

W. P. Carey Inc.

Supplemental Information

Third Quarter 2021

W. P. C A R E Y



Investing for the Long Run[®]

Terms and Definitions

As used in this supplemental package, the terms “W. P. Carey,” “WPC,” “we,” “us” and “our” include W. P. Carey Inc., its consolidated subsidiaries and its predecessors, unless otherwise indicated. Other terms and definitions are as follows:

REIT	Real estate investment trust
CPA:18 – Global	Corporate Property Associates 18 – Global Incorporated
CWI 1	Carey Watermark Investors Incorporated
CWI 2	Carey Watermark Investors 2 Incorporated
CESH	Carey European Student Housing Fund I, L.P.
CWI 1 and CWI 2 Merger	Merger between CWI 1 and CWI 2, which closed on April 13, 2020
WLT	Watermark Lodging Trust, Inc., the renamed combined company resulting from the CWI 1 and CWI 2 Merger
Managed Programs	CPA:18 – Global and CESH (CWI 1 and CWI 2 were included in the Managed Programs prior to the CWI 1 and CWI 2 Merger)
U.S.	United States
AUM	Assets under management
ABR	Contractual minimum annualized base rent
NAV	Net asset value per share
SEC	Securities and Exchange Commission
GBP	British pound sterling
JPY	Japanese yen
LIBOR	London Interbank Offered Rate
EURIBOR	Euro Interbank Offered Rate

Important Note Regarding Non-GAAP Financial Measures

This supplemental package includes certain “non-GAAP” supplemental measures that are not defined by generally accepted accounting principles (“GAAP”), including funds from operations (“FFO”); adjusted funds from operations (“AFFO”); earnings before interest, taxes, depreciation and amortization (“EBITDA”); adjusted EBITDA; pro rata cash net operating income (“pro rata cash NOI”); normalized pro rata cash NOI; same store pro rata rental income; cash interest expense; and cash interest expense coverage ratio. FFO is a non-GAAP measure defined by the National Association of Real Estate Investments Trusts, Inc. (“NAREIT”), an industry trade group. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures are provided within this supplemental package. In addition, refer to the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of these non-GAAP financial measures and other metrics.

Amounts may not sum to totals due to rounding.

Table of Contents

Overview

Summary Metrics	1
Components of Net Asset Value	3

Financial Results

Statements of Income – Last Five Quarters	
Consolidated	6
Real Estate	7
Investment Management	8
FFO and AFFO – Last Five Quarters	
Consolidated	9
Real Estate	10
Investment Management	11
Elements of Pro Rata Statement of Income and AFFO Adjustments	12
Capital Expenditures	13

Balance Sheets and Capitalization

Consolidated Balance Sheets	15
Capitalization	16
Debt Overview	17
Debt Maturity	18
Senior Unsecured Notes	19

Real Estate

Investment Activity	
Capital Investments and Commitments	21
Investment Volume	22
Dispositions	24
Joint Ventures	25
Top Ten Tenants	26
Diversification by Property Type	27
Diversification by Tenant Industry	28
Diversification by Geography	29
Contractual Rent Increases	30
Same Store Analysis	31
Leasing Activity	34
Lease Expirations	35

Investment Management

Selected Information and Fee Summary – Managed Programs	37
Summary of Future Liquidity Considerations for the Managed Programs	38

Appendix

Normalized Pro Rata Cash NOI	40
Adjusted EBITDA – Last Five Quarters	
Consolidated	42
Real Estate	43
Investment Management	44
Disclosures Regarding Non-GAAP and Other Metrics	45

Summary Metrics

As of or for the three months ended September 30, 2021.

Financial Results			
	Segment		Total
	Owned Real Estate	Investment Management	
Revenues, including reimbursable costs – consolidated (\$000s)	\$ 320,841	\$ 4,913	\$ 325,754
Net income attributable to W. P. Carey (\$000s)	130,858	7,689	138,547
Net income attributable to W. P. Carey per diluted share	0.70	0.04	0.74
Normalized pro rata cash NOI from real estate (\$000s) ^{(a) (b)}	296,590	N/A	296,590
Adjusted EBITDA (\$000s) ^{(a) (b)}	281,056	5,972	287,028
AFFO attributable to W. P. Carey (\$000s) ^{(a) (b)}	224,445	6,279	230,724
AFFO attributable to W. P. Carey per diluted share ^{(a) (b)}	1.21	0.03	1.24
Dividends declared per share – current quarter			1.052
Dividends declared per share – current quarter annualized			4.208
Dividend yield – annualized, based on quarter end share price of \$73.04			5.8 %
Dividend payout ratio – for the nine months ended September 30, 2021 ^(c)			84.5 %
Balance Sheet and Capitalization			
Equity market capitalization – based on quarter end share price of \$73.04 (\$000s)			\$ 13,606,253
Pro rata net debt (\$000s) ^(d)			6,796,337
Enterprise value (\$000s)			20,402,590
Total consolidated debt (\$000s)			6,674,917
Gross assets (\$000s) ^(e)			16,533,205
Liquidity (\$000s) ^(f)			2,195,316
Pro rata net debt to enterprise value ^(b)			33.3 %
Pro rata net debt to adjusted EBITDA (annualized) ^{(a) (b)}			5.9x
Total consolidated debt to gross assets			40.4 %
Total consolidated secured debt to gross assets			4.2 %
Cash interest expense coverage ratio ^(a)			5.7x
Weighted-average interest rate ^(b)			2.6 %
Weighted-average debt maturity (years) ^(b)			5.3
Moody's Investors Service – issuer rating			Baa2 (positive)
Standard & Poor's Ratings Services – issuer rating			BBB (stable)
Real Estate Portfolio (Pro Rata)			
ABR – total portfolio (\$000s) ^(g)			\$ 1,220,571
ABR – unencumbered portfolio (% / \$000s) ^{(g) (h)}	87.9% /		\$ 1,073,109
Number of net-leased properties			1,264
Number of operating properties ⁽ⁱ⁾			20
Number of tenants – net-leased properties			358
ABR from investment grade tenants as a % of total ABR – net-leased properties ⁽ⁱ⁾			29.2 %
Net-leased properties – square footage (millions)			151.9
Occupancy – net-leased properties			98.4 %
Weighted-average lease term (years)			10.6
Maximum commitment for capital investments and commitments expected to be completed during 2021 (\$000s)			\$ 97,335
Investment volume – current quarter (\$000s)			199,127
Dispositions – current quarter (\$000s)			29,753

(a) Normalized pro rata cash NOI, adjusted EBITDA, AFFO and cash interest expense coverage ratio are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of our non-GAAP measures and for details on how certain non-GAAP measures are calculated.

(b) Presented on a pro rata basis. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

(c) Represents dividends declared per share divided by AFFO per diluted share on a year-to-date basis.

W. P. Carey Inc.
Overview – Third Quarter 2021

- (d) Represents total pro rata debt outstanding less consolidated cash and cash equivalents. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.
- (e) Gross assets represent consolidated total assets before accumulated depreciation on buildings and improvements. Gross assets are net of accumulated amortization on in-place lease intangible assets of \$914.5 million and above-market rent intangible assets of \$480.8 million.
- (f) Represents (i) availability under our Senior Unsecured Credit Facility (net of amounts reserved for standby letters of credit), (ii) consolidated cash and cash equivalents, and (iii) available proceeds under our forward sale agreements (based on 7,187,500 remaining shares and a weighted-average net offering price of \$74.97 per share as of September 30, 2021, which will be updated at each quarter end).
- (g) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of ABR.
- (h) Represents ABR from properties unencumbered by non-recourse mortgage debt.
- (i) Comprised of 19 self-storage properties and one hotel.
- (j) Percentage of portfolio is based on ABR, as of September 30, 2021. Includes tenants or guarantors with investment grade ratings (21.9%) and subsidiaries of non-guarantor parent companies with investment grade ratings (7.3%). Investment grade refers to an entity with a rating of BBB- or higher from Standard & Poor's Ratings Services or Baa3 or higher from Moody's Investors Service. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of ABR.

Components of Net Asset Value

Dollars in thousands, except per share amounts.

Real Estate	Three Months Ended Sep. 30, 2021	Annualized
Normalized pro rata cash NOI ^{(a) (b)}	\$ 296,590	\$ 1,186,360
Investment Management		
Adjusted EBITDA ^{(a) (b)}	5,972	23,888
Selected Components of Adjusted EBITDA:		
Asset management revenue	3,872	15,488
Operating partnership interest in real estate cash flow of CPA:18 – Global ^(c)	1,623	6,492

Back-end fees and interests associated with the Managed Programs [See the Summary of Future Liquidity Considerations for the Managed Programs section for details.](#)

Balance Sheet – Selected Information (Consolidated Unless Otherwise Stated)

As of Sep. 30, 2021

Assets	
Book value of real estate excluded from normalized pro rata cash NOI ^(d)	\$ 247,363
Cash and cash equivalents	129,686
Las Vegas retail complex construction loan ^(e)	93,997
Due from affiliates	1,992
Other assets, net:	
Investment in shares of Lineage Logistics (a cold storage REIT)	\$ 366,339
Straight-line rent adjustments	218,414
Taxes receivable	61,453
Office lease right-of-use assets, net	58,231
Restricted cash, including escrow	52,236
Deferred charges	47,608
Non-rent tenant and other receivables	41,059
Other loans receivable, net	24,143
Securities and derivatives	21,652
Leasehold improvements, furniture and fixtures	16,354
Deferred income taxes	14,700
Prepaid expenses	12,997
Investment in shares of Guggenheim Credit Income Fund	4,421
Rent receivables ^(f)	3,469
Other intangible assets, net	2,258
Other	5,672
Total other assets, net (excluding investment in preferred shares of WLT, as disclosed in the “Other” section below)	\$ 951,006
Liabilities	
Total pro rata debt outstanding ^{(b) (g)}	\$ 6,926,023
Dividends payable	199,043
Deferred income taxes	147,107
Accounts payable, accrued expenses and other liabilities:	
Operating lease liabilities	\$ 145,597
Accounts payable and accrued expenses	124,674
Prepaid and deferred rents	121,005
Tenant security deposits	55,682
Accrued taxes payable	43,730
Securities and derivatives	2,978
Other	42,576
Total accounts payable, accrued expenses and other liabilities	\$ 536,242

Other	Ownership %	Estimated Value / Carrying Value
Ownership in Managed Programs: ^(h)		
CPA:18 – Global ⁽ⁱ⁾	5.3 %	\$ 71,137
CESH ^(j)	2.4 %	2,228
		73,365
Ownership in WLT: ^(k)		
Investment in preferred shares of WLT	N/A	46,312
Investment in common shares of WLT	5.3 %	34,319
		80,631
		\$ 153,996

(a) Normalized pro rata cash NOI and adjusted EBITDA are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of our non-GAAP measures and for details on how they are calculated.

(b) Presented on a pro rata basis. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

(c) We are entitled to receive distributions of up to 10% of the Available Cash of CPA:18 – Global, as defined in its operating partnership agreement.

(d) Represents the value of real estate not included in normalized pro rata cash NOI, such as vacant assets, in-progress build-to-suit properties, real estate under construction for certain expansion projects at existing properties and a common equity interest in the Harmon Retail Corner in Las Vegas.

(e) Represents a construction loan for a retail complex in Las Vegas, Nevada, which was entered into in June 2021 and is included in Equity method investments (as an equity method investment in real estate) on our consolidated balance sheets. See the [Investment Activity – Investment Volume](#) section for additional information about this investment.

(f) Comprised of rent receivables that were subsequently collected as of the date of this report.

(g) Excludes unamortized discount, net totaling \$31.5 million and unamortized deferred financing costs totaling \$27.3 million as of September 30, 2021.

(h) Separate from operating partnership interest in our affiliate, CPA:18 – Global, and our interests in unconsolidated real estate joint ventures with CPA:18 – Global.

(i) The estimated value of CPA:18 – Global is based on the estimated NAV of its Class A common stock of \$8.91 as of June 30, 2021, which was calculated by relying in part on an estimate of the fair market value of the real estate portfolio adjusted to give effect to mortgage loans, both provided by third parties, as well as other adjustments. Refer to the SEC filings of CPA:18 – Global for the calculation methodology of its NAVs.

(j) We own limited partnership units of CESH. The value above reflects its private placement price, net of cash distributions. We do not intend to calculate a NAV for CESH.

(k) The carrying value of our investment in 12,208,243 common shares of WLT is included in Equity method investments (as an equity method investment in real estate) on our consolidated balance sheets. The carrying value of our investment in 1,300,000 preferred shares of WLT is included in Other assets, net on our consolidated balance sheets as available-for-sale debt securities. Both investments are recorded on a one quarter lag and are included within our Real Estate segment.

