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DELTA REPORT

10-Q

O PR - REALTY INCOME CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2545
CHANGES	389
DELETIONS	1287
ADDITIONS	869

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

- ☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **September 30, 2023** **March 31, 2024**, or
☐ Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
Commission File Number 1-13374

 Image2.jpg

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

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There As of May 3, 2024, there were 723,923,644 870,774,436 shares of common stock outstanding as of November 3, 2023.outstanding.

REALTY INCOME CORPORATION
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September 30, 2023 March 31, 2024

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PART 1. FINANCIAL INFORMATION

Item 1: Financial Statements

REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts) (unaudited)

	September 30, 2023	December 31, 2022
March 31, 2024	March 31, 2024	December 31, 2023

ASSETS	ASSETS		
Real estate held for investment, at cost:	Real estate held for investment, at cost:		
Real estate held for investment, at cost:	Real estate held for investment, at cost:		
Land	Land		
Land	Land		
Land	Land	\$14,408,324	\$12,948,835
Buildings and improvements	Buildings and improvements	33,606,951	29,707,751
Total real estate held for investment, at cost	Total real estate held for investment, at cost	48,015,275	42,656,586
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	(5,781,056)	(4,904,165)
Real estate held for investment, net	Real estate held for investment, net	42,234,219	37,752,421
Real estate and lease intangibles held for sale, net	Real estate and lease intangibles held for sale, net	19,927	29,535
Cash and cash equivalents	Cash and cash equivalents	344,129	171,102
Accounts receivable, net	Accounts receivable, net	678,441	543,237
Lease intangible assets, net	Lease intangible assets, net	5,089,293	5,168,366
Goodwill	Goodwill	3,731,478	3,731,478
Investment in unconsolidated entities	Investment in unconsolidated entities		
Other assets, net	Other assets, net	3,239,433	2,276,953
Total assets	Total assets	\$55,336,920	\$49,673,092
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY		
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY		
Distributions payable	Distributions payable		
Distributions payable	Distributions payable		
Distributions payable	Distributions payable	\$ 187,288	\$ 165,710

Accounts payable and accrued expenses	Accounts payable and accrued expenses	660,366	399,137
Lease intangible liabilities, net	Lease intangible liabilities, net	1,426,264	1,379,436
Other liabilities	Other liabilities	786,437	774,787
Line of credit payable and commercial paper	Line of credit payable and commercial paper	858,260	2,729,040
Term loan, net	Term loan, net	1,287,995	249,755
Mortgages payable, net	Mortgages payable, net	824,240	853,925
Notes payable, net	Notes payable, net	17,482,652	14,278,013
Total liabilities	Total liabilities	23,513,502	20,829,803
Commitments and contingencies (Note 17)			
Commitments and contingencies (Note 20)			
Commitments and contingencies (Note 20)			
Commitments and contingencies (Note 20)			
6.000% Series A cumulative redeemable preferred stock and paid in capital, par value \$0.01 per share, 69,900 shares authorized, 6,900 shares and no shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively, liquidation preference \$25.00 per share			
Stockholders' equity:	Stockholders' equity:		
Common stock and paid in capital, par value \$0.01 per share, 1,300,000 shares authorized, 723,894 and 660,300 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively			
		38,031,829	34,159,509
Stockholders' equity:			
Stockholders' equity:			

Common stock and paid in capital, par value \$0.01 per share, 1,300,000 shares authorized, 870,756 and 752,460 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Common stock and paid in capital, par value \$0.01 per share, 1,300,000 shares authorized, 870,756 and 752,460 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Common stock and paid in capital, par value \$0.01 per share, 1,300,000 shares authorized, 870,756 and 752,460 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Distributions in excess of net income	Distributions in excess of net income	(6,416,534)	(5,493,193)
Accumulated other comprehensive income	Accumulated other comprehensive income	41,849	46,833
Total stockholders' equity	Total stockholders' equity	31,657,144	28,713,149
Noncontrolling interests	Noncontrolling interests	166,274	130,140
Total equity	Total equity	31,823,418	28,843,289
Total liabilities and equity	Total liabilities and equity	\$55,336,920	\$49,673,092

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

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

		Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
		Three months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022	2023	2022
REVENUE	REVENUE						
REVENUE							
REVENUE							
	Rental (including reimbursable)						
	Rental (including reimbursable)						

Rental (including reimbursable)	Rental (including reimbursable)	\$	1,008,862	\$	825,946	\$	2,929,440	\$	2,426,311
Other	Other		30,242		11,323		73,268		28,720
Other									
Other									
Total revenue									
Total revenue									
Total revenue	Total revenue		1,039,104		837,269		3,002,708		2,455,031
EXPENSES	EXPENSES								
EXPENSES									
EXPENSES									
Depreciation and amortization									
Depreciation and amortization									
Depreciation and amortization	Depreciation and amortization		495,566		419,016		1,419,321		1,232,215
Interest	Interest		184,121		117,409		522,110		333,933
Interest									
Interest									
Property (including reimbursable)									
Property (including reimbursable)									
Property (including reimbursable)	Property (including reimbursable)		70,981		52,719		235,081		157,241
General and administrative	General and administrative		35,525		34,096		106,521		100,934
General and administrative									
General and administrative									
Provisions for impairment									
Provisions for impairment									
Provisions for impairment	Provisions for impairment		16,808		1,650		59,801		16,379
Merger and integration-related costs	Merger and integration-related costs		2,884		3,746		4,532		12,994
Merger and integration-related costs									
Merger and integration-related costs									
Total expenses									
Total expenses									
Total expenses	Total expenses		805,885		628,636		2,347,366		1,853,696
Gain on sales of real estate	Gain on sales of real estate		7,572		42,883		19,675		93,611
Foreign currency and derivative (loss) gain, net			(2,813)		(22,893)		4,957		(16,003)
Gain on extinguishment of debt			—		240		—		367
Equity in income and impairment of investment in unconsolidated entities			—		(662)		411		(6,335)
Gain on sales of real estate									
Gain on sales of real estate									
Foreign currency and derivative gain, net									
Foreign currency and derivative gain, net									
Foreign currency and derivative gain, net									
Equity in (losses) earnings of unconsolidated entities									
Equity in (losses) earnings of unconsolidated entities									

Equity in (losses) earnings of unconsolidated entities					
Other income, net					
Other income, net					
Other income, net	Other income, net	7,235	2,249	12,985	6,907
Income before income taxes	Income before income taxes	245,213	230,450	693,370	679,882
Income before income taxes					
Income before income taxes					
Income taxes					
Income taxes					
Income taxes	Income taxes	(11,336)	(10,163)	(36,218)	(35,802)
Net income	Net income	233,877	220,287	657,152	644,080
Net income					
Net income					
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(404)	(720)	(3,248)	(1,937)
Net income attributable to noncontrolling interests					
Net income attributable to noncontrolling interests					
Net income attributable to the Company					
Net income attributable to the Company					
Net income attributable to the Company					
Preferred stock dividends					
Preferred stock dividends					
Preferred stock dividends					
Net income available to common stockholders					
Net income available to common stockholders					
Net income available to common stockholders	Net income available to common stockholders	\$ 233,473	\$ 219,567	\$ 653,904	\$ 642,143
Amounts available to common stockholders per common share:	Amounts available to common stockholders per common share:				
Amounts available to common stockholders per common share:					
Amounts available to common stockholders per common share:					
Net income, basic and diluted					
Net income, basic and diluted					
Net income, basic and diluted	Net income, basic and diluted	\$ 0.33	\$ 0.36	\$ 0.96	\$ 1.06
Weighted average common shares outstanding:	Weighted average common shares outstanding:				
Weighted average common shares outstanding:					
Weighted average common shares outstanding:					
Basic	Basic	709,165	617,512	681,419	604,464
Basic					
Basic					
Diluted					
Diluted					
Diluted	Diluted	709,543	617,957	682,129	604,836
Net income available to common stockholders	Net income available to common stockholders	\$ 233,473	\$ 219,567	\$ 653,904	\$ 642,143

Total other comprehensive loss					
Net income available to common stockholders					
Net income available to common stockholders					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Foreign currency translation adjustment					
Foreign currency translation adjustment					
Foreign currency translation adjustment	Foreign currency translation adjustment	(61,401)	(89,231)	(3,605)	(148,929)
Unrealized gain (loss) on derivatives, net	Unrealized gain (loss) on derivatives, net	7,193	41,914	(1,379)	119,058
Total other comprehensive loss		\$ (54,208)	\$ (47,317)	\$ (4,984)	\$ (29,871)
Unrealized gain (loss) on derivatives, net					
Unrealized gain (loss) on derivatives, net					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Comprehensive income available to common stockholders	Comprehensive income available to common stockholders	\$ 179,265	\$ 172,250	\$ 648,920	\$ 612,272
Comprehensive income available to common stockholders					
Comprehensive income available to common stockholders					

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(in thousands) (unaudited)

Three months ended **September 30, 2023** **March 31, 2024**, and **2022** **2023**

	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, June 30, 2023	708,773	\$37,149,380	\$(6,102,226)	\$ 96,057	\$31,143,211	\$ 167,932	\$31,311,143
Shares of preferred stock							
Shares of preferred stock							

Shares of preferred stock									Preferred stock and paid in capital	Shares of common stock	Common stock and paid in capital	Distributions in excess of net income	Accumulated other comprehensive income	Total stockholders' equity	Non-controlling interests	Total equity
Balance, December 31, 2023																
Net income	Net income	—	—	233,473	—	233,473	404	233,877								
Other comprehensive loss																
Other comprehensive loss																
Other comprehensive loss	Other comprehensive loss	—	—	—	(54,208)	(54,208)	—	(54,208)								
Distributions paid and payable	Distributions paid and payable	—	—	(547,781)	—	(547,781)	(2,497)	(550,278)								
Share issuances, net of costs	Share issuances, net of costs	15,122	876,253	—	—	876,253	—	876,253								
Shares issued with merger																
Contributions by noncontrolling interests	Contributions by noncontrolling interests	—	—	—	—	—	435	435								
Share-based compensation, net	Share-based compensation, net	(1)	6,196	—	—	6,196	—	6,196								
Balance, September 30, 2023		723,894	\$38,031,829	\$(6,416,534)	\$	41,849	\$31,657,144	\$	166,274	\$31,823,418						
Balance, June 30, 2022		617,564	\$31,303,383	\$(4,999,150)	\$	22,379	\$26,326,612	\$	76,267	\$26,402,879						
Net income		—	—	219,567	—	219,567	720	220,287								
Other comprehensive loss		—	—	—	(47,317)	(47,317)	—	(47,317)								
Distributions paid and payable		—	—	(461,429)	—	(461,429)	(1,070)	(462,499)								
Issuance of common partnership units		—	—	—	—	—	51,221	51,221								
Share issuances, net of costs		9,582	694,708	—	—	694,708	—	694,708								
Share-based compensation, net	Share-based compensation, net	—	4,978	—	—	4,978	—	4,978								
Balance, September 30, 2022		627,146	\$32,003,069	\$(5,241,012)	\$	(24,938)	\$26,737,119	\$	127,138	\$26,864,257						

Nine months ended September 30, 2023 and 2022

Share-based compensation, net								
Balance, March 31, 2024								
		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, 2022	Balance, December 31, 2022	660,300	\$34,159,509	\$(5,493,193)	\$ 46,833	\$28,713,149	\$ 130,140	\$28,843,289
Balance, December 31, 2022								
Balance, December 31, 2022								
Net income	Net income	—	—	653,904	—	653,904	3,248	657,152
Other comprehensive loss		—	—	—	(4,984)	(4,984)	—	(4,984)
Other comprehensive income								
Distributions paid and payable	Distributions paid and payable	—	—	(1,577,245)	—	(1,577,245)	(7,108)	(1,584,353)

Share	Share								
issuances, net of costs	issuances, net of costs	63,348	3,858,347	—	—	3,858,347		3,858,347	
Contributions by noncontrolling interests		—	—	—	—	—	39,994	39,994	
Share-based compensation, net	Share-based compensation, net	246	13,973	—	—	13,973	—	13,973	
Balance, September 30, 2023		723,894	\$38,031,829	\$(6,416,534)	\$ 41,849	\$31,657,144	\$ 166,274	\$31,823,418	
Share-based compensation, net									
Share-based compensation, net									
Balance, March 31, 2023									
Balance December 31, 2021		591,262	\$29,578,212	\$(4,530,571)	\$ 4,933	\$25,052,574	\$ 76,826	\$25,129,400	
Net income		—	—	642,143	—	642,143	1,937	644,080	
Other comprehensive loss		—	—	—	(29,871)	(29,871)	—	(29,871)	
Distributions paid and payable		—	—	(1,352,584)	—	(1,352,584)	(2,846)	(1,355,430)	
Issuance of common partnership units		—	—	—	—	—	51,221	51,221	
Share issuances, net of costs		35,715	2,415,281	—	—	2,415,281	—	2,415,281	
Share-based compensation, net		169	9,576	—	—	9,576	—	9,576	
Balance, September 30, 2022		627,146	\$32,003,069	\$(5,241,012)	\$ (24,938)	\$26,737,119	\$ 127,138	\$26,864,257	

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands) (unaudited)

	Three months ended March 31,	Three months ended March 31,	Three months ended March 31,
	2024	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income			
Net income			
Net income			
Adjustments to net income:			
Adjustments to net income:			
Adjustments to net income:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Amortization of share-based compensation			
Amortization of share-based compensation			
Amortization of share-based compensation			

Non-cash revenue adjustments

Non-cash revenue adjustments

Non-cash revenue adjustments

Amortization of net premiums on mortgages payable

Amortization of net premiums on mortgages payable

Amortization of net premiums on mortgages payable

Amortization of net premiums on notes payable

Amortization of net premiums on notes payable

Amortization of net premiums on notes payable

Amortization of deferred financing costs

Amortization of deferred financing costs

Amortization of deferred financing costs

Gain on interest rate swaps

Gain on interest rate swaps

Gain on interest rate swaps

Foreign currency and unrealized derivative gain, net

Foreign currency and unrealized derivative gain, net

Foreign currency and unrealized derivative gain, net

Gain on sales of real estate

Gain on sales of real estate

Gain on sales of real estate

Equity in losses of unconsolidated entities

Equity in losses of unconsolidated entities

Equity in losses of unconsolidated entities

Distributions on common equity from unconsolidated entities

Distributions on common equity from unconsolidated entities

Distributions on common equity from unconsolidated entities

Provisions for impairment

Provisions for impairment

Provisions for impairment

Change in assets and liabilities

Change in assets and liabilities

Change in assets and liabilities

Accounts receivable and other assets

Accounts receivable and other assets

Accounts receivable and other assets

Accounts payable, accrued expenses and other liabilities

Accounts payable, accrued expenses and other liabilities

Accounts payable, accrued expenses and other liabilities

Net cash provided by operating activities

Net cash provided by operating activities

Net cash provided by operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

Investment in real estate

Investment in real estate

Investment in real estate

Improvements to real estate, including leasing costs

Improvements to real estate, including leasing costs

Improvements to real estate, including leasing costs

Investment in unconsolidated entities			
Investment in unconsolidated entities			
Investment in unconsolidated entities			
Proceeds from sales of real estate			
Proceeds from sales of real estate			
Proceeds from sales of real estate			
	Nine months ended September 30,		
Proceeds from note receivable			
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$	657,152	\$ 644,080
Adjustments to net income:			
Depreciation and amortization		1,419,321	1,232,215
Amortization of share-based compensation		20,154	16,742
Non-cash revenue adjustments		(51,272)	(37,538)
Gain on extinguishment of debt		—	(367)
Amortization of net premiums on mortgages payable		(9,597)	(10,418)
Amortization of net premiums on notes payable		(45,647)	(47,185)
Amortization of deferred financing costs		19,498	11,116
(Loss) gain on interest rate swaps		(5,390)	2,181
Foreign currency and unrealized derivative gain, net		10,188	16,003
Gain on sales of real estate		(19,675)	(93,611)
Equity in income and impairment of investment in unconsolidated entities		(411)	6,335
Distributions from unconsolidated entities		—	1,605
Provisions for impairment on real estate		59,801	16,379
Change in assets and liabilities			
Accounts receivable and other assets		(17,538)	207,838
Accounts payable, accrued expenses and other liabilities		161,527	(32,009)
Net cash provided by operating activities		2,198,111	1,933,366
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in real estate		(6,702,140)	(4,980,159)
Improvements to real estate, including leasing costs		(47,107)	(66,047)
Proceeds from sales of real estate		92,772	414,688
Return of investment from unconsolidated entities		3,927	1,401
Net proceeds from sale of unconsolidated entities		—	107,621
Proceeds from note receivable			
Proceeds from note receivable	Proceeds from note receivable	—	5,867
Insurance proceeds received	Insurance proceeds received	15,177	16,046
Insurance proceeds received			
Insurance proceeds received			
Non-refundable escrow deposits	Non-refundable escrow deposits	(1,188)	(28,556)
Non-refundable escrow deposits			
Non-refundable escrow deposits			
Net cash acquired in merger			
Net cash acquired in merger			
Net cash acquired in merger			
Net cash used in investing activities			
Net cash used in investing activities			

Net cash used in investing activities	Net cash used in investing activities	(6,638,559)	(4,529,139)
CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM FINANCING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM FINANCING ACTIVITIES		
Cash distributions to common stockholders	Cash distributions to common stockholders	(1,555,679)	(1,342,695)
Cash distributions to common stockholders	Cash distributions to common stockholders		
Cash distributions to common stockholders	Cash distributions to common stockholders		
Cash distributions to preferred stockholders	Cash distributions to preferred stockholders		
Cash distributions to preferred stockholders	Cash distributions to preferred stockholders		
Cash distributions to preferred stockholders	Cash distributions to preferred stockholders		
Borrowings on line of credit and commercial paper programs	Borrowings on line of credit and commercial paper programs		
Borrowings on line of credit and commercial paper programs	Borrowings on line of credit and commercial paper programs		
Borrowings on line of credit and commercial paper programs	Borrowings on line of credit and commercial paper programs	33,021,401	19,644,724
Payments on line of credit and commercial paper programs	Payments on line of credit and commercial paper programs	(34,909,165)	(19,147,386)
Payments on line of credit and commercial paper programs	Payments on line of credit and commercial paper programs		
Payments on line of credit and commercial paper programs	Payments on line of credit and commercial paper programs		
Proceeds from term loan	Proceeds from term loan	1,029,383	—
Proceeds from term loan	Proceeds from term loan		
Proceeds from term loan	Proceeds from term loan		
Principal payment on term loan	Principal payment on term loan		
Principal payment on term loan	Principal payment on term loan		
Principal payment on term loan	Principal payment on term loan		
Proceeds from notes payable issued	Proceeds from notes payable issued	3,263,294	1,405,570
Proceeds from notes payable issued	Proceeds from notes payable issued		
Proceeds from notes payable issued	Proceeds from notes payable issued		
Principal payment on notes payable	Principal payment on notes payable		
Principal payment on notes payable	Principal payment on notes payable		
Principal payment on notes payable	Principal payment on notes payable		
Principal payments on mortgages payable	Principal payments on mortgages payable		
Principal payments on mortgages payable	Principal payments on mortgages payable		
Principal payments on mortgages payable	Principal payments on mortgages payable	(20,842)	(311,083)
Proceeds from common stock offerings, net	Proceeds from common stock offerings, net	3,849,963	2,404,092
Proceeds from common stock offerings, net	Proceeds from common stock offerings, net		
Proceeds from common stock offerings, net	Proceeds from common stock offerings, net		
Proceeds from dividend reinvestment and stock purchase plan	Proceeds from dividend reinvestment and stock purchase plan		
Proceeds from dividend reinvestment and stock purchase plan	Proceeds from dividend reinvestment and stock purchase plan		
Proceeds from dividend reinvestment and stock purchase plan	Proceeds from dividend reinvestment and stock purchase plan	8,382	8,708
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(5,585)	(2,658)
Net receipts on derivative settlements	Net receipts on derivative settlements	2,191	7,474
Distributions to noncontrolling interests	Distributions to noncontrolling interests		
Distributions to noncontrolling interests	Distributions to noncontrolling interests		

Net payments on derivative settlements			
Net payments on derivative settlements			
Net payments on derivative settlements			
Debt issuance costs	Debt issuance costs	(35,014)	(27,732)
Debt issuance costs			
Debt issuance costs			
Other items, including shares withheld upon vesting			
Other items, including shares withheld upon vesting			
Other items, including shares withheld upon vesting	Other items, including shares withheld upon vesting	(6,181)	(4,685)
Net cash provided by financing activities	Net cash provided by financing activities	4,642,148	2,634,329
Net cash provided by financing activities			
Net cash provided by financing activities			
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	2,083	(82,012)
Net increase (decrease) in cash, cash equivalents and restricted cash		203,783	(43,456)
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents			
Net increase in cash, cash equivalents and restricted cash			
Net increase in cash, cash equivalents and restricted cash			
Net increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash, beginning of period			
Cash, cash equivalents and restricted cash, beginning of period			
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	226,881	332,369
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	\$ 430,664	\$ 288,913
Cash, cash equivalents and restricted cash, end of period			
Cash, cash equivalents and restricted cash, end of period			

For supplemental disclosures, see note 15.19, Supplemental Disclosures of Cash Flow Information.

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023 March 31, 2024
(unaudited)

1. Basis Summary of Presentation Significant Accounting Policies

Realty Income Corporation ("Realty Income," the "Company," "we," "our" or "us"), a Maryland corporation, is an S&P 500 company and real estate partner to the world's leading companies. The Company 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 our shares of common stock trade on the New York Stock Exchange ("NYSE") under the symbol "O".

As of September 30, 2023 March 31, 2024, we owned or held interests in a diversified portfolio of 13,282 15,485 properties located in all 50 states of the United States ("U.S."), Puerto Rico, the United Kingdom ("U.K."), Spain, Italy, and Ireland, six other countries in Europe, with approximately 262.6 million 334.2 million square feet of leasable space.

In January 2024, we completed our merger with Spirit Realty Capital, Inc. ("Spirit"). For more details, please see note 2, Merger with Spirit Realty Capital, Inc.

Our accompanying unaudited Basis of Presentation. These consolidated financial statements were have been prepared from our books and records in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary to present a fair statement of results for the interim periods presented have been included. Operating results for the three Intercompany accounts and nine months ended September 30, 2023 transactions are not necessarily an indication of the results that may be expected for the entire year. Readers of this quarterly report should refer to our audited consolidated financial statements for the year ended December 31, 2022, which are included eliminated in our 2022 Annual Report on Form 10-K, as certain disclosures that would substantially duplicate those contained in the audited financial statements have not been included in this report. consolidation. The U.S. dollar ("USD" 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") in the , 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 Foreign currency and derivative (loss) gain, net net' in the our consolidated statements of income and comprehensive income. Intercompany accounts and transactions In the statement of cash flows, cash flows denominated in foreign currencies are eliminated translated using the exchange rates in consolidation. 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.

In the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary to present a fair statement of results for the interim periods presented have been included. Operating results for the three months ended March 31, 2024 are not necessarily an indication of the results that may be expected for the entire year. Readers of this quarterly report should refer to our audited consolidated financial statements for the year ended December 31, 2023, which are included in our 2023 Annual Report on Form 10-K, as certain disclosures that would substantially duplicate those contained in the audited financial statements have not been included in this report.

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

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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 September 30, 2023 March 31, 2024, we are considered the primary beneficiary of Realty Income, L.P. and certain investments, including investments in joint ventures, are considered VIEs in which we were deemed the primary beneficiary based on our controlling financial interests.

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ventures. Below is a summary of selected financial data of such consolidated VIEs, included in the on our consolidated balance sheets at September 30, 2023, March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

		September 30, 2023	December 31, 2022		
March 31, 2024				March 31, 2024	December 31, 2023
Net real estate	Net real estate	\$2,494,915	\$ 920,032		
Total assets	Total assets	\$3,161,113	\$1,082,346		

Total liabilities	Total liabilities	\$ 119,552	\$ 60,127
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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 9, 11, 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', in the consolidated balance sheets. Previously, this was categorized as 'Accounts receivable, net' in the consolidated balance sheets.

Use of Estimates [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.

Segment Reporting. We report our results in a single reportable segment, which reflects how our chief operating decision maker allocates resources and assesses our performance.

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 U.K.](#) 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 determinable](#) rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon [our a](#) client's sales, or percentage rent, is recognized only after [our such](#) client exceeds [their its](#) sales breakpoint. Rental increases based upon changes in the consumer price [indexes 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

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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.

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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 [Topic 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 the](#) 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.

Concentration of Credit Risk. Recent Accounting Standards Not Yet Adopted. There were no clients who accounted for more than more than 10% of our total revenue for each of the nine months ended September 30, 2023, and 2022.

Recent In December 2023, the Financial Accounting Pronouncements 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 Company reviewed all recently issued accounting pronouncements and concluded that they were either not applicable or not expected guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis, with the option to have a significant apply the standard retrospectively. Early adoption is permitted. We are currently evaluating the impact on our consolidated 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 is 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 Spirit Realty Capital, Inc.

On October 29, 2023, we entered into an Agreement and Plan of Merger (as amended, or the "Merger Agreement") with Saints MD Subsidiary, Inc., ("Merger Sub") a Maryland corporation and direct wholly owned subsidiary of Realty Income and Spirit, a Maryland corporation.

