

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-13779



W. P. Carey Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

45-4549771

(I.R.S. Employer Identification No.)

One Manhattan West, 395 9th Avenue, 58th Floor

New York, New York

(Address of principal executive offices)

10001

(Zip Code)

Investor Relations (212) 492-8920

(212) 492-1100

(Registrant's telephone numbers, including area code)

(Former name or former address, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	WPC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Registrant has 219,145,024 shares of common stock, \$0.001 par value, outstanding at October 24, 2025.

INDEX

Page No.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

[Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024](#) [3](#)

[Consolidated Statements of Income for the Three and Nine Months Ended September 30, 2025 and 2024](#) [4](#)

[Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2025 and 2024](#) [5](#)

[Consolidated Statements of Equity for the Three and Nine Months Ended September 30, 2025 and 2024](#) [6](#)

[Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2025 and 2024](#) [8](#)

[Notes to Consolidated Financial Statements](#) [9](#)

Item 2. [Management’s Discussion and Analysis of Financial Condition and Results of Operations](#) [37](#)

Item 3. [Quantitative and Qualitative Disclosures About Market Risk](#) [57](#)

Item 4. [Controls and Procedures](#) [59](#)

PART II — OTHER INFORMATION

Item 6. [Exhibits](#) [60](#)

[Signatures](#) [61](#)

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this “Report”), including Management’s Discussion and Analysis of Financial Condition and Results of Operations in Item 2 of Part I of this Report, contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. These forward-looking statements include, but are not limited to, statements regarding: our expectations surrounding the impact of the broader macroeconomic environment and the ability of tenants to pay rent; our financial condition, liquidity, results of operations, and prospects; our future capital expenditure and leverage levels, debt service obligations, and plans to fund our liquidity needs; prospective statements regarding our access to the capital markets, including our “at-the-market” program (“ATM Program”); statements that we make regarding our ability to remain qualified for taxation as a real estate investment trust (“REIT”); and the impact of recently issued accounting pronouncements and other regulatory activity.

These statements are based on the current expectations of our management. It is important to note that our actual results could be materially different from those projected in such forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. Other unknown or unpredictable risks or uncertainties, like the risks related to fluctuating interest rates, the impact of inflation and tariffs on our tenants and us, the effects of pandemics and global outbreaks of contagious diseases, and domestic or geopolitical crises, such as terrorism, military conflict, war or the perception that hostilities may be imminent, political instability or civil unrest, or other conflict, could also have material adverse effects on our business, financial condition, liquidity, results of operations, and prospects. You should exercise caution in relying on forward-looking statements as they involve known and unknown risks, uncertainties, and other factors that may materially affect our future results, performance, achievements, or transactions. Information on factors that could impact actual results and cause them to differ from what is anticipated in the forward-looking statements contained herein is included in this Report, as well as in our other filings with the Securities and Exchange Commission (“SEC”), including but not limited to those described in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 12, 2025 (the “2024 Annual Report”). Moreover, because we operate in a very competitive and rapidly changing environment, new risks are likely to emerge from time to time. Given these risks and uncertainties, potential investors are cautioned not to place undue reliance on these forward-looking statements as a prediction of future results, which speak only as of the date of this Report, unless noted otherwise. Except as required by federal securities laws and the rules and regulations of the SEC, we do not undertake to revise or update any forward-looking statements.

All references to “Notes” throughout the document refer to the footnotes to the consolidated financial statements of the registrant in Part I, [Item 1. Financial Statements](#) (Unaudited).

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

W. P. CAREY INC.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share and per share amounts)

	September 30, 2025	December 31, 2024
Assets		
Investments in real estate:		
Land, buildings and improvements — net lease and other	\$ 14,056,399	\$ 12,842,869
Land, buildings and improvements — operating properties	626,368	1,198,676
Net investments in finance leases and loans receivable	1,149,856	798,259
In-place lease intangible assets and other	2,405,227	2,297,572
Above-market rent intangible assets	671,501	665,495
Investments in real estate	18,909,351	17,802,871
Accumulated depreciation and amortization	(3,508,787)	(3,222,396)
Assets held for sale, net	8,062	—
Net investments in real estate	15,408,626	14,580,475
Equity method investments	311,173	301,115
Cash and cash equivalents	249,029	640,373
Other assets, net	1,029,245	1,045,218
Goodwill	986,967	967,843
Total assets ^(a)	\$ 17,985,040	\$ 17,535,024
Liabilities and Equity		
Debt:		
Senior unsecured notes, net	\$ 6,943,940	\$ 6,505,907
Unsecured term loans, net	1,194,466	1,075,826
Unsecured revolving credit facility	354,846	55,448
Non-recourse mortgages, net	191,387	401,821
Debt, net	8,684,639	8,039,002
Accounts payable, accrued expenses and other liabilities	647,335	596,994
Below-market rent intangible liabilities, net	111,339	119,831
Deferred income taxes	164,846	147,461
Dividends payable	204,722	197,612
Total liabilities ^(a)	9,812,881	9,100,900
Commitments and contingencies (Note 11)		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 450,000,000 shares authorized; 219,144,586 and 218,848,844 shares, respectively, issued and outstanding	219	219
Additional paid-in capital	11,822,063	11,805,179
Distributions in excess of accumulated earnings	(3,484,513)	(3,203,974)
Deferred compensation obligation	80,186	78,503
Accumulated other comprehensive loss	(262,222)	(250,232)
Total stockholders' equity	8,155,733	8,429,695
Noncontrolling interests	16,426	4,429
Total equity	8,172,159	8,434,124
Total liabilities and equity	\$ 17,985,040	\$ 17,535,024

(a) See [Note 2](#) for details related to variable interest entities (“VIEs”).

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues				
Real Estate:				
Lease revenues	\$ 372,087	\$ 334,039	\$ 1,090,050	\$ 980,394
Income from finance leases and loans receivable	26,498	15,712	64,232	56,466
Operating property revenues	26,771	37,323	94,152	112,681
Other lease-related income	3,660	7,701	16,424	19,005
	<u>429,016</u>	<u>394,775</u>	<u>1,264,858</u>	<u>1,168,546</u>
Investment Management:				
Asset management revenue	1,218	1,557	3,872	5,136
Other advisory income and reimbursements	1,069	1,051	3,208	3,171
	<u>2,287</u>	<u>2,608</u>	<u>7,080</u>	<u>8,307</u>
	<u>431,303</u>	<u>397,383</u>	<u>1,271,938</u>	<u>1,176,853</u>
Operating Expenses				
Depreciation and amortization	125,586	115,705	375,788	371,954
General and administrative	23,656	22,679	74,773	74,715
Impairment charges — real estate	19,474	—	30,677	15,752
Operating property expenses	15,049	17,765	48,314	54,280
Property expenses, excluding reimbursable tenant costs	14,637	10,993	39,966	37,097
Reimbursable tenant costs	14,562	13,337	49,372	40,314
Stock-based compensation expense	11,153	13,468	31,244	31,227
Merger and other expenses	1,021	283	1,769	4,941
	<u>225,138</u>	<u>194,230</u>	<u>651,903</u>	<u>630,280</u>
Other Income and Expenses				
Interest expense	(75,226)	(72,526)	(215,825)	(206,484)
Gain on sale of real estate, net	44,401	15,534	141,002	70,342
Other gains and (losses)	(31,011)	(77,107)	(221,976)	(60,764)
Non-operating income	3,030	13,669	14,435	38,389
Earnings from equity method investments	2,361	6,124	13,900	17,624
Gain on change in control of interests	—	31,849	—	31,849
	<u>(56,445)</u>	<u>(82,457)</u>	<u>(268,464)</u>	<u>(109,044)</u>
Income before income taxes	149,720	120,696	351,571	437,529
Provision for income taxes	(8,495)	(9,044)	(33,218)	(23,937)
Net Income	<u>141,225</u>	<u>111,652</u>	<u>318,353</u>	<u>413,592</u>
Net (income) loss attributable to noncontrolling interests	(229)	46	(313)	224
Net Income Attributable to W. P. Carey	<u>\$ 140,996</u>	<u>\$ 111,698</u>	<u>\$ 318,040</u>	<u>\$ 413,816</u>
Basic Earnings Per Share	<u>\$ 0.64</u>	<u>\$ 0.51</u>	<u>\$ 1.44</u>	<u>\$ 1.88</u>
Diluted Earnings Per Share	<u>\$ 0.64</u>	<u>\$ 0.51</u>	<u>\$ 1.44</u>	<u>\$ 1.88</u>
Weighted-Average Shares Outstanding				
Basic	<u>220,562,909</u>	<u>220,221,366</u>	<u>220,511,825</u>	<u>220,149,886</u>
Diluted	<u>221,087,833</u>	<u>220,404,149</u>	<u>221,033,628</u>	<u>220,425,244</u>

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net Income	\$ 141,225	\$ 111,652	\$ 318,353	\$ 413,592
Other Comprehensive Income (Loss)				
Unrealized gain (loss) on derivative instruments	7,813	(13,742)	(36,815)	(7,429)
Foreign currency translation adjustments	(5,204)	28,630	25,308	24,268
	2,609	14,888	(11,507)	16,839
Comprehensive Income	143,834	126,540	306,846	430,431
Amounts Attributable to Noncontrolling Interests				
Net (income) loss	(229)	46	(313)	224
Foreign currency translation adjustments	(81)	(235)	(483)	41
Comprehensive (income) loss attributable to noncontrolling interests	(310)	(189)	(796)	265
Comprehensive Income Attributable to W. P. Carey	<u>\$ 143,524</u>	<u>\$ 126,351</u>	<u>\$ 306,050</u>	<u>\$ 430,696</u>