W. P. Carey Inc.

Financial Results

Third Quarter 2021

W. P. CAREY



Investing for the Long Run[®]

Consolidated Statements of Income – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Revenues					
Real Estate:					
Lease revenues	\$ 314,194	\$ 305,310	\$ 301,765	\$ 298,235	\$ 293,856
Operating property revenues	4,050	3,245	2,179	2,031	1,974
Lease termination income and other	2,597	6,235	2,227	2,103	1,565
	<u>320,841</u>	<u>314,790</u>	<u>306,171</u>	<u>302,369</u>	<u>297,395</u>
Investment Management:					
Asset management and other revenue	3,872	3,966	3,954	3,864	3,748
Reimbursable costs from affiliates	1,041	968	1,041	1,138	1,276
	<u>4,913</u>	<u>4,934</u>	<u>4,995</u>	<u>5,002</u>	<u>5,024</u>
	<u>325,754</u>	<u>319,724</u>	<u>311,166</u>	<u>307,371</u>	<u>302,419</u>
Operating Expenses					
Depreciation and amortization	115,657	114,348	110,322	110,913	108,351
General and administrative	19,750	20,464	22,083	18,334	19,399
Impairment charges	16,301	—	—	16,410	—
Reimbursable tenant costs	15,092	15,092	15,758	13,710	15,728
Property expenses, excluding reimbursable tenant costs	13,734	11,815	10,883	10,418	11,923
Stock-based compensation expense	4,361	9,048	5,381	5,795	4,564
Operating property expenses	3,001	2,049	1,911	1,696	1,594
Reimbursable costs from affiliates	1,041	968	1,041	1,138	1,276
Merger and other expenses	(908)	(2,599)	(476)	(418)	(596)
	<u>188,029</u>	<u>171,185</u>	<u>166,903</u>	<u>177,996</u>	<u>162,239</u>
Other Income and Expenses					
Other gains and (losses) ^(a)	49,219	7,545	(41,188)	(1,927)	44,648
Interest expense	(48,731)	(49,252)	(51,640)	(52,828)	(52,537)
Earnings (losses) from equity method investments ^(b)	5,735	(156)	(9,733)	(8,470)	1,720
Gain on sale of real estate, net	1,702	19,840	9,372	76,686	20,933
Non-operating income (loss) ^(c)	1,283	3,065	6,356	(858)	465
	<u>9,208</u>	<u>(18,958)</u>	<u>(86,833)</u>	<u>12,603</u>	<u>15,229</u>
Income before income taxes	146,933	129,581	57,430	141,978	155,409
Provision for income taxes	(8,347)	(9,298)	(5,789)	(7,363)	(5,975)
Net Income	<u>138,586</u>	<u>120,283</u>	<u>51,641</u>	<u>134,615</u>	<u>149,434</u>
Net income attributable to noncontrolling interests	(39)	(38)	(7)	(43)	(37)
Net Income Attributable to W. P. Carey	<u>\$ 138,547</u>	<u>\$ 120,245</u>	<u>\$ 51,634</u>	<u>\$ 134,572</u>	<u>\$ 149,397</u>
Basic Earnings Per Share	<u>\$ 0.75</u>	<u>\$ 0.67</u>	<u>\$ 0.29</u>	<u>\$ 0.76</u>	<u>\$ 0.85</u>
Diluted Earnings Per Share	<u>\$ 0.74</u>	<u>\$ 0.67</u>	<u>\$ 0.29</u>	<u>\$ 0.76</u>	<u>\$ 0.85</u>
Weighted-Average Shares Outstanding					
Basic	185,422,639	180,099,370	176,640,861	176,366,824	174,974,185
Diluted	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812
Dividends Declared Per Share	<u>\$ 1.052</u>	<u>\$ 1.050</u>	<u>\$ 1.048</u>	<u>\$ 1.046</u>	<u>\$ 1.044</u>

(a) Amount for the three months ended September 30, 2021 is primarily comprised of a mark-to-market unrealized gain for our investment in shares of Lineage Logistics of \$52.9 million and net loss on foreign currency transactions of \$(7.1) million. Amount for the three months ended March 31, 2021 includes a loss on extinguishment of debt of \$(59.9) million (of which \$(31.7) million mainly comprised fees for the prepayment of certain non-recourse mortgage loans and \$(28.2) million mainly comprised a "make-whole" amount paid in connection with the redemption of €500 million of 2.0% Senior Unsecured Notes due 2023 in March 2021).

(b) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

(c) Amount for the three months ended September 30, 2021 is comprised of a cash dividend of \$0.8 million from our investment in preferred shares of Watermark Lodging Trust, realized gains on foreign currency exchange derivatives of \$0.4 million and interest income on deposits and loans to affiliates of \$0.1 million.

Statements of Income, Real Estate – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Revenues					
Lease revenues	\$ 314,194	\$ 305,310	\$ 301,765	\$ 298,235	\$ 293,856
Operating property revenues	4,050	3,245	2,179	2,031	1,974
Lease termination income and other	2,597	6,235	2,227	2,103	1,565
	320,841	314,790	306,171	302,369	297,395
Operating Expenses					
Depreciation and amortization	115,657	114,348	110,322	110,913	108,351
General and administrative	19,750	20,464	22,083	18,334	19,399
Impairment charges	16,301	—	—	16,410	—
Reimbursable tenant costs	15,092	15,092	15,758	13,710	15,728
Property expenses, excluding reimbursable tenant costs	13,734	11,815	10,883	10,418	11,923
Stock-based compensation expense	4,361	9,048	5,381	5,795	4,564
Operating property expenses	3,001	2,049	1,911	1,696	1,594
Merger and other expenses	(908)	(2,599)	(491)	(724)	(1,016)
	186,988	170,217	165,847	176,552	160,543
Other Income and Expenses					
Interest expense	(48,731)	(49,252)	(51,640)	(52,828)	(52,537)
Other gains and (losses) ^(a)	48,172	7,472	(42,189)	(1,475)	44,115
Earnings (losses) from equity method investments in real estate ^(b)	2,445	(1,854)	(11,119)	(11,424)	631
Gain on sale of real estate, net	1,702	19,840	9,372	76,686	20,933
Non-operating income (loss)	1,283	3,065	6,272	(1,394)	662
	4,871	(20,729)	(89,304)	9,565	13,804
Income before income taxes	138,724	123,844	51,020	135,382	150,656
Provision for income taxes	(7,827)	(9,119)	(6,426)	(5,549)	(3,636)
Net Income from Real Estate	130,897	114,725	44,594	129,833	147,020
Net income attributable to noncontrolling interests	(39)	(38)	(7)	(43)	(37)
Net Income from Real Estate Attributable to W. P. Carey	\$ 130,858	\$ 114,687	\$ 44,587	\$ 129,790	\$ 146,983
Basic Earnings Per Share	\$ 0.71	\$ 0.64	\$ 0.25	\$ 0.73	\$ 0.84
Diluted Earnings Per Share	\$ 0.70	\$ 0.64	\$ 0.25	\$ 0.73	\$ 0.84
Weighted-Average Shares Outstanding					
Basic	185,422,639	180,099,370	176,640,861	176,366,824	174,974,185
Diluted	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812

(a) Amount for the three months ended September 30, 2021 is primarily comprised of a mark-to-market unrealized gain for our investment in shares of Lineage Logistics of \$52.9 million and net loss on foreign currency transactions of \$(7.0) million. Amount for the three months ended March 31, 2021 includes a loss on extinguishment of debt of \$(59.9) million (of which \$(31.7) million mainly comprised fees for the prepayment of certain non-recourse mortgage loans and \$(28.2) million mainly comprised a "make-whole" amount paid in connection with the redemption of €500 million of 2.0% Senior Unsecured Notes due 2023 in March 2021).

(b) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

Statements of Income, Investment Management – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Revenues					
Asset management and other revenue	\$ 3,872	\$ 3,966	\$ 3,954	\$ 3,864	\$ 3,748
Reimbursable costs from affiliates	1,041	968	1,041	1,138	1,276
	4,913	4,934	4,995	5,002	5,024
Operating Expenses					
Reimbursable costs from affiliates	1,041	968	1,041	1,138	1,276
Merger and other expenses	—	—	15	306	420
	1,041	968	1,056	1,444	1,696
Other Income and Expenses					
Earnings from equity method investments in the Managed Programs	3,290	1,698	1,386	2,954	1,089
Other gains and (losses)	1,047	73	1,001	(452)	533
Non-operating income (loss)	—	—	84	536	(197)
	4,337	1,771	2,471	3,038	1,425
Income before income taxes	8,209	5,737	6,410	6,596	4,753
(Provision for) benefit from income taxes	(520)	(179)	637	(1,814)	(2,339)
Net Income from Investment Management Attributable to W. P. Carey	\$ 7,689	\$ 5,558	\$ 7,047	\$ 4,782	\$ 2,414
Basic Earnings Per Share	\$ 0.04	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.01
Diluted Earnings Per Share	\$ 0.04	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.01
Weighted-Average Shares Outstanding					
Basic	185,422,639	180,099,370	176,640,861	176,366,824	174,974,185
Diluted	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812

FFO and AFFO, Consolidated – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income attributable to W. P. Carey	\$ 138,547	\$ 120,245	\$ 51,634	\$ 134,572	\$ 149,397
Adjustments:					
Depreciation and amortization of real property	114,204	112,997	109,204	109,538	107,170
Impairment charges	16,301	—	—	16,410	—
Gain on sale of real estate, net	(1,702)	(19,840)	(9,372)	(76,686)	(20,933)
Proportionate share of adjustments to earnings from equity method investments ^{(a)(b)}	3,290	3,434	10,306	11,819	3,500
Proportionate share of adjustments for noncontrolling interests ^(c)	(4)	(4)	(4)	(4)	(4)
Total adjustments	132,089	96,587	110,134	61,077	89,733
FFO (as defined by NAREIT) Attributable to W. P. Carey ^(d)	270,636	216,832	161,768	195,649	239,130
Adjustments:					
Other (gains) and losses ^(e)	(49,219)	(7,545)	41,188	1,927	(44,648)
Above- and below-market rent intangible lease amortization, net	12,004	14,384	12,115	11,504	12,472
Straight-line and other rent adjustments	(10,823)	(10,313)	(8,751)	(9,571)	(13,115)
Stock-based compensation	4,361	9,048	5,381	5,795	4,564
Amortization of deferred financing costs	3,424	3,447	3,413	3,209	2,932
Merger and other expenses ^(f)	(908)	(2,599)	(476)	(418)	(596)
Other amortization and non-cash items	557	563	29	460	508
Tax (benefit) expense – deferred and other	(290)	217	(3,387)	32	(715)
Proportionate share of adjustments to earnings from equity method investments ^(b)	988	4,650	5,211	4,246	1,429
Proportionate share of adjustments for noncontrolling interests	(6)	(8)	(5)	(152)	(6)
Total adjustments	(39,912)	11,844	54,718	17,032	(37,175)
AFFO Attributable to W. P. Carey ^(d)	\$ 230,724	\$ 228,676	\$ 216,486	\$ 212,681	\$ 201,955
Summary					
FFO (as defined by NAREIT) attributable to W. P. Carey ^(d)	\$ 270,636	\$ 216,832	\$ 161,768	\$ 195,649	\$ 239,130
FFO (as defined by NAREIT) attributable to W. P. Carey per diluted share ^(d)	\$ 1.45	\$ 1.20	\$ 0.91	\$ 1.11	\$ 1.36
AFFO attributable to W. P. Carey ^(d)	\$ 230,724	\$ 228,676	\$ 216,486	\$ 212,681	\$ 201,955
AFFO attributable to W. P. Carey per diluted share ^(d)	\$ 1.24	\$ 1.27	\$ 1.22	\$ 1.20	\$ 1.15
Diluted weighted-average shares outstanding	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812

(a) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

(b) Equity income, including amounts that are not typically recognized for FFO and AFFO, is recognized within Earnings from equity method investments on the consolidated statements of income. This represents adjustments to equity income to reflect FFO and AFFO on a pro rata basis.

(c) Adjustments disclosed elsewhere in this reconciliation are on a consolidated basis. This adjustment reflects our FFO or AFFO on a pro rata basis.

(d) FFO and AFFO are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of our non-GAAP measures.

(e) Amount for the three months ended September 30, 2021 is primarily comprised of a mark-to-market unrealized gain for our investment in shares of Lineage Logistics of \$52.9 million and net loss on foreign currency transactions of \$(7.1) million.

(f) Amounts for the three months ended September 30, 2021 and June 30, 2021 are primarily comprised of reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with business combinations in prior years.