2. On January 23, 2024, we completed our merger with Spirit. Pursuant to the terms and subject to the conditions of the Merger Agreement, Spirit merged with and into Merger Sub, with Merger Sub continuing as the surviving corporation (the "Merger"). At the effective time of the Merger (the "Effective Time"), (i) each outstanding share of Spirit common stock, par value \$0.05 per share, automatically converted into 0.762 (the "Exchange Ratio") of a newly issued share of our common stock, subject to adjustments 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. Immediately prior to the Effective Time, each award of outstanding restricted Spirit common stock and Spirit performance share award was cancelled and converted into Realty Income common stock, using the Exchange Ratio. For more details, see note 16, *Redeemable Preferred Stock*.

The primary reason for the merger was to expand our size, scale and diversification, in order to further position us as the real estate partner of choice for large net lease transactions.

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Our merger with Spirit has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with Realty Income as the accounting acquirer, which requires, among other things, that the assets acquired, and liabilities assumed be recognized at their acquisition date fair value. The fair value of the consideration transferred on the date of the acquisition is as follows (in thousands, except share and per share data):

Shares of Spirit common stock exchanged ⁽¹⁾	142,136,567
Exchange Ratio	0.762
Shares of Realty Income common stock issued	108,308,064
Opening price of Realty Income common stock on January 23, 2024	\$ 55.80
Fair value of Realty Income common stock issued to the former holders of Spirit common stock	\$ 6,043,590
Shares of Realty Income Series A preferred stock issued in exchange for Spirit Series A preferred stock	6,900,000
Opening price of Realty Income Series A preferred stock on January 23, 2024	\$ 24.26
Fair value of Realty Income Series A preferred stock issued to the former holders of Spirit Series A preferred stock	\$ 167,394
Cash paid for fractional shares	\$ 51
Less: Fair value of Spirit restricted stock and performance awards attributable to post-combination costs ⁽²⁾	\$ (24,751)
Consideration transferred	\$ 6,186,284

⁽¹⁾ Includes 142,136,567 shares of Spirit common stock outstanding as of January 23, 2024, which were converted into Realty Income common stock at the Effective Time at an Exchange Ratio of 0.762 per share of Spirit common stock. The portion of the converted unvested Spirit Restricted Stock Awards related to post-combination expense is removed in footnote (2) below.

⁽²⁾ Represents the fair value of fully vested Spirit restricted stock and performance share awards that were accelerated and converted into Realty Income common stock at the Effective Time, reflecting the value attributable to post-combination services. Spirit restricted stock and performance share awards are included in Spirit's outstanding common stock as of the merger date. The fair value attributable to pre-combination services was \$41.7 million and is included in the consideration transferred above.

A. Preliminary Purchase Price Allocation

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

ASSETS		
Land	\$	1,853,895
Buildings and improvements		4,859,162
Total real estate held for investment		6,713,057
Real estate and lease intangibles held for sale		35,650
Cash and cash equivalents		93,683
Accounts receivable		12,959
Lease intangible assets ⁽¹⁾		2,214,615
Goodwill		1,259,864
Other assets		174,672
Total assets acquired	\$	10,504,500
LIABILITIES		
Accounts payable and accrued expenses	\$	56,407
Lease intangible liabilities ⁽²⁾		378,369
Other liabilities		101,954
Term loan		1,300,000
Notes payable		2,481,486
Total liabilities assumed	\$	4,318,216
Net assets acquired, at fair value	\$	6,186,284
Total purchase price	\$	6,186,284

⁽¹⁾ The weighted average amortization period for acquired lease intangible assets is 10.8 years.

⁽²⁾ The weighted average amortization period for acquired lease intangible liabilities is 8.3 years.

The assessment of fair value is preliminary and is based on information that was available to management at the time the consolidated financial statements were prepared. Measurement period adjustments will be recorded in the

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period in which they are determined, as if they had been completed at the acquisition date. As of March 31, 2024, we had not finalized the determination of fair values allocated to certain assets and liabilities. Accordingly, certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, loss contingencies, and goodwill are subject to change. The finalization of our purchase accounting assessment could result in changes in the valuation of assets acquired and liabilities assumed up to a year after the date of our merger with Spirit, which could be material.

A preliminary estimate of approximately \$1.26 billion has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed. The recognized goodwill is attributable to expected synergies and benefits arising from the merger transaction, including anticipated financing and corporate overhead cost savings. None of the goodwill recognized is expected to be deductible for tax purposes.

B. Merger and Integration-Related Costs

In conjunction with our merger with Spirit, we incurred merger-related transaction costs of \$94.1 million during the three months ended March 31, 2024, primarily consisting of employee severance, post-combination share-based compensation, transfer taxes, and various professional fees directly attributable to the Merger.

C. Unaudited Pro Forma Financial Information

The following unaudited pro forma information presents a summary of our combined results of operations for the three months ended March 31, 2024 and 2023, respectively, as if our merger with Spirit had occurred on January 1, 2023 (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 for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the pro forma information, basic shares outstanding and dilutive equivalents, cost savings from operating efficiencies, potential synergies, and the impact of incremental costs incurred in integrating the businesses.

	Three months ended March 31,			
	2024		2023	
Total revenues	\$	1,307.7	\$	1,133.6
Net income	\$	234.4	\$	195.9
Basic and diluted earnings per share	\$	0.27	\$	0.25

Our consolidated results of operations for the three months ended March 31, 2024 include \$155.0 million of revenues and \$6.9 million of net income associated with the results of operations of Spirit from the merger closing date of January 23, 2024 to March 31, 2024.

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

A.	Accounts receivable, net, consist of the following at:	September 30, 2023	December 31, 2022
	Straight-line rent receivables, net	\$ 484,423	\$ 363,993
	Client receivables, net	194,018	179,244
		<u>\$ 678,441</u>	<u>\$ 543,237</u>

A.	Accounts receivable, net, consist of the following at:	March 31, 2024	December 31, 2023
	Straight-line rent receivables, net	\$ 563,589	\$ 516,692
	Client receivables, net	225,655	193,844
		<u>\$ 789,244</u>	<u>\$ 710,536</u>

B.	Lease intangible assets, net, consist of the following at:	September 30, 2023	December 31, 2022
	In-place leases	\$ 5,680,498	\$ 5,324,565
	Accumulated amortization of in-place leases	(1,857,044)	(1,409,878)
	Above-market leases	1,820,105	1,697,367
	Accumulated amortization of above-market leases	(554,266)	(443,688)
		<u>\$ 5,089,293</u>	<u>\$ 5,168,366</u>

B.	Lease intangible assets, net, consist of the following at:	March 31, 2024	December 31, 2023
	In-place leases	\$ 7,319,435	\$ 5,500,404
	Above-market leases	2,215,208	1,811,400
	Accumulated amortization of in-place leases	(1,902,925)	(1,746,377)
	Accumulated amortization of above-market leases	(596,148)	(549,319)
	Other items	1,758	1,799
		<u>\$ 7,037,328</u>	<u>\$ 5,017,907</u>

C.	Other assets, net, consist of the following at:	March 31, 2024	December 31, 2023
	Financing receivables, net	\$ 1,566,714	\$ 1,570,943
	Right of use asset - financing leases	705,006	706,837
	Right of use asset - operating leases, net	649,936	594,712
	Loan receivable, net	253,426	205,339
	Value-added tax receivable	82,619	100,672
	Prepaid expenses	62,806	33,252
	Derivative assets and receivables – at fair value	52,492	21,170
	Corporate assets, net	13,378	12,948
	Interest receivable	11,046	6,139
	Credit facility origination costs, net	11,030	12,264
	Impounds related to mortgages payable	10,226	53,005
	Restricted escrow deposits	6,401	6,247
	Investment in sales type lease	6,076	6,056
	Non-refundable escrow deposits	—	200
	Other items	<u>47,432</u>	<u>38,859</u>

	\$	3,478,588	\$	3,368,643
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C.		September 30, 2023	December 31, 2022
	Other assets, net, consist of the following at:		
	Financing receivables	\$ 1,638,967	\$ 933,116
	Right of use asset - financing leases	675,512	467,920
	Right of use asset - operating leases, net	595,148	603,097
	Value-added tax receivable	95,462	24,726
	Impounds related to mortgages payable	45,224	18,152
	Derivative assets and receivables – at fair value	44,753	83,100
	Prepaid expenses	42,220	28,128
	Restricted escrow deposits	41,311	37,627
	Credit facility origination costs, net	13,497	17,196
	Corporate assets, net	13,407	12,334
	Investment in sales type lease	6,030	5,951
	Non-refundable escrow deposits	1,188	5,667
	Other items	26,714	39,939
		\$ 3,239,433	\$ 2,276,953

D.		March 31, 2024	December 31, 2023
	Accounts payable and accrued expenses consist of the following at:		
	Notes payable - interest payable	\$ 239,333	\$ 218,811
	Derivative liabilities and payables - at fair value	105,809	119,620
	Value-added tax payable	91,844	64,885
	Accrued costs on properties under development	86,276	65,967
	Property taxes payable	82,442	78,809
	Accrued property expenses	52,464	54,208
	Accrued income taxes	51,516	61,070
	Accrued merger-related costs	24,088	4,551
	Mortgages, term loans, and credit line - interest payable	8,575	8,580
	Other items	60,305	62,025
		\$ 802,652	\$ 738,526

E.		March 31, 2024	December 31, 2023
	Lease intangible liabilities, net, consist of the following at:		
	Below-market leases	\$ 2,099,389	\$ 1,728,027
	Accumulated amortization of below-market leases	(359,189)	(321,174)
		\$ 1,740,200	\$ 1,406,853

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D.		September 30, 2023	December 31, 2022
	Accounts payable and accrued expenses consist of the following at:		
	Notes payable - interest payable	\$ 182,603	\$ 129,202
	Accrued costs on properties under development	87,672	26,559
	Property taxes payable	87,316	45,572
	Derivative liabilities and payables – at fair value	78,344	64,724
	Value-added tax payable	64,197	23,375
	Accrued income taxes	46,378	22,626
	Accrued property expenses	42,366	25,290

Mortgages, term loans, and credit line - interest payable	8,188	5,868
Other items	63,302	55,921
	<u>\$ 660,366</u>	<u>\$ 399,137</u>

E. Lease intangible liabilities, net, consist of the following at:	September 30, 2023	December 31, 2022
Below-market leases	\$ 1,737,936	\$ 1,617,870
Accumulated amortization of below-market leases	(311,672)	(238,434)
	<u>\$ 1,426,264</u>	<u>\$ 1,379,436</u>

F. Other liabilities consist of the following at:	September 30, 2023	December 31, 2022
Lease liability - operating leases, net	\$ 426,575	\$ 440,096
Rent received in advance and other deferred revenue	296,567	269,645
Lease liability - financing leases	42,251	49,469
Security deposits	21,044	15,577
	<u>\$ 786,437</u>	<u>\$ 774,787</u>

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F. Other liabilities consist of the following at:	March 31, 2024	December 31, 2023
Lease liability - operating leases, net	\$ 480,303	\$ 425,213
Rent received in advance and other deferred revenue	328,572	312,195
Lease liability - financing leases	55,590	44,345
Security deposits	34,031	28,250
A. Acquisitions of Real Estate	1,610	1,647
Other acquisition liabilities		
Below is a summary of our acquisitions for the nine three months ended September 30, 2023 March 31, 2024:	<u>\$ 900,106</u>	<u>\$ 811,650</u>

Number of Properties	Leasable Square Feet (in thousands)	Investment (\$ in millions)	Weighted Average Lease Term (Years)	Initial Weighted
				Leasable Square Feet (in thousands, unaudited)
Acquisitions - U.S.	802	5		14
Acquisitions - Europe	80	8		8.6
Total acquisitions	882	13		23.3
Properties under development ⁽²⁾	305	140		7.2
Total ⁽³⁾	1,187	153		30.6

⁽¹⁾ 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 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, in percentages listed above. Contractual net operating income used in the calculation of initial weighted average cash lease yield includes approximately \$3.7 \$0.5 million in 2024.

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 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.

⁽²⁾ Includes £32.6 million £8.7 million of investments in four U.K. development properties and €25.9 million €8.4 million of investment investments in two Spain development properties.

⁽³⁾ Our clients occupying the new properties are 89.7% retail 10.0% and 10.3% industrial and 0.3% other property types based on annualized contractual rent. net operating income for the nine three months ended September 30, 2023 March 31, 2024 is from investment grade rated clients, their subsidiaries, or affiliated companies.

The aggregate purchase price of the assets acquired during the nine three months ended September 30, 2023 March 31, 2024 has been as follows:

	Acquisitions - USD
Land ⁽¹⁾	\$ 7
Buildings and improvements	2,6
Lease intangible assets ⁽²⁾	3
Other assets ⁽³⁾	5
Lease intangible liabilities ⁽⁴⁾	(1)
Other liabilities ⁽⁵⁾	
	<u>\$ 4,1</u>

	Acquisitions - USD
Land	\$
Buildings and improvements	
Lease intangible assets ⁽¹⁾	
Other assets ⁽²⁾	
Lease intangible liabilities ⁽³⁾	
Other liabilities	
	\$ 1

⁽¹⁾ Sterling-denominated land includes £3.2 million of right of use assets under long-term ground leases.

⁽²⁾ The weighted average amortization period for acquired lease intangible assets is 9.7 9.4 years.

⁽³⁾ USD-denominated other assets consist entirely of financing receivables with above-market terms. Sterling-denominated other assets consist of £135.3 million of financing receivables.

⁽⁴⁾ The weighted average amortization period for acquired lease intangible liabilities is 11.1 12.0 years.

⁽⁵⁾ USD-denominated other liabilities consist entirely of deferred rent on certain below-market leases.

The properties acquired during the nine three months ended September 30, 2023 March 31, 2024 generated total revenues of \$2.6 million and \$0.9 million, respectively.

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B. Investments in Existing Properties

During the nine three months ended September 30, 2023 March 31, 2024, we capitalized costs of \$43.6 \$7.4 million on existing properties for re-leasing costs, and \$0.2 less than \$0.1 million for recurring capital expenditures. In comparison, during the nine three months ended March 31, 2023, we capitalized costs of \$63.7 \$13.3 million for non-recurring building improvements, \$3.9 million \$0.4 million for re-leasing costs, and \$0.1 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. The value of the in-place and 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 the periods ended September 30, 2023 March 31, 2024 were \$489.2 \$211.5 million and \$476.8 \$157.4 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain purchase consideration, to net income or comprehensive income. The amounts amortized as a net decrease to rental revenue for capitalized above-market and below-market leases were \$9.1 million and \$41.2 million, \$14.6 million, respectively. If a lease was to be terminated prior to its stated expiration, all unamortized lease intangible assets or liabilities would be recognized as a net increase or decrease to rental revenue.

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 leases (dollars in thousands):

		Net increase (decrease) to rental revenue	Increase to amortization expense
2023		\$ (15,270)	\$ 159,999
		Net increase (decrease) to rental revenue	Net increase (decrease) to rental revenue
2024	2024	(55,582)	580,180
2025	2025	(48,736)	499,404
2026	2026	(41,027)	444,691
2027	2027	(32,426)	385,298
2028			
Thereafter	Thereafter	353,466	1,753,882
Totals	Totals	\$ 160,425	\$ 3,823,454

D. Gain on Sales of Real Estate

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

	Amortiz
Senior Secured Note Receivable	\$
Mortgage Loan	
Total	\$

- (1) During the three months ended March 31, 2024, our allowance for credit losses increased by \$2.2 million, almost entirely attributable to the loans we acquired in conjunction with our merger with Spirit.
- (2) The total carrying amount of the investment in loans excludes accrued interest of \$8.7 million and \$3.4 million as of March 31, 2024 and December 31, 2023, respectively.
- (3) Includes a loan acquired in conjunction with our merger with Spirit with an estimated acquisition date fair value of \$7.8 million. Since it was a purchased credit deteriorated asset, we recorded it at a discount.

A. Senior Secured Notes Receivable

We own a Sterling-denominated senior secured note with a principal amount of £142.0 million, equivalent to \$179.5 million as of March 31, 2024, and matures in October 2029. We paid £136.7 million for the note and accounted for the

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4. discount at amortized cost. The discount is being amortized over the term of the note. In conjunction with our merger with Spirit, the note bears interest at Secured Overnight Financing Rate ("SOFR") plus 4.00% and matures in July 2028.

B. Mortgage Loans

We have a \$33.5 million mortgage loan which is collateralized by nine automotive service properties located across seven different states. In conjunction with our merger with Spirit, we acquired a mortgage loan with a principal amount of \$33.0 million and estimated its fair value at \$33.5 million. The loan is a single-tenant properties and matures in March 2025. In April 2024, this \$33.0 million loan was repaid in full.

C. Unsecured Loan

In conjunction with our merger with Spirit, we acquired an 11.0% fixed-rate, unsecured loan with a principal amount of \$11.0 million. The loan is included in our consolidated balance sheets. This interest only loan matures in December 2026.

7. Revolving Credit Facility and Commercial Paper Programs

A. Credit Facility

We have a \$4.25 billion unsecured revolving multicurrency multi-currency credit facility that matures in June 2026, includes two six-month interest rate options, and is subject to obtaining lender commitments. Under the facility, we may borrow in USD. Our revolving credit facility also has a \$1.0 billion expansion option, which is subject to obtaining lender commitments. Under the facility, we may borrow in USD at 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% over one-month EURIBOR. ("SONIA"), SONIA, plus 0.725% with a SONIA adjustment charge of 0.0326% and a revolving credit facility fee of 0.125% over one-month 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 September 30, 2023 March 31, 2024, we had a borrowing capacity of \$3.8 billion \$3.44 billion available on our revolving credit facility. As of September 30, 2023 March 31, 2024, we had \$372.0 million Sterling and €26.0 million Euro borrowings, as compared to \$372.0 million Sterling and €26.0 million Euro borrowings. There was no outstanding borrowings. December 31, 2023.

The weighted average interest rate on outstanding borrowings under our revolving credit facility was 4.8% 6.2% and 1.7% 3.7% as of September 30, 2023 March 31, 2024, our weighted average interest rate on borrowings outstanding under our revolving credit facility was 4.8% 6.2% and 1.7% 3.7% as of September 30, 2023 March 31, 2024, we were in compliance with the covenants under our revolving credit facility.

As of September 30, 2023 March 31, 2024, credit facility origination costs of \$13.5 \$11.0 million are included in other assets 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 of \$1.0 billion. The commercial paper program, which permits us to issue additional unsecured commercial notes up to a maximum aggregate amount of \$1.0 billion, may be issued in USD or various foreign currencies, including but not limited to, Euros, Sterling, Swiss Francs, Yen, Canadian Dollar, and Australian Dollar.

The commercial paper ranks on a parity pari passu in right of payment with all of our other unsecured senior indebtedness outstanding under our revolving credit facility, our term loans and our outstanding senior unsecured notes. The commercial paper is structurally subordinated to all of our senior secured debt.

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As of September 30, 2023 March 31, 2024, the balance of borrowings outstanding under our commercial paper programs was \$376 compared to \$701.8 764.4 million outstanding commercial paper borrowings, including €361.0 €583.0 million of Euro-denominated EU borrowings under our commercial paper programs was 4.7% 4.5% and 1.3% 3.5% for the nine three months ended September 30, 2 average interest rate on outstanding borrowings under our commercial paper programs was 4.0% 4.2%. We use our \$4.25 billion rev programs. The commercial paper borrowings generally carry a term of less than a year.

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We review our credit facility and commercial paper programs and may seek to extend, renew or replace our credit facility and comm

5.8. Term Loans

In January 2023, 2024, in connection with our merger with Spirit, we entered into a an amended and restated term loan agreement term loan agreements are fixed through interest rate swaps at a weighted average interest rate of 3.9%. Pursuant to the amended a which matures in August 2025 and \$500.0 million of which matures in August 2027 (the "\$800 million term loan agreement"). We also aggregate total borrowings which matures in June 2025 (the "\$500 million term loan agreement").

Our 2023 term loan agreement allows us to incur multicurrency term loans, up to an aggregate of \$1.5 billion in total multi-currency currency borrowings, including \$90.0 million, £705.0 million, and €85.0 million in outstanding borrowings. The 2023 term loans i extensions that can be exercised extension available at our option, with an anticipated repayment date of January 2026. option. Our includes adjusted SOFR for USD-denominated loans, adjusted SONIA for Sterling-denominated loans, and EURIBOR for Euro-den which fix our per annum interest rate. As of September 30, 2023, the effective interest rate after giving effect to the interest rate swaps

We also have a \$250.0 million senior unsecured at 4.9% until term loan which matures maturity in March 2024. In conjunction with this this term loan, after giving effect to the interest rate swap, was 3.8%. January 2026.

At September 30, 2023, deferred Deferred financing costs of \$2.3 million were \$2.5 million at March 31, 2024 and are included net o term loan loans at December 31, 2022 December 31, 2023, on our consolidated balance sheets. These costs are being amortized o with the covenants contained in the term loans.

6.9. Mortgages Payable

During the nine three months ended September 30, 2023 March 31, 2024, we made \$20.8 \$621.2 million in principal payments, includ the nine three months ended September 30, 2023 March 31, 2024. Assumed mortgages are secured by the properties on which the d to loan.

Our mortgages contain customary covenants, such as limiting our ability to further mortgage each applicable property or to discontinu in compliance with these covenants.

The balance of our deferred financing costs, which are classified as part of 'Mortgages payable, net', on our consolidated balan 2022. December 31, 2023, respectively. These costs are being amortized over the remaining term of each mortgage.

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The following table summarizes our mortgages payable as of September 30, 2023 March 31, 2024 and December 31, 2022 Decembe

As Of	Number of Properties (1)	Weighted Average Stated Interest Rate (2)	Weighted Average Effective Interest Rate (3)	Weighted Average Remaining Years Until Maturity	Remaining Principal Balance
As Of	Number of Properties (1)	Weighted Average Stated Interest Rate (2)			
September 30, March 31, 2024	49	4.3 %			
December 31, 2023	131	4.8 %			
December 31, 2022	136	4.8 %			

(1) At September 30, 2023 March 31, 2024, there were 14 mortgages on 49 properties a properties. With the exception of one Sterling-denominated mortgage which is paid q December 31, 2022 December 31, 2023, all mortgages were at fixed interest rates.

(2) Stated interest rates ranged from 3.0% to 6.9% at September 30, 2023 March 31, 2024

(3) Effective interest rates ranged from 1.3% 0.8% to 6.6% and 2.7% 0.5% to 6.6% at Sep

The following table summarizes the maturity of mortgages payable and premiums discounts and deferred financing costs (dollars in millions):

Year of Maturity

2023
2024
2025
2026
2027
Thereafter
Totals

Year of Maturity

2024

2025

2026

7.10. Notes Payable

2027

2028 General

At September 30, 2023 March 31, 2024, our senior unsecured notes are converted at the applicable exchange rate on the balance sheet date assumed in both current and historical mergers that were not exchanged for a combination of the following: (i) cash and cash equivalents, (ii) future revolving credit facility and (v) investment dispositions and/or credit inv

	Maturity Dates
4.600% Notes due 2024	February 6, 2024
3.875% Notes due 2024	July 15, 2024
3.875% Notes due 2025	April 15, 2025
4.625% Notes due 2025	November 1, 2025
5.050% Notes due 2026	January 13, 2026
0.750% Notes due 2026	March 15, 2026
4.875% Notes due 2026	June 1, 2026
4.125% Notes due 2026	October 15, 2026
1.875% Notes due 2027 ⁽¹⁾	January 14, 2027
3.000% Notes due 2027	January 15, 2027
1.125% Notes due 2027 ⁽¹⁾	July 13, 2027
3.950% Notes due 2027	August 15, 2027
3.650% Notes due 2028	January 15, 2028
3.400% Notes due 2028	January 15, 2028
2.200% Notes due 2028	June 15, 2028
4.700% Notes due 2028	December 15, 2028
3.250% Notes due 2029	June 15, 2029
3.100% Notes due 2029	December 15, 2029
4.850% Notes due 2030	March 15, 2030
3.160% Notes due 2030	June 30, 2030
4.875% Notes due 2030 ⁽¹⁾	July 6, 2030
1.625% Notes due 2030 ⁽¹⁾	December 15, 2030
3.250% Notes due 2031	January 15, 2031

3.180% Notes due 2032	June 30, 2032
5.625% Notes due 2032	October 13, 2032
2.850% Notes due 2032	December 15, 2032
1.800% Notes due 2033	March 15, 2033
1.750% Notes due 2033 ⁽¹⁾	July 13, 2033
4.900% Notes due 2033	July 15, 2033
2.730% Notes due 2034	May 20, 2034
5.125% Notes due 2034 ⁽¹⁾	July 6, 2034
5.875% Bonds due 2035	March 15, 2035
3.390% Notes due 2037	June 30, 2037
2.500% Notes due 2042 ⁽¹⁾	January 14, 2042
4.650% Notes due 2047	March 15, 2047
Total principal amount	
Unamortized net premiums, deferred financing costs, and cumulative basis adj	

	Maturity Date:
4.600% Notes due 2024	February 6, 2024
3.875% Notes due 2024	July 15, 2024
3.875% Notes due 2025	April 15, 2025
4.625% Notes due 2025	November 1, 2025
5.050% Notes due 2026	January 13, 2026
0.750% Notes due 2026	March 15, 2026
4.875% Notes due 2026	June 1, 2026
4.450% Notes due 2026 ⁽¹⁾	September 15, 2026
4.125% Notes due 2026	October 15, 2026
1.875% Notes due 2027 ⁽²⁾	January 14, 2027
3.000% Notes due 2027	January 15, 2027
3.200% Notes due 2027 ⁽¹⁾	January 15, 2027
1.125% Notes due 2027 ⁽²⁾	July 13, 2027
3.950% Notes due 2027	August 15, 2027
3.650% Notes due 2028	January 15, 2028
3.400% Notes due 2028	January 15, 2028
2.100% Notes due 2028 ⁽¹⁾	March 15, 2028

	Maturity Date:
2.200% Notes due 2028	June 15, 2028
4.700% Notes due 2028	December 15, 2028
4.750% Notes due 2029	February 15, 2029
3.250% Notes due 2029	June 15, 2029
4.000% Notes due 2029 ⁽¹⁾	July 15, 2029
3.100% Notes due 2029	December 15, 2029
3.400% Notes due 2030 ⁽¹⁾	January 15, 2030

4.850% Notes due 2030	March 15, 2030
3.160% Notes due 2030	June 30, 2030
4.875% Notes due 2030 ⁽²⁾	July 6, 2030
1.625% Notes due 2030 ⁽²⁾	December 15, 2030
3.250% Notes due 2031	January 15, 2031
3.200% Notes due 2031 ⁽¹⁾	February 15, 2031
5.750% Notes due 2031 ⁽²⁾	December 5, 2031
2.700% Notes due 2032 ⁽¹⁾	February 15, 2032
3.180% Notes due 2032	June 30, 2032
5.625% Notes due 2032	October 13, 2032
2.850% Notes due 2032	December 15, 2032
1.800% Notes due 2033	March 15, 2033
1.750% Notes due 2033 ⁽²⁾	July 13, 2033
4.900% Notes due 2033	July 15, 2033
5.125% Notes due 2034	February 15, 2034
2.730% Notes due 2034	May 20, 2034
5.125% Notes due 2034 ⁽²⁾	July 6, 2034
5.875% Bonds due 2035	March 15, 2035
3.390% Notes due 2037	June 30, 2037
6.000% Notes due 2039 ⁽²⁾	December 5, 2039
2.500% Notes due 2042 ⁽²⁾	January 14, 2042
4.650% Notes due 2047	March 15, 2047
Total principal amount	
Unamortized net (discounts) premiums, deferred financing costs, and cumulat	

⁽¹⁾In connection with our merger with Spirit, we completed our debt exchange offer to exchange our existing debt for Spirit debt. In connection with the completion of our merger with Spirit on January 23, 2024, these notes were not affected by the exchange. For more information, see [with our Merger with Spirit](#) section below.