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
(in thousands, except share and per share amounts)

	W. P. Carey Stockholders								
	Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	Shares	Amount							
Balance at July 1, 2025	218,978,908	\$ 219	\$ 11,803,487	\$ (3,424,094)	\$ 97,002	\$ (264,750)	\$ 8,211,864	\$ 13,468	\$ 8,225,332
Shares issued upon delivery of vested restricted share awards	165,678	—	(9,666)				(9,666)		(9,666)
Amortization of stock-based compensation expense			11,153				11,153		11,153
Delivery of deferred vested shares, net			14,976		(14,976)		—		—
Dividends declared (\$0.910 per share)			2,113	(201,415)	(1,840)		(201,142)		(201,142)
Net income				140,996			140,996	229	141,225
Contributions from noncontrolling interests (Note 5)							—	2,851	2,851
Distributions to noncontrolling interests							—	(203)	(203)
Other comprehensive income:									—
Unrealized gain on derivative instruments						7,813	7,813		7,813
Foreign currency translation adjustments						(5,285)	(5,285)	81	(5,204)
Balance at September 30, 2025	<u>219,144,586</u>	<u>\$ 219</u>	<u>\$ 11,822,063</u>	<u>\$ (3,484,513)</u>	<u>\$ 80,186</u>	<u>\$ (262,222)</u>	<u>\$ 8,155,733</u>	<u>\$ 16,426</u>	<u>\$ 8,172,159</u>

	W. P. Carey Stockholders								
	Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	Shares	Amount							
Balance at July 1, 2024	218,831,869	\$ 219	\$ 11,782,157	\$ (2,975,236)	\$ 78,379	\$ (252,640)	\$ 8,632,879	\$ 6,620	\$ 8,639,499
Shares issued upon delivery of vested restricted share awards	15,146	—	(84)				(84)		(84)
Amortization of stock-based compensation expense			13,468				13,468		13,468
Deferral of vested shares, net			(27)		27		—		—
Dividends declared (\$0.875 per share)				(193,170)	14		(193,156)		(193,156)
Net income				111,698			111,698	(46)	111,652
Distributions to noncontrolling interests							—	(321)	(321)
Other comprehensive income:									
Foreign currency translation adjustments						28,395	28,395	235	28,630
Unrealized loss on derivative instruments						(13,742)	(13,742)		(13,742)
Balance at September 30, 2024	<u>218,847,015</u>	<u>\$ 219</u>	<u>\$ 11,795,514</u>	<u>\$ (3,056,708)</u>	<u>\$ 78,420</u>	<u>\$ (237,987)</u>	<u>\$ 8,579,458</u>	<u>\$ 6,488</u>	<u>\$ 8,585,946</u>

(Continued)

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
(Continued)

(in thousands, except share and per share amounts)

	W. P. Carey Stockholders								
	Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	Shares	\$0.001 Par Value Amount							
Balance at January 1, 2025	218,848,844	\$ 219	\$ 11,805,179	\$ (3,203,974)	\$ 78,503	\$ (250,232)	\$ 8,429,695	\$ 4,429	\$ 8,434,124
Shares issued upon delivery of vested restricted share awards	293,057	—	(14,873)				(14,873)		(14,873)
Shares issued upon purchases under employee share purchase plan	2,685	—	151				151		151
Amortization of stock-based compensation expense			31,244				31,244		31,244
Deferral of vested shares, net			(2,237)		2,237		—		—
Dividends declared (\$2.700 per share)			2,599	(598,579)	(554)		(596,534)		(596,534)
Net income				318,040			318,040	313	318,353
Contributions from noncontrolling interests (Note 5)							—	7,652	7,652
Non-cash contributions from noncontrolling interests (Note 5)							—	3,872	3,872
Distributions to noncontrolling interests							—	(323)	(323)
Other comprehensive loss:									
Unrealized loss on derivative instruments						(36,815)	(36,815)		(36,815)
Foreign currency translation adjustments						24,825	24,825	483	25,308
Balance at September 30, 2025	<u>219,144,586</u>	<u>\$ 219</u>	<u>\$ 11,822,063</u>	<u>\$ (3,484,513)</u>	<u>\$ 80,186</u>	<u>\$ (262,222)</u>	<u>\$ 8,155,733</u>	<u>\$ 16,426</u>	<u>\$ 8,172,159</u>

	W. P. Carey Stockholders								
	Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	Shares	\$0.001 Par Value Amount							
Balance at January 1, 2024	218,671,874	\$ 219	\$ 11,784,461	\$ (2,891,424)	\$ 62,046	\$ (254,867)	\$ 8,700,435	\$ 6,562	\$ 8,706,997
Shares issued upon delivery of vested restricted share awards	171,216	—	(6,949)				(6,949)		(6,949)
Shares issued upon purchases under employee share purchase plan	3,925	—	198				198		198
Amortization of stock-based compensation expense			31,227				31,227		31,227
Deferral of vested shares, net			(14,472)		14,472		—		—
Dividends declared (\$2.610 per share)			1,049	(579,100)	1,902		(576,149)		(576,149)
Net income				413,816			413,816	(224)	413,592
Contributions from noncontrolling interests							—	622	622
Distributions to noncontrolling interests							—	(431)	(431)
Other comprehensive income:									
Foreign currency translation adjustments						24,309	24,309	(41)	24,268
Unrealized loss on derivative instruments						(7,429)	(7,429)		(7,429)
Balance at September 30, 2024	<u>218,847,015</u>	<u>\$ 219</u>	<u>\$ 11,795,514</u>	<u>\$ (3,056,708)</u>	<u>\$ 78,420</u>	<u>\$ (237,987)</u>	<u>\$ 8,579,458</u>	<u>\$ 6,488</u>	<u>\$ 8,585,946</u>

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash Flows — Operating Activities		
Net income	\$ 318,353	\$ 413,592
Adjustments to net income:		
Depreciation and amortization, including intangible assets and deferred financing costs	388,749	386,343
Net realized and unrealized losses on equity securities, extinguishment of debt, foreign currency exchange rate movements, and other	194,908	60,692
Gain on sale of real estate, net	(141,002)	(70,342)
Straight-line rent adjustments	(58,353)	(57,656)
Stock-based compensation expense	31,244	31,227
Impairment charges — real estate	30,677	15,752
Increase in allowance for credit losses	26,968	10,798
Earnings from equity method investments	(13,900)	(17,624)
Distributions of earnings from equity method investments	12,552	16,821
Amortization of rent-related intangibles and deferred rental revenue	10,401	14,221
Deferred income tax expense (benefit)	823	(4,341)
Gain on change in control of interests	—	(31,849)
Gain on repayment of secured loan receivable	—	(10,650)
Proceeds from sales of net investments in sales-type leases	200,203	806,981
Net changes in other operating assets and liabilities	(23,937)	(27,200)
Net Cash Provided by Operating Activities	977,686	1,536,765
Cash Flows — Investing Activities		
Purchases of real estate	(1,041,908)	(576,716)
Proceeds from sales of real estate	770,055	287,565
Investments in loans receivable	(378,479)	(83,816)
Funding for real estate construction, redevelopments, and other capital expenditures on real estate	(107,170)	(71,020)
Value added taxes refunded in connection with acquisition of real estate	37,357	18,270
Value added taxes paid in connection with acquisition of real estate	(34,304)	(36,516)
Purchase of equity investment	(5,000)	—
Return of capital from equity method investments	3,472	1,027
Capital contributions to equity method investments	(3,170)	(9,126)
Other investing activities, net	2,166	15,269
Proceeds from repayment of loans receivable	—	24,000
Release of tenant-funded escrow for investing activities	—	(4,959)
Net Cash Used in Investing Activities	(756,981)	(436,022)
Cash Flows — Financing Activities		
Proceeds from Unsecured Revolving Credit Facility	2,329,660	1,138,577
Repayments of Unsecured Revolving Credit Facility	(2,035,756)	(1,311,889)
Dividends paid	(589,424)	(572,456)
Repayment of Senior Unsecured Notes	(450,000)	(1,044,500)
Proceeds from issuance of Senior Unsecured Notes	396,352	1,098,314
Payments of mortgage principal	(223,036)	(190,213)
Repayments of term loans	(90,224)	—
Proceeds from term loans	86,224	—
Payments for withholding taxes upon delivery of equity-based awards	(14,873)	(6,950)
Contributions from noncontrolling interests	7,652	622
Other financing activities, net	5,388	(15,818)
Payment of financing costs	(3,985)	(9,754)
Distributions to noncontrolling interests	(323)	(431)
Net Cash Used in Financing Activities	(582,345)	(914,498)
Change in Cash and Cash Equivalents and Restricted Cash During the Period		
Effect of exchange rate changes on cash and cash equivalents and restricted cash	20,515	913
Net (decrease) increase in cash and cash equivalents and restricted cash	(341,125)	187,158
Cash and cash equivalents and restricted cash, beginning of period	690,701	691,971
Cash and cash equivalents and restricted cash, end of period	\$ 349,576	\$ 879,129

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1. Business and Organization

W. P. Carey Inc. (“W. P. Carey” or the “Company”) is a REIT that, together with our consolidated subsidiaries, invests primarily in operationally-critical, single-tenant commercial real estate properties located in the United States and Europe that are leased on a long-term basis. We earn revenue principally by leasing the properties we own to companies on a triple-net lease basis, which generally requires each tenant to pay the costs associated with operating and maintaining the property.