FFO and AFFO, Real Estate – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income from Real Estate attributable to W. P. Carey	\$ 130,858	\$ 114,687	\$ 44,587	\$ 129,790	\$ 146,983
Adjustments:					
Depreciation and amortization of real property	114,204	112,997	109,204	109,538	107,170
Impairment charges	16,301	—	—	16,410	—
Gain on sale of real estate, net	(1,702)	(19,840)	(9,372)	(76,686)	(20,933)
Proportionate share of adjustments to earnings from equity method investments ^{(a)(b)}	3,290	3,434	10,306	11,819	3,500
Proportionate share of adjustments for noncontrolling interests ^(c)	(4)	(4)	(4)	(4)	(4)
Total adjustments	132,089	96,587	110,134	61,077	89,733
FFO (as defined by NAREIT) Attributable to W. P. Carey – Real Estate ^(d)	262,947	211,274	154,721	190,867	236,716
Adjustments:					
Other (gains) and losses ^(e)	(48,172)	(7,472)	42,189	1,475	(44,115)
Above- and below-market rent intangible lease amortization, net	12,004	14,384	12,115	11,504	12,472
Straight-line and other rent adjustments	(10,823)	(10,313)	(8,751)	(9,571)	(13,115)
Stock-based compensation	4,361	9,048	5,381	5,795	4,564
Amortization of deferred financing costs	3,424	3,447	3,413	3,209	2,932
Merger and other expenses ^(f)	(908)	(2,599)	(491)	(724)	(1,016)
Tax (benefit) expense – deferred and other	(700)	208	(2,595)	(1,595)	(2,909)
Other amortization and non-cash items	557	563	29	460	508
Proportionate share of adjustments to earnings from equity method investments ^(b)	1,761	3,845	4,322	4,458	739
Proportionate share of adjustments for noncontrolling interests ^(c)	(6)	(8)	(5)	(152)	(6)
Total adjustments	(38,502)	11,103	55,607	14,859	(39,946)
AFFO Attributable to W. P. Carey – Real Estate ^(d)	\$ 224,445	\$ 222,377	\$ 210,328	\$ 205,726	\$ 196,770
Summary					
FFO (as defined by NAREIT) attributable to W. P. Carey – Real Estate ^(d)	\$ 262,947	\$ 211,274	\$ 154,721	\$ 190,867	\$ 236,716
FFO (as defined by NAREIT) attributable to W. P. Carey per diluted share – Real Estate ^(d)	\$ 1.41	\$ 1.17	\$ 0.88	\$ 1.08	\$ 1.35
AFFO attributable to W. P. Carey – Real Estate ^(d)	\$ 224,445	\$ 222,377	\$ 210,328	\$ 205,726	\$ 196,770
AFFO attributable to W. P. Carey per diluted share – Real Estate ^(d)	\$ 1.21	\$ 1.23	\$ 1.19	\$ 1.16	\$ 1.12
Diluted weighted-average shares outstanding	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812

(a) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

(b) Equity income, including amounts that are not typically recognized for FFO and AFFO, is recognized within Earnings from equity method investments on the consolidated statements of income. This represents adjustments to equity income to reflect FFO and AFFO on a pro rata basis.

(c) Adjustments disclosed elsewhere in this reconciliation are on a consolidated basis. This adjustment reflects our FFO or AFFO on a pro rata basis.

(d) FFO and AFFO are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of our non-GAAP measures.

(e) Amount for the three months ended September 30, 2021 is primarily comprised of a mark-to-market unrealized gain for our investment in shares of Lineage Logistics of \$52.9 million and net loss on foreign currency transactions of \$(7.0) million.

(f) Amounts for the three months ended September 30, 2021 and June 30, 2021 are primarily comprised of reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with business combinations in prior years.

FFO and AFFO, Investment Management – Last Five Quarters

In thousands, except share and per share amounts.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income from Investment Management attributable to W. P. Carey	\$ 7,689	\$ 5,558	\$ 7,047	\$ 4,782	\$ 2,414
FFO (as defined by NAREIT) Attributable to W. P. Carey – Investment Management ^(a)	7,689	5,558	7,047	4,782	2,414
Adjustments:					
Other (gains) and losses	(1,047)	(73)	(1,001)	452	(533)
Tax expense (benefit) – deferred and other	410	9	(792)	1,627	2,194
Merger and other expenses	—	—	15	306	420
Proportionate share of adjustments to earnings from equity method investments ^(b)	(773)	805	889	(212)	690
Total adjustments	(1,410)	741	(889)	2,173	2,771
AFFO Attributable to W. P. Carey – Investment Management ^(a)	\$ 6,279	\$ 6,299	\$ 6,158	\$ 6,955	\$ 5,185
Summary					
FFO (as defined by NAREIT) attributable to W. P. Carey – Investment Management ^(a)	\$ 7,689	\$ 5,558	\$ 7,047	\$ 4,782	\$ 2,414
FFO (as defined by NAREIT) attributable to W. P. Carey per diluted share – Investment Management ^(a)	\$ 0.04	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.01
AFFO attributable to W. P. Carey – Investment Management ^(a)	\$ 6,279	\$ 6,299	\$ 6,158	\$ 6,955	\$ 5,185
AFFO attributable to W. P. Carey per diluted share – Investment Management ^(a)	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.04	\$ 0.03
Diluted weighted-average shares outstanding	186,012,478	180,668,732	176,965,510	176,683,474	175,261,812

(a) FFO and AFFO are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of our non-GAAP measures.

(b) Equity income, including amounts that are not typically recognized for FFO and AFFO, is recognized within Earnings from equity method investments on the consolidated statements of income. This represents adjustments to equity income to reflect FFO and AFFO on a pro rata basis.

Elements of Pro Rata Statement of Income and AFFO Adjustments

In thousands. For the three months ended September 30, 2021.

We believe that the table below is useful for investors to help them better understand our business by illustrating the impact of each of our AFFO adjustments on our GAAP statement of income line items. This presentation is not an alternative to the GAAP statement of income, nor is AFFO an alternative to net income as determined by GAAP.

	Equity Method Investments ^(a)	Noncontrolling Interests ^(b)	AFFO Adjustments
Revenues			
Real Estate:			
Lease revenues	\$ 7,047	\$ (29)	\$ 1,200 ^(c)
Operating property revenues:			
Hotel revenues	—	—	—
Self-storage revenues	1,901	—	—
Lease termination income and other	99	—	—
Investment Management:			
Asset management and other revenue	—	—	—
Reimbursable costs from affiliates	—	—	—
Operating Expenses			
Depreciation and amortization	3,272	(4)	(117,670) ^(d)
General and administrative	7	—	—
Impairment charges	—	—	(16,301) ^(e)
Reimbursable tenant costs	457	(7)	—
Property expenses, excluding reimbursable tenant costs	491	—	(405) ^(e)
Stock-based compensation expense	—	—	(4,361) ^(e)
Operating property expenses:	—	—	—
Hotel expenses	—	—	—
Self-storage expenses	808	—	(27)
Reimbursable costs from affiliates	—	—	—
Merger and other expenses	—	—	908 ^(f)
Other Income and Expenses			
Other gains and (losses)	—	5	(49,224) ^(g)
Interest expense	(1,637)	—	3,419 ^(h)
Earnings from equity method investments:			
Loss related to our ownership in WLT	—	—	1,376
Income related to joint ventures	(2,517)	—	357 ⁽ⁱ⁾
Income related to our general partnership interest in CPA:18 – Global	—	—	—
Income related to our ownership in the Managed Programs	—	—	(774)
Gain on sale of real estate, net	—	—	(1,702)
Non-operating income	—	—	—
Provision for income taxes	142	—	(331) ^(j)
Net income attributable to noncontrolling interests	—	13	—

(a) Represents the break-out by line item of amounts recorded in Earnings from equity method investments.

(b) Represents the break-out by line item of amounts recorded in Net income attributable to noncontrolling interests.

(c) Represents the reversal of amortization of above- or below-market lease intangibles of \$12.0 million and the elimination of non-cash amounts related to straight-line rent and other of \$10.8 million.

(d) Adjustment is a non-cash adjustment excluding corporate depreciation and amortization.

(e) Adjustment to exclude a non-cash item.

(f) Represents reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with business combinations in prior years.

(g) Represents eliminations of gains (losses) related to the extinguishment of debt, unrealized foreign currency gains (losses), gains (losses) on marketable securities, non-cash allowance for credit losses on loans receivable and direct financing leases, and other items.

(h) Represents the elimination of non-cash components of interest expense, such as deferred financing costs, debt premiums and discounts.

(i) Adjustments to include our pro rata share of AFFO adjustments from equity method investments.

(j) Primarily represents the elimination of deferred taxes.

Capital Expenditures

In thousands. For the three months ended September 30, 2021.

Tenant Improvements and Leasing Costs

Tenant improvements	\$	4,025
Leasing costs		2,327
Tenant Improvements and Leasing Costs		6,352

Maintenance Capital Expenditures

Net-lease properties		984
Operating properties		118
Maintenance Capital Expenditures		1,102

Total: Tenant Improvements and Leasing Costs, and Maintenance Capital Expenditures	\$	7,454
---	-----------	--------------

Non-Maintenance Capital Expenditures

Net-lease properties	\$	171
Operating properties		—
Non-Maintenance Capital Expenditures	\$	171

Pre-Development Capital Expenditures

Net-lease properties	\$	813
Operating properties		—
Pre-Development Capital Expenditures	\$	813

W. P. Carey Inc.

Balance Sheets and Capitalization

Third Quarter 2021

W. P. CAREY



Investing for the Long Run[®]

Consolidated Balance Sheets

In thousands, except share and per share amounts.

	September 30, 2021	December 31, 2020
Assets		
Investments in real estate:		
Land, buildings and improvements ^(a)	\$ 11,644,851	\$ 10,939,619
Net investments in direct financing leases	633,190	711,974
In-place lease intangible assets and other	2,384,575	2,301,174
Above-market rent intangible assets	859,386	881,159
Investments in real estate	15,522,002	14,833,926
Accumulated depreciation and amortization ^(b)	(2,793,347)	(2,490,087)
Assets held for sale, net ^(c)	11,672	18,590
Net investments in real estate	12,740,327	12,362,429
Equity method investments ^(d)	361,835	283,446
Cash and cash equivalents	129,686	248,662
Due from affiliates	1,992	26,257
Other assets, net	997,318	876,024
Goodwill	903,976	910,818
Total assets	\$ 15,135,134	\$ 14,707,636
Liabilities and Equity		
Debt:		
Senior unsecured notes, net	\$ 5,419,419	\$ 5,146,192
Unsecured term loans, net	312,605	321,971
Unsecured revolving credit facility	254,463	82,281
Non-recourse mortgages, net	688,430	1,145,554
Debt, net	6,674,917	6,695,998
Accounts payable, accrued expenses and other liabilities	536,242	603,663
Below-market rent and other intangible liabilities, net	191,128	197,248
Deferred income taxes	147,107	145,844
Dividends payable	199,043	186,514
Total liabilities	7,748,437	7,829,267
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 450,000,000 shares authorized; 186,284,955 and 175,401,757 shares, respectively, issued and outstanding	186	175
Additional paid-in capital	9,694,226	8,925,365
Distributions in excess of accumulated earnings	(2,121,936)	(1,850,935)
Deferred compensation obligation	49,810	42,014
Accumulated other comprehensive loss	(237,246)	(239,906)
Total stockholders' equity	7,385,040	6,876,713
Noncontrolling interests	1,657	1,656
Total equity	7,386,697	6,878,369
Total liabilities and equity	\$ 15,135,134	\$ 14,707,636

(a) Includes \$83.7 million and \$83.5 million of amounts attributable to operating properties as of September 30, 2021 and December 31, 2020, respectively.

(b) Includes \$1.4 billion and \$1.2 billion of accumulated depreciation on buildings and improvements as of September 30, 2021 and December 31, 2020, respectively, and \$1.4 billion and \$1.3 billion of accumulated amortization on lease intangibles as of September 30, 2021 and December 31, 2020, respectively.

(c) At September 30, 2021, we had three properties classified as Assets held for sale, net. At December 31, 2020, we had four properties classified as Assets held for sale, net, all of which were sold in 2021.

(d) Our equity method investments in real estate totaled \$296.4 million and \$226.9 million as of September 30, 2021 and December 31, 2020, respectively. Our equity method investments in the Managed Programs totaled \$65.4 million and \$56.6 million as of September 30, 2021 and December 31, 2020, respectively.

Capitalization

In thousands, except share and per share amounts. As of September 30, 2021.

Description	Shares	Share Price	Market Value
Equity			
Common equity	186,284,955	\$ 73.04	\$ 13,606,253
Preferred equity			—
Total Equity Market Capitalization			13,606,253
			Outstanding Balance ^(a)
Pro Rata Debt			
Non-recourse mortgages			884,290
Unsecured term loans (due February 20, 2025)			313,572
Unsecured revolving credit facility (due February 20, 2025)			254,463
Senior unsecured notes:			
Due April 1, 2024 (USD)			500,000
Due July 19, 2024 (EUR)			578,950
Due February 1, 2025 (USD)			450,000
Due April 9, 2026 (EUR)			578,950
Due October 1, 2026 (USD)			350,000
Due April 15, 2027 (EUR)			578,950
Due April 15, 2028 (EUR)			578,950
Due July 15, 2029 (USD)			325,000
Due June 1, 2030 (EUR)			607,898
Due February 1, 2031 (USD)			500,000
Due April 1, 2033 (USD)			425,000
Total Pro Rata Debt			6,926,023
Total Capitalization			\$ 20,532,276

(a) Excludes unamortized discount, net totaling \$31.5 million and unamortized deferred financing costs totaling \$27.3 million as of September 30, 2021.

Debt Overview

Dollars in thousands. Pro rata. As of September 30, 2021.

