

REFINITIV

## 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

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**  
**Index to Form 10-Q**  
**September 30, 2023 March 31, 2024**

	<b>PART I.</b>	Page
<b>Item 1:</b>	<b><u>FINANCIAL INFORMATION</u></b>	
<b>Item 1:</b>	<u>Financial Statements (Unaudited)</u>	
	<u>Consolidated Balance Sheets</u>	2
	<u>Consolidated Statements of Income and Comprehensive Income</u>	3
	<u>Consolidated Statements of Equity</u>	4
	<u>Consolidated Statements of Cash Flows</u>	5
	<u>Notes to Consolidated Financial Statements</u>	6
<b>Item 2:</b>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	
	<u>Forward-Looking Statements</u>	28
	<u>Overview</u>	28
	<u>Recent Developments</u>	29
	<u>Liquidity and Capital Resources</u>	32
	<u>Results of Operations</u>	36
	<u>Non-GAAP Financial Measures</u>	40
	<u>Property Portfolio Information</u>	47
	<u>Impact of Recent Accounting Pronouncements</u>	47
	<u>Critical Accounting Policies</u>	47 31
<b>Item 3:</b>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	47 49
<b>Item 4:</b>	<u>Controls and Procedures</u>	48 50
<b>PART II.</b>	<b><u>OTHER INFORMATION</u></b>	
<b>Item 1A:</b>	<u>Risk Factors</u>	49 51
<b>Item 2:</b>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	51
<b>Item 5:</b>	<u>Other Information</u>	52 51
<b>Item 6:</b>	<u>Exhibits</u>	53 52
<b>SIGNATURE</b>		54

-1-

**PART I. 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
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	\$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			
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	\$ 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
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>23,513,502</b>	<b>20,829,803</b>
<b>Commitments and contingencies (Note 17)</b>			
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
Accumulated other comprehensive income	Accumulated other comprehensive income
Total stockholders' equity	Total stockholders' equity
Noncontrolling interests	Noncontrolling interests
Total equity	Total equity
Total liabilities and equity	Total liabilities and equity

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

-2-

REALTY INCOME CORPORATION AND SUBSIDIARIES					
<u>CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME</u>					
(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,		Nine months ended September 30,	
		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	495,566	419,016	1,419,321	1,232,215
Depreciation and amortization	Depreciation and amortization	184,121	117,409	522,110	333,933
Interest	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				
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				
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								
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:							
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	\$ 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.*

-3-

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	Common	Accumulated				Total equity
	of	stock and	Distributions	other	Total		
	common	paid in	in excess of	comprehensive	stockholders' Noncontrolling		
	stock	capital	net income	income (loss)	equity	interests	
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	Common stock and paid in capital	Distributions in excess of net income	other comprehensive income	Accumulated stockholders' equity	Total controlling interests	Non- 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											
Other loss	Other 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	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	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	Balance, June 30, 2022	617,564	\$31,303,383	(\$4,999,150)	\$ 22,379	\$26,326,612	\$ 76,267	\$26,402,879				
Net income	Net income	—	—	219,567	—	219,567	720	220,287				
Other comprehensive loss	Other comprehensive loss	—	—	—	(47,317)	(47,317)	—	(47,317)				
Distributions paid and payable	Distributions paid and payable	—	—	(461,429)	—	(461,429)	(1,070)	(462,499)				
Issuance of common partnership units	Issuance of common partnership units	—	—	—	—	—	51,221	51,221				
Share issuances, net of costs	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	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

		Shares of common stock	Common stock and paid in capital	Distributions in excess of net income	other comprehensive income	Accumulated stockholders' equity	Total controlling interests	Non- equity	
Share-based compensation, net	Share-based compensation, net								
Balance, March 31, 2024	Balance, March 31, 2024								
		Shares of common stock	Common stock and paid in capital	Distributions in excess of net income	other comprehensive income	Accumulated stockholders' equity	Total controlling interests	Non- 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	Other comprehensive loss	—	—	—	(4,984)	(4,984)	—	(4,984)	
Other comprehensive income	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								
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.*

-4-

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

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	—	5,867
Insurance proceeds received	15,177	16,046
Insurance proceeds received		
Non-refundable escrow deposits	Non-refundable escrow deposits	(1,188)
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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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 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	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			
Proceeds from term loan	Proceeds from term loan	1,029,383	—
Proceeds from term loan			
Proceeds from 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			
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	(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 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		2,191	7,474
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, *Supplemental Disclosures of Cash Flow Information*.

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

-5-

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

**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 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 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. 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 currency and derivative (loss) gain, 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

-6-

---

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.

-6-

---

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
-------------------	------------------------------	-----------

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 [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 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

-7-

---

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.

-7-

---

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 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.

-8-

---

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 <sup>(1)</sup>	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 <sup>(2)</sup>	\$ (24,751)
Consideration transferred	\$ 6,186,284

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 <sup>(1)</sup>		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 <sup>(2)</sup>		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

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

<sup>(2)</sup> 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

-9-

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.

-10-

**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
		\$	678,441	\$	543,237

  

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
		\$	789,244	\$	710,536

  

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)
		\$	5,089,293	\$	5,168,366

  

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
		\$	7,037,328	\$	5,017,907

  

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		47,432		38,859

	\$ 3,478,588	\$ 3,368,643
--	--------------	--------------

C. Other assets, net, consist of the following at:	September 30, 2023	December 31, 2022
	\$	\$
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
	<hr/> <hr/> \$ 3,239,433	<hr/> <hr/> \$ 2,276,953

D. Accounts payable and accrued expenses consist of the following at:	March 31, 2024	December 31, 2023
	\$	\$
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
	<hr/> <hr/> \$ 802,652	<hr/> <hr/> \$ 738,526

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

-8-11-

D. Accounts payable and accrued expenses consist of the following at:	September 30, 2023	December 31, 2022
	\$	\$
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



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

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

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

<sup>(3)</sup> 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.

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

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

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

-10- -12-

#### B. Investments in Existing Properties

During the <sup>nine</sup><sub>three</sub> 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 <sup>nine</sup><sub>three</sub> months ended September 30, 2023 March 31, 2024 in our portfolio, consisting 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, and the value of the below-market leases is recorded to 'Lease intangible assets, net' on our consolidated balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all leases 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 bars to 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 amounts would be recognized as a gain or loss.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the above-market leases as of September 30, 2023 March 31, 2024 (dollars in thousands):

		Net increase (decrease) to rental revenue		Increase to amortization expense
		2023	\$ (15,270)	
		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	<u>\$ 160,425</u>	<u>\$ 3,823,454</u>	

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

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

		Three months ended September 30,	
		2023	2022
		Three months ended March 31,	
		Three months ended March 31,	
		Three months ended March 31,	
		2024	
		2024	
		2024	
Number of properties			
Number of properties			
Number of properties	Number of properties		
Net sales proceeds	Net sales proceeds	\$ 32.3	\$ 142.4
Net sales proceeds			
Net sales proceeds			
Gain on sales of real estate	Gain on sales of real estate	\$ 7.6	\$ 42.9
Gain on sales of real estate			
Gain on sales of real estate			
			-11 -13-

## 5. Investments in Unconsolidated Entities

The following is a summary of our investments in unconsolidated entities as of March 31, 2024 and December 31, 2023 (dollars in thousands).

Investment	Owning Entity
Bellagio Las Vegas Joint Venture - Common Equity Interest	
Bellagio Las Vegas Joint Venture - Preferred Equity Interest	
Data Center Development Joint Venture	
<b>Total investment in unconsolidated entities</b>	

(1) The total carrying amount of the investments was greater than the underlying equity in net assets (i.e., basis difference) by \$2.2 million as of March 31, 2024.

### A. Bellagio Las Vegas Joint Venture Interests

Our investment in the joint venture that owns a 95.0% interest in the real estate of The Bellagio Las Vegas includes \$301.4 million of debt as of March 31, 2024. During the three months ended March 31, 2024, we recognized interest income of \$13.0 million for 8.1% preferential cumulative dividends. The joint venture entity had total debt outstanding of \$3.0 billion as of March 31, 2024, all of which was non-recourse to us with limited covenants.

### B. Data Center Development Joint Venture

We own an 80.0% equity interest in a data center development joint venture; however, we are not the primary beneficiary because we do not have the power to affect the entity's financial performance. The maximum exposure to loss associated with this VIE is limited to our equity investment and our pro rata share of the remaining \$70.1 million of debt.

## 6. Investments in Loans

The following table presents information about our loans as of March 31, 2024 and December 31, 2023 (dollars in thousands):

	Amortization
Senior Secured Notes Receivable (3)	\$
Mortgage Loans	
Unsecured Loan	
<b>Total</b>	\$

Senior Secured Note Receivable

Amortized  
\$

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 connection 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 derivative, it is included in the investment in loans.

#### 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

-14-

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 \$33.0 million. The loan is a single-tenant property 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 expansion options and a \$1.0 billion expansion option, which is subject to obtaining lender commitments. Under the facility, the interest rate is based on the Secured Overnight Financing Rate ("SOFR"), plus 0.725% with a SOFR adjustment charge of 0.10% and a revolving credit facility fee of 0.125% ("SONIA"), SONIA, plus 0.725% with a SONIA adjustment charge of 0.0326% and a revolving credit facility fee of 0.125% ("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. The facility comprised entirely of £372.0 million Sterling and €26.0 million Euro borrowings, as compared to an **borrowings**. There was no outstanding **borrowings** as of 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%**. At **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 **Other** asset in 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. The program permits us to issue additional unsecured commercial notes up to a maximum aggregate amount that may be issued in USD or various foreign currencies, including but not limited to, Euros, Sterling, Swiss Francs, Yen, Canadian Dollars and other market.

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 notes (and is structurally subordinated to all our senior indebtedness) are included in our consolidated balance sheets.

-15-

As of **September 30, 2023** **March 31, 2024**, the balance of borrowings outstanding under our commercial paper programs was **\$376** million 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, 2023** **March 31, 2024**. The average interest rate on outstanding borrowings under our commercial paper programs was **4.0%** **4.2%**. We use our \$4.25 billion revolving credit facility to support our commercial paper programs. The commercial paper borrowings generally carry a term of less than a year.

-12-

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

## 5.8. Term Loans

In January 2023, 2024, in connection with our merger with Spirit, we entered into 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 include extensions that can be exercised [extension available](#) at our option, with an anticipated repayment date of January 2026. [option](#) Our term loans include adjusted SOFR for USD-denominated loans, adjusted SONIA for Sterling-denominated loans, and EURIBOR for Euro-denominated loans, which fix our per annum interest rate. As of September 30, 2023, the effective interest rate after giving effect to the interest rate swaps was 3.11%.

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

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

## 6.9. Mortgages Payable

During the nine months ended September 30, 2023, we made \$20.8 million in principal payments, including the nine months ended September 30, 2023. Assumed mortgages are secured by the properties on which the debt is loaned.

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

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

-16-

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

As Of	Number of Properties (1)	Weighted Average Stated Interest	Weighted Average Effective Interest	Weighted Average Remaining Years	Remaining Principal Balance	Weighted Average Stated Interest	
		Rate (2)	Rate (3)	Until	Maturity		
		As Of				Properties (1)	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.

<sup>(2)</sup> Stated interest rates ranged from 3.0% to 6.9% at September 30, 2023 March 31, 2023

<sup>(3)</sup> Effective interest rates ranged from 1.3% to 6.6% and 2.7% to 6.6% at Sep.

The following table summarizes the maturity of mortgages payable and notes payable, 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

2028General

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

	<b>Maturity Dates</b>
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 <small>(1)</small>	January 14, 2027
3.000% Notes due 2027	January 15, 2027
1.125% Notes due 2027 <small>(1)</small>	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 <small>(1)</small>	July 6, 2030
1.625% Notes due 2030 <small>(1)</small>	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 <sup>(1)</sup>	July 13, 2033
4.900% Notes due 2033	July 15, 2033
2.730% Notes due 2034	May 20, 2034
5.125% Notes due 2034 <sup>(1)</sup>	July 6, 2034
5.875% Bonds due 2035	March 15, 2035
3.390% Notes due 2037	June 30, 2037
2.500% Notes due 2042 <sup>(1)</sup>	January 14, 2042
4.650% Notes due 2047	March 15, 2047
Total principal amount	
Unamortized net premiums, deferred financing costs, and cumulative basis adj	

<b>Maturity Date:</b>	
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 <sup>(1)</sup>	September 15, 2026
4.125% Notes due 2026	October 15, 2026
1.875% Notes due 2027 <sup>(2)</sup>	January 14, 2027
3.000% Notes due 2027	January 15, 2027
3.200% Notes due 2027 <sup>(1)</sup>	January 15, 2027
1.125% Notes due 2027 <sup>(2)</sup>	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 <sup>(1)</sup>	March 15, 2028

<b>Maturity Date:</b>	
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 <sup>(1)</sup>	July 15, 2029
3.100% Notes due 2029	December 15, 2029
3.400% Notes due 2030 <sup>(1)</sup>	January 15, 2030

4.850% Notes due 2030	March 15, 2030
3.160% Notes due 2030	June 30, 2030
4.875% Notes due 2030 <sup>(2)</sup>	July 6, 2030
1.625% Notes due 2030 <sup>(2)</sup>	December 15, 2030
3.250% Notes due 2031	January 15, 2031
3.200% Notes due 2031 <sup>(1)</sup>	February 15, 2031
5.750% Notes due 2031 <sup>(2)</sup>	December 5, 2031
2.700% Notes due 2032 <sup>(1)</sup>	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 <sup>(2)</sup>	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 <sup>(2)</sup>	July 6, 2034
5.875% Bonds due 2035	March 15, 2035
3.390% Notes due 2037	June 30, 2037
6.000% Notes due 2039 <sup>(2)</sup>	December 5, 2039
2.500% Notes due 2042 <sup>(2)</sup>	January 14, 2042
4.650% Notes due 2047	March 15, 2047
Total principal amount	
Unamortized net (discounts) premiums, deferred financing costs, and cumulative interest	

<sup>(1)</sup>In connection with our merger with Spirit, we completed our debt exchange offer to exchange our senior notes due 2030, 2031, 2032, 2033, and 2034 for senior notes due 2030, 2031, 2032, 2033, and 2034. As of September 30, 2023, the carrying value of the senior notes exchanged was \$1.0 billion. As of March 31, 2024, these notes were not yet exchanged and are included in the table above under the *with our Merger with Spirit* section below.

<sup>(2)</sup>Interest paid annually. Interest on the remaining senior unsecured notes and bond obligations is paid semi-annually. <sup>(3)</sup>As a result of our merger with Spirit, the carrying values of the senior notes exchanged were re-measured as of January 1, 2024, based on the fair value of the notes as of that date. The fair value of the notes exchanged was \$1.0 billion as of January 1, 2024. The carrying value of the notes exchanged as of January 1, 2024, was \$0.9 billion. The difference of \$0.1 billion was recorded as a gain on extinguishment of debt in the first quarter of 2024.

The following table summarizes the maturity of our notes and bonds as of September 30, 2023, including the principal amount, unamortized net premiums, discounts, deferred financing costs, and basic interest rates.

Year of Maturity	Year of Maturity	Year of Maturity	Principal
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		<u>\$17,417.9</u>

As of September 30, 2023, March 31, 2024, the weighted average interest rate on the notes and bonds was 6.66.5 years.

Interest incurred on all of the notes and bonds was \$159.7 million in 2020 and 2022, respectively, and \$434.1 million and \$314.0 million for the nine months ended September 30, 2021 and 2019, respectively.

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 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, 2023**

	Date of Issuance	
5.050% Notes	January 2023	Jan
4.850% Notes	January 2023	Mar
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

<sup>(1)</sup> 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 holders to exchange their notes a new ATM program, pursuant cash payment equivalent to the note principal amount held. Across the various note classes of banks acting as forward sellers on behalf of any forward purchasers on the NYSE under exchange, resulting in a cash payment of \$2.7 million at prevailing market prices or at negotiated prices. Upon settlement, such notes will settle or net share settle all or any portion merger with Spirit. The interest agreement, each series of Realty Income notes issued by Realty Income will cash settle or will not receive any proceeds (in the case corresponding to the cash settlement) or will not receive any proceeds (in the case corresponding to the cash settlement).