Founded in 1973, our shares of common stock are listed on the New York Stock Exchange under the symbol “WPC.”

We elected to be taxed as a REIT under Section 856 through 860 of the Internal Revenue Code effective as of February 15, 2012. As a REIT, we are not subject to federal income taxes on income and gains that we distribute to our stockholders as long as we satisfy certain requirements, principally relating to the nature of our income and the level of our distributions, as well as other factors. We also own real property in jurisdictions outside the United States through foreign subsidiaries and are subject to income taxes on our pre-tax income earned from properties in such countries.

Lease revenues from our real estate investments generate the vast majority of our earnings. We invest primarily in commercial properties located in the United States and Europe, which are leased to companies on a triple-net lease basis. At September 30, 2025, our portfolio was comprised of our full or partial ownership interests in 1,662 properties, totaling approximately 183 million square feet, substantially all of which were net leased to 373 tenants, with a weighted-average lease term of 12.1 years and an occupancy rate of 97.0%. In addition, at September 30, 2025, our portfolio was comprised of 47 operating properties, including 42 self-storage properties, four hotels, and one student housing property, totaling approximately 3.4 million square feet.

We operate as one reportable segment. Our business is characterized as investing primarily in operationally-critical, single-tenant commercial real estate properties that are principally leased on a long-term basis. These economic characteristics are similar across various property types, geographic locations, and industries in which our tenants operate and therefore considered one operating segment. Our consolidated operating results, including net income, are regularly reviewed, in the aggregate, by our chief operating decision maker (“CODM”) to evaluate performance and allocate resources, which can be found on our consolidated financial statements.

Our revenues are largely derived from the long-term leases that we execute with tenants. These revenues are classified as either Lease revenues ([Note 4](#)) or Income from finance leases and loans receivable ([Note 5](#)) in accordance with Accounting Standards Codification (“ASC”) 842, *Leases*.

Our operating expenses are regularly reviewed by our CODM. All expenses are reviewed, but our CODM is regularly provided with the following significant expenses, which are included in our consolidated financial statements and require no additional disaggregation: General and administrative expenses, Property expenses, excluding reimbursable tenant costs, Interest expense, and Provision for income taxes.

Note 2. Basis of Presentation

Basis of Presentation

Our interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not necessarily include all information and footnotes necessary for a complete statement of our consolidated financial position, results of operations, and cash flows in accordance with generally accepted accounting principles in the United States (“GAAP”). In the opinion of management, the unaudited financial information for the interim periods presented in this Report reflects all normal and recurring adjustments necessary for a fair presentation of financial position, results of operations, and cash flows. Our interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, which are included in the 2024 Annual Report, as certain disclosures that would substantially duplicate those contained in the audited consolidated financial statements have not been included in this Report. Operating results for interim periods are not necessarily indicative of operating results for an entire year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Basis of Consolidation

Our consolidated financial statements reflect all of our accounts, including those of our controlled subsidiaries. The portions of equity in consolidated subsidiaries that are not attributable, directly or indirectly, to us are presented as noncontrolling interests. All significant intercompany accounts and transactions have been eliminated.

When we obtain an economic interest in an entity, we evaluate the entity to determine if it should be deemed a VIE and, if so, whether we are the primary beneficiary and are therefore required to consolidate the entity. There have been no significant changes in our VIE policies from what was disclosed in the 2024 Annual Report.

During the nine months ended September 30, 2025, we had a net decrease of three entities classified as a VIEs, primarily due to the completion of certain tax-deferred like-kind exchanges under Section 1031 of the Internal Revenue Code (“1031 Exchange”) and the liquidation of an unconsolidated investment in equity securities, partially offset by committing to certain joint venture construction projects ([Note 5](#)).

At September 30, 2025 and December 31, 2024, we considered 11 and 14 entities, respectively, to be VIEs, of which we consolidated seven and nine, respectively, as we are considered the primary beneficiary. The following table presents a summary of selected financial data of the consolidated VIEs included in our consolidated balance sheets (in thousands):

	September 30, 2025	December 31, 2024
Land, buildings and improvements — net lease and other	\$ 122,180	\$ 468,484
Net investments in finance leases and loans receivable	166,734	144,103
In-place lease intangible assets and other	9,537	67,764
Above-market rent intangible assets	4,040	3,757
Accumulated depreciation and amortization	(22,150)	(19,391)
Total assets	286,895	671,402
Non-recourse mortgages, net	\$ —	\$ 47,853
Below-market rent intangible liabilities, net	25	25
Total liabilities	16,508	72,521

At September 30, 2025 and December 31, 2024, our four and five unconsolidated VIEs, respectively, included our interests in (i) two unconsolidated real estate investments, which we account for under the equity method of accounting (we do not consolidate these entities because we are not the primary beneficiary and the nature of our involvement in the activities of these entities allows us to exercise significant influence on, but does not give us power over, decisions that significantly affect the economic performance of these entities), (ii) one and two unconsolidated investments in equity securities, respectively, which we accounted for as investments in shares of the entities at fair value, and (iii) one construction loan investment, which we accounted for as a secured loan receivable. As of September 30, 2025, and December 31, 2024, the net carrying amount of our investments in these entities was \$490.0 million and \$576.2 million, respectively, and our maximum exposure to loss in these entities was limited to our investments.

Revenue Recognition

There have been no significant changes in our policies for revenue from contracts under ASC 606 from what was disclosed in the 2024 Annual Report. ASC 606 does not apply to our lease revenues, which constitute a majority of our revenues, but primarily applies to (i) revenues generated from our hotel operating properties and (ii) investment management revenues. Revenue from contracts primarily represented hotel operating property revenues of \$10.7 million and \$11.6 million for the three months ended September 30, 2025 and 2024, respectively, and \$29.0 million and \$34.1 million for the nine months ended September 30, 2025 and 2024, respectively, generated from five hotels located in the United States (one of which was sold during the second quarter of 2024). Investment management revenue from contracts under ASC 606 is discussed in [Note 3](#).

Cash and Cash Equivalents and Restricted Cash

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

	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 249,029	\$ 640,373
Restricted cash ^(a)	100,547	50,328
Total cash and cash equivalents and restricted cash	<u>\$ 349,576</u>	<u>\$ 690,701</u>

- (a) Restricted cash is included within Other assets, net on our consolidated balance sheets. Amounts as of September 30, 2025 and December 31, 2024 included \$64.1 million and \$14.6 million, respectively, of proceeds from certain dispositions, which were held by an intermediary and were designated for future 1031 Exchange transactions.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires public companies to annually (i) disclose specific categories in the rate reconciliation disclosure and (ii) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pre-tax income or loss by the applicable statutory income tax rate). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions, among other changes. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of this guidance on our consolidated financial statements.

Note 3. Agreements and Transactions with Related Parties**Advisory Agreements with NLOP and CESH**

We currently have advisory arrangements with Net Lease Office Properties (“NLOP”) and Carey European Student Housing Fund I, L.P. (“CESH”), pursuant to which we earn fees and are entitled to receive reimbursement for certain administrative expenses.

The following tables present a summary of revenue earned and reimbursable costs received/accrued from NLOP and CESH for the periods indicated, included in the consolidated financial statements (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Asset management revenue ^{(a) (b)}	\$ 1,218	\$ 1,557	\$ 3,872	\$ 5,136
Administrative reimbursements ^{(a) (c)}	1,000	1,000	3,000	3,000
Reimbursable costs from affiliates ^{(a) (c)}	69	51	208	171
	<u>\$ 2,287</u>	<u>\$ 2,608</u>	<u>\$ 7,080</u>	<u>\$ 8,307</u>
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
NLOP	\$ 2,121	\$ 2,465	\$ 6,590	\$ 7,868
CESH	166	143	490	439
	<u>\$ 2,287</u>	<u>\$ 2,608</u>	<u>\$ 7,080</u>	<u>\$ 8,307</u>

- (a) Amounts represent revenues from contracts under ASC 606.
(b) Included within Asset management revenue in the consolidated statements of income.
(c) Included within Other advisory income and reimbursements in the consolidated statements of income.

Notes to Consolidated Financial Statements (Unaudited)

The following table presents a summary of amounts due from affiliates, which are included within Other assets, net in the consolidated financial statements (in thousands):

	September 30, 2025	December 31, 2024
Accounts receivable	\$ 498	\$ 462
Asset management fees receivable	473	554
Reimbursable costs	64	73
	<u>\$ 1,035</u>	<u>\$ 1,089</u>

Asset Management Revenue

Under the advisory agreement with NLOP, we earn an asset management fee, paid in cash, which was initially set at an annual amount of \$7.5 million and is being reduced proportionately following the disposition of each portfolio property. Under the advisory agreement with CESH, we earn asset management revenue at a rate of 1.0% based on its gross assets at fair value, paid in cash.

Administrative Reimbursements

Under the advisory agreement with NLOP, we earn a base administrative amount of approximately \$4.0 million annually, for certain administrative services, including day-to-day management services, investor relations, accounting, tax, legal, and other administrative matters, paid in cash.

Reimbursable Costs from Affiliates

CESH reimburses us in cash for certain personnel and overhead costs that we incur on its behalf, based on actual expenses incurred.

