unpaid interest.

## 11. Issuances of Common Stock

### A. At-the-Market ("ATM") Program

In August 2023, we replaced our prior ATM program with a new ATM program, pursuant to which we may offer and sell up to 120.0 million shares of common stock (1) by us to, or through, a consortium of banks acting as our sales agents or (2) by a consortium of banks acting as forward sellers on behalf of any forward purchasers contemplated thereunder, in each case by means of ordinary brokers' transactions on the NYSE under the ticker symbol "O" at prevailing market prices or at negotiated prices. Upon settlement, subject to certain exceptions, we may elect, in our sole discretion, to cash settle or net share settle all or any portion of our obligations under any forward sale agreement, in which cases we may not receive any proceeds (in the case of cash settlement) or will not receive any proceeds (in the case of net share settlement), and we may owe cash (in the case of cash settlement) or shares of our common stock (in the case of net share settlement) to the relevant forward purchaser. Of the 120.0 million shares of our common stock available for sale under the prior ATM program at its inception, a total of 101.8 million of those shares were sold, the remainder of which were terminated. As of December 31, 2023, we had 81.3 million shares remaining for future issuance under our new ATM program. We anticipate maintaining the availability of our ATM program in the future, including the replenishment of authorized shares issuable thereunder.

The following table outlines common stock issuances pursuant to our ATM programs (dollars in millions, shares in thousands):

	Years ended December 31,		
	2023	2022	2021
Shares of common stock issued under the ATM program <sup>(1)</sup>	91,699	68,608	46,291
Gross proceeds	\$ 5,483.2	\$ 4,599.4	\$ 3,207.9
Sales agents' commissions and other offering expenses	(43.7)	(43.4)	(28.4)
Net proceeds	\$ 5,439.5	\$ 4,556.0	\$ 3,179.5

<sup>(1)</sup> During the year ended December 31, 2023, 91.1 million shares were sold and 91.7 million shares were settled pursuant to forward sale confirmations. In addition, as of December 31, 2023, 6.2 million shares of common stock subject to forward sale confirmations have been executed, but not settled, at a weighted average initial gross price of \$55.03 per share. We currently expect to fully settle forward sale agreements outstanding by June 30, 2024, representing \$337.8 million in net proceeds, for which the weighted average forward price at December 31, 2023 was \$54.70 per share.

### B. Dividend Reinvestment and Stock Purchase Plan ("DRSPP")

Our DRSPP, provides our common stockholders, as well as new investors, with a convenient and economical method of purchasing our common stock and reinvesting their distributions. Our DRSPP also allows our current stockholders to buy additional shares of common stock by reinvesting all or a portion of their distributions. Our DRSPP authorizes up to 26.0 million common shares to be issued. At December 31, 2023, we had 11.0 million shares remaining for future issuance under our DRSPP program.

The following table outlines common stock issuances pursuant to our DRSPP program (dollars in millions, shares in thousands):

	Years ended December 31,		
	2023	2022	2021
Shares of common stock issued under the DRSPP program	198	176	168
Gross proceeds	\$ 11.5	\$ 11.7	\$ 11.2

### C. Issuance of Common Stock in Connection with VEREIT Acquisition

On November 1, 2021, we completed our acquisition of VEREIT. As a result of the merger, former VEREIT common stockholders, VEREIT OP common unitholders and awardees of vested share awards separated from Realty Income and received approximately 162 million shares of Realty Income common stock, based on the shares of VEREIT common stock and common units of VEREIT OP outstanding as of October 29, 2021.

### D. Issuances of Common Stock in Underwritten Public Offerings

During 2021, we issued an aggregate of 21.3 million shares of common stock, including 2.8 million shares purchased by the underwriters upon the exercise of their option to purchase additional shares. After deducting underwriting discounts, the aggregate net proceeds of \$1.3 billion were used to fund investment opportunities, for general corporate purposes and working capital.

There were no comparative offerings during the years ended December 31, 2023 or 2022.

## 12. Noncontrolling Interests

As of December 31, 2023, we have seven entities with noncontrolling interests that we consolidate, including an operating partnership, Realty Income, L.P., and interests in consolidated property partnerships not wholly-owned by us.

At December 31, 2023, outstanding common partnership units in Realty Income, L.P. represented 6.9% ownership interest in Realty Income L.P. We hold the remaining 93.1% interest and consolidate the entity. None of our common partnership units have voting rights. Common partnership units are entitled to monthly distributions equal to the amount paid to common stockholders of Realty Income, and are redeemable in cash or Realty Income common stock, at our option, and at a conversion ratio of 1.02934 due to the Orion Divestiture, subject to certain exceptions. Prior to the Orion Divestiture, the conversion ratio was one to one. These issuances with redemption provisions that permit the issuer to settle in either cash or common stock, at the option of the issuer, were evaluated to determine whether temporary or permanent equity classification on the balance sheet was appropriate. We determined that the units meet the requirements to qualify for presentation as permanent equity.

The following table represents the change in the carrying value of all noncontrolling interests through December 31, 2023 (in thousands):

	Realty Income, L.P. units (1)	Other Noncontrolling Interests	Total
Carrying value at December 31, 2021	\$ 62,416	\$ 14,410	\$ 76,826
Contributions (2)	51,221	—	51,221
Reallocation of equity	3,210	—	3,210
Distributions	(3,818)	(307)	(4,125)
Allocation of net income	2,772	236	3,008
Carrying value at December 31, 2022	\$ 115,801	\$ 14,339	\$ 130,140
Contributions (3)	—	40,097	40,097
Distributions (4)	(5,663)	(3,677)	(9,340)
Allocation of net income	3,934	671	4,605
Carrying value at December 31, 2023	\$ 114,072	\$ 51,430	\$ 165,502

(1) 1,795,167 units were outstanding as of both December 31, 2023 and December 31, 2022. 1,060,709 units were outstanding as of December 31, 2021.

(2) In September 2022, we issued 734,458 common partnership units in Realty Income, L.P. in connection with the acquisition of nine properties and recorded \$51.2 million of contributions to noncontrolling interests.

(3) Primarily related to contributions of \$39.2 million for the issuance of a 5.0% joint venture interest as partial consideration paid on property acquisitions. The remaining amount represents contributions for two development joint ventures.

(4) Includes a non-cash reduction of noncontrolling interest of \$1.5 million from our partner's responsibility to absorb construction cost overages for a development joint venture during the year ended December 31, 2023.

At December 31, 2023, we are considered the primary beneficiary of Realty Income, L.P. and other VIEs. For further information, see note 1, *Summary of Significant Accounting Policies*.

### 13. Fair Value Measurements

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

ASC 820, *Fair Value Measurements and Disclosures*, sets forth a fair value hierarchy that categorizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- Level 1 – Quoted market prices in active markets for identical assets and liabilities
- Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other market-corroborated inputs
- Level 3 – Inputs that are unobservable and significant to the overall fair value measurement

We evaluate our hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from period to period. Changes in the type of inputs may result in a reclassification for certain assets. We have not historically had changes in classifications and do not expect that changes in classifications between levels will be frequent.

The following tables present the carrying values and estimated fair values of financial instruments as of December 31, 2023 and 2022 (in millions):

	December 31, 2023			
	Carrying Value	Hierarchy Level		
		Level 1	Level 2	Level 3
Assets:				
Loans receivable <sup>(1)</sup>	\$ 205.3	\$ —	\$ 171.8	\$ 33.5
Derivative assets	21.2	—	21.2	—
Total assets	<u>\$ 226.5</u>	<u>\$ —</u>	<u>\$ 193.0</u>	<u>\$ 33.5</u>
Liabilities:				
Mortgages payable	\$ 822.4	\$ —	\$ —	\$ 814.5
Notes and bonds payable	18,562.1	—	17,603.7	—
Derivative liabilities	119.6	—	119.6	—
Total liabilities	<u>\$ 19,504.1</u>	<u>\$ —</u>	<u>\$ 17,723.3</u>	<u>\$ 814.5</u>

<sup>(1)</sup> Considering the proximity of time between the issuance and measurement of the two loans acquired during the fourth quarter of 2023, we have concluded that the carrying value reasonably approximates the estimated fair value at December 31, 2023. We determined our investment in mortgage loan is categorized as level 3 of the fair value hierarchy given our experience with mortgage borrowings.

	December 31, 2022			
	Carrying Value	Hierarchy Level		
		Level 1	Level 2	Level 3
Assets:				
Derivative assets	\$ 83.1	\$ —	\$ 83.1	\$ —
Total assets	\$ 83.1	\$ —	\$ 83.1	\$ —
Liabilities:				
Mortgages payable	\$ 842.3	\$ —	\$ —	\$ 810.4
Notes and bonds payable	14,114.2	—	12,522.8	—
Derivative liabilities	64.7	—	64.7	—
Total liabilities	\$ 15,021.2	\$ —	\$ 12,587.5	\$ 810.4



#### A. Financial Instruments Not Measured at Fair Value on our Consolidated Balance Sheets

The fair value of short-term financial instruments such as cash and cash equivalents, accounts receivable, escrow deposits, accounts payable, distributions payable, line of credit payable and commercial paper borrowings, and other liabilities approximate their carrying value in the accompanying consolidated balance sheets, due to their short-term nature. The aggregate fair value of our term loans approximates carrying value due to the frequent repricing of the variable interest rate charged on the borrowing.

The following table reflects the carrying amounts and estimated fair values of our financial instruments not measured at fair value on our consolidated balance sheets (in millions):

	December 31, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Mortgages payable <sup>(1)</sup>	\$ 822.4	\$ 814.5	\$ 842.3	\$ 810.4
Notes and bonds payable <sup>(2)</sup>	\$ 18,562.1	\$ 17,603.7	\$ 14,114.2	\$ 12,522.8

<sup>(1)</sup> Excludes non-cash net premiums or discounts recorded on the mortgages payable. The unamortized balance of these net discounts was \$0.4 million at December 31, 2023, and \$12.4 million of net premiums at December 31, 2022. Also excludes deferred financing costs of \$0.4 million at December 31, 2023, and \$0.8 million at December 31, 2022.

<sup>(2)</sup> Excludes non-cash net premiums recorded on notes payable. The unamortized balance of the net premiums was \$125.3 million at December 31, 2023, and \$224.6 million at December 31, 2022. Also excludes deferred financing costs of \$83.8 million and a favorable basis adjustment on interest rate swaps designated as fair value hedges of \$1.3 million at December 31, 2023, and \$60.7 million of deferred financing costs at December 31, 2022.

The estimated fair values of our mortgages payable and private senior notes payable have been calculated by discounting the future cash flows using an interest rate based upon the relevant forward interest rate curve, plus an applicable credit-adjusted spread. Because this methodology includes unobservable inputs that reflect our own internal assumptions and calculations, the measurement of estimated fair values related to our mortgages payable is categorized as level 3 of the fair value hierarchy.

The estimated fair values of our publicly-traded senior notes and bonds payable are based upon indicative market prices and recent trading activity of our senior notes and bonds payable. Because this methodology includes inputs that are less observable by the public and are not necessarily reflected in active markets, the measurement of the estimated fair values related to our notes and bonds payable is categorized as level 2 of the fair value hierarchy.

#### B. Financial Instruments Measured at Fair Value on a Recurring Basis

For derivative assets and liabilities, we may utilize interest rate swaps, interest rate swaptions, and forward-starting swaps to manage interest rate risk, and cross-currency swaps, currency exchange swaps, and foreign currency forwards to manage foreign currency risk. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates, as well as option volatility.

Derivative fair values also include credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we have determined that the majority of the inputs used to value our derivatives fall within level 2 on the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize level three inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by ourselves and our counterparties. However, at December 31, 2023, and 2022, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety are classified as level two. For more details on our derivatives, see note 14, *Derivative Instruments*.

#### C. Items Measured at Fair Value on a Non-Recurring Basis

##### Impairment of Real Estate Investments

Certain financial and nonfinancial assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair value adjustments only under certain circumstances, such as when an impairment write-down occurs.

Depending on impairment triggering events during the applicable period, impairments are typically recorded for properties sold, in the process of being sold, vacant, in bankruptcy, or experiencing difficulties with collection of rent.

The following table summarizes our provisions for impairment on real estate investments during the periods indicated below (in millions):

	Years ended December 31,		
	2023	2022	2021
Carrying value prior to impairment	\$ 194.5	\$ 140.9	\$ 169.2
Less: total provisions for impairment <sup>(1)</sup>	(82.2)	(25.9)	(39.0)
Carrying value after impairment	\$ 112.3	\$ 115.0	\$ 130.2

<sup>(1)</sup> Excludes provision for current expected credit loss of \$4.9 million at December 31, 2023.

The valuation of impaired assets is determined using valuation techniques including discounted cash flow analysis, analysis of recent comparable sales transactions and purchase offers received from third parties, which are Level 3 inputs. We may consider a single valuation technique or multiple valuation techniques, as appropriate, when estimating the fair value of such real estate. Estimating future cash flows is highly subjective and estimates can differ materially from actual results.

#### 14. Derivative Instruments

In the normal course of business, our operations are exposed to economic risks from interest rates and foreign currency exchange rates. We may enter into derivative financial instruments to offset these underlying economic risks.

##### *Derivative Designated as Hedging Instruments - Cash Flow Hedges*

We entered into foreign currency forward contracts to sell GBP, USD, and EUR and buy EUR, USD, and GBP to hedge the foreign currency risk associated with interest payments on intercompany loans denominated in British Pound Sterling ("GBP") and Euro ("EUR"). Forward points on the forward contracts are included in the assessment of hedge effectiveness. We executed variable-to-fixed interest rate swaps to add stability to interest expense and to manage our exposure to interest rate movements associated with our term loans. To mitigate the impact of fluctuating interest rates, we also entered into interest rate swaption agreements during March 2023, structuring them as swaption corridors, in anticipation of issuing USD denominated bonds. Interest rate swaption corridors are a combination of two swaption positions. Specifically, we purchased a payer swaption, an option that allows us to enter into a swap where we will pay the fixed rate and receive the floating rate of the swap, and we also sold a payer swaption, an option that provides the counterparty with the right to enter into a swap where we will receive the fixed rate and pay the floating rate of the swap. The total premium paid for the March 2023 transaction was \$7.6 million. All three hedging instruments are designated as cash flow hedges.

##### *Derivative Designated as Hedging Instruments - Fair Value Hedges*

Periodically, we enter into and designate fixed-to-floating interest rate swaps to manage interest rate risk by managing our mix of fixed-rate and variable-rate debt. These swaps involve the receipt of fixed-rate amounts for variable interest rate payments over the life of the swaps without exchange of the underlying principal amount. We also designate some of our cross-currency swaps as fair value hedges as we use them to hedge foreign currency risk associated with changes in spot rates on foreign-denominated debt. For these hedging instruments, we have elected to exclude the change in fair value of the cross-currency swaps related to both time value and cross-currency basis spread from the assessment of hedge effectiveness (the "excluded component"). Changes in the fair value of the cross-currency swaps attributable to these excluded components are recorded to other comprehensive income and subsequently recognized in 'Foreign currency and derivative (loss) gain, net' on a systematic and rational basis, as net cash settlements and interest accruals on the respective cross currency swaps occur, over the remaining life of the hedging instruments.

##### *Derivative Designated as Hedging Instruments - Net Investment Hedges*

During the fourth quarter of 2023, we designated the three existing cross-currency swaps that had not been designated as hedging instruments through the third quarter of 2023 as net investment hedges to mitigate the risks associated with our investment in EUR-denominated foreign operations. These cross-currency swaps qualify as net investment hedges under the criteria prescribed in accordance with ASC Topic 815-20, *Hedging - General*. We use the spot method of assessing hedge effectiveness and apply the consistent election to the excluded component by

recognizing changes in the fair value of the hedging instruments attributable to the excluded component in the same manner as described above. Any difference between the change in the fair value of the excluded components and the amounts recognized in earnings is reported in other comprehensive income as part of the foreign cumulative translation adjustment. The gain or loss on the portion of the derivative instruments included in the assessment of effectiveness is reported in other comprehensive income as part of the 'Foreign currency translation adjustment' line item, to the extent the relationship is highly effective. If the company's net investment changes during a reporting period, the hedge relationship will be assessed for whether a de-designation is warranted (only if the hedge notional amount is outside of prescribed tolerance).

#### *Derivatives Not Designated as Hedging Instruments*

We enter into foreign currency exchange swap agreements to reduce the effects of currency exchange rate fluctuations between the USD, our reporting currency, and GBP and EUR. These derivative contracts generally mature within one year and are not designated as hedge instruments for accounting purposes. As the currency exchange swap is not accounted for as a hedging instrument, the change in fair value is recorded in earnings through the caption entitled 'Foreign currency and derivative (loss) gain, net' in our consolidated statements of income and comprehensive income.

The following table summarizes the terms and fair values of our derivative financial instruments at December 31, 2023 and 2022 (dollars in millions):

Derivative Type	Number of Instruments <sup>(1)</sup>	Notional Amount as of		Weighted Average Strike Rate <sup>(2)</sup>	Maturity Date <sup>(3)</sup>	Fair Value - asset (liability) as of	
Derivatives Designated as Hedging Instruments		December 31, 2023	December 31, 2022			December 31, 2023	December 31, 2022
Interest rate swaps	9	\$ 1,630.0	\$ 250.0	4.26%	Jan 2024 - Jan 2026	\$ 0.3	\$ 5.6
Interest rate swaptions	6	1,000.0	—	(4)	Feb 2034	2.6	—
Cross-currency swaps - Fair Value <sup>(5)</sup>	3	320.0	320.0	(6)	Oct 2032	(59.8)	(33.3)
Cross-currency swaps - Net Investment <sup>(5)</sup>	3	280.0	—	(7)	Oct 2032	(53.2)	—
Foreign currency forwards	22	162.3	185.5	(8)	Jan 2024 - Dec 2024	2.7	16.1
		\$ 3,392.3	\$ 755.5			\$ (107.4)	\$ (11.6)
Derivatives not Designated as Hedging Instruments							
Currency exchange swaps	4	\$ 1,810.6	\$ 2,427.7	(9)	Jan 2024 - Feb 2024	\$ 8.9	\$ 58.8
Cross-currency swaps <sup>(5)</sup>	0	—	280.0	—%	Oct 2032	—	(29.5)
		\$ 1,810.6	\$ 2,707.7			\$ 8.9	\$ 29.3
Total of all Derivatives		\$ 5,202.9	\$ 3,463.2			\$ (98.5)	\$ 17.7

<sup>(1)</sup> This column represents the number of instruments outstanding as of December 31, 2023.

<sup>(2)</sup> Weighted average strike rate is calculated using the notional value as of December 31, 2023.

<sup>(3)</sup> This column represents maturity dates for instruments outstanding as of December 31, 2023.

<sup>(4)</sup> Represent purchased payer swaptions with a strike rate of 3.75% and sold payer swaptions with a strike rate of 4.25%.

<sup>(5)</sup> In October 2022, we entered into six cross-currency swaps to exchange €612 million for \$600 million maturing in October 2032. We redesignated \$280 million of three cross-currency swaps as net investment hedges in December 2023.

<sup>(6)</sup> USD fixed rate of 5.625% and EUR weighted average fixed rate of 4.681%.

<sup>(7)</sup> USD fixed rate of 5.625% and EUR weighted average fixed rate of 4.716%.

<sup>(8)</sup> Weighted average forward GBP-USD exchange rate of 1.30.

<sup>(9)</sup> Weighted average exchange rates of 1.27 for GBP-USD and 0.86 for EUR-GBP.

We measure our derivatives at fair value and include the balances within 'Other assets, net' and 'Accounts payable and accrued expenses' on our consolidated balance sheets.

We have agreements with each of our derivative counterparties containing provisions under which we could be declared in default on our derivative obligations if repayment of our indebtedness is accelerated by the lender due to our default.

The following table summarizes the amount of unrealized gain (loss) on derivatives and foreign currency translation adjustments in other comprehensive income (in thousands):

	Years ended December 31,		
	2023	2022	2021
<b>Derivatives in Cash Flow Hedging Relationships</b>			
Cross-currency swaps	\$ —	\$ (5,091)	\$ 8,232
Interest rate swaps	(11,171)	98,310	34,659
Foreign currency forwards	(13,349)	8,540	7,557
Interest rate swaptions	1,857	—	—
<b>Total derivatives in cash flow hedging relationships</b>	<b>\$ (22,663)</b>	<b>\$ 101,759</b>	<b>\$ 50,448</b>
<b>Derivatives in Fair Value Hedging Relationships</b>			
Cross-currency swaps - Fair Value	\$ (14,602)	\$ (4,705)	\$ —
<b>Total derivatives in fair value hedging relationships</b>	<b>\$ (14,602)</b>	<b>\$ (4,705)</b>	<b>\$ —</b>
<b>Total unrealized (loss) gain on derivatives, net</b>	<b>\$ (37,265)</b>	<b>\$ 97,054</b>	<b>\$ 50,448</b>
<b>Derivatives in Net Investment Hedging Relationships</b>			
Cross-currency swaps - Net Investment	\$ (4,272)	\$ —	\$ —
<b>Total unrealized loss recorded in foreign currency translation adjustment</b>	<b>\$ (4,272)</b>	<b>\$ —</b>	<b>\$ —</b>

The following table summarizes the amount of gain (loss) on derivatives reclassified from AOCI (in thousands):

		Years ended December 31,		
		2023	2022	2021
<b>Derivatives in Cash Flow Hedging Relationships</b>	<b>Location of Gain (Loss) Recognized in Income</b>			
Cross-currency swaps	Foreign currency and derivative (loss) gain, net	\$ —	\$ 30,814	\$ 3,541
Interest rate swaps	Interest expense	15,794	(4,487)	(10,343)
Foreign currency forwards	Foreign currency and derivative (loss) gain, net	4,251	2,139	—
Interest rate swaptions	Interest expense	(6,859)	—	—
<b>Total derivatives in cash flow hedging relationships</b>		<b>\$ 13,186</b>	<b>\$ 28,466</b>	<b>\$ (6,802)</b>
<b>Derivatives in Fair Value Hedging Relationships</b>				
Cross-currency swaps - Fair Value	Foreign currency and derivative (loss) gain, net	\$ 1,415	\$ (29,708)	\$ —
<b>Total derivatives in fair value hedging relationships</b>		<b>\$ 1,415</b>	<b>\$ (29,708)</b>	<b>\$ —</b>
<b>Derivatives in Net Investment Hedging Relationships</b>				
Cross-currency swaps - Net Investment	Foreign currency and derivative (loss) gain, net	\$ 62	\$ —	\$ —
<b>Total derivatives in net investment hedging relationships</b>		<b>\$ 62</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Net increase (decrease) to net income</b>		<b>\$ 14,663</b>	<b>\$ (1,242)</b>	<b>\$ (6,802)</b>

We expect to reclassify \$8.0 million from AOCI as a decrease to interest expense relating to interest rate swaps and interest rate swaptions and \$3.6 million from AOCI to foreign currency gain relating to foreign currency forwards within the next twelve months.

The following table details our foreign currency and derivative gains (losses), net included in income (in thousands):

	Years ended December 31,		
	2023	2022	2021
<b>Realized foreign currency and derivative gain (loss), net:</b>			
Gain on the settlement of undesignated derivatives	\$ 18,051	\$ 204,392	\$ 24,392
Gain on the settlement of designated derivatives reclassified from AOCI	5,728	3,245	3,541
Gain (loss) on the settlement of transactions with third parties	583	(553)	(134)
Total realized foreign currency and derivative gain, net	\$ 24,362	\$ 207,084	\$ 27,799
<b>Unrealized foreign currency and derivative gain (loss), net:</b>			
(Loss) gain on the change in fair value of undesignated derivatives	\$ (5,231)	\$ 29,316	\$ (14,714)
Loss on remeasurement of certain assets and liabilities	(32,545)	(249,711)	(12,375)
Total unrealized foreign currency and derivative loss, net	\$ (37,776)	\$ (220,395)	\$ (27,089)
<b>Total foreign currency and derivative (loss) gain, net</b>	<b>\$ (13,414)</b>	<b>\$ (13,311)</b>	<b>\$ 710</b>

## 15. Lessor Operating Leases

At December 31, 2023, we owned or held interests in 13,458 properties. Of the 13,458 properties, 13,197, or 98.1%, are single-client properties, and the remaining are multi-client properties. At December 31, 2023, 193 properties were available for lease or sale. The majority of our leases are accounted for as operating leases.

The vast majority of our leases are net leases where our client pays or reimburses us for property taxes and assessments and carries insurance coverage for public liability, property damage, fire, and extended coverage.

Rent based on a percentage of our client's gross sales, or percentage rent, for the years ended December 31, 2023, 2022, and 2021 was \$14.8 million, \$14.9 million, and \$6.5 million, respectively.

At December 31, 2023, minimum future annual rental revenue to be received on the operating leases for the next five years and thereafter are as follows (in thousands):

	Future Minimum Operating Lease Payments	Future Minimum Direct Financing and Sale-Type Lease Payments <sup>(1)</sup>
2024	\$ 4,006,574	\$ 1,037
2025	3,918,126	812
2026	3,747,064	814
2027	3,531,235	751
2028	3,222,392	710
Thereafter	24,768,619	25,139
Totals	\$ 43,194,010	\$ 29,263

<sup>(1)</sup> Related to six properties which are subject to direct financing leases and, therefore, revenue is recognized as rental income on the discounted cash flows of the lease payments. Amounts reflected are the cash rent on these respective properties. Two properties are subject to sales-type leases and, therefore, revenue is recognized as sales-type lease income on the discounted cash flows of the lease payments. Amounts reflected are the cash rent on these respective properties.

No individual client's rental revenue, including percentage rents, represented more than 10% of our total revenue for each of the years ended December 31, 2023, 2022, and 2021.

## 16. Distributions Paid and Payable

We pay monthly distributions to our common stockholders. The following is a summary of monthly distributions paid per common share for the periods indicated below:

	2023	2022	2021
January	\$ 0.2485	\$ 0.2465	\$ 0.2345
February	0.2485	0.2465	0.2345
March	0.2545	0.2465	0.2345
April	0.2550	0.2470	0.2350
May	0.2550	0.2470	0.2350
June	0.2550	0.2470	0.2350
July	0.2555	0.2475	0.2355
August	0.2555	0.2475	0.2355
September	0.2555	0.2475	0.2355
October	0.2560	0.2480	0.2360
November	0.2560	0.2480	0.2360
December	0.2560	0.2480	0.2460
Total	\$ 3.0510	\$ 2.9670	\$ 2.8330

At December 31, 2023, a distribution of \$0.2565 per common share was payable and was paid in January 2024. At December 31, 2022, a distribution of \$0.2485 per common share was payable and was paid in January 2023.

The following presents the federal income tax characterization of distributions paid or deemed to be paid per common share for the years:

	2023	2022	2021
Ordinary income	\$ 2.8434500	\$ 2.7867654	\$ 1.5146899
Nontaxable distributions	0.2075500	—	3.2925615
Total capital gain distribution	—	0.1802346	0.0854609
Totals <sup>(1)</sup>	\$ 3.0510000	\$ 2.9670000	\$ 4.8927123

<sup>(1)</sup> The amount distributed in 2021 includes the \$2.060 tax distribution of Orion shares, that occurred in conjunction with the Orion Divestiture on November 12, 2021, after our merger with VEREIT on November 1, 2021. The fair market value of these shares for tax distribution was determined to be \$20.6272 per share, which was calculated using the five-day volume weighted average share price after issuance.

## 17. Net Income per Common Share

Basic net income per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income available to common stockholders, plus income attributable to dilutive shares and convertible common units for the period, by the weighted average number of common shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period.

The following is a reconciliation of the denominator of the basic net income per common share computation to the denominator of the diluted net income per common share computation (shares in thousands):

	Years ended December 31,		
	2023	2022	2021
Weighted average shares used for the basic net income per share computation	692,298	611,766	414,535
Incremental shares from share-based compensation	349	395	235
Dilutive effect of forward ATM offerings	377	20	—
Weighted average shares used for diluted net income per share computation	693,024	612,181	414,770
Unvested shares from share-based compensation that were anti-dilutive	117	32	45
Weighted average partnership common units convertible to common shares that were anti-dilutive	1,795	1,292	500
Weighted average forward ATM offerings that were anti-dilutive	759	644	—

## 18. Supplemental Disclosures of Cash Flow Information

The following table summarizes our supplemental cash flow information during the periods indicated below (in thousands):

	Years ended December 31,		
	2023	2022	2021
<b>Supplemental disclosures:</b>			
Cash paid for interest	\$ 692,004	\$ 501,716	\$ 355,483
Cash paid for income taxes	\$ 12,283	\$ 45,031	\$ 19,676
Cash paid for merger and integration-related costs	\$ 11,329	\$ 22,783	\$ 157,115
<b>Non-cash activities:</b>			
Net (decrease) increase in fair value of derivatives	\$ (116,145)	\$ 58,753	\$ 40,489
Increase in noncontrolling interests from property acquisitions	\$ 39,156	\$ —	\$ —
Mortgages assumed at fair value <sup>(1)</sup>	\$ —	\$ 45,079	\$ 911,525
Notes payable assumed at fair value	\$ —	\$ —	\$ 4,946,965
Issuance of common partnership units of Realty Income, L.P. <sup>(2)</sup>	\$ —	\$ 51,221	\$ 38,783
Non-cash assets and liabilities assumed in merger	\$ —	\$ —	\$ 11,559,875
Non-cash assets and liabilities distributed in Orion Divestiture	\$ —	\$ —	\$ 1,142,121

<sup>(1)</sup> For the year ended December 31, 2021, includes £31.0 million Sterling, converted at the applicable exchange rate on the date of transaction, for one mortgage and \$869.1 million, estimated at fair value, for ten mortgages from our merger with VEREIT.

<sup>(2)</sup> For the year ended December 31, 2022, includes 734,458 common partnership units of Realty Income L.P. that were issued in connection with the acquisition of nine properties. For the year ended December 31, 2021, includes \$1.8 million for the issuance of 56,400 units on November 1, 2021 that were a result of our merger with VEREIT, \$20.4 million for the issuance of 300,604 units on November 30, 2021 that were a partial consideration for an acquisition of properties, and \$16.6 million for the issuance of 240,586 units on December 30, 2021 that were issued to a new partner in connection with an industrial property contribution.

The following table provides a reconciliation of cash and cash equivalents reported on our consolidated balance sheets to the total of the cash, cash equivalents, and restricted cash reported within our consolidated statements of cash flows (in thousands):

	December 31, 2023	December 31, 2022
Cash and cash equivalents shown in the consolidated balance sheets	\$ 232,923	\$ 171,102
Restricted escrow deposits <sup>(1)</sup>	6,247	37,627
Impounds related to mortgages payable <sup>(1)</sup>	53,005	18,152
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 292,175	\$ 226,881

<sup>(1)</sup> Included within 'other assets, net' on our consolidated balance sheets (see note 3, *Supplemental Detail for Certain Components of Consolidated Balance Sheets*). These amounts consist of cash that we are legally entitled to, but that is not immediately available to us. As a result, these amounts were considered restricted as of the dates presented.

## 19. Common Stock Incentive Plan

In March 2021, our Board of Directors adopted, and in May 2021, stockholders approved, the Realty Income 2021 Incentive Award Plan (the "2021 Plan"). The 2021 Plan offers our directors, employees, and consultants an opportunity to own our stock and/or rights that will reflect our growth, development and financial success. Except as noted below, the aggregate number of shares of our common stock subject to options, stock purchase rights ("SPR"), stock appreciation rights ("SAR"), and other awards, will be no more than 8.9 million shares. The maximum number of shares that may be subject to options, SPR, SAR and other awards granted under the plan to any individual in any calendar year may not exceed 3.2 million, and the maximum aggregate amount of cash that may be paid in cash during any calendar year with respect to one or more shares payable in cash shall be \$10.0 million. The 2021 Plan replaced the Realty Income Corporation 2012 Incentive Award Plan (the "2012 Plan"), which was set to expire in March 2022 and from which no further awards have been granted. The disclosures below incorporate activity for both the 2012 Plan and the 2021 Plan.



In connection with our merger with VEREIT, shares which remained available for issuance under the VEREIT, Inc. 2021 Equity Incentive Plan immediately prior to the closing of the merger (as adjusted by the Exchange Ratio) may be used for awards under the 2021 Plan and will not reduce the shares authorized for grant under the 2021 Plan, to the extent that awards using such shares (i) are permitted without stockholder approval under applicable stock exchange rules, (ii) are made only to VEREIT service providers or individuals who become Realty Income service providers following the date of the consummation of the merger, and (iii) are only granted under the 2021 Plan during the period commencing on the date of the consummation of the merger and ending on June 2, 2031. As a result, 6.2 million additional shares were available for issuance under the 2021 Plan.

The amount of share-based compensation costs recognized in 'General and administrative' in our consolidated statements of income and comprehensive income was \$26.2 million, \$21.6 million, and \$16.2 million during the years ended December 31, 2023, 2022, and 2021, respectively.

Also, in connection with the merger, each outstanding VEREIT, Inc. stock option and restricted stock unit that were unvested as of November 1, 2021 were converted into equivalent options and restricted stock units, in each case with respect to shares of the Company's common stock, using the equity award exchange ratio in accordance with the merger agreement. The converted awards issued by Realty Income have identical terms to the original VEREIT, Inc. award grant. On November 1, 2021, we issued 0.4 million shares of Realty Income common stock in settlement of equity awards that vested upon the separation of certain former-VEREIT employees and directors in connection with the merger. This issuance is excluded from the Restricted Stock Units and Stock Options sections below, as the awards were not granted under the 2021 Plan. The aggregate fair value of the converted awards was \$71.6 million, of which i.) \$44.0 million related to pre-combination services and is included in the consideration transferred in the merger ii.) \$25.6 million of expense was recognized during November in merger and integration-related costs related to the acceleration of vesting upon the separation of certain employees in connection with the merger, and iii.) \$2.0 million will be amortized through general and administrative expenses over the remaining vesting term for former VEREIT, Inc. employees who were retained by Realty Income. The following disclosures are inclusive of converted awards for former VEREIT employees continuing as employees of Realty Income, which are reflected as grants, as the replacement awards represent newly issued awards settled in Realty Income common shares.