⁽²⁾ Interest paid annually. Interest on the remaining senior unsecured notes and bond obligations is paid semi-annually.

⁽³⁾ As a result of our merger with Spirit, the carrying values of the senior notes exchanged were adjusted to reflect the fair value of the Spirit debt. As a result, we entered into three-year, fixed-to-variable interest rate swaps, which are accounted for as derivatives.

The following table summarizes the maturity of our notes and bond obligations, excluding unamortized net premiums, discounts, deferred financing costs, and bond discounts.

Year of Maturity	Year of Maturity	Principal	Year of Maturity
2023		\$ —	
2024	2024	850.0	
2025	2025	1,050.0	
2026	2026	2,075.0	
2027	2027	1,993.1	
2028			
Thereafter	Thereafter	11,449.8	
Totals	Totals	\$17,417.9	

As of **September 30, 2023** and **March 31, 2024**, the weighted average interest maturity was **6.6** and **6.5** years, respectively.

Interest incurred on all of the notes and bonds was \$159.7 million \$200 and 2022, respectively, and \$434.1 million and \$314.0 million for the ni

Our outstanding notes and bonds are unsecured; accordingly, we have

All of these notes and bonds contain various covenants, including: (i) 60%; (ii) a limitation on incurrence of any secured debt which would ca which would cause our debt service coverage ratio to be less than 1 outstanding unsecured debt. At September 30, 2023 March 31, 2024, v

B. Note Issuances

During the nine three months ended September 30, 2023 March 31, 20

	Date of Issuance	
5.050% Notes	January 2023	Jai
4.850% Notes	January 2023	Me
4.700% Notes	April 2023	De
4.900% Notes	April 2023	Jul
4.875% Notes	July 2023	Jul
5.125% Notes	July 2023	Jul

2024 Issuances	Date of Issuance	
4.750% Notes	January 2024	Fe
5.125% Notes	January 2024	Fe

C. Note Exchange Offers Associated with our Merger with Spirit

(1) In January 2023, we As part of our merger with Spirit, Realty Income exchanged the January 13, 2026, which are callable at par on January 13, 2024.of identical terms is

Series of Spirit Notes	Tender
4.450% Notes due September 2026	
3.200% Notes due January 2027	
2.100% Notes due March 2028	
4.000% Notes due July 2029	
3.400% Notes due January 2030	
3.200% Notes due February 2031	
2.700% Notes due February 2032	

8. Issuances of Common Stock

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

In August 2023, we replaced our prior ATM program with To induce h exchange their notes a new ATM program, pursuant cash payment equ through, the note principal amount held. Across the various note classe of banks acting as forward sellers on behalf of any forward purchasers the NYSE underexchange, resulting in a cash payment of\$2.7 millionot prevailing market prices or at negotiated prices. Upon settlement, sul settle or net share settle all or any portion merger with Spirit. The inte agreement, each series of Realty Income notes issued by Realty Incom cash settlement) or will not receive any proceeds (in the case correspo

our common stock (in the case of net share settlement) Spirit notes remained outstanding, we amended the 120.0 million shares indenture sale under the prior ATM program at its inception, a total of 101.8 million shares remaining for future issuance under our new ATM program including the replenishment of authorized shares issuable thereunder.

The following table outlines common stock issuances pursuant to our ATM program:

	2023
Shares of common stock issued under the ATM program ⁽¹⁾	
Gross proceeds	\$
Sales agents' commissions and other offering expenses	
Net proceeds	\$

⁽¹⁾ During the three and nine months ended September 30, 2023, 23.5 million and 69.7 million shares, respectively, were issued under the ATM program. In addition, as of September 30, 2023, 13.3 million shares of common stock were outstanding under the ATM program. We currently expect to fully settle forward sale agreements outstanding by December 31, 2023, at a price of \$56.47 per share.

B. Dividend Reinvestment and Stock Purchase Plan ("DRSPP")
Our DRSPP provides our common stockholders, as well as new investors, with a convenient way to reinvest dividends and make additional investments in our common stock. Our DRSPP also allows our current stockholders to buy additional shares of our common stock. At September 30, 2023, there were 26.0 million common shares to be issued.

The following table outlines common stock issuances pursuant to our DRSPP:

	2023
Shares of common stock issued under the DRSPP program	
Gross proceeds	\$

9.11. Noncontrolling Interests

As of September 30, 2023, we have seven entities with noncontrolling interests (Realty Income, L.P.), a joint venture formed and interests in July 2020, and two development joint ventures (one acquired in December 2020, one acquired in January 2021).

consolidated property partnerships not wholly-owned by us.

The following table represents the change in the carrying value of all noncontrolling interests:

Carrying value at December 31, 2022
Contributions ⁽²⁾
Distributions ⁽³⁾
Allocation of net income
Carrying value at September 30, 2023

Carrying value at December 31, 2023
Contributions
Distributions

Allocation of net income
Carrying value at March 31, 2024

(1) 1,795,167 units were outstanding as of both September 30, 2023 March 31, 2024 and

(2) At March 31, 2024, we are considered the primary beneficiary of F
\$39.2 million for the issuance of a 5.0% joint venture interest as part
development joint venture, and contributions of \$0.4 million related to a

(3) Includes a non-cash reduction of noncontrolling interest of \$1.5 million from our partn
2023. Significant Accounting Policies.

10. 12. Fair Value Measurements

Fair value is defined as the price that would be received from the s
measurement date (the exit price).

ASC 820, *Fair Value Measurements and Disclosures*, sets forth a fair
gives the highest priority to unadjusted quoted prices in active mark
hierarchy is based upon the lowest level of input that is significant to th

- Level 1 – Quoted market prices in active markets for identical e
- Level 2 – Observable inputs other than Level 1 prices such as corroborated inputs
- Level 3 – Inputs that are unobservable and significant to the ov

We evaluate our hierarchy disclosures each quarter and depending o
Changes in the type of inputs may result in a reclassification for ce
classifications between levels will be frequent.

The following tables present the carrying values and estimated fair va
31, 2023 (in millions):

		September 30, 2023			
		Hierarchy Level			
		Level			
		Carrying Value	1	Level 2	Level 3
		March 31, 2024			
		Hierarchy Level			
		Carrying Value			
Assets:	Assets:				
	Loans receivable				
	Loans receivable				
	Loans receivable				
Derivative assets	Derivative assets	\$ 44.8	\$ —	\$ 44.8	\$ —
Total assets	Total assets	\$ 44.8	\$ —	\$ 44.8	\$ —
Liabilities:	Liabilities:				
Mortgages payable	Mortgages payable	\$ 822.0	\$ —	\$ —	\$ 806.1
	Mortgages payable				

Mortgages payable					
Notes and bonds payable	Notes and bonds payable	17,417.9	—	15,478.2	—
Derivative liabilities	Derivative liabilities	78.3	—	78.3	—
Total liabilities	Total liabilities	<u>\$ 18,318.2</u>	<u>\$ —</u>	<u>\$ 15,556.5</u>	<u>\$ 806.1</u>

December 31, 2022				
Hierarchy Level				
Level				
Carrying Value	1	Level 2	Level 3	
December 31, 2023				
Hierarchy Level				
Carrying Value	1	Level 2	Level 3	

Assets:	Assets:					
Loans receivable	Loans receivable					
Loans receivable	Loans receivable					
Loans receivable	Loans receivable					
Derivative assets	Derivative assets	\$ 83.1	\$ —	\$ 83.1	\$ —	
Total assets	Total assets	<u>\$ 83.1</u>	<u>\$ —</u>	<u>\$ 83.1</u>	<u>\$ —</u>	
Liabilities:	Liabilities:					
Mortgages payable	Mortgages payable	\$ 842.3	\$ —	\$ —	\$ 810.4	
Mortgages payable	Mortgages payable					
Notes and bonds payable	Notes and bonds payable	14,114.2	—	12,522.8	—	
Derivative liabilities	Derivative liabilities	64.7	—	64.7	—	
Total liabilities	Total liabilities	<u>\$ 15,021.2</u>	<u>\$ —</u>	<u>\$ 12,587.5</u>	<u>\$ 810.4</u>	

A. *Financial Instruments Not Measured at Fair Value on our Consolidated Balance Sheet*
The fair value of short-term financial instruments such as cash and cash equivalents, accounts receivable, accounts payable, line of credit payable and commercial paper borrowings, and their short-term nature. The aggregate fair value of our term loans approximates their carrying value.

The following table reflects the carrying amounts and estimated fair values of our financial instruments as of December 31, 2022 and 2023:

		September 30, 2023		December 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
March 31, 2024					
Carrying value					

Mortgages payable ⁽¹⁾	Mortgages payable ⁽¹⁾	\$ 822.0	\$ 806.1	\$ 842.3	\$ 810.0
Notes and bonds payable ⁽²⁾	Notes and bonds payable ⁽²⁾	\$ 17,417.9	\$ 15,478.2	\$ 14,114.2	\$ 12,522.0

⁽¹⁾ Excludes non-cash net premiums and discounts recorded on the mortgages payable. \$12.4 \$0.4 million of net discounts at December 31, 2022 December 31, 2023. Also excludes net discounts of \$0.4 million at December 31, 2022, respectively.

⁽²⁾ Excludes non-cash net premiums and discounts recorded on notes payable. The \$224.6 \$125.3 million of net premiums at December 31, 2022 December 31, 2023. Also excludes net premiums of \$4.4 million \$1.6 million at September 30, 2023 March 31, 2024, and value hedges of \$1.3 million at December 31, 2022 December 31, 2023.

The estimated fair values of our mortgages payable and private senior notes payable are based on the relevant forward interest rate curve, plus an applicable credit-risk adjustment. For the mortgages payable, the measurement of estimated fair value is based on the relevant forward interest rate curve, plus an applicable credit-risk adjustment. For the private senior notes payable, the measurement of estimated fair value is based on the relevant forward interest rate curve, plus an applicable credit-risk adjustment.

The estimated fair values of our publicly-traded senior notes and bonds payable are based on the relevant forward interest rate curve, plus an applicable credit-risk adjustment. Because this methodology includes inputs that are less observable, the measurement of estimated fair value related to our notes and bonds payable is categorized as level 3.

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

For derivative assets and liabilities, we may utilize interest rate swaps, currency exchange swaps, and foreign currency forwards to manage foreign currency risk. We use various valuation techniques, including discounted cash flow analysis on the expected cash flows, and uses observable market-based inputs, including forward rates and credit spreads.

Derivative fair values also include credit valuation adjustments to appropriate the fair value measurements. In adjusting the fair value of our derivatives, we consider applicable credit enhancements, such as collateral postings, thresholds, and netting arrangements.

Although we have determined that the majority of the inputs used to value our derivatives are based on observable market data, the adjustments associated with our derivatives utilize level three inputs and are based on unobservable inputs. However, at September 30, 2023 March 31, 2024, and December 31, 2022, the adjustments on the overall valuation of our derivative positions and the measurement of estimated fair value are not significant. As a result, we determined that our derivative valuations in their entirety are based on observable market data.

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 in certain circumstances, such as when an impairment write-down occurs.

Depending on impairment triggering events during the applicable period or experiencing difficulties with collection of rent, we may determine that certain real estate investments should be written down to fair value.

The following table summarizes our provisions for impairment on real e

	Three mont
	Septemb
	2023
	Three months er
	Three months er
	Three months er
	2024
	2024
	2024
Carrying value prior	Carrying value prior
to impairment	to impairment
	\$ 37.5
Less: total provisions for impairment	(16.8)
Carrying value prior to impairment	
Carrying value prior to impairment	
Less: total provisions for impairment ⁽¹⁾	
⁽²⁾	
Less: total provisions for impairment ⁽¹⁾	
⁽²⁾	
Less: total provisions for impairment ⁽¹⁾	
⁽²⁾	
Carrying value after impairment	
Carrying value after impairment	
Carrying value after	Carrying value after
impairment	impairment
	\$ 20.7

⁽¹⁾ Excludes provision for current expected credit loss of \$1.3 million at March 31, 2024.

⁽²⁾ Real estate assets that were deemed to be impaired for the three months ended Ma 2021.

The valuation of impaired assets is determined using valuation techniq offers received from third parties, which are Level 3 inputs. We may co value of its such real estate. Estimating future cash flows is highly subj

11.13. Derivative Instruments

In the normal course of business, our operations are exposed to econ instruments to offset these underlying economic risks.

Derivative Derivatives Designated as Hedging Instruments - Cash Flow In order We enter into foreign currency forward contracts to sell British interest payments on intercompany loans denominated in British Poun contracts to sell GBP, USD, and EUR and buy EUR, USD, and GBP. contracts are included in the assessment of hedge effectiveness. Amc to foreign currency derivative contracts will be reclassified to other gain

To add stability to interest expense and to manage our exposure to i These interest rate swaps are designated as cash flow hedges. The ir recorded to accumulated other comprehensive income, or AOCI, and affects earnings.

To mitigate the impact of fluctuating interest rates, we have may also issuing USD denominated bonds. Interest rate swaption corridors are allows us to enter into a swap where we will pay the fixed rate an counterparty with the right to enter into a swap where we will receive th

the combination of purchasing the payer swaption and selling the swaption flow hedges. Changes in fair value of the swaptions have been recorded in

Derivatives Designated as Hedging Instruments - Fair Value
Periodically, we enter into and designate fixed-to-floating interest rate swaps of fixed-rate and variable-rate debt. These swaps involve the receipt of the underlying principal amount.

We also designate some of our cross-currency swaps as fair value hedges with changes in spot rates on foreign-denominated debt. For these hedges, the changes in fair value are related to both time value and cross-currency basis spread from the currency swaps attributable to changes in the spot rates on the final maturity date. Changes in fair value are recorded in 'Foreign currency and derivative (loss) gain, net'. Changes in fair value are recorded in other comprehensive income and will be subsequently recognized in 'Foreign currency and derivative (loss) gain, net' and interest accruals on the respective cross currency swaps occur, over the life of the swap.

Derivatives Designated as Hedging Instruments - Net Investment Hedge
To mitigate the foreign currency exchange rate variations associated with our foreign-denominated debt, we enter into cross-currency swaps that qualify as net investment hedges under the hedge accounting model. We assess hedge effectiveness and apply the consistent election to the hedge. Changes in fair value are recorded in the excluded component in the same manner as described above. Any derivative gains or losses are reported in other comprehensive income as part of the foreign currency exchange rate variations. Changes in the assessment of effectiveness is reported in other comprehensive income. If our net investment changes during a reporting period (the notional amount is outside of prescribed tolerance). Further, certain EU currency swaps (see Notes 7 and 8, respectively) may be also designated as, and are

effective as, net investment hedge. Changes in the value of such hedges are recorded in other comprehensive income and translation adjustments.

Derivatives Not Designated as Hedging Instruments
We enter into foreign currency exchange swap agreements to reduce our foreign currency exchange risk. These derivative contracts generally mature within one year and are accounted for as a hedging instrument, the change in fair value is recorded in other comprehensive income and consolidated statements of income and comprehensive income.

The following table summarizes the terms and fair values of our derivatives as of December 31, 2023 (dollars in millions):

Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type		Derivative Type	
Derivative Type											

Interest rate swaps ⁽⁴⁾									
Interest rate swaps ⁽⁴⁾									
Interest rate									
swaptions ⁽⁵⁾									
Cross-									
currency									
swaps - Fair									
Value									
Cross-									
currency									
swaps - Net									
Investment									
Foreign	Foreign							Oct 2023	
currency	currency							- Dec	
forwards	forwards	26	160.7	185.5	(6)			2024	
			\$						
			\$	3,110.7	\$ 755.5				\$
			\$						
			\$						
Derivatives									
not									
Designated Derivatives not									
as Hedging Designated as Hedging									
Instruments Instruments									
Currency	Currency							Oct 2023	\$
exchange	exchange	6	\$ 1,650.6	\$ 2,427.7	(7)				
swaps	swaps								
Cross-currency swaps		3	280.0	280.0	(5)			Oct 2032	
Currency exchange									
swaps									
Currency exchange									
swaps									
			\$	1,930.6	\$ 2,707.7				\$
			\$						
			\$						
			\$						
			\$						
Total of all									
Derivatives	Total of all Derivatives		\$ 5,041.3	\$ 3,463.2					\$
⁽¹⁾ This column represents the number of instruments outstanding as of September 30, 2023.									
⁽²⁾ Weighted average strike rate is calculated using the notional value as of September 30, 2023.									
⁽³⁾ This column represents maturity dates for instruments outstanding as of September 30, 2023.									
⁽⁴⁾ Represent purchased payer. During the three months ended March 31, 2024, we entered into interest rate swaps with Spirit. We also designated five variable-to-fixed interest rate swaps we acquired from Spirit. The acquisition date fair value of these derivatives was \$35.1 million in total.									
⁽⁵⁾ There were six interest swaptions equal to \$1 billion in notional entered into in March 2023. The termination premium of 3.75% \$3.4 million we received was deferred in other comprehensive income. The remaining swaption of the \$200 million notional expired in January 2024.									
⁽⁶⁾ USD fixed rate of 5.625% and EUR weighted average fixed rate of 4.697% 4.681%.									
⁽⁷⁾ USD fixed rate of 5.625% and EUR weighted average fixed rate of 4.716%.									
⁽⁸⁾ Weighted average forward GBP-USD exchange rate of 1.31 1.28.									
⁽⁹⁾ Weighted average EUR-GBP exchange rates each of 0.86. 0.86 for EUR-GBP and 0.86 for GBP-EUR.									
We measure our derivatives at fair value and include the balances with our consolidated balance sheets.									
We have agreements with each of our derivative counterparties containing provisions that our indebtedness is accelerated by the lender due to our default.									

The following table summarizes the amount of unrealized gain (loss) on

Derivatives in Cash Flow Hedging Relationships

- Cross-currency swaps
- Interest rate swaps
- Foreign currency forwards
- Interest rate swaptions

Total derivatives in cash flow hedging relationships

Derivatives in Fair Value Hedging Relationships

- Cross-currency swaps

Total derivatives in fair value hedging relationships

Total unrealized gain (loss) on derivatives

Derivatives in Cash Flow Hedging Relationships

- Interest rate swaps
- Foreign currency forwards
- Interest rate swaptions

Total derivatives in cash flow hedging relationships

Derivatives in Fair Value Hedging Relationships

- Cross-currency swaps - Fair Value

Total derivatives in fair value hedging relationships

Total unrealized gain (loss) on derivatives, net

Derivatives in Net Investment Hedging Relationships

- Cross-currency swaps - Net Investment

Total unrealized gain recorded in foreign currency translation adjustment

The following table summarizes the amount of gain (loss) on derivative

Derivatives in Cash Flow Hedging Relationships

Derivatives in Cash Flow Hedging Relationships

Derivatives in Cash Flow Hedging Relationships

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss)
	Recognized in Income
Cross-currency swaps	Foreign currency and derivative (loss) gain, net \$

Interest rate swaps			
Interest rate swaps			
Interest rate swaps	Interest rate swaps	Interest expense	
Foreign currency forwards	Foreign currency forwards	Foreign currency and derivative (loss) gain, net	
Foreign currency forwards			
Foreign currency forwards			
Interest rate swaptions			
Interest rate swaptions			
Interest rate swaptions	Interest rate swaptions	Interest expense	
Total derivatives in cash flow hedging relationships	Total derivatives in cash flow hedging relationships		\$
Total derivatives in cash flow hedging relationships			
Total derivatives in cash flow hedging relationships			
Derivatives in Fair Value Hedging Relationships	Derivatives in Fair Value Hedging Relationships		
		Foreign currency and derivative (loss) gain, net	\$
Cross-currency swaps			
Derivatives in Fair Value Hedging Relationships			
Derivatives in Fair Value Hedging Relationships			
Cross-currency swaps - Fair Value			
Cross-currency swaps - Fair Value			
Cross-currency swaps - Fair Value			
Total derivatives in fair value hedging relationships	Total derivatives in fair value hedging relationships		\$
Total derivatives in fair value hedging relationships			
Total derivatives in fair value hedging relationships			
Derivatives in Net Investment Hedging Relationships			
Derivatives in Net Investment Hedging Relationships			
Derivatives in Net Investment Hedging Relationships			
Cross-currency swaps - Net Investment			
Cross-currency swaps - Net Investment			
Cross-currency swaps - Net Investment			
Total derivatives in net investment hedging relationships			
Total derivatives in net investment hedging relationships			
Total derivatives in net investment hedging relationships			
Net increase to net income	Net increase to net income		\$

Net increase to net income

The following table details our foreign currency and derivative gains (lo

Gain on the settlement of undesignated derivatives

Gain on the settlement of designated derivatives reclassified from AOCI

Gain (loss) on the settlement of transactions with third parties

Total realized foreign currency and derivative gain, net

Gain (loss) on the change in fair value of undesignated derivatives

Loss on remeasurement of certain assets and liabilities

Total unrealized foreign currency and derivative loss, net

Total foreign currency and derivative (loss) gain, net

Loss on the settlement of undesignated derivatives

Gain on the settlement of designated derivatives reclassified from AOCI

12.14. Lessor's Operating Leases

Total realized foreign currency and derivative (loss) gain, net, At September 30, 2023 March 31, 2024

At September 30, 2023 March 31, 2024, we owned or held interests

Unrealized foreign currency and derivative gain (loss) net:

properties, and the remaining are multi-client properties. At Septembe

Gain (loss) on the change in fair value of undesignated derivatives

Gain on remeasurement of certain assets and liabilities

Substantially all the vast majority of our leases are net leases where public liability and property damage are, and extended coverage.

Total foreign currency and derivative gain, net
Percent based on a percentage of our client's gross

Rent based on a percentage of our client's gross sales, or percentage and \$2.3 million, respectively. Percentage rent for the nine months end

No individual client's rental revenue, including percentage rents, repres

15. Stockholders' Equity

A. Common Stock

We pay monthly distributions to our common stockholders. The followin

January

February

March

April

May

Month
January
February
March
Total

B. At-the-Market ("ATM") Program

The following table outlines common stock issuances pursuant to our A

(1) During the three months ended March 31, 2024, 4.6 million shares were sold, and 9. stock subject to forward sale confirmations have been executed, but not settled, at a v 30, 2024, representing \$62.9 million in net proceeds, for which the weighted average f

C. Dividend Reinvestment and Stock Purchase Plan ("DRSPP")

Our DRSP provides our common stockholders, as well as new investors, with the right to receive dividends and other distributions. It also allows our current stockholders to buy additional shares of common stock. At March 31, 2024, we had 10.9 million common shares to be issued.

The following table outlines common stock issuances pursuant to our E

Shares of common stock issued under the DRSP program	
Gross proceeds	

16. Redeemable Preferred Stock

As part of the Merger Agreement with Spirit, each outstanding share of Series A Preferred Stock was converted into the right to receive one share of newly issued Realty Income 6.0% Series A Preferred Stock, resulting in 6.9 million shares of Realty Income 6.0% Series A Preferred Stock.