Back-End Fees and Interests in CESH

Under our advisory arrangements with CESH, we may also receive compensation in connection with providing a liquidity event for its investors. Such back-end fees or interests include interests in disposition proceeds. There can be no assurance as to whether or when any back-end fees or interests will be realized.

Other Transactions with Affiliates and Related Parties

Captive Insurance Company

In March 2025, we formed a wholly owned captive insurance company, which commenced operations in May 2025 and insures a portion of the North American real property portfolios of each of NLOP and us. Annual property insurance premiums from NLOP properties (commencing May 1, 2025) total \$0.7 million, of which we recognized \$0.2 million and \$0.3 million for the three and nine months ended September 30, 2025, respectively, which is included in Other gains and (losses) in the consolidated financial statements. Our captive insurance company does not have a material impact on our consolidated financial statements.

Other

At September 30, 2025, we owned interests in nine jointly owned investments in real estate, with the remaining interests held by third parties. We consolidate six such investments and account for the remaining three investments under the equity method of accounting ([Note 7](#)). In addition, we owned limited partnership units of CESH at that date. We elected to account for our investment in CESH under the fair value option ([Note 7](#)).

Note 4. Land, Buildings and Improvements, and Assets Held for Sale***Land, Buildings and Improvements — Net Lease and Other***

Land and buildings leased to others, which are subject to operating leases, and real estate under construction, are summarized as follows (in thousands):

	September 30, 2025	December 31, 2024
Land	\$ 2,775,127	\$ 2,398,409
Buildings and improvements	11,215,500	10,388,418
Real estate under construction	65,772	56,042
Less: Accumulated depreciation	(1,951,796)	(1,701,892)
	<u>\$ 12,104,603</u>	<u>\$ 11,140,977</u>

During the nine months ended September 30, 2025, the U.S. dollar weakened against the euro, as the end-of-period rate for the U.S. dollar in relation to the euro increased by 13.0% to \$1.1741 from \$1.0389. As a result of this fluctuation in foreign currency exchange rates, the carrying value of our Land, buildings and improvements — net lease and other increased by \$433.3 million from December 31, 2024 to September 30, 2025.

During the nine months ended September 30, 2025, we reclassified a portfolio of 26 properties classified as Land, buildings and improvements — net lease and other to Net investments in finance leases and loans receivable since we entered into an agreement to sell the properties to the tenant. As a result, the carrying value of our Land, buildings and improvements — net lease and other decreased by \$121.0 million from December 31, 2024 to September 30, 2025 ([Note 5](#)). These properties were sold in June 2025.

During the nine months ended September 30, 2025, we reclassified a property classified as Land, buildings and improvements — net lease and other to Net investments in finance leases and loans receivable since we entered into an agreement to sell the property to the tenant. As a result, the carrying value of our Land, buildings and improvements — net lease and other decreased by \$3.5 million from December 31, 2024 to September 30, 2025 ([Note 5](#)). This property was sold in July 2025.

On September 1, 2024, we entered into net lease agreements for certain self-storage properties previously classified as operating properties. On April 1, 2025, two of these net leases commenced; on July 1, 2025, one of these net leases commenced; and on August 1, 2025, one of these net leases commenced. As a result, on those dates, we reclassified four self-storage properties with an aggregate carrying value of \$51.3 million from Land, buildings and improvements — operating properties to Land, buildings and improvements — net lease and other. Effective as of those times, we began recognizing lease revenues from these properties, whereas previously we recognized operating property revenues and expenses from these properties.

In connection with changes in lease classifications due to extensions of the underlying leases, we reclassified three properties with an aggregate carrying value of \$15.0 million from Net investments in finance leases and loans receivable to Land, buildings and improvements — net lease and other during the nine months ended September 30, 2025 ([Note 5](#)).

Depreciation expense, including the effect of foreign currency translation, on our buildings and improvements subject to operating leases was \$78.6 million and \$74.8 million for the three months ended September 30, 2025 and 2024, respectively, and \$231.3 million and \$219.0 million for the nine months ended September 30, 2025 and 2024, respectively.

Acquisitions of Real Estate

During the nine months ended September 30, 2025, we entered into the following investments, which were deemed to be real estate asset acquisitions (dollars in thousands):

Property Location(s)	Number of Properties	Date of Acquisition	Property Type	Total Capitalized Costs
Various, United States ^(a)	59	2/26/2025	Industrial, Warehouse	\$ 136,022
Various, United States ^(b)	4	3/3/2025	Retail	8,474
Mishawaka, Indiana	1	3/26/2025	Specialty (Healthcare)	31,762
Various, Germany (3 properties) and La Garriga, Spain ^(c)	4	4/11/2025	Industrial	42,981
Santa Fe Springs, California	1	4/23/2025	Warehouse	128,043
Various, Italy (7 properties) and Málaga and Burgos, Spain ^(c)	9	5/13/2025	Industrial	73,280
Chattanooga, Tennessee	1	6/16/2025	Industrial	20,247
Newark, New Jersey and Boston, Massachusetts	2	6/17/2025	Industrial	101,856
San Francisco, California	1	7/11/2025	Industrial	49,604
Various, United States ^(d)	8	7/11/2025; 8/28/2025	Retail	15,796
Loughborough and Ilkeston, United Kingdom ^(c)	2	7/16/2025	Retail	68,308
Houston, Texas	1	7/31/2025	Industrial	18,357
Various, France (3 properties) and Medina del Campo, Spain ^(c)	4	7/31/2025	Industrial	56,388
Various, Italy ^(c)	35	8/6/2025	Industrial, Warehouse	81,900
Monterrey and San Juan del Rio, Mexico	4	8/26/2025	Industrial	44,033
Mesquite, Texas	1	9/18/2025	Industrial	92,271
Kissimmee, Florida	1	9/23/2025	Retail	14,338
Toronto and Markham, Canada; and Lee's Summit, Missouri ^(c)	3	9/24/2025	Industrial	67,170
	<u>141</u>			<u>\$ 1,050,830</u>

(a) This investment includes properties located across 13 U.S. states.

(b) This investment includes properties located across three U.S. states.

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

(d) This investment includes properties located across four U.S. states.

The aggregate purchase price allocation for investments disclosed above is as follows (dollars in thousands):

	Total Capitalized Costs
Land	\$ 321,370
Buildings and improvements	585,385
Intangible assets and liabilities:	
In-place lease (weighted-average expected life of 17.1 years)	156,792
Above-market rent (expected life of 15.5 years)	14,059
Below-market rent (expected life of 5.7 years)	(3,061)
Prepaid rent liabilities	(23,715)
	<u>\$ 1,050,830</u>

Real Estate Under Construction — Net Lease and Operating Properties

During the nine months ended September 30, 2025, we capitalized real estate under construction totaling \$62.0 million. The number of construction projects in progress with balances included in real estate under construction was five and four as of September 30, 2025 and December 31, 2024, respectively. Aggregate unfunded commitments totaled approximately \$59.4 million and \$72.1 million as of September 30, 2025 and December 31, 2024, respectively.

During the nine months ended September 30, 2025, we completed the following construction projects (dollars in thousands):

Property Location(s)	Primary Transaction Type	Number of Properties	Date of Completion	Property Type	Total Capitalized Costs
Galeras, Mexico	Expansion	1	6/26/2025	Industrial	\$ 4,843
Bedford, Massachusetts	Redevelopment	1	7/22/2025	Research and Development	42,059
		<u>2</u>			<u>\$ 46,902</u>

During the nine months ended September 30, 2025, we committed to fund three construction projects totaling \$47.7 million. We currently expect to complete these projects in 2026.

Capitalized interest incurred during construction was \$0.2 million for both the three months ended September 30, 2025 and 2024, and \$0.8 million and \$0.6 million for the nine months ended September 30, 2025 and 2024, respectively, which reduces Interest expense in the consolidated statements of income.

Dispositions of Properties

During the nine months ended September 30, 2025, we sold 21 properties, which were classified as Land, buildings and improvements — net lease and other. As a result, the carrying value of our Land, buildings and improvements — net lease and other decreased by \$158.6 million from December 31, 2024 to September 30, 2025 ([Note 14](#)).

Other Lease-Related Income

2025 — For the three and nine months ended September 30, 2025, other lease-related income on our consolidated statements of income included: (i) lease termination income of \$2.9 million and \$10.3 million, respectively, and (ii) other lease-related settlements totaling \$0.3 million and \$4.7 million, respectively.

2024 — For the three and nine months ended September 30, 2024, other lease-related income on our consolidated statements of income included: (i) other lease-related settlements totaling \$5.1 million and \$15.8 million, respectively, and (ii) lease termination income of \$2.3 million for both the three and nine months ended September 30, 2024.

Leases

Operating Lease Income

Lease income related to operating leases recognized and included in the consolidated statements of income is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Lease income — fixed	\$ 333,265	\$ 299,180	\$ 969,537	\$ 873,063
Lease income — variable ^(a)	38,822	34,859	120,513	107,331
Total operating lease income	<u>\$ 372,087</u>	<u>\$ 334,039</u>	<u>\$ 1,090,050</u>	<u>\$ 980,394</u>

- (a) Includes (i) rent increases based on changes in the U.S. Consumer Price Index (CPI) and other comparable indices and (ii) reimbursements for property taxes, insurance, and common area maintenance services.