	USD-Denominated		EUR-Denominated		Other Currencies ^(a)		Total			
	Out- standing Balance (in USD)	Weigh- ted Avg. Interest Rate	Out- standing Balance (in USD)	Weigh- ted Avg. Interest Rate	Out- standing Balance (in USD)	Weigh- ted Avg. Interest Rate	Outstanding Balance		Weigh- ted Avg. Interest Rate	Weigh- ted Avg. Maturity (Years)
							Amount (in USD)	% of Total		
Non-Recourse Debt ^{(b) (c)}										
Fixed	\$ 512,868	4.9 %	\$ 81,838	3.2 %	\$ 29,674	4.8 %	\$ 624,380	9.0 %	4.6 %	2.3
Variable:										
Swapped	21,562	4.0 %	137,708	2.2 %	—	— %	159,270	2.3 %	2.4 %	2.2
Floating	—	— %	88,086	2.3 %	—	— %	88,086	1.3 %	2.3 %	1.1
Capped	—	— %	12,554	1.6 %	—	— %	12,554	0.2 %	1.6 %	1.8
Total Pro Rata Non- Recourse Debt	534,430	4.8 %	320,186	2.5 %	29,674	4.8 %	884,290	12.8 %	4.0 %	2.1
Recourse Debt ^{(b) (c)}										
Fixed – Senior unsecured notes:										
Due April 1, 2024	500,000	4.6 %	—	— %	—	— %	500,000	7.2 %	4.6 %	2.5
Due July 19, 2024	—	— %	578,950	2.3 %	—	— %	578,950	8.4 %	2.3 %	2.8
Due February 1, 2025	450,000	4.0 %	—	— %	—	— %	450,000	6.5 %	4.0 %	3.3
Due April 9, 2026	—	— %	578,950	2.3 %	—	— %	578,950	8.4 %	2.3 %	4.5
Due October 1, 2026	350,000	4.3 %	—	— %	—	— %	350,000	5.0 %	4.3 %	5.0
Due April 15, 2027	—	— %	578,950	2.1 %	—	— %	578,950	8.4 %	2.1 %	5.5
Due April 15, 2028	—	— %	578,950	1.4 %	—	— %	578,950	8.4 %	1.4 %	6.5
Due July 15, 2029	325,000	3.9 %	—	— %	—	— %	325,000	4.7 %	3.9 %	7.8
Due June 1, 2030	—	— %	607,898	1.0 %	—	— %	607,898	8.7 %	1.0 %	8.7
Due February 1, 2031	500,000	2.4 %	—	— %	—	— %	500,000	7.2 %	2.4 %	9.4
Due April 1, 2033	425,000	2.3 %	—	— %	—	— %	425,000	6.1 %	2.3 %	11.5
Total Senior Unsecured Notes	2,550,000	3.5 %	2,923,698	1.8 %	—	— %	5,473,698	79.0 %	2.6 %	6.1
Variable:										
Unsecured term loans (due February 20, 2025) ^(d)	—	— %	111,737	1.0 %	201,835	1.0 %	313,572	4.5 %	1.0 %	3.4
Unsecured revolving credit facility (due February 20, 2025) ^(e)	—	— %	40,527	0.9 %	213,936	0.9 %	254,463	3.7 %	0.9 %	3.4
Total Recourse Debt	2,550,000	3.5 %	3,075,962	1.7 %	415,771	0.9 %	6,041,733	87.2 %	2.4 %	5.8
Total Pro Rata Debt Outstanding	\$3,084,430	3.8 %	\$3,396,148	1.8 %	\$ 445,445	1.2 %	\$ 6,926,023	100.0 %	2.6 %	5.3

(a) Other currencies include debt denominated in British pound sterling, Norwegian krone and Japanese yen.

(b) Debt data is presented on a pro rata basis. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

(c) Excludes unamortized discount, net totaling \$31.5 million and unamortized deferred financing costs totaling \$27.3 million as of September 30, 2021.

(d) We incurred interest at EURIBOR plus 0.95% or GBP LIBOR plus 0.95% on our Unsecured term loans.

(e) Depending on the currency, we incurred interest on our Unsecured revolving credit facility at GBP LIBOR plus 0.85%, EURIBOR plus 0.85% or JPY LIBOR plus 0.85%. Each has a floor of 0.00% under the terms of our credit agreement. Availability under our Unsecured revolving credit facility (net of amounts reserved for standby letters of credit) was approximately \$1.5 billion as of September 30, 2021.

Debt Maturity

Dollars in thousands. Pro rata. As of September 30, 2021.

Year of Maturity	Real Estate		Debt			
	Number of Properties ^(a)	ABR ^(a)	Weighted-Average Interest Rate	Balloon	Total Outstanding Balance ^{(b) (c)}	% of Total Outstanding Balance
Non-Recourse Debt						
Remaining 2021	1	\$ 2,093	4.4 %	\$ 19,982	\$ 19,982	0.3 %
2022	20	53,688	4.5 %	316,519	321,425	4.6 %
2023	21	39,742	3.0 %	229,418	243,108	3.5 %
2024	30	20,454	2.8 %	110,067	121,428	1.8 %
2025	12	18,427	4.7 %	87,110	105,967	1.5 %
2026	4	8,829	6.0 %	30,638	39,071	0.6 %
2027	1	—	4.3 %	21,450	21,450	0.3 %
2028	1	3,225	7.0 %	—	8,632	0.1 %
2031	1	1,004	6.0 %	—	3,227	0.1 %
Total Pro Rata Non-Recourse Debt	91	\$ 147,462	4.0 %	\$ 815,184	884,290	12.8 %
Recourse Debt						
Fixed – Senior unsecured notes:						
Due April 1, 2024 (USD)			4.6 %		500,000	7.2 %
Due July 19, 2024 (EUR)			2.3 %		578,950	8.4 %
Due February 1, 2025 (USD)			4.0 %		450,000	6.5 %
Due April 9, 2026 (EUR)			2.3 %		578,950	8.4 %
Due October 1, 2026 (USD)			4.3 %		350,000	5.0 %
Due April 15, 2027 (EUR)			2.1 %		578,950	8.4 %
Due April 15, 2028 (EUR)			1.4 %		578,950	8.4 %
Due July 15, 2029 (USD)			3.9 %		325,000	4.7 %
Due June 1, 2030 (EUR)			1.0 %		607,898	8.7 %
Due February 1, 2031 (USD)			2.4 %		500,000	7.2 %
Due April 1, 2033 (USD)			2.3 %		425,000	6.1 %
Total Senior Unsecured Notes			2.6 %		5,473,698	79.0 %
Variable:						
Unsecured term loans (due February 20, 2025) ^(d)			1.0 %		313,572	4.5 %
Unsecured revolving credit facility (due February 20, 2025) ^(e)			0.9 %		254,463	3.7 %
Total Recourse Debt			2.4 %		6,041,733	87.2 %
Total Pro Rata Debt Outstanding			2.6 %		\$ 6,926,023	100.0 %

(a) Represents the number of properties and ABR associated with the debt that is maturing in each respective year.

(b) Debt maturity data is presented on a pro rata basis. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata. Total outstanding balance includes balloon payments and scheduled amortization for our non-recourse debt.

(c) Excludes unamortized discount, net totaling \$31.5 million and unamortized deferred financing costs totaling \$27.3 million as of September 30, 2021.

(d) We incurred interest at EURIBOR plus 0.95% or GBP LIBOR plus 0.95% on our Unsecured term loans.

(e) Depending on the currency, we incurred interest on our Unsecured revolving credit facility at GBP LIBOR plus 0.85%, EURIBOR plus 0.85% or JPY LIBOR plus 0.85%. Each has a floor of 0.00% under the terms of our credit agreement. Availability under our Unsecured revolving credit facility (net of amounts reserved for standby letters of credit) was approximately \$1.5 billion as of September 30, 2021.

Senior Unsecured Notes

As of September 30, 2021.

Ratings

Ratings Agency	Issuer		Senior Unsecured Notes
	Rating	Outlook	Rating
Moody's	Baa2	Positive	Baa2
Standard & Poor's	BBB	Stable	BBB

Senior Unsecured Note Covenants

The following is a summary of the key financial covenants for the Senior Unsecured Notes, along with our estimated calculations of our compliance with those covenants at the end of the period presented. These ratios are not measures of our liquidity or performance and serve only to demonstrate our ability to incur additional debt, as permitted by the covenants for the Senior Unsecured Notes.

Covenant	Metric	Required	As of Sep. 30, 2021
Limitation on the incurrence of debt	"Total Debt" / "Total Assets"	≤ 60%	39.5%
Limitation on the incurrence of secured debt	"Secured Debt" / "Total Assets"	≤ 40%	4.0%
Limitation on the incurrence of debt based on consolidated EBITDA to annual debt service charge	"Consolidated EBITDA" / "Annual Debt Service Charge"	≥ 1.5x	6.1x
Maintenance of unencumbered asset value	"Unencumbered Assets" / "Total Unsecured Debt"	≥ 150%	241.1%

W. P. Carey Inc.

Real Estate

Third Quarter 2021

W. P. CAREY



Investing for the Long Run[®]

Investment Activity – Capital Investments and Commitments ^(a)

Dollars in thousands. Pro rata.

Tenant	Location	Primary Transaction Type	Property Type	Expected Completion / Closing Date	Gross Square Footage	Lease Term (Years) ^(b)	Funded During Three Months Ended Sep. 30, 2021	Total Funded Through Sep. 30, 2021	Maximum Commitment / Gross Investment Amount	
									Remaining	Total
Henkel AG & Co.	Bowling Green, KY	Renovation	Warehouse	Q4 2021	N/A	15	\$ 11,779	\$ 60,150	\$ 9,850	\$ 70,000
Pretzels, LLC ^(c)	Lawrence, KS	Purchase Commitment	Industrial	Q4 2021	150,330	25	—	—	27,335	27,335
Expected Completion Date 2021 Total					150,330	17	11,779	60,150	37,185	97,335
Orgill, Inc.	Hurricane, UT	Expansion	Warehouse	Q1 2022	427,518	20	—	—	20,000	20,000
Hellweg Die Profi-Baumärkte GmbH & Co. KG ^(d)	Various, Germany	Renovation	Retail	Q1 2022	N/A	15	—	—	2,432	2,432
Upfield Group B.V. ^(d)	Wageningen, The Netherlands	Build-to-Suit	Laboratory	Q2 2022	65,734	20	7,214	20,479	8,625	29,104
Expected Completion Date 2022 Total					493,252	20	7,214	20,479	31,057	51,536
Capital Investments and Commitments Total					643,582	18	\$ 18,993	\$ 80,629	\$ 68,242	\$ 148,871

(a) This schedule includes future estimates for which we can give no assurance as to timing or amounts. Completed capital investments and commitments are included in the [Investment Activity – Investment Volume](#) section. Funding amounts exclude capitalized construction interest.

(b) Total lease terms are based on weighted-average ABR for the investments expected upon completion.

(c) Property will be acquired upon completion of construction and is contingent on building being constructed according to our standards.

(d) Commitment amounts are based on the applicable exchange rate at period end.

Investment Activity – Investment Volume

Dollars in thousands. Pro rata. For the nine months ended September 30, 2021.

Tenant / Lease Guarantor	Property Location(s)	Property Type(s)	Closing Date / Asset Completion Date	Gross Investment Amount	Investment Type	Lease Term (Years) ^(a)	Gross Square Footage
1Q21							
Stress Engineering Services, Inc.	Mason, OH	Office	Jan-21	\$ 2,428	Expansion	20	6,810
Nexeo Plastics, LLC (2 properties)	Grove City, OH; Anderson, SC	Warehouse	Feb-21	19,129	Sale-leaseback	20	269,286
American Axle & Manufacturing, Inc. ^(b)	Langen, Germany	Industrial	Feb-21	51,566	Build-to-Suit	20	162,373
Auto Lenders (10 properties)	Various, NJ and PA	Retail; Office	Feb-21	55,115	Sale-leaseback	25	169,956
Prima Wawona Packing Co., LLC (2 properties and 2 land parcels)	Central Valley, CA	Warehouse; Land	Feb-21	75,008	Sale-leaseback	25	1,031,600
Hellweg Die Profi-Baumärkte GmbH & Co. KG ^(b)	Various, Germany	Retail	Various	10,510	Renovation	16	N/A
1Q21 Total				213,756		23	1,640,025
2Q21							
Casino Guichard-Perrachon (3 properties) ^(b)	Various, France	Retail	Apr-21	119,341	Sale-leaseback	20	424,798
Turkey Hill LLC	Searcy, AR	Industrial	Apr-21	14,038	Sale-leaseback	25	92,961
Comprehensive Logistics Co., Inc.	Detroit, MI	Warehouse	Apr-21	52,810	Acquisition	10	487,603
Jaguar Land Rover Limited ^(b)	Solihull, United Kingdom	Warehouse	May-21	194,954	Acquisition	30	1,063,424
Monroe College, LTD	New Rochelle, NY	Student Housing (Net Lease)	May-21	26,109	Acquisition	12	49,494
KDC US Holdings, Inc.	Groveport, OH	Industrial	May-21	27,133	Acquisition	15	566,981
Berner Food & Beverage, LLC	Dakota, IL	Industrial	May-21	65,043	Sale-leaseback	25	316,300
Velodyne Lidar, Inc.	San Jose, CA	Industrial	May-21	51,949	Acquisition	7	203,807
Jo-Ann Stores, LLC	Opelika, AL	Warehouse	Jun-21	48,897	Sale-leaseback	20	702,623
GHP Group, Inc. (3 properties)	Niles and Elk Grove Village, IL; and Guelph, Canada	Warehouse	Jun-21	42,829	Sale-leaseback	15	496,744
Orgill, Inc.	Rome, NY	Warehouse	Jun-21	44,781	Sale-leaseback	26	779,400
Metro Cash & Carry Italia S.p.A ^(b)	San Donato Milanese, Italy	Retail; Office	Jun-21	7,244	Renovation	20	N/A
2Q21 Total				695,128		21	5,184,135

(Continued)

Investment Activity – Investment Volume (continued)

Dollars in thousands. Pro rata. For the nine months ended September 30, 2021.