The 6.000% Series A Cumulative Redeemable Preferred Stock is class

the value of the property, rights or securities to be paid or distributed up

17. Common Stock Incentive Plan

This note should be read in conjunction with the more complete disclosures contained in the consolidated financial statements in our Annual Report on [Form 10-K](#) for

The amount of share-based compensation costs recognized in 'General and \$6.3 million during the three months ended March 31, 2024, and 2

In connection with the Merger, each outstanding Spirit restricted stock will be converted into the number of shares of Realty Income common stock, based on the Exchange Ratio in accordance with the Merger Agreement. The aggregate fair value of fully vested Spirit awards converted into Realty Income common stock will be included in the consideration transferred in the merger and will be attributable to post-combination services. For more details, please see

A. Restricted Stock and Restricted Stock Units

During the three months ended March 31, 2024, we granted 296,871 shares to the new independent member of our Board of Directors, which vest in service period not exceeding four-years.

During the three months ended March 31, 2024, we also granted 30,32

As of March 31, 2024, the remaining unamortized share-based compensation is being amortized on a straight-line basis over the service period of each applicable award. The Company defines the grant date as the date the recipient and Realty Income have not been, and will not be, adversely affected by, subsequent changes in the

B. Performance Shares

During the three months ended March 31, 2024, we granted 274,358 shares of restricted stock that are earned based on our Total Shareholder Return ("TSR") performance and vest 50% on the first and second January 1 after the end of the three

As of March 31, 2024, the remaining share-based compensation expense is recognized on a tranche-by-tranche basis over the service period. The fair value of

18. Net Income per Common Share

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income by the weighted average number of convertible common units for the period, by the weighted average number of potentially dilutive common shares outstanding during the reporting period.

The following is a reconciliation of the denominator of the basic net computation (shares in thousands):

		2023
		Three
		Three
		Three
		2024
		2024
		2024
Weighted average shares used for the basic net income per share computation		
Weighted average shares used for the basic net income per share computation		
Weighted average shares used for the basic net income per share computation	Weighted average shares used for the basic net income per share computation	709,165
Incremental shares from share-based compensation	Incremental shares from share-based compensation	378
Incremental shares from share-based compensation		
Incremental shares from share-based compensation		
Dilutive effect of forward ATM offerings		
Dilutive effect of forward ATM offerings		
Dilutive effect of forward ATM offerings	Dilutive effect of forward ATM offerings	—
Weighted average shares used for diluted net income per share computation	Weighted average shares used for diluted net income per share computation	709,543
Weighted average shares used for diluted net income per share computation		
Weighted average shares used for diluted net income per share computation		
Unvested shares from share-based compensation that were anti-dilutive		
Unvested shares from share-based compensation that were anti-dilutive		
Unvested shares from share-based compensation that were anti-dilutive	Unvested shares from share-based compensation that were anti-dilutive	309
Weighted average partnership common units convertible to common shares that were anti-dilutive	Weighted average partnership common units convertible to common shares that were anti-dilutive	1,795
Weighted average partnership common units convertible to common shares that were anti-dilutive		
Weighted average partnership common units convertible to common shares that were anti-dilutive		
Weighted average forward ATM offerings that were anti-dilutive	Weighted average forward ATM offerings that were anti-dilutive	535
Weighted average forward ATM offerings that were anti-dilutive		
Weighted average forward ATM offerings that were anti-dilutive		

The following table summarizes our supplemental cash flow information:

	2021
Supplemental disclosures:	
Cash paid for interest	\$
Cash paid for income taxes	\$
Non-cash activities:	
Net (decrease) increase in fair value of derivatives	\$
Increase in noncontrolling interests from property acquisitions	\$
Mortgages assumed at fair value	\$
Issuance of common partnership units of Realty Income, L.P.	\$

	March 31, 2024	September 30, 2023	September 30, 2022
--	-------------------	-----------------------	-----------------------

Cash and cash equivalents shown in the consolidated balance sheets			
Cash and cash equivalents shown in the consolidated balance sheets			
Cash and cash equivalents shown in the consolidated balance sheets	Cash and cash equivalents shown in the consolidated balance sheets	\$ 344,129	\$ 187,745
Restricted escrow deposits ⁽¹⁾	Restricted escrow deposits ⁽¹⁾	41,311	90,639
Impounds related to mortgages payable ⁽¹⁾	Impounds related to mortgages payable ⁽¹⁾	45,224	10,529
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 430,664	\$ 288,913

⁽¹⁾ Included within other 'other' assets, net 'net' on the our consolidated balance sheets (see are legally entitled to, but that is not immediately available to us. As a result, these am

16. Common Stock Incentive Plan

In March 2021, our Board of Directors adopted, and in May 2021, stock option plan in conjunction with the more complete discussion of our 2021 Plan included in our December 31, 2022.

The amount of share-based compensation costs recognized in 'General and Administrative' was \$5.1 million during the three months ended September 30, 2023, and 2022, respectively.

A. *Restricted Stock and Restricted Stock Units*
During the nine months ended September 30, 2023, we granted 220,000 shares of common stock to the independent members of our Board of Directors in connection with which vest in equal parts over a three-year service period. Our restricted stock units outstanding as of September 30, 2023, were 1,000,000 shares. During the nine months ended September 30, 2023, we also granted 1,000,000 shares of common stock to our employees. As of September 30, 2023, the remaining unamortized share-based compensation was \$5.1 million, which will be amortized on a straight-line basis over the service period of each applicable employee.

B. Performance Shares

During the nine months ended September 30, 2023, we granted 193, shares are earned based on our Total Shareholder Return (TSR) per metrics, and vest 50% on the first and second January 1 after the end of

As of September 30, 2023, the remaining share-based compensation recognized on a tranche-by-tranche basis over the service period. The model.

17.20. Commitments and Contingencies

In the ordinary course of business, we are party to various legal action outcome of the proceedings will not have a material adverse effect upon

At September 30, 2023 March 31, 2024, we had commitments of \$19 expenditures, and non-recurring building improvements. In addition, as contracts related to development projects, which have estimated rental

18.

21.Subsequent Events

A. Dividends

In October 2023, April 2024, we declared a dividend of \$0.2560 \$0.2571

B. Agreement and Plan Loan Repayment

In April 2024, a \$33.0 million secured loan to an operator of Merger On October 29, 2023, we entered into an Agreement and Plan of Merger owned subsidiary ("Merger Sub"), and Spirit Realty Capital, Inc., a Merger closing, Spirit will be merged with and into Merger Sub, with Merger Sub

Pursuant to the terms and subject to the conditions of the Merger Agreement, stock, par value \$0.05 per share (other than the Excluded Common Stock) into 0.762 of a newly issued share of our common stock, subject to adjustment and (ii) each outstanding share of Spirit's 6.000% Series A Cumulative

Stock, par value \$0.01 per share, will be converted into the right to receive having substantially the same terms as the Spirit Series A Preferred Stock

The Merger Agreement contains customary covenants, representations and warranties described in the Merger Agreement. The consummation of the Merger of Spirit, and certain customary termination rights.

C. Investment in Joint Venture

In October 2023, we completed our previously announced \$950.0 million joint venture that owns a 95% interest in the real estate of The Bellagio Las Vegas. In exchange for an indirect interest of 21.9% in the property and a \$650.0

Item 2: **Management's Discussion and Analysis of Financial Condition**

Readers are cautioned not to place undue reliance on forward-looking only as of the date this quarterly report was filed with the Securities and what is expressed or forecasted in this quarterly report and forecasts undertake any obligation to update forward-looking statements or circumstances after the date these statements were made.

As of September 30, 2023 March 31, 2024, we owned or held interests in Italy, and Ireland, with approximately 262.6 334.2 million square feet of properties in our portfolio as of September 30, 2023 March 31, 2024, remaining were multi-client properties. Our total portfolio of 13,282 15 (excluding rights to extend a lease at the option of the client) of

approximately 9.79.8 years. Total portfolio annualized contractual receivables (including lease receivables) on our leases as of September 30, 2023 March 31, 2024 v

As of September 30, 2023 March 31, 2024, approximately 39.0% 36.2% of our clients, their subsidiaries or affiliated companies. As of September 30, 2023 March 31, 2024, approximately 40.9% 36.3% of our annualized rent and 1

companies. Approximately 93%91% of our annualized retail contract revenue is derived from properties with a discretionary, and/or low price point component to their business.

Unless otherwise specified, references to rental revenue in the Management Discussion and Analysis are for the periods ended September 30, 2023 March 31, 2024, and 2022, respectively, and are not necessarily comparable to the periods ended March 31, 2023, 2022, and 2021, respectively.

Closing of Spirit Merger

On January 23, 2024, we closed on our previously announced stock repurchase program with Spirit Realty Capital, Inc., to the consolidated financial statements. We expect the program to be completed by the end of 2024.

Increases in Monthly Dividends to Common Stockholders

We have continued our 54-year55-year history of paying monthly dividends. In 2024, we have paid 104106 consecutive quarterly dividend increases and expect to continue to do so. The following table summarizes our dividend increases in 2023:

2023 Dividend increases

- 1st increase
- 2nd increase
- 3rd increase
- 4th increase
- 5th increase

2024 Dividend increases	Month
1st increase	De
2nd increase	Ma

The dividends paid per share during the nine months ended September 30, 2023, were \$0.2560 \$0.257 per share, an increase of 0.4% over the nine months ended September 30, 2022, 2023, an increase of 0.4%.

The monthly dividend of \$0.2560 \$0.257 per share represents a current yield of 4.8% based on the last reported sale price of our common stock on the NYSE of \$4.90. While we intend to continue to pay monthly dividends, we cannot guarantee that we will maintain our current dividend yield will be in any future period.

Acquisitions Investments During the Three and Nine Months Ended

During the three months ended September 30, 2023 March 31, 2024, we acquired 10 properties under development or expansion at an initial weighted average lease yield of 6.9% and 20% expansion. of the total annualized contractual rent of such properties.

During the nine months ended September 30, 2023, we invested \$6.1 million in properties with a cash lease yield of 6.9%. Of such properties, as of September 30, 2023, 10 properties were leased to investment grade clients.

See note 3,4, Investments in Real Estate, to the consolidated financial statements for more information.

Equity Capital Raising

In August 2023, we replaced our prior At-The-Market (ATM) program with a new ATM program.

During the three months ended September 30, 2023 March 31, 2024, we issued 1.1 million shares of common stock under the ATM program, with at a weighted average price of \$56.93 per share. During the three months ended March 31, 2024 included \$5.1 million of issuances.

2024, 13.3 million 1.2 million shares of common stock subject to forward purchase rights, to the consolidated financial statements for further discussion.

Note Issuances

In July 2023, January 2024, we issued €550.0 million \$450.0 million of 5.125% senior unsecured notes due July February 2034. In connection with the issuance of the notes, we entered into a swap agreement with Spirit Realty, L.P. ("Spirit OP").

In April 2023, we issued \$400.0 million of 4.70% senior unsecured notes due April 2033. See note 10, Notes Payable, to the consolidated financial statements. In January 2023, we issued \$500.0 million of 5.050% senior unsecured notes due March 2030.

Portfolio Discussion

Leasing Results

At September 30, 2023 March 31, 2024, we had 159 217 properties and 98.8% 98.6% occupancy rate based on the number of properties in the towers and billboards, and properties with possession pending. pending

Below is a summary of our portfolio activity for the period periods indicated.

Three months ended September 30, 2023 March 31, 2024

Properties available for lease at June 30, 2023 December 31, 2023

Lease expirations ⁽¹⁾ ⁽²⁾

Re-leases to same client

Re-leases to new client

Vacant dispositions

Properties available for lease at September 30, 2023 March 31, 2024

Nine months ended September 30, 2023

Properties available for lease at December 31, 2022

Lease expirations ⁽¹⁾

Re-leases to same client

Re-leases to new client

Vacant dispositions

Properties available for lease at September 30, 2023

⁽¹⁾ Includes scheduled and unscheduled expirations (including leases rejected in bankruptcy proceedings).

⁽²⁾ Includes 26 properties acquired through the merger with Spirit in January 2024.

During the three months ended September 30, 2023 March 31, 2024, we had previous annual rent of \$53.9 million on the same units, representing a period of vacancy, and 10 units to new clients after a period of vacancy.

During the nine months ended September 30, 2023, the new annual rent was \$56.91 million on the same units, representing a rent recapture of \$2.99 million, and 27 seven units to new clients after a period of vacancy.

As part of our re-leasing costs, we pay leasing commissions to our clients. We sometimes provide rent concessions to our clients. We do not consider these costs as a financial position or results of operations.

Agreement and Plan of Merger

On October 29, 2023, we entered into an Agreement and Plan of Merger with Spirit Realty Capital, Inc., a wholly owned subsidiary ("Merger Sub"), and Spirit Realty Capital, Inc., a wholly owned subsidiary of Spirit. Upon the closing, Spirit will be merged with and into Merger Sub, with Merger Sub surviving the merger.

Pursuant to the terms and subject to the conditions of the Merger Agreement, we will exchange our common stock, par value \$0.05 per share (other than the Excluded Common Stock), for common stock of Merger Sub, subject to adjustment as set forth in the Merger Agreement. We also have Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, which is not being exchanged for common stock of Merger Sub. The Series A Cumulative Redeemable Preferred Stock, having substantially the same rights as the common stock of Merger Sub.

The Merger Agreement contains customary covenants, representations and warranties, and other terms and conditions described in the Merger Agreement. The consummation of the Merger will result in the ownership of Spirit, and certain customary termination rights.

Investment in Bellagio Las Vegas

In October 2023, we completed our previously announced \$950 million investment in the real estate of The Bellagio Las Vegas, a property owned by a joint venture that owns a 95% interest in the real estate of The Bellagio Las Vegas. The investment was made in exchange for an indirect interest of 21.9% in the property and a \$650 million loan.

Cineworld Bankruptcy Resolution

As previously disclosed, Cineworld Group plc and its affiliates ("Cineworld") filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York in September 2023. As of September 30, 2023, we owned 35 properties leased to Cineworld.

On October 1, 2023, we entered into a comprehensive restructuring agreement with Cineworld, which provides for the assumption of long-term leases on 28 of the properties, with a weighted average lease term of approximately 10 years. Of the 28 properties with long-term leases, the basis of the restructuring agreement is that there were no tenant improvements or additional capital commitments in connection with the restructuring.

In addition, the restructuring agreement amended certain terms on the long-term leases on the remaining 7 properties. As these deferrals were accounted for on a cash basis or on a non-cash basis, these amendments and any recoveries beyond this will be recognized in our financial statements.

Impact of Inflation

Leases generally provide for limited increases in rent as a result of fixed costs (typically subject to ceilings), or increases in the clients' sales volume (typically subject to floors). In times when inflation is greater than increases in rent, as provided for in the leases, we may experience increased costs (costs).

Moreover, our strategic focus on the use of net lease agreements reduces our exposure to inflationary periods may cause us to experience increased costs of financing, make it difficult to refinance debt, and may impact our ability to acquire properties.

experience increased costs of financing, make it difficult to refinance debt, and may impact our ability to acquire properties.

Impact of Real Estate and Credit Capital Markets

In the commercial real estate market, property prices generally continue to decline, and the market has experienced significant price volatility, dislocations, and liquidity constraints. We monitor the real estate and global credit capital markets carefully and, if required, will make adjustments to our portfolio.

As of **September 30, 2023** **March 31, 2024**, we had **\$4.5 billion** **\$4.0 billion** million denominated in Sterling and €47.9 million denominated in Euro, our **\$4.25 billion** unsecured revolving credit facility, **net of \$806.5 million** commercial paper borrowings under our commercial paper programs, under these programs.

Our primary cash obligations, for the current year and subsequent years, we expect to fund our operating expenses and other short-term liquidity requirements, including outstanding indebtedness, property improvements, re-leasing costs, and borrowings under our revolving credit facility, short-term term loans, and other financing arrangements. 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 loans, and
- **Investment dispositions and/or credit investment repayments.**

We believe that our cash and cash equivalents on hand, cash provided by operations, and other financing arrangements will be sufficient to meet our obligations for the next twelve months. We intend, however, to use permanent or long-term capital markets to fund our obligations.

Long-Term Liquidity Requirements

Our goal is to deliver dependable monthly dividends to our stockholders, including the funding of high-quality real estate acquisitions, investments in common stock, long-term unsecured notes, and term loan borrowings. Over the long term, we expect to continue to issue common stock when we believe our share price is at a level that allows us to finance properties that were initially financed by our revolving credit facility and will have access to the capital markets at all times and at terms that are favorable to us.

Capitalization

As of **September 30, 2023** **March 31, 2024**, our total market capitalization was **\$1.1 billion** **\$1.0 billion** common equity (based on the **September 30, 2023** **March 31, 2024** closing stock price of **\$10.00** **\$10.00** per share of Realty Income, L.P.), aggregate liquidation value (based on a redemption price of **\$10.00** **\$10.00** per share), and total outstanding borrowings of **\$20.4 billion** **\$26.3 billion** on our revolving credit facility, term loans, mortgages payable, revolving credit facility and commercial paper borrowings, discounts, and premiums). Our total debt and preferred stock to total capitalization was **18.5%** **26.3%**.

Universal Shelf Registration

On February 16, 2024, we filed a new shelf registration statement with the SEC rules, the amount of securities to be issued pursuant to this shelf registration statement include (1) common stock, (2) preferred stock, (5) warrants to purchase debt securities, common stock, and (6) debt securities. We intend to use the proceeds of any securities offered, will be described in detail in the prospectus.

ATM Program

As of **September 30, 2023** **March 31, 2024**, there were approximately **102.7 million** **76.7 million** shares outstanding under our ATM program, representing approximately **\$749.3 million** **\$62.9 million** of the company's share (assuming full physical settlement of all outstanding shares of the company as of the settlement dates). During the **nine** **three** months ended **September 30, 2023**, we sold pursuant to forward sale agreements through our ATM program for the purpose of the replenishment of authorized shares issuable thereunder.

Debt and Financing Activities

At **September 30, 2023** **March 31, 2024**, our total outstanding borrowings, including term loans, mortgages payable, revolving credit facility and commercial paper borrowings, were **\$20.4 billion** **\$26.3 billion** and the weighted average interest rate of **3.8%** **3.9%**. As of **September 30, 2023**, the weighted average interest rate of **3.8%** **3.9%**.

Note Covenants

Limitation on incurrence of total debt

Limitation on incurrence of secured debt

Debt service coverage (trailing 12 months) ⁽¹⁾

Maintenance of total unencumbered assets

⁽¹⁾ Our debt service coverage ratio is calculated on a pro forma basis for the preceding four-quarter period of such four-quarter period and the application of the proceeds therefrom (including the effect of the sale of such four-quarter period, and (iii) any acquisition or disposition by us of any asset or liability, net of additional adjustments. Such pro forma ratio has been prepared on the basis required by the indenture to purport to reflect what our actual debt service coverage ratio would have been had the transactions described in the preceding sentence occurred as of **October 1, 2022** April 1, 2023 and September 30, 2023 March 31, 2024 (in thousands, for trailing twelve months ended).

(i), (ii) and (iii) of the preceding sentence occurred as of **October 1, 2022** April 1, 2023 and **September 30, 2023** March 31, 2024 (in thousands, for trailing twelve months ended).

Net income attributable to the Company

Plus: interest expense, excluding the amortization of deferred financing costs

Plus: provision for taxes

Plus: depreciation and amortization

Plus: provisions for impairment

Plus: pro forma adjustments

Less: gain on sales of real estate

Income available for debt service, as defined

Total pro forma debt service charge

Debt service coverage ratio

Fixed Charge Coverage Ratio

The fixed charge coverage ratio is calculated in exactly the same manner as the debt service coverage ratio, except that the numerator is net income available to common stockholders, and the denominator is the sum of interest and preferred stock dividend payments. Our calculations of the fixed charge coverage ratio for the periods presented may differ from those of other companies and, therefore, comparability may be limited. The present calculation is based on GAAP operating performance measures. Below is our calculation of fixed charge coverage ratio.

Net income available to common stockholders

Plus: interest expense, excluding the amortization of deferred financing costs

Plus: provision for taxes

Plus: depreciation and amortization

Plus: provisions for impairment

Plus: pro forma adjustments

Less: gain on sales of real estate

Income available for debt service, as defined

Total pro forma debt service charge

Debt service and fixed charge coverage ratio

Income available for debt service, as defined

Pro forma debt service charge plus preferred stock dividends

Fixed charge coverage ratio

Credit Agency Ratings

The borrowing interest rates under our revolving credit facility are based on the credit ratings assigned by the following investment grade corporate credit ratings on our debt securities.

Based on our credit agency ratings as of **September 30, 2023** March 3, 2024, the SOFR rate will be the **Overnight Financing Rate ("SOFR")**, plus 0.725% with a SOFR adjustment of 0.725% for British Pound Sterling borrowings, at the **SONIA, Sterling** rate plus 0.725% for revolving credit facility fee of 0.125%, for all-in **drawn** pricing of 0.125% plus 0.725% for the **("EURIBOR")**, plus 0.725%, and a revolving credit facility fee of 0.125% plus 0.725% for the **interest rates can range between: (i) SOFR/SONIA/EURIBOR**, plus 0.725% for the **SOFR/SONIA/EURIBOR**, plus 0.70% if our credit rating is A/A2 or higher, and (ii) 0.30% for a rating lower than BBB-/Baa3 or unrated, at

We also issue senior debt securities from time to time and our credit change, our cost to obtain debt financing could increase or decrease. and financial condition. These ratings are subject to ongoing evaluation rating agency in the future if, in its judgment, circumstances warrant. M stock

The following table summarizes the maturity of each of our obligations

		Credit Facility	Commercial Paper ⁽¹⁾	Unsecured Notes	Term Loans ⁽²⁾	Mortgages Payable	Interest ⁽³⁾	\$
2023			\$ 376.8	\$ —	\$ —	\$ 1.3	\$ 169.4	\$
		Credit Facility and Commercial Paper ⁽¹⁾						
2024	2024		—	850.0	250.0	740.5	751.6	
2025	2025		—	1,050.0	—	42.4	671.1	
2026	2026		481.5	2,075.0	1,040.2	12.0	538.3	
2027	2027		—	1,993.1	—	22.3	464.0	
2028								
Thereafter	Thereafter		—	11,449.8	—	3.5	2,086.8	\$
Totals	Totals		\$ 858.3	\$ 17,417.9	\$ 1,290.2	\$ 822.0	\$ 4,681.2	\$

(5) Our clients, who are generally sub-tenants **sub-tenant** clients under ground leases, are responsible.

Investments in Unconsolidated Entities

Distributions are paid monthly to the limited partners holding common common stockholders.

The preferred stockholders receive cumulative distributions at a rate share). Dividends on our preferred stock are current.

Future distributions will be at the discretion of our Board of Directors and will be based on a number of factors, including our financial condition, capital requirements, the annual distribution requirements under our credit facilities, and any other factors the Board of Directors may deem relevant. In addition, we are prohibited from paying dividends (or making other distributions) if we are in default of, or in breach of, any of our debt covenants (including the grace period) any principal or interest on borrowings under our credit facilities.

Distributions of our current and accumulated earnings and profits for fe
that we recognize capital gains and declare a capital gains dividend, or
rate of non-corporate taxpayers for “qualified dividend income” is gener

dividends payable by REITs are not eligible for the reduced tax rate respect to the REIT's stock and the REIT's dividends are attributable to tax at the corporate or REIT level (for example, if we distribute taxable dividends to individuals, generally may deduct up to 20% of dividends from 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 dividend. Any excess of that basis generally will be taxable as a capital gain to stockholders. Distributions made or deemed to have been made in 2022, 2023, or 2024 will be taxable as a capital gain to stockholders.

The following is a comparison of our results of operations for the

Total Revenue

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

		Three months ended September 30, 2023		Three months ended September 30, 2024	
		2023		2024	
Rental (excluding reimbursable)					
Rental (excluding reimbursable)					
Rental (excluding reimbursable)	Rental (excluding reimbursable)	\$	947,549	\$	
Rental (reimbursable)	Rental (reimbursable)		61,313		
Rental (reimbursable)					
Rental (reimbursable)					
Other					
Other					
Other	Other		30,242		
Total revenue	Total revenue	\$	1,039,104	\$	
Total revenue					
Total revenue					

Rental Revenue (excluding reimbursable)

The table below summarizes our rental revenue (excluding reimbursable revenue) (dollars in thousands):

		Three months ended September 30, 2023		Three months ended September 30, 2024	
		Number of Properties	2023	2022	
Properties acquired during 2023 & 2022		2,391	\$225,631	\$	52,000
Properties acquired during 2024 & 2023					
Same store rental revenue					
(1)	(1)	10,577	716,015		700,000
Constant currency adjustment					
(2)	(2)	N/A	3,848		(2,000)
Properties sold during and prior to 2023		265	522		11,000
Properties sold during and prior to 2024					

Straight-line rent and other non- cash adjustments	Straight-line rent and other non- cash adjustments	N/A	(10,151)	2,
Vacant rents, development and other ⁽³⁾	Vacant rents, development and other ⁽³⁾	314	11,103	16,
Other excluded revenue ⁽⁴⁾	Other excluded revenue ⁽⁴⁾	N/A	581	
Totals	Totals		<u>\$947,549</u>	<u>\$781,</u>
Totals				
Totals				

- (1) Same The same store rental revenue increased by 2.2% and 1.6% percentage incr respectively. 2023 is 0.8%.
- (2) For purposes of comparability, same store rental revenue is presented on a const ("EUR")/USD. March 31, 2024. None of the properties in Italy and France, Germany, I assumed on January 23, 2024 as a result of our merger with Spirit.
- (3) Relates to the aggregate of (i) rental revenue from 287 318 properties that were ava developments that do not meet our same store pool definition for the periods presente
- (4) Primarily consists of reimbursements for tenant improvements and rental revenue that

For purposes of determining the same store rent property pool, we in except for properties during the current or prior year that; (i) were vaca rent was reduced. Each of the exclusions from the same store pool are the period.