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 including the replenishment of authorized shares issuable thereunder. **S**

The following table outlines common stock issuances pursuant to our **A**

	2
Shares of common stock issued under the ATM program <sup>(1)</sup>	
Gross proceeds	\$
Sales agents' commissions and other offering expenses	
Net proceeds	\$
	<hr/> <hr/> <hr/>

<sup>(1)</sup> During the three and nine months ended September 30, 2023, 23.5 million and 69.7 million shares of common stock were issued under the ATM program, respectively. In addition, as of September 30, 2023, 13.3 million shares of common stock were held in 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, the ability to reinvest dividends and make additional contributions. Our DRSPP also allows our current stockholders to buy additional shares of our common stock up to 26.0 million common shares to be issued. At September 30, 2023, 1.0 million shares were available for issuance under the DRSPP.

The following table outlines common stock issuances pursuant to our **D**

	2
Shares of common stock issued under the DRSPP program	
Gross proceeds	\$
	<hr/> <hr/> <hr/>

**9.11. Noncontrolling Interests**  
As of **September 30, 2023** **March 31, 2024**, we have **seven** **eight** entities in which we have noncontrolling interests. These entities include **Realty Realty Income, L.P.**, a joint venture formed in July 2020, and **Realty Realty Income, L.P.**, a joint venture formed in July 2021, and **Realty Realty Income, L.P.**, a joint venture formed in July 2022, and **Realty Realty Income, L.P.**, a joint venture formed in July 2023, and **Realty Realty Income, L.P.**, a joint venture formed in July 2024, and **Realty Realty Income, L.P.**, a joint venture formed in July 2025, and **Realty Realty Income, L.P.**, a joint venture formed in July 2026.

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 <sup>(2)</sup>

Distributions <sup>(3)</sup>

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 P  
\$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 partner  
2023. Significant Accounting Policies.

#### 10.12. Fair Value Measurements

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

ASC 820, *Fair Value Measurements and Disclosures*, sets forth a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1). The fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- Level 1 – Quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices such as corroborated inputs.
- Level 3 – Inputs that are unobservable and significant to the overall fair value measurement.

We evaluate our hierarchy disclosures each quarter and depending on market conditions, changes in the type of inputs may result in a reclassification for certain assets and liabilities. Reclassifications between levels will be frequent.

The following tables present the carrying values and estimated fair values as of September 30, 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			
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	\$ 18,318.2	\$ —	\$ 15,556.5	\$ 806.1
		<hr/>	<hr/>	<hr/>	<hr/>

December 31, 2022					
Hierarchy Level					
		Carrying Value	1	Level 2	Level
December 31, 2023					
Hierarchy Level					
		Carrying Value			
Assets: Assets:					
Loans receivable					
Loans receivable					
Loans receivable					
Derivative assets	Derivative assets	\$ 83.1	\$ —	\$ 83.1	\$ —
Total assets	Total assets	\$ 83.1	\$ —	\$ 83.1	\$ —
Liabilities: Liabilities:					
Mortgages payable					
Mortgages payable					
Notes and bonds payable					
14,114.2					
Derivative liabilities	Derivative liabilities	64.7	—	64.7	—
Total liabilities	Total liabilities	\$ 15,021.2	\$ —	\$ 12,587.5	\$ 810.4

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, line of credit payable and commercial paper borrowings, and term loans approximates their short-term nature. The aggregate fair value of our term loans approximates \$810.4 million.

The following table reflects the carrying amounts and estimated fair values of our financial instruments.

	September 30, 2023		December 31, 2023	
	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
-----------------------	-----------------------	----------	----------	----------	--------

Notes and bonds payable (2)	Notes and bonds payable (2)	\$ 17,417.9	\$ 15,478.2	\$ 14,114.2	\$ 12,522
-----------------------------	-----------------------------	-------------	-------------	-------------	-----------

(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 \$12.4 \$0.4 million of net premiums at December 31, 2022 December 31, 2023. Also excludes \$12.4 \$0.4 million of net discounts at September 30, 2023 March 31, 2024, and \$12.4 \$0.4 million of net premiums at December 31, 2022 December 31, 2023.

(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 \$4.4 million \$1.6 million at September 30, 2023 March 31, 2024, and \$4.4 million \$1.6 million at December 31, 2022 December 31, 2023.

The estimated fair values of our mortgages payable and private senior notes and bonds payable are determined by applying the cash flows of the relevant forward interest rate curve, plus an applicable credit-adjustment, to the estimated fair value of the instrument based on the measurement hierarchy.

The estimated fair values of our publicly-traded senior notes and bonds payable. Because this methodology includes inputs that are less observable than the carrying value, the estimated fair values related to our notes and bonds payable is categorized as level three.

**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 risk. The methodology includes inputs that are less observable than the carrying value, such as forward rates, interest rates, and exchange rates. The period to maturity, and uses observable market-based inputs, including

Derivative fair values also include credit valuation adjustments to approximate the fair value measurements. In adjusting the fair value of our derivatives, we consider the credit risk of the counterparty, as well as applicable credit enhancements, such as collateral postings, thresholds, and other factors.

Although we have determined that the majority of the inputs used to value our derivatives are observable, the credit valuation adjustments associated with our derivatives utilize level three inputs, such as forward rates, interest rates, and exchange rates. The counterparty risk is determined by the creditworthiness of the derivative counterparties. However, at September 30, 2023 March 31, 2024, and December 31, 2023 December 31, 2023, we made adjustments on the overall valuation of our derivative positions and determined that the fair value of our derivatives was less than their carrying value. As a result, we determined that our derivative valuations in their entirety were impaired. **Instruments.**

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

**Impairment of Real Estate Investments**

Certain financial and nonfinancial assets and liabilities are measured at fair value on a non-recurring basis, such as when an impairment write-down occurs.

Depending on impairment triggering events during the applicable period, such as significant decreases in fair value or experiencing difficulties with collection of rent.

The following table summarizes our provisions for impairment on real estate assets.

		Three months ended September 30
	2023	2024
Carrying value prior to impairment		
Less: total provisions for impairment		\$ 37.5
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		\$ 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 March 31, 2021.

The valuation of impaired assets is determined using valuation techniques that consider cash flows expected to be received from third parties, which are Level 3 inputs. We may consider the fair value of its such real estate. Estimating future cash flows is highly subjective.

### 11.13. Derivative Instruments

In the normal course of business, our operations are exposed to economic risks and we use derivative instruments to offset these underlying economic risks.

**Derivative Instruments Designated as Hedging Instruments - Cash Flow Hedges**  
In order to manage our exposure to interest rate risk, we enter into foreign currency forward contracts to sell British Pounds and buy US Dollars. We also enter into interest rate swap contracts to sell GBP, USD, and EUR and buy EUR, USD, and GBP. These derivative contracts are included in the assessment of hedge effectiveness. Amounts recognized in the statement of financial position relating to foreign currency derivative contracts will be reclassified to other gain or loss.

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

To mitigate the impact of fluctuating interest rates, we have may also entered into interest rate swap contracts. We have issued USD denominated bonds. Interest rate swap contracts are entered into with a counterparty that allows us to enter into a swap where we will pay the fixed rate and receive the floating rate from the counterparty with the right to enter into a swap where we will receive the floating rate and pay the fixed rate.

the combination of purchasing the payer swap and selling the swap flow hedges. Changes in fair value of the swaptions have been recorded in other comprehensive income.

**Derivative 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 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 related to both time value and cross-currency basis spread from the currency swaps attributable to changes in the spot rates on the final recorded in 'Foreign currency and derivative (loss) gain, net'. Changes in other comprehensive income and will be subsequently recognized in 'Foreign currency and interest accruals on the respective cross currency swaps occur, over time.

**Derivatives Designated as Hedging Instruments - Net Investment Hedges**  
To mitigate the foreign currency exchange rate variations associated with our net investment in foreign operations, we enter into derivative contracts as cross-currency swaps that qualify as net investment hedges under ASC 815. We assess hedge effectiveness by comparing the change in the fair value of the hedged item to the change in the fair value of the hedging instrument, assessing hedge effectiveness and apply the consistent election to the hedged and hedging items. Any derivative contract that does not qualify as a hedge is reported in other comprehensive income as part of the foreign currency and derivative (loss) gain, net. The change in the assessment of effectiveness is reported in other comprehensive income as part of the foreign currency and derivative (loss) gain, net. If our net investment changes during a reporting period, the hedge is no longer effective. If our net investment changes during a reporting period and the change in the fair value of the hedged item is outside of the prescribed tolerance, the hedge is no longer highly effective. If our net investment changes during a reporting period and the change in the fair value of the hedged item is outside of the prescribed tolerance (but not outside of the prescribed tolerance). Further, certain EU notes (Notes 7 and 8, respectively) may be also designated as, and are accounted for as, net investment hedge. Changes in the value of such hedges are recorded in other comprehensive income and are not included in the consolidated statements of income and comprehensive income.

effective as, net investment hedge. Changes in the value of such hedges are recorded in other comprehensive income and are not included in the consolidated statements of income and comprehensive income.

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

We enter into foreign currency exchange swap agreements to reduce our exposure to foreign currency exchange rate fluctuations. 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 is not included in the 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	Number of Instruments <sup>(1)</sup>	Notional Amount as of	Weighted Average Strike Rate <sup>(2)</sup>	Maturity Date <sup>(3)</sup>
<b>Derivatives</b>					
Designated as Hedging Instruments	Derivatives Designated as Hedging Instruments				
			September 30, 2023	December 31, 2022	
Interest rate swaps	Interest rate swaps	9	\$ 1,630.0	\$ 250.0	4.26% Jan 2026
Interest rate swaptions	Interest rate swaptions	6	1,000.0	—	(4) Feb 2034
Cross-currency swaps	Cross-currency swaps	3	320.0	320.0	(5) Oct 2032
Interest rate swaps <sup>(4)</sup>					

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						
exchange	exchange						
swaps	swaps	6	\$ 1,650.6	\$ 2,427.7	(7)	Oct 2023	\$
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. 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 1.28 for GBP-EUR.						
	We measure our derivatives at fair value and include the balances within 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.

**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 derivatives.

**Derivatives in Cash Flow Hedging**

**Relationships**

**Derivatives in Cash Flow Hedging**

**Relationships**

**Derivatives in Cash Flow Hedging**

**Relationships**

**Location of Gain  
(Loss)**

**Derivatives in Cash Flow Hedging**

**Relationships**

**Recognized in**

**Income**

Foreign currency  
and derivative  
(loss) gain, net

\$

Cross-currency swaps

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
<b>Total derivatives in cash flow hedging relationships</b>	<b>Total derivatives in cash flow hedging relationships</b>	\$
<b>Total derivatives in cash flow hedging relationships</b>		
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		
<b>Total derivatives in fair value hedging relationships</b>	<b>Total derivatives in fair value hedging relationships</b>	\$
<b>Total derivatives in fair value hedging relationships</b>		
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		
<b>Total derivatives in net investment hedging relationships</b>	<b>Total derivatives in net investment hedging relationships</b>	
<b>Total derivatives in net investment hedging relationships</b>		
<b>Total derivatives in net investment hedging relationships</b>		
Net increase to net income	Net increase to net income	\$





stock. As of March 31, 2024, we had 6.9 million shares of our preferred stock under the ticker symbol "O PR".

The 6.000% Series A Cumulative Redeemable Preferred Stock is classified as equity for accounting purposes and is measured at the value of the property, rights or securities to be paid or distributed upon liquidation.

Our preferred stock pays cumulative cash dividends at the rate of 6.000% per annum (or \$0.30 per share per annum on an annual basis). We may, at our option, redeem the 6.000% Series A Preferred Stock for \$25.00 per share, plus any accrued and unpaid dividends up to, but excluding, the date of redemption. Dividends are payable on March 31, June, September and December of each year. During the three months ended March 31, 2024, we paid \$2.6 million in dividends per share, or \$2.6 million.

#### 17. Common Stock Incentive Plan

This note should be read in conjunction with the more complete discussion of the Company's stock-based compensation plans in the consolidated financial statements in our Annual Report on [Form 10-K](#) for the year ended December 31, 2023.

The amount of share-based compensation costs recognized in 'General and administrative' expense was \$6.3 million and \$6.3 million during the three months ended March 31, 2024, and 2023, respectively.

In connection with the Merger, each outstanding Spirit restricted stock unit was converted into a number of shares of Realty Income based on the Exchange Ratio in accordance with the Merger Agreement. The aggregate fair value of fully vested Spirit awards converted into Realty Income was \$24.8 million. The fair value of the converted awards is included in the consideration transferred in the merger and i.) \$24.8 million is included in 'General and administrative' expense and ii.) \$24.8 million is included in 'Restructuring costs' attributable to post-combination services. For more details, please see Note 11.

##### A. Restricted Stock and Restricted Stock Units

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

During the three months ended March 31, 2024, we also granted 30,321 shares of restricted stock to our employees.

As of March 31, 2024, the remaining unamortized share-based compensation expense of \$1.1 million will be amortized to expense on a straight-line basis over the service period of each applicable award. The grant date is the date the award is granted. The vesting date is the date the grantee can first exercise the award or the date the grantee can benefit from the award. The performance date is the date the grantee can define the grant date as the date the recipient and Realty Income have a reasonable expectation that the grantee will benefit from, or be adversely affected by, subsequent changes in the market price of the underlying stock.

##### B. Performance Shares

During the three months ended March 31, 2024, we granted 274,358 performance shares to our employees. The performance shares are earned based on our Total Shareholder Return ("TSR") performance over a three-year period. The performance shares vest 50% on the first and second January 1 after the end of the three-year performance period and 50% on the third January 1 after the end of the three-year performance period.

As of March 31, 2024, the remaining share-based compensation expense of \$0.4 million will be amortized to expense on a tranche-by-tranche basis over the service period. The fair value of the performance shares is \$1.1 million.

#### 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 common shares and 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 income per share computation to the denominator of the diluted net income per share computation (shares in thousands):

				T
				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		
	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	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		
	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	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		
	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 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		
	Weighted average forward ATM offerings 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			

**15.19. Supplemental Disclosures of Cash Flow Information**

The following table summarizes our supplemental cash flow information:

	2023
	2022
	2021

**Supplemental disclosures:****Supplemental disclosures:****Supplemental disclosures:**

Cash paid for interest

Cash paid for interest

Cash paid for interest

Cash paid for income taxes

Cash paid for income taxes

Cash paid for income taxes

**Non-cash activities:****Non-cash activities:****Non-cash activities:**

Net increase (decrease) in fair value of derivatives

Net increase (decrease) in fair value of derivatives

Net increase (decrease) in fair value of derivatives

Term loans assumed at fair value

Term loans assumed at fair value

Term loans assumed at fair value

Notes payable assumed at fair value

Notes payable assumed at fair value

Notes payable assumed at fair value

2023

**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. \$

2024

The following table provides a reconciliation of cash and cash equivalents restricted cash reported within the our consolidated statements of cash

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

(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 conjunction with the more complete discussion of our 2021 Plan including December 31, 2022.

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

#### A. *Restricted Stock and Restricted Stock Units*

During the nine months ended September 30, 2023, we granted 220 restricted stock units 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 are non-voting.

During the nine months ended September 30, 2023, we also granted 1

As of September 30, 2023, the remaining unamortized share-based amortized on a straight-line basis over the service period of each applicable date.

*B. Performance Shares*

During the nine months ended September 30, 2023, we granted 193,000 performance shares. These shares are earned based on our Total Shareholder Return (TSR) performance metrics, and vest 50% on the first and second January 1 after the end of the performance period.

As of September 30, 2023, the remaining share-based compensation expense of \$19.0 million was recognized on a tranche-by-tranche basis over the service period. The remaining performance shares are subject to a performance-based vesting model.

**17.20. Commitments and Contingencies**

In the ordinary course of business, we are party to various legal actions and proceedings. We believe that the outcome of the proceedings will not have a material adverse effect upon our financial position.

At **September 30, 2023** **March 31, 2024**, we had commitments of \$19.0 million for capital expenditures, and non-recurring building improvements. In addition, as of **September 30, 2023** **March 31, 2024**, we had contracts related to development projects, which have estimated rental revenue of \$19.0 million.