Tenant / Lease Guarantor	Property Location(s)	Property Type(s)	Closing Date / Asset Completion Date	Gross Investment Amount	Investment Type	Lease Term (Years) ^(a)	Gross Square Footage
3Q21							
Clayco, Inc.	St. Louis, MO	Office	Aug-21	7,924	Sale-leaseback	15	45,461
Loctek Ergonomic Technology Corp.	Whitehall, PA	Warehouse	Aug-21	25,044	Redevelopment	5	504,900
Conagra Foods Packaged Foods, LLC	Frankfort, IN	Warehouse	Aug-21	113,544	Acquisition	12	1,536,412
Marriott International, Inc. ^(c)	Various, United States	Hospitality	Sep-21	17,396	Acquisition	5	N/A
Capitol Beverage Sales, L.P.	Rogers, MN	Warehouse	Sep-21	26,531	Sale-leaseback	15	187,243
3Q21 Total				190,439		10	2,274,016
Year-to-Date Total				1,099,323		19	9,098,176

Description	Property Location(s)	Property Type(s)	Funded During Current Quarter	Funded Year to Date	Expected Funding Completion Date	Total Funded	Maximum Commitment
Construction Loan							
Southwest Corner of Las Vegas Boulevard & Harmon Avenue Retail Complex ^(d)	Las Vegas, NV	Retail	\$ 8,688	\$ 93,542	Q2 2022	\$ 93,542	\$ 224,264
Total				93,542			
Year-to-Date Total Investment Volume				\$ 1,192,865			

(a) Total lease terms are based on weighted-average ABR for the investments as of the respective period ends.

(b) Amount reflects the applicable exchange rate on the date of the transaction.

(c) Comprised of the land under buildings that we already own.

(d) This construction loan is accounted for as an equity method investment on our consolidated balance sheets, in accordance with U.S. GAAP. The interest rate is 6.0% and interest income is recognized within Earnings from equity method investments on our consolidated statements of income.

Investment Activity – Dispositions

Dollars in thousands. Pro rata. For the nine months ended September 30, 2021.

Tenant / Lease Guarantor	Property Location(s)	Gross Sale Price	Closing Date	Property Type(s)	Gross Square Footage
1Q21					
Vacant	Salt Lake City, UT	\$ 12,500	Jan-21	Fitness Facility	36,851
Fraikin SAS ^(a)	Aulnay Sous Bois, France	1,203	Feb-21	Industrial	9,414
1Q21 Total		13,703			46,265
2Q21					
Hellweg Die Profi-Baumärkte GmbH & Co. KG (7 properties) ^(a)	Various, Germany	74,660	Apr-21	Retail	578,594
Vacant	York, PA	4,800	Apr-21	Retail	131,915
Walgreens Co.	Snellville, GA	5,887	Jun-21	Retail	14,820
Vacant ^(a)	Kotka, Finland	657	Jun-21	Warehouse	71,764
2Q21 Total		86,004			797,093
3Q21					
Vacant	Greenville, SC	7,525	Jul-21	Warehouse	235,215
Vacant	Maplewood, NJ	2,415	Jul-21	Retail	7,300
Vacant	Englewood, CO	4,800	Jul-21	Fitness Facility	47,441
Vacant	Greenville, SC	5,600	Sep-21	Office	124,836
Vacant	Allen, TX	9,413	Sep-21	Industrial	160,120
3Q21 Total		29,753			574,912
Year-to-Date Total Dispositions		\$ 129,460			1,418,270

(a) Amount reflects the applicable exchange rate on the date of the transaction.

Joint Ventures

Dollars in thousands. As of September 30, 2021.

Joint Venture or JV (Principal Tenant)	JV Partnership		Consolidated		Pro Rata ^(a)	
	Partner	WPC %	Debt Outstanding ^(b)	ABR	Debt Outstanding ^(c)	ABR
Unconsolidated Joint Ventures (Equity Method Investments) ^(d)						
Kesko Senukai ^(e)	Third party	70.00%	\$ 118,145	\$ 14,456	\$ 82,701	\$ 10,119
State Farm Mutual Automobile Insurance Co.	CPA:18 – Global	50.00%	72,800	8,152	36,400	4,076
Bank Pekao ^(e)	CPA:18 – Global	50.00%	53,952	9,316	26,976	4,658
Apply Sørco AS ^(e)	CPA:18 – Global	49.00%	40,780	4,272	19,982	2,093
Fortenova Grupa d.d. ^(e)	CPA:18 – Global	20.00%	25,336	4,688	5,067	938
Total Unconsolidated Joint Ventures			311,013	40,884	171,126	21,884
Consolidated Joint Ventures						
McCoy-Rockford, Inc.	Third party	90.00%	—	917	—	826
Total Consolidated Joint Ventures			—	917	—	826
Total Unconsolidated and Consolidated Joint Ventures			\$ 311,013	\$ 41,801	\$ 171,126	\$ 22,710

(a) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

(b) Excludes unamortized deferred financing costs totaling less than \$0.1 million and unamortized discount, net totaling \$0.3 million as of September 30, 2021.

(c) Excludes unamortized deferred financing costs totaling less than \$0.1 million and unamortized discount, net totaling \$0.2 million as of September 30, 2021.

(d) Excludes (i) a 90.00% equity position in a jointly owned investment, Johnson Self Storage (comprised of nine self-storage operating properties), which did not have debt outstanding as of September 30, 2021, (ii) a 15.00% common equity interest in a jointly owned investment, the Harmon Retail Corner in Las Vegas, (iii) our equity method investment in common shares of WLT, as described in the [Components of Net Asset Value](#) section, and (iv) a construction loan for a retail complex in Las Vegas, Nevada, accounted for as an equity method investment in real estate, as described in the [Components of Net Asset Value](#) section.

(e) Amounts are based on the applicable exchange rate at the end of the period.

Top Ten Tenants

Dollars in thousands. Pro rata. As of September 30, 2021.

Tenant / Lease Guarantor	Description	Number of Properties	ABR	ABR %	Weighted-Average Lease Term (Years)
U-Haul Moving Partners Inc. and Mercury Partners, LP	Net lease self-storage properties in the U.S.	78	\$ 38,751	3.2%	2.6
State of Andalucía ^(a)	Government office properties in Spain	70	30,149	2.5%	13.2
Hellweg Die Profi-Baumärkte GmbH & Co. KG ^(a)	Do-it-yourself retail properties in Germany	35	29,022	2.4%	15.4
Metro Cash & Carry Italia S.p.A. ^(a)	Business-to-business wholesale stores in Italy and Germany	20	28,608	2.3%	7.1
Pendragon PLC ^(a)	Automotive dealerships in the United Kingdom	69	23,197	1.9%	8.7
Marriott Corporation	Net lease hotel properties in the U.S.	18	21,100	1.7%	2.3
Extra Space Storage, Inc.	Net lease self-storage properties in the U.S.	27	20,688	1.7%	22.6
Advance Auto Parts, Inc.	Distribution facilities in the U.S.	30	20,180	1.6%	11.3
Nord Anglia Education, Inc.	K-12 private schools in the U.S.	3	19,473	1.6%	22.0
Forterra, Inc. ^{(a) (b)}	Industrial properties in the U.S. and Canada	27	19,157	1.6%	21.7
Total ^(c)		377	\$ 250,325	20.5%	11.7

(a) ABR amounts are subject to fluctuations in foreign currency exchange rates.

(b) Of the 27 properties leased to Forterra, Inc., 25 are located in the United States and two are located in Canada.

(c) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

Diversification by Property Type

In thousands, except percentages. Pro rata. As of September 30, 2021.

Property Type	Total Net-Lease Portfolio			
	ABR	ABR %	Square Footage ^(a)	Square Footage %
U.S.				
Industrial	\$ 230,780	18.9%	42,045	27.7 %
Warehouse	169,270	13.9%	35,965	23.7 %
Office	162,589	13.3%	10,502	6.9 %
Retail ^(b)	45,429	3.7%	2,893	1.9 %
Self Storage (net lease)	59,438	4.9%	5,810	3.8 %
Other ^(c)	99,470	8.1%	5,300	3.5 %
U.S. Total	766,976	62.8%	102,515	67.5 %
International				
Industrial	73,812	6.0%	10,302	6.8 %
Warehouse	120,766	9.9%	17,737	11.6 %
Office	94,976	7.8%	6,496	4.3 %
Retail ^(b)	164,031	13.5%	14,858	9.8 %
Self Storage (net lease)	—	—%	—	— %
Other ^(c)	10	—%	—	— %
International Total	453,595	37.2%	49,393	32.5 %
Total				
Industrial	304,592	24.9%	52,347	34.5 %
Warehouse	290,036	23.8%	53,702	35.3 %
Office	257,565	21.1%	16,998	11.2 %
Retail ^(b)	209,460	17.2%	17,751	11.7 %
Self Storage (net lease)	59,438	4.9%	5,810	3.8 %
Other ^(c)	99,480	8.1%	5,300	3.5 %
Total ^(d)	\$ 1,220,571	100.0%	151,908	100.0 %

(a) Includes square footage for vacant properties.

(b) Includes automotive dealerships.

(c) Includes ABR from tenants with the following property types: education facility, hotel (net lease), laboratory, fitness facility, theater, student housing (net lease), land and restaurant.

(d) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

Diversification by Tenant Industry

In thousands, except percentages. Pro rata. As of September 30, 2021.

Industry Type	Total Net-Lease Portfolio			
	ABR	ABR %	Square Footage	Square Footage %
Retail Stores ^(a)	\$ 258,231	21.2%	31,828	21.0%
Consumer Services	105,162	8.6%	8,029	5.3%
Automotive	88,048	7.2%	13,317	8.8%
Grocery	74,354	6.1%	7,742	5.1%
Beverage and Food	68,203	5.6%	9,095	6.0%
Cargo Transportation	64,555	5.3%	9,491	6.2%
Healthcare and Pharmaceuticals	56,355	4.6%	4,910	3.2%
Business Services	53,115	4.4%	4,563	3.0%
Construction and Building	49,980	4.1%	9,005	5.9%
Capital Equipment	43,148	3.5%	6,932	4.6%
Sovereign and Public Finance	41,724	3.4%	3,364	2.2%
Durable Consumer Goods	40,098	3.3%	9,951	6.5%
Hotel and Leisure	39,338	3.2%	2,197	1.4%
Containers, Packaging, and Glass	36,381	3.0%	6,186	4.1%
High Tech Industries	31,134	2.5%	3,315	2.2%
Insurance	25,761	2.1%	1,749	1.1%
Banking	20,135	1.6%	1,247	0.8%
Telecommunications	15,386	1.3%	1,480	1.0%
Aerospace and Defense	15,346	1.3%	1,357	0.9%
Chemicals, Plastics, and Rubber	14,242	1.2%	1,853	1.2%
Non-Durable Consumer Goods	14,222	1.2%	5,250	3.5%
Media: Advertising, Printing, and Publishing	13,940	1.1%	1,001	0.7%
Media: Broadcasting and Subscription	13,306	1.1%	784	0.5%
Wholesale	12,765	1.0%	2,005	1.3%
Other ^(b)	25,642	2.1%	5,257	3.5%
Total ^(c)	\$ 1,220,571	100.0%	151,908	100.0%

(a) Includes automotive dealerships.

(b) Includes ABR from tenants in the following industries: metals and mining, oil and gas, environmental industries, consumer transportation, forest products and paper, real estate and finance. Also includes square footage for vacant properties.

(c) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

Diversification by Geography

In thousands, except percentages. Pro rata. As of September 30, 2021.

Region	Total Net-Lease Portfolio			
	ABR	ABR %	Square Footage ^(a)	Square Footage %
U.S.				
South				
Texas	\$ 103,733	8.5 %	11,875	7.8%
Florida	51,093	4.2 %	4,460	3.0%
Georgia	23,809	1.9 %	3,512	2.3%
Tennessee	19,517	1.6 %	2,875	1.9%
Alabama	18,347	1.5 %	3,085	2.0%
Other ^(b)	15,566	1.3 %	2,356	1.6%
Total South	232,065	19.0 %	28,163	18.6%
Midwest				
Illinois	59,379	4.9 %	7,739	5.1%
Minnesota	31,044	2.5 %	2,915	1.9%
Indiana	26,755	2.2 %	4,734	3.1%
Ohio	18,181	1.5 %	3,988	2.6%
Michigan	16,867	1.4 %	2,599	1.7%
Wisconsin	16,027	1.3 %	3,245	2.1%
Other ^(b)	30,417	2.5 %	4,923	3.3%
Total Midwest	198,670	16.3 %	30,143	19.8%
East				
North Carolina	34,039	2.8 %	8,098	5.3%
Pennsylvania	26,973	2.2 %	3,838	2.5%
New Jersey	22,809	1.9 %	1,235	0.8%
Massachusetts	22,107	1.8 %	1,407	0.9%
New York	17,590	1.4 %	2,221	1.5%
South Carolina	14,404	1.2 %	4,088	2.7%
Other ^(b)	46,662	3.8 %	8,024	5.3%
Total East	184,584	15.1 %	28,911	19.0%
West				
California	67,903	5.6 %	6,430	4.3%
Arizona	29,575	2.4 %	3,365	2.2%
Other ^(b)	54,179	4.4 %	5,503	3.6%
Total West	151,657	12.4 %	15,298	10.1%
U.S. Total	766,976	62.8 %	102,515	67.5%
International				
Germany	61,699	5.1 %	6,229	4.1%
United Kingdom	61,123	5.0 %	5,099	3.3%
Spain	57,352	4.7 %	4,708	3.1%
Poland	54,765	4.5 %	7,214	4.7%
The Netherlands	51,050	4.2 %	6,389	4.2%
Italy	26,953	2.2 %	2,386	1.6%
France	20,782	1.7 %	1,685	1.1%
Croatia	17,964	1.5 %	1,783	1.2%
Denmark	15,652	1.3 %	2,408	1.6%
Canada	13,744	1.1 %	2,213	1.5%
Other ^(c)	72,511	5.9 %	9,279	6.1%
International Total	453,595	37.2 %	49,393	32.5%
Total ^(d)	\$ 1,220,571	100.0 %	151,908	100.0%

(a) Includes square footage for vacant properties.