In connection with the Orion Divestiture, each stock option, restricted stock unit and performance award outstanding at November 12, 2021 was entitled to an equitable adjustment equal to the ratio of the five-day volume weighted average per-share price of Realty Income common stock prior to the Orion Divestiture divided by the five-day volume weighted average per-share of Realty Income common stock following the Orion Divestiture, resulting in an adjustment factor of approximately 1.002342. The equitable adjustment was considered a modification in accordance with the provisions of ASC 718, *Compensation-Stock Compensation*. As a result, we compared the fair value of each award immediately prior to the equitable adjustment to the fair value immediately after the equitable adjustment to measure incremental compensation cost, if any. The equitable adjustment did not result in any incremental fair value. Therefore, no stock-based compensation expense was recorded as of result of the modification. The following disclosures are inclusive of these adjustments, which has been labeled 'Equitable adjustment - Orion Divestiture' throughout.

#### A. Restricted Stock

The following table summarizes our common stock grant activity:

	2023		2022		2021	
	Number of shares	Weighted average price	Number of shares	Weighted average price	Number of shares	Weighted average price
Outstanding nonvested shares, beginning of year	242,660	\$ 67.12	212,630	\$ 65.20	219,482	\$ 63.69
Shares granted <sup>(2)</sup>	222,511	\$ 65.40	156,274	\$ 67.37	133,052	\$ 64.27
Shares vested	(110,634)	\$ 61.28	(118,160)	\$ 63.95	(124,505)	\$ 61.57
Shares forfeited	(7,486)	\$ 66.91	(8,084)	\$ 67.78	(15,399)	\$ 65.09
Outstanding nonvested shares, end of each period	347,051	\$ 67.89	242,660	\$ 67.12	212,630	\$ 65.20

<sup>(1)</sup> Grant date fair value.

<sup>(2)</sup> Our restricted stock awards granted to employees vest over a service periods not exceeding four-years. Additionally effective November 1, 2022, and applied retroactively for all outstanding awards, we have a retirement provision whereby the vesting date for eligible participants is accelerated based on certain criteria.

The vesting schedule for shares granted to non-employee directors is as follows:

- For directors with less than six years of service at the date of grant, shares vest in 33.33% annual increments upon re-election to the Board at each of the three Annual Meetings of Stockholders following the grant date;
- For directors with six years of service at the date of grant, shares vest in 50% annual increments upon re-election to the Board at each of the two Annual Meetings of Stockholders following the grant date;
- For directors with seven years of service at the date of grant, shares are 100% vested upon re-election to the Board in the following year; and
- For directors with eight or more years of service at the date of grant, there is immediate vesting as of the date the shares of stock are granted.

For the years ended December 31, 2023, 2022, and 2021, respectively, we granted 40,000, 40,000, and 36,000 total shares of restricted stock granted to the independent members of our Board of Directors in connection with our annual awards in May 2023, 2022 and 2021, respectively. In addition, in November 2021, we granted 8,000 shares of restricted stock to the new members of our Board of Directors, which vest in equal parts over a three-year service period. In connection with our annual awards, 20,000, 20,000, and 24,000 shares vested immediately and 20,000, 20,000, and 12,000 shares vest in equal parts over a three-year service period for the years ended December 31, 2023, 2022, and 2021, respectively.

As of December 31, 2023, the remaining unamortized share-based compensation expense related to restricted stock totaled \$14.9 million, which is being amortized on a straight-line basis over the service period of each applicable award. The amount of share-based compensation is based on the fair value of the stock at the grant date. We define the grant date as the date the recipient and Realty Income have a mutual understanding of the key terms and conditions of the award, and the recipient of the grant begins to benefit from, or be adversely affected by, subsequent changes in the price of the shares.

#### B. Restricted Stock Units

During 2023, 2022 and 2021, and in connection with our merger with VEREIT Inc., we also granted restricted stock units that primarily vest over service periods of three or four-years and have the same economic rights as shares of restricted stock:

	2023		2022		2021	
	Number of restricted stock units	Weighted average price	Number of restricted stock units	Weighted average price	Number of restricted stock units	Weighted average price
Outstanding nonvested shares, beginning of year	58,513	\$ 67.91	67,367	\$ 69.69	18,670	\$ 70.38
Equitable adjustment - Orion Divestiture <sup>(2)</sup>	—		—		109	
Shares granted	15,065	\$ 66.41	24,820	\$ 66.82	71,956	\$ 68.96
Shares vested	(29,492)	\$ 70.30	(26,917)	\$ 70.55	(23,368)	\$ 66.96
Shares forfeited	(1,474)	\$ 71.02	(6,757)	\$ 71.14	—	
Outstanding nonvested shares, end of each period	42,612	\$ 65.62	58,513	\$ 67.91	67,367	\$ 69.69

<sup>(1)</sup> Grant date fair value.

<sup>(2)</sup> Effective with the Orion Divestiture on November 12, 2021, outstanding equity awards were adjusted by a conversion ratio of 1.002342 per one Realty Income share then held.

As of December 31, 2023, the remaining share-based compensation expense related to the restricted stock units totaled \$1.1 million and is being recognized on a straight-line basis over the service period. The amount of share-based compensation for the restricted stock units is based on the fair value of our common stock at the grant date. The expense amortization period for restricted stock units is the lesser of the four-year service period or the period over which the awardee reaches the qualifying retirement age. For employees who have already met the qualifying retirement age, restricted stock units are fully expensed at the grant date.

### C. Performance Shares

During 2023, 2022 and 2021, we granted annual performance share awards, as well as dividend equivalent rights, to our executive officers. The number of performance shares that vest for each of the three years is based on the achievement of the following performance goals:

Annual Performance Awards Metrics	Weighting for year granted		
	2023	2022	2021
Total shareholder return ("TSR") ranking relative to MSCI US REIT Index	55 %	55 %	70 %
Dividend per share growth rate	20 %	20 %	15 %
Net Debt-to-Pro Forma Adjusted EBITDAre Ratio	25 %	25 %	N/A
Net Debt-to-Adjusted EBITDAre Ratio	N/A	N/A	15 %

The annual performance shares are earned based on our performance related to our metrics above, and vest 50% on the first and second January 1 after the end of the three-year performance period, subject to continued service. The performance period for the 2021 performance awards began on January 1, 2021 and ended on December 31, 2023. The performance period for the 2022 performance awards began on January 1, 2022 and will end on December 31, 2024. The performance period for the 2023 performance awards began on January 1, 2023 and will end on December 31, 2025.

On November 15, 2021, the Compensation Committee approved a one-time grant of performance share awards and a one-time cash bonus to certain of our named executives in connection with the completion of our merger with VEREIT and the transactions contemplated thereby, including the Orion Divestiture (the "VEREIT Transaction"). The awards were made to reward the executives for the successful consummation of the VEREIT Transaction and were intended to retain and motivate the executives to achieve optimal synergies and incentivize further growth from the merger. The performance shares were earned based on our performance related to Adjusted Funds from Operations Available to Common Stockholders ("AFFO") accretion (50% weighting) and general and administrative expense synergies (50% weighting), and vested 50% upon the completion of the performance period. The remaining 50% vested on the one-year anniversary of the completion of the applicable performance period. All vesting is subject to continued service. The performance period was one year for the AFFO accretion targets from January 1, 2022 to December 31, 2022, and was two years for the general and administrative expense synergies from January 1, 2022 to December 31, 2023.

The fair value of the performance shares was estimated on the date of grant using a Monte Carlo Simulation model. The fair value of the one-time performance shares was based on the fair value of our common stock at the grant date and is dependent on the probability of satisfying the performance conditions stipulated in the award grant. The following table summarizes our performance share grant activity, inclusive of annual performance shares and the one-time performance shares related to the merger with VEREIT:

	2023		2022		2021	
	Number of performance shares	Weighted average price	Number of performance shares	Weighted average price	Number of performance shares	Weighted average price
Outstanding nonvested shares, beginning of year	470,880	\$ 73.37	388,139	\$ 68.09	291,759	\$ 69.73
Equitable adjustment - Orion Divestiture	—		—		752	
Shares granted	215,040	\$ 73.32	174,940	\$ 77.73	257,149	\$ 64.18
Shares vested	(124,151)	\$ 76.59	(74,247)	\$ 59.62	(109,113)	\$ 62.52
Shares forfeited	—	\$ —	(17,952)	\$ 58.59	(52,408)	\$ 65.83
Outstanding nonvested shares, end of each period	561,769	\$ 72.64	470,880	\$ 73.37	388,139	\$ 68.09

(1) Grant date fair value.

(2) Effective with the Orion Divestiture on November 12, 2021, outstanding equity awards were adjusted by a conversion ratio of 1.002342 per one Realty Income share then held.

As of December 31, 2023, the remaining share-based compensation expense related to the performance shares totaled \$17.4 million and is being recognized on a tranche-by-tranche basis over the service period.

#### D. Stock Options

In connection with our merger with VEREIT in 2021, 709,426 stock options were converted with a weighted average exercise price of \$53.80 per option. There were no outstanding stock options prior to the VEREIT merger, and no additional stock options have since been granted.

The fair value of the stock options as of their grant date is determined using the Black-Scholes option pricing model, which requires the input of assumptions including expected terms, expected volatility, dividend yield and risk-free rate.

As of December 31, 2023, we had 28,343 outstanding nonvested stock options with a weighted average exercise price of \$54.50 per option. Their weighted average remaining contractual term is 4.8 years.

Compensation expense for stock options is recognized on a straight-line basis over the service period described above. During the years ended December 31, 2023, we recorded no expense related to stock options. During each of the years ended December 31, 2022 and 2021, we recorded less than \$0.1 million of expense related to stock options. As of December 31, 2023, there was no unamortized expense relating to our outstanding stock options.

## 20. Commitments and Contingencies

In the ordinary course of business, we are party to various legal actions which we believe are routine in nature and incidental to the operation of our business. We believe that the outcome of the proceedings will not have a material adverse effect upon our consolidated financial position or results of operations.

At December 31, 2023, we had commitments of \$32.7 million, which primarily relate to re-leasing costs, recurring capital expenditures, and non-recurring building improvements. In addition, as of December 31, 2023, we had committed \$740.0 million under construction contracts related to development projects, which have estimated rental revenue commencement dates between January 2024 and January 2025.

We have certain properties that are subject to ground leases, which are accounted for as operating leases.

At December 31, 2023, minimum future rental payments for the next five years and thereafter are as follows (in millions):

	Operating Leases	Finance Leases	Total
2024	\$ 39.4	\$ 5.3	\$ 44.7
2025	38.8	3.6	42.4
2026	38.0	9.2	47.2
2027	35.5	1.5	37.0
2028	31.9	1.5	33.4
Thereafter	497.5	48.9	546.4
Total	\$ 681.1	\$ 70.0	\$ 751.1
Present value adjustment for remaining lease payments <sup>(1)</sup>	(255.9)	(25.7)	
Total lease liability	\$ 425.2	\$ 44.3	

<sup>(1)</sup> The discount rates are specific for individual leases primarily based on the lease term. The range of discount rates used to calculate the present value of the operating lease payments is 0.94% to 6.42% and for finance lease payments is 1.14% to 6.21%. The weighted average discount rate was derived from estimated incremental borrowing rates based on our credit quality, as we did not have any borrowings at the balance sheet date with comparable terms to our lease agreements. At December 31, 2023, the weighted average discount rate for operating leases is 3.66% and the weighted average remaining lease term is 23.1 years. At December 31, 2023, the weighted average discount rate for finance leases is 3.47% and the weighted average remaining lease term is 22.6 years.

## 21. Subsequent Events

#### A. Dividends

In January 2024, we declared a dividend of \$0.2565 per share to our common stockholders, which was paid in February 2024. In addition, in February 2024, we declared a dividend of \$0.2565, which will be paid in March 2024.

**B. Agreement and Plan of Merger**

On January 23, 2024, we completed our acquisition of Spirit in an all-stock transaction. Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, the transaction was subject to the approval of Spirit's stockholders and satisfaction of other customary closing conditions.

Pursuant to the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, (i) each outstanding share of Spirit common stock, par value \$0.05 per share (other than the Excluded Common Shares (as defined in the Merger Agreement)) automatically converted into 0.762 of a newly issued share of our common stock, subject to adjustment as set forth in the Merger Agreement, and cash in lieu of fractional shares, and (ii) each outstanding share of Spirit's 6.000% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, converted into the right to receive one share of newly issued Realty Income 6.000% Series A Cumulative Redeemable Preferred Stock, having substantially the same terms as the Spirit Series A Preferred Stock.

In connection with our merger with Spirit, we completed the \$2.7 billion exchange in principal of outstanding notes issued by Spirit Realty, L.P. ("Spirit OP"), a wholly owned subsidiary of the Company following the Merger, for new notes issued by Realty Income and entered into \$800.0 million and \$500.0 million term loan agreements, which provide for the assumption of Spirit OP's existing term loan agreements.

Due to the close proximity of the acquisition date and the Company's filing of its annual report on Form 10-K for the year ended December 31, 2023, the initial accounting for the business combination is incomplete, and therefore we are unable to disclose the information required by ASC 805, *Business Combinations*. Such information will be included in the Company's subsequent Form 10-Q.

**C. Notes Issuance**

In January 2024, we issued \$450.0 million of 4.750% senior unsecured notes due February 2029 (the "2029 Notes"), and \$800.0 million of 5.125% senior unsecured notes due February 2034 (the "2034 Notes"). The public offering price for the 2029 Notes was 99.225% of the principal amount for an effective annual yield to maturity of 4.923%, and the public offering price for the 2034 Notes was 98.910% of the principal amount for an effective annual yield to maturity of 5.265%. Interest on the 2029 Notes and the 2034 Notes is paid semi-annually.

**D. ATM Forward Offerings**

As of February 20, 2024, ATM forward agreements for a total of 10.8 million shares remain unsettled with total expected net proceeds of approximately \$605 million of which 4.6 million shares were executed in January 2024.

**Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

**Item 9A: Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information 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. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of and for the quarter ended December 31, 2023, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2023 our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

**Management's Report on Internal Control Over Financial Reporting**

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer, Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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, and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the framework set forth in the report entitled "Internal Control--Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's internal control over financial reporting. Management has concluded that the Company's internal control over financial reporting was effective as of the end of the most recent fiscal year. KPMG LLP has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

Submitted on February 21, 2024 by,

Sumit Roy, President, Chief Executive Officer  
Jonathan Pong, Executive Vice President, Chief Financial Officer, and Treasurer

**Changes in Internal Controls**

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023, 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.

**Item 9B: Other Information***Director and Officer Trading Arrangements*

During the three months ended December 31, 2023, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

**Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None

**PART III****Item 10: Directors, Executive Officers and Corporate Governance**

The information required by this item is set forth under the captions “Board of Directors” and “Executive Officers of the Company” and “Delinquent Section 16(a) Reports” in our definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 11: Executive Compensation**

The information required by this item is set forth under the caption “Executive Compensation” in our definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” in our definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 13: Certain Relationships, Related Transactions and Director Independence**

The information required by this item is set forth under the caption “Related Party Transactions” in our definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

**Item 14: Principal Accounting Fees and Services**

Our independent registered public accounting firm is KPMG LLP, San Diego, CA, Auditor Firm ID: 185.

The information required by this item is set forth under the caption “Independent Registered Public Accounting Firm Fees and Services” in our definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.



## PART IV

### Item 15: Exhibits and Financial Statement Schedules

A. The following documents are filed as part of this report.

1. Financial Statements (see Item 8)

- a. Reports of Independent Registered Public Accounting Firm
- b. Consolidated Balance Sheets, December 31, 2023 and 2022
- c. Consolidated Statements of Income and Comprehensive Income, Years ended December 31, 2023, 2022 and 2021
- d. Consolidated Statements of Equity, Years ended December 31, 2023, 2022 and 2021
- e. Consolidated Statements of Cash Flows, Years ended December 31, 2023, 2022 and 2021
- f. Notes to Consolidated Financial Statements

2. Financial Statement Schedules. Reference is made to page F-1 of this report (electronically filed with the Securities and Exchange Commission).

- a. Schedule III Real Estate and Accumulated Depreciation

Schedules not Filed: All schedules, other than those indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

3. Exhibits

**Exhibit No.**    **Description**

**Plans of acquisition, reorganization, arrangement, liquidation or succession**

- 2.1 [Agreement and Plan of Merger, dated as of April 29, 2021, by and among Realty Income Corporation, Rams MD Acquisition Sub I, Inc., Rams Acquisition Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P \(filed as exhibit 2.1 to the Company's Form 8-K, filed on April 30, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 2.2 [First Amendment to Agreement and Plan of Merger, dated as of June 25, 2021, by and among Realty Income Corporation, Rams MD Acquisition Sub I, Inc., Rams Acquisition Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P \(filed as exhibit 2.1 to the Company's Form 8-K, filed on June 25, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 2.3 [Agreement and Plan of Merger, dated as of October 29, 2023, by and among Realty Income Corporation, Saints MD Acquisition Sub, Inc. and Spirit Realty Capital, Inc. \(filed as exhibit 2.1 to the Company's Form 8-K, filed on October 30, 2023 and incorporated herein by reference\).](#)

**Bylaws**

- 3.1 [Amended and Restated Bylaws of the Company dated November 3, 2023 \(filed as exhibit 3.1 to the Company's Form 10-Q, filed on November 7, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.2 [Articles of Incorporation of the Company, as amended by amendment No. 1 dated May 10, 2005 and amendment No. 2 dated May 10, 2005 \(filed as exhibit 3.1 to the Company's Form 10-Q for the quarter ended June 30, 2005, filed on August 3, 2005 \(File No. 033-69410\) and incorporated herein by reference\).](#)
- 3.3 [Articles of Amendment dated July 29, 2011 \(filed as exhibit 3.1 to the Company's Form 8-K, filed on August 2, 2011 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.4 [Articles of Amendment dated June 21, 2012 \(filed as exhibit 3.1 to the Company's Form 8-K, filed on June 21, 2012 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.5 [Articles of Amendment dated May 14, 2019 \(filed as exhibit 3.1 to the Company's Form 8-K, filed on May 16, 2019 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.6 [Amended and Restated Bylaws of the Company dated February 19, 2020 \(filed as exhibit 3.1 to the Company's Form 8-K, filed on February 20, 2020 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.7 [Articles of Amendment dated May 17, 2022 \(filed as exhibit 3.1 to the Company's Form 8-K, filed on May 19, 2022 \(File No. 001-13374\) and herein by reference\).](#)
- 3.8 [Articles Supplementary dated June 30, 1998 establishing the terms of the Company's Class A Junior Participating Preferred Stock \(filed as exhibit A to exhibit 1 to the Company's Form 8-A12B, filed on June 26, 1998 \(File No. 001-13374\) and incorporated herein by reference\).](#)

- 3.9 [Articles Supplementary dated May 24, 1999 establishing the terms of the Company's 93/8% Class B Cumulative Redeemable Preferred Stock \(filed as exhibit 4.1 to the Company's Form 8-K, filed on May 25, 1999 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.10 [Articles Supplementary dated July 28, 1999 establishing the terms of the Company's 91/2% Class C Cumulative Redeemable Preferred Stock \(filed as exhibit 4.1 to the Company's Form 8-K, filed on July 30, 1999 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.11 [Articles Supplementary dated May 24, 2004 and the Articles Supplementary dated October 18, 2004 establishing the terms of the Company's 7.375% Monthly Income Class D Cumulative Redeemable Preferred Stock \(filed as exhibit 3.8 to the Company's Form 8-A12B, filed on May 25, 2004 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.12 [Articles Supplementary dated November 30, 2006 establishing the terms of the Company's 6.75% Monthly Income Class E Cumulative Redeemable Preferred Stock \(filed as exhibit 3.5 to the Company's Form 8-A12B, filed on December 5, 2006 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.13 [Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated February 3, 2012 \(the "First Class F Articles Supplementary"\), \(filed as exhibit 3.1 to the Company's Form 8-K, filed on February 3, 2012 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.14 [Certificate of Correction to the First Class F Articles Supplementary, dated April 11, 2012 \(filed as exhibit 3.2 to the Company's Form 8-K, filed on April 17, 2012 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.15 [Articles Supplementary to the Articles of Incorporation of the Company classifying and designating additional shares of the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated April 17, 2012 \(filed as exhibit 3.3 to the Company's Form 8-K, filed on April 17, 2012 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 3.16 [Articles Supplementary to the Articles of Incorporation of Realty Income Corporation classifying and designating the 6.000% Series A Cumulative Redeemable Preferred Stock \(filed as exhibit no. 3.15 to the Company's Form 8-A12B, filed on January 22, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

**struments defining the rights of security holders, including indentures**

- 4.1 [Indenture dated as of October 28, 1998 between the Company and The Bank of New York \(filed as exhibit 4.1 to the Company's Form 8-K, filed on October 28, 1998 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.2 [Form of 5.875% Senior Notes due 2035 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on March 11, 2005 \(File No. 033-69410\) and incorporated herein by reference\).](#)
- 4.3 [Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.875% Senior Debentures due 2035 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on March 11, 2005 \(File No. 033-69410\) and incorporated herein by reference\).](#)
- 4.4 [Form of Common Stock Certificate \(filed as exhibit 4.16 to the Company's Form 10-Q for the quarter ended September 30, 2011, filed on October 28, 2011 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.5 [Form of 3.875% Note due 2024 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on June 25, 2014 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.6 [Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "3.875% Notes due 2024" \(filed as exhibit 4.3 to the Company's Form 8-K, filed on June 25, 2014 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.7 [Form of 4.125% Note due 2026 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on September 23, 2014 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.8 [Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "4.125% Notes due 2026" \(filed as exhibit 4.3 to the Company's Form 8-K, filed on September 23, 2014 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.9 [Form of 3.000% Note due 2027 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on October 12, 2016 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.10 [Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "3.000% Notes due 2027" \(filed as exhibit 4.3 to the Company's Form 8-K, filed on October 12, 2016 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.11 [Form of 4.650% Note due 2047 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on March 15, 2017 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.12 [Form of 4.125% Note due 2026 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on March 15, 2017 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.13 [Officers' Certificate pursuant to Sections 201, 301, and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A. as successor trustee, establishing a series of securities entitled "4.650% Notes due 2047" and re-opening a series of securities entitled "4.125% Notes due 2026" \(filed as exhibit 4.4 to the Company's Form 8-K, filed on March 15, 2017 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.14 [Form of 3.650% Note due 2028 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on December 6, 2017 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.15 [Form of 4.650% Note due 2047 \(filed as exhibit 4.4 to the Company's Form 8-K, filed on December 6, 2017 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.16 [Form of 3.875% Note due 2025 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on April 4, 2018 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.17 [Officers' Certificate pursuant to Sections 201, 301, and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A. as successor trustee, establishing a series of securities entitled "3.875% Notes due 2025" and re-opening a series of securities entitled "4.125% Notes due 2026" \(filed as exhibit 4.3 to the Company's Form 8-K, filed on April 4, 2018 \(File No. 001-13374\), and incorporated herein by reference\).](#)

- 4.18 [Form of 3.250% Note due 2029 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on June 16, 2019 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.19 [Officers' Certificate pursuant to Sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "3.250% Notes due 2029," \(filed as exhibit 4.3 to the Company's Form 8-K, filed on June 16, 2019 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.20 [Form of 3.250% Note due 2031 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on May 8, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.21 [Form of 3.250% Note due 2031 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on July 16, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.22 [Officers' Certificate, dated May 8, 2020, pursuant to Sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "3.250% Notes due 2031," \(filed as exhibit 4.3 to the Company's Form 8-K, filed on May 8, 2020, \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.23 [Officers' Certificate, dated July 16, 2020, pursuant to Sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, re-opening a series of securities entitled "3.250% Notes due 2031," \(filed as exhibit 4.3 to the Company's Form 8-K, filed on July 16, 2020, \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.24 [Form of 1.625% Note due 2030 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on October 1, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.25 [Officers' Certificate dated October 1, 2020 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled "1.625% Notes due 2030" \(filed as an Exhibit 4.3 to the Company's Form 8-K, filed on October 1, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.26 [Form of 0.750% Note due 2026 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on December 14, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.27 [Form of 1.800% Note due 2033 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on December 14, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.28 [Officers' Certificate dated December 14, 2020 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of debt securities entitled "0.750% Notes due 2026" and a series of debt securities entitled "1.800% Notes due 2033" \(filed as an Exhibit 4.4 to the Company's Form 8-K, filed on December 14, 2020 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.29 [Officers' Certificate dated July 13, 2021 pursuant to Sections 201, 301 and 303 of the Indenture establishing the terms of a new series of debt securities entitled "1.125% Notes due 2027" and a new series of debt securities entitled "1.750% Notes due 2033," \(filed as Exhibit 4.4 to the Company's Form 8-K, filed on July 13, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.30 [Form of 1.125% Notes due 2027 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on July 13, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.31 [Form of 1.750% Notes due 2033 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on July 13, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.32 [Form of 1.875% Notes due 2027 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on January 14, 2022 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.33 [Form of 2.500% Notes due 2042 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on January 14, 2022 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.34 [Officers' Certificate dated January 14, 2022, pursuant to Sections 201, 301 and 303 of the Indenture establishing the terms of a new series of debt securities entitled "1.875% Notes due 2027" and a new series of debt securities entitled "2.500% Notes due 2042" \(filed as exhibit 4.4 to the Company's Form 8-K, filed on January 14, 2022 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.35 [Indenture, dated as of February 6, 2014, among ARC Properties Operating Partnership, L.P., Clark Acquisition, LLC, the guarantors named therein and U.S. Bank National Association, as trustee \(filed as exhibit 4.1 to VEREIT, Inc.'s Form 8-K, filed on February 7, 2014 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.36 [Officers' Certificate, dated as of February 6, 2014 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on February 7, 2014 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.37 [First Supplemental Indenture, dated as of February 9, 2015, by and among ARC Properties Operating Partnership, L.P., American Realty Capital Properties, Inc. and U.S. Bank National Association \(filed as exhibit 4.1 to VEREIT, Inc.'s Form 8-K, filed on February 13, 2015 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.38 [Officers' Certificate, dated as of June 2, 2016 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on June 3, 2016 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.39 [Officers' Certificate, dated as of August 11, 2017 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on August 11, 2017 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.40 [Officers' Certificate, dated as of October 16, 2018 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on October 16, 2018 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.41 [Officers' Certificate, dated as of December 4, 2019 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on December 4, 2019 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.42 [Officers' Certificate, dated as of June 29, 2020 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on June 29, 2020 \(File No. 001-35263\), and incorporated herein by reference\).](#)
- 4.43 [Officers' Certificate, dated as of November 17, 2020 \(filed as exhibit 4.2 to VEREIT, Inc.'s Form 8-K, filed on November 17, 2020 \(File No. 001-35263\), and incorporated herein by reference\).](#)

- 4.44 [Second Supplemental Indenture, dated as of November 1, 2021, by and among Rams MD Subsidiary I, Inc., VEREIT Operating Partnership, L.P., VEREIT, Inc. and U.S. Bank National Association, as trustee \(filed as exhibit 4.10 to the Company's Form 8-K, filed on November 1, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.45 [Third Supplemental Indenture, dated as of November 9, 2021, by and among VEREIT Operating Partnership, L.P., Rams MD Subsidiary I, Inc. \(f/k/a VEREIT, Inc.\) and U.S. Bank National Association, as trustee \(filed as exhibit 4.1 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.46 [Form of 4.625% Notes due November 1, 2025, \(filed as exhibit 4.3 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.47 [Form of 4.875% Notes due June 1, 2026, \(filed as exhibit 4.4 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.48 [Form of 3.950% Notes due August 15, 2027, \(filed as exhibit 4.5 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.49 [Form of 3.400% Notes due January 15, 2028, \(filed as exhibit 4.6 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.50 [Form of 2.200% Notes due June 15, 2028, \(filed as exhibit 4.7 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.51 [Form of 3.100% Notes due December 15, 2029, \(filed as exhibit 4.8 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.52 [Form of 2.850% Notes due December 15, 2032, \(filed as exhibit 4.9 to the Company's Form 8-K, filed on November 15, 2021 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.53 [Form of 5.625% Notes due October 13, 2032, \(filed as exhibit 4.2 to the Company's Form 8-K, filed on October 13, 2022 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.54 [Officers' Certificate dated October 13, 2022 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "5.625% Notes due 2032" and including the form of debt securities of such series \(filed as exhibit 4.3 to the Company's Form 8-K, filed on October 13, 2022 \(File No. 001-13374\), and incorporated herein by reference\).](#)
- 4.55 [Form of 5.050% Note due 2026 issued on January 13, 2023 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on January 13, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.56 [Form of 4.850% Note due 2030 issued on January 13, 2023 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on January 13, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.57 [Officers' Certificate dated January 13, 2023 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "5.050% Notes due 2026" and a new series of debt securities entitled "4.850% Notes due 2030" and including the forms of debt securities of each such series \(filed as exhibit 4.4 to the Company's Form 8-K, filed on January 13, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.58 [Form of 4.700% Note due 2028 issued on April 14, 2023 \(filed as part of exhibit 4.4 to the Company's Form 8-K, filed on April 14, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.59 [Form of 4.900% Note due 2033 issued on April 14, 2023 \(filed as part of exhibit 4.4 to the Company's Form 8-K, filed on April 14, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.60 [Officers' Certificate dated April 14, 2023 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "4.700% Notes due 2028" and a new series of debt securities entitled "4.900% Notes due 2033" and including the forms of debt securities of each such series \(filed as exhibit 4.4 to the Company's Form 8-K, filed on April 14, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.61 [Form of 4.875% Note due 2030 issued on July 6, 2023 \(filed as part of exhibit 4.4 to the Company's Form 8-K, filed on July 6, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.62 [Form of 5.125% Note due 2034 issued on July 6, 2023 \(filed as part of exhibit 4.4 to the Company's Form 8-K, filed on July 6, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.63 [Officers' Certificate dated July 6, 2023 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "4.875% Notes due 2030" and a new series of debt securities entitled "5.125% Notes due 2034" and including the forms of debt securities of each such series \(filed as exhibit 4.4 to the Company's Form 8-K, filed on July 6, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.64 [Form of 5.750% Note due 2031 issued on December 5, 2023 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on December 5, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.65 [Form of 6.000% Note due 2039 issued on December 5, 2023 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on December 5, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.66 [Officers' Certificate dated December 5, 2023 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "5.750% Notes due 2031" and a new series of debt securities entitled "6.000% Notes due 2039" and including the forms of debt securities of each such series \(filed as exhibit no. 4.4 to the Company's Form 8-K, filed on December 5, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.67 [Form of 4.750% Note due 2029 issued on January 16, 2024 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on January 16, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.68 [Form of 5.125% Note due 2034 issued on January 16, 2024 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on January 16, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

- 4.69 [Officers' Certificate dated January 16, 2024 pursuant to Sections 201, 301 and 303 of the Indenture dated as of October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "4.750% Notes due 2029" and a new series of debt securities entitled "5.125% Notes due 2034" and including the forms of debt securities of each such series \(filed as exhibit 4.4 to the Company's Form 8-K, filed on January 16, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.70 [Indenture, dated as of August 18, 2016, between Spirit Realty, L.P. and U.S. Bank National Association, as trustee \(filed as Exhibit 4.1 to the Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on August 19, 2016 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.71 [First Supplemental Indenture, dated as of August 18, 2016, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.2 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K \(File No. 001-36004\), previously filed on August 19, 2016 and incorporated by reference herein\).](#)
- 4.72 [Second Supplemental Indenture, dated as of June 27, 2019, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.2 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on June 27, 2019 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.73 [Third Supplemental Indenture, dated as of September 16, 2019, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.2 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on September 16, 2019 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.74 [Fourth Supplemental Indenture, dated as of September 16, 2019, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.3 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on September 16, 2019 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.75 [Fifth Supplemental Indenture, dated as of August 6, 2020, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.3 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on August 6, 2020 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.76 [Sixth Supplemental Indenture, dated as of March 3, 2021, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.3 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed on March 3, 2021 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.77 [Seventh Supplemental Indenture, dated as of March 3, 2021, among Spirit Realty, L.P., Spirit Realty Capital, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.3 to Spirit Realty Capital, Inc.'s Current Report on Form 8-K, filed March 3, 2021 \(File No. 001-36004\) and incorporated by reference herein\).](#)
- 4.78 [Eighth Supplemental Indenture, dated as of January 23, 2024, by and among Spirit Realty, L.P., Saints MD Subsidiary, Inc. \(f/k/a Spirit Realty Capital, Inc.\), as guarantor, and U.S. Bank Trust Company, National Association \(as successor in interest to U.S. Bank National Association\), as trustee \(filed as exhibit no. 4.9 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.79 [Form of 4.450% Notes due September 15, 2026 issued on January 23, 2024 \(filed as exhibit no. 4.11 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.80 [Form of 3.200% Notes due January 15, 2027 issued on January 23, 2024 \(filed as exhibit no. 4.12 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.81 [Form of 2.100% Notes due March 15, 2028 issued on January 23, 2024 \(filed as exhibit no. 4.13 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.82 [Form of 4.000% Notes due July 15, 2029 issued on January 23, 2024 \(filed as exhibit no. 4.14 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.83 [Form of 3.400% Notes due January 15, 2030 issued on January 23, 2024 \(filed as exhibit no. 4.15 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.84 [Form of 3.200% Notes due February 15, 2031 issued on January 23, 2024 \(filed as exhibit 4.16 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.85 [Form of 2.700% Notes due February 15, 2032 issued on January 23, 2024 \(filed as exhibit 4.17 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.86 [Officers' Certificate, dated as of January 23, 2024, pursuant to Sections 201, 301 and 303 of the Indenture, dated as of October 28, 1998, between Realty Income Corporation and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing the terms of a new series of debt securities entitled "4.450% Notes due 2026," a new series of debt securities entitled "3.200% Notes due 2027," a new series of debt securities entitled "2.100% Notes due 2028," a new series of debt securities entitled "4.000% Notes due 2029," a new series of debt securities entitled "3.400% Notes due 2030," a new series of debt securities entitled "3.200% Notes due 2031" and a new series of debt securities entitled "2.700% Notes due 2032" and including the forms of debt securities of each such series \(filed as exhibit 4.18 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.87 [Form of Specimen Certificate for Realty Income's 6.000% Series A Cumulative Redeemable Preferred Stock \(filed as exhibit no. 4.1 to the Company's Form 8-A12B, filed on January 22, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 4.88\* [Description of Securities.](#)