18.

**21. Subsequent Events**

*A. Dividends*

In October 2023, **April 2024**, we declared a dividend of \$0.2560 per share.

*B. Agreement and Plan of Merger and Acquisition*

In April 2024, a \$33.0 million secured loan to an operator of Merger Sub was converted into 0.762 of a newly issued share of our common stock, subject to adjustment. On October 29, 2023, we entered into an Agreement and Plan of Merger with Merger Sub, Inc., a Nevada corporation, and Spirit Realty Capital, Inc., a Maryland corporation. At 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, each share of our common stock, par value \$0.05 per share (other than the Excluded Common Stock), will be converted into 0.762 of a newly issued share of our common stock, subject to adjustment. (i) each outstanding share of Merger Sub's 6.000% Series A Cumulative Preferred Stock, par value \$0.01 per share, will be converted into the right to receive dividends having substantially the same terms as the Spirit Series A Preferred Stock.

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

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

*C. Investment in Joint Venture*

In October 2023, we completed our previously announced \$950.0 million investment in The Bellagio Las Vegas, LLC, a joint venture that owns a 95% interest in the real estate of The Bellagio Las Vegas, LLC, and we received a 5% interest in the joint venture in exchange for an indirect interest of 21.9% in the property and a \$650.0 million investment.

Item 2: [Management's Discussion and Analysis of Financial Condition and Results of Operations](#)

Additional factors that may cause risks and uncertainties include those and Analysis of Financial Condition and Results of Operations" in our A

Readers are cautioned not to place undue reliance on forward-looking statements as of the date this quarterly report was filed with the Securities and Exchange Commission. The Company does not undertake any obligation to update forward-looking statements or circumstances after the date these statements were made.

Realty Income The (NYSE: O), an S&P 500 company, is real estate **partner** have a portfolio of over 15,450 properties in all 50 U.S. states, the U. company" and have a mission to deliver stockholders dependable **dividends** and are a member of the S&P 500 Dividend Aristocrats® in people and places to deliver dependable monthly dividends that increase distribute at least 90% of our taxable income (excluding net capital gains generated from real estate owned under long-term net lease agree

Realty Income was founded in 1969 and listed on the New York Stock Exchange in 1971. The company acquires and manages freestanding commercial properties that generate stable, predictable cash flows.

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) 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** clients, their subsidiaries or affiliated companies. As of **September 30,** represented approximately **40.9%** **36.3%** of our annualized rent and **1**

companies. Approximately 93% of our annualized retail contracts are discretionary, and/or low price point component to their business.

Unless otherwise specified, references to rental revenue in the Ma reimbursements from clients for recoverable real estate taxes and op ended **September 30, 2023** March 31, 2024, and 2022, respectively, a respectively.

## Closing of Spirit Merger

On January 23, 2024, we closed on our previously announced stock-Spirit Realty Capital, Inc., to the consolidated financial statements. We states.

### **Increases in Monthly Dividends to Common Stockholders**

We have continued our 54-year 55-year history of paying monthly dividends. As of December 2024, we have paid 104,106 consecutive quarterly dividend increases and 104,106 consecutive monthly dividend increases.

## 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, 2022, 2023, an increase

The monthly dividend of \$0.2560 \$0.257 per share represents a current dividend yield of 2.56% 2.57% based on the last reported sale price of our common stock on the NYSE of \$44. We cannot guarantee that we will maintain our current 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 Ende

During the three months ended **September 30, 2023** **March 31, 2024**, and properties under development or expansion at an initial weight 20% expansion, of the total annualized contractual rent of such property.

During the nine months ended September 30, 2023, we invested \$6.8 cash lease yield of 6.9%. Of such properties, as of September 30, properties leased to investment grade clients.

See note 3,4, *Investments in Real Estate*, to the consolidated financial

## Equity Capital Raising

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

During the three months ended **September 30, 2023** **March 31, 2024**, ATM program, with a weighted average price of \$56.93 per share, issuances during the three months ended **March 31, 2024** included \$5

2024, 13.3 million 1.2 million shares of common stock subject to forward Stockholders' Equity, to the consolidated financial statements for further

#### 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 acquisition of 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 at 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).

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

During the three months ended September 30, 2023 March 31, 2024, the 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 of \$56.91 million on the same units, representing a rent recapture of vacancy, 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 brokers, sometimes provide rent concessions to our clients. We do not consider these costs in our 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 Merger Sub, Inc., a wholly-owned subsidiary ("Merger Sub"), and Spirit Realty Capital, Inc., a Maryland corporation. Pursuant to the terms of the Merger Agreement, at 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, at the closing, we will issue 100,000,000 shares of our common stock, par value \$0.05 per share (other than the Excluded Common Stock), and 100,000,000 shares of our Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"), and 100,000,000 shares of our Series B Cumulative Redeemable Preferred Stock, having substantially the same rights and preferences as the Series A Preferred Stock.

The Merger Agreement contains customary covenants, representations and warranties, and other provisions described in the Merger Agreement. The consummation of the Merger is subject to the satisfaction of certain conditions 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 Bellagio, a luxury hotel and resort in Las Vegas, Nevada, that owns a 95% interest in the real estate of The Bellagio. We exchanged our 5% interest in The Bellagio for an indirect interest of 21.9% in the property and a \$650 million investment in The Bellagio.

#### **Cineworld Bankruptcy Resolution**

As previously disclosed, Cineworld Group plc and its affiliates ("Cineworld Group") filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code with respect to 41 properties leased to Cineworld. In the second quarter of 2023, Cineworld Group filed for Chapter 11 bankruptcy. 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 Group. The agreement amends the terms of long-term leases on 28 of the properties, with a weighted average lease term of 10 years. The base rent for these properties will be reduced by 10% and there were no tenant improvements or additional capital commitments included in the lease amendments.

In addition, the restructuring agreement amended certain terms on deferrals of rent for the remaining 7 properties. As these deferrals were accounted for on a cash basis or as a reduction of future rent, these amendments and any recoveries beyond this will be recognized in the future.

#### **Impact of Inflation**

Leases generally provide for limited increases in rent as a result of fixed lease terms, or as a result of inflationary periods in the U.K. (typically subject to ceilings), or increases in the clients' sales volume. Inflationary periods can occur at different times when inflation is greater than increases in rent, as provided for in the lease agreements (e.g., increases in the cost of labor, employment and other fees and expenses). **costs**.

Moreover, our strategic focus on the use of net lease agreements reduces our exposure to inflationary periods. Even though the utilization of net leases reduces our exposure to inflation, inflationary periods can have an adverse impact on our clients if increases in their operating expenses are not offset by increases in rents. Inflationary periods may cause us to increase rents.

---

experience increased costs of financing, make it difficult to refinance debt, or result in lower cash flows. If the cost of financing an acquisition is in excess of our anticipated earnings from such property, we may experience a loss.

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

In the commercial real estate market, property prices generally continue to fluctuate. In recent years, the real estate market has experienced significant price volatility, dislocations, and liquidity challenges. We will monitor the real estate and global credit capital markets carefully and, if required, will make changes to our strategy to mitigate any negative impact.

LN

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, expect to fund our operating expenses and other short-term liquidity requirements, outstanding indebtedness, property improvements, re-leasing costs, borrowings under our revolving credit facility, short-term term loans, an

We expect to fund the next twelve months of obligations through a com

- 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;
- Investment dispositions and/or credit investment repayments.

We believe that our cash and cash equivalents on hand, cash provided by our operating activities and cash available under our credit facility will be sufficient to meet our working capital requirements and capital expenditure needs for the next twelve months. We intend, however, to use permanent or long-term capital to finance our growth programs.

## 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 stock, long-term unsecured notes, and term loan borrowings. Over time, we will issue additional shares of 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. We will have access to the capital markets at all times and at terms that are

## Capitalization

As of **September 30, 2023** **March 31, 2024**, our total market capitalization was \$26.3 billion, which included \$20.4 billion of common equity (based on the **September 30, 2023** **March 31, 2024** closing price of \$100.00 per share), aggregate liquidation value (based on a redemption price of \$100.00 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, less cash and cash equivalents, restricted cash, costs, discounts, and premiums). Our total debt and preferred stock to equity ratio was 0.8x.

## Universal Shelf Registration

On February 16, 2024, we filed a new shelf registration statement with SEC rules, the amount of securities to be issued pursuant to this shelf covered by this registration statement include (1) common stock, (2) preferred stock, (5) warrants to purchase debt securities, common stock offer one or more of these securities in amounts, prices and on terms to use of proceeds of any securities offered, will be described in detail in a prospectus to be filed with the SEC.

## ATM Program

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

## Debt and Financing Activities

At **September 30, 2023** **March 31, 2024**, our total outstanding borrowing and bonds term loans, mortgages payable, revolving credit facility and weighted average interest rate of **3.8%** **3.9%**. As of **September 30, 2023** **March 31, 2024**,

to the consolidated financial statements for additional information as of **September 30, 2023** **March 31, 2024** below.

**Note Issuances**

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**

Note Issuance	Date of Issuance
5.050% Notes	January 2023
4.850% Notes	January 2023
4.700% Notes	April 2023
4.900% Notes	April 2023
4.875% Notes	July 2023
5.125% Notes	July 2023

Note Issuance	Date of Issuance
4.750% Notes	January 2024
5.125% Notes	January 2024

In connection with the Merger, we also completed the \$2.7 billion exchange

**Note Repayment**

During the three months ended March 31, 2024, we repaid the following

Note Repayment	Date of Issuance
4.600% Notes	February 2014

**Term Loan Loans**

In January 2023, 2024, in connection with our merger with Spirit, we entered into a term loan agreement (the "Term Loan Agreement"). Under the Term Loan Agreement, we borrowed \$800.0 million in aggregate total borrowings which matures in August 2027 (the "\$800 million term loan agreement"). The Term Loan Agreement also provides for \$500.0 million in aggregate total borrowings which matures in June 2024.

Our 2023 term loan agreement allows us to incur multicurrency term loans. As of March 31, 2024, we had \$1.0 billion \$1.1 billion in multicurrency multi-currency term loans initially mature in January 2024 and include two 12-month 24-month options. Our A3/A- credit ratings provide for a borrowing rate of 80 basis points above the adjusted SONIA for Sterling-denominated loans, and EURIBOR for Euro swaps which fix our per annum interest rate. As rate at 4.9% until term

**Term Loan Redemption**

During the three months ended March 31, 2024, we repaid our \$250.0 million

**Mortgages Repaid**

During the three months ended March 31, 2024, we made \$621.2 million in principal payments on our mortgages. The rate of interest, giving effect to the interest rate swaps, was 5.0% two mortgages for \$621.2 million.

**Covenants**

The following is a summary of the key financial covenants for our senior notes and bonds. These covenants are not based on accounting principles generally accepted in the United States of America and are not intended to be used to incur additional debt under the terms of our senior notes and bonds. The actual amounts as of **September 30, 2023** **March 31, 2024** are as follows:

**Note Covenants**

Limitation on incurrence of total debt

Limitation on incurrence of secured debt

Debt service coverage (trailing 12 months) <sup>(1)</sup>

Maintenance of total unencumbered assets

<sup>(1)</sup> Our debt service coverage ratio is calculated on a pro forma basis for the preceding four quarters of such four-quarter period and the application of the proceeds therefrom (including the day of such four-quarter period, and (ii) any acquisition or disposition by us of any assets or additional adjustments. Such pro forma ratio has been prepared on the basis required to purport to reflect what our actual debt service coverage ratio would have been had trailing

(i), (ii) and (iii) of the preceding sentence occurred as of **October 1, 2022** April 1, 2023 fixed charge coverage at **September 30, 2023** March 31, 2024 (in thousands, for trailing

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 denominator is the sum of interest and preferred stock dividend payments. Our calculations of fixed charge coverage ratio are based on the same set of companies and, therefore, comparability may be limited. The present 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 ratings assigned the following investment grade corporate credit ratings on our

outlook and Standard & Poor's Ratings Group has assigned a rating of Baa3 to the notes. The notes will mature on September 30, 2023 or March 31, 2024. Moody's Investors Service has assigned a rating of Baa3 to the notes.

Based on our credit agency ratings as of **September 30, 2023** March 3  
Overnight Financing Rate ("SOFR"), plus 0.725% with a SOFR adju  
SOFR, for British Pound Sterling borrowings, at the SONIA, Sterling  
revolving credit facility fee of 0.125%, for all-in drawn pricing of 0  
("EURIBOR"), plus 0.725%, and a revolving credit facility fee of 0.125%  
interest rates can range between: (i) SOFR/SONIA/EURIBOR, plus  
SOFR/SONIA/EURIBOR, plus 0.70% if our credit rating is A/A2 or hi  
ranges from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, a

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.

## Material Cash Requirements

The following table summarizes the maturity of each of our obligations

		Credit					C L F
		Facility and Commercial	Senior Unsecured	Term	Mortgages		C
		Paper <sup>(1)</sup>	Notes	Loans <sup>(2)</sup>	Payable	Interest <sup>(3)</sup>	
2023		\$ 376.8	\$ —	\$ —	\$ 1.3	\$ 169.4	
		Credit					
Facility and		Commercial					
Commercial		Paper <sup>(1)</sup>					
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	\$

(1) The initial term of the credit facility expires in June 2026 and includes, at our option, under our revolving credit facility, and commercial facility. Commercial paper program May 2024.

(2) The maturity date for our 2023 multi-currency term loan loans assumes the two a twelve  
(3)Interest on the term loans, notes, bonds, mortgages payable, credit facility and con

(3)Interest on the term loans, notes, bonds, mortgages payable, credit facility and current outstanding balances at period end through their respective maturity dates.

(4) We currently pay the ground lessors directly for the rent under the ground leases.

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

(6) "Other" consists of \$903.6 million of commitments under construction recurring building improvements.

## Investments in Unconsolidated Entities

As of March 31, 2024, our pro-rata share of secured debt of unconsolidated

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

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

In order to maintain our status as a REIT for federal income tax purposes of our taxable income (excluding net capital gains), and we are subject to certain restrictions. In **2022, 2023**, our cash distributions to common stockholders totaled **one billion**. Certain measures are available to us to reduce or eliminate our subsidiaries (each, a "TRS"), has been made. Our **estimated** taxable presented to show our compliance with REIT dividend requirements are stockholders that are sufficient to meet this dividend requirement and funds from operations are sufficient to support our current level of **nine** three months ended **September 30, 2023** **March 31, 2024**, represented ("AFFO") per share of **\$2.99**, **\$1.03**.

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 a Common Stockholders ("FFO"), Normalized FFO, Funds from Operat condition, capital requirements, the annual distribution requirements ur and any other factors the Board of Directors may deem relevant. In ac us in the event of a default, and which prohibit the payment of distribu grace period) any principal or interest on borrowings under our credit fa

Distributions of our current and accumulated earnings and profits for federal tax purposes that we recognize capital gains and declare a capital gains dividend, or rate of non-corporate taxpayers for "qualified dividend income" is generally

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 including individuals, generally may deduct up to 20% of dividends for 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 taxable dividend to the extent of the corporation's earnings and profits. Distributions in excess of that basis generally will be taxable as a capital gain to the common stockholders, made or deemed to have been made in 2022.<sup>2</sup>

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

**Rental Revenue (excluding reimbursable)**

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

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

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	
<b>Totals</b>	<b>Totals</b>		<b>\$947,549</b>	<b>\$781,</b>
<b>Totals</b>				
<b>Totals</b>				

(1) Same store rental revenue increased by 2.2% and 1.6% percentage increase respectively. 2023 is 0.8%.

(2) For purposes of comparability, same store rental revenue is presented on a constant basis ("EUR")/USD. March 31, 2024. None of the properties in Italy and France, Germany, Ireland 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 available for lease but did not meet our same store pool definition for the periods presented.

(4) Primarily consists of reimbursements for tenant improvements and rental revenue that

For purposes of determining the same store rent property pool, we include properties that have been open for at least 12 months and are not closed except for properties during the current or prior year that; (i) were vacated or (ii) the base rent was reduced. Each of the exclusions from the same store pool are detailed below.