Of the 14,044 16,414 in-place leases in the portfolio, which excludes 2 through: base rent increases tied to inflation (typically subject to ceiling two or more of the aforementioned rent provisions.

Rent based on a percentage of our client's gross sales, or percentag million for the three months ended September 30, 2022, \$8.0 million fr September 30, 2022. Percentage rent 2023, respectively, which repres

At September 30, 2023 March 31, 2024, our portfolio of 13,282 15,48! 99.0% 98.6% leased with 126 193 properties available for lease at De September 30, 2022 March 31, 2023. It has been our experience that possible that the number of properties available for lease or sale could

Rental Revenue (reimbursable)

A number of our leases provide for contractually obligated reimburser contractually obligated reimbursements by our clients increased by \$1 compared with the same periods period in 2022, respectively, 2023 is p expenses from overall portfolio growth.

Other Revenue

Other revenue primarily relates to interest income recognized on finan client loans and preferred equity investments. The increase in other r 2023 March 31, 2024 as compared with the same periods period in

leases \$12.6 million driven by an increase in recent sale-leaseback transactions. Interest income earned on loans and preferred equity investments.

Total Expenses

The following summarizes our total expenses (in thousands):

		Three Months Ended	
		2023	2023
		2024	2024
		2024	2024
		2024	2024
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	\$ 495,566	\$
Interest	Interest	184,121	
Interest			
Interest			
Property (excluding reimbursable)			
Property (excluding reimbursable)			
Property (excluding reimbursable)	Property (excluding reimbursable)	9,668	
Property (reimbursable)	Property (reimbursable)	61,313	
Property (reimbursable)			
Property (reimbursable)			
General and administrative			
General and administrative			
General and administrative	General and administrative	35,525	
Provisions for impairment	Provisions for impairment	16,808	
Provisions for impairment			
Provisions for impairment			
Merger and integration-related costs			
Merger and integration-related costs			
Merger and integration-related costs	Merger and integration-related costs	2,884	
Total expenses	Total expenses	\$ 805,885	\$
Total expenses			
Total expenses			
Total revenue ⁽¹⁾			
Total revenue ⁽¹⁾			
Total revenue ⁽¹⁾	Total revenue ⁽¹⁾	\$ 977,791	\$
General and administrative expenses as a percentage of total revenue ⁽¹⁾	General and administrative expenses as a percentage of total revenue ⁽¹⁾	3.6	%

General and administrative expenses as a percentage of total revenue ⁽¹⁾			
General and administrative expenses as a percentage of total revenue ⁽¹⁾			
Property expenses (excluding reimbursable) as a percentage of total revenue ⁽¹⁾	Property expenses (excluding reimbursable) as a percentage of total revenue ⁽¹⁾	1.0	%
Property expenses (excluding reimbursable) as a percentage of total revenue ⁽¹⁾			
Property expenses (excluding reimbursable) as a percentage of total revenue ⁽¹⁾			

⁽¹⁾ Excludes rental revenue (reimbursable).

Depreciation and Amortization

Depreciation The increase in depreciation and amortization increased 2024 as compared with the same periods period in 2022, respectively, 2

Interest Expense

The following is a summary of the components of our interest expense

		Three mo
		Septe
		2023
Interest on our credit facility, commercial paper, term loans, notes, mortgages and interest rate swaps	\$	199,059
		Three months
		Three months
		Three months
		2024
		2024
		2024
Interest on our credit facility, commercial paper, term loans, mortgages, senior unsecured notes and bonds, and interest rate swaps		
Interest on our credit facility, commercial paper, term loans, mortgages, senior unsecured notes and bonds, and interest rate swaps		
Interest on our credit facility, commercial paper, term loans, mortgages, senior unsecured notes and bonds, and interest rate swaps		
Credit facility commitment fees		
Credit facility commitment fees		
Credit facility commitment fees	Credit facility commitment fees	1,358

Amortization of debt origination and deferred financing costs	Amortization of debt origination and deferred financing costs		6,930
(Gain) loss on interest rate swaps			(1,790)
Amortization of net mortgage premiums			(3,201)
Amortization of net note premiums			(14,989)
Amortization of debt origination and deferred financing costs			
Amortization of debt origination and deferred financing costs			
Gain on interest rate swaps			
Gain on interest rate swaps			
Gain on interest rate swaps			
Amortization of net mortgage premiums and discounts			
Amortization of net mortgage premiums and discounts			
Amortization of net mortgage premiums and discounts			
Amortization of net note premiums and discounts			
Amortization of net note premiums and discounts			
Amortization of net note premiums and discounts			
Capital lease obligation			
Capital lease obligation			
Capital lease obligation	Capital lease obligation		378
Interest capitalized	Interest capitalized		(3,624)
Interest capitalized			
Interest capitalized			
Interest expense	Interest expense	\$	184,121
Credit facility, commercial paper, term loans, mortgages and notes			
Interest expense			
Interest expense			
Credit facility, commercial paper, term loans, mortgages and senior unsecured notes and bonds			
Credit facility, commercial paper, term loans, mortgages and senior unsecured notes and bonds			
Credit facility, commercial paper, term loans, mortgages and senior unsecured notes and bonds			
Average outstanding balances			
Average outstanding balances			
Average outstanding balances	Average outstanding balances	\$	20,249,836
Weighted average interest rates	Weighted average interest rates	3.93	%
Weighted average interest rates			
Weighted average interest rates			
Interest			

The increase in interest expense increased by \$66.7 million and \$188 same periods period in 2022, 2023 is primarily due to higher average additional information regarding our indebtedness.

Property Expenses (excluding reimbursable)

Property expenses (excluding reimbursable) consist of costs associate but are not limited to, property taxes, maintenance, insurance, utilities,

Property The increase in property expenses (excluding reimbursable) in nine months ended September 30, 2023 March 31, 2024 as compared tax expense. taxes, repairs and maintenance, and property insurance.

Property Expenses (reimbursable)

Property expenses (reimbursable) consist of reimbursable property (reimbursable) increased by \$17.3 million and \$79.6 million for the thr which March 31, 2024 is proportional to overall portfolio growth.

General and Administrative Expenses

General and administrative expenses are expenditures related to the c costs associated with running our business.

General The increase in general and administrative expenses increase as compared with the same periods period in 2022, respectively, 2023 i

Provisions for Impairment

Provisions for impairment consist of impairment on long-lived assets ar

The increase in impairment for the three months ended March 31, 20 and retained in our merger with VEREIT, Inc. ("VEREIT") in 2021, su (dollars in millions):

		Three month September
	2023	
	Three months ended	Three months ended
	Three months ended	Three months ended
	2024	2024
	2024	2024
	2024	
Carrying value prior to impairment	Carrying value prior to impairment	\$ 37.5
Less: total provisions for impairment		(16.8)
Carrying value prior to impairment		
Carrying value prior to impairment		
Less: total provisions for impairment ⁽¹⁾		
Less: total provisions for impairment ⁽¹⁾		
Less: total provisions for impairment ⁽¹⁾		
Carrying value after impairment		
Carrying value after impairment		
Carrying value after impairment	Carrying value after impairment	\$ 20.7

⁽¹⁾ Excludes provision for current expected credit loss of \$1.3 million at March 31, 2024.

Merger and Integration-Related Costs

Merger and integration-related costs consist of advisory fees, attorney, retain employees, and otherwise enable us to operate the acquired bus

We In conjunction with our merger with Spirit, we incurred approximat primarily consisting of employee severance, post-combination share-b the three months ended March 31, 2023, we incurred \$1.3 million of 2023, respectively, compared to approximately \$3.7 million and \$13.0 merger with VEREIT Inc. merger in November 2021.

Gain on Sales of Real Estate

The following summarizes our property dispositions (dollars in millions)

	2023
Number of properties sold	
Net sales proceeds	\$
Gain on sales of real estate	\$
Number of properties sold	
Net sales proceeds	
Gain on sales of real estate	

Foreign Currency and Derivative (Loss) Gain, Net

We borrow in the functional currencies of the countries in which we ir from foreign subsidiaries. Derivative gain and loss are primarily rel settlement of designated derivatives reclassified from Accumulated oth

Net foreign Foreign currency and derivative (loss) gain, net was \$4 \$2.8 million March 31, 2024 and a gain of \$5.0 million, 2023, respective

In June 2022, following the early prepayment of our Sterling-denomin currency swaps used to hedge the foreign currency exposure of the ir with the prepaid intercompany loan will not occur, \$20.0 million gain w September 30, 2022. The reclassification from AOCI was offset by \$7.5

Equity in Income and Impairment (Losses) Earnings of Investment

Equity in (losses) earnings for the three months ended March 31, 20 2023. See note 5, Investments in Unconsolidated Entities

Equity in income of unconsolidated entities relates to three equity metf third quarter of 2022. The loss for the three and nine months ended Si investments. Following the sale of the properties, distributions primari of operating cash. The income consolidated financial statements for the

further details.

Other Income, Net

Certain miscellaneous non-recurring revenue is included in other othe ended September 30, 2023 March 31, 2024 as compared with the sam market accounts and an increase in gain on insurance proceeds from r

Income Taxes

Income taxes primarily consist of international income taxes accrued c million in income taxes for the three and nine months ended Septembe to higher taxable income in the UK; partially offset by lower UK tax rate

Nareit established an EBITDA metric for real estate companies (i.e., EBITDA) to make investment decisions among REITs. Our definition of "Adjusted EBITDA" excludes currency and derivative gain and loss, excluding gain and loss from the calculations of "Adjusted EBITDA". We define Adjusted EBITDA, expense, including non-cash loss (gain) on swaps, (ii) income and franchise expense, (vi) merger and integration-related costs, (vii) gain on sale of currency forwards, and (x) our proportionate share of adjustments from other companies or as defined by Nareit, and other companies may be a meaningful measure of a REIT's performance because it provides the effects of income tax, depreciation and amortization expense, provision for bad debt, and the removal of non-recurring and non-cash items that industry EBITDA is widely followed by industry analysts, lenders, investors, and prior to servicing debt obligations. Management also believes the use of Adjusted EBITDA is meaningful because it represents our current earnings run rate for the period defined below, are also used to determine the vesting of performance stock but not as an alternative to net income as a measure of our operating performance subject to certain adjustments to incorporate Adjusted EBITDA from properties we disposed of during the applicable quarter, and include transactions as if they occurred at the beginning of the applicable period. Our calculation is on a pro forma basis in accordance with Article 11 of Regulation S-X. The Annualized Pro Forma Adjusted EBITDA for our senior unsecured notes. We believe Annualized Pro Forma Adjusted EBITDA no longer owned at the balance sheet date and includes the annualized Adjusted Net Debt/Annualized Adjusted EBITDA, Net Debt/Annualized Adjusted EBITDA and Preferred/Annualized Pro Forma Adjusted EBITDA. We define as total debt per the consolidated balance sheets, excluding debt (unconsolidated entities, less cash and cash equivalents), divided by an

The following is a reconciliation of net income (which we believe is the best measure of earnings) to cash flow from operations for the periods indicated below (dollars in thousands):

REFINITIV 

Provisions for impairment	Provisions for impairment	16,808	1,650
Merger and integration-related costs	Merger and integration-related costs	2,884	3,746
Gain on sales of real estate	Gain on sales of real estate	(7,572)	(42,883)
Foreign currency and derivative losses, net		2,813	22,893
Gain on settlement of foreign currency forwards		—	2,784
Foreign currency and derivative gain, net			
Proportionate share of adjustments from unconsolidated entities			
Proportionate share of adjustments from unconsolidated entities			
Proportionate share of adjustments from unconsolidated entities	Proportionate share of adjustments from unconsolidated entities	—	662
Quarterly Adjusted EBITDAre	Quarterly Adjusted EBITDAre	\$ 939,833	\$ 755,487
Annualized Adjusted EBITDAre ⁽¹⁾	Annualized Adjusted EBITDAre ⁽¹⁾	\$ 3,759,332	\$ 3,021,948
Annualized Pro Forma Adjustments	Annualized Pro Forma Adjustments	\$ 74,503	\$ 31,700
Annualized Pro Forma Adjusted EBITDAre	Annualized Pro Forma Adjusted EBITDAre	\$ 3,833,835	\$ 3,053,648
Total debt per the consolidated balance sheets, excluding deferred financing costs and net premiums and discounts	Total debt per the consolidated balance sheets, excluding deferred financing costs and net premiums and discounts	\$ 20,388,406	\$ 16,142,608
Proportionate share of unconsolidated entities debt, excluding deferred financing costs			
Less: Cash and cash equivalents	Less: Cash and cash equivalents	(344,129)	(187,745)
Net Debt ⁽²⁾	Net Debt ⁽²⁾	\$ 20,044,277	\$ 15,954,863

Net Debt/Annualized Adjusted			
EBITDAre		5.3 x	5.3 x
Preferred Stock			
Net Debt and			
Preferred Stock			
Net			
Debt/Annualized			
Adjusted			
EBITDAre ⁽³⁾			
Net	Net		Net
Debt/Annualized	Debt/Annualized		Debt/Annu.
Pro Forma	Pro Forma		Pro Forma
Adjusted	Adjusted		Adjusted
EBITDAre	EBITDAre	5.2 x	5.2 x EBITDAre
Net Debt and			
Preferred/			
Annualized			
Adjusted			
EBITDAre			
Net Debt and			
Preferred/			
Annualized Pro			
Forma Adjusted			
EBITDAre			

- (1) We calculate Annualized Adjusted EBITDAre by multiplying the Quarterly Adjusted EB
- (2) Net Debt is total debt per our consolidated balance sheets, excluding deferred financ
- cash equivalents.

As described above, the Annualized Pro Forma Adjustments, which incorporate the Adjusted EBITDAre EBITDAre from properties we acq we disposed of during the applicable quarter, giving pro forma effect to 11 of Regulation S-X. The following table summarizes our Annualized f

Three months ended			
September 30,			
	2023	2022	
Three months ended March			
	31,		
	2024		2024
Annualized	Annualized		
pro forma	pro forma		
adjustments	adjustments		
from	from		
properties	properties		
acquired or	acquired or		
stabilized	stabilized	\$ 79,141	\$ 68,589
Annualized	Annualized		
pro forma	pro forma		
adjustments	adjustments		
from	from		
properties	properties		
disposed	disposed	(4,638)	(36,889)
Annualized	Annualized		
Pro forma	Pro forma		
Adjustments	Adjustments	\$ 74,503	\$ 31,700

FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Managers (NAREIT) definition, as net income available to common stockholders, excluding depreciation and amortization of real estate assets, plus provisions for bad debts and other non-cash charges. Normalized FFO, a non-GAAP financial measure, as FFO excluding non-recurring items. We define diluted normalized FFO as FFO and normalized FFO adjusted for dilutive securities.

The following summarizes our FFO and Normalized FFO (dollars in millions):

		Three months ended September 30,			Nine months ended September 30,	
		%				
		2023	2022	Change	2023	2022
Three months ended March 31,						
Three months ended March 31,						
Three months ended March 31,						
2024						
FFO available to common stockholders	FFO available to common stockholders	\$736.1	\$597.2	23.3 %	\$2,108.4	\$1,807.4
FFO per share ⁽¹⁾		\$ 1.04	\$ 0.97	7.2 %	\$ 3.09	\$ 2.99
FFO per common share ⁽¹⁾						
Normalized FFO available to common stockholders	Normalized FFO available to common stockholders	\$739.0	\$600.9	23.0 %	\$2,113.0	\$1,820.4
Normalized FFO per share ⁽¹⁾		\$ 1.04	\$ 0.97	7.2 %	\$ 3.10	\$ 3.01
Normalized FFO per common share ⁽¹⁾						

⁽¹⁾ All per share amounts are presented on a diluted per common share basis.

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The following is a reconciliation of net income available to common stockholders to FFO. Also presented is information regarding distributions paid to common stockholders. The computation per share (dollars in thousands, except per share amounts):

		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
Three months ended March 31,					

		Three months ended March 31,			
		Three months ended March 31,			
		2024			
Net income available to common stockholders	Net income available to common stockholders	\$233,473	\$219,567	\$ 653,904	\$ 64
Depreciation and amortization	Depreciation and amortization	495,566	419,016	1,419,321	1,23
Depreciation of furniture, fixtures and equipment	Depreciation of furniture, fixtures and equipment	(817)	(511)	(1,656)	(
Provisions for impairment		16,808	1,650	59,801	1
Provisions for impairment of real estate					
Gain on sales of real estate	Gain on sales of real estate	(7,572)	(42,883)	(19,675)	(9
Proportionate share of adjustments for unconsolidated entities	Proportionate share of adjustments for unconsolidated entities	—	717	(465)	1
FFO adjustments allocable to noncontrolling interests	FFO adjustments allocable to noncontrolling interests	(1,312)	(402)	(2,808)	(
FFO available to common stockholders	FFO available to common stockholders	\$736,146	\$597,154	\$2,108,422	\$1,80
FFO allocable to dilutive noncontrolling interests	FFO allocable to dilutive noncontrolling interests	1,375	985	4,166	
Diluted FFO	Diluted FFO	\$737,521	\$598,139	\$2,112,588	\$1,80
FFO available to common stockholders	FFO available to common stockholders	\$736,146	\$597,154	\$2,108,422	\$1,80
FFO available to common stockholders					
FFO available to common stockholders					
Merger and integration-related costs	Merger and integration-related costs	2,884	3,746	4,532	1
Normalized FFO available to common stockholders	Normalized FFO available to common stockholders	\$739,030	\$600,900	\$2,112,954	\$1,82

	Normalized FFO allocable to dilutive noncontrolling interests	Normalized FFO allocable to dilutive noncontrolling interests	1,375	985	4,166	
	Diluted	Diluted				
	Normalized FFO	Normalized FFO	\$ 740,405	\$ 601,885	\$ 2,117,120	\$ 1,82
	FFO per common share, basic and diluted		\$ 1.04	\$ 0.97	\$ 3.09	\$
	FFO per common share:					
	FFO per common share:					
	FFO per common share:					
	Basic					
	Basic					
	Basic					
	Diluted					
	Normalized FFO per common share, basic and diluted					
	Normalized FFO per common share, basic and diluted					
	Normalized FFO per common share, basic and diluted					
	Normalized FFO per common share, basic and diluted		\$ 1.04	\$ 0.97	\$ 3.10	\$
	Distributions paid to common stockholders					
	Distributions paid to common stockholders					
	Distributions paid to common stockholders					
	Distributions paid to common stockholders					
	Distributions paid to common stockholders					
	Distributions paid to common stockholders	Distributions paid to common stockholders	\$ 543,343	\$ 458,586	\$ 1,555,679	\$ 1,34
	FFO available to common stockholders in excess of distributions paid to common stockholders	FFO available to common stockholders in excess of distributions paid to common stockholders	\$ 192,803	\$ 138,568	\$ 552,743	\$ 46
	Normalized FFO available to common stockholders in excess of distributions paid to common stockholders	Normalized FFO available to common stockholders in excess of distributions paid to common stockholders	\$ 195,687	\$ 142,314	\$ 557,275	\$ 47
	Weighted average number of common shares used for FFO and Normalized FFO:	Weighted average number of common shares used for FFO and Normalized FFO:				
	Basic	Basic	709,165	617,512	681,419	60

We consider FFO and Normalized FFO to be appropriate supplement portfolio performance that adds back items such as depreciation and in accounting convention used for real estate assets requires straight-line predictably over time. Since real estate values historically rise and depreciation, could be less informative.

We define AFFO, a non-GAAP measure, as FFO adjusted for unique operating performance. We define diluted AFFO as AFFO adjusted for

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

(3) All per share amounts are presented on a diluted per common share basis.

(4) We consider AFFO to be an appropriate supplemental measure of our (for Cash Available for Distribution), "FAD" (for Funds Available for Dis other companies, and other companies may interpret or define such tei

		2023	2022	2023	2022
		Three months ended March 31, 2023			
		Three months ended March 31, 2022			
		Three months ended March 31, 2021			
		2024			
Net income available to common stockholders	Net income available to common stockholders	\$ 233,473	\$ 219,567	\$ 653,904	\$ 64,000
Cumulative adjustments to calculate Normalized FFO ⁽¹⁾	Cumulative adjustments to calculate Normalized FFO ⁽¹⁾	505,557	381,333	1,459,050	1,170,000
Normalized FFO available to common stockholders	Normalized FFO available to common stockholders	739,030	600,900	2,112,954	1,820,000
Gain on extinguishment of debt		—	(240)	—	—
Amortization of share-based compensation	Amortization of share-based compensation	6,231	5,099	20,154	1,000
Amortization of net debt premiums and deferred financing costs ⁽²⁾		(10,244)	(16,728)	(34,441)	(5,000)
Non-cash (gain) loss on interest rate swaps		(1,790)	735	(5,390)	—
Amortization of share-based compensation					
Amortization of share-based compensation					
Amortization of net debt discounts (premiums) and deferred financing costs ⁽²⁾					
Non-cash gain on interest rate swaps					
Non-cash change in allowance for credit losses					
Straight-line impact of cash settlement on interest rate swaps ⁽³⁾	Straight-line impact of cash settlement on interest rate swaps ⁽³⁾	1,797	—	5,392	—
Leasing costs and commissions	Leasing costs and commissions	(1,392)	(686)	(6,868)	(1,000)
Recurring capital expenditures	Recurring capital expenditures	(52)	(273)	(190)	—

	Straight-line rent and expenses, net	Straight-line rent and expenses, net	(42,791)	(29,628)	(113,239)	(8
	Amortization of above and below-market leases, net	Amortization of above and below-market leases, net	24,939	17,422	61,967	4
	Proportionate share of adjustments for unconsolidated entities	Proportionate share of adjustments for unconsolidated entities	—	(85)	—	(
	Other adjustments ⁽⁴⁾	Other adjustments ⁽⁴⁾	5,642	27,050	3,497	2
	AFFO available to common stockholders	AFFO available to common stockholders	\$ 721,370	\$ 603,566	\$ 2,043,836	\$ 1,76
	AFFO allocable to dilutive noncontrolling interests	AFFO allocable to dilutive noncontrolling interests	1,357	1,006	4,170	
	Diluted AFFO	Diluted AFFO	\$ 722,727	\$ 604,572	\$ 2,048,006	\$ 1,77
	AFFO per common share:	AFFO per common share:				
	AFFO per common share:					
	Basic					
	Basic					
	Basic	Basic	\$ 1.02	\$ 0.98	\$ 3.00	\$
	Diluted	Diluted	\$ 1.02	\$ 0.98	\$ 2.99	\$
	Distributions paid to common stockholders					
	Distributions paid to common stockholders					
	Distributions paid to common stockholders	Distributions paid to common stockholders	\$543,343	\$458,586	\$1,555,679	\$1,34
	AFFO available to common stockholders in excess of distributions paid to common stockholders	AFFO available to common stockholders in excess of distributions paid to common stockholders	\$178,027	\$144,980	\$ 488,157	\$ 42
	Weighted average number of common shares used for computation per share:	Weighted average number of common shares used for computation per share:				
	Basic	Basic	709,165	617,512	681,419	60
	Basic					
	Basic					

Diluted Diluted 711,338 619,201 683,925 60

- (1) See reconciling items for Normalized FFO presented under "Funds from Operations FFO").
- (2) Includes the amortization of net premiums and discounts on notes payable and assumption of our mortgages payable, assumption of our mortgages payable a facility agreements or annual fees paid to credit rating agencies have been included.
- (3) Represents the straight-line amortization of \$72.0 million gain realized upon the termi notes due October 2032.
- (4) Includes non-cash foreign currency gain and loss as a result of intercompany debt ar cash in nature, straight-line payments from cross-currency swaps, obligations related t

We believe the non-GAAP financial measure AFFO provides useful inf estate companies that is used by industry analysts and investors who operating performance of different REITs without having to account for measuring a particular company's on-going operating performance. T appropriate U.S. GAAP performance metric to which AFFO should be r

Presentation of the information regarding FFO, Normalized FFO, and / should be noted that not all REITs calculate FFO, Normalized FFO, and Normalized FFO, and AFFO are not necessarily indicative of cash flow our performance. FFO, Normalized FFO, and AFFO should not be co addition, FFO, Normalized FFO, and AFFO should not be considered a

PF

At September 30, 2023 March 31, 2024, out of the 13,282 15,485 prop lease agreements. A net lease typically requires the client to be resp maintenance. In addition, clients of our properties typically pay rent i additional rent calculated as a percentage of the clients' gross sales ab

We define total portfolio annualized contractual rent as the monthly percentage rent and reimbursements from clients, as of the balance s investments, and including our pro rata share of such revenues from p useful supplemental operating measure, as it excludes properties that during the quarter. Total portfolio annualized contractual rent has no presented and excludes unconsolidated entities. presented.