Land, Buildings and Improvements — Operating Properties

At September 30, 2025, Land, buildings and improvements — operating properties consisted of our investments in 42 self-storage properties, four hotels, and one student housing property. At December 31, 2024, Land, buildings and improvements — operating properties consisted of our investments in 78 self-storage properties, four hotels, and two student housing properties. Below is a summary of our Land, buildings and improvements — operating properties (in thousands):

	September 30, 2025	December 31, 2024
Land	\$ 74,893	\$ 144,871
Buildings and improvements	551,475	1,053,805
Less: Accumulated depreciation	(80,747)	(100,575)
	<u>\$ 545,621</u>	<u>\$ 1,098,101</u>

During the nine months ended September 30, 2025, the U.S. dollar weakened against the British pound sterling, resulting in an increase of \$6.9 million in the carrying value of our Land, buildings and improvements — operating properties from December 31, 2024 to September 30, 2025.

As described above under *Land, Buildings and Improvements — Net Lease and Other*, on September 1, 2024, we entered into net lease agreements for certain self-storage properties previously classified as operating properties. On April 1, 2025, two of these net leases commenced; on July 1, 2025, one of these net leases commenced; and on August 1, 2025, one of these net leases commenced. As a result, on those dates, we reclassified four self-storage properties with an aggregate carrying value of \$51.3 million from Land, buildings and improvements — operating properties to Land, buildings and improvements — net lease and other. Effective as of those times, we began recognizing lease revenues from these properties, whereas previously we recognized operating property revenues and expenses from these properties.

Depreciation expense, including the effect of foreign currency translation, on our buildings and improvements attributable to operating properties was \$5.2 million and \$7.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$19.0 million and \$21.8 million for the nine months ended September 30, 2025 and 2024, respectively.

Dispositions of Properties

During the nine months ended September 30, 2025, we sold 32 self-storage operating properties and one student housing operating property, which were classified as Land, buildings and improvements — operating properties. As a result, the carrying value of our Land, buildings and improvements — operating properties decreased by \$484.7 million from December 31, 2024 to September 30, 2025 ([Note 14](#)).

Assets Held for Sale, Net

Below is a summary of our properties held for sale (in thousands):

	September 30, 2025	December 31, 2024
Land, buildings and improvements — net lease and other	\$ 12,960	\$ —
Accumulated depreciation and amortization	(4,898)	—
Assets held for sale, net	<u>\$ 8,062</u>	<u>\$ —</u>

At September 30, 2025, we had three properties classified as Assets held for sale, net, with an aggregate carrying value of \$8.1 million. Two of these properties were sold in October 2025 ([Note 15](#)).

Note 5. Finance Receivables

Assets representing rights to receive money on demand or at fixed or determinable dates are referred to as finance receivables. Our finance receivables portfolio consists of our Net investments in finance leases and loans receivable (net of allowance for credit losses). Operating leases are not included in finance receivables.

Finance Receivables

Net investments in finance leases and loans receivable are summarized as follows (in thousands):

	Maturity Date	September 30, 2025	December 31, 2024
Sale-leaseback transactions accounted for as loans receivable ^(a)	2038 – 2057	\$ 839,858	\$ 451,813
Net investments in direct financing leases ^(b)	2026 – 2036	264,724	277,698
Secured loans receivable ^(c)	2025	34,692	31,857
Net investments in sales-type leases ^(c)	2057	10,582	36,891
		<u>\$ 1,149,856</u>	<u>\$ 798,259</u>

- (a) These investments are accounted for as loans receivable in accordance with ASC 310, *Receivables* and ASC 842, *Leases*. Maturity dates reflect the current lease maturity dates. Amounts are net of allowance for credit losses of \$31.7 million and \$14.3 million as of September 30, 2025 and December 31, 2024, respectively.
- (b) Amounts are net of allowance for credit losses, as disclosed below under *Net Investments in Direct Financing Leases*.
- (c) These investments are assessed for credit loss allowances but no such allowances were recorded as of September 30, 2025 or December 31, 2024.

During the nine months ended September 30, 2025, the U.S. dollar weakened against the euro, resulting in a \$40.1 million increase in the carrying value of Net investments in finance leases and loans receivable from December 31, 2024 to September 30, 2025.

Income from finance leases and loans receivable is summarized as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Sale-leaseback transactions accounted for as loans receivable	\$ 17,860	\$ 5,703	\$ 38,157	\$ 15,224
Net investments in direct financing leases	7,549	8,607	22,900	26,299
Secured loans receivable	668	556	1,916	2,521
Net investments in sales-type leases	421	846	1,259	12,422
	<u>\$ 26,498</u>	<u>\$ 15,712</u>	<u>\$ 64,232</u>	<u>\$ 56,466</u>

Loans Receivable

During the nine months ended September 30, 2025, we entered into the following sale-leasebacks, which were deemed to be loan receivables in accordance with ASC 310, *Receivables* and ASC 842, *Leases* (dollars in thousands):

Property Location(s)	Number of Properties	Date of Acquisition	Property Type	Total Investment
Blytheville, Arkansas ^(a)	1	3/27/2025	Industrial	\$ 91,910
McDonald, Tennessee	1	6/27/2025	Industrial	166,060
Various, United Kingdom (3 properties), Czech Republic (2 properties), and Slovakia (1 property) ^(b)	6	7/3/2025	Industrial	103,380
	<u>8</u>			<u>\$ 361,350</u>

Notes to Consolidated Financial Statements (Unaudited)

- (a) In connection with this acquisition, we capitalized (i) land lease right-of-use assets totaling \$1.5 million, which are included within In-place lease intangible assets and other on our consolidated balance sheets, and (ii) operating lease liabilities totaling \$1.5 million, which are included within Accounts payable, accrued expenses and other liabilities on our consolidated balance sheets.
- (b) Amount reflects the applicable exchange rate on the date of transaction.

On May 22, 2025, we committed to fund two construction projects totaling approximately \$120.3 million on a consolidated basis (of which our proportionate share is approximately \$108.3 million), for concert venues located in Austin, Texas, and Portland, Oregon, which we expect to be completed in 2026 and 2027, respectively. We own a 90% controlling interest in both investments, which we consolidate. In connection with these projects, and in accordance with ASC 310, *Receivables* and ASC 842, *Leases*, during the nine months ended September 30, 2025 we capitalized land and buildings totaling \$22.5 million, which is recorded in Net investments in finance leases and loans receivable in our consolidated financial statements. Our joint-venture partner contributed \$2.9 million and \$11.5 million to the projects during the three and nine months ended September 30, 2025, respectively, including a non-cash contribution of land for \$3.9 million during the second quarter of 2025, which is reflected in Noncontrolling interests in our consolidated financial statements.

At September 30, 2025, the following construction loans are accounted for as secured loan receivables for accounting purposes in accordance with the acquisition, development and construction arrangement sub-section of ASC 310, *Receivables* (in thousands):

Location/Description	Funded Year to Date	Loan Maturity Date ^(a)	Total Funded as of	
			September 30, 2025	December 31, 2024
Las Vegas, Nevada (retail)	\$ 1,080	Dec. 2025	\$ 17,891	\$ 16,811
Las Vegas, Nevada (mixed use)	1,755	Nov. 2025	16,801	15,046
	<u>\$ 2,835</u>		<u>\$ 34,692</u>	<u>\$ 31,857</u>

- (a) The borrowers for these construction loans retain certain loan maturity extension options.

In March 2024, a secured loan receivable was repaid to us for \$24.0 million. In connection with this repayment, we recorded a release of allowance for credit losses of \$2.1 million since the loan principal was fully repaid. In addition, we collected \$1.4 million of unpaid interest related to a prior year upon repayment of this secured loan receivable, which was included in Income from finance leases and loans receivable on the consolidated statements of income for the nine months ended September 30, 2024.

Net Investments in Direct Financing Leases

Net investments in direct financing leases is summarized as follows (in thousands):

	September 30, 2025	December 31, 2024
Lease payments receivable	\$ 154,150	\$ 178,639
Unguaranteed residual value	244,832	273,502
	<u>398,982</u>	<u>452,141</u>
Less: unearned income	(127,099)	(150,383)
Less: allowance for credit losses ^(a)	(7,159)	(24,060)
	<u>\$ 264,724</u>	<u>\$ 277,698</u>

- (a) During the nine months ended September 30, 2025 and 2024, we recorded a net allowance for credit losses of \$5.8 million and a net allowance for credit losses of \$2.2 million, respectively, on our net investments in direct financing leases due to changes in expected economic conditions, which was included within Other gains and (losses) in our consolidated statements of income. In addition, during the nine months ended September 30, 2025, we reduced the allowance for credit losses balance by \$22.7 million, in connection with the reclassification of certain properties from Net investments in finance leases and loans receivable to Land, buildings and improvements — net lease and other, as described below.

During the nine months ended September 30, 2025, we reclassified three properties with an aggregate carrying value of \$15.0 million from Net investments in finance leases and loans receivable to Land, buildings and improvements — net lease and other in connection with changes in lease classifications due to extensions of the underlying leases.

Net Investments in Sales-Type Leases

On June 18, 2025, we entered into an agreement to sell a property located in Windsor, Connecticut, to the tenant occupying the property, and due diligence for the sale was completed on July 16, 2025. In accordance with ASC 842, *Leases*, we reclassified this net-lease asset to net investments in sales-type leases for \$6.5 million on our consolidated balance sheets, since this agreement resulted in a lease modification. In connection with this transaction, we reclassified the following amounts to Net investments in finance leases and loans receivable: (i) \$4.4 million from Land, buildings and improvements — net lease and other, (ii) \$0.2 million from Other assets, net, and (iii) \$0.9 million from Accumulated depreciation and amortization. We recognized an aggregate Gain on sale of real estate, net, of \$2.8 million during the three and nine months ended September 30, 2025 related to this transaction. This property was sold in July 2025. As a result, the carrying value of Net investments in finance leases and loans receivable decreased by \$6.5 million.