Of the 14,044 16,414 in-place leases in the portfolio, which excludes 2,100 properties through: base rent increases tied to inflation (typically subject to ceiling or floor), renewals, or two or more of the aforementioned rent provisions.

Rent based on a percentage of our client's gross sales, or percentage of sales, for the three months ended September 30, 2022, \$8.0 million for the three months ended September 30, 2023, respectively, which represents 1.6% and 1.8% of sales.

At September 30, 2023 March 31, 2024, our portfolio of 13,282 15,485 properties were 99.0% 98.6% leased with 126 193 properties available for lease at December 31, 2022 March 31, 2023. It has been our experience that it is not unusual for it to be possible that the number of properties available for lease or sale could

#### Rental Revenue (reimbursable)

A number of our leases provide for contractually obligated reimbursements. Contractually obligated reimbursements by our clients increased by \$1.1 million compared with the same periods period in 2022, respectively, 2023 is primarily due to the increase in expenses from overall portfolio growth.

#### Other Revenue

Other revenue primarily relates to interest income recognized on financial instruments, client loans and preferred equity investments. The increase in other revenue in 2023 March 31, 2024 as compared with the same periods period in 2022 is primarily due to the increase in interest income.

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 September 30, 2023	Three months ended September 30, 2024
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization	Depreciation and amortization	\$ 495,566	\$ 184,121	
Interest	Interest			
Interest				
Property (excluding reimbursable)				
Property (excluding reimbursable)				
Property (excluding reimbursable)	Property (excluding reimbursable)	9,668		
Property (reimbursable)	Property (reimbursable)			
Property (reimbursable)				
General and administrative				
General and administrative				
General and administrative	General and administrative	35,525		
Provisions for impairment	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	\$ 977,791	
Total expenses				
Total expenses				
Total revenue <sup>(1)</sup>				
Total revenue <sup>(1)</sup>				
Total revenue <sup>(1)</sup>	Total revenue <sup>(1)</sup>	\$ 805,885	\$ 977,791	
General and administrative expenses as a percentage of total revenue <sup>(1)</sup>	General and administrative expenses as a percentage of total revenue <sup>(1)</sup>	3.6	3.6	%



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 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
<b>Credit facility, commercial paper, term loans, mortgages and notes</b>		
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 million for the three and nine months ended September 30, 2023, respectively, as compared with the same periods period in 2022, 2023 is primarily due to higher average interest rates and additional information regarding our indebtedness.

#### Property Expenses (excluding reimbursable)

Property expenses (excluding reimbursable) consist of costs associated with property, such as property taxes, maintenance, insurance, utilities, and other costs.

The increase in property expenses (excluding reimbursable) in the three and nine months ended September 30, 2023 March 31, 2024 as compared with the same periods period in 2022, 2023 is primarily due to higher property tax expense, taxes, repairs and maintenance, and property insurance.

#### Property Expenses (reimbursable)

Property expenses (reimbursable) consist of reimbursable property expenses, which increased by \$17.3 million and \$79.6 million for the three and nine months ended September 30, 2023 March 31, 2024 as compared with the same periods period in 2022, 2023 is primarily due to higher property expenses, taxes, repairs and maintenance, and property insurance.

#### General and Administrative Expenses

General and administrative expenses are expenditures related to the general administration of the company, such as salaries and other costs associated with running our business.

The increase in general and administrative expenses increased by \$1.3 million and \$3.1 million for the three and nine months ended September 30, 2023 March 31, 2024 as compared with the same periods period in 2022, 2023 is primarily due to higher general and administrative expenses.

#### Provisions for Impairment

Provisions for impairment consist of impairment on long-lived assets and other assets.

The increase in impairment for the three months ended March 31, 2024 as compared with the same periods period in 2022, 2023 is primarily due to higher impairment losses retained in our merger with VEREIT, Inc. ("VEREIT") in 2021, such as the impairment of goodwill and other intangible assets.

	Three months ended September 30		
	2023	2024	2024
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	\$ 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 fees, and other costs associated with retaining employees, and otherwise enabling us to operate the acquired business.

We In conjunction with our merger with Spirit, we incurred approximately \$1.3 million of severance and other costs primarily consisting of employee severance, post-combination share-based compensation and other costs for the three months ended March 31, 2023, we incurred \$1.3 million of severance and other costs for 2023, respectively, compared to approximately \$3.7 million and \$13.0 million of severance and other costs for the three months ended March 31, 2022, primarily consisting of severance and other costs associated with our merger with VEREIT Inc. merger in November 2021.

### **Gain on Sales of Real Estate**

The following summarizes our property dispositions (dollars in millions)

	202
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 are from foreign subsidiaries. Derivative gain and loss are primarily related to the settlement of designated derivatives reclassified from Accumulated other

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-denominated currency swaps used to hedge the foreign currency exposure of the interest on the \$20.0 million intercompany loan, the reclassification of the prepaid intercompany loan will not occur, \$20.0 million gain will be recognized in the third quarter of 2022. The reclassification from AOCI was offset by \$7.9 million in the third quarter of 2022.

## Equity in Income and Impairment (Losses) Earnings of Investment

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

Equity in income of unconsolidated entities relates to three equity method investments. Following the sale of the properties, distributions primarily of operating cash. The income **consolidated financial statements** for the

for further details.

### Other Income, Net

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

## Income Taxes

Income taxes primarily consist of international income taxes accrued of \$1.1 million in income taxes for the three and nine months ended September 2018, due to higher taxable income in the UK; partially offset by lower UK tax rates.

**Adjusted Earnings before Interest, Taxes, Depreciation and Amortization**

Nareit established an EBITDA metric for real estate companies (i.e., REITs) to make investment decisions among REITs. Our definition of "Adjusted EBITDA" is the same as Nareit's, which is based on net income, less (i) depreciation expense, including non-cash loss (gain) on swaps, (ii) income and franchise taxes, (iii) impairment of assets, (iv) gains and losses on sales of properties for impairment, (v) merger and integration-related costs, (vii) gain on sales of properties, (viii) currency forwards, and (x) our proportionate share of adjustments from other companies or as defined by Nareit, and other companies may use this metric. We believe Adjusted EBITDA is a meaningful measure of a REIT's performance because it provides a consistent measure of operating performance, excluding the effects of income tax, depreciation and amortization expense, provisions for reserves, including the removal of non-recurring and non-cash items that industry analysts and investors use to evaluate REITs. Adjusted EBITDA is widely followed by industry analysts, lenders, investors, rating agencies and other market participants. Management also believes the use of Adjusted EBITDA is meaningful because it represents our current earnings run rate for the period. The components of Adjusted EBITDA, as defined below, are also used to determine the vesting of performance share awards, but not as an alternative to net income as a measure of our operating performance. We also use Adjusted EBITDA as a key metric in our financial covenants for our senior unsecured notes. We believe Annualized Pro Forma Adjusted EBITDA is a meaningful measure of our operating performance, no longer owned at the balance sheet date and includes the annualized effect of the removal of non-recurring and non-cash items. Annualized Net Debt/Annualized Adjusted EBITDA, Net Debt/Annualized EBITDA, and Net Debt and Preferred/Annualized Pro Forma Adjusted EBITDA are defined as total debt per the consolidated balance sheets, excluding debt of unconsolidated entities, less cash and cash equivalents, divided by an annualized EBITDA.

-40-

The following is a reconciliation of net income (which we believe is the most representative measure of our operating performance) to the calculations for the period indicated below (dollars in thousands).

		<b>Three months ended</b> <b>September 30,</b>	
		<b>2023</b>	<b>2022</b>
<b>Three months ended March 31,</b>			
		<b>2024</b>	
Net income	Net income	\$ 233,877	\$ 220,287
Interest	Interest	184,121	117,409
Gain on extinguishment of debt		—	(240)
Income taxes			
Income taxes			
Income taxes	Income taxes	11,336	10,163
Depreciation and amortization	Depreciation and amortization	495,566	419,016

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	Quarterly		
Adjusted	Adjusted		
EBITDAre	EBITDAre	\$ 939,833	\$ 755,487
Annualized	Annualized		
Adjusted	Adjusted		
EBITDAre <sup>(1)</sup>	EBITDAre <sup>(1)</sup>	\$ 3,759,332	\$ 3,021,948
Annualized Pro Forma	Annualized Pro Forma		
Adjustments	Adjustments	\$ 74,503	\$ 31,700
Annualized Pro Forma	Annualized Pro Forma		
Adjusted	Adjusted		
EBITDAre	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 <sup>(2)</sup>	Net Debt <sup>(2)</sup>	\$ 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 <sup>(3)</sup>			
Net	Net		Net
Debt/Annualized	Debt/Annualized		Debt/Annualized
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			

<sup>(1)</sup> We calculate Annualized Adjusted EBITDAre by multiplying the Quarterly Adjusted EBITDAre by 4.

<sup>(2)</sup> Net Debt is total debt per our consolidated balance sheets, excluding deferred financial instruments and cash equivalents.

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

		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

S

We define FFO, a non-GAAP measure, consistent with the National Association of Realtors® definition of FFO, as net income available to common stockholders plus depreciation and amortization of real estate assets, plus provisions for losses on real estate assets held for sale. Normalized FFO, a non-GAAP financial measure, as FFO excluding most recent period non-recurring items. Normalized FFO is calculated as diluted normalized FFO as FFO and normalized FFO adjusted for diluted normalized FFO as FFO.

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

	Three months ended			Nine months ended		
	September 30,			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.

-42-

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 following table reconciles net income available to common stockholders to FFO. The computation per share (dollars in thousands, except per share amounts):

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

		Three months ended March 31, 2024		Three months ended March 31, 2023	
Net income	Net income				
available to	available to				
common	common				
stockholders	stockholders	\$233,473	\$219,567	\$ 653,904	\$ 64
Depreciation and	Depreciation and				
amortization	amortization	495,566	419,016	1,419,321	1,23
Depreciation of	Depreciation of				
furniture,	furniture,				
fixtures and	fixtures and				
equipment	equipment	(817)	(511)	(1,656)	(1
Provisions for impairment		16,808	1,650	59,801	1
Provisions for					
impairment of					
real estate					
Gain on sales of	Gain on sales of				
real estate	real estate	(7,572)	(42,883)	(19,675)	(9
Proportionate	Proportionate				
share of	share of				
adjustments	adjustments				
for	for				
unconsolidated	unconsolidated				
entities	entities	—	717	(465)	1
FFO adjustments	FFO adjustments				
allocable to	allocable to				
noncontrolling	noncontrolling				
interests	interests	(1,312)	(402)	(2,808)	(0
FFO available to	FFO available to				
common	common				
stockholders	stockholders	\$736,146	\$597,154	\$2,108,422	\$1,80
FFO allocable to	FFO allocable to				
dilutive	dilutive				
noncontrolling	noncontrolling				
interests	interests	1,375	985	4,166	—
Diluted FFO	Diluted FFO	\$737,521	\$598,139	\$2,112,588	\$1,80
FFO available to	FFO available to				
common	common				
stockholders	stockholders	\$736,146	\$597,154	\$2,108,422	\$1,80
FFO available to common					
stockholders					
FFO available to common					
stockholders					
Merger and	Merger and				
integration-	integration-				
related costs	related costs	2,884	3,746	4,532	1
Normalized FFO	Normalized FFO				
available to	available to				
common	common				
stockholders	stockholders	\$739,030	\$600,900	\$2,112,954	\$1,82

Normalized FFO	Normalized FFO				
allocable to	allocable to				
dilutive	dilutive				
noncontrolling	noncontrolling				
interests	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					
FFO available to	FFO available to				
common	common				
stockholders in	stockholders in				
excess of	excess of				
distributions	distributions				
paid to	paid to				
common	common				
stockholders	stockholders	\$ 192,803	\$ 138,568	\$ 552,743	\$ 46
Normalized FFO	Normalized FFO				
available to	available to				
common	common				
stockholders in	stockholders in				
excess of	excess of				
distributions	distributions				
paid to	paid to				
common	common				
stockholders	stockholders	\$ 195,687	\$ 142,314	\$ 557,275	\$ 47
Weighted	Weighted				
average	average				
number of	number of				
common	common				
shares used	shares used				
for FFO and	for FFO and				
Normalized	Normalized				
FFO:	FFO:				
Basic	Basic	709,165	617,512	681,419	60

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

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

#### ADJUSTED FUNDS FROM OPERATIONS

We define AFFO, a non-GAAP measure, as FFO adjusted for unique items that do not reflect our core operating performance. We define diluted AFFO as AFFO adjusted for the dilutive effect of stock options.

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

	Three months ended			Nine months ended							
	September 30,			September 30,							
	%			2023	2022	Change	2023	2022			
Three months ended											
March 31,											
Three months ended											
March 31,											
Three months ended											
March 31,											
2024											
AFFO	AFFO										
available to	available to										
common	common										
stockholders	stockholders										
	\$ 721.4	\$ 603.6	19.5 %	\$ 2,043.8	\$ 1,767.4						
AFFO per share <sup>(1)</sup>	\$ 1.02	\$ 0.98	4.1 %	\$ 2.99	\$ 2.92						
AFFO per											
common											
share <sup>(1)</sup>											

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

We consider AFFO to be an appropriate supplemental measure of our financial performance. AFFO is also referred to as "FAD" (for Funds Available for Distribution), "FAD" (for Funds Available for Distribution) and other companies, and other companies may interpret or define such terms differently.

-44-

The following is a reconciliation of net income available to common stockholders to AFFO. Also presented is information regarding distributions paid to common stockholders. Computations are based on the weighted average number of shares outstanding (dollars in thousands, except per share amounts):

	Three months	Nine months ended
	ended	September 30,

		2023	2022	2023	2022
		Three months ended March 31,		Three months ended March 31,	
		Three months ended March 31,		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	\$ 641,177
Cumulative adjustments to calculate Normalized FFO <sup>(1)</sup>	Cumulative adjustments to calculate Normalized FFO <sup>(1)</sup>	505,557	381,333	1,459,050	1,177
Normalized FFO available to common stockholders	Normalized FFO available to common stockholders	739,030	600,900	2,112,954	1,822
Gain on extinguishment of debt		—	(240)	—	
Amortization of share-based compensation	Amortization of share-based compensation	6,231	5,099	20,154	1,177
Amortization of net debt premiums and deferred financing costs <sup>(2)</sup>		(10,244)	(16,728)	(34,441)	(51,822)
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 <sup>(2)</sup>					
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 <sup>(3)</sup>	Straight-line impact of cash settlement on interest rate swaps <sup>(3)</sup>	1,797	—	5,392	
Leasing costs and commissions	Leasing costs and commissions	(1,392)	(686)	(6,868)	(6,868)
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)	(8,411)
Amortization of above and below-market leases, net	Amortization of above and below-market leases, net	24,939	17,422	61,967	4,141
Proportionate share of adjustments for unconsolidated entities	Proportionate share of adjustments for unconsolidated entities	—	(85)	—	(85)
Other adjustments (4)	Other adjustments (4)	5,642	27,050	3,497	2,200
AFFO available to common stockholders	AFFO available to common stockholders	\$721,370	\$603,566	\$2,043,836	\$1,762
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	\$1,772
AFFO per common share:	AFFO per common share:				
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 in excess of distributions paid to common stockholders	Distributions paid to common stockholders in excess of distributions paid to common stockholders	\$543,343	\$458,586	\$1,555,679	\$1,342
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	\$ 42,600
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	60,600
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 assumed issuance and exchange of our notes payable, assumption of our mortgages payable and 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 termination of notes due October 2032.					
(4) Includes non-cash foreign currency gain and loss as a result of intercompany debt arrangements, cash in nature, straight-line payments from cross-currency swaps, obligations related to the					

We believe the non-GAAP financial measure AFFO provides useful information about the operating performance of our real estate companies that is used by industry analysts and investors who are comparing the operating performance of different REITs without having to account for the different ways in which each company measures a particular company's on-going operating performance. We believe that AFFO is an appropriate U.S. GAAP performance metric to which AFFO should be compared.