Top 10 Industry Concentrations

We are engaged in a single business activity, which is the leasing of p includes property types and clients engaged in various industries. Ev component of our investment philosophy and so we believe it remains of the respective clients, expressed as a percentage of our total portfolio

Percentage of Total Portfolio
Annualized Contractual Rent by
Industry (1)
As of

		Sept 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019		
		Percentage of Total Portfolio Annualized Contractual Rent by Industry						
		As of						
		Mar 31, 2024						
Grocery	Grocery	11.4%	10.0%	10.2%	9.8%	7.9%	Grocery	
Convenience Stores	Convenience Stores	10.6	8.6	9.1	11.9	12.3	Convenience Stores	
Dollar Stores	Dollar Stores	7.2	7.4	7.5	7.6	7.9	Dollar Stores	
Home Improvement							Home Improvement	
Drug Stores	Drug Stores	5.9	5.7	6.6	8.2	8.8	Drug Stores	
Home Improvement		5.8	5.6	5.1	4.3	2.9		
Restaurants- Quick Service	Restaurants- Quick Service	5.3	6.0	6.6	5.3	5.8	Restaurants- Quick Service	
Restaurants-Casual		4.6	5.1	5.9	2.8	3.2		
Automotive Service	Automotive Service	4.2	4.0	3.2	2.7	2.6	Automotive Service	
Health and Fitness	Health and Fitness	4.1	4.4	4.7	6.7	7.0	Health and Fitness	
Restaurants- Casual Dining							Restaurants- Casual Dining	
General Merchandise	General Merchandise	3.7	3.7	3.7	3.4	2.5	General Merchandise	

(1) The presentation of Top 10 Industry Concentrations combines total portfolio contractual rent in October 2022, and in Ireland, starting in June 2023.

Property Type Composition

The following table sets forth certain property type information regarding the Company's portfolio as of December 31, 2023.

Property Type	Property Type	Number of Properties	Approximate Leasable Square Feet (1)	Total Portfolio Annualized Contractual Rent	Percentage of Total Portfolio Annualized Contractual Rent	Proportion of Total Portfolio Annualized Contractual Rent
Retail	Retail	12,879	172,641,300	\$ 3,195,302	82.6	% Retail
Industrial	Industrial	364	84,412,700	507,054	13.1	% Industrial
Gaming		1	3,096,700	100,000	2.6	% Gaming
Other (2)		38	2,411,200	64,947	1.7	% Other
Gaming (2)						% Gaming
Other (3)						% Other
Totals	Totals	13,282	262,561,900	\$ 3,867,303	100.0	% Totals

(1) Includes leasable building square footage. Excludes 2,962 acres of leased land categorized as "Other".

(2) Includes our pro rata share of leasable square feet of properties owned by unconsolidated subsidiaries.

(3) "Other" primarily includes 27 properties classified as agriculture consisting of approximately 2,411,200 square feet of land, and 10 properties classified as office with \$43.3 million in annualized contractual rent, and 10 properties classified as other with \$1.7 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 as of September 30, 2023 and March 31, 2024:

		Percentage of Total Portfolio		N
Client	Client	Number of Leases	Annualized Contractual Rent ⁽¹⁾	
Dollar General	Dollar General			
Walgreens	Walgreens	369	3.9 %	
Dollar General		1,630	3.9	
Dollar Tree	Dollar Tree	1,195	3.3	
/ Family	/ Family			
Dollar	Dollar			
7-Eleven	7-Eleven	634	3.2	
EG Group	EG Group	415	2.7	
Limited	Limited			
Wynn	Wynn	1	2.6	
Resorts	Resorts			
FedEx	FedEx	77	2.2	
B&Q (Kingfisher)		50	1.8	
Lifetime Fitness				
BJ's Wholesale Club				
(B&Q)				
Kingfisher				
Asda	Asda	37	1.8	
Sainsbury's	Sainsbury's	35	1.7	
CVS Pharmacy				
LA Fitness	LA Fitness	70	1.7	
BJ's Wholesale Clubs		33	1.6	
Lifetime Fitness		23	1.5	
CVS Pharmacy		191	1.4	
Wal-Mart / Sam's Club		67	1.4	
MGM (Bellagio)				
Walmart / Sam's Club				
Tractor Supply	Tractor Supply	186	1.3	
Tesco	Tesco	22	1.3	
AMC Theaters	AMC Theaters	35	1.2	
Red Lobster	Red Lobster	200	1.2	
Regal Cinemas (Cineworld)		35	1.1	
Total	Total	5,305	40.9 %	Total

⁽¹⁾ Amounts for each client are calculated independently; therefore, the individual percent

Lease Expirations

The following table sets forth certain information regarding the timing of their contribution to total portfolio annualized contractual rent as of September 30, 2023.

Total Portfolio ⁽¹⁾									
		Expiring Leases		Approximate Leasable Square Feet		Total Portfolio Annualized Contractual Rent	Percentage of Total Portfolio Annualized Contractual Rent		
						(1)	(1)		
Year	Year	Retail	Non-Retail	Approximate Leasable Square Feet	Annualized Contractual Rent	Annualized Contractual Rent	Year		
2023			168	—	Square Feet	Rent	Rent		
2024	2024	512	24	9,024,300	106,600	2.8	2024		
2025	2025	915	37	14,702,100	210,874	5.5			
2026	2026	855	33	16,010,500	195,882	5.1			
2027	2027	1,411	37	22,307,500	288,821	7.5			
2028	2028	1,570	55	28,194,800	344,960	8.9			
2029	2029	1,139	28	24,476,500	296,603	7.7			
2030	2030	592	20	15,875,400	188,126	4.9			
2031	2031	549	40	23,361,100	263,672	6.8			
2032	2032	973	33	17,883,200	254,462	6.6			
2033	2033	735	19	16,522,300	208,445	5.4			
2034	2034	602	8	10,828,000	225,474	5.7			
2035	2035	440	4	5,854,700	117,369	2.9			
2036	2036	438	8	7,956,100	143,290	3.7			
2037	2037	515	9	8,748,900	136,136	3.5			
2038-2143	2,206	69	36,778,400	864,512	22.4				
2038									
2039-2143									
Totals	Totals	13,620	424	259,791,100	\$ 3,867,303	100.0	%	Totals	:

	Delaware	Delaware	24	100	141,100	0.1
	Florida	Florida	886	99	10,557,200	5.2
	Georgia	Georgia	577	98	9,188,900	3.4
	Hawaii	Hawaii	22	100	47,800	0.2
	Idaho	Idaho	27	100	189,100	0.1
	Illinois	Illinois	557	97	13,284,700	4.9
	Indiana	Indiana	428	97	8,200,500	2.5
	Iowa	Iowa	110	100	3,484,100	0.9
	Kansas	Kansas	195	97	4,691,500	1.0
	Kentucky	Kentucky	377	99	6,342,100	1.6
	Louisiana	Louisiana	355	99	5,289,700	1.9
	Maine	Maine	85	99	1,208,700	0.6
	Maryland	Maryland	78	99	3,064,500	1.2
	Massachusetts	Massachusetts	207	99	6,664,300	4.6
	Michigan	Michigan	475	99	5,908,200	2.5
	Minnesota	Minnesota	261	98	4,330,200	1.8
	Mississippi	Mississippi	305	99	4,525,800	1.2
	Missouri	Missouri	394	99	5,467,600	1.9
	Montana	Montana	24	100	223,100	0.1
	Nebraska	Nebraska	81	99	1,131,600	0.3
	Nevada	Nevada	74	99	2,665,700	0.8
	New Hampshire	New Hampshire	54	98	667,300	0.5
	New Jersey	New Jersey	145	97	2,277,000	1.5
	New Mexico	New Mexico	110	100	1,354,200	0.6
	New York	New York	338	98	4,960,200	3.0
	North Carolina	North Carolina	417	99	8,434,700	2.8
	North Dakota	North Dakota	21	95	427,800	0.2
	Ohio	Ohio	716	98	16,067,600	4.0
	Oklahoma	Oklahoma	336	97	4,443,500	1.6
	Oregon	Oregon	42	100	650,400	0.3
	Pennsylvania	Pennsylvania	344	97	6,226,800	2.3
	Rhode Island	Rhode Island	31	100	214,600	0.2
	South Carolina	South Carolina	326	99	5,186,200	1.9
	South Dakota	South Dakota	34	100	474,900	0.2
	Tennessee	Tennessee	463	98	7,362,200	2.3
	Texas	Texas	1,602	99	27,435,400	10.1
	Utah	Utah	39	100	1,585,500	0.5
	Vermont	Vermont	18	100	173,500	0.1
	Virginia	Virginia	370	98	7,384,200	2.3
	Washington	Washington	82	99	1,862,600	0.8
	West Virginia	West Virginia	80	100	763,300	0.3
	Wisconsin	Wisconsin	289	100	6,608,900	2.0
	Wyoming	Wyoming	23	100	157,700	0.1
	Puerto Rico	Puerto Rico	6	100	59,400	*
	U.S. Virgin Islands					
	France					
	Germany					
	Ireland	Ireland	4	100	311,500	0.1
	Italy	Italy	7	100	1,075,100	0.4
	Portugal					

Spain	Spain	54	100	3,960,100	0.9
United Kingdom	United Kingdom	289	100	27,412,800	12.3
Totals/average	Totals/average	13,282	98 %	262,561,900	100.0 %
*Less than 0.1%	*Less than 0.1%				

IMPACT OF

For information on the impact of new accounting standards on our b
Financial Statements.

Our consolidated financial statements have been prepared in accorda
operations. Preparing our consolidated financial statements requires u
consolidated financial statements. We believe that we have made the
condition. We continually test and evaluate these estimates and ass
reasonable for reporting purposes. However, actual results may differ
Policies disclosed in our Annual Report on [Form 10-K](#) for the year er
complete discussion of our accounting policies and procedures include
to our consolidated financial statements in our Annual Report.

Item 3: Quantitative and Qualitative Disclosures about Market Ri

We are exposed to economic risks from interest rates and foreign curre

Interest Rates

We are exposed to interest rate changes primarily as a result of our cre
used to maintain liquidity and expand our real estate investment portfo
on earnings and cash flow and to lower our overall borrowing costs. To

In order to mitigate and manage the effects of interest rate risks on c
swaptions, interest rate locks and caps. The use of these types of ins
credit risk, the enforceability of hedging contracts and the risk that un
limit counterparty credit risk, we will seek to enter into such agreemer
able to adequately protect against the foregoing risks or realize an e
activities. We do not enter into any derivative transactions for speculati

The following table presents, by year of expected maturity, the princ
[September 30, 2023](#) [March 31, 2024](#). This information is presented to e

Expected Maturity Data

Year of Principal Due	Fixed rate del
2023	\$ 1,1
2024	1,1
2025	1,1
2026 ⁽¹⁾	1,1
2027	2,1
Thereafter	11,1
Totals ⁽²⁾	\$ 17,1
Fair Value ⁽³⁾	\$ 16,1

The following table summarizes the maturity of our debt as of March 3:

Year of Principal Due	Fixed rate debt
2024	\$ 469.3

2025		1,893.7
2026		2,960.0 ⁽¹⁾
2027		2,843.8
2028		2,501.1
Thereafter		13,408.2
Totals ⁽³⁾		\$ 24,076.1
Fair Value ⁽⁴⁾		\$ 22,650.6

(1) Assumes the two The maturity date for our 2023 term loans assumes a twelve-month t on our 2023 term loans, are fully exercised. As our interest rate swaps which fix our pe starting in 2024 and is reflected in table above. January 2026.

(2) In conjunction with the pricing of our senior unsecured notes due January 2026, w terminate the swaps at any time following the 2026 notes par call date.

(3) Excludes net premiums and discounts recorded on mortgages payable, net premiums and the basis adjustment on interest rate swaps designated as fair value hedges on n

(4) We base the estimated fair value of our fixed rate mortgages and private senior note base the estimated fair value of the publicly traded fixed rate senior notes and bonc payable. We base the estimated fair value of our fixed rate mortgages and private se believe that the carrying values of the line of credit, and commercial paper borrowings

The table above incorporates only those exposures that exist as of Se that date. As a result, our ultimate realized gain or loss, with respect strategies at the time, and interest rates.

At September 30, 2023 March 31, 2024, our outstanding notes, bonc commercial paper borrowings and term loans is variable. However agreements.Based on our revolving credit facility balance of \$481.5 m would change our interest rate costs by \$4.8 million per year.\$15.2 mill

Foreign Currency Exchange Rates

We are exposed to foreign currency exchange variability related to inv our results of operations or financial position could be better or worse currency risk by borrowing in the currencies in which we invest thereby of derivative financial instruments, including currency exchange swap instruments are viewed as risk management tools and are not used for operations on a timely basis subjects us to foreign exchange risk.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules : that information required to be disclosed in our Exchange Act reports Exchange Commission's rules and forms, and that such information Financial Officer, as appropriate, to allow timely decisions regarding recognizes that any controls and procedures, no matter how well design management necessarily was required to apply its judgment in evaluati

As of and for the quarter ended September 30, 2023 March 31, 2024, procedures, under the supervision and with the participation of manage

Based on the foregoing, our Chief Executive Officer and Chief Financi were effective and were operating at a reasonable assurance level.

Changes in Internal Controls

There have been no changes in our internal control over financial re affected, or are reasonably likely to materially affect, our internal contro

Limitations on the Effectiveness of Controls

Internal control over financial reporting cannot provide absolute assu financial reporting is a process that involves human diligence and com

over financial reporting also can be circumvented by collusion or imprudence that may not be prevented or detected on a timely basis by internal control over financial reporting. Therefore, it is possible to design into the process safeguards to reduce the risk of fraud.

PART II. OTHER INFORMATION

Item 1A: Risk Factors

You should carefully consider the risks described below and those risks described in our [Annual Report on Form 10-K for the year ended December 31, 2022](#) and [December 31, 2023](#), as our business, financial condition, results of operations and other factors may change over time, and the risks described therein and herein.

Risks Related to the Merger. There have been no material changes to the risks described in our [Annual Report on Form 10-K for the year ended December 31, 2022](#) and [December 31, 2023](#) that are relevant to the announcement and pendency of the Merger may have an adverse effect on our business, financial condition, results of operations and other factors.

We are subject to risks in connection with the announcement and pendency of the Merger, including:

- Market reaction to the announcement and pendency of the Merger;
- Changes in [risk factors disclosed](#) in our business, operating results, market price of our common stock and other factors, including those disclosed in our [Annual Report on Form 10-K for the year ended December 31, 2022](#) and [December 31, 2023](#) for the likelihood of the Merger being completed;
- The amount of consideration offered per share is based on a fixed number of shares of our common stock, and the amount of consideration may be affected by changes in our liabilities, prospects, outlook, financial condition or results of operations, or by changes in analyst estimates of, or projections relating to, our common stock or the value of our business;
- Potential adverse effects on our relationships with our current and potential customers, due to uncertainties about the Merger;
- We have incurred, and will continue to incur, significant costs, expenses and fees in connection with the Merger, and these fees and costs are payable by us regardless of whether the Merger is completed;
- We may incur unexpected costs, liabilities or delays in connection with the Merger;
- Potential adverse effects to our ability to raise capital during the pendency of the Merger, or our ability to assume such indebtedness on favorable terms, or at all;
- Potential adverse effects on our ability to attract, recruit, retain and motivate key personnel with us following the completion of the Merger, and the possibility that the Merger may not be completed;
- The pendency and outcome of any legal proceedings that may be initiated in connection with the Merger Agreement;

- The inherent risks, costs and uncertainties associated with integration of our business with Spirit, or the risk that the anticipated benefits of the Merger may not be fully realized;
- Competitive pressures in the markets in which we and Spirit operate;
- Potential restrictions on the conduct of our business prior to the completion of the Merger;
- The inability for our stockholders to realize the anticipated benefits of the Merger;
- The occurrence of any event, change or other circumstances that could result in the Merger not being completed;
- The possibility of disruption to our business, including increased costs and the loss of business opportunities that may have been beneficial to us.

Any of these risks could adversely affect our results of operations, financial condition and the value of our common stock.

The Merger may not be completed on the terms or timeline currently anticipated. If the Merger is not completed on the terms or timeline currently anticipated, the Merger will not be completed.

The closing of the Merger is subject to certain conditions, including: (1) the Merger Agreement being filed with the SEC by us in connection with the transactions of the shares of our common stock and our Series A Preferred Stock; (2) the Merger Agreement being approved by the Board of Directors of Spirit; (3) the Merger Agreement being approved by the Board of Directors of Refinitiv; (4) the Merger Agreement being approved by the Board of Directors of Spirit prohibiting the Merger; (5) accuracy of each party's representations, including those set forth in the Merger Agreement, in all material respects; (6) the occurrence of any event, change or other circumstances that has had or would reasonably be expected to have had or would reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or other factors of Spirit or Refinitiv; and (7) with respect to the other parties to the Merger, the occurrence of any event, change or other circumstances that has had or would reasonably be expected to have a material adverse effect on the business, financial condition, results of operations or other factors of such party. We cannot provide assurance that these conditions to completing the Merger will be satisfied, and we cannot provide assurance that the Merger will qualify as a "reorganization" within the meaning of the Code or that Spirit will be qualified as a REIT under the Code and the Regulations.

We cannot provide assurance that these conditions to completing the Merger will be satisfied, and we cannot provide assurance that the Merger will qualify as a "reorganization" within the meaning of the Code or that Spirit will be qualified as a REIT under the Code and the Regulations.

Our common stockholders will be diluted by the Merger, if consummated.

The Merger will dilute the ownership position of our common stockholders, which, in certain circumstances, can be converted into our common stock. We have no control over our management and policies after the effective time of the Merger.

Potential litigation related to the Merger may result in injunctive or other relief may prevent the Merger from becoming effective within the expected

We expect to incur substantial expenses related to the Merger and
We expect to incur substantial expenses in completing the Merger and separated or terminated in connection with the Merger, and the other purchasing, accounting and finance, sales, payroll and benefits, fixe transaction, integration and termination expenses would be incurred, expenses. Many of the expenses that will be incurred, by their nature, transactions contemplated by the Merger Agreement are expected to be

- the inability to successfully combine Spirit's operations with ours in the Merger, which would result in some anticipated benefits of the Merger;
- lost sales and clients as a result of certain clients of either of us or Spirit not doing business with us after the Merger;
- the continued complexities associated with managing a multi-national company, including the complexities associated with the separation of personnel;
- the complexities with combining two companies;
- the failure to retain key employees of either of the two companies;
- potential unknown liabilities and unforeseen increased expenses, damages and costs, including those associated with the Merger Agreement; and
- performance shortfalls at one or both of the two companies as a result of the Merger and our operations with ours.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Period
July 1, 2023 — July 31, 2023
August 1, 2023 — August 31, 2023
September 1, 2023 — September 30, 2023
Total

Period
January 1, 2024 — January 31, 2024
February 1, 2024 — February 29, 2024
March 1, 2024 — March 31, 2024
Total

(1) All 283,153,417 shares of common stock purchased during the three months ended September 30, 2023, was permitted under the 2021 Incentive Award Plan of Realty Income Corporation. The weighted average price paid for the shares was \$1.00.

Item 5: Other Information

Director and Officer Trading Arrangements

During the three months ended September 30, 2023, no director or officer of the Company entered into any purchase or sale of our securities that was intended to satisfy the affirmative requirements of Rule 10b5-1.

Amendment and Restatement of Bylaws

On November 3, 2023, our Board of Directors approved the amendment to our Restated Bylaws ("Amended and Restated Bylaws") to, among other changes:

- address the universal proxy rules adopted by the SEC, including requiring that all Directors' nominees unless such person has complied with the requirements of the universal proxy solicitation requirements;
- enhance certain procedural mechanics and disclosure requirements relating to stockholder meetings, including requiring additional background checks on all other persons related to a stockholder's solicitation of proxies;
- reserve the white proxy card for exclusive use by the Board of Directors;
- establish that derivative claims (other than actions arising under the Maryland General Corporation Law, or any state court of competent jurisdiction in Maryland (or, if such claim is brought in a federal court, unless the Company agrees otherwise);
- establish that claims arising under the Securities Act of 1933, and the Securities Exchange Act of 1934, and
- clarify the procedures for announcing the date, time and place of stockholder meetings.

The Amended and Restated Bylaws also include certain technical, non-substantive changes to the Maryland General Corporation Law.

The foregoing description of the Amended and Restated Bylaws does not constitute a copy of which is attached as Exhibit 3.1 to this Quarterly Report on Form 10-Q.

Item 6: 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, between Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P. (filed as Exhibit 2.1 to the Agreement and Plan of Merger, dated as of April 29, 2021, incorporated herein by reference).
2.2	First Amendment to Agreement and Plan of Merger, dated as of June 1, 2021, between Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P. (filed as Exhibit 2.2 to the Agreement and Plan of Merger, dated as of April 29, 2021, incorporated herein by reference).

[Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P. \(file incorporated herein by reference\).](#)

2.3 [Agreement and Plan of Merger, dated as of October 29, 2023, by and as exhibit 2.1 to the Company's Form 8-K, filed on October 30, 2023 a](#)

Bylaws Instruments defining the rights of security holders, including indentures

3.1* 4.1 [Amended Indenture dated as of October 28, 1998 between the Comp October 28, 1998 \(File No. 001-13374\) and incorporated herein by ref](#)

4.2 [Form of 4.750% Note due 2029 issued on January 16, 2024, \(filed as e herein by reference\).](#)

4.3 [Form of 5.125% Note due 2034 issued on January 16, 2024, \(filed as e herein by reference\).](#)

4.4 [Officers' Certificate dated January 16, 2024 pursuant to Sections 201, York Mellon Trust Company, N.A., as successor trustee, establishing th securities entitled "5.125% Notes due 2034" and including the forms o 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.5 [Indenture, dated as of August 18, 2016, between Spirit Realty, L.P. an Current Report on Form 8-K, filed on August 19, 2016 \(File No. 001-36](#)

4.6 [First Supplemental Indenture, dated as of August 18, 2016, among Sp including the form of the notes and the guarantee \(filed as Exhibit 4.2 i 19, 2016 and incorporated by reference herein\).](#)

4.7 [Second Supplemental Indenture, dated as of June 27, 2019, among S including the form of the notes and the guarantee \(filed as Exhibit 4.2 i and incorporated by reference herein\).](#)

4.8 [Third Supplemental Indenture, dated as of September 16, 2019, amon trustee, including the form of the notes and the guarantee \(filed as Ext 001-36004\) and incorporated by reference herein\).](#)

4.9 [Fourth Supplemental Indenture, dated as of September 16, 2019, amc trustee, including the form of the notes and the guarantee \(filed as Ext 001-36004\) and incorporated by reference herein\).](#)

4.10 [Fifth Supplemental Indenture, dated as of August 6, 2020, among Spir including the form of the notes and the guarantee \(filed as Exhibit 4.1a 36004\) and incorporated by reference herein\).](#)

4.11 [Sixth Supplemental Indenture, dated as of March 3, 2021, among Spir including the form of the notes and the guarantee \(filed as Exhibit 4. of 36004\) and incorporated by reference herein\).](#)

4.12 [CompanySeventh Supplemental Indenture, dated November 3, 2023 g National Association, as trustee, including the form of the notes and th 2021 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.13 [Eighth Supplemental Indenture, dated as of January 23, 2024, by and U.S. Bank Trust Company, National Association \(as successor in inter filed on January 24, 2024 \(File No. 001-13374\) and incorporated herei](#)

4.14 [Form of 4.450% Notes due September 15, 2026 issued on January 23 13374\) and incorporated herein by reference\).](#)

4.15 [Form of 3.200% Notes due January 15, 2027 issued on January 23, 2 and incorporated herein by reference\).](#)

4.16 [Form of 2.100% Notes due March 15, 2028 issued on January 23, 20 and incorporated herein by reference\).](#)

4.17 [Form of 4.000% Notes due July 15, 2029 issued on January 23, 2024 incorporated herein by reference\).](#)

4.18 [Form of 3.400% Notes due January 15, 2030 issued on January 23, 2 and incorporated herein by reference\).](#)

4.19 [Form of 3.200% Notes due February 15, 2031 issued on January 23, 2 and incorporated herein by reference\).](#)

4.20 [Form of 2.700% Notes due February 15, 2032 issued on January 23, 2 and incorporated herein by reference\).](#)

- ## Material Contracts

- ## Certifications

- ### Interactive Data Files

- * Filed herewith.

**Furnished herewith.

Date: November 7, 2023 May 7, 2024

Whenever used in these Bylaws, unless the context otherwise indicates, the following meanings:

"ACT" has the meaning assigned to such term in Section 1.1.

"ADVISOR" means any Person (other than a director, officer or employee of the Corporation) who, in connection with the day-to-day business of the Corporation, is responsible for directing or performing the day-to-day business of the Corporation or subcontracts substantially all such functions.

"AFFILIATE" of a Person means (a) any other Person owning or controlling 10% or more of the outstanding shares of the Corporation, (b) any other Person owning or controlling 10% or more of the outstanding shares of any other Person owning or controlling 10% or more of the outstanding shares of the Corporation, or (d) if such Person is an officer, director or general partner. For purposes of this definition, "control" (including "control in common control with"), as used with respect to any Person, means the direction of the management or policies of such Person, whether by contract, agreement or otherwise.

"ANCILLARY SERVICES" means any business activity of the Corporation, its properties, which generates revenue for the Corporation from the sale of goods and services to its tenants and others.