On May 21, 2025, we entered into an agreement to sell our portfolio of 26 funeral homes located in Spain to the tenant occupying the properties. In accordance with ASC 842, *Leases*, we reclassified these net-lease assets to net investments in sales-type leases totaling \$162.0 million on our consolidated balance sheets (based on the estimated purchase price and the foreign currency exchange rate of the euro on the agreement date), since this agreement resulted in a lease modification. In connection with this transaction, we reclassified the following amounts to Net investments in finance leases and loans receivable: (i) \$129.7 million from Land, buildings and improvements — net lease and other, (ii) \$20.3 million from In-place lease intangible assets and other, and (iii) \$11.0 million from Accumulated depreciation and amortization. We recognized an aggregate Gain on sale of real estate, net, of \$19.0 million during the three and nine months ended September 30, 2025 related to this transaction, reflecting balances of \$0.5 million within Deferred income taxes and \$4.5 million within Accounts payable, accrued expenses and other liabilities for this investment. This portfolio was sold in June 2025. As a result, the carrying value of Net investments in finance leases and loans receivable decreased by \$162.0 million.

During the nine months ended September 30, 2025, we completed the sale of two properties located in the Netherlands to the tenant occupying the properties, which was accounted for as net investments in sales-type leases and included in Net investments in finance leases and loans receivable. As a result, the carrying value of Net investments in finance leases and loans receivable decreased by \$16.6 million from December 31, 2024 to September 30, 2025 ([Note 14](#)). We had previously entered into an agreement to sell the properties to the tenant occupying the properties during the third quarter of 2024. We recognized an aggregate Gain on sale of real estate, net, of \$6.4 million during the three and nine months ended September 30, 2024, related to this transaction.

During the nine months ended September 30, 2025, we completed the sale of a property located in Nagold, Germany, to the tenant occupying the property, which was accounted for as net investments in sales-type leases and included in Net investments in finance leases and loans receivable. As a result, the carrying value of Net investments in finance leases and loans receivable decreased by \$18.7 million from December 31, 2024 to September 30, 2025 ([Note 14](#)). The tenant had previously provided notice of its intention to exercise its option to repurchase the property during the fourth quarter of 2023. No gain or loss on sale of real estate was recognized related to this transaction.

Prior to the reclassifications of certain properties to net investments in sales-type leases, earnings from such investments were recognized in Lease revenues in the consolidated financial statements.

Net investments in sales-type leases is summarized as follows (in thousands):

	September 30, 2025	December 31, 2024
Lease payments receivable	\$ 38,490	\$ 36,938
Unguaranteed residual value	10,500	—
	48,990	36,938
Less: unearned income	(38,408)	(47)
	<u>\$ 10,582</u>	<u>\$ 36,891</u>

Credit Quality of Finance Receivables

We generally invest in facilities that we believe are critical to a tenant's business and therefore have a lower risk of tenant default. At both September 30, 2025 and December 31, 2024, no material balances of our finance receivables were past due. Other than the lease extensions noted under *Net Investments in Direct Financing Leases* above, there were no material modifications of finance receivables during the nine months ended September 30, 2025.

We evaluate the credit quality of our finance receivables utilizing an internal five-point credit rating scale, with one representing the highest credit quality and five representing the lowest. A credit quality of one through three indicates a range of investment grade to stable. A credit quality of four through five indicates a range of inclusion on the watch list to risk of default. The credit quality evaluation of our finance receivables is updated quarterly.

A summary of our finance receivables by internal credit quality rating, excluding our allowance for credit losses, is as follows (dollars in thousands):

Internal Credit Quality Indicator	Number of Tenants / Obligor at		Carrying Value at	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
1 – 3	17	18	\$ 750,208	\$ 575,361
4	8	7	438,520	254,864
5	—	1	—	6,411
			<u>\$ 1,188,728</u>	<u>\$ 836,636</u>

Note 6. Goodwill and Other Intangibles

In-place lease intangibles, at cost are included in In-place lease intangible assets and other in the consolidated financial statements. Above-market rent intangibles, at cost are included in Above-market rent intangible assets in the consolidated financial statements. Accumulated amortization of in-place lease and above-market rent intangibles is included in Accumulated depreciation and amortization in the consolidated financial statements. Internal-use software development intangibles are included in Other assets, net in the consolidated financial statements. Below-market rent intangibles are included in Below-market rent intangible liabilities, net in the consolidated financial statements.

Net lease intangibles recorded in connection with property acquisitions during the nine months ended September 30, 2025 are described in [Note 4](#).

Goodwill increased by \$19.1 million during the nine months ended September 30, 2025 due to foreign currency translation adjustments.

Intangible assets, intangible liabilities, and goodwill are summarized as follows (in thousands):

	September 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-Lived Intangible Assets						
Internal-use software development costs	\$ 3,554	\$ (1,417)	\$ 2,137	\$ 2,778	\$ (999)	\$ 1,779
	3,554	(1,417)	2,137	2,778	(999)	1,779
Lease Intangibles:						
In-place lease	2,256,434	(984,809)	1,271,625	2,157,163	(938,574)	1,218,589
Above-market rent	671,501	(491,435)	180,066	665,495	(481,355)	184,140
	2,927,935	(1,476,244)	1,451,691	2,822,658	(1,419,929)	1,402,729
Goodwill						
Goodwill	986,967	—	986,967	967,843	—	967,843
Total intangible assets	<u>\$ 3,918,456</u>	<u>\$ (1,477,661)</u>	<u>\$ 2,440,795</u>	<u>\$ 3,793,279</u>	<u>\$ (1,420,928)</u>	<u>\$ 2,372,351</u>
Finite-Lived Intangible Liabilities						
Below-market rent	\$ (203,165)	\$ 91,826	\$ (111,339)	\$ (197,971)	\$ 78,140	\$ (119,831)
Total intangible liabilities	<u>\$ (203,165)</u>	<u>\$ 91,826</u>	<u>\$ (111,339)</u>	<u>\$ (197,971)</u>	<u>\$ 78,140</u>	<u>\$ (119,831)</u>

During the nine months ended September 30, 2025, the U.S. dollar weakened against the euro, resulting in an increase of \$44.6 million in the carrying value of our net intangible assets from December 31, 2024 to September 30, 2025. See [Note 5](#) for a description of intangible assets reclassified to net investments in sales-type leases during the nine months ended September 30, 2025.

Net amortization of intangibles, including the effect of foreign currency translation, was \$44.8 million and \$38.6 million for the three months ended September 30, 2025 and 2024, respectively, and \$133.0 million and \$143.3 million for the nine months ended September 30, 2025 and 2024, respectively. Amortization of below-market rent and above-market rent intangibles is recorded as an adjustment to Lease revenues and amortization of internal-use software development and in-place lease intangibles is included in Depreciation and amortization.

Note 7. Equity Method Investments

Interests in Unconsolidated Real Estate Investments and CESH

We own interests in certain unconsolidated real estate investments with third parties and in CESH. There have been no significant changes in our equity method investment policies from what was disclosed in the 2024 Annual Report.

We own equity interests in properties that are generally leased to companies through noncontrolling interests in partnerships and limited liability companies that we do not control but over which we exercise significant influence. The underlying investments are jointly owned with third parties. We account for these investments under the equity method of accounting. We account for our interest in CESH under the equity method because, as its advisor, we do not exert control over, but we do have the ability to exercise significant influence over, CESH.

The following table sets forth our ownership interests in our equity method investments and their respective carrying values (dollars in thousands):

Lessee/Fund/Description	Ownership Interest	Carrying Value at	
		September 30, 2025	December 31, 2024
Las Vegas Retail Complex ^{(a) (b)}	47.50%	\$ 252,412	\$ 248,972
Kesko Senukai ^(c)	70.00%	33,792	26,773
Harmon Retail Corner ^(b)	15.00%	23,725	24,169
CESH ^(d)	2.43%	1,244	1,201
		<u>\$ 311,173</u>	<u>\$ 301,115</u>

- (a) See “Las Vegas Retail Complex” below for discussion of this equity method investment.
- (b) This investment is reported using the hypothetical liquidation at book value model, which may be different than pro rata ownership percentages, primarily due to the capital structure of the partnership agreement.
- (c) The carrying value of this investment is affected by fluctuations in the exchange rate of the euro.
- (d) We have elected to account for our investment in CESH at fair value by selecting the equity method fair value option available under GAAP.

We received aggregate distributions of \$16.0 million and \$13.0 million from our unconsolidated real estate investments for the nine months ended September 30, 2025 and 2024, respectively. At September 30, 2025 and December 31, 2024, the aggregate unamortized basis differences on our unconsolidated real estate investments were \$15.5 million and \$16.5 million, respectively. We did not receive distributions from CESH during the nine months ended September 30, 2025 and 2024.

Las Vegas Retail Complex

On June 10, 2021, we entered into an agreement to fund a construction loan of approximately \$261.9 million (as of September 30, 2025) for a retail complex in Las Vegas, Nevada. The loan maturity date is June 30, 2026 and the borrower retains additional one-year extension options. Through September 30, 2025, we funded \$250.9 million, including \$3.2 million during the nine months ended September 30, 2025. During the nine months ended September 30, 2025, \$5.0 million of this construction loan was repaid to us (which is included in the aggregate distributions from our unconsolidated real estate investments described above). The outstanding principal on this loan was \$245.9 million as of September 30, 2025.