Presentation of the information regarding FFO, Normalized FFO, and AFFO is not intended to suggest that these measures are more important than cash flow from operations. It should be noted that not all REITs calculate FFO, Normalized FFO, and AFFO in the same manner. FFO, Normalized FFO, and AFFO are not necessarily indicative of cash flow from operations or future earnings and should not be considered as a measure of our performance. FFO, Normalized FFO, and AFFO should not be considered as a measure of our performance. In addition, FFO, Normalized FFO, and AFFO should not be considered as a measure of our performance.

At **September 30, 2023** **March 31, 2024**, out of the **13,282** **15,485** properties in our portfolio, 100% are on net lease agreements. A net lease typically requires the client to be responsible for maintenance, insurance, and property taxes. In addition, clients of our properties typically pay rent in addition to a percentage of their gross sales above a certain threshold, known as additional rent calculated as a percentage of the clients' gross sales above a certain threshold.

We define total portfolio annualized contractual rent as the monthly contractual rent divided by the percentage of the portfolio's total assets. This measure includes percentage rent and reimbursements from clients, as of the balance sheet date, and is based on the total portfolio's assets. It is a useful supplemental operating measure, as it excludes properties that were not in the portfolio during the quarter. Total portfolio annualized contractual rent has not been presented and excludes unconsolidated entities. **presented.**

#### Top 10 Industry Concentrations

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

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

			Sept 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
<b>Percentage of Total Portfolio Annualized Contractual Rent by Industry</b>							
<b>As of</b>							
<b>Mar 31, 2024</b>							
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
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		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.							
<b>Property Type Composition</b>							
The following table sets forth certain property type information regarding the composition of the Company's total portfolio.							
Property Type	Property Type	Number of Properties	Approximate Leasable (1)	Portfolio Annualized	Contractual Annualized	Contractual Rent	Percentage of Total Portfolio
Retail	Retail	12,879	172,641,300	\$ 3,195,302		82.6	% Retail
Industrial	Industrial	364	84,412,700	507,054		13.1	
Gaming		1	3,096,700	100,000		2.6	
Other (2)		38	2,411,200	64,947		1.7	
Gaming (2)							
Other (3)							
Totals	Totals	13,282	262,561,900	\$ 3,867,303		100.0	% Total
(1) Includes leasable building square footage. Excludes 2,962 acres of leased land categorized as land held for sale.							
(2) Includes our pro rata share of leasable square feet of properties owned by unconsolidated entities.							
(3) "Other" primarily includes 27 properties classified as agriculture consisting of approximately 1,000 acres of land held for sale, one office building with \$43.3 million in annualized contractual rent, and 1021 properties classified as land held for sale with \$1.1 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, by number of leases and annualized contractual rent, at **September 30, 2023** **March 31, 2024**:

Client	Client	Number of Leases	Annualized Rent <sup>(1)</sup>	Percentage of Total Portfolio		
				Number of Leases	Annualized Rent <sup>(1)</sup>	Client
<b>Dollar General</b>						Dollar General
Walgreens	Walgreens	369	3.9	%		
Dollar General		1,630	3.9			
Dollar Tree / Family	Dollar Tree / Family	1,195	3.3			
Dollar	Dollar					
7-Eleven	7-Eleven	634	3.2			
EG Group Limited	EG Group Limited	415	2.7			
Wynn Resorts	Wynn Resorts	1	2.6			
FedEx	FedEx	77	2.2			
B&Q (Kingfisher)		50	1.8			
<b>Lifetime Fitness</b>						
BJ's Wholesale Club						
(B&Q)						
Kingfisher						
Asda	Asda	37	1.8			
Sainsbury's	Sainsbury's	35	1.7			
<b>CVS Pharmacy</b>						
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			
<b>MGM (Bellagio)</b>						
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	

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

(1) Leases on our multi-client properties are counted separately in the table above. This table does not include these leases.

#### Geographic Diversification

The following table sets forth certain geographic information regarding our properties.

Location	Location	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Annualized Contractual Rent	Percentage of Total Portfolio
Alabama						
Alabama						
Alabama	Alabama	405	98 %	4,395,600	1.8 %	
Alaska	Alaska	6	100	299,700	0.1	
Arizona	Arizona	254	99	4,000,600	1.8	
Arkansas	Arkansas	260	93	2,817,700	1.0	
California	California	353	99	12,452,300	5.4	
Colorado	Colorado	170	96	2,697,500	1.2	
Connecticut	Connecticut	52	98	1,754,700	0.6	

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	New				
Hampshire	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	<u>13,282</u>	<u>98 %</u>	<u>262,561,900</u>	<u>100.0 %</u>

• \*Less than  
0.1%

#### IMPACT OF NEW ACCOUNTING STANDARDS

For information on the impact of new accounting standards on our business, see Note 1, Summary of Significant Accounting Policies, in the [Financial Statements](#).

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparing our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. We believe that we have made these estimates and assumptions in a reasonable and consistent manner for reporting purposes. However, actual results may differ. Policies disclosed in our Annual Report on [Form 10-K](#) for the year ended December 31, 2023, provide a complete discussion of our accounting policies and procedures including those related to our consolidated financial statements in our Annual Report.

#### Item 3: Quantitative and Qualitative Disclosures about Market Risks

We are exposed to economic risks from interest rates and foreign currency rates.

##### Interest Rates

We are exposed to interest rate changes primarily as a result of our credit risk management activities. We use interest rate swaps and other instruments used to maintain liquidity and expand our real estate investment portfolio, which may affect our 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 our cash flows, we use interest rate swaps, interest rate locks and caps. The use of these types of instruments involves credit risk, the enforceability of hedging contracts and the risk that unanticipated changes in interest rates will limit counterparty credit risk, we will seek to enter into such agreements that are reasonably likely to adequately protect against the foregoing risks or realize an economic benefit from our activities. We do not enter into any derivative transactions for speculative purposes.

The following table presents, by year of expected maturity, the principal amounts of debt outstanding as of [September 30, 2023](#) [March 31, 2024](#). This information is presented to enable investors to evaluate the risk of principal repayment.

#### Expected Maturity Data

Year of Principal Due	Fixed rate debt
2023	\$ 1,000
2024	1,000
2025	1,000
2026 <sup>(1)</sup>	1,000
2027	2,000
Thereafter	11,400
<b>Totals <sup>(2)</sup></b>	<b>\$ 17,400</b>
<b>Fair Value <sup>(3)</sup></b>	<b>\$ 16,000</b>

The following table summarizes the maturity of our debt as of March 31, 2024.

Year of Principal Due	Fixed rate debt
2024	\$ 469.3

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

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

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

<sup>(3)</sup> 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 notes.

<sup>(4)</sup> We base the estimated fair value of our fixed rate mortgages and private senior notes on the estimated fair value of the publicly traded fixed rate senior notes and bonds payable. We base the estimated fair value of our fixed rate mortgages and private senior notes 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 September 30, 2023 that date. As a result, our ultimate realized gain or loss, with respect to these strategies at the time, and interest rates.

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

#### Foreign Currency Exchange Rates

We are exposed to foreign currency exchange variability related to investing in 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 swaps. 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 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our Exchange Act reports in compliance with the Securities and Exchange Commission's rules and forms, and that such information is made known to our Chief Executive Officer, as appropriate, to allow timely decisions regarding disclosure. Our Chief Executive Officer, as appropriate, to allow timely decisions regarding recognizes that any controls and procedures, no matter how well designed and management necessarily was required to apply its judgment in evaluating

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

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer determined that our disclosure controls and procedures 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 reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### Limitations on the Effectiveness of Controls

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

over financial reporting also can be circumvented by collusion or imprudent acts. Such acts 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 such acts.

## PART II. OTHER INFORMATION

### Item 1A: Risk Factors

You should carefully consider the risks described below and those risks that we face as of **December 31, 2022** **December 31, 2023**, as our business, financial condition and results of operations may differ from those described below. The following risk factors are not intended to be an exhaustive list of all potential risks.

#### Risks Related thereto. There have been no material changes to the following risk factors.

##### *The announcement and pendency of the Merger may have an adverse effect on our business, financial condition and results of operations.*

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, management's discussion and analysis and [Annual Report on Market assessments of Form 10-K](#) for the likelihood of the Merger;
- The amount of consideration offered per share is based on a fixed exchange ratio, which may not reflect our current financial condition, liabilities, prospects, outlook, financial condition or results of operations, analyst estimates of, or projections relating to, our common stock or our business;
- Potential adverse effects on our relationships with our current clients, customers and suppliers, and on our ability to maintain our relationships, due to uncertainties about the Merger;
- We have incurred, and will continue to incur, significant costs, expenses and legal fees in connection with the Merger. Some or all of 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, which may affect 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, including our executive officers, during the pendency of the Merger;
- The pendency and outcome of any legal proceedings that may be initiated by us or by third parties in connection with the Merger Agreement;

---

- The inherent risks, costs and uncertainties associated with integrating our business with Spirit, including the risk that the anticipated benefits of the Merger may not be fully realized or the risk that the anticipated benefits of the Merger may not be fully realized in the time frame anticipated;
- 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 have a material adverse effect on our business, financial condition and results of operations;
- The possibility of disruption to our business, including increased costs and challenges associated with the integration of our business with Spirit or opportunities that may have been beneficial to us.

Any of these risks could adversely affect our results of operations, financial condition and cash flows.

#### *The Merger may not be completed on the terms or timeline currently anticipated. If the conditions set forth in the Merger Agreement are not satisfied or waived, the Merger will not be completed.*

The closing of the Merger is subject to certain conditions, including: (1) the filing of the [Form S-4](#) to be filed with the SEC by us in connection with the transactions contemplated by the Merger; (2) the accuracy of the representations and warranties of the parties to the Merger; (3) the accuracy of each party's representations, including representations concerning its covenants in all material respects; (4) the absence of any event or circumstance that has had or would reasonably be expected to have had a material adverse effect on our business, financial condition and results of operations to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 3 of the REIT Code; and (5) the receipt by Spirit of an opinion that we qualify as a REIT under the Code and regulations.

We cannot provide assurance that these conditions to completing the Merger will be satisfied within the timeline that the parties anticipate or at all.

Failure to consummate the Merger may adversely affect our results of operations and we may have incurred substantial costs relating to the Merger, such as legal, accounting and other expenses, which we have incurred or will continue to be incurred until the closing of the Merger, which will be paid by us to our stockholders and to pay the principal of and interest on its debt securities and obligations, including those of its management instead of enabling it to more fully pursue other opportunities, including the other transactions contemplated by the Merger Agreement; and (ii)

***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 over our management and policies after the effective time of the Merger.

**Potential litigation instituted against us, Spirit or our respective  
the expected timeframe or at all.**

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

divert management's attention and resources, which could adversely affect the company's performance.

***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, fixed 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

***Following the Merger, if consummated, we may be unable to integrate the Merger and the transactions contemplated by the Merger Agreement.***

The Merger involves the combination of two companies which currently and resources to integrating the operations of Spirit. Potential difficulties

- the inability to successfully combine Spirit's operations with ours in 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 S
- the continued complexities associated with managing a multi-nation 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, d Agreement; and
- performance shortfalls at one or both of the two companies as a result of operations with ours.

For all these reasons, you should be aware that it is possible that the information or inconsistencies in our services, standards, controls, procedures and vendors, joint venture partners and employees or to achieve the anticipated results.

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

The following shares of stock were withheld for state and federal pay Award Plan, of Realty Income Corporation (the "2021 Plan"):

<b>Period</b>	
July 1, 2023 — July 31, 2023	
August 1, 2023 — August 31, 2023	
September 1, 2023 — September 30, 2023	
<b>Total</b>	

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 December 31, 2021, were issued under the 2021 Incentive Award Plan of Realty Income Corporation. The withheld shares are held in escrow by the plan administrator.

**Item 5: Other Information**

### *Director and Officer Trading Arrangements*

During the three months ended **September 30, 2023** **March 31, 2024**,  
purchase or sale of our securities that was intended to satisfy the affirm

## Amendment and Restatement of Bylaws

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

- address the universal proxy rules adopted by the SEC, including Directors' nominees unless such person has complied with solicitation requirements;
- enhance certain procedural mechanics and disclosure requirements for stockholder meetings, including requiring additional background information on 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 Maryland law) may be brought in any state court of competent jurisdiction in Maryland (or, if such court declines to hear the case, in the Court of Appeals of Maryland), unless the Company agrees otherwise;
- establish that claims arising under the Securities Act of 1933, a state securities law, and
- clarify the procedures for announcing the date, time and place

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

The foregoing description of the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to a copy of which is attached as Exhibit 3.1 to this Quarterly Report on Form 10-Q.

**Item 6: Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
<u>Plans of acquisition, reorganization, arrangement, liquidation or succession</u>	
2.1	Agreement and Plan of Merger, dated as of <u>April 29, 2021</u> <u>October 29, 2021</u> , Sub II, LLC, VEREIT, Inc. and VEREIT Operating Partnership, L.P. (filed incorporated herein by reference).
2.2	First Amendment to Agreement and Plan of Merger, dated as of June 1, 2022.

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

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 as](#)

**Bylaws Instruments defining the rights of security holders, including indentures**

3.1\* 4.1 [Amended Indenture dated as of October 28, 1998 between the Company and U.S. Bank National Association, as trustee, dated October 28, 1998 \(File No. 001-13374\) and incorporated herein by reference.](#)

4.2 [Form of 4.750% Note due 2029 issued on January 16, 2024 \(filed as exhibit 4.2 to the Company's Form 8-K, filed on January 16, 2024 as](#)

herein by reference).

4.3 [Form of 5.125% Note due 2034 issued on January 16, 2024 \(filed as exhibit 4.3 to the Company's Form 8-K, filed on January 16, 2024 as](#)

herein by reference).

4.4 [Officers' Certificate dated January 16, 2024 pursuant to Sections 201, 202 and 203 of the Indenture, dated as of October 28, 1998, between the Company and U.S. Bank National Association, as trustee, establishing the terms of the securities entitled "5.125% Notes due 2034" and including the forms of the notes and the guarantee \(filed as Exhibit 4.4 to the Company's Form 8-K, filed on January 16, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.5 [Indenture, dated as of August 18, 2016, between Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.5 to the Company's Form 8-K, filed on August 19, 2016 \(File No. 001-36004\) and incorporated herein by reference\).](#)

4.6 [First Supplemental Indenture, dated as of August 18, 2016, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.6 to the Company's Form 8-K, filed on August 19, 2016 and incorporated by reference herein\).](#)

4.7 [Second Supplemental Indenture, dated as of June 27, 2019, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.7 to the Company's Form 8-K, filed on June 27, 2019, and incorporated by reference herein\).](#)

4.8 [Third Supplemental Indenture, dated as of September 16, 2019, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.8 to the Company's Form 8-K, filed on September 16, 2019 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.9 [Fourth Supplemental Indenture, dated as of September 16, 2019, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.9 to the Company's Form 8-K, filed on September 16, 2019 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.10 [Fifth Supplemental Indenture, dated as of August 6, 2020, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.10 to the Company's Form 8-K, filed on August 6, 2020 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.11 [Sixth Supplemental Indenture, dated as of March 3, 2021, among Spirit Realty, L.P. and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.11 to the Company's Form 8-K, filed on March 3, 2021 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.12 [Company Seventh Supplemental Indenture, dated November 3, 2023 as between the Company and U.S. Bank National Association, as trustee, including the form of the notes and the guarantee \(filed as Exhibit 4.12 to the Company's Form 8-K, filed on November 3, 2023 \(File No. 001-36004\) and incorporated by reference herein\).](#)

4.13 [Eighth Supplemental Indenture, dated as of January 23, 2024, by and between the Company and U.S. Bank Trust Company, National Association \(as successor in interest to U.S. Bank National Association\), as trustee, including the form of the notes and the guarantee \(filed on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.14 [Form of 4.450% Notes due September 15, 2026 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.15 [Form of 3.200% Notes due January 15, 2027 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.16 [Form of 2.100% Notes due March 15, 2028 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.17 [Form of 4.000% Notes due July 15, 2029 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.18 [Form of 3.400% Notes due January 15, 2030 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.19 [Form of 3.200% Notes due February 15, 2031 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.20 [Form of 2.700% Notes due February 15, 2032 issued on January 23, 2024 \(File No. 001-13374\) and incorporated herein by reference\).](#)

4.21 [Officers' Certificate, dated as of January 23, 2024, pursuant to Section 3.200% Notes due 2027, a new series of debt securities entitled "3.200% Notes due 2027," a new series of debt securities entitled "4.000% Notes due 2029," a new series of debt securities entitled "3.400% Notes due 2031," a new series of debt securities entitled "2.700% Notes due 2032" and including on January 24, 2024 \(File No. 001-13374\) and incorporated herein by reference.](#)

4.22 [Form of Specimen Certificate for Realty Income's 6.000% Series A Cumulative Preferred Stock, dated as of January 22, 2024 \(File No. 001-13374\) and incorporated herein by reference.](#)

#### Material Contracts

10.1 [Amendment and Restatement to Term Loan Agreement, dated January 23, 2024, by and between Realty Income Corporation, as Borrower, the Lenders, and Wells Fargo Bank, National Association, as Administrative Agent \(File No. 001-13374\) and incorporated herein by reference.](#)

10.2 [Amendment and Restatement to Term Loan Agreement, dated January 23, 2024, by and between Realty Income Corporation, as Borrower, the Lenders, and Wells Fargo Bank, National Association, as Administrative Agent \(File No. 001-13374\) and incorporated herein by reference.](#)

#### Certifications

31.1\* [Certification of the Chief Executive Officer pursuant to Rule 13a-14\(a\), dated January 23, 2024.](#)

31.2\* [Certification of the Chief Financial Officer pursuant to Rule 13a-14\(a\), dated January 23, 2024.](#)

32\*\* [Section 1350 Certifications as furnished by the Chief Executive Officer and the Chief Financial Officer.](#)

#### Interactive Data Files

101.INS\* Inline XBRL Instance Document - the instance document does not appear to contain any data.