#### **Material Contracts**

- 10.1+ [Realty Income Corporation 2012 Incentive Award Plan \(filed as Appendix B to the Company's Proxy Statement on Schedule 14A filed on March 30, 2012 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.2+ [Form of Restricted Stock Agreement for Employees under the Realty Income Corporation 2012 Incentive Award Plan \(filed as exhibit 10.1 to the Company's Form 8-K, filed on January 8, 2013 \(File No. 001-13374\) and incorporated herein by reference\).](#)

- 10.3+ [Form of Restricted Stock Agreement for Non-Employee Directors under the Realty Income Corporation 2012 Incentive Award Plan \(filed as exhibit 10.2 to the Company's Form 8-K, filed on January 8, 2013 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.4+ [Form of Addendum to Restricted Stock Agreement \(filed as exhibit 10.2 to the Company's Form 8-K, filed on June 19, 2013 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.5+ [Amended and Restated Form Indemnification Agreement, between the Company and each executive officer and each director of the Board of Directors of the Company \(filed as exhibit 10.1 to the Company's Form 8-K, filed on October 30, 2014 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.6+ [Form of Performance Share Award Agreement \(filed as exhibit 10.1 to the Company's Form 10-Q, filed on April 30, 2015 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.7+ [Dividend Reinvestment and Stock Purchase Plan \(filed pursuant to Rule 424\(b\)\(5\) under the Securities Act of 1933, as amended, on February 23, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 \(File No. 333-186788\) and incorporated herein by reference\).](#)
- 10.8+ [Dividend Reinvestment and Stock Purchase Plan \(filed pursuant to Rule 424\(b\)\(5\) under the Securities Act of 1933, as amended, on July 30, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 \(File No. 333-186788\) and incorporated herein by reference\).](#)
- 10.9+ [Form of Restricted Stock Agreement \(filed as exhibit 10.30 to the Company's Form 10-K for the year ended December 31, 2015, filed on February 11, 2016 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.10+ [Form of Restricted Stock Unit Award Agreement \(filed as exhibit 10.31 to the Company's Form 10-K for the year ended December 31, 2015, filed on February 11, 2016 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.11+ [First Amendment to Realty Income Corporation 2012 Incentive Award Plan, \(filed as exhibit 10.33 to the Company's Form 10-K, filed on February 23, 2017 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.12+ [Second Amendment to Realty Income Corporation 2012 Incentive Award Plan \(filed as exhibit 10.1 to the Company's Form 8-K, filed on February 17, 2017 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.13+ [Form of Performance Share Award Agreement \(filed as exhibit 10.3 to the Company's Form 10-Q for the quarter ended March 31, 2017, filed on April 30, 2017 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.14+ [Realty Income Executive Severance Plan dated January 15, 2019 \(filed as exhibit 10.1 to the Company's Form 8-K, filed on January 18, 2019 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.15+ [Form of Participation Agreement to Realty Income Executive Severance Plan dated January 15, 2019 \(filed as exhibit 10.2 to the Company's Form 8-K, filed on January 18, 2019 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.16+ [Severance Agreement and General Release dated January 29, 2020 \(filed as exhibit 10.1 to the Company's Form 8-K, filed on January 30, 2020 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.17+ [Participation Agreement to Realty Income Executive Severance Plan, dated as of October 12, 2020, by and between Realty Income Corporation and Christie B. Kelly, \(filed as exhibit 10.1 to the Company's Form 8-K, filed on October 13, 2020 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.18+ [Realty Income Corporation 2021 Incentive Award Plan \(filed as Appendix B to the Company's Proxy Statement on Schedule 14A filed on April 01, 2021 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.19+ [First Amendment to the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.1 to the Company's Form 8-K, filed on November 1, 2021 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.20+ [Form of Restricted Stock Agreement for Non-Employee Directors under the Realty Income Corporation 2021 Incentive Award Plan \(filed as Exhibit 10.2 to the Company's Registration Statement on Form S-8 filed on May 18, 2021 \(File No. 333-256254\) and incorporated herein by reference\).](#)
- 10.21+ [Form of Restricted Stock Agreement for Executives under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.21 to the Company's Form 10-K for the year ended December 31, 2021, filed on February 23, 2022 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.22+ [Form of Restricted Stock Unit Agreement for Senior Vice Presidents and Executives under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.22 to the Company's Form 10-K for the year ended December 31, 2022, filed on February 23, 2022 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.23+ [Form of November 15, 2021 Performance Share Award Agreement under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.23 to the Company's Form 10-K for the year ended December 31, 2022, filed on February 23, 2022 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.24+ [Form of Performance Share Award Agreement under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.24 to the Company's Form 10-K for the year ended December 31, 2022, filed on February 23, 2022 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.25+ [Form of Restricted Stock Agreement for Executive Officers under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.25 to the Company's Form 10-K, filed on February 22, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.26+ [Form of Restricted Stock Agreement for Executive Officers \(Christie Kelly\) under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.26 to the Company's Form 10-K, filed on February 22, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.27+ [Form of Performance Share Award Agreement for Executive Officers under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.27 to the Company's Form 10-K, filed on February 22, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.28+ [Form of Performance Share Award Agreement for Executive Officers \(Christie Kelly\) under the Realty Income Corporation 2021 Incentive Award Plan \(filed as exhibit 10.28 to the Company's Form 10-K, filed on February 22, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)



- 10.29+ [Realty Income Corporation Retirement Policy, effective as of November 7, 2022 \(filed as exhibit 10.29 to the Company's Form 10-K, filed on February 22, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.30 [Consent Letter, dated July 20, 2021, among the Company, as Borrower, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other parties named therein \(filed as Exhibit 10.1 to the Company's Form 8-K filed on July 22, 2021 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.31 [Second Amended and Restated Credit Agreement dated August 7, 2019 \(filed as exhibit 10.1 to the Company's Form 8-K, filed on August 12, 2019 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.32 [First Amendment to the Second Amended and Restated Credit Agreement dated December 22, 2021 \(filed as exhibit 10.1 to the Company's Form 8-K, filed on December 28, 2021 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.33 [Third Amended and Restated Credit Agreement among the Company, as Borrower, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other parties named therein \(filed as exhibit 10.1 to the Company's Form 8-K filed on April 28, 2022 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.34 [First Amendment to Third Amended and Restated Credit Agreement, dated December 21, 2023, by and among the Company, as Borrower, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other parties named therein \(filed as exhibit no. 10.1 to the Company's Form 8-K filed on December 21, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.35 [First Amendment to Term Loan Agreement, dated December 21, 2023, by and among the Company, as Borrower, the lender parties thereto, as lenders, and Toronto Dominion \(Texas\) LLC, as Administrative Agent \(filed as exhibit no. 10.2 to the Company's Form 8-K filed on December 21, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.36 [Term Loan Agreement, dated January 6, 2023, by and among Realty Income Corporation, as borrower, the lender parties thereto, as lenders, and Toronto Dominion \(Texas\) LLC, as administrative agent \(filed as exhibit 10.1 to the Company's Form 8-K, filed on January 6, 2023 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.37 [Amendment and Restatement to Term Loan Agreement, dated January 22, 2024, by and among Realty Income Corporation, as Borrower, the lender parties thereto, as lenders, and Wells Fargo Bank, National Association, as Administrative Agent \(filed as exhibit no. 10.1 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)
- 10.38 [Amendment and Restatement to Term Loan Agreement, dated January 22, 2024, by and among Realty Income Corporation, as Borrower, the lender parties thereto, as lenders, and Wells Fargo Bank, National Association, as Administrative Agent \(filed as exhibit no. 10.2 to the Company's Form 8-K, filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

**Policy Relating to Recovery of Erroneously Awarded Compensation**

- 97.1\*+ [Realty Income Corporation Policy for Recovery of Erroneously Awarded Compensation, dated October 2, 2023.](#)

**Subsidiaries of the Registrant**

- 21.1\* [Subsidiaries of the Company.](#)

**Consents of Experts and Counsel**

- 23.1\* [Consent of Independent Registered Public Accounting Firm.](#)

**Certifications**

- 31.1\* [Certification of the Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2\* [Certification of the Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32\*\* [Section 1350 Certifications as furnished by the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

**Interactive Data Files**

- 101.INS\* Inline 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.
- 101.SCH\* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL\* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB\* Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE\* Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF\* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 104\* Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Filed herewith.

\*Furnished herewith.

· Indicates a management contract or compensatory plan or arrangement

**Item 16: Form 10-K Summary**

None.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

### REALTY INCOME CORPORATION

By: /s/SUMIT ROY Date: February 21, 2024  
Sumit Roy  
President, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/MICHAEL D. MCKEE Date: February 21, 2024  
Michael D. McKee  
Non-Executive Chairman of the Board of Directors

By: /s/PRISCILLA ALMODOVAR Date: February 21, 2024  
Priscilla Almodovar  
Director

By: /s/JACQUELINE BRADY Date: February 21, 2024  
Jacqueline Brady  
Director

By: /s/A. LARRY CHAPMAN Date: February 21, 2024  
A. Larry Chapman  
Director

By: /s/REGINALD H. GILYARD Date: February 21, 2024  
Reginald H. Gilyard  
Director

By: /s/MARY HOGAN PREUSSE Date: February 21, 2024  
Mary Hogan Preusse  
Director

By: /s/PRIYA CHERIAN HUSKINS Date: February 21, 2024  
Priya Cherian Huskins  
Director

By: /s/GERARDO I. LOPEZ Date: February 21, 2024  
Gerardo I. Lopez  
Director

By: /s/GREGORY T. MCLAUGHLIN Date: February 21, 2024  
Gregory T. McLaughlin  
Director

By: /s/RONALD L. MERRIMAN Date: February 21, 2024  
Ronald L. Merriman  
Director

By: /s/SUMIT ROY Date: February 21, 2024  
Sumit Roy  
Director, President, Chief Executive Officer  
(Principal Executive Officer)

By: /s/JONATHAN PONG Date: February 21, 2024  
Jonathan Pong  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

By: /s/SEAN P. NUGENT Date: February 21, 2024  
Sean P. Nugent  
Senior Vice President, Controller, Principal Accounting Officer  
(Principal Accounting Officer)

**REALTY INCOME CORPORATION AND SUBSIDIARIES**  
**SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION**  
**As of December 31, 2023**  
**(dollars in thousands)**

Description	Number of Properties (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4 and 6)			Accumulated Depreciation (Note 5)			Date of Construction	Date Acquired	
			Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total						
U.S.															
Advertising	4	\$—	\$18,677	\$70,647	\$—	\$—	\$18,677	\$70,647	\$89,324	\$5,541	1990	- 2009	3/26/2021	- 11/1/2021	
Aerospace	6	24,133	9,280	104,596	3,297	—	9,280	107,893	117,173	48,022	1951	- 2013	6/20/2011	- 11/1/2021	
Apparel	79	53,577	162,647	450,233	7,454	199	162,647	457,886	620,533	84,459	1962	- 2022	10/30/1987	- 3/22/2023	
Automotive Collision Service	221	—	165,204	397,470	22,135	10	165,204	419,615	584,819	65,871	1920	- 2023	8/30/2002	- 12/21/2023	
Automotive Parts	407	—	160,113	387,057	6,358	827	160,113	394,242	554,355	113,720	1969	- 2020	8/6/1987	- 3/22/2023	
Automotive Service	808	—	629,606	1,221,922	84,848	144	629,606	1,306,914	1,936,520	152,030	1920	- 2023	10/2/1985	- 12/21/2023	
Automotive Tire Services	270	—	221,879	476,681	27,802	81	221,879	504,564	726,443	157,639	1947	- 2023	11/27/1985	- 10/18/2023	
Beverage	18	—	183,323	185,539	—	—	183,323	185,539	368,862	61,713	1950	- 2020	6/25/2010	- 6/28/2022	
Child Care	320	—	149,289	348,591	5,658	728	149,289	354,977	504,266	128,677	1957	- 2023	12/22/1981	- 12/7/2023	
Consumer Electronics	27	—	57,535	158,334	2,145	51	57,535	160,530	218,065	24,810	1991	- 2020	6/9/1997	- 8/22/2023	
Consumer Goods	9	17,990	24,077	259,494	925	—	24,077	260,419	284,496	45,221	1987	- 2013	1/22/2013	- 11/1/2021	
Convenience Stores	2,076	—	1,884,822	2,846,162	23,970	145	1,884,822	2,870,277	4,755,099	599,684	1922	- 2023	3/3/1995	- 12/21/2023	
Crafts and Novelties	53	—	104,873	312,117	2,174	440	104,873	314,731	419,604	47,880	1974	- 2022	11/26/1996	- 3/22/2023	
Diversified Industrial	22	49,838	57,865	360,336	17,976	—	57,865	378,312	436,177	38,147	1954	- 2021	9/19/2012	- 3/22/2023	
Dollar Stores	2,899	1,983	919,277	2,588,243	6,854	9	919,277	2,595,106	3,514,383	533,523	1925	- 2023	2/3/1998	- 12/21/2023	
Drug Stores	594	254,729	775,846	2,159,983	4,143	100	775,846	2,164,226	2,940,072	529,688	1958	- 2015	9/30/1998	- 8/24/2023	
Education	19	—	28,362	58,918	4,514	103	28,362	63,535	91,897	17,061	1957	- 2009	12/19/1984	- 11/22/2022	
Energy	32	—	23,442	74,471	297	—	23,442	74,768	98,210	4,644	1963	- 2014	11/1/2021	- 11/1/2021	
Entertainment	28	—	97,433	219,535	26,632	—	97,433	246,167	343,600	17,115	1960	- 2021	3/31/1999	- 6/30/2023	
Equipment Services	30	—	31,703	102,090	1,424	—	31,703	103,514	135,217	18,730	1965	- 2022	7/3/2003	- 12/15/2023	
Financial Services	357	135,382	177,065	455,777	(6,538)	101	177,065	449,340	626,405	109,972	1807	- 2015	3/10/1987	- 3/22/2023	
Food Processing	13	—	24,968	184,897	25,804	—	24,968	210,701	235,669	21,523	1991	- 2023	12/20/2012	- 9/15/2023	
General Merchandise	273	7,592	432,290	1,228,772	(1,155)	535	432,290	1,228,152	1,660,442	185,927	1954	- 2023	8/6/1987	- 12/6/2023	
Gaming	1	—	419,464	1,277,403	—	—	419,464	1,277,403	1,696,867	39,539	2019	- 2019	12/1/2022	- 12/1/2022	
Grocery	244	69,243	580,352	1,500,504	8,557	325	580,352	1,509,386	2,089,738	287,504	1947	- 2021	9/30/2003	- 6/1/2023	
Health and Beauty	8	—	6,696	49,339	2,542	—	6,696	51,881	58,577	8,221	1999	- 2017	2/23/1999	- 3/22/2023	
Health and Fitness	141	—	351,092	1,562,037	12,618	172	351,092	1,574,827	1,925,919	404,359	1943	- 2023	5/31/1995	- 8/23/2023	
Health Care	493	68,360	341,653	1,151,285	24,848	225	341,653	1,176,358	1,518,011	122,778	1922	- 2023	12/18/1984	- 12/18/2023	
Home Furnishings	180	41,472	206,189	561,998	10,253	128	206,189	572,379	778,568	72,276	1960	- 2021	1/24/1984	- 5/10/2023	
Home Improvement	172	15,916	526,157	935,456	5,976	63	526,157	941,495	1,467,652	171,569	1863	- 2022	12/22/1986	- 6/13/2023	
Insurance	3	10,998	2,204	6,838	—	—	2,204	6,838	9,042	422	2000	- 2012	11/1/2021	- 10/17/2022	
Jewelry	5	—	5,367	58,688	—	—	5,367	58,688	64,055	7,596	1997	- 2008	1/22/2013	- 11/1/2021	
Machinery	4	—	6,577	69,225	—	—	6,577	69,225	75,802	8,837	1969	- 2021	7/31/2012	- 3/22/2023	
Motor Vehicle Dealerships	64	—	229,924	421,181	1,700	—	229,924	422,881	652,805	93,690	1962	- 2023	11/29/2003	- 11/30/2023	
Office Supplies	6	—	12,603	38,026	1,147	339	12,603	39,512	52,115	8,419	1978	- 2014	5/30/1997	- 11/1/2021	
Other Manufacturing	16	—	28,025	202,510	3,248	240	28,025	205,998	234,023	24,822	1979	- 2018	1/22/2013	- 12/15/2022	

**REALTY INCOME CORPORATION AND SUBSIDIARIES**  
**SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION (continued)**  
**As of December 31, 2023**  
**(dollars in thousands)**

Description	Number of Properties (Note 1)	Encumbrances (Note 2)	Initial Cost to Company Subsequent to Acquisition				Gross Amount at Which Carried at Close of Period (Notes 3, 4 and 6)			Accumulated Depreciation (Note 5)	Date of Construction	Date Acquired
			Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Packaging	18	\$626	\$45,730	\$237,725	\$2,480	\$—	\$45,730	\$240,205	\$285,935	\$52,665	1956 - 2016	6/3/2011 - 1/5/2023
Paper	2	—	2,462	11,935	45	—	2,462	11,980	14,442	5,122	2002 - 2006	5/2/2011 - 12/21/2012
Pet Supplies and Services	140	—	130,787	376,248	26,557	239	130,787	403,044	533,831	54,428	1945 - 2023	12/22/1981 - 12/15/2023
Restaurants-Casual	836	12,823	654,015	1,473,143	722	1,531	654,015	1,475,396	2,129,411	256,294	1965 - 2019	5/16/1984 - 4/10/2023
Restaurants-Quick Service	1,814	—	939,921	1,960,658	3,593	174	939,921	1,964,425	2,904,346	336,068	1926 - 2023	12/9/1976 - 10/25/2023
Shoe Stores	6	—	6,992	41,985	341	215	6,992	42,541	49,533	14,544	1990 - 2008	3/26/1998 - 12/22/2021
Sporting Goods	47	12,255	107,608	366,711	5,185	178	107,608	372,074	479,682	58,030	1950 - 2020	10/17/2001 - 3/22/2023
Telecommunications	7	—	9,303	14,392	683	11	9,303	15,086	24,389	3,681	1964 - 2016	6/26/1998 - 10/17/2022
Theaters	76	—	221,786	739,058	10,719	—	221,786	749,777	971,563	298,810	1930 - 2014	7/27/2000 - 11/1/2021
Transportation Services	87	—	177,691	1,059,854	11,424	402	177,691	1,071,680	1,249,371	256,618	1967 - 2016	4/1/2003 - 4/5/2022
Warehousing and Storage	2	—	1,442	15,178	—	—	1,442	15,178	16,620	3,390	1979 - 2007	1/22/2013 - 11/1/2021
Wholesale Club	54	6,787	306,006	713,020	—	—	306,006	713,020	1,019,026	178,110	1985 - 2019	9/30/2011 - 8/11/2022
Other	16	—	31,434	54,994	3,916	—	31,434	58,910	90,344	9,830	1986 - 2021	8/18/1986 - 4/10/2023
Europe												
Apparel	3	—	20,751	79,223	—	—	20,751	79,223	99,974	4,649	1990 - 2005	4/19/2021 - 3/30/2023
Automotive Parts	2	—	3,918	7,737	—	—	3,918	7,737	11,655	204	1980 - 1996	6/17/2022 - 9/28/2023
Automotive Tire Services	3	—	1,707	5,206	—	—	1,707	5,206	6,913	581	1974 - 1994	3/9/2021 - 3/9/2021
Consumer Electronics	2	—	8,988	24,686	602	—	8,988	25,288	34,276	717	1997 - 2006	3/4/2022 - 9/29/2023
Convenience Stores	2	—	5,284	3,301	—	—	5,284	3,301	8,585	213	1982 - 2020	12/21/2021 - 9/20/2023
Diversified Industrial	5	—	29,505	57,817	922	—	29,505	58,739	88,244	2,055	1980 - 2020	7/22/2021 - 3/30/2023
Drug Stores	1	—	—	—	—	—	—	—	—	—	1990 - 1990	1/31/2023 - 1/31/2023
Energy	1	—	9,562	10,678	—	—	9,562	10,678	20,240	600	2020 - 2020	1/13/2022 - 1/13/2022
Entertainment	1	—	22,768	35,888	—	—	22,768	35,888	58,656	2,823	1993 - 1993	1/13/2022 - 1/13/2022
Food Processing	7	—	33,485	90,850	1,911	—	33,485	92,761	126,246	4,795	1950 - 2021	11/30/2021 - 2/23/2023
General Merchandise	23	—	191,349	232,095	19,656	—	191,349	251,751	443,100	9,191	1980 - 2023	8/25/2021 - 10/17/2023
Grocery	176	38,732	1,541,454	2,312,185	2,361	—	1,541,454	2,314,546	3,856,000	185,616	1800 - 2022	5/23/2019 - 12/1/2023
Health and Fitness	2	—	29,102	28,456	—	—	29,102	28,456	57,558	1,659	2004 - 2020	3/24/2022 - 1/31/2023
Health Care	6	—	27,163	52,355	—	—	27,163	52,355	79,518	3,801	1969 - 2006	3/23/2020 - 9/7/2022
Home Furnishings	12	—	89,533	113,961	—	—	89,533	113,961	203,494	7,629	1980 - 2019	4/9/2021 - 4/4/2023
Home Improvement	92	—	729,656	938,924	1,478	—	729,656	940,402	1,670,058	61,997	1890 - 2016	7/31/2020 - 12/6/2023
Motor Vehicle Dealerships	3	—	16,376	28,146	—	—	16,376	28,146	44,522	1,879	1990 - 2005	2/11/2022 - 9/27/2022
Other Manufacturing	2	—	40,179	13,169	—	—	40,179	13,169	53,348	614	1912 - 1968	4/6/2022 - 6/22/2022
Restaurants-Quick Service	1	—	713	1,899	—	—	713	1,899	2,612	230	2007 - 2007	3/17/2021 - 3/17/2021
Sporting Goods	92	—	264,736	478,111	892	—	264,736	479,003	743,739	8,693	1950 - 2018	8/5/2022 - 12/28/2023
Theaters	1	—	1,455	—	—	—	1,455	—	1,455	—	2011 - 2011	12/18/2019 - 12/18/2019
Transportation Services	3	—	13,166	28,600	1,142	—	13,166	29,742	42,908	1,110	1970 - 1970	1/6/2022 - 12/22/2022
Warehousing and Storage	1	—	52,725	48,919	—	—	52,725	48,919	101,644	3,902	2002 - 2002	3/11/2021 - 3/11/2021
Wholesale Club	7	—	54,550	96,993	—	—	54,550	96,993	151,543	4,559	1973 - 2002	10/28/2022 - 10/28/2022
Other	3	—	75,775	—	7,125	—	75,775	7,125	82,900	—	2023 - 2023	4/27/2023 - 9/29/2023
	13,458	\$822,436	\$14,954,956	\$34,240,455	\$439,360	\$7,715	\$14,954,956	\$34,687,530	\$49,642,486	\$6,096,736		

**REALTY INCOME CORPORATION AND SUBSIDIARIES**  
**SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION (continued)**  
**As of December 31, 2023**  
**(dollars in thousands)**

**Note 1.** Realty Income Corporation owns or holds interests in 12,851 single-client properties in the United States and Puerto Rico, our corporate headquarters property in San Diego, California, 191 single-client properties in the United Kingdom, and 148 single-client properties elsewhere in Europe. Crest Net Lease, Inc. owns seven single-client properties in the United States.

Realty Income Corporation also owns or holds interests in 149 multi-client properties in the United States, 100 multi-client properties in the United Kingdom, and 12 multi-client properties elsewhere in Europe.

**Note 2.** Includes mortgages payable secured by 131 properties and excludes unamortized discount and deferred financing costs of \$0.8 million.

**Note 3.** The aggregate cost for federal income tax purposes for Realty Income Corporation is \$55.2 billion and for Crest Net Lease, Inc. is \$26.1 million.

**Note 4.** The following is a reconciliation of total real estate carrying value for the years ended December 31 (in thousands):

	2023	2022	2021
Balance at Beginning of Period	\$ 42,689,699	\$ 35,952,659	\$ 21,048,334
Additions During Period:			
Acquisitions and development	7,239,885	8,021,159	5,851,945
Merger Additions <sup>(1)</sup>	—	—	11,722,801
Less amounts allocated to acquired lease intangible assets and liabilities on our Consolidated Balance Sheets	(484,096)	(625,730)	(826,064)
Improvements, Etc.	54,904	99,484	56,567
Other (Leasing Costs and Building Adjustments) <sup>(2)</sup>	49,504	97,482	64,807
Total Additions	6,860,197	7,592,395	16,870,056
Deductions During Period:			
Cost of Real Estate sold	125,166	402,386	1,206,837
Cost of Equipment sold	11	—	8
Orion Divestiture <sup>(1)</sup>	—	—	634,254
Releasing costs	—	53	40
Other <sup>(3)</sup>	111,851	39,463	91,176
Total Deductions	237,028	441,902	1,932,315
Foreign Currency Translation	329,618	(413,453)	(33,416)
Balance at Close of Period	\$ 49,642,486	\$ 42,689,699	\$ 35,952,659

**REALTY INCOME CORPORATION AND SUBSIDIARIES**  
**SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION (continued)**  
**As of December 31, 2023**  
**(dollars in thousands)**

- <sup>(1)</sup> Represents derecognition of assets from the Orion Divestiture. For further information, see note 2, *Merger with VEREIT, Inc. and Orion Office REIT Inc. Divestiture*, to our consolidated financial statements.
- <sup>(2)</sup> The year ended December 31, 2023 includes contributions to joint ventures of \$38.4 million and reclassification of \$11.3 million right of use assets under finance leases. 2022 includes reclassification of \$3.3 million right of use assets under finance leases, \$43.0 million mortgage assumption, and \$51.2 million RI Ops LP Units. 2021 includes \$20.1 million right of use assets under finance leases and \$43.7 million mortgage assumption.
- <sup>(3)</sup> The year ended December 31, 2023 includes \$14.0 million for building razed and \$97.5 million of impairment, excluding impairment of depreciation, in-place and above- market leases. The year ended 2022 includes \$13.6 million for building razed and \$25.9 million of impairment. The year ended 2021 includes \$43.0 million for building razed and \$39.0 million of impairment.

**Note 5.** The following is a reconciliation of accumulated depreciation for the years ended (in thousands):

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Balance at Beginning of Period	\$ 4,908,658	\$ 3,963,753	\$ 3,563,178
Additions During Period - Provision for Depreciation	1,233,709	1,028,182	628,246
Deductions During Period:			
Accumulated depreciation of real estate and equipment sold or disposed of	57,609	73,913	226,897
Foreign Currency Translation	11,978	(9,364)	(774)
Balance at Close of Period	\$ 6,096,736	\$ 4,908,658	\$ 3,963,753

Please see note 1, *Summary of Significant Accounting Policies*, to our consolidated financial statements for information regarding lives used for depreciation and amortization.

**Note 6.** In 2023, provisions for impairment were recorded on 112 Realty Income properties.  
In 2022, provisions for impairment were recorded on 94 Realty Income properties.  
In 2021, provisions for impairment were recorded on 103 Realty Income properties.

**See report of independent registered public accounting firm.**

## **DESCRIPTION OF SECURITIES**

As of December 31, 2023, Realty Income Corporation, a Maryland corporation (“Realty Income,” “we,” “us,” and the “Company”), had ten classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): (i) our common stock, \$0.01 par value per share (“common stock”); (ii) our 1.125% Notes due 2027 (the “July 2027 notes”); (iii) our 1.875% Notes due 2027 (the “January 2027 notes”); (iv) our 1.625% Notes due 2030 (the “October 2030 notes”); (v) our 4.875% Notes due 2030 (the “July 2030 Notes”); (vi) our 5.750% Notes due 2031 (the “2031 notes”); (vii) our 1.750% Notes due 2033 (the “2033 notes”); and (viii) our 5.125% Notes due 2034 (the “2034 notes”); (ix) our 6.000% Notes due 2039 (the “2039 notes”); and (x) our 2.500% Notes due 2042 (the “2042 notes”, together with the July 2027 notes, January 2027 notes, October 2030 notes, July 2030 notes, 2031 notes, 2033 notes, 2034 notes and 2039 notes, the “notes”). In addition, effective on January 22, 2024, in connection with the merger of Saints MD Subsidiary, Inc., a Maryland corporation, and Spirit Realty Capital, Inc., a Maryland corporation, we classified and designated 6,900,000 shares of authorized but unissued preferred stock, \$0.01 par value per share (“preferred stock”), of the Company as shares of 6.000% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value per share (“Series A preferred stock”). Our common stock and notes are listed on The New York Stock Exchange (“NYSE”) under the ticker symbols “O,” “O27A,” “O27B,” “O30,” “O30A,” “O31A,” “O33A,” “O34,” “O39,” and “O42,” respectively. The Series A preferred stock is listed on the NYSE under the ticker symbol “O PR.”

## **DESCRIPTION OF CAPITAL STOCK**

The following description of some of the terms of our common stock, our preferred stock, our charter (as amended or restated from time to time, the “charter”), including the articles supplementary classifying and designating the Series A preferred stock (the “Series A articles supplementary”), our amended and restated bylaws (as further amended or restated from time to time, the “bylaws”), and the Maryland General Corporation Law (the “MGCL”) does not purport to be complete and is subject to and qualified in its entirety by reference to the MGCL and our charter and the bylaws. Copies of our most recent charter and bylaws, and any subsequent amendments thereto, have been filed or incorporated by reference as exhibits to our most recent Annual Report on Form 10-K or a subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by us with the Securities and Exchange Commission (the “SEC”). You may obtain copies of any of those documents by visiting the SEC website at <http://www.sec.gov>.

### **General**

We have authority to issue 1,300,000,000 shares of our common stock and 69,900,000 shares of our preferred stock, \$0.01 par value per share (“preferred stock”), of which 6,900,000 shares are classified and designated as Series A preferred stock.

### **Common Stock**

Subject to the preferential rights of any other class or series of our stock, including the Series A preferred stock, and to the provisions of our charter regarding the restrictions on ownership and transfer of stock, holders of our common stock are entitled to receive dividends when, as and if authorized by our board of directors and declared by us out of assets legally available therefor. The terms of the Series A preferred stock do, and the terms of any preferred stock we may issue in the future may, provide for restrictions or prohibitions on the payment of dividends on, and the purchase of, our common stock and provide for holders of that class or



series of preferred stock to receive preferential distributions in the event of our liquidation, dissolution or winding up before any payments may be made on our common stock.

For information concerning the terms of the Series A preferred stock, see “Series A Preferred Stock” below, the Series A articles supplementary and the Registration Statement on Form 8-A filed by us with the SEC on January 22, 2024. For information concerning any other class or series of our preferred stock that may be outstanding from time to time, see the articles supplementary classifying and designating the shares of such class or series of preferred stock, which have been or will be, as the case may be, filed or incorporated by reference as an exhibit to our most recent Annual Report on Form 10-K or a subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by us with the SEC, and the description of any such class or series of our preferred stock contained in the applicable Registration Statement on Form 8-A, including any amendments and reports filed for the purpose of updating such description, which have been or will be filed by us with the SEC. You may obtain copies of any of these documents by visiting the SEC’s website at <http://www.sec.gov>.

Our charter authorizes our board of directors to classify and reclassify any unissued shares of our common stock or preferred stock into other classes or series of stock and to establish the number of shares in each class or series and to set the terms, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series. Thus, the board of directors could cause the issuance of shares of preferred stock, in addition to the Series A preferred stock, with dividend rights, rights to distributions in the event of our liquidation, dissolution or winding up, voting rights or other rights that could adversely affect the rights of holders of our common stock or delay or prevent a tender offer or change of control of the Company that might involve a premium price for shares of our common stock or otherwise be in their best interests, any of which could adversely affect the market price of our common stock.

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our common stock (see “— *Restrictions on Ownership and Transfers of Common Stock*” below) and the terms of any other class or series of our stock, including the Series A preferred stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors (other than any directors to be elected exclusively by holders of our outstanding preferred stock or any other class or series of our stock). Except as provided with respect to any other class or series of stock, including the Series A preferred stock, the holders of shares of our common stock will possess the exclusive voting power.

Holders of our common stock do not have cumulative voting rights in the election of directors, which means that holders of more than 50% of all the shares of our common stock voting for the election of directors can elect all the directors standing for election (other than any directors to be elected exclusively by holders of our outstanding preferred stock or any other class or series of our stock) at the time if they choose to do so, and the holders of the remaining shares of our common stock cannot elect any such directors. All of our directors currently serve for a term ending at the next annual meeting of stockholders following their election and until their respective successors are duly elected and qualified. Holders of shares of common stock do not have preemptive rights, which means they have no right under the charter, bylaws, or Maryland law to acquire any additional shares of common stock that may be issued by us at a subsequent date. Holders of shares of common stock have no preference, conversion, exchange, sinking fund or redemption rights. Under Maryland law, stockholders generally are not liable for the corporation’s debts or obligations.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert into another entity, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless approved by its stockholders by the affirmative vote of two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides that any such action shall be effective if approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter. Because the term "substantially all" of a corporation's assets is not defined in the MGCL, it is subject to Maryland common law and to judicial interpretation and review in the context of the unique facts and circumstances of any particular transaction. Accordingly, there may be uncertainty as to whether a sale of "substantially all" of our assets has taken place within the meaning of the MGCL provisions described above.