On February 27, 2025, we exercised our option to purchase a 47.50% ownership interest in the partnership that owns the Las Vegas Retail Complex for \$5.0 million. Effective as of that date, we began recognizing our proportionate share of revenues and expenses from this jointly owned investment.

Equity income from this investment (including interest income from the construction loan and our proportionate share of earnings from the 47.50% equity interest) was \$10.2 million and \$13.5 million for the nine months ended September 30, 2025 and 2024, respectively, which was recognized within Earnings from equity method investments in our consolidated statements of income.

Johnson Self Storage

On September 1, 2024, we acquired the remaining 10% controlling interest in the Johnson Self Storage jointly owned investment for \$10.5 million, bringing our ownership interest to 100%. This investment comprised nine self-storage operating properties. Following this acquisition, we consolidate the investment. Due to this change in control, we recorded a gain on change in control of interests of approximately \$31.8 million during the third quarter of 2024, which was the difference between our carrying value and the fair value of our previously held equity interest on September 1, 2024 of approximately \$62.9 million and approximately \$94.7 million, respectively.

Note 8. Fair Value Measurements

The fair value of an asset is defined as the exit price, which is the amount that would either be received when an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier fair value hierarchy based on the inputs used in measuring fair value. These tiers are: Level 1, for which quoted market prices for identical instruments are available in active markets, such as money market funds, equity securities, and U.S. Treasury securities; Level 2, for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument, such as certain derivative instruments including interest rate caps, interest rate swaps, and foreign currency collars; and Level 3, for securities that do not fall into Level 1 or Level 2 and for which little or no market data exists, therefore requiring us to develop our own assumptions.

Items Measured at Fair Value on a Recurring Basis

The methods and assumptions described below were used to estimate the fair value of each class of financial instrument. For significant Level 3 items, we have also provided the unobservable inputs.

Derivative Assets and Liabilities — Our derivative assets and liabilities, which are included in Other assets, net and Accounts payable, accrued expenses and other liabilities, respectively, in the consolidated financial statements, are comprised of foreign currency collars, interest rate swaps, and interest rate caps ([Note 9](#)).

The valuation of our derivative instruments is determined using a discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including interest rate curves, spot and forward rates, and implied volatilities. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative instruments for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. These derivative instruments were classified as Level 2 as these instruments are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market.

Equity Method Investment in CESH — We have elected to account for our investment in CESH, which is included in Equity method investments in the consolidated financial statements, at fair value by selecting the equity method fair value option available under GAAP ([Note 7](#)). We classified this investment as Level 3 because we primarily used valuation models that incorporate unobservable inputs to determine its fair value.

Investment in Shares of Lineage — We have elected to apply the measurement alternative under *ASU 2016-01, Financial Instruments — Overall (Subtopic 825-10)* to account for our investment in 5,546,547 shares of Lineage (a cold storage REIT), which is included in Other assets, net in the consolidated financial statements. Under this alternative, the carrying value is adjusted for any impairments or changes in fair value resulting from observable transactions for similar or identical investments in the issuer. We classified this investment as Level 2 within the fair value hierarchy because shares of Lineage are actively traded on an open market, and we make an adjustment to the value of our investment based on the promote value that the sponsor of our investment is entitled to. Since we were a legacy investor in Lineage prior to their public offering completed in July 2024, our ownership interest is subject to settlement at the discretion of Lineage over a three-year period, during which we will have the option to settle our investment in the form of cash or common stock. If our investment is not settled by Lineage during the three-year period, our investment will convert to common shares.

We recognized non-cash unrealized losses on our investment in shares of Lineage of \$22.6 million and \$43.6 million during the three months ended September 30, 2025 and 2024, respectively, and \$91.7 million and \$43.6 million during the nine months ended September 30, 2025 and 2024, respectively, due to a lower closing share price, which was recorded within Other gains and (losses) in the consolidated financial statements. In addition, during the nine months ended September 30, 2025 and 2024, we recognized dividends of \$8.4 million and \$5.1 million, respectively, from our investment in shares of Lineage, which was recorded within Non-operating income in the consolidated financial statements. The fair value of this investment was \$179.2 million and \$270.9 million at September 30, 2025 and December 31, 2024, respectively.

Notes to Consolidated Financial Statements (Unaudited)

We did not have any transfers into or out of Level 1, Level 2, and Level 3 category of measurements during either the nine months ended September 30, 2025 or 2024. Gains and losses (realized and unrealized) recognized on items measured at fair value on a recurring basis included in earnings are reported within Other gains and (losses) on our consolidated financial statements.

Our other material financial instruments had the following carrying values and fair values as of the dates shown (dollars in thousands):

	Level	September 30, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Unsecured Notes, net ^{(a) (b) (c)}	2 and 3	\$ 6,943,940	\$ 6,772,034	\$ 6,505,907	\$ 6,232,889
Non-recourse mortgages, net ^{(a) (b) (d)}	3	191,387	192,323	401,821	400,508

- (a) The carrying value of Senior Unsecured Notes, net ([Note 10](#)) includes unamortized deferred financing costs of \$30.8 million and \$30.2 million at September 30, 2025 and December 31, 2024, respectively. The carrying value of Non-recourse mortgages, net includes unamortized deferred financing costs of \$0.4 million and \$0.5 million at September 30, 2025 and December 31, 2024, respectively.
- (b) The carrying value of Senior Unsecured Notes, net includes unamortized discount of \$31.3 million and \$29.9 million at September 30, 2025 and December 31, 2024, respectively. The carrying value of Non-recourse mortgages, net includes unamortized discount of \$2.8 million and \$4.4 million at September 30, 2025 and December 31, 2024, respectively.
- (c) For those Senior Unsecured Notes for which there are no observable market prices (specifically, our private placement Senior Unsecured Notes ([Note 10](#))), we used a discounted cash flow model that estimates the present value of future loan payments by discounting such payments at current estimated market interest rates. We consider these notes to be within the Level 3 category. For all other Senior Unsecured Notes, we determined the estimated fair value using observed market prices in an open market, which may experience limited trading volume. We consider these notes to be within the Level 2 category.
- (d) We determined the estimated fair value of our non-recourse mortgage loans using a discounted cash flow model that estimates the present value of the future loan payments by discounting such payments at current estimated market interest rates. The estimated market interest rates consider interest rate risk and the value of the underlying collateral, which includes quality of the collateral, the credit quality of the tenant/obligor, and the time until maturity.

We estimated that our other financial assets and liabilities, including amounts outstanding under our Senior Unsecured Credit Facility and Unsecured Term Loan due 2029 ([Note 10](#)), but excluding finance receivables ([Note 5](#)), had fair values that approximated their carrying values at both September 30, 2025 and December 31, 2024.

Items Measured at Fair Value on a Non-Recurring Basis (Including Impairment Charges)

We periodically assess whether there are any indicators that the value of our real estate investments may be impaired or that their carrying value may not be recoverable. There have been no significant changes in our impairment policies from what was disclosed in the 2024 Annual Report.

The following tables present information about assets for which we recorded an impairment charge and that were measured at fair value on a non-recurring basis (in thousands):

	Three Months Ended September 30,			
	2025		2024	
	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges
Impairment Charges				
Real estate	\$ 81,377	\$ 19,474	\$ —	\$ —
		<u>\$ 19,474</u>		<u>\$ —</u>

Notes to Consolidated Financial Statements (Unaudited)

	Nine Months Ended September 30,			
	2025		2024	
	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges
Impairment Charges				
Real estate	\$ 98,408	\$ 30,677	\$ 75,944	\$ 15,752
		<u>\$ 30,677</u>		<u>\$ 15,752</u>

Impairment charges, and their related triggering events and fair value measurements, recognized during the three and nine months ended September 30, 2025, and 2024 were as follows:

Real Estate

The impairment charges described below are reflected within Impairment charges — real estate in our consolidated statements of income.

2025 — During the three and nine months ended September 30, 2025, we recognized impairment charges totaling \$19.5 million and \$30.7 million on ten and 12 properties, respectively, in order to reduce their carrying values to their estimated fair values, which approximated their estimated selling prices. Seven of these properties were self-storage operating properties, five of which were sold in October 2025 ([Note 15](#)). Two of these properties were classified as held for sale as of September 30, 2025 ([Note 4](#)), one of which was sold in October 2025 ([Note 15](#)).

2024 — During the nine months ended September 30, 2024, we recognized impairment charges totaling \$15.8 million on three properties in order to reduce their carrying values to their estimated fair values, which approximated their estimated selling prices. Two of these properties were sold in July 2024 and one was sold in March 2025.

Note 9. Risk Management and Use of Derivative Financial Instruments

Risk Management

In the normal course of our ongoing business operations, we encounter economic risk. There are four main components of economic risk that impact us: interest rate risk, credit risk, market risk, and foreign currency risk. We are primarily subject to interest rate risk on our interest-bearing liabilities, including our Senior Unsecured Credit Facility ([Note 10](#)) and unhedged variable-rate non-recourse mortgage loans. Credit risk is the risk of default on our operations and our tenants' inability or unwillingness to make contractually required payments. Market risk includes changes in the value of our properties and related loans, Senior Unsecured Notes, and other securities, due to changes in interest rates or other market factors. We own investments in North America, Europe, and Japan and are subject to risks associated with fluctuating foreign currency exchange rates.