101.SCH\* Inline XBRL Taxonomy Extension Schema Document.

101.CAL\* Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.LAB\* Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE\* Inline XBRL Taxonomy Extension Presentation Linkbase Document.

101.DEF\* Inline XBRL Taxonomy Extension Definition Linkbase Document.

104\* Cover Page Interactive Data File (formatted as Inline XBRL and containing the following text):

\* Filed herewith.

\*\*Furnished herewith.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this document is filed herewith.

Date: November 7, 2023 May 7, 2024

RE

Whenever used in these Bylaws, unless the context otherwise requires, the following words and terms have the meanings:

"ACT" has the meaning assigned to such term in Section 83(1).

"ADVISOR" means any Person (other than a director, officer or employee) who, directly or indirectly, has responsibility for directing or performing the day-to-day business of the Corporation or who subcontracts substantially all such functions.

"AFFILIATE" of a Person means (a) any other Person directly or indirectly controlling, controlled by or under common control with such Person, (b) any other Person owning or controlling 10% or more of the voting power of any class of shares of such Person, or (c) any other Person that is a general partner of such Person, or (d) if such Person is an officer, director or employee of another Person, any other Person that is a general partner. For purposes of this definition, "control" (in respect of any Person) means the power to direct the management or policies of such Person, whether by contract or otherwise.

"ANCILLARY SERVICES" means any business activity of the Corporation that is ancillary to the operation of its properties, which generates revenue for the Corporation, such as the sale of goods and services to its tenants and others.

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

"ASSISTANT SECRETARIES" has the meaning assigned to such term in Section 83(1).

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

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

"BYLAWS" means the Bylaws of the Corporation, as amended.

"CHAIRMAN OF THE BOARD" has the meaning assigned to such term in Section 83(1).

"CHARTER" means the charter of Realty Income Corporation.

"CHIEF EXECUTIVE OFFICER" has the meaning assigned to such term in Section 83(1).

"CHIEF OPERATING OFFICER" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

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

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

"COMPANY PROXY MATERIALS" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"COMPANY SECURITIES" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"CONFLICTING PROVISIONS" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"CONTESTED ELECTION" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"CORPORATION" means Realty Income Corporation, a Maryland corporation.

"DELIVERY DATE" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"DTC" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"ELECTION MEETING" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"ELIGIBLE STOCKHOLDER" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"EMERGENCY" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FINAL PROXY ACCESS NOMINATION DATE" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"FOREIGN ACTION" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"INDEBTEDNESS" of any Person means the principal amount of all obligations of such Person (including the Indebtedness of others guaranteed by such Person), incurred by such Person, in connection with the acquisition of any business or assets, or in connection with the modification or refunding of any such indebtedness or otherwise.

---

"INDEPENDENT DIRECTORS" means the directors of the Company who are not officers or employees of the Company.

"INTERESTED PARTY" has the meaning ascribed to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"IRS" means the United States Internal Revenue Service.

"MEETING RECORD DATE" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"MGCL" means the Maryland General Corporation Law.

"MINIMUM HOLDING PERIOD" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"NONQUALIFYING INCOME" means income not described in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"NOTICE OF BYLAW AMENDMENT PROPOSAL" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"NOTICE OF PROXY ACCESS NOMINATION" has the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

"OWN," "OWNED," "OWNING" and other variations thereof have the meaning assigned to such term in Section 313.1(b)(1)(ii) of the Maryland General Corporation Law.

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

"PREFERRED STOCK" means the Preferred Stock of the Company or any 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 541 of the Code.

"REIT PROVISIONS OF THE CODE" means Part II, Subchapter J of Chapter 1 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 is located at:

Section 2. ADDITIONAL OFFICES. The Corporation may have additional offices where the business of the Corporation may require.

Section 1. PLACE. All meetings of stockholders shall be held at the principal office of the Corporation or at such other place as may be set in accordance with these Bylaws and stated in the notices of the meeting. The meetings of stockholders may instead be held partially or solely by means of remote communication procedures adopted by the Board, stockholders and proxy holders and may vote at such meeting as permitted by law.

Section 2. ANNUAL MEETING. An annual meeting of stockholders for the election of directors and the transaction of other business within the powers of the Corporation shall be held on the date and at the place and time as shall be fixed by the Board.

Section 3. SPECIAL MEETINGS.

(a) General. Each of the Chairman of the Board, Chief Executive Officer, President and Vice Presidents of the Corporation, the Secretary and the Treasurer, and the Chairman of the Board, Chief Executive Officer, President and Vice Presidents of any subsidiary of the Corporation, and the Secretary and the Treasurer of any subsidiary of the Corporation, may call a special meeting of stockholders. A special meeting of stockholders shall also be called by the Board if a stockholder or stockholders holding at least 5% of the stock entitled to vote on the matter at such meeting (the "Special Meeting Percentage") request it.

(b) Stockholder-Requested Special Meetings. (1) An stockholder or stockholders holding at least 5% of the stock entitled to vote on the matter at such meeting (the "Special Meeting Percentage") may call a special meeting of stockholders by sending written notice to the Secretary (the "Record Date Request Notice") at least 60 days before the date fixed for the annual meeting of stockholders to determine the stockholders entitled to request a special meeting. The notice shall set forth the purpose of the meeting and the matters proposed to be acted upon at the meeting. The notice shall be signed by the stockholder or stockholders or by their agents duly authorized in a writing accompanying the notice. The stockholder or stockholders shall also set forth the date of signature (or their agents duly authorized in a writing accompanying the notice) and shall set forth a statement that the stockholder or stockholders proposes to nominate for election or reelection at the meeting of stockholders a person or persons to be elected or reelected to the Board. The stockholder or stockholders shall also set forth the information required to be disclosed in connection with the solicitation of proxies or the notice of election or nomination required to be disclosed in an election contest (even if an election contest is not involved) in accordance with Regulation 14A (or any successor provision) unless the stockholder or stockholders has fixed a Request Record Date. The Request Record Date shall be the date on which the resolution fixing the Request Record Date is adopted. If the stockholder or stockholders fails to fix a Request Record Date, the Request Record Date shall be the tenth day after the first date on which a Record Date is adopted.

(2) In order for any stockholder to request a special meeting of stockholders, one or more written requests for a special meeting shall be sent to the Secretary by the stockholder or stockholders or by their agents duly authorized in a writing accompanying the notice.

Date entitled to cast not less than the Special Meeting Percentage set forth the purpose of the meeting and the matters proposed by the stockholder (b) Record Date Request Notice received by the Secretary), (b) Meeting Request, (c) set forth (i) the name and address, as whose behalf the Special Meeting Request is signed), (ii) the stockholder (beneficially or of record) by each such stockholder and (iii) beneficially but not of record by such stockholder, (d) be served on the Secretary within 60 days after the Request Record Date. A revocation of the Special Meeting Request) may revoke his Secretary.

(3) The Secretary shall inform the requesting stockholder of the notice of the meeting (including the Corporation's proxy materials) and the request and such meeting shall not be held unless, in addition, the stockholder receives on behalf of the Corporation payment of such reasonable expenses as the stockholder incurs in connection with the meeting.

(4) In the case of any special meeting called by the Board, the meeting shall be held at such place, date and time as may be designated by the Board. The Requested Meeting shall be not more than 90 days after the date the Board fails to designate, within ten days after the date the Board fails to designate ("Meeting Record Date"), a date and time for a Stockholder-Requested Meeting. If the Meeting Record Date or, if such 90th day is not a Business Day, the Board fails to designate a place for a Stockholder-Requested Meeting at the principal executive office of the Corporation. In fixing a date for the meeting, including, without limitation, the nature of the meeting and any plan of the Board to call an annual meeting, the Board shall not fail to fix a Meeting Record Date that is a date within 30 days of the date the Board shall be the Meeting Record Date. The Board may require stockholders to comply with the provisions of paragraph

(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 or notice of any revocation of a request for a special meeting, or sends to all requesting stockholders who have not revoked the request for the special meeting and written notice of the Corporation.

intention to revoke the notice of the meeting or for the chair may revoke the notice of the meeting at any time before telling the meeting to order and adjourn the meeting without a Secretary of a notice of a meeting shall be considered a revocation.

(6) The Chairman of the Board, Chief Executive Officer and other inspectors of elections to act as the agent of the Corporation in purporting to act in accordance with the purported Special Meeting Request received by the Secretary.

purported Special Meeting Request shall be deemed to have receipt by the Secretary of such purported request and (ii) shall be received by the Secretary represent, as of the Request Received Percentage. Nothing contained in this paragraph (6) shall impair the right of any shareholder to be entitled to contest the validity of any request, whether without limitation, the commencement, prosecution or defense of any litigation).

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, such electronic transmission to any address or number of the stockholders may give a single notice to all stockholders who share an account unless such stockholder objects to receiving such single notice at any meeting to one or more stockholders, or any irregularity in Article III or the validity of any proceedings at any such meeting.

Section 5. SCOPE OF NOTICE. Subject to Section 12(a) meeting of stockholders without being specifically designated notice. No business shall be transacted at a special meeting or postpone or cancel a meeting of stockholders by making a postponement or cancellation prior to the meeting. Notice can be given ten days prior to such date and otherwise in the manner set forth in this section.

Section 6. ORGANIZATION AND CONDUCT. Every meeting shall be presided over by a chairman of the meeting or, in the absence of such appointment, by a chairman pro tempore.

(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 a meeting which has been duly called and at which a quorum notwithstanding the withdrawal from the meeting of enough stockholders, a quorum is not established at any meeting of the stockholders date not more than 120 days after the original record date of the 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 shareholders votes cast with respect to such nominee by the holders of shares.

the election of directors at which a quorum is present (an "E" nominees exceeds the number of directors to be elected at determination by the record date for the Election Meeting a elected by the affirmative vote of a plurality of the votes cast to the election of such director.

For purposes of this Section 8, a "majority of the votes cast" exceeds the number of votes cast "against" that candidate either "for" or "against"). In an election other than a Contested election of directors or to "abstain" from such vote and shall Contested Election, stockholders will be given the choice to cast any other vote with respect to such election of director class or classes or series, the determination as to whether by-series basis, as applicable. A majority of the votes cast is sufficient to approve any other matter which may properly come before the Board of Directors, the Board of Directors, the Charter or these Bylaws. Unless otherwise provided, a vote on each matter submitted to a vote at a meeting of stockholders.

Section 9. **PROXIES**. A holder of record of shares of stock or by the stockholder's duly authorized agent in any manner with the record of proceedings of the meeting. No proxy shall be issued to any stockholder directly or indirectly soliciting proxies from stockholders for the exclusive use by the Board.

Section 10. VOTING OF STOCK BY CERTAIN HOLDERS  
company, partnership, joint venture, trust or other entity, if a member, manager, general partner or trustee thereof, as the other person who has been appointed to vote such stock pursuant to a power of attorney or otherwise.

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

Shares of stock of the Corporation directly or indirectly owned by a person or group of persons shall be counted in determining the total number of shares outstanding.

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

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

Section 11. INSPECTORS. The Board or the chairman meeting and any successor to the inspector. Except as other the number of shares of stock represented at the meeting, votes, ballots or consents, (iii) report such tabulation to the connection with the right to vote, and (v) do such acts as are 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 meeting and the results of the voting shall be *prima facie* evi

**Section 12. ADVANCE NOTICE OF STOCKHOLDER N**

(a) **Annual Meetings of Stockholders.** (1) Nominations considered by the stockholders may be made at an annual meeting at the direction of the Board or (iii) by any stockholder of the Company for the purpose of determining stockholders entitled to vote at the annual meeting under Section 12(a) and at the time of the annual meeting (and at the election of each individual so nominated or on any such other occasion) in accordance with the provisions of this Section 12 and, as applicable, with Section 14 of the General Corporation Law, pursuant to a Notice of Proxy Access Nomination (each as defined in the Company's Bylaws).

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:

(i) as to each individual whom the stockholder proposes to nominate ("Proposed Nominee"), (A) all information relating to the Proposed Nominee required for the election of the Proposed Nominee as a director in accordance with the rules and regulations required in connection with such solicitation, in each case provided in the notice of meeting, including a description of any direct or indirect material interest in any business of the Company or of any Stockholder Associated Person (as defined below), on the part of such stockholder and of all other participants in such solicitation, on the other hand, including information required under Rule 404 under Regulation S-K if such stockholder or Stockholder Associated Person or Proposed Nominee were a director or executive officer of such registrant;

(ii) as to any other business that the stockholder proposes to bring before the meeting, including the stockholder's reasons for proposing such business at the meeting, (A) all information relating to the Proposed Nominee or any other individual proposed by the stockholder, individually or in the aggregate, including a description of any direct or indirect material interest in any business of the Company or of any Stockholder Associated Person (as defined below), on the part of such stockholder and of all other participants in such solicitation, on the other hand, including information required under Rule 404 under Regulation S-K if such stockholder or Stockholder Associated Person or Proposed Nominee were a director or executive officer of such registrant;

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

(A) (I) the class, series and number of all securities of the Company (the "Company Securities"), if any, which are, directly or indirectly, owned by such stockholder, Proposed Nominee or Stockholder Associated Person, or beneficially own any shares of any class or series of stock of the Company, at any time in the past or at any time in the future, (II) the date on which each such Company Security was acquired, and (III) any pledge by such person with respect to any Company Security, including any pledge to decrease in the price of such stock or other security) in any event;

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

(C) whether and the extent to which such stockholder (through brokers, nominees or otherwise), is subject to or directly or indirectly involved in any transaction or series of transactions or entered into any other agreement (including any swap, forward, option, futures or other derivative contract or agreement, or any proxy or voting agreement), the effect of which

Securities for such stockholder, Proposed Nominee or Stockholder, Proposed Nominee or Stockholder Associated economic interest in the Company Securities;

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

(E) any pending or threatened legal proceeding, a party or a participant involving the Corporation or any of its

(iv) as to the stockholder giving the notice, and (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, if different, of each such Stockholder Associated Person and

(B) the investment strategy or objective, if individual and a copy of the prospectus, offering memorandum, stockholder and each such Stockholder Associated Person

(v) the name and address of any person who Associated Person about the Proposed Nominee or other business

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

(vii) (A) in the case of a business proposal other than a proposal to nominate such Proposed Nominee or Stockholder Associated Person intends or is part of a group holding a percentage of the Corporation's outstanding capital stock required to support of such proposal and (B) if the stockholder is proposing the election of such Proposed Nominees by an Eligible Stockholder pursuant to a proposal or representation that such stockholder, Proposed Nominee or

which intends to solicit the holders of shares representing a majority of the votes entitled to be cast for the election of support of each Proposed Nominee in accordance with Rule 14a-11

(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 Proposed Nominee or such business for a vote at such meeting or of any proposal related to such other business need not be

(ix) all other information regarding the stockholder to be disclosed by the stockholder in connection with the solicitation of proxies (if any), or would otherwise be required in connection with the stockholder's nomination (or any successor provision) under the Exchange Act.