"APPRAISED VALUE" means the value of a property as determined by a professional appraiser selected in accordance with procedures established by the Board of Directors or any Advisor, a director or an officer of the Corporation or an officer of the Corporation.

"ASSISTANT SECRETARIES" has the meaning assigned to such term in Section 1.1.

"BOARD" means the Board of Directors of the Corporation.

"BUSINESS DAY" means any day other than a Saturday, Sunday or a day on which the Corporation is obligated by law or executive order to close.

"BYLAWS" means the Bylaws of the Corporation, as amended from time to time.

"CHAIRMAN OF THE BOARD" has the meaning assigned to such term in Section 1.1.

"CHARTER" means the charter of Realty Income Corporation.

"CHIEF EXECUTIVE OFFICER" has the meaning assigned to such term in Section 1.1.

"CHIEF OPERATING OFFICER" has the meaning assigned to such term in the applicable state law.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMON STOCK" means the Common Stock of the Corporation.

"COMPANY PROXY MATERIALS" has the meaning assigned to such term in the applicable state law.

"COMPANY SECURITIES" has the meaning assigned to such term in the applicable state law.

"CONFLICTING PROVISIONS" has the meaning assigned to such term in the applicable state law.

"CONTESTED ELECTION" has the meaning assigned to such term in the applicable state law.

"CORPORATION" means Realty Income Corporation, a corporation organized under the laws of the State of Maryland.

"DELIVERY DATE" has the meaning assigned to such term in the applicable state law.

"DTC" has the meaning assigned to such term in Section 312 of the Securities Exchange Act of 1934.

"ELECTION MEETING" has the meaning assigned to such term in the applicable state law.

"ELIGIBLE STOCKHOLDER" has the meaning assigned to such term in the applicable state law.

"EMERGENCY" has the meaning assigned to such term in the applicable state law.

"EXCHANGE ACT" means the Securities Exchange Act of 1934.

"FINAL PROXY ACCESS NOMINATION DATE" has the meaning assigned to such term in the applicable state law.

"FOREIGN ACTION" has the meaning assigned to such term in the applicable state law.

"INDEBTEDNESS" of any Person means the principal amount of any indebtedness of such Person (including any indebtedness of others guaranteed by such Person), incurred or to be incurred by such Person, under any instrument given in connection with the acquisition of any business or assets, or the refinancing, restructuring, modifications and refunding of any such indebtedness or of any such instrument.

"INDEPENDENT DIRECTORS" means the directors of the Corporation who are not affiliated with the Corporation.

"INTERESTED PARTY" has the meaning ascribed to such term in the applicable state law.

"IRS" means the United States Internal Revenue Service.

"MEETING RECORD DATE" has the meaning assigned to such term in the applicable state law.

"MGCL" means the Maryland General Corporation Law.

"MINIMUM HOLDING PERIOD" has the meaning assigned to such term in the applicable state law.

"NONQUALIFYING INCOME" means income not described in Section 1361(c)(2)(B) of the Internal Revenue Code of 1986, as amended.

"NOTICE OF BYLAW AMENDMENT PROPOSAL" has the meaning assigned to such term in the applicable state law.

"NOTICE OF PROXY ACCESS NOMINATION" has the meaning assigned to such term in the applicable state law.

"OWN," "OWNED," "OWNING" and other variations the

"PERSON" means an individual, a corporation, REIT, limited liability company, partnership, trust, bank, trust company, land trust, business trust, or other entity, and also includes a group as that term is defined for purposes of the Code.

"PREFERRED STOCK" means the Preferred Stock of the Company or series under the Charter.

"PRESIDENT" has the meaning assigned to such term in the Charter.

"PROPOSED NOMINEE" has the meaning assigned to such term in the Charter.

"PUBLIC ANNOUNCEMENT" has the meaning assigned to such term in the Charter.

"QUALIFYING FUND FAMILY" has the meaning assigned to such term in the Charter.

"RECORD DATE REQUEST NOTICE" has the meaning assigned to such term in the Charter.

"REIT" means a real estate investment trust under Section 856 of the Code.

"REIT PROVISIONS OF THE CODE" means Part II, Subchapter M, of the Code and any successor statutes, relating to REITs.

"REQUEST RECORD DATE" has the meaning assigned to such term in the Charter.

"REQUIRED INFORMATION" has the meaning assigned to such term in the Charter.

"REQUIRED SHARES" has the meaning assigned to such term in the Charter.

"SECRETARY" has the meaning assigned to such term in the Charter.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SOLICITING STOCKHOLDER" has the meaning assigned to such term in the Charter.

"SPECIAL MEETING PERCENTAGE" has the meaning assigned to such term in the Charter.

"SPECIAL MEETING REQUEST" has the meaning assigned to such term in the Charter.

"STATEMENT" has the meaning assigned to such term in the Charter.

"STOCKHOLDER ASSOCIATED PERSON" has the meaning assigned to such term in the Charter.

"STOCKHOLDER NOMINEE" has the meaning assigned to such term in the Charter.

"STOCKHOLDER-REQUESTED MEETING" has the meaning assigned to such term in the Charter.

"TREASURER" has the meaning assigned to such term in the Charter.

"VICE PRESIDENT" has the meaning assigned to such term in the Charter.

"VOTING COMMITMENT" has the meaning assigned to such term in the Charter.

Section 1. PRINCIPAL OFFICE. The principal office of the Company shall be the principal office of the Company.

[illegible]

(5) If written revocations of the Special Meeting F (or their agents duly authorized in writing), as of the Request and not revoked, requests for a special meeting on the matter, the Secretary shall refrain from delivering the notice of the meeting. If the Secretary receives notice of any revocation of a request for a special meeting, it shall send to all requesting stockholders who have not revoked their request for the special meeting and written notice of the Corporation's decision.

(6) The Chairman of the Board, Chief Executive Officer, and the other officers and directors of the Corporation, and the inspectors of elections to act as the agent of the Corporation, in connection with the purported Special Meeting Request received by the Secretary of the Corporation, have not been notified of the purported Special Meeting Request.

Section 4. **NOTICE.** Not less than ten nor more than 90 entitled to vote at such meeting and to each stockholder no transmission stating the time and place of the meeting and, purpose for which the meeting is called, by mail, by present place of business, by electronic transmission or by any other when deposited in the United States mail addressed to the with postage thereon prepaid. If transmitted electronically, s electronic transmission to any address or number of the stock may give a single notice to all stockholders who share an a unless such stockholder objects to receiving such single no any meeting to one or more stockholders, or any irregularity Article III or the validity of any proceedings at any such meet

Section 6. ORGANIZATION AND CONDUCT. Every meeting shall be called to order by the chairman of the meeting or, in the absence of such appointment, by the secretary.

REFINITIV 

(f) maintaining order and security at the meeting; (g) removing procedures, rules or guidelines as set forth by the chairman whether or not a quorum is present, to a later date and time through means announced at the meeting; and (i) complying otherwise determined by the chairman of the meeting, meeting parliamentary procedure.

Section 7. QUORUM. At any meeting of stockholders, the votes entitled to be cast at such meeting on any matter shall be the Charter or these Bylaws for the vote necessary for the meeting which has been duly called and at which a quorum notwithstanding the withdrawal from the meeting of enough quorum is not established at any meeting of the stockholders date not more than 120 days after the original record date of meeting, as reconvened, shall be either (a) announced at the such adjourned meeting at which a quorum shall be present originally notified.

Section 8. VOTING. Each director to be elected by the stockholder's votes cast with respect to such nominee by the holders of stock

the election of directors at which a quorum is present (an "Election Meeting") shall be the election of directors to be elected at such meeting if the number of nominees exceeds the number of directors to be elected at such meeting, the determination by the record date for the Election Meeting as to whether or not a quorum is present shall be the election of directors to be elected by the affirmative vote of a plurality of the votes cast at such meeting to the election of such director.

For purposes of this Section 8, a "majority of the votes cast" shall mean the number of votes cast "against" that candidate or candidates (either "for" or "against"). In an election other than a Contested Election of directors or to "abstain" from such vote and shall be a Contested Election, stockholders will be given the choice to vote "for" or "against" or to "abstain" from such vote and shall be given the choice to cast any other vote with respect to such election of directors or to "abstain" from such vote. For the election of directors by class or classes or series, the determination as to whether or not a quorum is present shall be by-series basis, as applicable. A majority of the votes cast shall be sufficient to approve any other matter which may properly come before the stockholders at such meeting, the Charter or these Bylaws. Unless otherwise provided, the vote on each matter submitted to a vote at a meeting of stockholders shall be by a majority of the votes cast.

Section 9. PROXIES. A holder of record of shares of stock or by the stockholder's duly authorized agent in any manner shall be entitled to vote at such meeting. No proxy shall be valid unless it is signed by the stockholder or by the duly authorized agent of the stockholder. Any stockholder directly or indirectly soliciting proxies from other stockholders for the exclusive use by the Board.

Section 10. VOTING OF STOCK BY CERTAIN HOLDERS. If a stockholder is a company, partnership, joint venture, trust or other entity, if a member, manager, general partner or trustee thereof, as the case may be, or if any other person who has been appointed to vote such stock proxy

or agreement of the partners of a partnership presents a certificate of ownership of such stock. Any trustee or fiduciary, in such capacity, may vote such stock.

Shares of stock of the Corporation directly or indirectly owned by the stockholder shall be counted in determining the total number of outstanding shares entitled to be voted at a meeting of the stockholders and shall be counted in determining the total number of shares voted and shall be counted in determining the total number of shares entitled to be voted at a meeting of the stockholders.

The Board may adopt by resolution a procedure by which shares of stock of the Corporation registered in the name of the stockholder are held for the account of the stockholder.

For the class of stockholders who may make the certification, the information to be contained in it; if the certification is with respect to the shares received by the Corporation; and any other provisions with respect to the Corporation of such certification, the person specified in the certification shall be the holder of record of the specified stock in place of the stockholder.

Section 11. INSPECTORS. The Board or the chairman of the meeting and any successor to the inspector. Except as otherwise provided, the number of shares of stock represented at the meeting, the votes, ballots or consents, (iii) report such tabulation to the Board in connection with the right to vote, and (v) do such acts as are required to be signed by the inspector or by a majority of them if there is no report of a majority shall be the report of the inspectors. The results of the meeting and the results of the voting shall be *prima facie* evidence of the facts stated therein.

Section 12. ADVANCE NOTICE OF STOCKHOLDER NOMINATION

(a) Annual Meetings of Stockholders. (1) Nomination of a stockholder considered by the stockholders may be made at an annual meeting of the stockholders in the direction of the Board or (iii) by any stockholder of the Corporation for the purpose of determining stockholders entitled to vote at the meeting. Section 12(a) and at the time of the annual meeting (and at any special meeting) an election of each individual so nominated or on any such other business pursuant to a Notice of Proxy Access Nomination (each as defined in the Charter) shall be made.

(2) For any nomination or other business to be presented at a meeting pursuant to paragraph (a)(1) of this Section 12, the stockholder must have delivered to the Secretary at the principal executive office of the Corporation on the 120th day prior to the first anniversary of the date of the preceding year's annual meeting; provided, however, that in the event the first anniversary of the date of the preceding year's annual meeting falls on a day prior to the date of such annual meeting, as originally called or as such meeting is first made. The

postponement or adjournment of an annual meeting (or the period) for the giving of a stockholder's notice as described

(3) Such stockholder's notice shall set forth:

(j) as to each individual whom the stockholder Nominee"), (A) all information relating to the Proposed Non for the election of the Proposed Nominee as a director in a required in connection with such solicitation, in each case p a description of any direct or indirect material interest in any Stockholder Associated Person (as defined below), on the participants in such solicitation, on the other hand, including 404 under Regulation S-K if such stockholder or Stockhold Nominee were a director or executive officer of such registr

(ii) as to any other business that the stockholder proposes, the stockholder's reasons for proposing such business at the meeting, (A) the name of the Associated Person, individually or in the aggregate, including the name of the person(s) from whom the stockholder acquired the stock, and the interest of the Associated Person in the business, (B) the text of the proposal or business (including any financial terms), (C) if the business includes a proposal to amend these Bylaws, the list of the amendments, agreements, arrangements and undertakings (x) between the stockholder and the Associated Person, (y) among such stockholder, any Stockholder Associated Person, and (z) between the Associated Person and any other person, (D) any other information that the stockholder is required to disclose in a proxy statement or other filing required to be made in connection with the business, and (E) before the meeting pursuant to Regulation 14A (or any such filing).

(iii) as to the stockholder giving the notice, an

(A) (I) the class, series and number of all of the "Company Securities", if any, which are, directly or indirectly (within the meaning of the Securities Exchange Act) by such stockholder, Proposed Nominee or its affiliates, or by any person acting in concert with any of them, beneficially own any shares of any class or series of stock of the Company at any time in the future, (II) the date on which each such Company Security was pledged by such person with respect to any Company Security, and (B) the amount of any decrease in the price of such stock or other security) in any

(B) the nominee holder for, and number of
Proposed Nominee or Stockholder Associated Person;

(C) whether and the extent to which such (through brokers, nominees or otherwise), is subject to or d or series of transactions or entered into any other agreeme of securities or any proxy or voting agreement), the effect o

Securities for such stockholder, Proposed Nominee or Stockholder, Proposed Nominee or Stockholder Associated Person, individually or in the aggregate, in the Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person has a direct or indirect economic interest in the Company Securities;

(D) any material interest, direct or indirect contractual or other material relationship with the Corporation (including any bargaining agreement or consulting agreement), by security or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, individually or in the aggregate, in the Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person has a direct or indirect economic interest in the Company Securities on a *pro rata* basis by all other holders of the same class of securities;

(E) any pending or threatened legal proceeding in which such stockholder, Proposed Nominee or Stockholder Associated Person is a party or a participant involving the Corporation or any of its subsidiaries;

(iv) as to the stockholder giving the notice, and (v) as to the Proposed Nominee or Stockholder Associated Person, or (iii) of this paragraph (3) of this Section 12(a) and any Proposed Nominee or Stockholder Associated Person;

(A) the name and address of such stockholder, Proposed Nominee or Stockholder Associated Person, if different, of each such Stockholder Associated Person and each such Stockholder Associated Person;

(B) the investment strategy or objective, if any, of such stockholder, Proposed Nominee or Stockholder Associated Person and a copy of the prospectus, offering memorandum or similar document of such stockholder and each such Stockholder Associated Person;

(v) the name and address of any person who has provided information to such stockholder, Proposed Nominee or Stockholder Associated Person about the Proposed Nominee or other business opportunity;

(vi) to the extent known by the stockholder giving the notice, of any other business opportunity for election or reelection as a director or the proposal of other business opportunities;

(vii) (A) in the case of a business proposal of such stockholder, Proposed Nominee or Stockholder Associated Person intends or is part of a group of stockholders representing a specified percentage of the Corporation's outstanding capital stock to support such proposal and (B) if the stockholder is proposing to nominate Proposed Nominees by an Eligible Stockholder pursuant to the Corporation's charter or bylaws, a representation that such stockholder, Proposed Nominee or Stockholder Associated Person has obtained the necessary support of the Eligible Stockholders to elect such Proposed Nominees;

which intends to solicit the holders of shares representing a specified percentage of the Corporation's outstanding capital stock in support of each Proposed Nominee in accordance with Rule 14c-2 of the Exchange Act;

(viii) an undertaking that such stockholder will bring such business before the meeting, as applicable, and the meeting to nominate such Proposed Nominees or bring such business before the meeting for a vote at such meeting or of any proposal related to such other business need not be disclosed by the stockholder in connection with the solicitation of proxies for the meeting (if such other business contest is not involved), or would otherwise be required in connection with the solicitation of proxies for the meeting (if such other business contest is not involved) under the Exchange Act.

(ix) all other information regarding the stockholder, Proposed Nominee or Stockholder Associated Person that the stockholder, Proposed Nominee or Stockholder Associated Person is required to disclose in connection with the solicitation of proxies for the meeting (if such other business contest is not involved), or would otherwise be required in connection with the solicitation of proxies for the meeting (if such other business contest is not involved) under the Exchange Act.

(4) Such stockholder's notice shall, with respect to

(i) a written representation executed by the PI

(A) that such Proposed Nominee (I) is not, and has not entered into any agreement, arrangement or understanding with, and has not agreed to how such Proposed Nominee, if elected as a director of the Corporation, will comply with the Voting Commitment that could limit or interfere with such PI's exercise of the Proposed Nominee's duties under the MGCL, (II) is not, and has not agreed to be a person or entity other than the Corporation in connection with the election, (III) consents to be named in a proxy statement as a nominee, (IV) will notify the Corporation simultaneously with the notification to the stockholder to serve as a director for the entire term, (V) does not need to obtain the consent if elected, that has not been obtained, including any employment contract, (VI) if elected as a director of the Corporation, will comply with the ownership and trading and other policies and guidelines of the Corporation as a director (and, if requested by any candidate for nomination, will comply with the policies and guidelines then in effect);

(B) attaching copies of any and all requisites for the election;

(C) attaching a completed Proposed Nomination form, and a written request, to the stockholder providing the notice and the information required to be disclosed in connection with the solicitation of proxies for the election contest is not involved), or would otherwise be required to be disclosed;

pursuant to Regulation 14A (or any successor provision) under the Securities Act, or any securities exchange on which any securities of the Corporation are listed or traded); and

(ii) unless such Proposed Nominee is submitting the Proposed Nomination pursuant to Section 15 of this Article III, a written representation executed by the PI

(A) comply with Rule 14a-19 (or any successor provision) of the Securities Act of 1933, of proxies in support of any Proposed Nominee and, except in the case of confidential information provided by the Corporation, the confidentiality of any information provided by the Corporation has been made public by the Corporation;

(B) notify the Corporation as promptly as possible of the election of any Proposed Nominee as a director at the applicable time;

(C) no later than five Business Days prior to the meeting of the principal executive office of the Corporation, evidence, sufficient to satisfy the requirements of Rule 14a-19(a)(3) (or any successor provision) of the Securities Act;

(D) furnish such other or additional information as may be required by the requirements of this Section 12 have been complied with and

(5) Notwithstanding anything in this subsection (a) to the contrary, if the size of the Board is increased, and there is no public announcement (as defined in Section 12(c)(4) of this Article III) of the increase, the first paragraph (a)(1) of this Section 12 shall also be considered

if it shall be delivered to the Secretary at the principal executive offices of the Corporation following the day on which such public announcement is first made.

(6) The Board may request that the stockholder give such information as may be reasonably required by the Board. Such stockholder shall comply with such request by the Board. The Board may also require any proposed candidate to be requested by the Board in writing prior to the meeting of the general assembly. In the absence of the foregoing, the Board may request such nomination to be an independent director of the Corporation in accordance with the Corporation's corporate governance guidelines. The stockholder shall deliver such request to the Secretary at the principal executive offices of the Corporation no later than five Business Days after the

request by the Board of Directors has been delivered to, or on the date of the meeting.

(7) For purposes of this Section 12, "Stockholder Associated Person" means any person who is a stockholder or another Stockholder Associated Person under the Exchange Act) in the solicitation, (ii) any beneficial owner of the stock of the Corporation (other than a stockholder that is a depositary) and who is controlled by, or is under common control with, such stockholder.

(b) Special Meetings of Stockholders. Only such business may be brought before the meeting pursuant to the Corporation's notice of meeting. If a stockholder gives notice of this Section 12(b), no stockholder may nominate an individual for election to the Board at a special meeting. Nominations of individuals for election to the Board shall be made and elected only (i) by or at the direction of the Board, (ii) by a stockholder or a stockholder associated person in compliance with Section 3 of this Article III and (iii) by an individual whom the stockholder proposes to nominate for election or re-election who complies with Rule 14a-19 (or any successor provision) under the Exchange Act. The stockholder shall deliver a written notice of nomination in accordance with Section 3(a) of this Article III for the purpose of the meeting to the Secretary at the principal executive offices of the Corporation on or before the record date set by the Board for the purpose of the meeting and at the time of the meeting provided for in this Section 12 and at the time of the meeting in the election of each individual so nominated set forth in this Section 12. In the event the Corporation calls a special meeting of the Board, any stockholder may nominate an individual or individuals for election to the Board by giving notice of meeting, if the stockholder's notice, containing the name of the individual or individuals proposed, is delivered to the Secretary at the principal executive offices of the Corporation no later than 5:00 p.m., Pacific Time, on the later of the 90th day before the date of the special meeting or the date of the announcement is first made of the date of the special meeting. The postponement or adjournment of a special meeting (or adjournment of a meeting) for the giving of a stockholder's notice as described in this Section 12 shall not affect the validity of the election.

(c) General. (1) If any information or representation supplied by a stockholder or stockholder associated person in proposing a nominee for election as a director or any proposed business transaction from a Proposed Nominee, shall be inaccurate or misleading in any material respect, the stockholder or stockholder associated person shall be liable to the Corporation for the amount of any damages caused by such inaccuracy or misleading information. (2) If any stockholder or stockholder associated person has been provided in accordance with this Section 12. Any stockholder or stockholder associated person who becomes aware of such inaccuracy or misleading information within five Business Days of becoming aware of such inaccuracy or misleading information shall, as soon as practicable, notify the Board, any such stockholder or Proposed Nominee shall be liable to the Corporation for the amount of any damages caused by such inaccuracy or misleading information (as may be specified in such request), (i) written verification of the inaccuracy or misleading information, and (ii) a statement of the stockholder or stockholder associated person as to the basis for the inaccuracy or misleading information.

(2) Only such individuals who are nominated in a by stockholders as directors, and only such business shall in accordance with this Section 12. A stockholder proposing Nominees that exceeds the number of directors to be elected substitute or replacement is nominated in accordance with respect to such substitute or replacement Proposed Nominee each Proposed Nominee being substituted or replaced has executive office of the Corporation prior to, or concurrently replacement Proposed Nominee pursuant to this Section 1. Nominees proposed by such stockholder exceeds the number the Corporation within five Business Days stating the name Nominees proposed by such stockholder no longer exceed accordance with this Section 12 becomes unwilling or unable longer be valid and no votes may validly be cast for such in nomination or any other business proposed to be brought before Section 12, and (i) any defective nomination shall be disregarded ballot listing other qualified nominees, only the ballots cast for business, other than a nomination, not properly brought before

(3) Notwithstanding the foregoing provisions of this Article III, the Board may, in its discretion, accept for nomination of, and any proxy authority granted in favor of, a Nominee submitted as Stockholder Nominees by an Eligible Stockholder, notwithstanding that such nominee is included in the list of nominees for election to the Board of Directors included in the proxy materials for any annual meeting (or any supplement thereto) and notwithstanding that the Solicitor has been soliciting proxies in support of such director nominees above and below the list of nominees included in the proxy materials under the Exchange Act, including any failure by the Solicitor to include such nominee in the list of nominees included in the proxy materials.

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(5) Notwithstanding the foregoing provisions of the law and of the Exchange Act with respect to the matters set forth in this Section 12, no Stockholder or Stockholder Associated Person shall have the right to request inclusion of a proposal in, or the right to demand inclusion of a proposal in, the agenda of the Annual Meeting of the Corporation with the Securities and Exchange Commission. Notwithstanding this Section 12 shall require disclosure of revocable proxies for the Annual Meeting of the Corporation. No Stockholder or Stockholder Associated Person pursuant to a solicitation of proxies for the Annual Meeting of the Corporation shall be entitled to demand inclusion of a proposal in the agenda of the Annual Meeting of the Corporation or to demand inclusion of a proposal in the agenda of the Annual Meeting of the Corporation.

Section 13. VOTING BY BALLOT. Voting on any question shall be by ballot or otherwise.

Section 15. PROXY ACCESS.

(a) Notwithstanding anything to the contrary in these annual meeting of stockholders, subject to the provisions of other applicable filings pursuant to Section 14(a) of the Exchange Act, the Board may nominate one or more individuals for election to the Board (each such individual being referred to as an "Eligible Stockholder") if more than 20 stockholders that satisfies the requirements of the Exchange Act, being hereinafter referred to as the "Eligible Stockholder"

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Stock shall be deemed to continue during any period in which the Company has the power to recall such loaned shares on three Business Days after the date the Notice of Proxy Access Nomination is provided and three Business Days after the adjournment thereof). For purposes of this Section 15, the terms "loaned shares" shall have the same meanings. Whether and how outstanding shares of Common Stock shall be loaned shall be at the discretion of the Board of Directors.

(d) To be in proper form for purposes of this Section

(iii) information and certifications that are the same as those required by Sections 12(a)(3) and (4) of Article III of these Bylaws (except

(iv) the written agreement of the Stockholder Nominating/Corporate Governance Committee on reasonable grounds that the Nominee's election as a director, to make such acknowledgment, to serve as a director, to accept such office, all directors at such time, including, without limitation, agree to comply with the company's corporate governance guidelines, confidentiality and other similar policies.