### **Restrictions on Ownership and Transfers of Common Stock**

To maintain our status as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), no more than 50% in value of our outstanding shares of stock may be owned, actually or constructively, by or for five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. In addition, if we, or an owner of 10% or more of our stock, actually or constructively owns 10% or more of a tenant of ours (or a tenant of any partnership or limited liability company that is treated as a partnership for federal income tax purposes in which we are a partner or member), the rent received by us (either directly or through one or more subsidiaries) from that tenant will not be qualifying income for purposes of the REIT gross income tests of the Code. A REIT's stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year of twelve months or during a proportionate part of a shorter taxable year.

Because we expect to continue to qualify as a REIT, our charter contains restrictions on the ownership and transfer of our common stock which, among other purposes, are intended to assist us in complying with applicable Code requirements. Our charter provides that, subject to certain specified exceptions, no person or entity may own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (by value or by number of shares, whichever is more restrictive) of our outstanding shares of common stock. We refer to this restriction as the "ownership limit." The constructive ownership rules of the Code are complex, and may cause shares of common stock owned actually or constructively by a group of related individuals and/or entities to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of the shares of our common stock (or the acquisition of an interest in an entity that owns, actually or constructively, shares of our common stock) by an individual or entity, could nevertheless cause that individual or entity, or another individual or entity, to constructively own more than 9.8% of our outstanding shares of common stock and thus violate the ownership limit, or any other limit as provided in our charter or as otherwise permitted by our board of directors. Our board of directors may, but in no event is required to, exempt from the ownership limit a particular stockholder if it determines that such ownership will not jeopardize our status as a REIT. As a condition of such exemption, the board of directors may require a ruling from the Internal Revenue Service or an opinion of counsel satisfactory to it and/or undertakings or representations from the applicant with respect to preserving our REIT status.

Our charter further prohibits (1) any person from actually or constructively owning shares of our common stock that would result in our being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT, and (2) any person from transferring shares of our common stock if such transfer would result in shares of our capital stock being

beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts to acquire actual or constructive ownership of shares of our common stock that would violate any of the foregoing restrictions on transferability and ownership is required to give written notice to us immediately and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interest to attempt to qualify, or to continue to qualify, as a REIT and such determination is approved by the affirmative vote of holders of not less than two-thirds of all votes entitled to be cast on the matter, as required by our charter. Except as otherwise described above, any change in the ownership limit would require an amendment to our charter. The Series A preferred stock is subject to similar restrictions, and we anticipate that any other class or series of preferred stock that we may issue in the future will be subject to similar restrictions.

Pursuant to our charter, if any purported transfer of common stock or any other event would result in any person violating the ownership limit or such other limit as provided in our charter, or as otherwise permitted by our board of directors, or result in our being “closely held” under Section 856(h) of the Code, or otherwise cause us to fail to qualify as a REIT, then the number of shares that would otherwise cause such violation or result (rounded up to the nearest whole share) will be transferred automatically to a trust, the beneficiary of which will be a qualified charitable organization selected by us. Such automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer.

Within 20 days of receiving notice from us of the transfer of shares to the trust, the trustee of the trust (who shall be designated by us and be unaffiliated with us and any prohibited transferee or prohibited owner) will be required to sell such shares to a person or entity who could own the shares without violating the ownership limit, or any other limit as provided in our charter or as otherwise permitted by our board of directors, and distribute to the prohibited transferee or prohibited owner, as applicable, an amount equal to the lesser of (1) the price paid by the prohibited transferee or prohibited owner for such shares or (2) the net sales proceeds received by the trust for such shares. In the case of any event other than a transfer, or in the case of a transfer for no consideration (such as a gift), the trustee will be required to sell such shares to a qualified person or entity and distribute to the prohibited owner an amount equal to the lesser of (1) the market price (determined as provided in our charter) of such shares as of the date of the event resulting in the transfer or (2) the net sales proceeds received by the trust for such shares. In either case, any proceeds in excess of the amount distributable to the prohibited transferee or prohibited owner, as applicable, will be distributed to the beneficiary. Prior to a sale of any such shares by the trust, the trustee will be entitled to receive, in trust for the beneficiary, all dividends and other distributions paid by us with respect to such shares, and also will be entitled to exercise all voting rights with respect to such shares.

Subject to Maryland law, effective as of the date that such shares have been transferred to the trust, the trustee will have the authority (at the trustee’s sole discretion) (1) to rescind as void any vote cast by a prohibited transferee or prohibited owner, as applicable, prior to the discovery by us that such shares have been transferred to the trust and (2) to recast such vote in accordance with the desires of the trustee acting for the benefit of the beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast that vote. Any dividend or other distribution paid to the prohibited transferee or prohibited owner prior to the discovery by us that such shares had been automatically transferred to a trust as described above will be required to be repaid to the trustee upon demand for distribution to the beneficiary. In the event that the transfer to the trust as described above is not

automatically effective (for any reason) to prevent violation of the ownership limit or any other limit as provided in our charter or as otherwise permitted by our board of directors, then, per our charter, the transfer of such shares will be void.

In addition, shares of our common stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in such transfer to the trust (or, in the case of a devise or gift, the market price at the time of such devise or gift) and (2) the market price on the date we, or our designee, accept such offer. We will have the right to accept such offer until the trustee has sold the shares of common stock held in the trust. Upon such a sale to us, the interest of the beneficiary in the shares sold will terminate and the trustee must distribute the net proceeds of the sale to the prohibited transferee or prohibited owner, and any dividends or other distributions held by the trustee with respect to such shares will be paid to the beneficiary.

If any purported transfer of shares of common stock would cause us to be beneficially owned by fewer than 100 persons, such transfer will be null and void in its entirety and the intended transferee will acquire no rights to the stock.

All certificates representing shares of our common stock will bear a legend referring to the restrictions described above. The foregoing ownership limitations could delay, defer or prevent a transaction or a change in control of the Company that might involve a premium price for our common stock or otherwise be in the best interests of stockholders.

As set forth in the U.S. Treasury (the “Treasury”) regulations promulgated under the Code, every owner of a specified percentage (or more) of the outstanding shares of our stock (including both common stock and preferred stock) must file a completed questionnaire with us containing information regarding their ownership of such shares. Under current Treasury regulations, the percentage will be set between 0.5% and 5.0%, depending upon the number of record holders of our shares of stock. Under our charter, each common stockholder shall upon demand be required to disclose to us in writing such information as we may request, in good faith, in order to determine the effect, if any, of such common stockholder’s actual and constructive ownership of common stock on our status as a REIT and to ensure compliance with the ownership limit, or any other limit as provided in our charter or as otherwise permitted by our board of directors.

The transfer restrictions and limitations described above could delay or prevent a tender offer or change in control of the Company or reduce the possibility that a third party will attempt such a transaction, even if a tender offer or a change in control were in our stockholders’ best interests or involved a premium price for our stock, which could adversely affect the market price of our common stock, the Series A preferred stock or any other class or series of our preferred stock.

### **Election and Removal of Directors**

Our charter and bylaws provide that our board of directors may establish the number of directors of the Company as long as the number is not fewer than the minimum number required under the MGCL, which is one, nor, unless our bylaws are amended, more than 15.

Pursuant to our charter, each of our directors is elected by our stockholders to serve until the next annual meeting following his or her election and until his or her successor is duly elected and qualifies.

Pursuant to our bylaws, directors in uncontested elections are elected upon the affirmative vote of a majority of the total votes cast for and against such nominee at a duly called meeting of

stockholders, and directors in contested elections are elected by the affirmative vote of a plurality of the votes cast. In both uncontested and contested elections, holders of shares of our common stock have no right to cumulative voting in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the shares of our common stock will be able to elect all of our directors.

Under the MGCL and our bylaws, except as otherwise provided in the terms of any class or series of our stock, vacancies on our board of directors created by any reason other than an increase in the number of directors may be filled by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, and any vacancy in the number of directors created by an increase in the number of directors may be filled by a majority vote of the entire board. Any individual elected to fill a vacancy will serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies.

Our charter provides that, subject to the rights of holders of shares of one or more classes or series of preferred stock to elect or remove one or more directors (including our Series A preferred stock), a director may be removed at any time, but only for cause (as defined in our charter) and by the affirmative vote of stockholders entitled to cast a majority of the votes entitled to be cast generally in the election of directors.

### **Amendment to Charter and Bylaws**

Except as provided in the MGCL, amendments to our charter must be advised by our board of directors and approved by the affirmative vote of our stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Our board of directors generally has the power to amend our bylaws; provided, that, amendments to certain provisions in our bylaws related to a written statement required to be furnished to stockholders in the event of certain distributions, our investment policy and restrictions, an annual report to stockholders and the definitions used in those sections of our bylaws must be approved by the affirmative vote of our stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Additionally, stockholders may alter or repeal any provision of our bylaws and adopt new bylaw provisions with the approval by a majority of all votes entitled to be cast on the matter.

### **Maryland Business Combination Act**

Under the MGCL, certain “business combinations” (including certain issuances of equity securities) between a Maryland corporation and any person who beneficially owns ten percent or more of the voting power of the corporation’s outstanding voting stock, or an affiliate or associate of the corporation who beneficially owned ten percent or more of the voting power at any time within the preceding two years, in each case referred to as an “interested stockholder,” or an affiliate thereof, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination must be approved by two super-majority stockholder votes unless, among other conditions, the corporation’s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares of common stock. The business combination provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder. These provisions of the MGCL may delay, defer or prevent a transaction or a change of control of our Company that might involve a premium price for our common stock or any class or series of our preferred stock, or otherwise be in the best interests of our stockholders.

## **Maryland Control Share Acquisition Act**

The MGCL provides that holders of “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock owned by the acquirer, by officers of the corporation or by employees who are also directors of the corporation. “Control shares” are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (1) one-tenth or more but less than one-third, (2) one-third or more but less than a majority, or (3) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A “control share acquisition” means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem for fair value any and all of the control shares (except those for which voting rights have previously been approved). Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or, if a meeting of stockholders is held at which the voting rights of such shares are considered and not approved, as of the date of the meeting. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights, meaning that they may require us to repurchase their shares for their appraised value as determined pursuant to the MGCL. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply to (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (2) acquisitions exempted by the charter or bylaws of the corporation, adopted at any time before the acquisition of the shares.

As permitted by the MGCL, our bylaws contain a provision exempting us from the control share acquisition statute. That bylaw provision states that the control share statute shall not apply to any acquisition by any person of shares of our stock. Our board of directors may, without the consent of any of our stockholders, amend or eliminate this bylaw provision at any time, which means that we would then become subject to the Maryland control share acquisition statute, and there can be no assurance that such provision will not be amended or eliminated by our board of directors at any time in the future.

### **Subtitle 8**

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act, and at least three independent directors to elect, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any

contrary provision in the charter or bylaws, to be subject to any or all of five provisions, including:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the board of directors;
- a requirement that a vacancy on the board of directors be filled only by a vote of the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred and until a successor is elected and qualifies; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

We have not elected to be subject to any of the provisions of Subtitle 8, including the provisions that would permit us to classify our board of directors or increase the vote required to remove a director without stockholder approval. Through provisions in our charter and bylaws unrelated to Subtitle 8, we (1) vest in our board of directors the exclusive power to fix the number of directors and (2) require, unless called by our chairman, our chief executive officer, our president or our board of directors, the request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting to call a special meeting of stockholders. The provisions of Subtitle 8 expressly provide that Subtitle 8 does not limit the power of a Maryland corporation, by provision in its charter, to confer on the holders of any class or series of preferred stock the right to elect one or more directors or designate the terms and voting powers of directors, which may vary among directors.

### **Special Meetings of Stockholders**

Pursuant to our bylaws, our chairman, our chief executive officer, our president or our board of directors may call a special meeting of our stockholders. Subject to the provisions of our bylaws, a special meeting of our stockholders to act on any matter that may properly be considered by our stockholders will also be called by our secretary upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting on such matter, accompanied by the information required by our bylaws. Our secretary will inform the requesting stockholders of the reasonably estimated cost of preparing and delivering the notice of meeting (including our proxy materials), and the requesting stockholder must pay such estimated cost before our secretary may prepare and deliver the notice of the special meeting.

### **Proxy Access**

Our bylaws include provisions permitting, subject to certain eligibility, procedural and disclosure requirements, qualifying stockholders, or a qualifying group of no more than 20 stockholders, who have maintained continuous ownership of at least three percent of our outstanding shares of common stock for at least three years to require us to include in our proxy materials for an annual meeting of stockholders a number of director nominees not to exceed the greater of two nominees or 20 percent of the number of directors up for election.



## **Advance Notice of Director Nomination and New Business**

Our bylaws provide that nominations of individuals for election as directors and proposals of business to be considered by stockholders at any annual meeting may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of directors or (3) by any stockholder who was a stockholder of record at the record date set by our board of directors for the annual meeting, at the time of giving the notice required by our bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on such other proposed business and who has complied with the advance notice procedures and other applicable requirements of our bylaws, including, if applicable, the proxy access provisions of our bylaws. Stockholders generally must provide notice to our secretary not earlier than the 150th day or later than 5:00 p.m., Pacific Time, on the 120th day before the first anniversary of the date our proxy statement was released for the preceding year's annual meeting.

Only the business specified in the notice of the meeting may be brought before a special meeting of our stockholders. Nominations of individuals for election as directors at a special meeting of stockholders may be made only (1) by or at the direction of our board of directors, (2) by a stockholder that has requested that a special meeting be called for the purpose of electing directors in compliance with our bylaws or (3) if the special meeting has been called in accordance with our bylaws for the purpose of electing directors, by a stockholder who is a stockholder of record at the record date set by our board of directors for the special meeting, at the time of giving the notice required by our bylaws and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the advance notice procedures and other applicable requirements of our bylaws. Stockholders generally must provide notice to our secretary not earlier than the 120th day before such special meeting or later than 5:00 p.m., Pacific Time, on the later of the 90th day before the special meeting or the tenth day after the first public announcement of the date of the special meeting and such stockholder satisfies the other applicable requirements set forth in our bylaws.

A stockholder's notice must contain certain information specified by our bylaws about the stockholder, its affiliates and any proposed business or nominee for election as a director, including information about the economic interest of the stockholder, its affiliates and any proposed nominee in us.

## **Exclusive Forum**

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, any state court of competent jurisdiction in Maryland, or, if such state courts do not have jurisdiction, the United States District Court located in the State of Maryland, will be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf (other than actions arising under federal securities laws), (b) any Internal Corporate Claim, as such term is defined in the MGCL, including, without limitation (i) any action asserting a claim based on an alleged breach of any duty owed by any of our directors, officers or other employees to us or to our stockholders or (ii) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provision of the MGCL, our charter or our bylaws, or (c) any other action asserting a claim that is governed by the internal affairs doctrine. These choice of forum provisions will not apply to any action or proceeding under federal securities laws or claims arising under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act or any other claim for which federal courts have exclusive jurisdiction.

Furthermore, our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest

extent permitted by law, be the sole and exclusive forum for the resolution of any cause of action arising under the Securities Act.

Although our bylaws contain the choice of forum provisions described above, it is possible that a court could rule that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. In addition, the exclusive forum provisions described above do not apply to any actions brought under the Exchange Act.

### **Effect of Certain Provisions of Maryland Law and our Charter and Bylaws**

Our charter contains restrictions on ownership and transfer of our stock intended to, among other purposes, assist us in maintaining our status as a REIT for United States federal and/or state income tax purposes. For example, our charter restricts any person or entity from acquiring actual or constructive ownership of more than 9.8% (by value or by number of shares, whichever is more restrictive) of our outstanding shares of common stock. See “— *Restrictions on Ownership and Transfers of Common Stock*” above. These restrictions could delay or prevent a tender offer or change in control of our Company or reduce the possibility that a third party will attempt such a transaction, even if a tender offer or a change of control were in our stockholders’ interests or involved a premium price for our common stock, which could adversely affect the market price of our common stock.

Our charter authorizes our board of directors to issue preferred stock of the Company, including convertible preferred stock, without stockholder approval. Our board of directors may establish the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption of any class or series of preferred stock we may issue, which may include voting rights and rights to convert such preferred stock into common stock. The issuance of preferred stock could delay or prevent a tender offer or change in control of the Company or reduce the possibility that a third party will attempt such a transaction, even if a tender offer or a change of control were in our stockholders’ interests or involved a premium price for our common stock, our Series A preferred stock or any other class or series of our preferred stock, which could adversely affect the market price of our common stock, our Series A preferred stock and any other class or series of preferred stock.

Our charter and bylaws also provide that the number of directors may be established only by our board of directors, which prevents our stockholders from increasing the number of our directors and filling any vacancies created by such increase with their own nominees. The provisions of our bylaws discussed above under the captions “Special Meetings of Stockholders” and “Advance Notice of Director Nomination and New Business” require stockholders seeking to call a special meeting, nominate an individual for election as a director or propose other business at an annual or special meeting to comply with certain notice and information requirements. These provisions, alone or in combination, could make it more difficult for our stockholders to remove incumbent directors or fill vacancies on our board of directors with their own nominees and could delay or prevent a proxy contest, tender offer or change in control of the Company or reduce the possibility that a third party will attempt such a contest or transaction, even if a proxy contest, tender offer or a change of control were in our stockholders’ interests or involved a premium price for our common stock, our Series A preferred stock or any class or series of our preferred stock, which could adversely affect the market price of our common stock, our Series A preferred stock and any other class or series of preferred stock.

## **Indemnification of Officers and Directors.**

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services, or
- active and deliberate dishonesty established by a final judgment as being material to the cause of action.

Our charter contains such a provision which eliminates such liability to the maximum extent permitted by the MGCL.

Our charter authorizes us, and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to any present or former director or officer who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity or any individual who, while serving as one of our directors or officers and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity. Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of ours or our predecessor.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to or in which they may be made or are threatened to be made a party or witness by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

## **Transfer Agent**

The registrar and transfer agent for our common stock is Computershare Trust Company, N.A.

## **Preferred Stock**

Our charter authorizes our board of directors to classify any unissued shares of preferred stock and reclassify any previously classified but unissued shares of preferred stock of any series, from time to time, in one or more series of stock, with such preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms of conditions of redemption as determined by our board of directors.

### ***Series A Preferred Stock***

This section describes the rights of our Series A preferred stock as set forth in the Series A articles supplementary. Our board of directors may authorize the issuance and sale of additional shares of our Series A preferred stock from time to time. Holders of shares of our Series A preferred stock do not have preemptive rights, which means they have no right under our charter, our bylaws, or Maryland law to acquire any additional shares of our Series A preferred stock that we may issue at a subsequent date.

### ***Ranking***

Our Series A preferred stock ranks, with respect to dividend rights and rights upon voluntary or involuntary liquidation, dissolution or winding up of our affairs:

- senior to all classes or series of our common stock and all classes or series of our capital stock now or hereafter authorized, issued or outstanding expressly designated as ranking junior to our Series A preferred stock;
- on parity with any other class or series of our capital stock expressly designated as ranking on parity with our Series A preferred stock; and
- junior to any other class or series of our capital stock expressly designated as ranking senior to our Series A preferred stock, none of which exists on the date hereof.

The term “capital stock” does not include convertible or exchangeable debt securities, which, prior to conversion or exchange, rank senior in right of payment to our Series A preferred stock. Our Series A preferred stock also ranks junior in right of payment to our other existing and future debt obligations.

### ***Dividends***

Subject to the preferential rights of the holders of any class or series of our capital stock ranking senior to our Series A preferred stock with respect to dividend rights, holders of shares of our Series A preferred stock are entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 6.000% per annum of the \$25.00 liquidation preference per share of our Series A preferred stock (equivalent to the fixed annual amount of \$1.50 per share of our Series A preferred stock).

Dividends on our Series A preferred stock accrue and are cumulative from and including January 1, 2024 and are payable quarterly in arrears on or about the last day of March, June, September and December of each year commencing on March 29, 2024; provided, however, that if such day is not a business day, then the dividend may be paid on either the immediately preceding business day or next succeeding business day at our option, except that, if such business day is in the next succeeding year, such payment will be made on the immediately

preceding business day, in each case with the same force and effect as if made on such date. The term “business day” means each day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

The amount of any dividend payable on our Series A preferred stock for any partial dividend period is prorated and computed on the basis of a 360-day year consisting of twelve 30-day months. A “dividend period” is the respective period commencing on and including the first day of January, April, July and October of each year and ending on, and including, the last day of March, June, September and December (other than the dividend period during which any shares of our Series A preferred stock will be redeemed). Dividends are payable to holders of record as they appear in our stock records at the close of business on the applicable record date, which will be the date designated by our board of directors as the record date for the payment of dividends that is not more than 35 and not fewer than 10 days prior to the scheduled dividend payment date.

Dividends on our Series A preferred stock will accrue whether or not:

- the Company has earnings;
- there are funds legally available for the payment of those dividends; or
- those dividends are authorized or declared.

Except as described in the next two paragraphs, unless full cumulative dividends on our Series A preferred stock for all past dividend periods will have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the payment thereof in cash is set apart for payment, we will not:

- declare and pay or declare and set aside for payment of dividends, and we will not declare and make any distribution of cash or other property, directly or indirectly, on or with respect to any shares of our common stock or shares of any other class or series of our capital stock ranking, as to dividends, on parity with or junior to our Series A preferred stock, for any period; or
- redeem, purchase or otherwise acquire for any consideration, or make any other distribution of cash or other property, directly or indirectly, on or with respect to, or pay or make available any monies for a sinking fund for the redemption of, any shares of our common stock or shares of any other class or series of our capital stock ranking, as to dividends and upon liquidation, on parity with or junior to our Series A preferred stock.

The foregoing sentence, however, will not prohibit:

- dividends payable solely in our capital stock ranking junior to our Series A preferred stock;
- the conversion into or exchange for other shares of any class or series of our capital stock ranking junior to our Series A preferred stock; and
- our purchase of shares of our Series A preferred stock, our preferred stock ranking on parity with our Series A preferred stock as to payment of dividends and upon liquidation, dissolution or winding up or capital stock or equity securities ranking junior to our Series A preferred stock pursuant to our charter to the extent

necessary to preserve our status as a REIT as discussed under “— *Restrictions on Ownership and Transfers of Preferred Stock.*”

When the Company does not pay dividends in full (and does not set apart a sum sufficient to pay them in full) on our Series A preferred stock and the shares of any other class or series of capital stock ranking, as to dividends, on parity with our Series A preferred stock, we will declare any dividends upon our Series A preferred stock and each such other class or series of capital stock ranking, as to dividends, on parity with our Series A preferred stock pro rata, so that the amount of dividends declared per share of our Series A preferred stock and such other class or series of capital stock will in all cases bear to each other the same ratio that accrued dividends per share on our Series A preferred stock and such other class or series of capital stock (which will not include any accrual in respect of unpaid dividends on such other class or series of capital stock for prior dividend periods if such other class or series of capital stock does not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on our Series A preferred stock which may be in arrears.

Holders of shares of our Series A preferred stock are not entitled to any dividend, whether payable in cash, property or shares of capital stock, in excess of full cumulative dividends on our Series A preferred stock as described above. Any dividend payment made on our Series A preferred stock will first be credited against the earliest accrued but unpaid dividends due with respect to those shares which remain payable. Accrued but unpaid dividends on our Series A preferred stock will accumulate as of the dividend payment date on which they first become payable.

#### *Liquidation Preference*

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, before any distribution or payment will be made to holders of shares of our common stock or any other class or series of our capital stock ranking, as to rights upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, junior to our Series A preferred stock, the holders of shares of our Series A preferred stock will be entitled to be paid out of our assets legally available for distribution to stockholders, after payment of or provision for our debts and other liabilities (including any class or series of capital stock ranking, as to rights upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, senior to our Series A preferred stock), a liquidation preference of \$25.00 per share of our Series A preferred stock, plus an amount equal to any accrued and unpaid dividends (whether or not authorized or declared) up to but excluding the date of payment. If, upon our voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the full amount of the liquidating distributions on all outstanding shares of our Series A preferred stock and the corresponding amounts payable on all shares of each other class or series of our capital stock ranking, as to rights upon voluntary or involuntary liquidation, dissolution or winding up, on parity with our Series A preferred stock in the distribution of assets, then holders of shares of our Series A preferred stock and each such other class or series of capital stock ranking, as to rights upon any voluntary or involuntary liquidation, dissolution or winding up, on parity with our

Series A preferred stock will share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Holders of shares of our Series A preferred stock will be entitled to written notice of any distribution in connection with any voluntary or involuntary liquidation, dissolution or winding up of our affairs not less than 30 days and not more than 60 days prior to the distribution payment date. After payment of the full amount of the liquidating distributions to which they are entitled, holders of shares of our Series A preferred stock will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation, trust or other entity, or the voluntary sale, lease, transfer or conveyance of all or substantially all of our property or business, will not be deemed to constitute a liquidation, dissolution or winding up of its affairs.

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of our capital stock or otherwise, is permitted under the MGCL, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of our Series A preferred stock will not be added to total liabilities.

#### *Optional Redemption*

We may, at our option, upon not fewer than 30 and not more than 60 days' written notice, redeem our Series A preferred stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends (whether or not authorized or declared) up to but excluding the date fixed for redemption, without interest, to the extent we have funds legally available for that purpose.

If fewer than all of the outstanding shares of our Series A preferred stock are to be redeemed, we will select the shares of our Series A preferred stock to be redeemed pro rata (as nearly as may be practicable without creating fractional shares) or by lot as we determine. If such redemption is to be by lot and, as a result of such redemption, any holder of shares of our Series A preferred stock, other than a holder of our Series A preferred stock that has received an exemption from the ownership limit, would have actual or constructive ownership of more than 9.8% of the issued and outstanding shares of our Series A preferred stock in value or number of shares, whichever is more restrictive, because such holder's shares of our Series A preferred stock were not redeemed, or were only redeemed in part, then, except as otherwise provided in our charter, we will redeem the requisite number of shares of our Series A preferred stock of such holder such that no holder will own in excess of the 9.8% Series A preferred stock ownership limit subsequent to such redemption. See "*— Restrictions on Ownership and Transfers of Preferred Stock*" below. In order for their shares of Series A preferred stock to be redeemed, holders must surrender their shares at the place, or in accordance with the book-entry procedures, designated in the notice of redemption. Holders will then be entitled to the redemption price and any accrued and unpaid dividends payable upon redemption following surrender of the shares as detailed below. If (i) a notice of redemption has been given (in the case of a redemption of our Series A preferred stock other than to preserve our status as a REIT), (ii) the funds necessary for the redemption have been set aside by us in trust for the benefit of the holders of any shares of Series A preferred stock called for redemption and (iii) irrevocable



instructions have been given to pay the redemption price and all accrued and unpaid dividends, then from and after the redemption date, dividends will cease to accrue on such shares of Series A preferred stock and such shares of Series A preferred stock will no longer be deemed outstanding. At such time, all rights of the holders of such shares will terminate, except the right to receive the redemption price plus any accrued and unpaid dividends payable upon redemption, without interest. So long as full cumulative dividends on our Series A preferred stock for all past dividend periods shall have been or contemporaneously are (i) declared and paid in cash, or (ii) declared and a sum sufficient for the payment thereof in cash is set apart for payment, and subject to the provisions of applicable law, we may from time to time repurchase all or any part of our Series A preferred stock, including the repurchase of shares of Series A preferred stock in open-market transactions and individual purchases at such prices as we negotiate, in each case as duly authorized by our board of directors.

Unless full cumulative dividends on all shares of Series A preferred stock have been or contemporaneously are authorized, declared and paid in cash or declared and a sum sufficient for the payment thereof in cash is set apart for payment for all past dividend periods, no shares of Series A preferred stock will be redeemed unless all outstanding shares of Series A preferred stock are simultaneously redeemed and we will not purchase or otherwise acquire directly or indirectly any shares of our Series A preferred stock or any class or series of our capital stock ranking, as to dividends or upon liquidation, dissolution or winding up, on parity with or junior to our Series A preferred stock (except by conversion into or exchange for our capital stock ranking junior to our Series A preferred stock as to dividends and upon liquidation); provided, however, that whether or not the requirements set forth above have been met, we may purchase shares of our Series A preferred stock, preferred stock ranking on parity with our Series A preferred stock as to payment of dividends and upon liquidation, dissolution or winding up or capital stock or equity securities ranking junior to our Series A preferred stock pursuant to our charter to the extent necessary to ensure that we continue to meet the requirements for qualification as a REIT for federal income tax purposes, and may purchase or acquire shares of our Series A preferred stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of our Series A preferred stock. See “— *Restrictions on Ownership and Transfers of Preferred Stock*” below.

We will mail notice of redemption, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of our Series A preferred stock to be redeemed at their respective addresses as they appear on our stock transfer records as maintained by the transfer agent named below. No failure to give such notice or any defect therein or in the mailing thereof will affect the validity of the proceedings for the redemption of any shares of our Series A preferred stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which our Series A preferred stock may be listed or admitted to trading, each notice will state:

- the redemption date;
- the redemption price;
- the number of shares of our Series A preferred stock to be redeemed;

- the place or places where the certificates, if any, representing shares of our Series A preferred stock are to be surrendered for payment of the redemption price;
- procedures for surrendering noncertificated shares of our Series A preferred stock for payment of the redemption price;
- that dividends on the shares of our Series A preferred stock to be redeemed will cease to accumulate on such redemption date; and
- that payment of the redemption price and any accumulated and unpaid dividends will be made upon presentation and surrender of such Series A preferred stock.

If fewer than all of the shares of our Series A preferred stock held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of shares of Series A preferred stock held by such holder to be redeemed.

We are not required to provide such notice in the event we redeem our Series A preferred stock in order to maintain our status as a REIT.

If a redemption date falls after a dividend record date and on or prior to the corresponding dividend payment date, each holder of shares of Series A preferred stock at the close of business of such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares on or prior to such dividend payment date, and each holder of shares of Series A preferred stock that surrenders such shares on such redemption date will be entitled to the dividends accruing after the end of the applicable dividend period, up to but excluding the redemption date. Except as described above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on our Series A preferred stock for which a notice of redemption has been given.

All shares of Series A preferred stock that are redeemed or repurchased, or otherwise acquired in any other manner by us, will be retired and restored to the status of authorized but unissued shares of preferred stock, without designation as to series or class.

#### *Special Optional Redemption*

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem our Series A preferred stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying in cash \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date (as defined below), we have provided or will provide notice of redemption with respect to our Series A preferred stock (whether pursuant to the optional redemption right or the special optional redemption right), the holders of our Series A preferred stock will not have the conversion right described below under “— *Preferred Stock — Conversion Rights*”.

We will mail to record holders of our Series A preferred stock a notice of redemption, postage pre-paid, no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to the address shown on our share transfer books. A failure to give notice of

redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any of our Series A preferred stock, except as to the holder to whom notice was defective or not given. Each notice will state the following:

- the redemption date;
- the redemption price;
- the number of shares of our Series A preferred stock to be redeemed;
- the place or places where the certificates, if any, representing shares of Series A preferred stock are to be surrendered for payment of the redemption price;
- procedures for surrendering noncertificated shares of Series A preferred stock for payment of the redemption price;
- that dividends on the shares of Series A preferred stock to be redeemed will cease to accumulate on such redemption date;
- that payment of the redemption price and any accumulated and unpaid dividends will be made upon presentation and surrender of such shares of Series A preferred stock;
- that our Series A preferred stock is being redeemed pursuant to the special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; and
- that the holders of our Series A preferred stock to which the notice relates will not be able to tender such Series A preferred stock for conversion in connection with the Change of Control and each share of our Series A preferred stock tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If we redeem fewer than all of the outstanding shares of our Series A preferred stock, the notice of redemption mailed to each stockholder will also specify the number of shares of our Series A preferred stock held by such holder to be redeemed. In this case, we will determine the number of shares of Series A preferred stock to be redeemed as described above in “— *Preferred Stock — Optional Redemption*”.

If we have given a notice of redemption and have set aside sufficient funds for the redemption in trust for the benefit of the holders of our Series A preferred stock called for redemption, then from and after the redemption date, those shares of Series A preferred stock will be treated as no longer being outstanding, no further dividends will accrue and all other rights of the holders of those shares of Series A preferred stock will terminate. The holders of those shares of Series A preferred stock will retain their right to receive the redemption price for their shares and any accrued and unpaid dividends through, but not including, the redemption date, without interest.

The holders of Series A preferred stock at the close of business on a dividend record date will be entitled to receive the dividend payable with respect to Series A preferred stock on the corresponding payment date notwithstanding the redemption of our Series A preferred stock between such record date and the corresponding payment date or our default in the payment of the dividend due. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on our Series A preferred stock to be redeemed.

A “Change of Control” is when the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Company entitling that person to exercise more than 50% of the total voting power of all stock of the Company entitled to vote generally in the election of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ.

#### *Conversion Rights*

Upon the occurrence of a Change of Control, each holder of our Series A preferred stock will have the right, unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem our Series A preferred stock as described above under “— *Preferred Stock — Optional Redemption*” or “— *Special Optional Redemption*,” to convert some or all of our Series A preferred stock held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our common stock per share of our Series A preferred stock (the “Common Stock Conversion Consideration”), which is equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A preferred stock dividend payment and prior to the corresponding Series A preferred stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below) (such quotient, the “Conversion Rate”); and
- 4.51957 (*i.e.*, the Share Cap).

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock), subdivisions or combinations (in each case, a “Share Split”) with respect to our common stock as follows: the adjusted Share Cap as the

result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right will not exceed 31,185,064 shares of our common stock (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustments to the Share Cap.