(b) Other properties within South include assets in Louisiana, Arkansas, Oklahoma and Mississippi. Other properties within Midwest include assets in Missouri, Kansas, Nebraska, Iowa, North Dakota and South Dakota. Other properties within East include assets in Virginia, Kentucky, Maryland, Connecticut, West Virginia, New Hampshire and Maine. Other properties within West include assets in Colorado, Utah, Oregon, Washington, Nevada, Hawaii, New Mexico, Wyoming, Montana and Alaska.

(c) Includes assets in Lithuania, Finland, Norway, Mexico, Hungary, Portugal, the Czech Republic, Austria, Sweden, Slovakia, Japan, Latvia, Belgium and Estonia.

(d) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

Contractual Rent Increases

In thousands, except percentages. Pro rata. As of September 30, 2021.

Rent Adjustment Measure	Total Net-Lease Portfolio			
	ABR	ABR %	Square Footage	Square Footage %
(Uncapped) CPI	\$ 479,856	39.3 %	53,389	35.1 %
CPI-based	245,544	20.1 %	30,227	19.9 %
CPI-linked	725,400	59.4 %	83,616	55.0 %
Fixed	439,771	36.1 %	62,078	40.9 %
Other ^(a)	47,583	3.9 %	3,388	2.2 %
None	7,817	0.6 %	471	0.3 %
Vacant	—	— %	2,355	1.6 %
Total ^(b)	\$ 1,220,571	100.0 %	151,908	100.0 %

(a) Represents leases attributable to percentage rent.

(b) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

Same Store Analysis

Dollars in thousands. Pro rata.

Contractual Same Store Growth

Same store portfolio includes leases that were continuously in place during the period from September 30, 2020 to September 30, 2021. Excludes leases for properties that were acquired, sold or vacated, or were subject to lease renewals, extensions or modifications at any time that affected ABR during that period. For purposes of comparability, ABR is presented on a constant currency basis using exchange rates as of September 30, 2021.

Property Type	ABR			
	As of		Increase	% Increase
	Sep. 30, 2021	Sep. 30, 2020		
Industrial	\$ 270,861	\$ 266,379	\$ 4,482	1.7 %
Office	250,555	246,739	3,816	1.5 %
Warehouse	246,460	240,319	6,141	2.6 %
Retail ^(a)	190,528	188,700	1,828	1.0 %
Self Storage (net lease)	59,438	59,083	355	0.6 %
Other ^(b)	87,198	85,970	1,228	1.4 %
Total	\$ 1,105,040	\$ 1,087,190	\$ 17,850	1.6 %
Rent Adjustment Measure				
(Uncapped) CPI	\$ 455,617	\$ 449,667	\$ 5,950	1.3 %
CPI-based	224,481	221,407	3,074	1.4 %
CPI-linked	680,098	671,074	9,024	1.3 %
Fixed	370,596	362,125	8,471	2.3 %
Other ^(c)	46,548	46,193	355	0.8 %
None	7,798	7,798	—	— %
Total	\$ 1,105,040	\$ 1,087,190	\$ 17,850	1.6 %
Geography				
U.S.	\$ 686,720	\$ 674,439	\$ 12,281	1.8 %
Europe	394,531	389,320	5,211	1.3 %
Other International ^(d)	23,789	23,431	358	1.5 %
Total	\$ 1,105,040	\$ 1,087,190	\$ 17,850	1.6 %

Same Store Portfolio Summary

Number of properties	1,148
Square footage (in thousands)	131,294

Comprehensive Same Store Growth

Same store portfolio includes leased properties that were continuously owned and in place during the quarter ended September 30, 2020 through September 30, 2021. Excludes properties that were acquired, sold or listed as capital investments and commitments (see [Investment Activity – Capital Investments and Commitments](#) section) during that period. For purposes of comparability, same store pro rata rental income is presented on a constant currency basis using average exchange rates for the three months ended September 30, 2021. Same store pro rata rental income is a non-GAAP measure. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of same store pro rata rental income and for details on how it is calculated.

Property Type	Same Store Pro Rata Rental Income			
	Three Months Ended		Increase	% Increase
	Sep. 30, 2021	Sep. 30, 2020		
Industrial	\$ 68,230	\$ 68,080	\$ 150	0.2 %
Office	64,219	64,810	(591)	(0.9)%
Warehouse	61,248	56,356	4,892	8.7 %
Retail ^(a)	50,031	49,014	1,017	2.1 %
Self Storage (net lease)	14,834	14,749	85	0.6 %
Other ^(b)	23,146	20,776	2,370	11.4 %
Total	\$ 281,708	\$ 273,785	\$ 7,923	2.9 %
Rent Adjustment Measure				
(Uncapped) CPI	\$ 117,215	\$ 115,014	\$ 2,201	1.9 %
CPI-based	57,280	57,441	(161)	(0.3)%
CPI-linked	174,495	172,455	2,040	1.2 %
Fixed	93,733	87,933	5,800	6.6 %
Other ^(c)	11,679	11,544	135	1.2 %
None	1,801	1,853	(52)	(2.8)%
Total	\$ 281,708	\$ 273,785	\$ 7,923	2.9 %
Geography				
U.S.	\$ 173,702	\$ 168,141	\$ 5,561	3.3 %
Europe	102,018	99,743	2,275	2.3 %
Other International ^(d)	5,988	5,901	87	1.5 %
Total	\$ 281,708	\$ 273,785	\$ 7,923	2.9 %
Same Store Portfolio Summary				
Number of properties	1,166			
Square footage (in thousands)	135,267			

The following table presents a reconciliation from lease revenues to same store pro rata rental income:

	Three Months Ended	
	Sep. 30, 2021	Sep. 30, 2020
Consolidated Lease Revenues		
Total lease revenues – as reported	\$ 314,194	\$ 293,856
Less: Reimbursable tenant costs – as reported	(15,092)	(15,728)
	299,102	278,128
Adjustments for Pro Rata Ownership of Real Estate Joint Ventures:		
Add: Pro rata share of adjustments from equity method investments	6,556	5,576
Less: Pro rata share of adjustments for noncontrolling interests	(22)	(22)
	6,534	5,554
Adjustments for Pro Rata Non-Cash Items:		
Add: Above- and below-market rent intangible lease amortization	12,004	12,472
Less: Straight-line and other rent adjustments	(10,823)	(13,115)
Less: Adjustments for pro rata ownership	19	(1)
	1,200	(644)
Adjustment to normalize for (i) properties not continuously owned since July 1, 2020 and (ii) constant currency presentation for prior year quarter ^(e)	(25,128)	(9,253)
Same Store Pro Rata Rental Income	\$ 281,708	\$ 273,785

(a) Includes automotive dealerships.

(b) Includes ABR or same store pro rata rental income from tenants with the following property types: education facility, hotel (net lease), laboratory, fitness facility, theater, student housing (net lease), land and restaurant.

(c) Represents leases attributable to percentage rent.

(d) Includes assets in Canada, Mexico and Japan.

(e) This adjustment excludes amounts attributable to properties that were acquired, sold or listed as capital investments and commitments (see [Investment Activity – Capital Investments and Commitments](#) section) that were not continuously owned and in place during the quarter ended September 30, 2020 through September 30, 2021. In addition, for the three months ended September 30, 2020, an adjustment is made to reflect average exchange rates for the three months ended September 30, 2021 for purposes of comparability, since same store pro rata rental income is presented on a constant currency basis.

Leasing Activity

For the three months ended September 30, 2021, except ABR. Pro rata.

Lease Renewals and Extensions ^(a)

Property Type	Square Feet	Number of Leases	ABR			Expected Tenant Improvements (\$000s)	Leasing Commissions (\$000s)	Incremental Lease Term
			Prior Lease (\$000s)	New Lease (\$000s) ^(b)	Rent Recapture			
Industrial	672,373	3	\$ 4,482	\$ 4,867	108.6 %	\$ 4,292	\$ 1,180	8.9 years
Warehouse	75,000	1	214	214	100.0 %	—	17	3.0 years
Office ^(c)	445,110	3	8,456	7,243	85.7 %	—	—	2.6 years
Retail	—	—	—	—	— %	—	—	N/A
Self Storage (net lease)	—	—	—	—	— %	—	—	N/A
Other	133,834	2	3,517	3,472	98.7 %	—	—	3.6 years
Total / Weighted Average ^(d)	1,326,317	9	\$ 16,669	\$ 15,796	94.8 %	\$ 4,292	\$ 1,197	4.6 years

Q3 Summary

Prior Lease ABR (% of Total Portfolio) 1.4 %

(a) Excludes lease extensions for a period of one year or less.

(b) New lease amounts are based on in-place rents at time of lease commencement and exclude any free rent periods.

(c) Includes a lease restructure related to a tenant in Germany that emerged from bankruptcy.

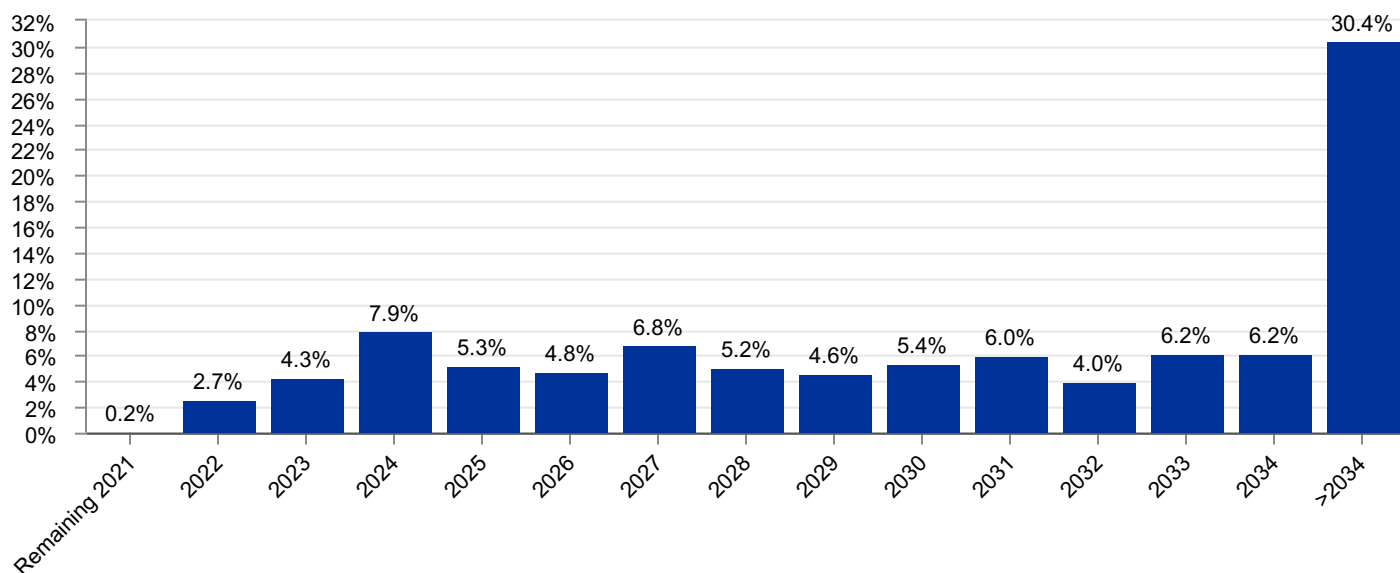
(d) Weighted average refers to the incremental lease term.

Lease Expirations

Dollars and square footage in thousands. Pro rata. As of September 30, 2021.

Year of Lease Expiration ^(a)	Number of Leases Expiring	Number of Tenants with Leases Expiring	ABR	ABR %	Square Footage	Square Footage %
Remaining 2021	8	8	\$ 2,889	0.2%	249	0.2%
2022	24	24	32,934	2.7%	2,348	1.5%
2023	35	31	51,997	4.3%	5,975	3.9%
2024 ^(b)	61	49	97,010	7.9%	12,442	8.2%
2025	62	31	64,151	5.3%	7,419	4.9%
2026	42	30	58,519	4.8%	8,676	5.7%
2027	55	31	83,555	6.8%	8,763	5.8%
2028	41	23	63,469	5.2%	4,829	3.2%
2029	50	23	55,757	4.6%	6,702	4.4%
2030	26	21	66,447	5.4%	5,657	3.7%
2031	66	16	73,338	6.0%	8,642	5.7%
2032	34	14	48,826	4.0%	6,610	4.3%
2033	27	21	75,378	6.2%	10,119	6.7%
2034	47	15	75,799	6.2%	7,765	5.1%
Thereafter (>2034)	211	100	370,502	30.4%	53,357	35.1%
Vacant	—	—	—	—%	2,355	1.6%
Total ^(c)	789		\$ 1,220,571	100.0%	151,908	100.0%

ABR by Year of Lease Expiration as a Percentage of Total ABR



(a) Assumes tenants do not exercise any renewal options or purchase options.

(b) Includes ABR of \$38.8 million from a tenant (U-Haul Moving Partners, Inc. and Mercury Partners, LP) that holds an option to repurchase the 78 properties it is leasing in April 2024. There can be no assurance that such repurchase will be completed.