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

(i) a written representation executed by the Plaintiff

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

(B) attaching copies of any and all requisit

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

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

(ii) unless such Proposed Nominee is submitted for Nomination pursuant to Section 15 of this Article III, a written

(A) comply with Rule 14a-19 (or any successor rule) by filing with the SEC a copy of the proxy statement and the form of proxy in support of any Proposed Nominee and, except as required by law, maintain the confidentiality of any information provided by the Corporation if such information 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 annual meeting.

(C) no later than five Business Days prior principal executive office of the Corporation, evidence, suffi requirements of Rule 14a-19(a)(3) (or any successor provis

(D) furnish such other or additional information as may be required to determine whether the requirements of this Section 12 have been complied with at any time.

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

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

(6) The Board may request that the stockholder as may be reasonably required by the Board. Such stockholder by the Board. The Board may also require any proposed can be requested by the Board in writing prior to the meeting of the generality 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 Secretary at the principal executive offices of the Corporation than five Business Days after the

request by the Board of Directors has been delivered to, or

(7) For purposes of this Section 12, "Stockholder" means any person, firm, corporation, or other entity that is the record owner of any shares of stock of the registrant, or any person, firm, corporation, or other entity that is the beneficial owner of any shares of stock of the registrant, or any person, firm, corporation, or other entity that is controlled by, or is controlled by, or is under common control with, such stockholder or another Stockholder Associated Person (as defined under the Exchange Act) in the solicitation, (ii) any beneficial stockholder (other than a stockholder that is a depositary) a

(c) General. (1) If any information or representation is proposed a nominee for election as a director or any proposed representation from a Proposed Nominee, shall be inaccurate have been provided in accordance with this Section 12. Any Business Days of becoming aware of such inaccuracy or claim or the Board, any such stockholder or Proposed Nominee shall as may be specified in such request), (i) written verification

satisfactory, in the discretion of the Board or any authorized stockholder pursuant to this Section 12 or Section 15 of Corporation, written confirmation by such stockholder that is meeting and, if applicable, satisfy the requirements of Rule stockholder pursuant to this Section 12 or Section 15 of this Nominee that such individual will serve as a director of the verification, update or representation within such period, the requested may be deemed not to have been provided in ac

(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 Nominees each Proposed Nominee being substituted or replaced has executive office of the Corporation prior to, or concurrently with, replacement Proposed Nominee pursuant to this Section 12. Nominees proposed by such stockholder exceeds the number of 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 in business, other than a nomination, not properly brought before

a timely manner or (B) comply with the requirements of Rule 14a-19(a)(3) or (ii) timely provide sufficient evidence in the determination that the registrant met the requirements of Rule 14a-19(a)(3) (or any successor rule).

(4) For purposes of this Section 12 and Section 1 date of the company's proxy statement released to shareholders and the Securities and Exchange Commission from time to time Dow Jones News Service, Associated Press, Business Wire and publicly filed by the Corporation with the Securities and Exchange Commission.

(6) Notwithstanding anything in these Bylaws to the contrary, a stockholder giving notice as provided for in this Section 12 may nominate a person to be a director or the proposed business of the corporation.

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

Section 14. CONTROL SHARE ACQUISITION ACT. No MGCL, shall not apply to any acquisition by any person of s any time, whether before or after an acquisition of control s to any prior or subsequent control share acquisition.

## 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, any individual nominated for election by or at the direction of the Board, that is nominated for election to the Board (each such individual being nominated by more than 20 stockholders that satisfies the requirements of the Exchange Act), being hereinafter referred to as the "Eligible Stockholders",

information provided to the Secretary of the Corporation co disclosed in the Company Proxy Materials by the rules and elects, a written statement in support of the Stockholder Notice of Proxy Access Nomination (as defined below) req contrary contained in this Section 15, the Corporation may that the Board, in its sole discretion, determines (A) is mate such information or Statement, in light of the circumstances regulation or provision of the Charter or these Bylaws or (D concerning improper, illegal or immoral conduct or assoc provision of these Bylaws notwithstanding, the Corporation statements or other information relating to any Eligible Stoc with respect to the foregoing.

(b) To be eligible to require the Corporation to include Eligible Stockholder must have Owned (as defined below) a "Required Shares" continuously for at least three years (th is received by the Secretary in accordance with this Section to vote at the annual meeting of stockholders, and must the (and any postponement or adjournment thereof). For purpo outstanding shares of Common Stock as to which the Eligible shares and (ii) the full economic interest in (including the option shares calculated in accordance with clauses (i) and (ii) sha any transaction that has not been settled or closed, includir purpose or purchased by such Eligible Stockholder or any o warrant, forward contract, swap, contract of sale, other deri such Eligible Stockholder or any of its Affiliates, whether an or with cash or other property based on the notional amoun agreement, arrangement or understanding has, or is intend time in the future, such Eligible Stockholder's or its Affiliate' altering (or attempting to hedge, offset or alter) to any degr Eligible Stockholder or its Affiliate or (D) for which the Eligible means of a proxy, power of attorney or other instrument or Affiliate and that expressly directs the proxy holder to vote a Stockholder shall be deemed to "Own" shares of Common Stockholder retains the full right to instruct how the shares are in the shares of Common Stock. An Eligible Stockholder's o

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 Notice of Proxy Access Nomination is provided and three Business Days prior to the adjournment thereof. For purposes of this Section 15, the term "Business Day" means a day on which the New York Stock Exchange is open for trading. Whether and how outstanding shares of Common Stock are to be included in the Company's proxy statement is within the discretion of the Board.

(c) To be eligible to require the Corporation to include Eligible Stockholder must provide to the Secretary, in proper form, such Stockholder Nominee included in the Company Proxy any updates or supplements to such Notice of Proxy Access the Secretary at the principal executive office of the Corporation prior to the first anniversary of the date of the proxy statement. If the date of the annual meeting of stockholders is advanced or delayed by more than one year from the date of the previous year's annual meeting, the Notice of Proxy Access Nomination must be filed with the Secretary no later than 5:00 p.m. on the date originally convened, or the tenth day following the day of announcement of a postponement or an adjournment of an Access Nomination as described above.

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

(ii) a copy of the Schedule 14N filed or to be filed  
Exchange Act;

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

consent of the Stockholder Nominee to being named in the

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

(v) a representation that the Eligible Stockholder intent to change or influence control of the Corporation, and thereby presently has such intent, (B) has not nominated at any postponement or adjournment thereof) any individual or to this Section 15, (C) has not engaged and will not engage each within the meaning of Rule 14a-1(l) under the Exchange Act any postponement or adjournment thereof) other than such with all applicable laws and regulations applicable to solicitations at any postponement or adjournment thereof), including, without distributing to any stockholder any form of proxy for the annual meeting and will not provide any facts, statements or information in true and complete in all material respects or which omitted information, in light of the circumstances under which they are provided.

(vi) a written undertaking that the Eligible Stockholder will not communicate with the stockholders by the Eligible Stockholder before or after providing a Notice of Proxy Access Nomination, and that the Eligible Stockholder or its Stockholder Nominee(s) provided for in the Notice of Proxy Access Nomination will not seek inclusion of such Stockholder Nominee(s) in the Company's proxy statement or in the proxy statement of any of the Company's subsidiary corporations and each of its directors, officers, agents and employees, pending action, suit or proceeding, whether legal, administrative or otherwise, relating to the Notice of Proxy Access Nomination or the proposed inclusion of such Stockholder Nominee(s) in the Company's proxy statement or in the proxy statement of any of the Company's subsidiary corporations.

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

(vii) a written description of any compensatory, per  
than the Corporation under which the Stockholder Nominees  
Board, together with a full and complete copy of any such a

---

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

Each Stockholder Nominee and the Eligible Stockholder  
by the Corporation to determine the eligibility of such Stockholder  
standards of any national securities exchange on which any  
that could be material to a reasonable stockholder's unders  
(C) as may reasonably be required by the Corporation to de  
Stockholder.

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

(f) In the event that any fact, statement or information  
stockholders ceases to be true and complete in all material  
information, in light of the circumstances under which they  
case may be, shall promptly notify the Secretary of any def  
information required to correct any such defect, not later than

(g) Whenever an Eligible Stockholder consists of a group  
Eligible Stockholder to provide any written statement, represent  
requirement or condition shall be deemed to require each s  
undertakings, agreements or other instruments and to mee  
the portion of the Required Shares Owned by such stockholder  
of these Bylaws by any member of the group shall be deemed  
of persons constituting an Eligible Stockholder with respect  
stockholders in a 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  
of stockholders qualifies as an Eligible Stockholder

shall provide to the Secretary such documentation as is reasonably necessary to demonstrate that the entities comprising the Qualifying Fund Family satisfy the definition of a Fund Family.

(i) The Corporation shall not be required to include, in any annual meeting of stockholders (i) for which meeting the stockholder has nominated one or more individuals for election to the Board of Directors, the names and biographical information of the nominees.

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

director at the annual meeting other than its Stockholder Nominee, as independent (as determined under the (a) rules and listing requirements of the Nasdaq Stock Market or (b) the rules and listing requirements of the NYSE) or if the Stockholder Nominee agrees or commits to vote a certain way to cause the Corporation to fail to comply with these Bylaws, to the extent that any securities of the Corporation are listed, or any applicable law or rule requires that, within the past three years, a director, officer, employee or agent of the Corporation (vii) if such Stockholder Nominee is a defendant in or named in any proceeding involving criminal or civil offenses (viii) if such Stockholder Nominee is subject to any order of the type specified in Rule 240.14a-1 or 240.14a-2 of the Exchange Act, or (ix) if the Stockholder Nominee who has nominated such Stockholder Nominee is not a stockholder of the Corporation or the stockholders required or requested pursuant to this Section 15 have knowledge of a material fact necessary to make such facts, statements or information otherwise contravenes any of the agreements, representations or warranties made by the Corporation or the stockholders required or requested pursuant to this Section 15 or (x) if the Eligible Stockholder fails to timely file a Form 14A with the SEC in compliance with any of its obligations pursuant to this Section 15.

(j) Notwithstanding anything to the contrary set forth in the Company Proxy Materials, any nomination of an Eligible Stockholder to be invalid and such nomination shall not be counted in the number of nominees received by the Corporation, if (i) the Stockholder Nominee fails to timely file a Form 14A with the SEC in compliance with its obligations under this Section 15, as determined by the Board of Directors, (ii) the representative thereof, does not appear at the annual meeting of stockholders to which the Company Proxy Materials pursuant to this Section 15. For a stockholder to act as a proxy for such stockholder, a person must be specifically authorized, by a stockholder, to act for such stockholder as its proxy at the annual meeting, transmission, or a reliable reproduction thereof, to the Corporation.

(k) Any Stockholder Nominee who is included in the Company Proxy Materials and becomes ineligible or unavailable for election to the Board of Directors, may not be cast in the election of directors at such annual meeting, pursuant to this Section 15 for the next two annual meetings, and shall not be eligible to be nominated by a stockholder from nominating any individual to the Board pursuant to this Section 15.

---

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by the Board of Directors.

Section 2. NUMBER, TENURE, QUALIFICATIONS AND RESIGNATION. The number of directors, for the purpose, a majority of the entire Board may establish, increase or decrease the number of directors, provided that the number is not less than the minimum number required by the MGCL, nor shall the number be affected by any decrease in the number of directors. Except as otherwise provided in this Charter, a director shall be elected as provided in the Charter at the annual meeting of stockholders and shall serve until his or her successor is elected and qualified. Any director of the Corporation may resign at any time by delivering a written resignation to the Board. Any resignation shall take effect immediately upon its receipt by the Board, unless otherwise stated.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of stockholders, no notice other than this Board at such time and place as shall be specified in a notice given by resolution, the time and place of regular meetings 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. The Board 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 personal delivery, 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 United States mail shall be deemed to be given when deposited in the United States mail properly addressed. Facsimile transmission notice 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, unless otherwise provided by law.

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

The directors present at a meeting which has been duly called and convened may adjourn the meeting from time to time until adjournment, notwithstanding the withdrawal from the meeting of any director.

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

Section 8. TELEPHONE MEETINGS. Directors may participate in a meeting by telephone or other electronic equipment if all persons participating in the meeting can hear the speaker and each other in the presence in person at the meeting.

Section 9. INFORMAL ACTION BY DIRECTORS. Any director may take any action which may be taken at a meeting, if a consent in writing or by electronic transmission is given by all the directors present at a meeting or by a majority of the directors present at a meeting.

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

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 remai director shall hold office until the next annual meeting of stc number of directors created by an increase in the number c director shall serve until the next annual meeting of stockhc

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 Corporation shall be entitled to rely on any information, opinion, report or statement made to him by an officer or employee of the Corporation whom the director or officer believes to be a lawyer, certified public accountant or other person, as to a question of professional or expert competence, or, with respect to a director, within its designated authority, if the director reasonably believes that such information, opinion, report or statement is accurate and correct.

Section 14. **COMMITTEES OF DIRECTORS**. The Board may, by resolution, establish a Committee, a Nominating/Corporate Governance Committee, or a Committee of the Board, or any other committee, for the pleasure of the Board. In the absence of any member of an committee, the Board may appoint another director to act in under Section 14 of this Article IV any of the powers of the committee. 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 meetings. The chairman of the committee shall call a meeting of the committee. A majority of the members of the committee shall constitute a quorum. A majority of the members present at a meeting of the committee shall constitute a majority of the committee members present at a meeting of the committee, and such chairman or, in the absence of a chairman (or in the case of a subcommittee) may fix the time and place of its meeting unless otherwise provided in the bylaws. A meeting of the committee may be held in a meeting by means of a conference telephone or other means of communication, provided that all members of the committee are present at the same time. Participation in a meeting by these means shall be deemed to be a meeting of the committee.

Section 16. INFORMAL ACTION BY COMMITTEES. An informal action may be taken without a meeting, if a consent in writing or by telephone, or by facsimile, or by electronic mail, or by any other method of communication, is filed with the minutes of proceedings of such committee.

Section 17. **COMMITTEE CHANGES**. Subject to the provisions of any committee, to appoint the chairman of any committee, 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 r  
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 E  
committee thereof may be called by any director or officer b  
during such an Emergency may be given less than 24 hours  
time, including publication, television or radio, and (iii) the m  
Board.

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

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

**Section 3. VACANCIES.** A vacancy in any office may be

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

Section 5. CHIEF EXECUTIVE OFFICER. The Board may determine that the Chief Executive Officer of the Corporation shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be responsible for the conduct of the business of the Corporation and the management of the policies of the Corporation, as determined by the Board. The Chief Executive Officer may execute any deed, mortgage, bond, contract or other instrument or agreement, or may do any other act, in the name of the Corporation, or in the name of the Board or by these Bylaws to some other officer or agent, or to any other person, and shall perform all duties incident to the office of Chief Executive Officer.

Section 6. CHIEF OPERATING OFFICER. The Board may determine that the Chief Operating Officer of the Corporation shall be the Chief Operating Officer of the Corporation. The Chief Operating Officer shall be responsible for the conduct of the business of the Corporation and the management of the policies of the Corporation, as determined by the Board. The Chief Operating Officer may execute any deed, mortgage, bond, contract or other instrument or agreement, or may do any other act, in the name of the Corporation, or in the name of the Board or by these Bylaws to some other officer or agent, or to any other person, and shall perform all duties incident to the office of Chief Operating Officer.

Section 7. PRESIDENT. The Board shall designate a President of the Corporation. The President shall be responsible for the conduct of the business of the Corporation and the management of the policies of the Corporation, as determined by 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 be responsible for the conduct of the business of the Corporation and the management of the policies of the Corporation, as determined by the Board or the President. The Vice Presidents shall be responsible for the conduct of the business of the Corporation and the management of the policies of the Corporation, as determined by the Board or the President, respectively, by the Board.