In the case of a Change of Control pursuant to which our common stock will be converted into cash, securities or other property or assets (including any combination thereof) (the “Alternative Form Consideration”), a holder of our Series A preferred stock will receive upon conversion of such Series A preferred stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “Alternative Conversion Consideration,” and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, is referred to as the “Conversion Consideration”).

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of our common stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of our common stock that voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

We will not issue fractional shares of our common stock upon the conversion of our Series A preferred stock. Instead, we will pay the cash value of such fractional shares.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of our Series A preferred stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of our Series A preferred stock may exercise their Change of Control Conversion Right;

- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem all or any portion of our Series A preferred stock, holders will not be able to convert shares of our Series A preferred stock designated for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of our Series A preferred stock;
- the name and address of the paying agent and the conversion agent; and
- the procedures that the holders of our Series A preferred stock must follow to exercise the Change of Control Conversion Right.

We will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post a notice on its website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of our Series A preferred stock.

To exercise the Change of Control Conversion Right, the holders of our Series A preferred stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing our Series A preferred stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of shares of our Series A preferred stock to be converted; and
- that our Series A preferred stock is to be converted pursuant to the applicable provisions of our Series A preferred stock.

The “Change of Control Conversion Date” is the date our Series A preferred stock is to be converted, which will be a business day that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of our Series A preferred stock.

The “Common Stock Price” will be (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing

bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our common stock is not then listed for trading on a U.S. securities exchange.

Holders of our Series A preferred stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal must state:

- the number of withdrawn shares of Series A preferred stock;
- if certificated Series A preferred stock has been issued, the certificate numbers of the withdrawn shares of Series A preferred stock; and
- the number of shares of Series A preferred stock, if any, which remain subject to the conversion notice.

Notwithstanding the foregoing, if our Series A preferred stock is held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of The Depository Trust Company (“DTC”).

The Series A preferred stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided or provide notice of our election to redeem such shares of Series A preferred stock, whether pursuant to the optional redemption right or the special optional redemption right. If we elect to redeem shares of Series A preferred stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series A preferred stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date \$25.00 per share, plus any accrued and unpaid dividends thereon to, but not including, the redemption date, in accordance with the optional redemption right or special optional redemption right. See “— *Preferred Stock—Optional Redemption*” and “— *Special Optional Redemption*” above.

We will deliver amounts owing upon conversion no later than the third business day following the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of our Series A preferred stock into shares of our common stock. Notwithstanding any other terms of our Series A preferred stock, no holder of Series A preferred stock will be entitled to convert such Series A preferred stock into shares of our common stock to the extent that receipt of such common stock would cause such holder (or any other person) to exceed the

share ownership limits contained in our charter, including the Series A articles supplementary, unless we provide an exemption from this limitation for such holder. See “— *Restrictions on Ownership and Transfers of Common Stock*” above.

The Change of Control conversion feature may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.

Except as provided above in connection with a Change of Control, the Series A preferred stock is not convertible into or exchangeable for any other securities or property.

#### *No Maturity, Sinking Fund or Mandatory Redemption*

Our Series A preferred stock has no maturity date and we are not required to redeem our Series A preferred stock at any time. Accordingly, our Series A preferred stock will remain outstanding indefinitely, unless we decide, at our option, to exercise the redemption right or, under circumstances where the holders of our Series A preferred stock have a conversion right, such holders convert our Series A preferred stock into our common stock. Our Series A preferred stock is not subject to any sinking fund.

#### *Limited Voting Rights*

Holders of shares of our Series A preferred stock do not have any voting rights, except as set forth in the Series A articles supplementary.

If dividends on our Series A preferred stock are in arrears for six or more quarterly periods, whether or not consecutive (a “preferred dividend default”), holders of shares of Series A preferred stock (voting separately as a class together with the holders of all other classes or series of our preferred stock ranking on parity with our Series A preferred stock with respect to payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable (such stock, the “Parity Preferred”)) will be entitled to vote for the election of two additional directors to serve on our board of directors (the “preferred stock directors”), until all unpaid dividends for past dividend periods with respect to our Series A preferred stock and any other class or series of Parity Preferred have been paid. In such a case, the number of directors serving on our board of directors will be increased by two. The preferred stock directors will be elected by a plurality of the votes cast in the election for a one-year term and each preferred stock director will serve until his or her successor is duly elected and qualifies or until the director’s right to hold the office terminates, whichever occurs earlier. The election will take place at:

- a special meeting called upon the written request of holders of at least 10% of the outstanding shares of our Series A preferred stock together with any other class or series of Parity Preferred, if this request is received more than 90 days before the date fixed for the next annual or special meeting of our stockholders or, if we receive the request for a special meeting within 90 days before the date fixed for our next annual or special meeting of stockholders, at the annual or special meeting of stockholders; and



- each subsequent annual meeting (or special meeting held in its place) until all dividends accumulated on our Series A preferred stock and on any Parity Preferred have been paid in full for all past dividend periods.

If and when all accumulated dividends on our Series A preferred stock and all other classes or series of Parity Preferred will have been paid in full, holders of shares of our Series A preferred stock will be divested of the voting rights set forth above (subject to re-vesting in the event of each and every preferred dividend default) and the term and office of such preferred stock directors so elected will terminate and the entire board of directors will be reduced accordingly.

Any preferred stock director elected by holders of shares of our Series A preferred stock and other holders of Parity Preferred may be removed at any time with or without cause by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding shares of our Series A preferred stock and other Parity Preferred entitled to vote thereon when they have the voting rights described above (voting as a single class). So long as a preferred dividend default continues, any vacancy in the office of a preferred stock director may be filled by written consent of the preferred stock director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of our Series A preferred stock when they have the voting rights described above (voting as a single class with all other classes or series of Parity Preferred). The preferred stock directors will each be entitled to one vote on any matter.

In addition, so long as any shares of our Series A preferred stock remain outstanding, we will not, without the consent or the affirmative vote of the holders of at least two-thirds of the outstanding shares of our Series A preferred stock and each other class or series of Parity Preferred (voting together as a single class):

- authorize, create or issue, or increase the number of authorized or issued shares of, any class or series of stock ranking senior to our Series A preferred stock with respect to payment of dividends, or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized capital stock of the Company into any such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or
- amend, alter or repeal the provisions of our charter, including the terms of the Series A preferred stock, whether by merger, consolidation, transfer or conveyance of substantially all of the Company's assets or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of our Series A preferred stock,

except that with respect to the occurrence of any of the events described in the second bullet point immediately above, so long as our Series A preferred stock remains outstanding with the terms of the Series A preferred stock materially unchanged, taking into account that, upon the occurrence of an event described in the second bullet point above, we may not be the surviving entity, the occurrence of such event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of our Series A preferred stock, and in such case such holders will not have any voting rights with respect to the events described in the second bullet point immediately above. Furthermore, if holders of shares of our Series A preferred stock

receive the greater of the full trading price of our Series A preferred stock on the date of an event described in the second bullet point immediately above or the \$25.00 per share liquidation preference pursuant to the occurrence of any of the events described in the second bullet point immediately above, then such holders will not have any voting rights with respect to the events described in the second bullet point immediately above. If any event described in the second bullet point above would materially and adversely affect the rights, preferences, privileges or voting powers of our Series A preferred stock disproportionately relative to other classes or series of Parity Preferred, the affirmative vote of the holders of at least two-thirds of the outstanding shares of our Series A preferred stock, voting separately as a class, will also be required.

Holders of shares of our Series A preferred stock are not entitled to vote with respect to any increase in the total number of authorized shares of our capital stock, any increase in the number of authorized shares of our Series A preferred stock or the creation or issuance of any other class or series of capital stock, or any increase in the number of authorized shares of any other class or series of capital stock, in each case ranking on parity with or junior to our Series A preferred stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up.

Holders of shares of our Series A preferred stock do not have any voting rights with respect to, and the consent of the holders of shares of our Series A preferred stock is not required for, the taking of any corporate action, including any merger or consolidation involving the Company or a sale of all or substantially all of our assets, regardless of the effect that such merger, consolidation or sale may have upon the powers, preferences, voting power or other rights or privileges of our Series A preferred stock, except as set forth above.

In addition, the voting provisions above will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required would occur, we have redeemed or called for redemption upon proper procedures all outstanding shares of our Series A preferred stock.

In any matter in which our Series A preferred stock may vote (as expressly provided in the Series A articles supplementary), each share of our Series A preferred stock will be entitled to one vote per \$25.00 of liquidation preference. As a result, each share of our Series A preferred stock will be entitled to one vote.

#### *Provision of Financial Information*

Whether or not we are subject to Section 13 or 15(d) of the Exchange Act, we will, to the extent permitted under the Exchange Act, file with the SEC the annual reports, quarterly reports and other documents that it would have been required to file with the SEC pursuant to such Section 13 or 15(d) if so subject, such documents to be filed with the SEC on or prior to the respective dates (the “Required Filing Dates”) by which we would have been required so to file such documents if so subject.

We will also in any event (1) within 15 days of each Required Filing Date transmit by mail or electronic transmittal to all holders of our Series A preferred stock, as their names and addresses appear in the security register, without cost to such holders, copies of the annual reports, quarterly reports and other documents that we are required to file or would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if subject to such sections, provided that the foregoing transmittal requirement will be deemed satisfied if the foregoing reports and documents are available on the SEC's EDGAR system or on our website within the applicable time period specified above, and (2) if filing such documents with the SEC is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder of our Series A preferred stock.

#### *Restrictions on Ownership and Transfer of Preferred Stock*

Our Series A articles supplementary contain, and our Series A preferred stock are subject to, restrictions on ownership and transfer that are substantially similar to those described under the heading “— *Restrictions on Ownership and Transfers of Common Stock*” above. The Series A articles supplementary provide that, subject to certain exceptions, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or number of shares, whichever is more restrictive) of the outstanding shares of our Series A preferred stock (the “Series A preferred stock ownership limit”). In certain circumstances, our board of directors may exempt a person from the ownership limit, as described under the heading “— *Restrictions on Ownership and Transfers of Common Stock*” above.

Notwithstanding anything to the contrary contained in the Series A articles supplementary, no holder of shares of our Series A preferred stock is entitled to convert any shares of our Series A preferred stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to exceed the ownership limits contained in our charter.

The restrictions on ownership and transfer described above and under the heading “— *Restrictions on Ownership and Transfers of Common Stock*” above could delay, defer or prevent a transaction or a change of control of the Company that might involve a premium price for our capital stock that our stockholders believe to be in their best interest.

#### *Listing*

Our Series A preferred stock is listed on the NYSE under the symbol “O PR.”

### **DESCRIPTION OF NOTES**

The following description of each of the series of the notes and the indenture dated as of October 28, 1998 (the “Indenture”) between Realty Income and The Bank of New York Mellon Trust Company, N.A. (successor trustee to The Bank of New York), as trustee (the “Trustee”) pursuant to which the notes were issued is a summary and is not complete. These statements are qualified in their entirety by reference to the provisions of each respective series of the notes, the officers' certificate establishing the form and terms of each respective series of the notes and the Indenture, including the definitions in the notes of each series and Indenture of certain terms, and

which have been filed as exhibits to our most recent Annual Report on Form 10-K. The terms of the notes include those provisions contained in the Indenture and the officers' certificates establishing the form and terms of each respective series of the notes (each, an "Officers' Certificate") and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"). The notes are subject to all those terms, and investors are referred to the Indenture, such officers' certificates and the TIA for a statement of those terms. Unless otherwise expressly stated or the context otherwise requires, all references to the "Company," "Realty Income," "our," "we," and "us" appearing under this caption "Description of Notes" mean Realty Income Corporation, a Maryland corporation, excluding its subsidiaries. Unless otherwise expressly stated or the context otherwise requires, references to "debt securities" under this caption "Description of Notes" include the notes, each of which are a separate series of our debt securities issued under the Indenture. Other capitalized terms used under this caption, but not otherwise defined, shall have the meanings given to them in the Indenture. Copies of the Indenture, the Officers' Certificates and the form of notes have been filed or incorporated by reference as exhibits to our most recent Annual Report on Form 10-K or a subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by us with the SEC. You may obtain copies of any of those documents by visiting the SEC website at <http://www.sec.gov>.

## General

We are permitted by the Indenture to issue our debt securities thereunder from time to time in one or more series. On October 1, 2020, we issued £400.0 million aggregate principal amount of the October 2030 notes as a new, separate series of our debt securities under the Indenture. On July 8, 2021, we issued £400.0 million aggregate principal amount of the July 2027 notes and £350.0 million aggregate principal amount of the 2033 notes, each as a new, separate series of our debt securities under the Indenture. On January 11, 2022, we issued £250.0 million aggregate principal amount of the January 2027 notes and £250.0 million aggregate principal amount of the 2042 notes, each as new, separate series of our debt securities under the Indenture. On July 6, 2023, we issued €550.0 million aggregate principal amount of the July 2030 notes and €550.0 million aggregate principal amount of the 2034 notes, each as new, separate series of our debt securities under the Indenture. On December 5, 2023, we issued £300.0 million aggregate principal amount of the 2031 notes and £450.0 million aggregate principal amount of the 2039 notes, each as new, separate series of our debt securities under the Indenture. The Indenture does not limit the amount of debt securities that we may issue under the Indenture, and we may from time to time issue debt securities in one or more series up to the aggregate amount authorized by us for each series. We may, without the consent of the holders of the notes, re-open this series of notes and issue additional notes of this series under the Indenture in addition to the notes previously issued, and any such additional notes shall be part of the same series of debt securities under the Indenture as this series of notes.

The notes have been issued in fully registered form, without interest coupons, in denominations of £100,000 and integral multiples of £1,000 in excess thereof. The notes are denominated in GBP (as defined below). The principal of, and premium, if any, and interest on, and Additional Amounts (as defined below), if any, in respect of, the notes are payable in GBP, except under the circumstances described below under "-Issuance in GBP" and "-Discharge, Defeasance and Covenant Defeasance of the Notes." The notes are evidenced by one or more global notes (collectively, the "Global Note") in book-entry form, except under the limited circumstances described below under "-Certificated Notes." The Global Note is registered in the name of a nominee of, and deposited with or on behalf of, a common depositary (the "common depositary") for Euroclear Bank SA/NV ("Euroclear", which term includes any successor securities clearing agency thereto) and Clearstream Banking S.A. ("Clearstream", which term includes any successor securities clearing agency thereto). Except in the limited circumstances described below under "-Certificated Notes", owners of beneficial interests in the Global Note

are not entitled to have notes registered in their names and do not receive and are not entitled to receive notes in definitive certificated form.

For purposes of the notes, unless otherwise expressly stated under this caption “Description of Notes,” (i) a “Business Day” means any day, other than a Saturday or a Sunday, that is not a day on which banking institutions in The City of New York or in London, England are authorized or required by law, regulation or executive order to close, (ii) “sterling,” “£” and “GBP” mean the lawful currency of the United Kingdom and (iii) “U.S. dollars,” “USD” and “\$” mean United States dollars.

Reference is made to the section titled “-Certain Covenants” below for a description of certain covenants applicable to the notes of each series. Compliance with these covenants generally may be waived, insofar as concerns the notes of each series, if the holders of a majority in principal amount of the outstanding notes of each series consent to such waiver.

Except to the limited extent described under “-Merger, Consolidation or Sale of Assets” or “-Certain Covenants” below, the Indenture does not contain any provisions that would afford holders of the notes protection in the event of (1) a highly leveraged or similar transaction involving Realty Income, (2) a change of control or management of Realty Income, or (3) a reorganization, restructuring, merger or similar transaction involving Realty Income that may adversely affect the holders of the notes. In addition, subject to compliance with the covenants set forth under “-Certain Covenants” below and, if applicable, covenants in other debt instruments and the covenant set forth under “-Merger, Consolidation or Sale of Assets” below, Realty Income may, in the future, enter into certain transactions such as the sale of all or substantially all of its assets or the merger or consolidation of Realty Income with another entity that could substantially increase the amount of Realty Income’s indebtedness or substantially reduce Realty Income’s assets, which may have an adverse effect on Realty Income’s ability to service its indebtedness, including the notes.

#### **Paying Agent and Transfer Agent**

The Bank of New York Mellon, London Branch, acts as the paying agent for the notes of each series. The Bank of New York Mellon Trust Company, N.A. acts as the trustee and the transfer agent for the notes of each series. We may change any paying agent or transfer agent and appoint additional paying agents and transfer agents with respect to the notes of either series, so long as we at all times maintain a paying agent for the notes of such series in London, England and a transfer agent for the notes of such series in Chicago, Illinois.

#### **Issuance in GBP**

Investors that purchased the notes were required to pay for those notes in GBP.

Except as described in the next paragraph and in the proviso to this sentence, all payments of principal of, and premium, if any, and interest on, and Additional Amounts, if any, in respect of, the notes must be made in GBP; provided that if GBP is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control, then all payments in respect of the notes of each series will be made in U.S. dollars until GBP is again available to us. In such circumstances, the amount payable on any date in GBP will be converted into U.S. dollars at the rate mandated by the Board of Governors of the U.S. Federal Reserve System (or any successor thereto) as of the close of business on the second Business Day prior to the relevant payment date or, if the Board of Governors of the U.S. Federal Reserve System (or any successor thereto) has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/GBP exchange rate published in The Wall Street Journal (or any successor thereto) on or prior to the second Business Day, prior to the relevant payment date. Any payment in respect of

the notes of each series so made in U.S. dollars under such circumstances will not constitute an event of default (as defined; see “-Events of Default” below) with respect to the notes of each series under the Indenture. Neither the Trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing.

See “-Discharge, Defeasance and Covenant Defeasance of the Notes” below for a discussion of certain other circumstances (which would apply only after we effected defeasance or covenant defeasance of the notes of the applicable series) under which the notes of such series could be payable in a currency other than GBP.

## **Ranking**

The notes are our senior unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. The notes are our obligations exclusively, however, and are not the obligations of, and are not guaranteed by, any of our subsidiaries, nor are any of our subsidiaries required to provide funds to us, whether by dividend, loan or otherwise, to make payments on the notes. The notes are therefore effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries from time to time outstanding, including any guarantees of our indebtedness by any of our subsidiaries, and are also subordinated in right of payment to all existing and future secured indebtedness of us and our subsidiaries to the extent of the value of the collateral pledged as security therefor. Our revolving credit facility, term loan facility and privately placed Sterling notes include other provisions that, under specified circumstances, may in the future require subsidiaries of ours to guarantee those facilities and privately placed Sterling notes, and we may voluntarily cause any of our subsidiaries to become a guarantor under our revolving credit facility, term loan facility, privately placed Sterling notes or any other indebtedness of ours to the extent we consider appropriate to remain in compliance with certain covenants thereunder or for any other reasons. Although the Indenture and other debt instruments to which we are a party limit our ability and the ability of our subsidiaries to incur additional indebtedness, both we and our subsidiaries have the right to incur substantial additional secured and unsecured indebtedness.

## **Interest and Maturity**

### *July 2027 Notes*

The July 2027 notes mature on July 13, 2027. The July 2027 notes are not entitled to the benefit of any sinking fund payments. The July 2027 notes are subject to redemption at Realty Income’s option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the July 2027 notes. See “-Optional Redemption” and “-Redemption for Changes in Taxes” below. As used in this subsection, “holder” means the person in whose name a July 2027 note is registered in the security register maintained by the registrar for the July 2027 notes.

The July 2027 notes bear interest at the rate of 1.125% per annum, accruing from July 13, 2021 or from the most recent July 2027 notes interest payment date (as defined below) to which interest has been paid on the July 2027 notes, payable annually in arrears on July 13 of each year (each, a “July 2027 notes interest payment date”), commencing July 13, 2022, to the persons in whose names the July 2027 notes are registered in the security register applicable to the July 2027 notes at the close of business on (i) in the case of July 2027 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable July 2027 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable July 2027 notes interest payment date (each, a “July 2027 notes regular record date”). Interest on the July 2027 notes is computed on

the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the July 2027 notes (or from and including July 13, 2021 if no interest has been paid on the July 2027 notes) to but excluding the next scheduled July 2027 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any July 2027 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a July 2027 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such July 2027 notes interest payment date, maturity date, redemption date or other date, as the case may be.

#### *January 2027 Notes*

The January 2027 notes mature on January 14, 2027. The January 2027 notes are not entitled to the benefit of any sinking fund payments. The January 2027 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the January 2027 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a January 2027 note is registered in the security register maintained by the registrar for the January 2027 notes.

The January 2027 notes bear interest at the rate of 1.875% per annum, accruing from January 14, 2022 or from the most recent January 2027 notes interest payment date (as defined below) to which interest has been paid on the January 2027 notes, payable annually in arrears on January 14 of each year (each, a "January 2027 notes interest payment date"), commencing January 14, 2023, to the persons in whose names the January 2027 notes are registered in the security register applicable to the January 2027 notes at the close of business on (i) in the case of January 2027 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable January 2027 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable January 2027 notes interest payment date (each, a "January 2027 notes regular record date"). Interest on the January 2027 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the January 2027 notes (or from and including January 14, 2022 if no interest has been paid on the January 2027 notes) to but excluding the next scheduled January 2027 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any January 2027 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a January 2027 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such January 2027 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### *October 2030 Notes*

The October 2030 notes mature on December 15, 2030. The October 2030 notes are not entitled to the benefit of any sinking fund payments. The October 2030 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the October 2030 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2030 note is registered in the security register maintained by the registrar for the October 2030 notes.

The October 2030 notes bear interest at the rate of 1.625% per annum, accruing from October 1, 2020 or from the most recent October 2030 notes interest payment date (as defined below) to which interest has been paid on the October 2030 notes, payable annually in arrears on December 15 of each year (each, an "October 2030 notes interest payment date"), commencing December 15, 2020, to the persons in whose names the October 2030 notes are registered in the security register applicable to the October 2030 notes at the close of business on (i) in the case of October 2030 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable October 2030 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable October 2030 notes interest payment date (each, an "October 2030 notes regular record date"). Interest on the October 2030 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the October 2030 notes (or from and including October 1, 2020 if no interest has been paid on the October 2030 notes) to but excluding the next scheduled October 2030 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any October 2030 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, an October 2030 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such October 2030 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### *July 2030 Notes*

The July 2030 notes mature on July 6, 2034. The July 2030 notes are not entitled to the benefit of any sinking fund payments. The July 2030 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the July 2030 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2030 note is registered in the security register maintained by the registrar for the July 2030 notes.

The July 2030 notes bear interest at the rate of 4.875% per annum, accruing from July 6, 2023 or from the most recent July 2030 notes interest payment date (as defined below) to which interest has been paid on the July 2030 notes, payable annually in arrears on July 6 of each year (each, a "July 2030 notes interest payment date"), commencing July 6, 2024, to the persons in whose names the July 2030 notes are registered in the security register applicable to the July 2030 notes at the close of business on (i) in the case of July 2030 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable July 2030 notes interest payment date and (ii)



in all other cases, the 15th day prior to the applicable July 2030 notes interest payment date (each, a “July 2030 notes regular record date”). Interest on the July 2030 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the July 2030 notes (or from and including July 6, 2023 if no interest has been paid on the July 2030 notes) to but excluding the next scheduled July 2030 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any July 2030 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a July 2030 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such July 2030 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### *2031 Notes*

The 2031 notes mature on December 5, 2031. The 2031 notes are not entitled to the benefit of any sinking fund payments. The 2031 notes are subject to redemption at Realty Income’s option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the 2031 notes. See “-Optional Redemption” and “-Redemption for Changes in Taxes” below. As used in this subsection, “holder” means the person in whose name a 2031 note is registered in the security register maintained by the registrar for the 2033 notes.

The 2031 notes bear interest at the rate of 5.750% per annum, accruing from December 5, 2023 or from the most recent 2031 notes interest payment date (as defined below) to which interest has been paid on the 2031 notes, payable annually in arrears on December 5 of each year (each, a “2031 notes interest payment date”), commencing December 5, 2024, to the persons in whose names the 2031 notes are registered in the security register applicable to the 2031 notes at the close of business on (i) in the case of 2031 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable 2031 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable 2031 notes interest payment date (each, a “2031 notes regular record date”). Interest on the 2031 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2031 notes (or from and including December 5, 2023 if no interest has been paid on the 2031 notes) to but excluding the next scheduled 2031 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2031 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a 2031 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such 2031 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### *2033 Notes*

The 2033 notes mature on July 13, 2033. The 2033 notes are not entitled to the benefit of any sinking fund payments. The 2033 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the 2033 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2033 note is registered in the security register maintained by the registrar for the 2033 notes.

The 2033 notes bear interest at the rate of 1.750% per annum, accruing from July 13, 2021 or from the most recent 2033 notes interest payment date (as defined below) to which interest has been paid on the 2033 notes, payable annually in arrears on July 13 of each year (each, a "2033 notes interest payment date"), commencing July 13, 2022, to the persons in whose names the 2033 notes are registered in the security register applicable to the 2033 notes at the close of business on (i) in the case of 2033 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable 2033 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable 2033 notes interest payment date (each, a "2033 notes regular record date"). Interest on the 2033 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2033 notes (or from and including July 13, 2021 if no interest has been paid on the 2033 notes) to but excluding the next scheduled 2033 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2033 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a 2033 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such 2033 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### *2034 Notes*

The 2034 notes mature on July 5, 2034. The 2034 notes are not entitled to the benefit of any sinking fund payments. The 2034 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the 2034 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2034 note is registered in the security register maintained by the registrar for the 2034 notes.

The 2034 notes bear interest at the rate of 5.125% per annum, accruing from July 6, 2023 or from the most recent 2034 notes interest payment date (as defined below) to which interest has been paid on the 2034 notes, payable annually in arrears on July 6 of each year (each, a "2034 notes interest payment date"), commencing July 6, 2024, to the persons in whose names the 2034 notes are registered in the security register applicable to the 2034 notes at the close of business on (i) in the case of 2034 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable 2034 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable 2034 notes interest payment date (each, a "2034 notes regular record date"). Interest on the 2034 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2034 notes (or from and including July 6, 2023 if

no interest has been paid on the 2034 notes) to but excluding the next scheduled 2034 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2034 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a 2034 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such 2034 notes interest payment date, maturity date, redemption date or other date, as the case may be.

#### *2039 Notes*

The 2039 notes mature on December 5, 2039. The 2039 notes are not entitled to the benefit of any sinking fund payments. The 2039 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the 2039 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2039 note is registered in the security register maintained by the registrar for the 2039 notes.

The 2039 notes bear interest at the rate of 6.000% per annum, accruing from December 5, 2023 or from the most recent 2039 notes interest payment date (as defined below) to which interest has been paid on the 2034 notes, payable annually in arrears on December 5 of each year (each, a "2039 notes interest payment date"), commencing December 5, 2024, to the persons in whose names the 2039 notes are registered in the security register applicable to the 2039 notes at the close of business on (i) in the case of 2039 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable 2039 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable 2039 notes interest payment date (each, a "2039 notes regular record date"). Interest on the 2039 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2039 notes (or from and including December 5, 2023 if no interest has been paid on the 2039 notes) to but excluding the next scheduled 2039 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2039 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a 2039 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such 2039 notes interest payment date, maturity date, redemption date or other date, as the case may be.

#### *2042 Notes*

The 2042 notes mature on January 14, 2042. The 2042 notes are not entitled to the benefit of any sinking fund payments. The 2042 notes are subject to redemption at Realty Income's option and are not subject to repayment or repurchase by Realty Income at the option of the holders of the 2042 notes. See "-Optional Redemption" and "-Redemption for Changes in Taxes" below. As used in this subsection, "holder" means the person in whose name a 2042 note is registered in the security register maintained by the registrar for the 2042 notes.

The 2042 notes bear interest at the rate of 2.500% per annum, accruing from January 14, 2022 or from the most recent 2042 notes interest payment date (as defined below) to which interest has been paid on the 2042 notes, payable annually in arrears on January 14 of each year (each, a “2042 notes interest payment date”), commencing January 14, 2023, to the persons in whose names the 2042 notes are registered in the security register applicable to the 2042 notes at the close of business on (i) in the case of 2042 notes represented by the Global Note, on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the applicable 2042 notes interest payment date and (ii) in all other cases, the 15th day prior to the applicable 2042 notes interest payment date (each, a “2042 notes regular record date” and together with the July 2027 notes regular record date, the January 2027 notes regular record date, the October 2030 notes regular record date, the July 2030 notes regular record date, the 2031 notes regular record date, the 2033 notes regular record date, the 2034 notes regular record date and the 2039 notes regular record date, the “regular record dates”). Interest on the 2042 notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2042 notes (or from and including January 14, 2022 if no interest has been paid on the 2042 notes) to but excluding the next scheduled 2042 notes interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any 2042 notes interest payment date, the maturity date, any date fixed for redemption or any other day on which the principal of, or premium, if any, or interest on, or Additional Amounts, if any, in respect of, a 2042 note becomes due and payable falls on a day that is not a Business Day, the required payment may be made on the next Business Day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such 2042 notes interest payment date, maturity date, redemption date or other date, as the case may be.

### **Certain Covenants**

The following covenants of Realty Income apply to the notes for the benefit of the holders of the notes:

*Existence.* Except as permitted under the heading below entitled “-Merger, Consolidation or Sale of Assets,” pursuant to the terms of the notes and the Indenture, Realty Income is required to do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, all material rights (by charter, bylaws and statute) and all material franchises; provided, however, that Realty Income shall not be required to preserve any right or franchise if its board of directors determines that the preservation thereof is no longer desirable in the conduct of its business.

*Maintenance of Properties.* Pursuant to the terms of the notes and the Indenture, Realty Income is required to cause all of its material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will require Realty Income to cause to be made all necessary repairs, renewals, replacements, betterments and improvements to those properties, as in its judgment may be necessary so that the business carried on in connection with those properties may be properly and advantageously conducted at all times; provided, however, that Realty Income and its Subsidiaries shall not be prevented from selling or otherwise disposing of these properties for value in the ordinary course of business.

*Insurance.* Pursuant to the terms of the notes and the Indenture, Realty Income is required to, and to cause each of its Subsidiaries to, keep in force upon all of its and their properties and operations policies of insurance carried with responsible companies in such amounts and

covering all risks as shall be customary in the industry in accordance with prevailing market conditions and availability.

*Payment of Taxes and Other Claims.* Pursuant to the terms of the notes and the Indenture, Realty Income is required to pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all taxes, assessments and governmental charges levied or imposed on Realty Income or any of its Subsidiaries or upon the income, profits or property of Realty Income or any of its Subsidiaries and (b) all lawful claims for labor, materials and supplies that, if unpaid, might by law become a lien upon its property or the property of any Subsidiary; provided, however, that Realty Income is not required to pay or discharge or cause to be paid or discharged any tax, assessment, charge or claim the amount, applicability or validity of which Realty Income is contesting in good faith through appropriate proceedings.

*Provisions of Financial Information.* Whether or not Realty Income is subject to Section 13 or 15(d) of the Exchange Act, pursuant to the terms of the notes and the Indenture, Realty Income is required, within 15 days after each of the respective dates by which Realty Income would have been required to file annual reports, quarterly reports and other documents with the SEC if Realty Income was subject to those Sections of the Exchange Act to:

- transmit by mail to all holders of the notes, as their names and addresses appear in the register for the notes, without cost to the holders, copies of the annual reports, quarterly reports and other documents that Realty Income would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if Realty Income was subject to those Sections;
- file with the Trustee copies of the annual reports, quarterly reports and other documents that Realty Income would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if Realty Income was subject to those Sections; and
- supply promptly, upon written request and payment of the reasonable cost of duplication and delivery, copies of these documents to any prospective holder of the notes.

For purposes of the foregoing covenants, the term “Subsidiary” means any other person of which more than 50% of (a) the equity or other ownership interests or (b) the total voting power of shares of capital stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, trustees or general or managing partners thereof is at the time owned by Realty Income or one or more of its Subsidiaries or a combination thereof.

*Limitation on Incurrence of Total Debt.* Realty Income will not, and will not permit any Subsidiary to, incur any Debt, other than Intercompany Debt, if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all outstanding Debt of Realty Income and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (1) Realty Income’s Total Assets as of the end of the latest fiscal quarter covered in Realty Income’s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Securities and Exchange Commission (the “SEC”) (or, if such filing is not required under the Exchange Act, with the Trustee) prior to the incurrence of such additional Debt and (2) the increase, if any, in Total Assets from the end of such quarter including, without limitation, any increase in Total Assets caused by the application of the proceeds of such additional Debt (such increase together with Realty Income’s Total Assets are referred to as the “Adjusted Total Assets”).

*Limitation on Incurrence of Secured Debt.* Realty Income will not, and will not permit any Subsidiary to, incur any Secured Debt, other than Intercompany Debt, if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds therefrom on a pro forma basis, the aggregate principal amount of all outstanding Secured Debt of Realty Income and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 40% of Realty Income's Adjusted Total Assets.

*Debt Service Coverage.* Realty Income will not, and will not permit any Subsidiary to, incur any Debt, other than Intercompany Debt, if the ratio of Consolidated Income Available for Debt Service to the Annual Debt Service Charge for the period consisting of the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, on a pro forma basis after giving effect to the incurrence of such Debt and the application of the proceeds therefrom, and calculated on the assumption that (1) such Debt and any other Debt incurred by Realty Income or any of its Subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period) had occurred on the first day of such period, (2) the repayment or retirement of any other Debt of Realty Income or any of its Subsidiaries since the first day of such four-quarter period had occurred on the first day of such period (except that, in making such computation, the amount of Debt under any revolving credit facility, line of credit or similar facility shall be computed based upon the average daily balance of such Debt during such period), and (3) in the case of any acquisition or disposition by Realty Income or any Subsidiary of any asset or group of assets since the first day of such four-quarter period, including, without limitation, by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition had occurred on the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation. If the Debt giving rise to the need to make the foregoing calculation or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating rate then, for purposes of calculating the Annual Debt Service Charge, the interest rate on such Debt shall be computed on a pro forma basis as if the average interest rate which would have been in effect during the entire such four-quarter period had been the applicable rate for the entire such period.