(c) See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section in the Appendix for a description of pro rata.

W. P. Carey Inc.

Investment Management

Third Quarter 2021

W. P. CAREY



Investing for the Long Run[®]

Selected Information and Fee Summary – Managed Programs

Dollars and square footage in thousands. As of or for the three months ended September 30, 2021.

	CPA:18 – Global	CESH	Total
Selected Information			
General			
Year established	2013	2016	
AUM – current quarter ^(a)	\$ 2,507,291	\$ 226,639	\$ 2,733,930
Net-lease AUM – current quarter	\$ 1,498,038	\$ 166,624	\$ 1,664,662
Fundraising status	Closed	Closed	
Portfolio			
Investment type	Net lease / Diversified REIT	Student Housing	
Number of operating properties	66	—	
Number of net-leased properties	54	4	
Number of active build-to-suit projects	3	1	
Number of tenants – net-leased properties	66	1	
Square footage – net-leased properties	10,529	590	
Occupancy ^(b)	98.7 %	100.0 %	
Balance Sheet (Book Value)			
Total assets	\$ 2,234,649	\$ 237,756	
Total debt	\$ 1,248,224	\$ 60,949	
Total debt / total assets	55.9 %	25.6 %	
Fee Summary			
Asset Management Fees			
Asset management fee, gross (% of average AUM, per annum)	0.50% ^(c)	1.00% ^(d)	
Average AUM (of current quarter and prior quarter)	\$ 2,529,047	\$ 283,669	\$ 2,812,716
Asset management revenue – current quarter	\$ 3,160	\$ 712	\$ 3,872
Operating Partnership Interests ^(e)			
Operating partnership interests, gross (% of Available Cash)	10.00%	N/A	
Earnings from equity method investments in the Managed Programs (profits interest) – current quarter	\$ 1,623	N/A	\$ 1,623

(a) Represents appraised value of real estate assets as of June 30, 2021 (plus cash and cash equivalents, less distributions payable as of September 30, 2021) for CPA:18 – Global. Represents appraised value of real estate assets as of December 31, 2020 (plus cash and cash equivalents as of September 30, 2021) for CESH. These values were used to calculate asset management fees during the three months ended September 30, 2021 in accordance with the respective advisory agreements.

(b) Represents occupancy for single-tenant net-leased properties.

(c) Based on average market value of assets. CPA:18 – Global has an option to pay asset management fees in cash or shares, under the terms of the advisory agreement with CPA:18 – Global. Asset management fees are recorded in Asset management and other revenue in our consolidated financial statements.

(d) Based on gross assets at fair value. In February and July 2020, CESH sold two student housing properties located in Lisbon, Portugal, and Madrid, Spain, for gross proceeds of \$49.3 million and \$30.4 million, respectively. In January and September 2021, CESH sold two student housing properties located in Valencia, Spain, and Norwich, United Kingdom, for gross proceeds of \$40.8 million and \$126.8 million, respectively (amounts reflect the applicable exchange rate on the date of the transaction).

(e) Available Cash means cash generated by operating partnership operations and investments, excluding cash from sales and refinancings, after the payment of debt service and other operating expenses, but before distributions to partners. Amounts are recorded in Earnings from equity method investments in our consolidated financial statements.

Summary of Future Liquidity Considerations for the Managed Programs

As of September 30, 2021.

Future Liquidity Strategies for the Managed Programs

The timeframes in the table below are based on general liquidation guidelines set forth in CPA:18 – Global's and CESH's respective offering documents. Ultimately, the liquidation of CPA:18 – Global is approved by its board of directors and the liquidation of CESH is determined by its general partner.

	General Liquidation Guideline	
	CPA:18 – Global	CESH
Timeframe	Beginning after the seventh anniversary of the closing of the initial public offering in 2015 ^(a)	Beginning five years after raising the minimum offering amount in 2016

Back-End Fees for / Interest in the Managed Programs

The overview below is intended to provide a summary of current disclosures regarding various back-end fees and interests that we may be entitled to upon each Managed Program's liquidity event. Such a liquidity event for CPA:18 – Global is at the discretion of CPA:18 – Global's board of directors and there is no assurance that any of the fees or interests described below will be realized. Please refer to CPA:18 – Global's filings with the SEC for a complete description of its liquidity strategy.

	Back-End Fees and Interests	
	CPA:18 – Global	CESH
Disposition Fees	Equal to the lesser of (i) 50% of the brokerage commission paid or (ii) 3% of the contract sales price of a property. ^(b)	N/A
Interest in Disposition Proceeds	Special general partner interest entitled to receive distributions of up to 15% of the net proceeds from the sale, exchange or other disposition of operating partnership assets remaining after the corporation has received a return of 100% of its initial investment in the operating partnership, through certain liquidity events or distributions, plus the 6% preferred return rate.	Available Cash (as defined in In "Principal Terms"), subject to any other limitations provided for herein, will be initially apportioned among the Limited Partners in proportion to their respective capital contributions and the General Partner as provided in connection with its Carried Interest and distributed. ^(c)
Purchase of Special GP Interest	Lesser of (i) 5.0x the distributions of the last completed fiscal year and (ii) the discounted value of expected future distributions from point of valuation to March 2025 using a discount rate used by the independent third-party valuation firm to determine the most recent appraisal.	N/A
Distribution Related to Ownership of Shares	5.3% ownership as of 9/30/2021	2.4% ownership as of 9/30/2021

(a) On August 31, 2021, CPA:18 – Global reported that its independent directors intended to begin the process of evaluating possible liquidity alternatives for its shareholders, including a transaction involving us or one of our subsidiaries. There can be no assurance that any such liquidity transaction will occur in the near future or at all.

(b) Not applicable to dispositions of individual assets.

(c) Order of distributions are as follows: (1) First, to a Limited Partner until it has received an amount equal to its total capital contributions or deemed capital contribution with respect to the Advisor Units in the case of the Advisor (or a wholly owned subsidiary of the Advisor); (2) Second, to a Limited Partner until such Limited Partner has received a cumulative, non-compounding, annual 10% return on its unreturned capital contributions (the "Preferred Return"); (3) Third, to the General Partner until the General Partner has received 20% of the aggregate amounts distributed pursuant to clause (2) and this clause (3); (4) Thereafter, 80% to such Limited Partner and 20% to the General Partner (together with the amounts received under clause (3), the General Partner's "Carried Interest"). The Advisor's capital contribution for purposes of the Partnership Agreement will be deemed to be the value of the Advisor Units upon their issuance.

W. P. Carey Inc.

Appendix

Third Quarter 2021

W. P. CAREY



Investing for the Long Run[®]

Normalized Pro Rata Cash NOI

In thousands. From real estate.

	Three Months Ended Sep. 30, 2021
Consolidated Lease Revenues	
Total lease revenues – as reported	\$ 314,194
Less: Consolidated Reimbursable and Non-Reimbursable Property Expenses	
Reimbursable property expenses – as reported	15,092
Non-reimbursable property expenses – as reported	13,734
	285,368
Plus: NOI from Operating Properties	
Hotel revenues	2,420
Hotel expenses	(2,334)
	86
Self-storage revenues	1,630
Self-storage expenses	(667)
	963
	286,417
Adjustments for Pro Rata Ownership of Real Estate Joint Ventures:	
Add: Pro rata share of NOI from equity method investments	7,177
Less: Pro rata share of NOI attributable to noncontrolling interests	(22)
	7,155
	293,572
Adjustments for Pro Rata Non-Cash Items:	
Add: Above- and below-market rent intangible lease amortization	12,004
Less: Straight-line rent amortization	(10,823)
Add: Other non-cash items	405
	1,586
Pro Rata Cash NOI ^(a)	295,158
Adjustment to normalize for intra-period acquisitions, completed capital investments and commitments, and dispositions ^(b)	1,432
Normalized Pro Rata Cash NOI ^(a)	\$ 296,590

The following table presents a reconciliation from Net income from Real Estate attributable to W. P. Carey to Normalized pro rata cash NOI:

	Three Months Ended Sep. 30, 2021
Net Income from Real Estate Attributable to W. P. Carey	
Net income from Real Estate attributable to W. P. Carey – as reported	\$ 130,858
Adjustments for Consolidated Operating Expenses	
Add: Operating expenses – as reported	186,988
Less: Property expenses, excluding reimbursable tenant costs – as reported	(13,734)
Less: Operating property expenses – as reported	(3,001)
	170,253
Adjustments for Other Consolidated Revenues and Expenses:	
Less: Lease termination income and other – as reported	(2,597)
Less: Reimbursable property expenses – as reported	(15,092)
Add: Other income and (expenses)	(4,871)
Add: Provision for income taxes	7,827
	(14,733)
Other Adjustments:	
Add: Above- and below-market rent intangible lease amortization	12,004
Less: Straight-line rent amortization	(10,823)
Add: Adjustments for pro rata ownership	7,239
Adjustment to normalize for intra-period acquisitions, completed capital investments and commitments, and dispositions ^(b)	1,432
Add: Property expenses, excluding reimbursable tenant costs, non-cash	360
	10,212
Normalized Pro Rata Cash NOI ^(a)	\$ 296,590

(a) Pro rata cash NOI and normalized pro rata cash NOI are non-GAAP measures. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section that follows for a description of our non-GAAP measures and for details on how pro rata cash NOI and normalized pro rata cash NOI are calculated.

(b) For properties acquired and capital investments and commitments completed during the three months ended September 30, 2021, the adjustment modifies our pro rata share of cash NOI for the partial period with an amount estimated to be equivalent to the additional pro rata share of cash NOI necessary to reflect ownership for the full quarter. For properties disposed of during the three months ended September 30, 2021, the adjustment eliminates our pro rata share of cash NOI for the period.

Adjusted EBITDA, Consolidated – Last Five Quarters

In thousands.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income	\$ 138,586	\$ 120,283	\$ 51,641	\$ 134,615	\$ 149,434
Adjustments to Derive Adjusted EBITDA ^(a)					
Depreciation and amortization	115,657	114,348	110,322	110,913	108,351
Other (gains) and losses ^(b)	(49,219)	(7,545)	41,188	1,927	(44,648)
Interest expense	48,731	49,252	51,640	52,828	52,537
Impairment charges	16,301	—	—	16,410	—
Provision for income taxes	8,347	9,298	5,789	7,363	5,975
Stock-based compensation expense	4,361	9,048	5,381	5,795	4,564
Gain on sale of real estate, net	(1,702)	(19,840)	(9,372)	(76,686)	(20,933)
Above- and below-market rent intangible and straight-line rent adjustments ^(c)	1,181	4,071	3,364	1,933	(643)
Merger and other expenses ^(d)	(908)	(2,599)	(476)	(418)	(596)
Other amortization and non-cash charges	386	391	411	403	399
	<u>143,135</u>	<u>156,424</u>	<u>208,247</u>	<u>120,468</u>	<u>105,006</u>
Adjustments for Pro Rata Ownership					
Real Estate Joint Ventures:					
Add: Pro rata share of adjustments for equity method investments ^(e)	5,144	4,923	11,445	13,342	4,806
Less: Pro rata share of adjustments for amounts attributable to noncontrolling interests	(23)	(22)	(22)	(21)	(23)
	<u>5,121</u>	<u>4,901</u>	<u>11,423</u>	<u>13,321</u>	<u>4,783</u>
Equity Method Investment in WLT: ^(f)					
Less: Loss from equity method investment in WLT	1,376	4,005	4,483	4,180	848
Add: Distributions received from equity method investment in WLT	—	—	—	—	—
	<u>1,376</u>	<u>4,005</u>	<u>4,483</u>	<u>4,180</u>	<u>848</u>
Equity Method Investments in the Managed Programs: ^(g)					
Add: Distributions received from equity method investments in the Managed Programs	477	454	432	409	388
Less: (Income) loss from equity method investments in the Managed Programs	(1,667)	90	153	(842)	79
	<u>(1,190)</u>	<u>544</u>	<u>585</u>	<u>(433)</u>	<u>467</u>
Adjusted EBITDA ^(h)	\$ 287,028	\$ 286,157	\$ 276,379	\$ 272,151	\$ 260,538

(a) Comprised of items that we do not consider to be part of our core operating business plan or representative of our overall long-term operating performance, based on a number of factors, including the nature of the item and/or the frequency with which it occurs. We believe that these adjustments provide a more representative view of EBITDA from our core operating business and allow for more meaningful comparisons.

(b) Primarily comprised of gains and losses on extinguishment of debt, the mark-to-market fair value of equity securities, and foreign currency transactions, as well as non-cash allowance for credit losses on loans receivable and direct financing leases. Amounts from period to period will not be comparable due to unpredictable fluctuations in these gains and losses.

(c) Straight-line rent adjustments relate to our net-leased properties subject to operating leases.

(d) Amounts for the three months ended September 30, 2021 and June 30, 2021 are primarily comprised of reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with business combinations in prior years.

(e) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

(f) We record income and distributions from our equity method investment in WLT on a one quarter lag.

(g) Adjustments to include cash distributions received from the Managed Programs in place of our pro rata share of net income from our ownership in the Managed Programs.

(h) Adjusted EBITDA is a non-GAAP measure. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section that follows for a description of our non-GAAP measures.