(vi) a written undertaking that the Eligible Stockholder will not initiate or cause to be initiated any communication with the stockholders by the Eligible Stockholder before or after providing a Notice of Proxy Access Nomination, and will not cause the Eligible Stockholder or its Stockholder Nominee(s) provided in the Notice of Proxy Access Nomination to be included in the list of nominees for inclusion of such Stockholder Nominee(s) in the Company's annual general meeting of the Corporation and each of its directors, officers, agents and employees, in connection with any pending action, suit or proceeding, whether legal, administrative or otherwise, and

employees arising out of any nomination of a Stockholder Nominee pursuant to this Section 15;

(vii) a written description of any compensatory, perquisites, or other benefits in excess of the Corporation under which the Stockholder Nominee is employed, together with a full and complete copy of any such agreement;

(viii) in the case of a nomination by a group, the consent of all group members with respect to matters relating to the nomination;

Each Stockholder Nominee and the Eligible Stockholder shall be required by the Corporation to determine the eligibility of such Stockholder Nominee in accordance with the standards of any national securities exchange on which any securities of the Corporation are listed, and (C) as may reasonably be required by the Corporation to determine the eligibility of such Stockholder.

(e) To be eligible to require the Corporation to include an Eligible Stockholder must further update and supplement the information required to be provided in such Notice of Proxy Access Notice of the record date for the annual meeting of stockholders and any postponement or adjournment thereof), and (ii) such update shall be received by the Secretary at the principal executive office of the Corporation after the record date for the meeting (in the case of the update, 5 p.m., Pacific Time, on the eighth Business Day prior to the meeting (or any postponement or adjournment thereof) 5 Business Days prior to the meeting (or any postponement or adjournment thereof).

(f) In the event that any fact, statement or information provided by a stockholder ceases to be true and complete in all material respects, or if the information, in light of the circumstances under which they were provided, in any case may be, shall promptly notify the Secretary of any defect or omission in the information required to correct any such defect, not later than the time such defect or omission is discovered.

(g) Whenever an Eligible Stockholder consists of a group of persons, the requirement or condition shall be deemed to require each such person to execute, and to deliver to the Corporation, the Required Shares Owned by such stockholder, and the portion of the Required Shares Owned by such stockholder shall be deemed to be the portion of the Required Shares Owned by such stockholder. If the group consists of persons constituting an Eligible Stockholder with respect to the group, two or more funds that are part of the "Qualifying Fund Family" shall be treated as one stockholder pursuant to this Section 15, a Qualifying Fund Family whose members, taken together, qualify as an Eligible Stockholder.

shall provide to the Secretary such documentation as is reasonably necessary to ensure that the Qualifying Fund Family comprising the Qualifying Fund Family satisfy the definition of

[illegible]

(i) The Corporation shall not be required to include, in its proxy materials for any annual meeting of stockholders (i) for which meeting the stockholder has nominated one or more individuals for election

Board pursuant to the advance notice requirements for stockholder nominations, the Eligible Stockholder who has nominated such Stockholder or another person's, "solicitation," each within the meaning of

(k) Any Stockholder Nominee who is included in the becomes ineligible or unavailable for election to the Board be cast in the election of directors at such annual meeting, pursuant to this Section 15 for the next two annual meeting stockholder from nominating any individual to the Board pu

Section 2. NUMBER, TENURE, QUALIFICATIONS AND
purpose, a majority of the entire Board may establish, incre
less than the minimum number required by the MGCL, nor
affected by any decrease in the number of directors. Except
be elected as provided in the Charter at the annual meeting
meeting of the stockholders and until his or her successor i
Any director of the Corporation may resign at any time by d
Any resignation shall take effect immediately upon its recei
not be necessary to make it effective unless otherwise statu

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of stockholders, no notice other than this Board Resolution shall be given, and the time and place of such meeting shall be specified in a notice given to the stockholders. The time and place of regular meetings of the Board shall be specified in a resolution of the Board.

Section 4. SPECIAL MEETINGS. Special meetings of the Board may be called by the Chief Executive Officer, the President or a majority of the directors. Such meetings may fix the time and place of any special meeting of the Board without other notice than such resolution.

Section 5. NOTICE. Notice of any special meeting of the Board shall be given by electronic mail, electronic transmission, courier or United States mail to each director. Notice by electronic mail or facsimile transmission shall be given at least three days prior to the meeting. Notice by courier shall be given when the director or his or her agent is personally given such notice. Notice by electronic mail shall be deemed to be given upon transmission. Facsimile transmission notice shall be deemed to be given when the notice is received by the director and receipt of a completed answer shall be deemed to be given when deposited in the United States mail properly addressed. Notice of any special meeting of the Board need be stated in the notice, and the time and place of such meeting shall be specified in a resolution of the Board.

Section 6. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business, and that, if less than a majority of such directors is present at such meeting, the meeting may adjourn without further notice, and provided further that if, pursuant to a resolution of the Board, a particular group of directors is required for action, a quorum shall be a majority of such directors.

The directors present at a meeting which has been duly called and which has adjourned, notwithstanding the withdrawal from the meeting of one or more directors, shall constitute a quorum for the transaction of business.

Section 7. VOTING. The action of a majority of the directors shall constitute the action of the Board, unless the concurrence of a greater proportion is required for such action by applicable law. A director who is present at a meeting and who votes in person or by proxy shall be deemed to have withdrawn from a meeting to leave fewer than required to constitute a quorum at such meeting. A quorum shall be a majority of the directors necessary to constitute a quorum at such meeting, and a quorum shall be a majority of the directors necessary to constitute a quorum at such meeting.

Section 8. TELEPHONE MEETINGS. Directors may participate in a meeting by telephone if all persons participating in the meeting can hear each other and if the meeting can be held in person at the meeting.

Section 9. INFORMAL ACTION BY DIRECTORS. Any action of the Board may be taken by a meeting, if a consent in writing or by electronic transmission of the directors is obtained, and the proceedings of the Board.

Section 10. ORGANIZATION. At each meeting of the Board, the Chief Executive Officer, if any, shall act as chairman of the meeting. In the absence of the Chief Executive Officer, the President or, in the absence of the Chief Executive Officer, the directors present, shall act as chairman of the meeting. The Secretary, if any, shall act as secretary of the meeting. In the absence of the Secretary and all Assistant Secretaries, any director present shall act as secretary of the meeting.

Section 11. VACANCIES. If for any reason any or all of affect these Bylaws or the powers of the remaining director number of directors may be filled by a majority of the remain director shall hold office until the next annual meeting of stock number of directors created by an increase in the number of director shall serve until the next annual meeting of stockholders.

Section 12. COMPENSATION OF DIRECTORS. Unless fix the compensation of directors. The directors may be paid a fixed sum for attendance at each meeting of the Board and the Corporation in any other capacity.

and receiving compensation therefor. Members of special committees.

Section 13. RELIANCE. Each director and officer of the be entitled to rely on any information, opinion, report or statement an officer or employee of the Corporation whom the director a lawyer, certified public accountant or other person, as to the professional or expert competence, or, with respect to a director within its designated authority, if the director reasonably believes.

Section 14. COMMITTEES OF DIRECTORS. The Board Committee, a Nominating/Corporate Governance Committee pleasure of the Board. In the absence of any member of an constitute a quorum, may appoint another director to act in under Section 14 of this Article IV any of the powers of the any committee may delegate some or all of its power and a committee deems appropriate in its sole and absolute discretion.

Section 15. COMMITTEE MEETINGS. Notice of committee Board. A majority of the members of the committee shall constitute act of a majority of the committee members present at a meeting committee, and such chairman or, in the absence of a chairman committee) may fix the time and place of its meeting unless in a meeting by means of a conference telephone or other means at the same time. Participation in a meeting by these means.

Section 16. INFORMAL ACTION BY COMMITTEES. Any may be taken without a meeting, if a consent in writing or by such consent is filed with the minutes of proceedings of such.

Section 17. COMMITTEE CHANGES. Subject to the provisions any committee, to appoint the chairman of any committee, to member, to dissolve any such committee or to withdraw or.

Section 18. RATIFICATION. The Board or the stockholders by the Corporation or its officers to the extent that the Board shall have the same force and effect as if originally duly authorized. Any Act questioned in any proceeding on the ground of lack.

stockholder, non-disclosure, miscomputation, the application after

judgment, by the Board or by the stockholders, and such ratification of such questioned Act.

Section 19. EMERGENCY PROVISIONS. Notwithstanding the existence of any catastrophe, or other similar emergency cannot readily be obtained (an "Emergency"). During any Emergency a committee thereof may be called by any director or officer but during such an Emergency may be given less than 24 hours notice, including publication, television or radio, and (iii) the ratification of the Board.

Section 1. GENERAL PROVISIONS. The officers of the Corporation shall be a Treasurer and may include a Chairman of the Board, a Vice President, a Chief Operating Officer, a Chief Financial Officer, one or more other officers, who may from time to time elect such other officers with such powers and duties shall be elected annually by the Board at the first meeting of the Board. The Executive Officer or President may from time to time appoint and remove such officers. If the election of officers shall not be held at such regular meeting, they shall serve until his or her successor is elected and qualified to serve. Any two or more offices except President and Vice President may be held by one person. Any vacancy in any office shall be filled by the Board. Any unfilled any office except that of President, Treasurer and Secretary shall be filled by the Board. The Corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION. Any officer or director may be removed from office by such removal shall be without prejudice to the contract right of the officer or director by delivering his or her resignation to the Board, the Chairman of the Board. Such resignation shall take effect at any time subsequent to the receipt of the resignation immediately upon its receipt. The acceptance of a resignation shall be without prejudice to the contract right of the officer or director.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board.

Section 4. CHAIRMAN OF THE BOARD. The Board of Directors may, from time to time, elect, not, solely by reason of these Bylaws, be an officer of the Corporation, a Chairman of the Board, executive or non-executive chairman. The Chairman of the Board shall have such other powers and duties as may be from time to time determined by the Board.

Section 5. CHIEF EXECUTIVE OFFICER. The Board member of the Board shall be the Chief Executive Officer of the Corporation, as determined by the Board. The Chief Executive Officer may execute any deed, mortgage, bond, contract or other instrument on behalf of the Corporation, and may cause the same to be signed by the Board or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer.

Section 6. CHIEF OPERATING OFFICER. The Board member shall perform all responsibilities and duties as determined by the Board or the Chief Executive Officer.

Section 7. PRESIDENT. The Board shall designate a President of the Corporation. The President shall be a member of the Board or the Chief Executive Officer.

Section 8. VICE PRESIDENT. In the absence or disability of the President, the Vice President designated by the Board, shall perform the duties and exercise the powers of the President, and be subject to all the restrictions upon the President. The Board may designate one or more Vice Presidents, and the Board may, from time to time, remove them, respectively, by the Board.

Section 9. SECRETARY. The Secretary shall attend all meetings of the Board and shall keep minutes of all proceedings in one or more books to be kept by the Board. He or she shall give, or cause to be given, notice of all meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the Chief Executive Officer. The Secretary, or any person authorized by the Board, affix the same to any instrument requiring the signature of an Assistant Secretary. The Board may give general or special power of attorney to the Secretary or to any person authorized by the Board, affixing by his or her signature.

Section 10. ASSISTANT SECRETARIES. If there shall be no Secretary, or if the Secretary shall be absent or disabled, the order determined by the Board, or if there be no such order, the Board may, from time to time, prescribe the duties and exercise the powers as the Board may from time to time prescribe.

Section 11. TREASURER. The Treasurer shall have the custody of the Corporation's funds, and shall keep records of receipts and disbursements in books belonging to the Corporation, in such depositories as may be determined by the Board, or under the direction of, the Board, taking proper care of the same. The Treasurer shall, at each meeting of the Board, or when the Board so requires, an account of all the receipts and disbursements of the Corporation.

Section 12. ASSISTANT TREASURER. If there shall be no Treasurer, or if the Treasurer shall be absent or disabled, the order determined by the Board, or if there be no such order, the Board may, from time to time, prescribe the duties and exercise the powers as the Board may from time to time prescribe.

Section 13. COMPENSATION. The compensation of the officers and directors shall be determined by the Board, and no officer or director shall be prevented from receiving such compensation.

Section 4. FIXING OF RECORD DATE. The Board may notice of or to vote at any meeting of stockholders or determine other rights, or in order to make a determination of stockholders close of business on the

Section 6. FRACTIONAL STOCK; ISSUANCE OF UNIT
 authorize the issuance of scrip, all on such terms and under
 or these Bylaws, the Board may authorize the issuance of u
 have the same characteristics as any identical securities is
 securities of the Corporation issued in such unit may be tra

Section 1. INVESTMENT. The Corporation intends to invest in real estate interests as may be determined from time to time. Subject to the restrictions of this Article VII, Section 1, the Corporation may invest its assets in real estate interests as may be determined from time to time. Subject to the restrictions of this Article VII, Section 1, the Corporation may invest its assets in real estate interests as may be determined from time to time. Subject to the restrictions of this Article VII, Section 1, the Corporation may invest its assets in real estate interests as may be determined from time to time.

Section 2. TAX TREATMENT AS A REIT. As soon as the Corporation is eligible for tax treatment as an REIT under the Code, shall be treated as a REIT under the Code, and shall thereafter continue to be treated as a REIT under the Code.

Section 3. NO LIABILITY TO QUALIFY AS REIT. Although the Corporation may be treated as a REIT under the Code, no director, officer, employee, agent or other person shall be liable for any tax resulting in the loss of tax benefits under the Code.

Section 4. SPECIFIC INVESTMENTS. Pending investment in real estate interests, the Corporation may invest its assets in the following: (a) commercial real estate, (b) commercial mortgages, (c) certificates of deposit, (d) bank repurchase agreements, (e) commercial

paper rated A-1 (or the equivalent) or better by Moody's Investors Services, Inc. or any other nationally-recognized rating agency, (f) time deposits in banks and thrift institutions, (g) money market funds, (h) United States government or its agencies, (i) debt securities or equity securities, (j) Moody's Investors Services, Inc. or any other nationally-recognized rating agency, (k) debt/equity securities approved by the Board, or (l) any other investment approved by the Board.

Section 5. RESERVES. The Corporation may retain, as reserves, any of the types of investments described in Section 4 of this Article VII.

Section 6. INVESTMENT RESTRICTIONS. The Corporation shall not: (a) invest in contracts for the sale of real estate; (b) issue "redeemable securities" (as defined in Section 2(a)(3) of the Securities Act of 1933, as amended) or "installment type" (as defined in Section 2(a)(15) thereof) or (c) engage in short sales or trading activities in securities, except for purposes of hedging.

Section 7. RESTRICTIONS UPON DEALINGS BETWEEN RELATED PARTIES

(a) General Restrictions. Except as provided in this Section 7, the Corporation shall not enter into any transaction with any director, officer, any advisor, any person owning or controlling more than 10% of the Corporation, or any Affiliate of any of the aforementioned (individually, the "Related Parties") if the transaction is not on terms no less favorable to the Corporation than the restrictions contained in this Section 7. Any transaction entered into in violation of the requirements of this Section 7 shall be valid notwithstanding any rescission or other remedy that may be available to the Corporation, and the Related Parties shall have no liability as a result of entering into any such transaction.

(b) Sales to the Corporation. Except as provided in this Section 7, the Corporation shall not purchase any asset from any Related Party unless, after disclosure to the Board of the interest of the Related Party in the transaction, the Board of Directors

(c) Sales by the Corporation. The Corporation shall not enter into any transaction in which the Corporation is to sell or dispose of any of its assets in such proposed transaction has been disclosed to the Board of Directors (or a majority of the Independent Directors) have determined in good faith that such transaction is in the best interests of the Corporation and its stockholders.

(d) Loans to the Corporation. The Corporation shall not make any loan to or for the benefit of any Interested Party if the interest of the Interested Party in the proposed transaction has not been approved by a majority of the Independent Directors) have determined in good faith that such loan is in the best interest of the Corporation and on terms and conditions no less favorable to the Corporation as those that would be available in similar circumstances.

Section 8. CORPORATION'S RIGHT TO BORROW FU
time, at the discretion of the Board, create, incur, assume, s
Indebtedness, on a secured or unsecured basis, and in cor
debentures, bonds and other debt obligations (which may b
with warrants to acquire shares of capital stock or other equ

(a) The Corporation may provide any Ancillary Service to the Corporation's pursuit of such Ancillary Services would not i

(b) In the event that the Corporation's pursuit of one a REIT under the Code, the Corporation may, in lieu of offering Services are offered to the Corporation's tenants or others, deems necessary; (ii) Invest in one or more other entities with Permit others, including Interested Parties, to offer the Ancillary properties as a site for offering such services, if such permitted; however, that, in each such instance, the Board has received the qualifications and restrictions imposed by the Board, and such Corporation from taxation as a REIT under the Code.

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have experience in rendering such Ancillary Services and for the Ancillary Services, having terms and conditions deemed

Section 10. INVESTMENT IN CORPORATION'S SHARES. Any person or series of the Common Stock or Preferred Stock, or in any other obligations, for the purpose of supporting the value of any s

Section 1. SHARES HELD BY DIRECTORS AND OFFICERS. Any person who is or was at any time an officer or director of the Corporation as may be in effect from time to time, any officer or director of the Corporation, for his or her individual account, and may exercise such authority were not a director or officer.

Section 2. BUSINESS INTERESTS AND INVESTMENTS. Any person who is not an officer of the Corporation may have personal or business interests in any activity which may include the acquisition, syndication, holding, or disposition, or others, of interests in real property or persons engaged in transactions conducted by the Corporation, and is not required to present such opportunity is within the Corporation's investment poli

Section 3. OTHER BUSINESS RELATIONSHIPS OF DIRECTORS AND OFFICERS. Any person interested as a trustee, officer, director, stockholder, partner, or otherwise, or any person who may be engaged to render advice or services to the Corporation for compensation as a director, officer or otherwise hereunder, shall not be a director or officer.

Section 1. DIVIDENDS. Dividends and other distribution of assets shall be made in accordance with the provisions of law and the Charter. Dividends and other distributions shall be made in accordance with the provisions of law and the Charter.

Section 2. PAYMENT OF DIVIDENDS; DIRECTORS' DUTIES. In the event of any distributions, there may be set aside out of any assets of the Corporation, or any other assets of the Board may from time to time, in its absolute discretion, thin or otherwise, for the purpose of maintaining any property of the Corporation or for such other purpose as the Board may determine to reserve.

Section 3. DUTIES. Any distribution of income or capital assets of the Corporation shall be made disclosing the source of the funds

distributed. If, at the time of distribution, this information is not distributed with the distribution and a written statement disclosing the source of the information, the distribution shall be made within 10 days after the close of the fiscal year in which the distribution was made.

Section 4. CORPORATE SEAL. The corporate seal shall contain the words "Corporate Seal, Maryland." Said seal may be used whenever the Corporation is permitted or required to affix its seal. Whenever the Corporation is permitted or required to affix its seal to a regulation relating to a seal to place the word "(SEAL)" adjacent to the seal of the Corporation.

Section 5. ANNUAL STATEMENT. The Board shall cause an annual report to be prepared and distributed to the stockholders within 60 days after the close of the fiscal year adopted by the Corporation. The annual report shall contain financial statements of the Corporation audited and reported on by independent certified public accountants. The annual report shall include the aggregate amount of advisory fees or charges paid to the Advisor and its Affiliates by the Corporation.

Section 6. FISCAL YEAR. The Board shall have the power to determine the fiscal year of the Corporation.

Section 7. CONTRACTS. The Board may authorize any person to execute any instrument in the name of and on behalf of the Corporation and such authorization shall be valid and binding upon the Corporation. Any instrument so authorized shall be valid and binding upon the Corporation.

Section 8. CHECKS AND DRAFTS. All checks, drafts or other negotiable instruments in the name of the Corporation shall be signed by such officer or officers as the Board may determine.

Section 9. DEPOSITS. All funds of the Corporation not otherwise disposed of by the Corporation as the Board, the Chief Executive Officer, the President or the Treasurer may determine.

INDEMNIFICATION

To the maximum extent permitted by Maryland law in effect at the time of the filing of this Certificate of Incorporation, the Corporation shall indemnify and hold harmless its officers, directors, and employees from and against all claims and damages, including reasonable attorneys' fees, incurred by them in the performance of their duties as officers, directors, or employees of the Corporation, to the extent that such claims and damages are not covered by insurance. The Corporation shall also indemnify and hold harmless its officers, directors, and employees from and against all claims and damages, including reasonable attorneys' fees, incurred by them in the performance of their duties as officers, directors, or employees of the Corporation, to the extent that such claims and damages are not covered by insurance.

any other person, including another corporation, real estate investment trust, partnership, or other enterprise as a director, officer, partner, trustee, member or owner, joint venture, trust, employee benefit plan or other arrangement, to the extent that such claims and damages are not covered by insurance.

Bylaws shall vest immediately upon election of a director or and advance for expenses to a person who served a predecessor employee or agent of the Corporation or a predecessor of t

Neither the amendment nor repeal of this Article, nor the inconsistent with this Article, shall apply to or affect in any r which occurred prior to such amendment, repeal or adoption Bylaws shall not be deemed exclusive of or limit in any way expenses may be or may become entitled under any bylaw

Whenever any notice is required to be given pursuant to by electronic transmission, given by the person or persons equivalent to the giving of such notice. Neither the business notice, unless specifically required by statute. The attendance except where such person attends a meeting for the express has not been lawfully called or convened.

The Board is vested with the power to adopt, alter or repeal Section 3 of Article IX (relating to the written statement the (relating to investment policy and restrictions), Section 5 of such definitions are to be used in any of the Sections cited or modified, or inconsistent provisions adopted with respect votes entitled to be cast on the matter. In addition, pursuant called annual meeting or special meeting of stockholders, t entitled to be cast on the matter, to alter or repeal any provision permitted by and consistent with the Charter, these Bylaws and applicable law.

Section 1. PROVISIONS IN CONFLICT WITH LAW OR determine, with the advice of counsel, that any one or more of the Code, the MGCL or other applicable federal or Maryland constituted a part of these Bylaws; provided, however, that provisions of these Bylaws or render invalid or improper an such determination. Such determination shall become effective determination and reciting that it was duly adopted by the d not be liable for failure to make any determination under this rights of the directors or the stockholders to amend these B

In making any such determinations, the directors shall not be liable to the corporation or its stockholders for damages for any error in judgment in making them.

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name of any stockholder, such stockholder shall be deemed to have been properly served with process in the State of Maryland in connection with any action brought in a court of the State of Maryland, and no further service of process made upon such stockholder in a court of the State of Maryland shall be required for such stockholder.

Unless the Corporation consents in writing to the selection of the arbitrator, the arbitrator shall, to the fullest extent permitted by law, be the sole and exclusive authority to resolve any dispute or action arising under the Securities Act, including all causes of action.

The provisions of this Article XIV are intended to benefit any offering giving rise to such complaint, and any other person or entity and who has prepared or certified any part of the offering.

I, Sumit Roy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realty Income Corporation.
2. Based on my knowledge, this report does not contain any untrue, misleading, or material statements or omissions, and I am not aware of any such statements or omissions.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the registrant's 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 internal control over financial reporting (as defined under Section 1351(e) and 15d-15(e)) and internal control over financial reporting that:
- a) Designed such disclosure controls and procedures, or other controls and procedures, to ensure that information required to be disclosed by the registrant in its periodic reports is recorded, processed, summarized, and reported within the time period specified in the applicable SEC rule; and
- b) Designed such internal control over financial reporting, or other controls and procedures, to ensure that material information relating to the registrant, including its consolidated financial statements, is recorded, processed, summarized, and reported within the time period specified in the applicable SEC rule; and
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, as of the end of the period covered by this periodic report; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter in the case of an annual report, or during the registrant's fiscal quarter in the case of a quarterly report, and any weaknesses that could affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our knowledge and belief, to the audit committee of the registrant's board of directors (or persons performing the equivalent function):
- 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: November 7, 2023 May 7, 2024

/s/ SUMIT ROY

Sumit Roy

President, Chief Executive Officer

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I, Christie B. Kelly, Jonathan Pong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realty Income Corporation.
2. Based on my knowledge, this report does not contain any untrue, misleading, or material statements or omissions, and I am not aware of any such statements or omissions.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the registrant's 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 internal control over financial reporting (as defined under Section 1351(e) and 15d-15(e)) and internal control over financial reporting that:
- a) Designed such disclosure controls and procedures, or other controls and procedures, to ensure that information required to be disclosed by the registrant in its periodic reports is recorded, processed, summarized, and reported within the time period specified in the applicable SEC rule; and
- b) Designed such internal control over financial reporting, or other controls and procedures, to ensure that material information relating to the registrant, including its consolidated financial statements, is recorded, processed, summarized, and reported within the time period specified in the applicable SEC rule; and
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, as of the end of the period covered by this periodic report; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter in the case of an annual report, or during the registrant's fiscal quarter in the case of a quarterly report, and any weaknesses that could affect the registrant's internal control over financial reporting; and

- b) Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the accuracy of accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, as of the end of the period covered by this report;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter in the case of an annual report, or during the registrant's fiscal quarter in the case of a quarterly report, and
5. The registrant's other certifying officer and I have disclosed, based on our knowledge and belief, to the audit committee of the registrant's board of directors (or persons performing the equivalent function):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information;
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in internal control.

Date: November 7, 2023 May 7, 2024 /s/ CHRISTIE B. KELLY J
Christie B. Kelly Jonathan
Executive Vice President,

Certification of
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Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, as an officer of the Corporation (the "Company"), hereby certify, to his best knowledge, that:

- (i) the accompanying quarterly report on Form 10-Q of the Company complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934;
- (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/ CHRISTIE B. KELLY J
Christie B. Kelly Jonathan
Executive Vice President

The foregoing certification is being furnished solely to accompany the Report and is not to be incorporated by reference into any filing of the Company, whether or not such filing is made for the purpose of complying with the Securities Exchange Act of 1934.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV (C
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