*Maintenance of Total Unencumbered Assets.* Realty Income will maintain at all times Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt of Realty Income and its Subsidiaries, computed on a consolidated basis in accordance with GAAP.

As used herein:

"Annual Debt Service Charge" as of any date means the amount which is expensed in any 12-month period for interest on Debt of Realty Income and its Subsidiaries.

"Consolidated Income Available for Debt Service" for any period means Consolidated Net Income plus, without duplication, amounts which have been deducted in determining Consolidated Net Income during such period for (1) Consolidated Interest Expense, (2) provisions for taxes of Realty Income and its Subsidiaries based on income, (3) amortization (other than amortization of debt discount) and depreciation, (4) provisions for losses from sales or joint ventures, (5) provisions for impairment losses, (6) increases in deferred taxes and other non-cash charges, (7) charges resulting from a change in accounting principles, and (8) charges for early extinguishment of debt, and less, without duplication, amounts which have been added in determining Consolidated Net Income during such period for (a) provisions for gains from sales or joint ventures, and (b) decreases in deferred taxes and other non-cash items.

“Consolidated Interest Expense” for any period, and without duplication, means all interest (including the interest component of rentals on finance leases, letter of credit fees, commitment fees and other like financial charges) and all amortization of debt discount on all Debt (including, without limitation, payment-in-kind, zero coupon and other like securities) but excluding legal fees, title insurance charges, other out-of-pocket fees and expenses incurred in connection with the issuance of Debt and the amortization of any such debt issuance costs that are capitalized, all determined for Realty Income and its Subsidiaries on a consolidated basis in accordance with GAAP.

“Consolidated Net Income” for any period means the amount of consolidated net income (or loss) of Realty Income and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

“Debt” means any indebtedness of Realty Income or any Subsidiary, whether or not contingent, in respect of (1) money borrowed or evidenced by bonds, notes, debentures or similar instruments, (2) indebtedness secured by any mortgage, pledge, lien, charge, encumbrance, trust deed, deed of trust, deed to secure debt, security agreement or any security interest existing on property owned by Realty Income or any Subsidiary, (3) letters of credit or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (4) any lease of property by Realty Income or any Subsidiary as lessee that is reflected on Realty Income’s consolidated balance sheet as a finance lease or as indebtedness in accordance with GAAP, in the case of items of indebtedness under (1) through (3) above to the extent that any such items (other than letters of credit) would appear as liabilities on Realty Income’s consolidated balance sheet in accordance with GAAP, and also includes, to the extent not otherwise included, any obligation of Realty Income or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person (other than Realty Income or any Subsidiary) of the type referred to in (1), (2), (3) or (4) above (it being understood that Debt shall be deemed to be incurred by Realty Income or any Subsidiary whenever Realty Income or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

“Executive Group” means, collectively, those individuals holding the offices of Chairman, Vice Chairman, Chief Executive Officer, President, Chief Operating Officer, or any Vice President of Realty Income.

“GAAP” means generally accepted accounting principles, as in effect from time to time, as used in the United States applied on a consistent basis.

“Intercompany Debt” means indebtedness owed by Realty Income or any Subsidiary solely to Realty Income or any Subsidiary.

“Secured Debt” means Debt secured by any mortgage, lien, charge, encumbrance, trust deed, deed of trust, deed to secure debt, security agreement, pledge, conditional sale or other title retention agreement, finance lease, or other security interest or agreement granting or conveying security title to or a security interest in real property or other tangible assets.

“Subsidiary” means (except as expressly provided above) (1) any corporation, partnership, joint venture, limited liability company or other entity the majority of the shares, if any, of the non-voting capital stock or other equivalent ownership interests of which (except directors’ qualifying shares) are at the time directly or indirectly owned by Realty Income, and the majority of the shares of the voting capital stock or other equivalent ownership interests of which (except for directors’ qualifying shares) are at the time directly or indirectly owned by Realty Income, any other Subsidiary or Subsidiaries, and/or one or more individuals of the

Executive Group (or, in the event of death or disability of any of such individuals, his/her respective legal representative(s), or such individuals' successors in office as an officer of Realty Income), and (2) any other entity the accounts of which are consolidated with the accounts of Realty Income. This definition of "Subsidiary" shall also be applicable with respect to the usage of such term in the provisions described under the caption "-Merger, Consolidation or Sale of Assets."

"Total Assets" as of any date means the sum of (1) Undepreciated Real Estate Assets and (2) all other assets of Realty Income and its Subsidiaries determined on a consolidated basis in accordance with GAAP (but excluding accounts receivable and intangibles).

"Total Unencumbered Assets" as of any date means Total Assets minus the value of any properties of Realty Income and its Subsidiaries that are encumbered by any mortgage, charge, pledge, lien, security interest, trust deed, deed of trust, deed to secure debt, security agreement, or other encumbrance of any kind (other than those relating to Intercompany Debt), including the value of any stock of any Subsidiary that is so encumbered, determined on a consolidated basis in accordance with GAAP; provided, however, that, in determining Total Unencumbered Assets as a percentage of outstanding Unsecured Debt for purposes of the covenant set forth above under "-Maintenance of Total Unencumbered Assets," all investments in any person that is not consolidated with Realty Income for financial reporting purposes in accordance with GAAP shall be excluded from Total Unencumbered Assets to the extent that such investment would otherwise have been included. For purposes of this definition, the value of each property shall be equal to the purchase price or cost of each such property and the value of any stock subject to any encumbrance shall be determined by reference to the value of the properties owned by the issuer of such stock as aforesaid.

"Undepreciated Real Estate Assets" as of any date means the amount of real estate assets of Realty Income and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with GAAP.

"Unsecured Debt" means Debt of Realty Income or any Subsidiary that is not Secured Debt.

## **Optional Redemption**

### *July 2027 Notes*

Prior to May 13, 2027 (the "July 2027 Par Call Date"), the July 2027 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the July 2027 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the July 2027 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the July 2027 notes matured and that accrued and unpaid interest on the July 2027 notes was payable on the July 2027 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 15 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the July 2027 notes being redeemed to such redemption date.



### *January 2027 Notes*

Prior to October 14, 2026 (the “January 2027 Par Call Date”), the January 2027 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the January 2027 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the January 2027 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the January 2027 notes matured and that accrued and unpaid interest on the January 2027 notes was payable on the January 2027 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 15 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the January 2027 notes being redeemed to such redemption date.

### *October 2030 notes*

Prior to September 15, 2030 (the “October 2030 Par Call Date”), the October 2030 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the October 2030 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the October 2030 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the October 2030 notes matured and that accrued and unpaid interest on the October 2030 notes was payable on the October 2030 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 25 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the October 2030 notes being redeemed to such redemption date.

### *July 2030 notes*

Prior to May 6, 2023 (the “July 2030 Par Call Date”), the July 2030 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the July 2030 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the July 2030 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the July 2030 notes matured and that accrued and unpaid interest on the July 2030 notes was payable on the July 2030 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 40 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the July 2030 notes being redeemed to such redemption date.

### *2031 Notes*

Prior to October 5, 2030 (the “2031 Par Call Date”), the 2031 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the 2031 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2031 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the 2031 notes matured and that accrued and unpaid interest on the 2031 notes was payable on the 2031 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 25 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the 2031 notes being redeemed to such redemption date.

### *2033 Notes*

Prior to April 13, 2033 (the “2033 Par Call Date”), the 2033 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the 2033 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2033 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the 2033 notes matured and that accrued and unpaid interest on the 2033 notes was payable on the 2033 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 20 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the 2033 notes being redeemed to such redemption date.

### *2034 Notes*

Prior to April 6, 2034 (the “2034 Par Call Date”), the 2034 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the 2034 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2034 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the 2034 notes matured and that accrued and unpaid interest on the 2034 notes was payable on the 2034 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 45 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the 2034 notes being redeemed to such redemption date.

### *2039 Notes*

Prior to September 5, 2039 (the “2039 Par Call Date”), the 2039 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the 2039 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2039 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the 2039 notes matured and that accrued and unpaid interest on the 2039 notes was payable on the 2039 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 25 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the 2039 notes being redeemed to such redemption date.

### *2042 Notes*

Prior to July 14, 2041 (the “2042 Par Call Date”, together with the July 2027 Par Call Date, the January 2027 Par Call Date, the October 2030 Par Call Date, the 2033 Par Call Date, and the 2042 Par Call Date, the “Par Call Date”), the 2042 notes are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the 2042 notes to be redeemed, and
- (b) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2042 notes to be redeemed (exclusive of interest accrued to the applicable redemption date), assuming that the 2042 notes matured and that accrued and unpaid interest on the 2042 notes was payable on the 2042 Par Call Date, discounted to such redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the Comparable Government Bond Rate plus 20 basis points,

plus, in the case of both clauses (a) and (b) above, accrued and unpaid interest on the principal amount of the 2042 notes being redeemed to such redemption date.

On and after the applicable Par Call Date, the notes of such series are redeemable at any time in whole or from time to time in part at the option of Realty Income at a redemption price equal to 100% of the principal amount of the notes of the applicable series to be redeemed, plus accrued and unpaid interest on the principal amount of the notes of such series being redeemed to the applicable redemption date.

Notwithstanding the foregoing, installments of interest on notes of each series that are due and payable on an interest payment date for the notes of such series falling on or prior to a redemption date for the notes of such series will be payable to the persons who were the Holders of the notes of such series (or one or more predecessor notes of such series) registered as such at the close of business on the relevant regular record date for the notes of such series according to their terms and the provisions of the Indenture.

“Comparable Government Bond Rate” means, with respect to any redemption date for the notes of any series, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes of such series

to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by Realty Income.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by Realty Income, a United Kingdom government bond whose maturity is closest to the applicable Par Call Date or, if such independent investment bank in its discretion determines that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of the three brokers of, and/or market makers in, United Kingdom government bonds selected by Realty Income, determine to be appropriate for determining the Comparable Government Bond Rate.

Notice of any such redemption of the notes of any series shall be given to the Holders of the notes of such series called for redemption, and, if less than all the outstanding notes of any series are to be redeemed, the notes of such series to be redeemed shall be selected, as described below under “-Notice of Redemption.”

Unless Realty Income defaults in payment of the redemption price for the notes of any series, on and after any redemption date for the notes of such series interest will cease to accrue on the notes of such series or portions thereof called for redemption.

### **Redemption for Changes in Taxes**

If (1)(a) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of the United States (as defined below) or any political subdivision or taxing authority thereof or therein having power to tax (each, a “Relevant Taxing Jurisdiction”), or any change in, or amendment to, any official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice), which change or amendment becomes effective on or after the issuance dates of each series of notes, as applicable, Realty Income becomes or will become obligated to pay any Additional Amounts (as defined under “-Payment of Additional Amounts” below) in respect of the notes of any series or (b) any act is taken by a Relevant Taxing Jurisdiction on or after the issuance dates of each series of notes, as applicable, whether or not such act is taken with respect to Realty Income or any affiliate of Realty Income, that results in a substantial probability that Realty Income will or may be required to pay any Additional Amounts in respect of the notes of any series, and (2) Realty Income determines, in its business judgment, that the obligation to pay Additional Amounts in respect of the notes of such series cannot be avoided by taking reasonable measures available to it, including by making payments through a different paying agent (provided that such reasonable measures do not include substitution of another entity as the obligor under the notes of such series), then Realty Income may, at its option, redeem the notes of such series, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes of such series, plus accrued and unpaid interest on the notes of such series to the applicable redemption date. Notwithstanding the forgoing provisions of this paragraph, installments of interest on notes of any series that are due and payable on an interest payment date for the notes of such series falling on or prior to a redemption date for the notes of such series will be payable to the persons who were the Holders of the notes of such series (or one or more predecessor notes of such series) registered as such at the close of business on the relevant regular record date for the notes of such series according to their terms and the provisions of the Indenture. No redemption of the notes of any series pursuant to this paragraph may be made unless Realty Income has received a written

opinion of independent counsel to the effect that, as a result of such change or amendment Realty Income has become or will become obligated to pay, or that such act taken by a Relevant Taxing Jurisdiction has resulted in a substantial probability that Realty Income will or may be required to pay, any Additional Amounts in respect of the notes of such series, and Realty Income shall have delivered to the Trustee such legal opinion together with an officers' certificates stating that, based on such opinion, Realty Income is entitled to redeem the notes of such series pursuant to the provisions described in this paragraph and the other provisions of the notes of such series and the Indenture.

The Trustee shall be entitled to rely on such officers' certificates and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders of the notes of the applicable series.

Notice of any such redemption will be given to the Holders of the notes of the applicable series as described below under “-Notice of Redemption.”

Unless Realty Income defaults in payment of the redemption price for the notes of any series, on and after the redemption date for the notes of such series interest will cease to accrue on the notes of such series called for redemption.

As used in under this caption “-Redemption for Changes In Taxes” and under the caption “-Payment of Additional Amounts” below the term “United States” means the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

#### **Notice of Redemption**

Notice of any redemption of the notes of any series by Realty Income will be transmitted at least 15 days but not more than 60 days before the applicable redemption date to each Holder of notes of such series to be redeemed. If less than all of the outstanding notes of any series (including, without limitation, any outstanding notes of such series issued upon a re-opening of such series) are to be redeemed, the notes of such series to be redeemed shall be selected, so long as the notes of such series are in book-entry form, in accordance with the applicable procedures of Clearstream, Euroclear or the common depositary, as applicable, or if the notes of such series are issued in definitive certificated form under the limited circumstances described below under “-Certificated Notes,” by such method as the Trustee shall deem fair and appropriate; provided that no note of such series shall be redeemed in part unless the remaining principal amount of such note is £100,000 or an integral multiple of £1,000 in excess thereof.

#### **Payment of Additional Amounts**

All payments of principal of and premium, if any, and interest on the notes of each series will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, assessment or other governmental charge of whatsoever nature (collectively, “Taxes”) imposed by any Relevant Taxing Jurisdiction, unless the withholding or deduction of such Taxes is required by law or the official interpretation or administration thereof.

In the event that any withholding or deduction from or on any payments on or in respect of the notes of any series for or on account of any Taxes is required by a Relevant Taxing Jurisdiction, Realty Income will, subject to the exceptions and limitations set forth below, pay, as additional interest on the notes of such series, such additional amounts (“Additional Amounts”) as will result in receipt by each holder of a note of such series that is not a United States Person (as defined below) of such amounts (after all such withholding or deduction, including from or

on any Additional Amounts) as would have been received by such holder had no such withholding or deduction been required. Realty Income will not be required, however, to make any payment of Additional Amounts in respect of the notes of any series for or on account of:

(1) any Taxes that are imposed or withheld by reason of a holder of the notes of such series (or the beneficial owner for whose benefit such holder holds such note) (or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder) being considered as:

(a) being or having been present or engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;

(b) having a current or former relationship with the United States, including a relationship as a citizen or resident thereof;

(c) being or having been a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or a corporation that has accumulated earnings to avoid United States federal income tax;

(d) being or having been a “10 percent shareholder” of Realty Income within the meaning of section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision;

(e) being a controlled foreign corporation that is related to us within the meaning of Section 864(d)(4) of the Code or any successor provision; or

(f) being or having been a bank receiving interest described in section 881(c)(3)(A) of the Code or any successor provision;

(2) any holder that is not the sole beneficial owner of the note of such series, or a portion thereof, or that is a fiduciary, limited liability company or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an Additional Amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

(3) any Taxes that are imposed or withheld by reason of the failure to (a) comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with a Relevant Taxing Jurisdiction of the holder or beneficial owner of such note of such series, if compliance is required by statute or by regulation of the Relevant Taxing Jurisdiction as a precondition to relief or exemption from such Taxes (including the submission, if applicable, of a United States Internal Revenue Service (“IRS”) Form W-8 (with any required attachments)) or (b) comply with any information gathering and reporting requirements or to take any similar action (including entering into any agreement with the IRS), in each case, that are required to obtain the maximum available exemption from withholding by a Relevant Taxing Jurisdiction that is available to payments received by or on behalf of the holder or beneficial owner;

(4) any Taxes that are imposed otherwise than by withholding from the payment;

(5) any Taxes that are imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

(6) any estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or a similar tax, assessment or governmental charge;

(7) any Taxes required to be withheld by any paying agent from any payment of principal of, or premium, if any, or interest on, any note of such series, if such payment can be made without such withholding by any other paying agent;

(8) any Taxes that are imposed or levied by reason of the presentation (where presentation is required in order to receive payment) of such notes of such series for payment on a date more than 30 days after the date on which such payment became due and payable, except to the extent that the holder or beneficial owner thereof would have been entitled to Additional Amounts had the notes been presented for payment on any date during such 30-day period;

(9) any backup withholding or any Taxes imposed under Sections 1471 through 1474 of the Code (or any successor provisions thereto), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code (or any successor provision thereto), or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code (or any successor thereto); or

(10) any combination of any items (1) through (9).

The notes of each series are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable thereto. Except as specifically provided under this heading “-Payment of Additional Amounts,” Realty Income shall not be required to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein on any payment of principal of, premium, if any, or interest on, or Additional Amounts in respect of, the notes of any series.

If Realty Income becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the notes of any series, Realty Income will deliver to the Trustee and each paying agent for the notes of such series on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 30 days prior to that payment date, in which case Realty Income shall notify the Trustee and each paying agent promptly after Realty Income becomes aware that such obligation has arisen) an officers’ certificates stating the fact that Additional Amounts will be payable and the amount to be so payable. The officers’ certificates must also set forth any other information reasonably necessary to enable the paying agents to pay such Additional Amounts to Holders on the relevant payment date. The Trustee and each paying agent shall be entitled to rely solely on such officers’ certificates as conclusive proof that such payments are necessary.

As used under this caption “-Payment of Additional Amounts,” the term “United States Person” means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia (other than a partnership that is not treated as a United States Person under any applicable U.S. Treasury Regulations), any estate the income of which is subject to United States federal income taxation regardless of its source, or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust or one or more United States fiduciaries

have the authority to control all substantial decisions of the trust; and the term “United States” shall have the meaning set forth above under “-Redemption for Changes in Taxes.”

Whenever there is mentioned, in any context (except as otherwise provided in the proviso to this sentence), under this caption “Description of Notes,” the payment of principal of, or premium, if any, or interest on, or in respect of, any note of any series, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the terms of the notes of such series or the Indenture, and express mention of the payment of Additional Amounts anywhere under such captions shall not be construed as excluding Additional Amounts elsewhere under such captions where such express mention is not made; provided that, notwithstanding the foregoing and also notwithstanding anything in the Indenture to the contrary, the references to “principal” and “premium” appearing in clause (2) of the first paragraph under the caption “-Events of Default, Notice and Waiver” below shall not include any Additional Amounts that may be payable in respect of the principal of or premium, if any, on the notes of any series. Because, as described above, all Additional Amounts, if any, payable in respect of the notes of any series will be treated as additional interest on the notes of such series, the proviso to the foregoing sentence means that, for purposes of determining whether an event of default has occurred with respect to the notes of such series, any failure by us to pay any Additional Amounts that are payable in respect of the notes of such series when due will be entitled to the same 30 day grace period to which a failure to pay interest on the notes of such series when due would be entitled as described in clause (1) of the first paragraph under the caption “-Events of Default, Notice and Waiver” below. As a result, any failure by us to pay Additional Amounts in respect of the notes of any series (including, without limitation, Additional Amounts payable in respect of principal of or premium, if any, on the notes of such series) when due will not be an event of default with respect to the notes of such series under the Indenture unless that default continues for 30 days.

Notwithstanding any discharge, defeasance or covenant defeasance of the notes of any series or the Indenture as described under “-Discharge, Defeasance and Covenant Defeasance” below, the provisions described under this caption “-Payment of Additional Amounts” shall survive any such discharge, defeasance or covenant defeasance, as the case may be, and remain in full force and effect and shall also survive any transfer by a Holder or beneficial owner of its notes of such series or its beneficial interest in the Global Note of such series.

### **Discharge, Defeasance and Covenant Defeasance**

Upon our request the Indenture shall cease to be of further effect with respect to the notes of any series (except as to certain limited provisions of the Indenture which shall survive) when either (a) all of the notes of such series have been delivered to the trustee for cancellation or (b) all of the notes of such series have become due and payable or will become due and payable within one year (or are scheduled for redemption within one year) and we have irrevocably deposited with the applicable trustee, in trust, funds in the currency or currencies, currency unit or units or composite currency or currencies in which the notes of such series are payable an amount sufficient to pay the entire indebtedness on the notes of such series in respect of principal (and premium, if any) and interest to the date of the deposit (if the notes have become due and payable) or to the stated maturity or redemption date, as the case may be.

The Indenture provides that we may elect either to:

- defease and be discharged from any and all obligations with respect to the notes (except for the obligation, if any, to pay additional amounts in respect of certain taxes imposed on non-U.S. holders of the notes and the obligations to register the transfer or exchange of the notes, to replace temporary or mutilated, destroyed,



lost or stolen notes, to maintain an office or agency in respect of the notes and to hold money for payment in trust) (“defeasance”); or

- be released from our obligations with respect to certain covenants applicable to the notes under the Indenture (including, subject to a limited exception, with respect to Realty Income’s obligation to preserve and keep in full force and effect its corporate existence, the covenants described under “-Certain Covenants”), and any omission to comply with these obligations shall not constitute a default or an event of default with respect to the notes (“covenant defeasance”),

in either case upon our irrevocable deposit with the applicable trustee, in trust, of an amount, in the currency or currencies, currency unit or units or composite currency or currencies in which the notes are payable at stated maturity, or Government Obligations (as defined below), or both, applicable to the notes that through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest on the notes, and any mandatory sinking fund or analogous payments on the notes, on the scheduled due dates.

A trust may only be established if, among other things, we have delivered to the applicable trustee an opinion of counsel (as specified in the Indenture) to the effect that the holders of the notes will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred. Additionally, in the case of defeasance, an opinion of counsel must refer to and be based on a ruling of the Internal Revenue Service (the “IRS”) or a change in applicable United States federal income tax law occurring after the date of the Indenture. In the event of defeasance, the holders of the notes will thereafter be able to look only to the trust fund for payment of principal (and premium, if any) and interest.

“Government Obligations” means securities that are (a) direct obligations of the United States of America or the government which issued the foreign currency in which the notes are payable, for the payment of which its full faith and credit is pledged, or (b) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America or the government which issued the foreign currency in which the notes are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or the other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any Government Obligation or a specific payment of interest on or principal of any Government Obligation held by a custodian for the account of the holder of a depository receipt; provided, however, that (except as required by law) the custodian is not authorized to make any deduction from the amount payable to the holder of the depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by the depository receipt.

If, after we have deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to the notes:

- the holder of any note is entitled to, and does, elect pursuant to the Indenture or the terms of the note to receive payment in a currency, currency unit or composite currency other than that in which the deposit has been made in respect of that note, or

- a Conversion Event (as defined below) occurs in respect of the currency, currency unit or composite currency in which the deposit has been made, then the indebtedness represented by that note will be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium, if any) and interest on that note as they become due out of the proceeds yielded by converting the amount or other property so deposited in respect of that note into the currency, currency unit or composite currency in which that note becomes payable as a result of the election or Conversion Event based on the applicable market exchange rate in effect on the second business day prior to each payment date. “Conversion Event” means the cessation of use of:
- a currency, currency unit or composite currency both by the government of the country which issued the currency and for the settlement of transactions by a central bank or other public institution of or within the international banking community; or
- any currency unit or composite currency for the purposes for which it was established.

In the event we effect a covenant defeasance with respect to the notes and the notes are declared due and payable because of the occurrence of any event of default, other than an event of default due to a breach of any of the covenants as to which there has been covenant defeasance (which covenants would no longer be applicable to the notes as a result of such covenant defeasance), the cash and Government Obligations on deposit with the applicable trustee may not be sufficient to pay amounts due on the notes at the time of the acceleration resulting from the event of default. We would, however, remain obligated to make payment of the amounts due at the time of acceleration.

Notwithstanding the foregoing, our obligation to pay Additional Amounts on the notes pursuant to the provisions described above under “-Payment of Additional Amounts” shall survive any such discharge, defeasance or covenant defeasance and remain in full force and effect. In addition, covenant defeasance will be applicable, insofar as concerns the notes, with respect to the covenants described under “-Certain Covenants” (except the covenant requiring Realty Income to preserve and keep in full force and effect its corporate existence).

#### **Events of Default, Notice and Waiver**

The following events are “events of default” pursuant to the terms of the notes and the Indenture:

- (1) default for 30 days in the payment of any installment of interest on any of the notes;
- (2) default in the payment of the principal of (or premium, if any, on) any of the notes when due, whether at stated maturity or by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise;
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of any of the notes;
- (4) default in the performance of any of our other covenants contained in the Indenture or in the notes (other than any covenant added to the Indenture solely for the benefit of a series of debt securities issued thereunder other than the notes), which continues for 60 days

after written notice is given to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the notes;

(5) default under any bond, debenture, note or other evidence of indebtedness for money borrowed by us or any of our Subsidiaries (including obligations under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles, but not including any indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$25,000,000 or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us or any of our Subsidiaries (including such leases, but not including such indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of \$25,000,000, whether the indebtedness exists at the date of the relevant indenture or shall thereafter be created, which default shall have resulted in the indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable or which default shall have resulted in the obligation being accelerated, without the acceleration having been rescinded or annulled; or

(6) certain events of bankruptcy, insolvency or reorganization with respect to us or any of our Significant Subsidiaries.

The term “Significant Subsidiary” as used above has the meaning ascribed to the term in Rule 1-02 of Regulation S-X promulgated under the Securities Act, as the Regulation was in effect on January 1, 1996.

If an event of default with respect to the notes of any series occurs and is continuing, then the Trustee or the holders of not less than 25% in principal amount of the notes of such series may declare the principal amount of all the notes to be due and payable immediately by written notice thereof to us (and to the Trustee if given by the holders). However, at any time after the declaration of acceleration with respect to the notes of such series has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of not less than a majority of the principal amount of the outstanding notes, as applicable, may rescind and annul the declaration and its consequences if:

- we shall have deposited with the applicable trustee all required payments of the principal of (and premium, if any) and interest on the notes (other than principal that has become due solely as a result of the acceleration), plus certain fees, expenses, disbursements and advances of the applicable trustee; and
- all events of default, other than the nonpayment of accelerated principal (or specified portion thereof), premium, if any, and interest with respect to the notes, have been cured or waived as provided in the indenture.

The holders of not less than a majority in principal amount of the outstanding notes of such series may waive any past default with respect to the notes of such series and its consequences, except:

- a default in the payment of the principal of (or premium, if any) or interest on any of the notes; or
- a default in respect of a covenant or provision contained in the Indenture that cannot be modified or amended without the consent of the holder of each outstanding note affected by the default.

The Trustee must give notice of a default under the Indenture to the holders of the notes within 90 days unless the default shall have been cured or waived, subject to certain exceptions; provided, however, that the Trustee may withhold notice to the holders of the notes of any default with respect to the notes (except a default in the payment of the principal of (or premium, if any) or interest on any of the notes or in the payment of any sinking fund installment in respect of any of the notes) if specified Responsible Officers of the Trustee consider a withholding to be in those holders' interest.

No holders of the notes may institute any proceedings, judicial or otherwise, with respect to the Indenture or for any remedy thereunder, except in the case of failure of the Trustee, for 60 days, to act after it has received a written request to institute proceedings in respect of an event of default from the holders of not less than 25% in principal amount of the outstanding notes, as well as an offer of indemnity reasonably satisfactory to it, and no direction inconsistent with the written request has been given to the Trustee during the 60-day period by holders of a majority in principal amount of the outstanding notes. This provision will not prevent, however, any holder of notes from instituting suit for the enforcement of payment of the principal of (and premium, if any) and interest on those notes at the respective due dates thereof.

Subject to provisions in the TIA relating to its duties in case of default, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any holders of the notes, unless those holders shall have offered to the Trustee reasonable security or indemnity. The holders of not less than a majority in principal amount of the outstanding notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or of exercising any trust or power conferred upon the Trustee; provided that the direction shall not conflict with any rule of law or the Indenture, and provided further that the Trustee may refuse to follow any direction that may involve the Trustee in personal liability or that may be unduly prejudicial to the holders of the notes not joining in the direction to the Trustee.

Within 120 days after the close of each fiscal year, we are required to deliver to the Trustee a certificate, signed by one of several specified officers, stating whether or not the officer has knowledge of any default under the Indenture and, if so, specifying each default and the nature and status thereof.

As described above under “-Payments of Additional Amounts,” because all Additional Amounts, if any, payable in respect to the notes of any series will be treated as additional interest on the notes of such series, any failure by us to pay Additional Amounts in respect to the notes of such series when due will be entitled to the same 30 day grace period to which a failure to pay interest on the notes of such series when due would be entitled as described in clause (1) of the first paragraph under this caption “-Events of Default, Notice and Waiver.” As a result, any failure by us to pay Additional Amounts in respect of the notes of any series (including, without limitation, Additional Amounts payable in respect of principal of or premium, if any, on the notes of any series) when due will not be an event of default with respect to the notes of such series under the Indenture unless that default continues for 30 days. For additional information, see “-Payment of Additional Amounts” above.

### **Modification of the Indenture**

Modifications and amendments of the Indenture will be permitted with the consent of the holders of not less than a majority in principal amount of all outstanding debt securities of each series issued under the Indenture, including the notes, affected by the modification or amendment; provided, however, that no modification or amendment may, without the consent of the holder of each debt security affected thereby:

- change the stated maturity of the principal of, or any installment of principal of, or interest (or premium, if any) on any debt security, including the notes;
- reduce the principal amount of, or the rate or amount of interest on, or any premium payable on redemption of any debt security, including the notes, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon declaration of acceleration of the maturity of the Original Issue Discount Security or would be provable in bankruptcy, or adversely affect any right of repayment at the option of the holder of any debt security (or reduce the amount of premium payable upon any repayment);
- change the place of payment, or the coin or currency, for payment of principal of (or premium, if any) or interest on any debt security, including the notes;
- impair the right to institute suit for the enforcement of any payment on or with respect to any debt security, including the notes, when due;
- reduce the above-stated percentage of outstanding debt securities of any series, including the notes, necessary to modify or amend the Indenture to waive compliance with certain provisions of the Indenture or certain defaults and consequences under the Indenture or to reduce the quorum or voting requirements set forth in the Indenture; or
- modify any of the foregoing provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect the action or to provide that certain other provisions may not be modified or waived without the consent of the holder of each outstanding debt security affected thereby.

The holders of a majority in aggregate principal amount of the outstanding notes may, on behalf of all holders of the notes, waive (insofar as that series is concerned) our compliance with certain restrictive covenants in the Indenture with respect to the notes.

We, along with the Trustee, shall be permitted to modify and amend the Indenture without the consent of any holder of debt securities, in each case, including the notes, for any of the following purposes:

- to evidence the succession of another person to our obligations under the Indenture;
- to add to our covenants for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon us in the Indenture;
- to add events of default for the benefit of the holders of all or any series of debt securities;
- to add or change any provisions of the indenture to provide that debt securities in bearer form may be registerable as to principal or to change or eliminate any restrictions on the payment of principal of or any premium or interest on debt securities in bearer form or to make certain other provisions relating to debt securities in bearer form, provided that such action shall not adversely affect the interests of the holders of the debt securities of any series in any material respect;

- to change or eliminate any provisions of the Indenture, provided that any such change or elimination does not apply to any outstanding debt securities of a series created prior to the date of the amendment or supplement that are entitled to the benefit of that provision;
- to secure the debt securities;
- to establish the form or terms of debt securities of any series, including the provisions and procedures, if applicable, for the conversion of debt securities into common stock or preferred stock;
- to provide for the acceptance of appointment by a successor trustee or facilitate the administration of the trusts under the indenture by more than one trustee;
- to cure any ambiguity or to correct any defect or inconsistency in the Indenture, or to make any other provisions with respect to matters or questions arising under the Indenture which shall not be inconsistent with the provisions of the indenture, provided, however, that such action shall not adversely affect the interests of holders of debt securities of any series in any material respect; or
- to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate defeasance, covenant defeasance and discharge of any series of debt securities, provided, however, that this action shall not adversely affect the interests of the holders of the debt securities of any series in any material respect.

In determining whether the holders of the requisite principal amount of outstanding debt securities of a series, in each case, including the notes, have given any request, demand, authorization, direction, notice, consent or waiver described in the indenture or whether a quorum is present at a meeting of holders of debt securities:

- the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding shall be the amount of the principal of that security that would be due and payable as of the date of the determination upon declaration of acceleration of the maturity thereof;
- with respect to the notes, the principal amount of any debt security denominated in a foreign currency that shall be deemed outstanding shall be the U.S. dollar equivalent of the principal amount of such debt security, determined as of the second business day prior to the date of determining whether the requisite principal amount of the outstanding debt securities of the applicable series have given such request, demand, authorization, direction, notice, consent or waiver or whether such a quorum is present;
- with respect to any series of debt securities other than the notes, the principal amount of any debt security denominated in a foreign currency that shall be deemed outstanding shall be the U.S. dollar equivalent, determined on the issue date for the debt security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the issue date of the debt security of the amount determined as provided in the first bullet above);
- the principal amount of an Indexed Security that shall be deemed outstanding shall be the principal face amount of the Indexed Security at original issuance; and

- debt securities owned by us or any other obligor upon the debt securities or any affiliate of ours or of the other obligor shall be disregarded.