Section 9. SECRETARY. The Secretary shall attend all meetings of the Board and shall keep the 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, no such other duties as may be prescribed by the Board or the President, or any other officer or agent authorized by the Board, affix the same to any instrument requiring his or her signature of an Assistant Secretary. The Board may give general powers to the Secretary for affixing by his or her signature.

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

Section 11. TREASURER. The Treasurer shall have the charge of receipts and disbursements in books belonging to the Corporation, or in such depositories as may be determined by the Board, or under the direction of, the Board, taking property, or when the Board so requires, an account of all

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

absence or disability of the Treasurer, perform the duties and exercise the powers as the Board may from time to time prescribe.

Section 13. COMPENSATION. The compensation of the officers and agents of the Corporation shall be determined by the Board. No officer shall be prevented from receiving such compensation.

Section 1. **CERTIFICATES**. Except as may be otherwise representing the shares of stock held by them. The issuance of certificate until the certificate is surrendered to the Corporation such certificates shall be signed by the officers of the Corporation required by the MGCL. In the event that the Corporation issues Corporation shall provide to the record holders of such shares certificates. There shall be no differences in the rights and certificates.

Section 2. TRANSFERS. The Board shall have the power to transfer and register shares of stock of the Corporation and registrar may be combined.

The Corporation shall be entitled to treat the holder of record as bound to recognize any equitable or other claim to or interest in the other notice thereof, except as otherwise expressly provided.

Notwithstanding the foregoing, transfers of shares of an and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATES. Subject to direct a new certificate to be issued, or may direct that the place of any certificate previously issued by the Corporation certificate or such registration, an officer designated by the registration, require the owner of such lost, stolen or destroyed as he shall require and/or to give such bond, with sufficient result of the issuance of a new certificate or registration of s

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

day the record date is fixed and shall be not more than 90 days on which the meeting or particular action requiring such determination is to be held.

When a record date for the determination of stockholders provided in this section, such record date shall continue to be postponed to a date more than 120 days after the record date be determined as set forth herein.

Section 5. **STOCK LEDGER**. The Corporation shall maintain an agent, an original or duplicate stock ledger containing the names and addresses of all such stockholder.

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 units  
have the same characteristics as any identical securities issued;  
securities of the Corporation issued in such unit may be tra

Section 1. **INVESTMENT**. The Corporation intends to invest in Board from time to time. Subject to the restrictions of this A means and upon such terms and conditions as may be determined acquisitions by the Corporation of real estate interests as well as partnerships, joint ventures or other legal entities and other VII, Section 4, must be approved by a majority of the directors at the time the investments are made by the Corporation's directors.

Section 2. **TAX TREATMENT AS A REIT**. As soon as th  
eligible for tax treatment as an REIT under the Code, shall  
treated as a REIT under the Code, and shall thereafter con

Section 3. **NO LIABILITY TO QUALIFY AS REIT.** Although the Provisions of the Code, no director, officer, employee, agent or shareholder of a corporation will be liable for any tax resulting in the loss of tax benefits under the Code.

Section 4. **SPECIFIC INVESTMENTS.** Pending investment Article VII, Section 1, the Corporation may invest its assets acceptances, (c) certificates of deposit, (d) bank repurchases, agencies, (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) obligations of the United States government or its agencies, (i) debt securities or equity securities of state and local governments, (j) obligations of state and local governments, (k) debt/equity securities approved by the Board, or (l) any other investment that the Board determines to be suitable.

Section 5. RESERVES. The Corporation may retain, as types of investments described in Section 4 of this Article V

Section 6. **INVESTMENT RESTRICTIONS**. The Corporation may not (a) enter into contracts; (b) invest in contracts for the sale of real estate; (c) issue "redeemable securities" (as defined in Section 2(a)(3); (d) make "installment type" (as defined in Section 2(a)(15) thereof) or in short sales or trading activities in securities, except for purposes of hedging.

## Section 7. RESTRICTIONS UPON DEALINGS BETWEEN

(a) **General Restrictions.** Except as provided in this Section 7, no transaction with any director, officer, any advisor, any person owning or controlling 10% or more of the outstanding stock of the Company, or any Affiliate of any of the aforementioned (individually, the "Affiliates") shall be valid if it violates the restrictions contained in this Section 7. Any transaction requirements of this Section 7 shall be valid notwithstanding that the Company or any Affiliate has breached any provision of this Agreement. The Company and any Affiliate shall not be liable for any damages or expenses resulting from the application of this Section 7.

(b) Sales to the Corporation. Except as provided in the Agreement, the parties shall not sell to the Corporation any interest in the property or assets of the parties unless, after disclosure to the Board of the interest, the Board approves the sale.

interested in such transaction (including a majority of the Interests of the Corporation upon terms fair and commercially reasonable, party or its Appraised Value, and (y) the cost of such proposed transaction and, regardless of such property's Appraised Value, change has occurred to the property which would increase increases in gross revenues, substantial repairs, rehabilitations, authorizations from governmental agencies or bodies, may exceed the excess of the selling entity's costs.

(c) **Sales by the Corporation.** The Corporation shall, in such proposed transaction has been disclosed to the Board (or a majority of the Independent Directors) have determined in good faith that the transaction is fair to the Corporation.

transaction is fair, competitive and commercially reasonable conditions that would have been made available from unaff

(d) Loans to the Corporation. The Corporation shall not make any loans to any Interested Party (as defined in section 303A(b) of the Act) unless the majority of the Independent Directors (as defined in section 303A(b) of the Act) have determined in good faith that such loans are in the best interests of the Corporation and on terms and conditions no less favorable than those prevailing at the time for loans of like character in similar circumstances.

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

## Section 9. PURSUIT OF ANCILLARY SERVICES.

(a) The Corporation may provide any Ancillary Services to the Corporation's pursuit of such Ancillary Services would not in any way interfere with the Corporation's ability to provide the Services.

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

(c) The Corporation may permit one or more third parties (any of whom, if a corporation, has an interest in the Corporation, or any of whom, if a natural person, has an interest in the Corporation, or any of whom, if a partnership, a member thereof has an interest), to offer Ancillary Services to its customers (any of whom, if a corporation, has an interest in the Corporation, or any of whom, if a natural person, has an interest in the Corporation, or any of whom, if a partnership, a member thereof has an interest), to offer Ancillary Services to its customers (any of whom, if a corporation, has an interest in the Corporation, or any of whom, if a natural person, has an interest in the Corporation, or any of whom, if a partnership, a member thereof has an interest), to offer the Ancillary Services directly to its tenants or others on behalf of the Corporation as a REIT under the Code; (ii) Permitting other income derived from the ownership of the Corporation to be used to provide economic benefits, directly or indirectly, to the Corporation;

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

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

Section 1. SHARES HELD BY DIRECTORS AND OFFICERS  
the Corporation as may be in effect from time to time, any director or officer of the Corporation, for his or her individual account, and may exercise such opportunity if he or she were not a director or officer.

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

Section 3. OTHER BUSINESS RELATIONSHIPS OF DIRECTORS  
interested as a trustee, officer, director, stockholder, partner or other person who may be engaged to render advice or services to the Corporation, for compensation as a director, officer or otherwise hereunder, director or officer.

Section 1. DIVIDENDS. Dividends and other distributions are subject to the provisions of law and the Charter. Dividends and other distributions are subject to the provisions of law and the Charter.

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

Section 3. DUTIES. Any distribution of income or capital by the Corporation, it shall be the duty of the Corporation to disclose the source of the funds.

distributed. If, at the time of distribution, this information is not available, the information must be furnished at the time of distribution and a written statement disclosing the source of the information and the date of the close of the fiscal year in which the distribution was made.

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

Section 5. ANNUAL STATEMENT. The Board shall cause to be held within 120 days after the close of the fiscal year adopted by the Corporation stockholders to be held during the next fiscal year and in the same place as the annual meeting of stockholders. The annual report shall contain financial statements audited and reported on by independent certified public accountants. The annual report shall include the aggregate amount of advisory fees, fees or charges paid to the Advisor and its Affiliates by third

Section 6. **FISCAL YEAR.** The Board shall have the power

Section 7. **CONTRACTS**. The Board may authorize any name of and on behalf of the Corporation and such authorization or lease or other document shall be valid and binding upon the authorized person.

Section 8. CHECKS AND DRAFTS. All checks, drafts or in the name of the Corporation shall be signed by such officer or by the Board.

Section 9. **DEPOSITS**. All funds of the Corporation not otherwise deposited in the name of the Corporation as the Board, the Chief Executive Officer, the President, or the Secretary, shall be deposited in the name of the Corporation, to be determined.

## INDEMNIFI

To the maximum extent permitted by Maryland law in effect at the time of the action, the Corporation shall indemnify and defend any individual who is a present or former employee, director, officer, or agent of the Corporation, or a witness in, the proceeding by reason of his or her service and at the request of the Corporation, serves or has served

another corporation, real estate investment trust, partnership, enterprise as a director, officer, partner, trustee, member or company, joint venture, trust, employee benefit plan or other proceeding by reason of his or her service in that capacity.

Bylaws shall vest immediately upon election of a director or and advance for expenses to a person who served a prede 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 manner which occurred prior to such amendment, repeal or adoption. Bylaws shall not be deemed exclusive of or limit in any way the 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 attendant 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 to votes entitled to be cast on the matter. In addition, pursuant to a called annual meeting or special meeting of stockholders, the votes entitled to be cast on the matter, to alter or repeal any provisions 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 effectual  
determination and reciting that it was duly adopted by the directors  
not be liable for failure to make any determination under the  
rights of the directors or the stockholders to amend these Bylaws.

Section 2. **RELIANCE UPON LEGAL ADVICE.** The director and officers may rely on the advice of their legal counsel in making any determination required by them, or which they may be called upon to make, and shall not be liable for any loss caused by or resulting from any action taken by them in accordance with the advice of their legal counsel, so long as the selection of the legal counsel and reliance on the advice of such counsel is in good faith.

In making any such determinations, the directors shall not consider them.

Section 3. MARYLAND LAW TO GOVERN. Unless the the MGCL shall govern the construction of these Bylaws.

EXCLUS

Unless the Corporation consents in writing to the selection, such state courts do not have jurisdiction, the United States law, be the sole and exclusive forum for (a) any derivative action under federal securities laws, (b) any Internal Corporate Claim, as defined, (i) any action asserting a claim based on an alleged wrong committed by an officer or other employee of the Corporation to the Corporation or to the stockholders of the Corporation or other employee of the Corporation arising pursuant to or asserting a claim that is governed by the internal affairs doctrine, sitting outside the State of Maryland unless the Corporation has taken some action or proceeding under federal securities laws or claims that federal courts have exclusive jurisdiction. If any action is brought in a court other than the courts in the State of Maryland (a "For

name of any stockholder, such stockholder shall be deemed to be a resident of the State of Maryland in connection with any action brought in a Maryland court against such stockholder, having service of process made upon such stockholder in accordance with the laws of Maryland for such stockholder.

Unless the Corporation consents in writing to the selection to the fullest extent permitted by law, be the sole and exclusive action arising under the Securities Act, including all causes

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 c

I, Sumit Roy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realty Income Corporation, Inc. for the period ended December 31, 2023.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, in conformity with the requirements of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder.
3. Based on my knowledge, the financial statements, and other financial data included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented.
4. The registrant's other certifying officer and I are responsible for establishing, designing and maintaining a system of disclosure controls and procedures, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to ensure that information required to be disclosed by the registrant in the report is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and regulations, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended. In connection with the evaluation of the effectiveness of the registrant's internal control over financial reporting, as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, we have:
  - a) Designed such disclosure controls and procedures, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to ensure that information required to be disclosed by the registrant in the report is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and regulations, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended; and
  - b) Designed such internal control over financial reporting, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, as of the end of the period covered by this report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended.
  - 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 the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended.
5. The registrant's other certifying officer and I have disclosed, based on our evaluation of the effectiveness of the registrant's internal control over financial reporting, in the registrant's annual report or quarterly report, an update to the registrant's fourth fiscal quarter in the case of an annual report, or the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, any significant deficiencies and material weaknesses in the registrant's internal control over financial reporting that we identified in our evaluation of the effectiveness of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, that have materially affected, or are reasonably likely to materially affect, the registrant's ability to record, process, summarize and report financial data.
6. The registrant's other certifying officer and I have disclosed, based on our evaluation of the effectiveness of the registrant's internal control over financial reporting, in the registrant's annual report or quarterly report, an update to the registrant's fourth fiscal quarter in the case of an annual report, or the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, any fraud, whether or not material, that involves management or other persons who are significant to the registrant's internal control over financial reporting.

Date: November 7, 2023 May 7, 2024

/s/ SUMIT ROY

Sumit Roy

President, Chief Executive Officer

C

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

1. I have reviewed this quarterly report on Form 10-Q of Realty Income Corporation, Inc. for the period ended December 31, 2023.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, in conformity with the requirements of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder.
3. Based on my knowledge, the financial statements, and other financial data included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented.
4. The registrant's other certifying officer and I are responsible for establishing, designing and maintaining a system of disclosure controls and procedures, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to ensure that information required to be disclosed by the registrant in the report is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and regulations, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended. In connection with the evaluation of the effectiveness of the registrant's internal control over financial reporting, as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, we have:
  - a) Designed such disclosure controls and procedures, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to ensure that information required to be disclosed by the registrant in the report is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and regulations, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended; and
  - b) Designed such internal control over financial reporting, or other controls and procedures, as of the end of the period covered by this report, that are reasonably designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, as of the end of the period covered by this report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended.
  - 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 the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended.
5. The registrant's other certifying officer and I have disclosed, based on our evaluation of the effectiveness of the registrant's internal control over financial reporting, in the registrant's annual report or quarterly report, an update to the registrant's fourth fiscal quarter in the case of an annual report, or the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, any significant deficiencies and material weaknesses in the registrant's internal control over financial reporting that we identified in our evaluation of the effectiveness of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, that have materially affected, or are reasonably likely to materially affect, the registrant's ability to record, process, summarize and report financial data.
6. The registrant's other certifying officer and I have disclosed, based on our evaluation of the effectiveness of the registrant's internal control over financial reporting, in the registrant's annual report or quarterly report, an update to the registrant's fourth fiscal quarter in the case of an annual report, or the most recent fiscal quarter in the case of a quarterly report, including the design and performance of the registrant's internal control over financial reporting as such term is defined in Rule 13a-15(d) and 15d-15(d) of the Securities Exchange Act of 1934, as amended, any fraud, whether or not material, that involves management or other persons who are significant to the registrant's internal control over financial reporting.

- b) Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial statements that are prepared in accordance with generally 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, including (i) assessing the effectiveness of the registrant's disclosure controls and procedures; and (ii) presenting in this report the results of such evaluation, together with a written statement of the registrant's principal executive officer and principal financial officer, as applicable, that they have fully 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 the most recent fiscal quarter in the case of a quarterly report, that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
- 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 the most recent fiscal quarter in the case of a quarterly report, that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on an evaluation we conducted in connection with the performance of our respective functions as officers under the Sarbanes-Oxley Act of 2002, that:

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that could reasonably be expected to adversely affect the registrant's ability to record, process, summarize, and report financial data have been identified and addressed in the registrant's internal control over financial reporting; and
- b) Any fraud, whether or not material, that involves management or other persons who are a principal in the registrant's internal control over financial reporting has been identified and addressed.

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

**Certification of**

F

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, Sumit Roy, President, Chief Executive Officer, of the registrant, 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, as amended;
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ SUMIT ROY  
 Sumit Roy  
 President, Chief Executive Officer  
 /s/ CHRISTIE B. KELLY  
 Christie B. Kelly Johnathan  
 Executive Vice President

The foregoing certification is being furnished solely to accompany the Form 10-Q and is not to be incorporated by reference into any filing of the Company, whether made under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV C  
FINANCIALS PERIODIC REPORTS. THERE MAY BE I  
THE TEXT AND THE COMPARISON DATA AND TABLE  
RESPONSIBILITY FOR ANY INVESTMENT OR OTHE  
REPORT. USERS ARE ADVISED TO REVIEW THE AF  
INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.