Adjusted EBITDA, Real Estate – Last Five Quarters

In thousands.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income from Real Estate	\$ 130,897	\$ 114,725	\$ 44,594	\$ 129,833	\$ 147,020
Adjustments to Derive Adjusted EBITDA ^(a)					
Depreciation and amortization	115,657	114,348	110,322	110,913	108,351
Interest expense	48,731	49,252	51,640	52,828	52,537
Other (gains) and losses ^(b)	(48,172)	(7,472)	42,189	1,475	(44,115)
Impairment charges	16,301	—	—	16,410	—
Provision for income taxes	7,827	9,119	6,426	5,549	3,636
Stock-based compensation expense	4,361	9,048	5,381	5,795	4,564
Gain on sale of real estate, net	(1,702)	(19,840)	(9,372)	(76,686)	(20,933)
Above- and below-market rent intangible and straight-line rent adjustments ^(c)	1,181	4,071	3,364	1,933	(643)
Merger and other expenses ^(d)	(908)	(2,599)	(491)	(724)	(1,016)
Other amortization and non-cash charges	386	391	411	403	399
	<u>143,662</u>	<u>156,318</u>	<u>209,870</u>	<u>117,896</u>	<u>102,780</u>
Adjustments for Pro Rata Ownership					
Real Estate Joint Ventures:					
Add: Pro rata share of adjustments for equity method investments ^(e)	5,144	4,923	11,445	13,342	4,806
Less: Pro rata share of adjustments for amounts attributable to noncontrolling interests	(23)	(22)	(22)	(21)	(23)
	<u>5,121</u>	<u>4,901</u>	<u>11,423</u>	<u>13,321</u>	<u>4,783</u>
Equity Method Investment in WLT: ^(f)					
Less: Loss from equity method investment in WLT	1,376	4,005	4,483	4,180	848
Add: Distributions received from equity method investment in WLT	—	—	—	—	—
	<u>1,376</u>	<u>4,005</u>	<u>4,483</u>	<u>4,180</u>	<u>848</u>
Adjusted EBITDA – Real Estate ^(g)	\$ 281,056	\$ 279,949	\$ 270,370	\$ 265,230	\$ 255,431

(a) Comprised of items that we do not consider to be part of our core operating business plan or representative of our overall long-term operating performance, based on a number of factors, including the nature of the item and/or the frequency with which it occurs. We believe that these adjustments provide a more representative view of EBITDA from our core operating business and allow for more meaningful comparisons.

(b) Primarily comprised of gains and losses on extinguishment of debt, the mark-to-market fair value of equity securities, and foreign currency transactions, as well as non-cash allowance for credit losses on loans receivable and direct financing leases. Amounts from period to period will not be comparable due to unpredictable fluctuations in these gains and losses.

(c) Straight-line rent adjustments relate to our net-leased properties subject to operating leases.

(d) Amounts for the three months ended September 30, 2021 and June 30, 2021 are primarily comprised of reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with business combinations in prior years.

(e) Amount for the three months ended March 31, 2021 includes a non-cash other-than-temporary impairment charge of \$6.8 million recognized on an equity method investment in real estate. Amount for the three months ended December 31, 2020 includes a non-cash other-than-temporary impairment charge of \$8.3 million recognized on another equity method investment in real estate.

(f) We record income and distributions from our equity method investment in WLT on a one quarter lag.

(g) Adjusted EBITDA is a non-GAAP measure. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section that follows for a description of our non-GAAP measures.

Adjusted EBITDA, Investment Management – Last Five Quarters

In thousands.

	Three Months Ended				
	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020
Net income from Investment Management	\$ 7,689	\$ 5,558	\$ 7,047	\$ 4,782	\$ 2,414
Adjustments to Derive Adjusted EBITDA ^(a)					
Other (gains) and losses ^(b)	(1,047)	(73)	(1,001)	452	(533)
Provision for (benefit from) income taxes	520	179	(637)	1,814	2,339
Merger and other expenses	—	—	15	306	420
	(527)	106	(1,623)	2,572	2,226
Adjustments for Pro Rata Ownership					
Equity Method Investments in the Managed Programs: ^(c)					
Add: Distributions received from equity method investments in the Managed Programs	477	454	432	409	388
Less: (Income) loss from equity method investments in the Managed Programs	(1,667)	90	153	(842)	79
	(1,190)	544	585	(433)	467
Adjusted EBITDA – Investment Management ^(d)	\$ 5,972	\$ 6,208	\$ 6,009	\$ 6,921	\$ 5,107

(a) Comprised of items that we do not consider to be part of our core operating business plan or representative of our overall long-term operating performance, based on a number of factors, including the nature of the item and/or the frequency with which it occurs. We believe that these adjustments provide a more representative view of EBITDA from our core operating business and allow for more meaningful comparisons.

(b) Primarily comprised of gains and losses from foreign currency movements and marketable securities. Amounts from period to period will not be comparable due to unpredictable fluctuations in these gains and losses.

(c) Adjustments to include cash distributions received from the Managed Programs in place of our pro rata share of net income from our ownership in the Managed Programs.

(d) Adjusted EBITDA is a non-GAAP measure. See the [Disclosures Regarding Non-GAAP and Other Metrics](#) section that follows for a description of our non-GAAP measures.

Disclosures Regarding Non-GAAP and Other Metrics

Non-GAAP Financial Disclosures

FFO and AFFO

Due to certain unique operating characteristics of real estate companies, as discussed below, NAREIT, an industry trade group, has promulgated a non-GAAP measure known as FFO, which we believe to be an appropriate supplemental measure, when used in addition to and in conjunction with results presented in accordance with GAAP, to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental non-GAAP measure. FFO is not equivalent to, nor a substitute for, net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as restated in December 2018. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property, impairment charges on real estate, gains or losses on changes in control of interests in real estate and depreciation and amortization from real estate assets; and after adjustments for unconsolidated partnerships and jointly owned investments. Adjustments for unconsolidated partnerships and jointly owned investments are calculated to reflect FFO.

We also modify the NAREIT computation of FFO to adjust GAAP net income for certain non-cash charges, such as amortization of real estate-related intangibles, deferred income tax benefits and expenses, straight-line rent and related reserves, other non-cash rent adjustments, non-cash allowance for credit losses on loans receivable and direct financing leases, stock-based compensation, non-cash environmental accretion expense, amortization of discounts and premiums on debt and amortization of deferred financing costs. Our assessment of our operations is focused on long-term sustainability and not on such non-cash items, which may cause short-term fluctuations in net income but have no impact on cash flows. Additionally, we exclude non-core income and expenses, such as gains or losses from extinguishment of debt and merger and acquisition expenses. We also exclude realized and unrealized gains/losses on foreign currency exchange transactions (other than those realized on the settlement of foreign currency derivatives), which are not considered fundamental attributes of our business plan and do not affect our overall long-term operating performance. We refer to our modified definition of FFO as AFFO. We exclude these items from GAAP net income to arrive at AFFO as they are not the primary drivers in our decision-making process and excluding these items provides investors a view of our portfolio performance over time and makes it more comparable to other REITs that are currently not engaged in acquisitions, mergers and restructuring, which are not part of our normal business operations. AFFO also reflects adjustments for unconsolidated partnerships and jointly owned investments. We use AFFO as one measure of our operating performance when we formulate corporate goals, evaluate the effectiveness of our strategies and determine executive compensation.

We believe that AFFO is a useful supplemental measure for investors to consider as we believe it will help them to better assess the sustainability of our operating performance without the potentially distorting impact of these short-term fluctuations. However, there are limits on the usefulness of AFFO to investors. For example, impairment charges and unrealized foreign currency losses that we exclude may become actual realized losses upon the ultimate disposition of the properties in the form of lower cash proceeds or other considerations. We use our FFO and AFFO measures as supplemental financial measures of operating performance. We do not use our FFO and AFFO measures as, nor should they be considered to be, alternatives to net income computed under GAAP, or as alternatives to net cash provided by operating activities computed under GAAP, or as indicators of our ability to fund our cash needs.

Same Store Pro Rata Rental Income

Same store pro rata rental income is a non-GAAP financial measure that is intended to reflect the performance of our net leased properties. We define this as contractual rents from our leased properties. Same store rental income excludes reimbursable tenant costs, amortization of intangibles and straight-line rent adjustments that are included in GAAP lease revenues. We present same store rental income on a pro rata basis to account for our share of income related to unconsolidated joint ventures and noncontrolling interests. We believe that same store pro rata rental income is a helpful measure that both investors and management can use to evaluate the financial performance of our leased properties. Same store pro rata rental income should not be considered as an alternative to lease revenues as an indication of our financial performance or to cash flows as a measure of liquidity or our ability to fund all needs. The method by which we calculate and present same store rental income and/or same store pro rata rental income may not be directly comparable to the way other REITs present such metrics.

Pro Rata Cash NOI

Cash net operating income ("cash NOI") is a non-GAAP financial measure that is intended to reflect the performance of our net leased and operating properties. We define cash NOI as cash rents from our leased and operating properties less non-reimbursable property expenses. Cash NOI excludes amortization of intangibles and straight-line rent adjustments that are included in GAAP lease revenues. We present cash NOI on a pro rata basis ("pro rata cash NOI") to account for our share of income related to unconsolidated joint ventures and noncontrolling interests. We believe that pro rata cash NOI is a helpful measure that both investors and management can use to evaluate the financial performance of our leased and operating properties and it allows for comparison of our operating performance between periods and to other REITs. Pro rata cash NOI should not be considered as an alternative to net income as an indication of our financial performance or to cash flows as a measure of liquidity or our ability to fund all needs. The method by which we calculate and present cash NOI and/or pro rata cash NOI may not be directly comparable to the way other REITs present such metrics.

Normalized Pro Rata Cash NOI

Normalized pro rata cash NOI is pro rata cash NOI as defined above adjusted primarily to exclude our pro rata share of cash NOI from properties disposed of during the most recent quarter and to include a full quarter of pro rata cash NOI related to properties acquired or capital investments and commitments completed during the period, as applicable. We believe this measure provides a helpful representation of our net operating income from our in-place leased and operating properties.

Adjusted EBITDA

We believe that EBITDA is a useful supplemental measure to investors and analysts for assessing the performance of our business segments because (i) it removes the impact of our capital structure from our operating results and (ii) it is helpful when comparing our operating performance to that of companies in our industry without regard to such items, which can vary substantially from company to company. Adjusted EBITDA as disclosed represents EBITDA, modified to include other adjustments to GAAP net income for certain non-cash charges, such as impairments, non-cash rent adjustments and unrealized gains and losses from our hedging activity. Additionally, we exclude gains and losses on sale of real estate, which are not considered fundamental attributes of our business plans and do not affect our overall long-term operating performance. We exclude these items from adjusted EBITDA as they are not the primary drivers in our decision-making process. Adjusted EBITDA reflects adjustments for unconsolidated partnerships and jointly owned investments. Our assessment of our operations is focused on long-term sustainability and not on such non-cash and non-core items, which may cause short-term fluctuations in net income but have no impact on cash flows. We believe that adjusted EBITDA is a useful supplemental measure to investors and analysts, although it does not represent net income that is computed in accordance with GAAP. Accordingly, adjusted EBITDA should not be considered as an alternative to net income or as an indicator of our financial performance. EBITDA and adjusted EBITDA as calculated by us may not be comparable to similarly titled measures of other companies.

Cash Interest Expense

Cash interest expense is a non-GAAP financial measure equal to interest expense calculated in accordance with GAAP, plus capitalized interest and other non-cash amortization expense, less amortization of deferred financing costs and debt premiums/discounts, adjusted for pro rata ownership. See the definition of cash interest expense coverage ratio below for a reconciliation of cash interest expense to its most directly compared GAAP measure, interest expense.

Cash Interest Expense Coverage Ratio

Cash interest expense coverage ratio is a non-GAAP financial measure representing the ratio of Adjusted EBITDA to cash interest expense on a trailing 12 months basis. We believe this ratio is useful to investors as a supplemental measure of our ability to satisfy fixed interest expense obligations. Cash interest expense for the trailing 12 months as of September 30, 2021 is equal to \$198.4 million, comprised of interest expense calculated in accordance with GAAP (\$202.5 million), plus capitalized interest (\$2.8 million) and other non-cash amortization expense (\$0.8 million), less amortization of deferred financing costs and debt premiums/discounts (\$13.5 million), adjusted for pro rata ownership (\$5.9 million).

Other Metrics

Pro Rata Metrics

This supplemental package contains certain metrics prepared on a pro rata basis. We refer to these metrics as pro rata metrics. We have a number of investments, usually with our affiliates, in which our economic ownership is less than 100%. On a full consolidation basis, we report 100% of the assets, liabilities, revenues and expenses of those investments that are deemed to be under our control or for which we are deemed to be the primary beneficiary, even if our ownership is less than 100%. Also, for all other jointly owned investments, which we do not control, we report our net investment and our net income or loss from that investment. On a pro rata basis, we present our proportionate share, based on our economic ownership of these jointly owned investments, of the assets, liabilities, revenues and expenses of those investments. Multiplying each of our jointly owned investments' financial statement line items by our percentage ownership and adding or subtracting those amounts from our totals, as applicable, may not accurately depict the legal and economic implications of holding an ownership interest of less than 100% in our jointly owned investments.

ABR

ABR represents contractual minimum annualized base rent for our net-leased properties and reflects exchange rates as of September 30, 2021. If there is a rent abatement, we annualize the first monthly contractual base rent following the free rent period. ABR is not applicable to operating properties and is presented on a pro rata basis.