A meeting of the holders of the notes may be called at any time by the Trustee, and also, upon our request or request of the holders of at least 10% in principal amount of the outstanding notes, in any case upon notice given as provided in the Indenture. Except for any consent or waiver that must be given by the holder of each debt security affected thereby, any resolution presented at a meeting or at an adjourned meeting duly reconvened at which a quorum is present, may be adopted by the affirmative vote of the holders of a majority in principal amount of the outstanding notes; provided, however, that, except as referred to above, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that may be made, given or taken by the holders of a specified percentage, which is less than a majority, in principal amount of the outstanding notes may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the holders of the specified percentage in principal amount of the outstanding notes. Any resolution passed or decision taken at any meeting of holders of the notes duly held in accordance with the Indenture will be binding on all holders of the notes. The persons holding or representing a majority in principal amount of the outstanding notes shall constitute a quorum for a meeting of holders of the notes; provided, however, that if any action is to be taken at a meeting with respect to a consent or waiver that may be given by the holders of not less than a specified percentage in principal amount of the outstanding notes, the persons holding or representing the specified percentage in principal amount of the outstanding notes will constitute a quorum.

Notwithstanding the foregoing provisions, the Indenture provides that if any action is to be taken at a meeting of holders of the notes with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that the Indenture expressly provides may be made, given or taken by the holders of the notes and one or more additional series: (a) there shall be no minimum quorum requirement for the meeting and (b) the principal amount of the outstanding debt securities of all those series that are entitled to vote in favor of the request, demand, authorization, direction, notice, consent, waiver or other action shall be taken into account in determining whether the request, demand, authorization, direction, notice, consent, waiver or other action has been made, given or taken under the Indenture.

### **Merger, Consolidation or Sale of Assets**

Pursuant to the terms of the Indenture and the notes, we will not consolidate with, sell, lease or convey all or substantially all of our assets to, or merge with or into, any person unless:

- either we shall be the continuing entity, or the successor person (if not us) formed by or resulting from the consolidation or merger or which shall have received the transfer of the assets shall be a corporation organized and existing under the laws of the United States or any State thereof and shall expressly assume (1) our obligation to pay the principal of (and premium, if any) and interest on all the debt securities issued under the Indenture, including the notes, and (2) the due and punctual performance and observance of all the covenants and conditions contained in the Indenture and in the notes to be performed or observed by us;
- immediately after giving effect to the transaction and treating any indebtedness that becomes our obligation or the obligation of any Subsidiary as a result of the transaction as having been incurred, and treating any liens on any property or assets of ours or any Subsidiary that are incurred, created or assumed as a result of the transaction as having been created, incurred or assumed, by us or the Subsidiary at the time of the transaction, no event of default under the Indenture,

and no event that, after notice or the lapse of time, or both, would become an event of default, shall have occurred and be continuing; and

- an officers' certificates and legal opinion covering these conditions shall be delivered to the Trustee.

## **Payment**

All payments of principal of, premium, if any, interest on, and Additional Amounts, if any, in respect of the Global Notes of each series will be made by the paying agent for the notes of such series on behalf of Realty Income by wire transfer of immediately available funds to an account maintained by the payee.

If notes of either series are issued in definitive certificated form under the limited circumstances described below, under “-Certificated Notes,” payments of interest on the certificated notes of such series may be made, at our option, by check mailed to the addresses of the persons entitled thereto, as such addresses appear in the register for the notes of such series, or by wire transfer to accounts maintained by the payees; provided, however, that a holder of £4 million or more in aggregate principal amount of notes of such series in definitive certificated form will be entitled to receive payments of interest due on any interest payment date by wire transfer of immediately available funds to an account specified by such holder so long as such holder has given appropriate wire transfer instructions to the Trustee or a paying agent for the notes of such series at least 10 calendar days prior to the applicable interest payment date. Any such wire transfer instructions will remain in effect until revoked by such holder or until such person ceases to be a holder of £4 million or more in aggregate principal amount of notes of such series in definitive certificated form.

Payments of principal of, and premium, if any, and interest on, and Additional Amounts, if any, in respect of, the notes of any series in definitive certificated form that are due and payable on the maturity date of the notes of such series, any redemption date for the notes of such series or any other date on which principal of the notes of such series is due and payable will be made by wire transfer of immediately available funds to accounts specified by the holders thereof, so long as such holders have given appropriate wire transfer instructions to the Trustee or a paying agent for the notes of such series, against surrender of such notes to the Trustee or any such paying agent; provided that installments of interest on notes of such series in definitive certificated form that are due and payable on any interest payment date falling on or prior to such maturity date, redemption date or other date on which principal of the notes of such series is payable will be paid in the manner described in the preceding paragraph to the persons who were the holders of the notes of such series (or one or more predecessor notes of such series) registered as such at the close of business on the relevant regular record dates according to the terms and provisions of the notes of such series and the Indenture.

## **Book-Entry System**

The notes of each series were offered and sold only in denominations of £100,000 and integral multiples of £1,000 in excess thereof. The notes of each series were initially represented by the Global Note of such series. Upon issuance, the Global Notes of any series were deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Except as set forth below, the Global Notes of each series may be transferred, in whole and not in part, only to the common depositary or its nominee or to a successor common depositary or its nominee. You may hold your interests in the Global Notes of each series in Europe through Euroclear or Clearstream, either as a participant in such systems or indirectly through organizations that are participants in such systems. Euroclear and Clearstream hold interests in the Global Notes of any series on



behalf of their respective participating organizations or customers through customers' securities accounts in Euroclear's or Clearstream's names on the books of their respective depositories. Book-entry interests in the notes and all transfers relating to the notes are and will be reflected in the book-entry records of Euroclear and Clearstream.

The distribution of the notes were cleared through Euroclear and Clearstream. Any secondary market trading of book-entry interests in the notes will take place through Euroclear and Clearstream participants and will settle in same-day funds. Owners of book-entry interests in the notes will receive payments relating to their notes in GBP, except as described above under “-Issuance in GBP” and “-Discharge, Defeasance and Covenant Defeasance.”

Euroclear and Clearstream have established electronic securities and payment transfer, processing, depository and custodial links among themselves and others, either directly or through custodians and depositories. These links allow the notes to be issued, held and transferred among the clearing systems without the physical transfer of certificates. Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders in the secondary market.

The policies of Euroclear and Clearstream govern payments, transfers, exchanges and other matters relating to the investors' interest in the notes held by them. None of Realty Income or the Trustee have any responsibility for any aspect of the records kept by Euroclear and Clearstream or any of their direct or indirect participants. Realty Income and the Trustee also do not supervise these systems in any way.

Euroclear and Clearstream and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. You should be aware that they are not obligated to perform or continue to perform these procedures and may modify them or discontinue them at any time.

Except as provided below, owners of beneficial interests in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive certificated form and will not be considered the owners or holders of the notes under the Indenture, including for purposes of receiving any reports delivered by Realty Income or the Trustee pursuant to the Indenture. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, as applicable, and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder.

*Euroclear.* Euroclear was created in 1968 to hold securities for its participants (“Euroclear Participants”) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and eliminating risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is operated by Euroclear Bank SA/NV (the “Euroclear Operator”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, or the Euroclear Terms and Conditions, and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipt of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding securities through Euroclear Participants.

Distributions with respect to interests in the Global Note held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions.

Clearstream. Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations (“Clearstream Participants”). Clearstream facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to interests in the Global Note held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures.

### **Global Clearance and Settlement Procedures**

Realty Income understands that investors that hold their notes through Euroclear and Clearstream accounts will follow the settlement procedures that are applicable to conventional sterling-denominated bonds in registered form. Notes of the applicable series will be credited to the securities custody accounts of Euroclear and Clearstream Participants on the business day following the settlement date, for value on the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

We understand that secondary market trading between Euroclear and/or Clearstream Participants will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream. Secondary market trading will be settled using procedures applicable to conventional sterling-denominated bonds in registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving notes through Euroclear and Clearstream on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Euroclear and Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Euroclear and Clearstream is used.

Euroclear and Clearstream will credit payments to the cash accounts of Euroclear or Clearstream Participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. Euroclear and/or Clearstream, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Euroclear Participant or Clearstream Participant only in accordance with its relevant rules and procedures.

Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Euroclear and Clearstream. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

### **Certificated Notes**

If (1) Euroclear or Clearstream notifies Realty Income that it is unwilling or unable to continue as a clearing agency for the Global Notes of any series or if Euroclear or Clearstream ceases to be a clearing agency registered as such under the Exchange Act at any time when it is required to be so registered in order to act as a clearing system for the Global Notes of such series and a successor clearing agency is not appointed within 90 days after Realty Income receives such notice or learns of such ineligibility, (2) Realty Income determines that the notes of any series shall no longer be represented by the Global Note and executes and delivers to the Trustee an officers' certificates to that effect or (3) an event of default (as defined; see "-Events of Default" above) with respect to the notes of any series has occurred and is continuing and beneficial owners representing a majority in aggregate principal amount of the outstanding notes of such series advise Euroclear and Clearstream to cease acting as clearing agencies for the Global Note of such series, Realty Income will issue notes of such series in definitive certificated form in exchange for interests in the outstanding Global Notes of such series. Any notes of any series issued in definitive certificated form in exchange for interests in a Global Note of such series will be issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof and will be registered in such name or names as Euroclear or Clearstream, as applicable, shall instruct the registrar for the notes of such series. It is expected that the instructions of Euroclear and Clearstream will be based upon directions received from their respective participants with respect to ownership of beneficial interests in the Global Notes of the applicable series.

### **Unclaimed Payments**

We will be repaid for all amounts we pay to the Trustee or paying agent for the payment of the principal of or any premium or interest on the notes that remains unclaimed at the end of two years after the principal, premium or interest has become due and payable, and the holder of such notes may look only to us for payment of the principal, premium or interest.

### **Listing**

The notes are listed on the NYSE under the ticker symbols "O27A," "O27B," "O30," "O30A," "O31A," "O33A," "O34," "O39," and "O42," respectively. We have no obligation to maintain such listings, and we may delist any series of the notes at any time.

**Subsidiaries of the Company as of February 21, 2024**

Entity	Jurisdiction of Organization
11990 Eastgate Blvd, LLC	Delaware
2100 E 69th Avenue Indiana LLC	Delaware
Agitapreceitos Sociedade De Investimentos LDA	Portugal
American Realty Capital Properties, LLC	Delaware
ARC/Milestone Capital Ventures, LLC	Delaware
ARC3 AAHUSTX001, LLC	Delaware
ARC3 AAHUSTX002, LLC	Delaware
ARC3 DGAVSMO001, LLC	Delaware
ARC3 DGCDTLA01, LLC	Delaware
ARC3 DGCFDVA01, LLC	Delaware
ARC3 DGCWYMO001, LLC	Delaware
ARC3 DGDVLVA01, LLC	Delaware
ARC3 DGEDWMS001, LLC	Delaware
ARC3 DGFSTOH001, LLC	Delaware
ARC3 DGFYTNC01, LLC	Delaware
ARC3 DGGDRFL001, LLC	Delaware
ARC3 DGGFDOH001, LLC	Delaware
ARC3 DGGVLMS001, LLC	Delaware
ARC3 DGHSGVA01, LLC	Delaware
ARC3 DGHWLVA01, LLC	Delaware
ARC3 DGKGCMO001, LLC	Delaware
ARC3 DGLFDTX001, LLC	Delaware
ARC3 DGLKGMO001, LLC	Delaware
ARC3 DGMGMLA01, LLC	Delaware
ARC3 DGMHNLA01, LLC	Delaware
ARC3 DGMLNWI001, LLC	Delaware
ARC3 DGMLOFL001, LLC	Delaware
ARC3 DGMNGWI001, LLC	Delaware
ARC3 DGMTLMO01, LLC	Delaware
ARC3 DGMVLMO001, LLC	Delaware
ARC3 DGNMSOH001, LLC	Delaware
ARC3 DGOIBNC01, LLC	Delaware
ARC3 DGPGSTX001, LLC	Delaware
ARC3 DGPLCOH001, LLC	Delaware
ARC3 DGPTCTN001, LLC	Delaware
ARC3 DGPTTTX001, LLC	Delaware
ARC3 DGPYNOH001, LLC	Delaware
ARC3 DGRDLAL001, LLC	Delaware
ARC3 DGRGCTX001, LLC	Delaware
ARC3 DGRMATX001, LLC	Delaware
ARC3 DGRWDLA01, LLC	Delaware
ARC3 DGSBRMO001, LLC	Delaware
ARC3 DGSCRMO001, LLC	Delaware
ARC3 DGSNSWI001, LLC	Delaware
ARC3 DGTLSAL001, LLC	Delaware
ARC3 DGVASNC01, LLC	Delaware
ARC3 DGWGVMS001, LLC	Delaware
ARC3 FEBMTNH001, LLC	Delaware
ARC3 FEORTNY001, LLC	Delaware
ARC3 WGCLACA001, LLC	Delaware

Entity	Jurisdiction of Organization
ARC3 WGMPWNJ001, LLC	Delaware
ARC3 WGSTVMI001, LLC	Delaware
ARC AACMBPA001, LLC	Delaware
ARC AAHARAL001, LLC	Delaware
ARC AASLGPA001, LLC	Delaware
ARC AATVLPAA001, LLC	Delaware
ARC ACAWBWI001, LLC	Delaware
ARC ACLSHIL001, LLC	Delaware
ARC ASDTNGA001, LLC	Delaware
ARC ASFVLAR001, LLC	Delaware
ARC AZGYAPR001, LLC	Delaware
ARC AZHUMPR001, LLC	Delaware
ARC AZPONPR001, LLC	Delaware
ARC AZSNJPR001, LLC	Delaware
ARC BBFTMFL001, LLC	Delaware
ARC BBSTNCA001, LLC	Delaware
ARC BSLBCCA001, LLC	Delaware
ARC BWNCNOH001, LLC	Delaware
ARC CAFEHLD001, LLC	Delaware
ARC CAFEUSA001, LLC	Delaware
ARC CAMBR BSPL, LLC	Delaware
ARC CBATAPA001, LLC	Delaware
ARC CBBMNGA001, LLC	Delaware
ARC CBBRFPA001, LLC	Delaware
ARC CBBSNGA001, LLC	Delaware
ARC CBCNGPA001, LLC	Delaware
ARC CBDLBPA001, LLC	Delaware
ARC CBDLSPA001, LLC	Delaware
ARC CBEPRVA001, LLC	Delaware
ARC CBFLNOH001, LLC	Delaware
ARC CBGSDPA001, LLC	Delaware
ARC CBHBGPA001, LLC	Delaware
ARC CBKNENH001, LLC	Delaware
ARC CBKSNPA001, LLC	Delaware
ARC CBMBGPA001, LLC	Delaware
ARC CBMBNNC001, LLC	Delaware
ARC CBMCRPA001, LLC	Delaware
ARC CBMDFMA001, LLC	Delaware
ARC CBMDNMA001, LLC	Delaware
ARC CBMFDPA001, LLC	Delaware
ARC CBMTLPA001, LLC	Delaware
ARC CBMTNMA001, LLC	Delaware
ARC CBNPRRI001, LLC	Delaware
ARC CBOHLIL001, LLC	Delaware
ARC CBOMTPA001, LLC	Delaware
ARC CBPBGPA003, LLC	Delaware
ARC CBPBGPA005, LLC	Delaware
ARC CBPBGPA006, LLC	Delaware
ARC CBPBGPA007, LLC	Delaware
ARC CBPBGPA008, LLC	Delaware
ARC CBPBGPA009, LLC	Delaware
ARC CBPBGPA010, LLC	Delaware
ARC CBPBGPA011, LLC	Delaware

Entity	Jurisdiction of Organization
ARC CBPLMNH001, LLC	Delaware
ARC CBRNDMA001, LLC	Delaware
ARC CBTRNPA001, LLC	Delaware
ARC CBUDYPA001, LLC	Delaware
ARC CBWHNPA001, LLC	Delaware
ARC CBWSKVA001, LLC	Delaware
ARC CFMEZZ001, LLC	Delaware
ARC CVCHIL001, LLC	Delaware
ARC CVCHIL002, LLC	Delaware
ARC CVCOLSC002, LLC	Delaware
ARC CVFLDPA001, LLC	Delaware
ARC CVGNVFL001, LLC	Delaware
ARC CVLVGNV001, LLC	Delaware
ARC CVMCBPA001, LLC	Delaware
ARC CVNCTPA001, LLC	Delaware
ARC CVSCDFL001, LLC	Delaware
ARC CVSPGPA001, LLC	Delaware
ARC CVTDAPA001, LLC	Delaware
ARC DBPCFBR001, LLC	Delaware
ARC DBPGDYR001, LLC	Delaware
ARC DBPORBR001, LLC	Delaware
ARC DBPPROP001, LLC	Delaware
ARC DGHHLSC001, LLC	Delaware
ARC DGLBKT004, LLC	Delaware
ARC ESBKYM001, LLC	Delaware
ARC FEAARM001, LLC	Delaware
ARC FEBKYWV001, LLC	Delaware
ARC FEBNXNY001, LLC	Delaware
ARC FEDGCKS001, LLC	Delaware
ARC FEGFKND001, LLC	Delaware
ARC FEHAYKS001, LLC	Delaware
ARC FELNCNE001, LLC	Delaware
ARC FELSVKY001, LLC	Delaware
ARC FEPDAPA001, LLC	Delaware
ARC FESPFMO001, LLC	Delaware
ARC FESXFSD001, LLC	Delaware
ARC FMABONC001, LLC	Delaware
ARC FMARAIL001, LLC	Delaware
ARC FMJSNMI001, LLC	Delaware
ARC GEAUBAL001, LLC	Delaware
ARC HBRHLNC001, LLC	Delaware
ARC HDAUSGA001, LLC	Delaware
ARC HDTPAKS001, LLC	Delaware
ARC HRPBPAA001 SPE, LLC	Delaware
ARC HRPBPAA002, DST	Delaware
ARC HVVMNSD001, LLC	Delaware
ARC IHLVRCA001, LLC	Delaware
ARC IHMPHTN001, LLC	Delaware
ARC IHMPHTN002, LLC	Delaware
ARC IHPKRCO001, LLC	Delaware
ARC IHROCNY001, LLC	Delaware
ARC Income Properties II, LLC	Delaware
ARC Initial PE Member LLC	Delaware

Entity	Jurisdiction of Organization
ARC JJPLYMA001, LLC	Delaware
ARC KHCLNIL001, LLC	Delaware
ARC KHGTNKY001, LLC	Delaware
ARC KHHWLM001, LLC	Delaware
ARC LWKNXTN001, LLC	Delaware
ARC LWWDMME001, LLC	Delaware
ARC MFLFTLA001, LLC	Delaware
ARC ORJOLIL001, LLC	Delaware
ARCP/GRD Biolife Portfolio I, LLC	Delaware
ARC PA-QRS Trust	Virginia
ARC PA-QRS Trust Member LLC (DBA in CA: ARC PA-QRS TRS Member LLC)	Delaware
ARCP DGPLSPA01, LLC	Delaware
ARCP DGSYKPA01, LLC	Delaware
ARCP DGWATPA01, LLC	Delaware
ARCP FD Broad Top PA, LLC	Delaware
ARCP ID Mesa Portfolio, LLC	Delaware
ARCP ID Mohnton PA, LLC	Delaware
ARC PLBKVOH001, LLC	Delaware
ARCP OFC Mesa Portfolio, LLC	Delaware
ARCP RL/OG/BB/SB Pittsburgh PA, LLC	Delaware
ARCP RL/OG Langhorne PA, LLC	Delaware
ARCP RI/Og Salisbury MD, LLC	Delaware
ARCP RL Portfolio I, LLC	Delaware
ARCP RI Portfolio III, LLC	Delaware
ARCP RL Portfolio IV, LLC	Delaware
ARCP RI Portfolio IX, LLC	Delaware
ARCP RI Portfolio V, LLC	Delaware
ARCP RI Portfolio VI, LLC	Delaware
ARCP RI Portfolio VII, LLC	Delaware
ARCP RI Portfolio VIII, LLC	Delaware
ARCP RL Portfolio X, LLC	Delaware
ARC PRRCRNY001, LLC	Delaware
Arcp Springing Member, LLC	Delaware
ARC RACARPA001 GP, LLC	Delaware
ARC RACARPA001 LP	Delaware
ARC RAPITPA001 GP, LLC	Delaware
ARC RAPITPA001 LP	Delaware
ARC RRINSIN001, LLC	Delaware
ARC SCAUGGA001, LLC	Delaware
ARC SJHSPAR001, LLC	Delaware
ARC SJHSPAR002, LLC	Delaware
ARC SJHSPAR003, LLC	Delaware
ARC SSCTRV001, LLC	Delaware
ARC SSNANNY001, LLC	Delaware
ARC SYGRINY001, LLC	Delaware
ARC TBHGHMA001, LLC	Delaware
ARC TBLVLMA001, LLC	Delaware
ARC TDFMTME001, LLC	Delaware
ARC TMDKBIL001, LLC	Delaware
ARC TRSEAWA001, LLC	Delaware
ARC TSDUBPA001, LLC	Delaware
ARC TSELBPA001, LLC	Delaware
ARC TSGRYLA001, LLC	Delaware

Entity	Jurisdiction of Organization
ARC TSLBSCA001, LLC	Delaware
ARC TSLWBWV001, LLC	Delaware
ARC TSMNFPA001, LLC	Delaware
ARC TSPSWNH001, LLC	Delaware
ARC TSPYMNH001, LLC	Delaware
ARCT TRS Corp.	Delaware
ARC WDJKVFL001, LLC	Delaware
ARC WGABOPR001, LLC	Delaware
ARC WGAUBNY001, LLC	Delaware
ARC WGCNWSC001, LLC	Delaware
ARC WGCSRCO001, LLC	Delaware
ARC WGDNVCO001, LLC	Delaware
ARC WGGRCNY001, LLC	Delaware
ARC WGGRCNY002, LLC	Delaware
ARC WGGRPMN001, LLC	Delaware
ARC WGLNPMI001, LLC	Delaware
ARC WGLPSPR001, LLC	Delaware
ARC WGLVSNV001, LLC	Delaware
ARC WGMTPMI001, LLC	Delaware
ARC WGPLTNY001, LLC	Delaware
ARC WGSYRNY001, LLC	Delaware
ARC WMBLYAR001, LLC	Delaware
Bulwark Berlin LLC	Delaware
Bulwark Branford LLC	Delaware
Bulwark Brockton LLC	Delaware
Bulwark Derry LLC	Delaware
Bulwark Melrose LLC	Delaware
Bulwark Mount Ephraim LLC	Delaware
Capital Lease Funding Securitization, L.P.	Delaware
Capital Property Associates Limited Partnership	Maryland
Caplease 2007-Stl LLC	Delaware
Caplease Credit LLC	Delaware
Caplease Debt Funding, LP	Delaware
Caplease Investment Management, LLC	Delaware
CA Portsmouth Investment Trust	Delaware
Clf Breinigsville Business Trust	Virginia
CLF Columbia LLC	Delaware
Clf Elysian Fields LLC	Delaware
CLF Herndon LLC	Delaware
Clf Holding Company, LLC	Delaware
Clf New Falls Business Trust	Virginia
Clf Op General Partner LLC	Delaware
CLF Real Estate LLC	Delaware
Clf Red Lion Road Philadelphia Business Trust	Virginia
Clf Wag Rosemead LLC	Delaware
Clf Yolo County Business Trust	Virginia
CNL Funding 2000-A, LP	Delaware
CNL Net Lease Funding 2001, LP	Delaware
CNL Net Lease Funding 2003, LLC	Delaware
Cole/Faison Jv Bethlehem Ga, LLC	Delaware
Cole/Faison Mt Bethlehem Ga, LLC	Delaware
Cole AA Crestwood KY, LLC	Delaware
Cole AN Portfolio II, LLC	Delaware



Entity	Jurisdiction of Organization
Cole AN Portfolio V, LLC	Delaware
Cole AN Portfolio VI, LLC	Delaware
Cole AP Chambersburg PA, LLC	Delaware
Cole BB Montgomery AI, LLC	Delaware
Cole BJ Portfolio I, LLC	Delaware
Cole BJ Portfolio II, LLC	Delaware
Cole Capital Partners, LLC	Arizona
Cole CM Austin TX, LLC	Delaware
Cole Collateralized Senior Notes, LLC	Arizona
Cole Collateralized Senior Notes II, LLC	Arizona
Cole Collateralized Senior Notes III, LLC	Arizona
Cole Collateralized Senior Notes IV, LLC	Arizona
Cole CV Southaven (Goodman) MS LLC	Delaware
Cole CV Titusville PA, LLC	Delaware
Cole DG Thomaston GA, LLC	Delaware
Cole DST Advisors, LLC	Delaware
Cole EK Philadelphia PA, LLC	Delaware
Cole FD Portfolio I, LLC	Delaware
Cole FD Portfolio IV, LLC	Delaware
Cole FD Portfolio VIII, LLC	Delaware
Cole FE Beekmantown NY, LLC	Delaware
Cole GC Monroeville PA, LLC	Delaware
Cole GP CCPT I, LLC	Delaware
Cole GP CCPT III, LLC	Delaware
Cole GP Mt Folsom CA, LLC	Delaware
Cole GP WG Lancaster CA, LLC	Delaware
Cole Growth Opportunity Fund I GP, LLC	Delaware
Cole HC Willow Grove PA, LLC	Delaware
Cole HH North Fayette PA, LLC	Delaware
Cole HN Buffalo NY, LLC	Delaware
Cole ID Chattanooga TN, LLC	Delaware
Cole ID Milton Pa, LLC	Delaware
Cole IO Conway NH, LLC	Delaware
Cole IO Dover NH, LLC	Delaware
Cole IO Rochester NH, LLC	Delaware
Cole LA Dallas TX, LLC	Delaware
Cole LA Duncanville TX, LLC	Delaware
Cole LA Easton PA, LLC	Delaware
Cole LA Oakdale MN, LLC	Delaware
Cole Mezzco CCPT I, LLC	Delaware
Cole Mezzco CCPT III, LLC	Delaware
Cole Mt Bartlett II, LLC	Delaware
Cole Mt Bethlehem GA (JV), LLC	Delaware
Cole Mt Chesterfield MI (JV), LLC	Delaware
Cole Mt Daytona Beach FL, LLC	Delaware
Cole Mt Folsom Ca, LP	Delaware
Cole Mt Lake Charles LA, LLC	Delaware
Cole Mt Las Vegas NV, LLC	Delaware
Cole Mt Mishawaka IN, LLC	Delaware
Cole MT Port Arthur TX, LLC	Delaware
Cole MT San Marcos TX, LLC	Delaware
Cole MT Sunset Valley TX, LLC	Delaware
Cole Ou Portfolio, LLC	Delaware

Entity	Jurisdiction of Organization
Cole Pm Phoenix Az, LLC	Delaware
Cole Reit Advisors, LLC	Delaware
Cole REIT Advisors III, LLC	Delaware
Cole REIT III Operating Partnership, LP	Delaware
Cole Springing Member, LLC	Delaware
Cole TS Gibsonia PA, LLC	Delaware
Cole TT Downingtown PA, LLC	Delaware
Cole Ty Coral Springs Fl, LLC	Delaware
Cole WW Gap PA, LLC	Delaware
Columbia Road Ohio LLC	Delaware
Commerce Charter-Troy 2, LLC	Delaware
Commerce Charter-Troy 2 Holding, LLC	Delaware
Conroe Logistics Center, LLC	Delaware
Conwa Equity II, LLC	Delaware
Conwa Property II, LLC	Delaware
ConWa Property I LLC	Delaware
CRE JV Mixed Five MI 6 Branch Holdings LLC	Delaware
CRE JV Mixed Five NH Branch Holdings LLC	Delaware
CRE JV Mixed Five PA Branch Holdings LLC	Delaware
CRE JV Mixed Five VT Branch Holdings LLC	Delaware
Crest Net Lease, Inc.	Delaware
CSAVon Nom1 Ltd	Jersey
CSAVon Nom2 Ltd	Jersey
Diamond Real Estate, LLC	Delaware
Dre Holdings, LLC	Delaware
EBH MA Property, LLC	Massachusetts
EFA Asset Management, LLC	Delaware
EFA Investments, LLC	Delaware
Equity Fund Advisors, LLC	Arizona
Escrita Majestosa Unipessoal LDA	Portugal
EVA LLC	Delaware
France High Yield Fund	France
FRIS CHKN, LLC	Delaware
GRD Bellingham WA BioLife Holdings, LLC	Delaware
GRD Bloomington IN BioLife Holdings, LLC	Delaware
GRD Ft. Wayne IN BioLife Holdings, LLC	Delaware
GRD Grandville MI BioLife Holdings, LLC	Delaware
GRD Loveland CO BioLife Holdings, LLC	Delaware
GRD St. George UT BioLife Holdings, LLC	Delaware
GRD Waite Park MN BioLife Holdings, LLC	Delaware
GRD Waterloo IA BioLife Holdings, LLC	Delaware
GRD West Fargo ND BioLife Holdings, LLC	Delaware
Great Western (General Partner 2006) Limited	England and Wales
Great Western (Nominee 2006) Limited	England and Wales
Great Western Unit Trust	Jersey
Indice Prodigioso Unipessoal LDA	Portugal
Italian High Yield Real Estate Fund	Italy
MDC Box 1, LLC	Delaware
MDC Coast 1, LLC	Delaware
MDC Coast 10, LLC	Delaware
MDC Coast 11, LLC	Delaware
MDC Coast 12, LLC	Delaware
MDC Coast 13, LLC	Delaware

Entity	Jurisdiction of Organization
MDC Coast 14, LLC	Delaware
MDC Coast 15, LLC	Delaware
MDC Coast 16, LLC	Delaware
MDC Coast 17, LLC	Delaware
MDC Coast 18, LLC	Delaware
MDC Coast 19, LLC	Delaware
MDC Coast 2, LLC	Delaware
MDC Coast 20, LLC	Delaware
MDC Coast 21, LLC	Delaware
MDC Coast 22, LLC	Delaware
MDC Coast 23, LLC	Delaware
MDC Coast 24, LLC	Delaware
MDC Coast 25, LLC	Delaware
MDC Coast 26, LLC	Delaware
MDC Coast 27, LLC	Delaware
MDC Coast 28, LLC	Delaware
MDC Coast 29, LLC	Delaware
MDC Coast 3, LLC	Delaware
MDC Coast 4, LLC	Delaware
MDC Coast 5, LLC	Delaware
MDC Coast 6, LLC	Delaware
MDC Coast 7, LLC	Delaware
MDC Coast 8, LLC	Delaware
MDC Coast 9, LLC	Delaware
MDC Coastal 1, LLC	Delaware
MDC Coastal 10, LLC	Delaware
MDC Coastal 11, LLC	Delaware
MDC Coastal 12, LLC	Delaware
MDC Coastal 13, LLC	Delaware
MDC Coastal 14, LLC	Delaware
MDC Coastal 15, LLC	Delaware
MDC Coastal 16, LLC	Delaware
MDC Coastal 17, LLC	Delaware
MDC Coastal 18, LLC	Delaware
MDC Coastal 19, LLC	Delaware
MDC Coastal 2, LLC	Delaware
MDC Coastal 20, LLC	Delaware
MDC Coastal 21, LLC	Delaware
MDC Coastal 22, LLC	Delaware
MDC Coastal 23, LLC	Delaware
MDC Coastal 24, LLC	Delaware
MDC Coastal 25, LLC	Delaware
MDC Coastal 26, LLC	Delaware
MDC Coastal 27, LLC	Delaware
MDC Coastal 28, LLC	Delaware
MDC Coastal 29, LLC	Delaware
MDC Coastal 3, LLC	Delaware
MDC Coastal 30, LLC	Delaware
MDC Coastal 4, LLC	Delaware
MDC Coastal 5, LLC	Delaware
MDC Coastal 6, LLC	Delaware
MDC Coastal 7, LLC	Delaware
MDC Coastal 8, LLC	Delaware

Entity	Jurisdiction of Organization
MDC Coastal 9, LLC	Delaware
MDC Coast Eco 1, LLC	Delaware
MDC Coast HI 1, LLC	Delaware
MDC East College, LLC	Delaware
MDC East Hobson, LLC	Delaware
MDC Encore Holdings, LLC	Delaware
MDC Gold Holdings, LLC	Delaware
MDC Holabird, LLC	Delaware
MDC NC1, LP	Delaware
MDC NC2, LP	Delaware
MDC NC3, LP	Delaware
MDC NC Holding Corp.	Delaware
MDC NC Holding GP, LLC	Delaware
MDC Obsidian, LLC	Delaware
MDC Obsidian Holdings, LLC	Delaware
MDC Paradise Holdings, LLC	Delaware
MDC Seal Beach, LLC	Delaware
Menomonee Falls Store, LLC	Delaware
Net Lease Funding 2005, LP	Delaware
Oak Creek Store, LLC	Delaware
Obsidian ML 1, LLC	Delaware
Obsidian ML 2, LLC	Delaware
Obsidian ML 3, LLC	Delaware
Obsidian ML 4, LLC	Delaware
Obsidian ML 5, LLC	Delaware
Obsidian ML 6, LLC	Delaware
Obsidian ML 7, LLC	Delaware
Obsidian ML 8, LLC	Delaware
O CHK, INC.	Delaware
O ICE, LLC	Delaware
PDC INDUSTRIAL CENTER 19 SP, S.L.	Spain
Peterborough Superstore (Nominee 1) Limited	England and Wales
Peterborough Superstore (Nominee 2) Limited	England and Wales
Milton Keynes Superstore (Nominee 1) Limited	England and Wales
Milton Keynes Superstore (Nominee 2) Limited	England and Wales
PRD Owner, LLC	Delaware
PRD Real Estate, LLC	Delaware
PRD Real Estate 2, LLC	Delaware
PRD Real Estate 3, LLC	Delaware
Prefco Dix-Neuf LLC	Connecticut
Prefco Nineteen Limited Partnership	Connecticut
Rams MD Subsidiary I, Inc.	Maryland
Realty Income, L.P.	Maryland
Realty Income Buffalo Genesee, LLC	Delaware
Realty Income Burlington Milwaukee, LLC	Delaware
Realty Income Capitol Heights Ritchie Station, LLC	Delaware
Realty Income CK1, LLC	United States
Realty Income Corporation	Maryland
Realty Income Cumming Market Place, LLC	Delaware
Realty Income Deer Park Deerwood Glen GP, LLC	Delaware
Realty Income Deer Park Deerwood Glen Limited Partnership	Texas
Realty Income Deer Park Deerwood Glen LP, LLC (DBA in CA: Realty Income Deer Park Deerwood Glen, LLC)	Delaware
Realty Income DG Texas Portfolio I, LLC	Delaware

Entity	Jurisdiction of Organization
Realty Income DG Texas Portfolio II, LLC	Delaware
Realty Income Europe B.V.	Netherlands
Realty Income France SCI	France
Realty Income Germany B.V.	Netherlands
Realty Income Houston Orem, LLC	Delaware
Realty Income Illinois Properties 1, LLC	Delaware
Realty Income Illinois Properties 2, LLC	Delaware
Realty Income Illinois Properties 3, LLC	Delaware
Realty Income Illinois Properties 4, LLC	Delaware
Realty Income Lending, LLC	Delaware
Realty Income Lending Europe, LLC	Delaware
Realty Income Limited	England and Wales
Realty Income Luxembourg S.a.r.l.	Luxembourg
Realty Income Magellan, LLC	Delaware
Realty Income Neenah Commercial, LLC	Delaware
Realty Income Pennsylvania Properties Trust	Maryland
Realty Income Pennsylvania Properties Trust 2	Maryland
Realty Income Portugal B.V.	Netherlands
Realty Income Properties 1, LLC	Delaware
Realty Income Properties 10, LLC	Delaware
Realty Income Properties 11, LLC	Delaware
Realty Income Properties 12, LLC	Delaware
Realty Income Properties 13, LLC	Delaware
Realty Income Properties 14, LLC	Delaware
Realty Income Properties 15, LLC	Delaware
Realty Income Properties 16, LLC	Delaware
Realty Income Properties 17, LLC	Delaware
Realty Income Properties 18, LLC	Delaware
Realty Income Properties 19, LLC	Delaware
Realty Income Properties 2, LLC	Delaware
Realty Income Properties 20, LLC	Delaware
Realty Income Properties 21, LLC	Delaware
Realty Income Properties 22, LLC	Delaware
Realty Income Properties 23, LLC	Delaware
Realty Income Properties 24, LLC	Delaware
Realty Income Properties 25, LLC	Delaware
Realty Income Properties 26, LLC	Delaware
Realty Income Properties 27, LLC	Delaware
Realty Income Properties 28, LLC	Delaware
Realty Income Properties 29, LLC	Delaware
Realty Income Properties 3, LLC	Delaware
Realty Income Properties 30, LLC	Delaware
Realty Income Properties 31, LLC	Delaware
Realty Income Properties 4, LLC	Delaware
Realty Income Properties 5, LLC	Delaware
Realty Income Properties 6, LLC	Delaware
Realty Income Properties 7, LLC	Delaware
Realty Income Properties 8, LLC	Delaware
Realty Income Properties 9, LLC	Delaware
Realty Income Raphine, LLC	Delaware
Realty Income Regent Blvd LLC	Delaware
Realty Income Seaford Merrick, LLC	Delaware
Realty Income Spain B.V.	Netherlands

Entity	Jurisdiction of Organization
Realty Income Texas Properties 1, LLC	Delaware
Realty Income Trust 1	Maryland
Realty Income Trust 2	Maryland
Realty Income Trust 3	Maryland
Realty Income Trust 4	Maryland
Realty Income Trust 5	Maryland
Realty Income Trust 6	Maryland
Realty Income Upper Darby 69th, LLC	Delaware
Redd Park Limited	Jersey
RI 5 DIY Income Limited	British Virgin Islands
RI ASD Gillingham Limited	Jersey
RI AZ Speke Limited	Jersey
RI BBF Amsterdam Road Limited	Jersey
RI BQ 4 DIY Limited	England and Wales
RI BQ Birmingham Limited	Jersey
RI BQ Brandon Coventry Limited	Jersey
RI BQ Bury Limited	Jersey
RI BQ Castleford Limited	Jersey
RI BQ Dallow Luton Limited	Jersey
RI BQ Grimsby Limited	Jersey
RI BQ Mavor E Kilbride Limited	Jersey
RI BQ Meir Park Limited	Jersey
RI BQ Portrack Stockton Limited	Jersey
RI BQ Stockport Limited	Jersey
RI Castle Vale Park Limited	Jersey
RI CF Spain 1 B.V.	Netherlands
RI CF Spain 2 B.V.	Netherlands
RI CF Spain 3 B.V.	Netherlands
RI CF Spain 4 B.V.	Netherlands
RI CF Spain 5 B.V.	Netherlands
RI CF Spain 6 B.V.	Netherlands
RI CK2, LLC	Delaware
RIC Pan Euro Holding LLC	Delaware
RI CPB Spain 1 B.V.	Netherlands
RI CPB Spain 2 B.V.	Netherlands
RI CPB Spain 3 B.V.	Netherlands
RI Crown CMC Limited	England and Wales
RI Crown Limited	Jersey
RI Crown LLC	Delaware
RI CS1, LLC	Delaware
RI CS2, LLC	Delaware
RI CS3, LLC	Delaware
RI CS4, LLC	Delaware
RI CS5, LLC	Delaware
RI Dane Rochdale Limited	Jersey
RIE Europe 10 B.V.	Netherlands
RIE Europe 11 B.V.	Netherlands
RIE Europe 1 B.V.	Netherlands
RIE Europe 2 B.V.	Netherlands
RIE Europe 3 B.V.	Netherlands
RIE Europe 4 B.V.	Netherlands
RIE Europe 5 B.V.	Netherlands
RIE Europe 6 B.V.	Netherlands

Entity	Jurisdiction of Organization
RIE Europe 7 B.V.	Netherlands
RIE Europe 8 B.V.	Netherlands
RIE Europe 9 B.V.	Netherlands
RI European Investment Fund SCSp, SICAV-SIF	Luxembourg
RI France 1 SCI	France
RI France DKT 1 SCI	France
RI France DKT 2 SCI	France
RI GA 1, LLC	Delaware
RI Garthdee Aberdeen Limited	Jersey
RI Germany DKT B.V.	Netherlands
RI Gerrards Cross Limited	Jersey
RI Hermiston Park H1 Limited	Jersey
RI Hermiston Park H2 Limited	Jersey
RI HV 3 Portfolio Limited	Jersey
RI Ireland 1 B.V	Netherlands
RI Ireland 2 B.V	Netherlands
RI Ireland Holdco B.V.	Netherlands
RI JV Lending 1, LLC	Delaware
RI JV Lending 2, LLC	Delaware
RI Kingsgate EK Limited	Jersey
RI Leeds Road Limited	Jersey
RIL Holdco, LLC	Delaware
RILP NC1, LP	Delaware
RILP NC2, LP	Delaware
RILP NC Holding GP, LLC	Delaware
RI MDC Portugal 1, Unipessoal LDA	Portugal
RI MDC Portugal 2, Unipessoal LDA	Portugal
RI MDC UK061 Limited	Jersey
RI MDC UK063 Limited	Jersey
RI MDC UK064 Limited	Jersey
RI MDC UK065 Limited	Jersey
RI MDC UK066 Limited	Jersey
RI MDC UK067 Limited	Jersey
RI MDC UK068 Limited	Jersey
RI MDC UK069 Limited	Jersey
RI MDC UK076 Limited	Jersey
RI MDC UK077 Limited	Jersey
RI MDC UK078 Limited	Jersey
RI MDC UK079 Limited	Jersey
RI MDC UK080 Limited	Jersey
RI MDC UK081 Limited	Isle of Man
RI MDC UK082 Limited	Isle of Man
RI MDC UK083 Limited	Isle of Man
RI MDC UK084 Limited	Isle of Man
RI MDC UK085 Limited	Isle of Man
RI MDC UK086 Limited	Jersey
RI MDC UK090 Limited	Jersey
RI MDC UK091 Limited	Jersey
RI MDC UK092 Limited	Jersey
RI MDC UK093 Limited	Jersey
RI MDC UK100 Limited	Jersey
RI MDC UK108 Limited	Jersey
RI MDC UK109 Limited	Jersey

Entity	Jurisdiction of Organization
RI MDC UK119 Limited	Jersey
RI MDC UK120 Limited	Jersey
RI MDC UK121 Limited	Jersey
RI MDC UK122 Limited	Jersey
RI MDC UK123 Limited	Jersey
RI MDC UK124 Limited	Jersey
RI MDC UK125 Limited	Jersey
RI MDC UK126 Limited	Jersey
RI MDC UK128 Limited	Jersey
RI MDC uk129 S.à r.l.	Luxembourg
RI MDC uk130 S.à r.l.	Luxembourg
RI MDC UK131 Limited	Guernsey
RI MDC UK132 Limited	Guernsey
RI MDC UK133 Limited	England and Wales
RI MDC UK134 Limited	Jersey
RI MDC UK 135 Limited	Jersey
RI MDC UK136 Limited	Jersey
RI MDC UK 137 Limited	England and Wales
RI MDC UK 138 Limited	England and Wales
RI MDC UK139 Limited	England and Wales
RI MDC UK140 S.à r.l.	Luxembourg
RI Mountain Max Limited	Jersey
RIM Properties 1, LLC	Delaware
RI MS Blaydon Limited	Jersey
RI Multi Midlands Limited	Jersey
Rinascimento Retail S.r.l.	Italy
RI OC Luton Limited	Jersey
RI Paisley Retail Park Limited	Jersey
RI Perkins-CCF Limited	Jersey
RI SB Archer Road Limited	England and Wales
RI SB Banbury Limited	England and Wales
RI SB Bishop Auckland Limited	Jersey
RI SB Bodmin Limited	England and Wales
RI SB Bradford Limited	England and Wales
RI SB Bridgwater Limited	England and Wales
RI SB Cardiff Limited	England and Wales
RI SB Grimsby Limited	England and Wales
RI SB Guildford Limited	Jersey
RI SB Hereford Limited	England and Wales
RI SB Kempston Limited	England and Wales
RI SB Limited	Jersey
RI SB Lincoln Limited	Jersey
RI SB Locksbottom Limited	England and Wales



Entity	Jurisdiction of Organization
RI SB Military Road Limited	Jersey
RI SB Nantwich Limited	Jersey
RI SB Northampton Limited	England and Wales
RI SB Otley Limited	Jersey
RI SB Preston Limited	Jersey
RI SB Southampton Limited	England and Wales
RI SB Swadlincote Limited	Jersey
RI SB Swindon Limited	England and Wales
RI SB Thornhill Cardiff Limited	Jersey
RI SB Wallington Limited	Jersey
RI SE, LLC (DBA in CA: RI SOUTHEAST, LLC)	Delaware
RI Sittingbourne JV 2 Limited	Jersey
RI Sittingbourne JV Limited	Jersey
RI Spain 10 B.V.	Netherlands
RI Spain 11 B.V.	Netherlands
RI Spain 12 B.V.	Netherlands
Ri Spain 13 B.V.	Netherlands
Ri Spain 14 B.V.	Netherlands
Ri Spain 15 B.V.	Netherlands
RI Spain 1 B.V.	Netherlands
RI Spain 2 B.V.	Netherlands
RI Spain 3 B.V.	Netherlands
RI Spain 4 B.V.	Netherlands
RI Spain 5 B.V.	Netherlands
RI Spain 5 Holdco B.V.	Netherlands
RI Spain 6 B.V.	Netherlands
RI Spain 7 B.V.	Netherlands
RI Spain 8 B.V.	Netherlands
RI Spain 9 B.V.	Netherlands
RI Spain DKT 10 B.V.	Netherlands
RI Spain DKT 11 B.V.	Netherlands
RI Spain DKT 12 B.V.	Netherlands
RI Spain DKT 13 B.V.	Netherlands
RI Spain DKT 1 B.V.	Netherlands
RI Spain DKT 2 B.V.	Netherlands
RI Spain DKT 3 B.V.	Netherlands
RI Spain DKT 4 B.V.	Netherlands
RI Spain DKT 5 B.V.	Netherlands
RI Spain DKT 6 B.V.	Netherlands
RI Spain DKT 7 B.V.	Netherlands
RI Spain DKT 8 B.V.	Netherlands
RI Spain DKT 9 B.V.	Netherlands
RI Tamworth Park Limited	Jersey

Entity	Jurisdiction of Organization
RI TN 1, LLC	Delaware
RI TN 2, LLC	Delaware
RI Trafford Park Limited	Jersey
RI TSC CW Manchester Limited	Jersey
RI TSC Enfield Limited	Jersey
RI TSC Irlam Limited	Jersey
RI TSC Littlehampton Limited	Jersey
RI TSC Milton Keynes Limited	England and Wales
RI TSC Peterborough Limited	England and Wales
RI TSC Prestwich Limited	Jersey
RI TSC Yeadon Limited	Jersey
RI TSC Yeadon Propco Limited	Isle of Man
RI UK 1 Limited	Jersey
RI UK SA 1 Limited	Jersey
RI UK SA 2 Limited	Jersey
Saints MD Subsidiary, Inc.	Maryland
SDI (Aberdeen 2) Limited	England and Wales
SDI (Aintree) Limited	England and Wales
SDI (Glasgow Fort) Limited	England and Wales
SDI (Manchester Cheetham Hill) Limited	England and Wales
SDI (Preston) Limited	England and Wales
SDI (Southport) Limited	England and Wales
SDI (Thurrock) Limited	England and Wales
SDI (Wigan) Limited	England and Wales
SDI (Yeovil) Limited	England and Wales
Series B, LLC	Arizona
Series D, LLC	Arizona
Spirit AA Columbia Heights MN, LLC	Delaware
Spirit AA Duluth MN, LLC	Delaware
Spirit AA Holland MI, LLC	Delaware
Spirit AA Holland Township MI, LLC	Delaware
Spirit AA Zeeland MI, LLC	Delaware
Spirit AF Amarillo TX, LLC	Delaware
Spirit AH St. John MO, LLC	Delaware
Spirit AP Portfolio I, LLC	Delaware
Spirit AP Portfolio II, LLC	Delaware
Spirit AP Portfolio III, LLC	Delaware
Spirit AS Baton Rouge LA, LLC	Delaware
Spirit AS Macon GA, LLC	Delaware
Spirit AS Richland Hills TX, LLC	Delaware
Spirit AT 3205 Bassett CA, LP	Arizona
Spirit BB Evanston IL, LLC	Delaware
Spirit BB Las Cruces NM, LLC	Arizona

Entity	Jurisdiction of Organization
Spirit BB Wichita KS, LLC	Delaware
Spirit BD Rapid City SD, LLC	Delaware
Spirit BD Reading PA, LLC	Delaware
Spirit BJ Ft. Lauderdale FL, LLC	Delaware
Spirit BJ Haverhill MA, LLC	Delaware
Spirit BK SMF SPE, LLC	Delaware
Spirit CC Aurora CO, LLC	Delaware
Spirit CH Fredericksburg TX, LLC	Delaware
Spirit CH Paris TX, LP	Delaware
Spirit CH Tilton NH, LLC	Delaware
Spirit CK Portfolio I, LLC	Delaware
Spirit CK Portfolio II, LLC	Delaware
Spirit CK Portfolio III, LLC	Delaware
Spirit CK Portfolio IV, LLC	Delaware
Spirit CK Portfolio V, LLC	Delaware
Spirit CK Portfolio VI, LLC	Delaware
Spirit CK Portfolio VII, LLC	Delaware
Spirit CK Portfolio VIII, LLC	Delaware
Spirit CL St. Croix USVI, LLC	Delaware
Spirit CS Las Cruces NM, LLC	Delaware
Spirit CV Amarillo TX, LLC	Delaware
Spirit CV Clinton NY, LLC	New York
Spirit CV Columbia TN I, LLC	Delaware
Spirit CV Del City OK, LLC	Delaware
Spirit CV Fairview Township PA, LLC	Delaware
Spirit CV Florence SC, LLC	Delaware
Spirit CV Glenville Scotia NY, LLC	New York
Spirit CV Gulfport MS, LLC	Delaware
Spirit CV Hamilton OH, LLC	Delaware
Spirit CV Madison MS, LLC	Delaware
Spirit CV Maynard MA, LLC	Delaware
Spirit CV Mechanicville NY, LLC	Arizona
Spirit CV Myrtle Beach SC, LLC	Delaware
Spirit CV Okeechobee FL, LLC	Delaware
Spirit CV Onley VA, LLC	Delaware
Spirit CV Orlando FL, LLC	Delaware
Spirit CV Scioto Trail OH, LLC	Delaware
Spirit CV Waynesville NC, LLC	Delaware
Spirit DA Addison IL, LLC	Delaware
Spirit DG Ardmore TN, LLC	Delaware
Spirit EK Chattanooga TN, LLC	Delaware
Spirit EK Easton PA, LLC	Delaware
Spirit EK Mantua NJ, LLC	Delaware

Entity	Jurisdiction of Organization
Spirit EK Spartanburg (Main) SC, LLC	Delaware
Spirit EK Vineland NJ, LLC	Delaware
Spirit FC Portfolio I, LLC	Delaware
Spirit FE Baton Rouge LA, LLC	Delaware
Spirit FE Peoria IL, LLC	Delaware
Spirit FL Town Star 2014-2, LLC	Delaware
Spirit General OP Holdings, LLC	Delaware
Spirit GG St. Peters MO, LLC	Delaware
Spirit GO Peoria IL, LLC	Delaware
Spirit GP AT 3205 Bassett CA, LLC	Arizona
Spirit GP HD Colma CA, LLC	Arizona
Spirit GP TX, LLC	Delaware
Spirit HD Colma CA, LP	Arizona
Spirit HD Lakewood CO, LLC	Delaware
Spirit HH Mt. Juliet TN, LLC	Delaware
Spirit IM LNC Portfolio I, LLC	Delaware
Spirit IM TX, LLC	Delaware
Spirit JO SMF SPE, LLC	Delaware
Spirit KO Grand Forks ND, LLC	Delaware
Spirit KO Lake Zurich IL, LLC	Delaware
Spirit KO Olathe KS, LLC	Delaware
Spirit KO Tilton NH, LLC	Delaware
Spirit KO Wichita KS, LP	Delaware
Spirit LA Brooklyn Park MN, LLC	Delaware
Spirit LA Matteson IL, LLC	Delaware
Spirit LA West Chester OH, LLC	Delaware
Spirit Limited Holdings, LLC	Delaware
Spirit LO Chester NY, LLC	Delaware
Spirit LO Cincinnati OH, LLC	Delaware
Spirit LO Lubbock TX, LP	Delaware
Spirit LO Midland TX, LP	Delaware
Spirit LO Tilton NH, LLC	Delaware
Spirit LR Johnson City TN, LLC	Delaware
Spirit LZ Newington CT, LLC	Delaware
Spirit Master Funding IV, LLC	Delaware
Spirit Master Funding IX, LLC	Delaware
Spirit Master Funding V, LLC	Delaware
Spirit Master Funding VII, LLC	Delaware
Spirit Master Funding X, LLC	Delaware
Spirit MP-TS Midwest Portfolio, LLC	Delaware
Spirit MT Broadview IL, LLC	Delaware
Spirit MT Collierville TN, LLC	Delaware
Spirit MT Dallas TX, LLC	Delaware

Entity	Jurisdiction of Organization
Spirit MT Denver CO, LLC	Delaware
Spirit MT Douglasville GA, LLC	Delaware
Spirit MT Topeka KS, LLC	Delaware
Spirit MT Warwick RI, LLC	Delaware
Spirit Notes Partner, LLC	Delaware
Spirit NT Blaine MN, LLC	Delaware
Spirit OD Balcones Heights TX, LLC	Delaware
Spirit OD Benton AR, LLC	Delaware
Spirit OD Dayton OH, LLC	Delaware
Spirit OD Durham NC, LLC	Delaware
Spirit OD Enterprise AL, LLC	Delaware
Spirit OD Oxford MS, LLC	Delaware
Spirit RA Defiance OH, LLC	Delaware
Spirit RA Enterprise AL, LLC	Delaware
Spirit RA Fredericksburg VA, LLC	Delaware
Spirit RA Fremont OH, LLC	Delaware
Spirit RA Glassport PA, LLC	Delaware
Spirit RA Lansing MI, LLC	Delaware
Spirit RA Lima OH, LLC	Delaware
Spirit RA Plains PA, LLC	Delaware
Spirit RA Wauseon OH, LLC	Delaware
Spirit Realty, L.P.	Delaware
Spirit Realty AM Corporation	Delaware
Spirit SC Anderson SC, LLC	Delaware
Spirit SPE ALBTSN Portfolio 2013-6, LLC	Delaware
Spirit SPE DG Portfolio 2013-4, LLC	Delaware
Spirit SPE Gallina II, LLC	Delaware
Spirit SPE General Holdings, LLC	Delaware
Spirit SPE General Holdings II, LLC	Delaware
Spirit SPE HG 2015-1, LLC	Delaware
Spirit SPE IM Portfolio 2013-9, LLC	Delaware
Spirit SPE Loan Portfolio 2013-2, LLC	Delaware
Spirit SPE Loan Portfolio 2013-3, LLC	Delaware
Spirit SPE Manager, LLC	Delaware
Spirit SPE Portfolio 2005-3, LLC	Delaware
Spirit SPE Portfolio 2005-4, LP	Delaware
Spirit SPE Portfolio 2005-6, LLC	Delaware
Spirit SPE Portfolio 2007-3, LLC	Delaware
Spirit SPE Portfolio 2012-1, LLC	Delaware
Spirit SPE Portfolio 2012-2, LLC	Delaware
Spirit SPE Portfolio 2012-4, LLC	Delaware
Spirit SPE Portfolio CA C-Stores, LLC	Delaware
Spirit SPE SCOA 2013-8, LLC	Delaware

Entity	Jurisdiction of Organization
Spirit SPE US Amarillo 522, LP	Delaware
Spirit SPE US Amarillo 526, LP	Delaware
Spirit SPE US Amarillo 533, LP	Delaware
Spirit SPE US Childress, LP	Delaware
Spirit SPE US Levelland, LP	Delaware
Spirit SPE US Plainview, LLC	Delaware
Spirit SPE US Snyder, LP	Delaware
Spirit SPE US Wichita Falls, LP	Delaware
Spirit ST Clarksville IN, LLC	Delaware
Spirit ST Greenville SC, LLC	Delaware
Spirit ST Warsaw IN, LLC	Delaware
Spirit TJ Staunton VA, LLC	Arizona
Spirit TS Baldwinville NY, LLC	Delaware
Spirit TS Baytown TX, LLC	Delaware
Spirit TS Carroll OH, LLC	Delaware
Spirit TS Fairview TN, LLC	Delaware
Spirit TS Fredericksburg TX, LLC	Delaware
Spirit TS Greenfield MN, LLC	Delaware
Spirit TS Mt. Sterling KY, LLC	Delaware
Spirit TS Navasota TX, LLC	Delaware
Spirit TS Parkersburg WV, LLC	Delaware
Spirit TS Prior Lake MN, LLC	Delaware
Spirit TS Rome NY, LLC	Delaware
Spirit VC Victoria TX, LLC	Delaware
Spirit WA Eureka CA, LP	Delaware
Spirit WG Albany GA, LLC	Delaware
Spirit WG Canton IL, LLC	Delaware
Spirit WG Columbia MO, LLC	Delaware
Spirit WG Columbus MS, LLC	Delaware
Spirit WG Crossville TN, LLC	Delaware
Spirit WG Dallas TX, LLC	Delaware
Spirit WG Elmira NY, LLC	Delaware
Spirit WG Gainesville FL, LLC	Delaware
Spirit WG Harris County TX, LLC	Delaware
Spirit WG Jacksonville FL, LLC	Delaware
Spirit WG Kansas City (63rd St.) MO, LLC	Delaware
Spirit WG Kansas City (Independence) MO, LLC	Delaware
Spirit WG Kansas City (Linwood) MO, LLC	Delaware
Spirit WG Kansas City (Troost) MO, LLC	Delaware
Spirit WG Knoxville TN, LLC	Delaware
Spirit WG Madeira OH, LLC	Delaware
Spirit WG Memphis TN, LLC	Delaware
Spirit WG Olivette MO, LLC	Delaware

Entity	Jurisdiction of Organization
Spirit WG Parkville MO, LLC	Delaware
Spirit WG Picayune MS, LLC	Delaware
Spirit WG Rome NY, LLC	Delaware
Spirit WG San Antonio TX, LLC	Delaware
Spirit WG Seattle WA, LLC	Delaware
Spirit WG Shreveport LA, LLC	Delaware
Spirit WM New London WI, LLC	Delaware
Spirit WM Spencer IN, LLC	Delaware
Spirit WW II, LLC	Arizona
SWA Remainder II, LLC	Delaware
SWA Remeq II, LLC	Delaware
Tau Acquisition LLC	Delaware
Tau Atlantic, LLC	Delaware
Tau Central, LLC	Delaware
TAU CVJKVFL, LLC	Delaware
TAU FESSPA, LLC	Delaware
Tau Midwest, LLC	Delaware
Tau NC1, LP	Delaware
Tau NC Holding GP, LLC	Delaware
Tau Northeast, LLC	Delaware
Tau NY-NJ, LLC	Delaware
Tau Operating Partnership, L.P.	Delaware
Tau Pennsylvania, L.P.	Delaware
Tau Pennsylvania General Partner, LLC	Delaware
Tau South, LLC	Delaware
Tau West, LLC	Delaware
T Avonmouth JPUT	Jersey
Terraza 1, LLC	Delaware
Terraza 10, LLC	Delaware
Terraza 11, LLC	Delaware
Terraza 12, LLC	Delaware
Terraza 12 Holding LLC	Delaware
Terraza 13, LLC	Delaware
Terraza 14, LLC	Delaware
Terraza 17, LLC	Delaware
Terraza 2, LLC	Delaware
Terraza 3, LLC	Delaware
Terraza 4, LLC	Delaware
Terraza 5, LLC	Delaware
Terraza 6, LLC	Delaware
Terraza 7, LLC	Delaware
Terraza 8, LLC	Delaware
Titan Ashbourne POS Limited	England and Wales

Entity	Jurisdiction of Organization
Titan Canvey Island POS Limited	England and Wales
Titan Newton Abbot POS Limited	England and Wales
Titan Ormskirk POS LTD	England and Wales
Titan Trio IC Limited	England and Wales
Titan Trio MC Limited	England and Wales
USRP Funding 2001-A, L.P.	Delaware
Vereit Acquisitions, LLC	Delaware
Vereit BE Portfolio, LLC	Delaware
Vereit Bts Acquisitions, LLC	Delaware
VEREIT CNL Funding 2000-A GP, LLC	Delaware
VEREIT CNL Net Lease Funding 2001 GP, LLC	Delaware
Vereit Gsa Services, LLC	Delaware
Vereit Id Mesa Portfolio (Carriage Point Drive), LLC	Delaware
Vereit Id Monroe La, LLC	Delaware
Vereit Income Properties, LLC	Delaware
Vereit Ld Fort Wayne In, LLC	Delaware
Vereit MT Oak Creek WI, LLC	Delaware
Vereit Mt Tucson (Houghton) Az, LLC	Delaware
Vereit Net Lease Funding 2005 GP, LLC	Delaware
VEREIT Operating Partnership, L.P.	Delaware
VEREIT Real Estate, L.P.	Delaware
Vereit Real Estate GP, LLC	Delaware
Vereit Realty Advisors, LLC	Delaware
Vereit Services, LLC	Delaware
Vereit Springing Member, LLC	Delaware
Vereit TRS Corp.	Delaware
Vereit USRP Funding 2001-A GP, LLC	Delaware
Vernon Hills Furniture Store, LLC	Delaware



**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statement No. 333-277150 on Form S-3 and registration statement Nos. 333-181227, 333-256254, 333-260648, and 333-266985 on Form S-8 of our reports dated February 21, 2024, with respect to the consolidated financial statements of Realty Income Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Diego, California  
February 21, 2024

**Certification of Chief Executive Officer**

I, Sumit Roy, certify that:

1. I have reviewed this annual report on Form 10-K of Realty Income Corporation for the year ended December 31, 2023;
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.

Date: February 21, 2024

/s/ SUMIT ROY

Sumit Roy

President, Chief Executive Officer

**Certification of Chief Financial Officer**

I, Jonathan Pong, certify that:

1. I have reviewed this annual report on Form 10-K of Realty Income Corporation for the year ended December 31, 2023;
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.

Date: February 21, 2024

/s/ JONATHAN PONG

Jonathan Pong

Executive Vice President, Chief Financial Officer and Treasurer

**Certification of Chief Executive Officer and Chief Financial Officer  
Pursuant to 18 U.S.C. SECTION 1350**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Realty Income Corporation, a Maryland corporation (the "Company"), hereby certify, to his best knowledge, that:

- (i) the accompanying annual report on Form 10-K of the Company for the year ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Act"); and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SUMIT ROY

\_\_\_\_\_  
Sumit Roy  
President, Chief Executive Officer

/s/ JONATHAN PONG

\_\_\_\_\_  
Jonathan Pong  
Executive Vice President, Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Act, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

## REALTY INCOME CORPORATION

## POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The Board of Directors (the “**Board**”) of Realty Income Corporation (the “**Company**”) has adopted this Policy for Recovery of Erroneously Awarded Compensation (the “**Policy**”), effective as of October 2, 2023 (the “**Effective Date**”), which supersedes and replaces in its entirety the Company’s prior Incentive Compensation Recoupment Policy adopted as of March 11, 2014 (the “**Prior Clawback Policy**”). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. **Persons Subject to Policy**

This Policy shall apply to current and former Officers.

2. **Compensation Subject to Mandatory Recovery under Policy**

Section 3(a) of this Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. **Recovery of Compensation**

(a) In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable current or former Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery, or attempted recovery, of Erroneously Awarded Compensation under this Policy will not give rise to any person’s right to voluntarily terminate employment for “good reason,” or due to a “constructive termination” (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

(b) In addition to (and without limiting) the provisions of Section 3(a) above, in the event of a decision by the Committee that one or more performance metrics used for determining any previously paid cash incentive compensation or equity-based incentive compensation, including but not limited to, Incentive-Based Compensation was incorrectly calculated and, if calculated correctly, would have resulted in a lower payment to one or more current or former Officers, the Committee shall have the discretion to recover (to the extent permitted by applicable law) from any current and former Officers any such incentive compensation that was paid or granted to such Officers, during the three fiscal-year period immediately preceding such

determination, that was in excess of what would have been paid or granted to such Officer after giving effect to what would have been the correct calculation of the performance metric(s) and such recovery may extend beyond incentive compensation that was paid or granted to such Officer during such three fiscal-year period in the event fraud or intentional misconduct of such Officer. In addition, in the event that the Company is required to prepare a Restatement due to the fraud or intentional misconduct of any current or former Officer, the Committee shall have the discretion to recover (to the extent permitted by applicable law) from any such Officer that engaged in fraud or intentional misconduct any cash incentive compensation or equity-based incentive compensation, including but not limited to, Incentive-Based Compensation, that was paid or granted to such Officer regardless of whether such incentive compensation was paid or granted during such three fiscal-year period.

#### **4. Manner of Recovery; Limitation on Duplicative Recovery**

The Committee shall, in its sole discretion, determine the manner of recovery of any cash incentive compensation or equity-based incentive compensation, including the Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of cash incentive compensation or equity-based incentive compensation, including Incentive-Based Compensation and Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the cash incentive compensation or equity-based incentive compensation, including Incentive-Based Compensation and Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the cash incentive compensation or equity-based incentive compensation, including Incentive-Based Compensation and Erroneously Awarded Compensation, against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of cash incentive compensation or equity-based incentive compensation, including Incentive-Based Compensation and Erroneously Awarded Compensation, already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of cash incentive compensation or equity-based incentive compensation, including Incentive-Based Compensation and Erroneously Awarded Compensation, already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

#### **5. Administration**

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the “**Board**”) may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the “Committee” shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, shareholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

**6. Interpretation**

Section 3(a) and the related applicable sections of this Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent they are inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

**7. No Indemnification; No Liability**

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to Section 3(a) of this Policy or other amount the Committee determines to recover under Section 3(b), nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under Section 3(a) of this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

**8. Application; Enforceability**

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "*Other Recovery Arrangements*"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company. This Policy shall be binding and enforceable against all current and former Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

**9. Entire Agreement; Severability**

Effective as of the Effective Date, this Policy supersedes and replaces the Prior Clawback Policy and any other clawback policies of the Company. The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

**10. Amendment and Termination**

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

## 11. Definitions

**“Applicable Rules”** means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company’s securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company’s securities are listed.

**“Committee”** means the either the Compensation and Talent Committee of the Board or such other committee of the Board that has responsibility for executive compensation decisions and which is comprised solely of independent directors (as determined under the Applicable Rules); provided, however, in the absence of such a committee, a majority of the independent directors serving on the Board may serve as the “Committee” under this Policy.

**“Erroneously Awarded Compensation”** means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules. For Incentive-Based Compensation based on total stockholder return or stock price, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, Erroneously Awarded Compensation is the Committee’s reasonable estimate of the effect of the Restatement on the total stockholder return or stock price upon which the Incentive-Based Compensation was received, with documentation of the determination of such reasonable estimate provided by the Company to the applicable listing exchange or association.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Financial Reporting Measure”** means any measure determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total shareholder return.

**“GAAP”** means United States generally accepted accounting principles.

**“IFRS”** means international financial reporting standards as adopted by the International Accounting Standards Board.

**“Impracticable”** means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company’s home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.



***“Incentive-Based Compensation”*** means, with respect to a Restatement or other recoverable event, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

***“Officer”*** means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

***“Restatement”*** means an accounting restatement to correct the Company’s material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

***“Three-Year Period”*** means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or, if Board action is not required, the officer or officers of the Company authorized to take such action, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The “Three-Year Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.