Derivative Financial Instruments

There have been no significant changes in our derivative financial instrument policies from what was disclosed in the 2024 Annual Report. At both September 30, 2025 and December 31, 2024, no cash collateral had been posted nor received for any of our derivative positions.

The following table sets forth certain information regarding our derivative instruments (in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	Derivative Assets Fair Value at		Derivative Liabilities Fair Value at	
		September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Foreign currency collars	Other assets, net	\$ 1,832	\$ 21,556	\$ —	\$ —
Interest rate swaps	Other assets, net	63	250	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(15,000)	(50)
Interest rate swaps	Accounts payable, accrued expenses and other liabilities	—	—	(3,194)	(848)
		1,895	21,806	(18,194)	(898)
Derivatives Not Designated as Hedging Instruments					
Foreign currency collars	Other assets, net	9	1,696	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(2,414)	—
		9	1,696	(2,414)	—
Total derivatives		\$ 1,904	\$ 23,502	\$ (20,608)	\$ (898)

The following tables present the impact of our derivative instruments in the consolidated financial statements (in thousands):

Derivatives in Cash Flow Hedging Relationships		Amount of Gain (Loss) Recognized on Derivatives in Other Comprehensive Income (Loss) ^(a)			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Foreign currency collars		\$ 4,321	\$ (11,750)	\$ (34,674)	\$ (6,090)
Interest rate swaps		3,354	(1,557)	(2,367)	(374)
Total		<u>\$ 7,675</u>	<u>\$ (13,307)</u>	<u>\$ (37,041)</u>	<u>\$ (6,464)</u>

Derivatives in Cash Flow Hedging Relationships		Location of Gain (Loss) Recognized in Income		Amount of Gain (Loss) on Derivatives Reclassified from Other Comprehensive Income (Loss)			
				Three Months Ended September 30,		Nine Months Ended September 30,	
				2025	2024	2025	2024
Foreign currency collars		Non-operating income	\$ (1,138)	\$ 2,520	\$ 4,833	\$ 7,586	
Interest rate swaps		Interest expense	(41)	406	593	1,935	
Total			<u>\$ (1,179)</u>	<u>\$ 2,926</u>	<u>\$ 5,426</u>	<u>\$ 9,521</u>	

- (a) Excludes net gains of \$0.1 million and net losses of \$0.4 million recognized on unconsolidated jointly owned investments for the three months ended September 30, 2025 and 2024, respectively, and net gains of \$0.2 million and net losses of \$1.0 million for the nine months ended September 30, 2025 and 2024, respectively.

Notes to Consolidated Financial Statements (Unaudited)

Amounts reported in Other comprehensive income (loss) related to interest rate derivative contracts will be reclassified to Interest expense as interest is incurred on our variable-rate debt. Amounts reported in Other comprehensive income (loss) related to foreign currency derivative contracts will be reclassified to Non-operating income when the hedged foreign currency contracts are settled. As of September 30, 2025, we estimate that an additional \$1.4 million and \$2.8 million of losses will be reclassified as Interest expense and Non-operating income, respectively, during the next 12 months.

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Recognized in Income	Amount of Gain (Loss) on Derivatives Recognized in Income			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Foreign currency collars	Non-operating income	\$ (383)	\$ (892)	\$ (4,194)	\$ 484
Interest rate swaps	Interest expense	20	(434)	(654)	(2,021)
Derivatives Not in Cash Flow Hedging Relationships					
Foreign currency collars	Other gains and (losses)	913	(332)	(4,102)	185
Total		\$ 550	\$ (1,658)	\$ (8,950)	\$ (1,352)

See below for information on our purposes for entering into derivative instruments.

Interest Rate Swaps and Caps

We are exposed to the impact of interest rate changes primarily through our borrowing activities. To limit this exposure, we generally seek long-term debt financing on a fixed-rate basis. However, from time to time, we have obtained, and may in the future obtain, variable-rate (i) non-recourse mortgage loans and (ii) unsecured term loans (Note 10) and, as a result, we have entered into, and may continue to enter into, interest rate swap agreements or interest rate cap agreements with counterparties. Interest rate swaps, which effectively convert the variable-rate debt service obligations of a loan to a fixed rate, are agreements in which one party exchanges a stream of interest payments for a counterparty's stream of cash flow over a specific period. The notional, or face, amount on which the swaps are based is not exchanged. Interest rate caps limit the effective borrowing rate of variable-rate debt obligations while allowing participants to share in downward shifts in interest rates. Our objective in using these derivatives is to limit our exposure to interest rate movements.

The interest rate swaps that our consolidated subsidiaries had outstanding at September 30, 2025 are summarized as follows (currency in thousands):

Interest Rate Derivatives	Number of Instruments	Notional Amount	Fair Value at September 30, 2025 ^(a)
Designated as Cash Flow Hedging Instruments			
Interest rate swaps	2	270,000 GBP	\$ (1,741)
Interest rate swaps	4	529,965 EUR	(1,453)
Interest rate swap	1	11,392 USD	63
			\$ (3,131)

(a) Fair value amounts are based on the exchange rate of the euro at September 30, 2025, as applicable.

Foreign Currency Collars

We are exposed to foreign currency exchange rate movements, primarily in the euro and, to a lesser extent, the British pound sterling and certain other currencies. In order to hedge certain of our foreign currency cash flow exposures, we enter into foreign currency collars. A foreign currency collar consists of a written call option and a purchased put option to sell the foreign currency at a range of predetermined exchange rates. A foreign currency collar guarantees that the exchange rate of the currency will not fluctuate beyond the range of the options' strike prices. Our foreign currency collars have maturities of 59 months or less.

The following table presents the foreign currency collars that we had outstanding at September 30, 2025 (currency in thousands):

Foreign Currency Derivatives	Number of Instruments	Notional Amount	Fair Value at September 30, 2025
Designated as Cash Flow Hedging Instruments			
Foreign currency collars	39	252,000 EUR	\$ (13,302)
Foreign currency collars	14	12,240 GBP	135
Not Designated as Cash Flow Hedging Instruments			
Foreign currency collars	5	35,000 EUR	(2,406)
			<u>\$ (15,573)</u>

Credit Risk-Related Contingent Features

We measure our credit exposure on a counterparty basis as the net positive aggregate estimated fair value of our derivatives, net of any collateral received. No collateral was received as of September 30, 2025. At September 30, 2025, our total credit exposure and the maximum exposure to any single counterparty was \$0.2 million and \$0.1 million, respectively.

Some of the agreements we have with our derivative counterparties contain cross-default provisions that could trigger a declaration of default on our derivative obligations if we default, or are capable of being declared in default, on certain of our indebtedness. At September 30, 2025, we had not been declared in default on any of our derivative obligations. The estimated fair value of our derivatives in a net liability position was \$20.6 million and \$0.9 million at September 30, 2025 and December 31, 2024, respectively, which included accrued interest and any nonperformance risk adjustments. If we had breached any of these provisions at September 30, 2025 or December 31, 2024, we could have been required to settle our obligations under these agreements at their aggregate termination value of \$20.8 million and \$0.9 million, respectively.

Net Investment Hedges

Certain borrowings under our Senior Unsecured Notes, Unsecured Revolving Credit Facility, and Unsecured Term Loans (all as defined in [Note 10](#)) denominated in euro, British pounds sterling, Norwegian krone, or Japanese yen are designated as, and are effective as, economic hedges of our net investments in foreign entities.

Exchange rate variations impact our financial results because the financial results of our foreign subsidiaries are translated to U.S. dollars each period, with the effect of exchange rate variations being recorded in Other comprehensive income (loss) as part of the cumulative foreign currency translation adjustment. As a result, changes in the value of our designated borrowings under our euro-denominated senior notes and changes in the value of our euro, British pounds sterling, Norwegian krone, Japanese yen, and Canadian dollar borrowings under our Senior Unsecured Credit Facility, related to changes in the spot rates, will be reported in the same manner as foreign currency translation adjustments, which are recorded in Other comprehensive income (loss) as part of the cumulative foreign currency translation adjustment. Such gains (losses) related to non-derivative net investment hedges were \$1.3 million and \$(184.9) million for the three months ended September 30, 2025 and 2024, respectively, and \$(488.4) million and \$(59.1) million for the nine months ended September 30, 2025 and 2024, respectively.

Note 10. Debt***Term Loan Agreement***

On March 31, 2025, we refinanced our €500.0 million term loan (our “Unsecured Term Loan due 2029”), extending the maturity date by three years to April 24, 2029, with an option to extend the term loan by up to an additional year, subject to certain customary conditions. Pursuant to the credit agreement, the Unsecured Term Loan due 2029 borrowing rate at September 30, 2025 was 80 basis points over EURIBOR. In conjunction with the refinancing of the Unsecured Term Loan due 2029, we executed variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate at 2.00% through the end of 2027, for a total annual interest rate of approximately 2.80% as of September 30, 2025 (inclusive of the current spread). The Unsecured Term Loan due 2029 is incorporated into the Senior Unsecured Credit Facility, which is described below.

Senior Unsecured Credit Facility

As of both September 30, 2025 and December 31, 2024, we had a multi-currency senior unsecured credit facility, comprised of (i) a \$2.0 billion unsecured revolving credit facility maturing on February 14, 2029 (our “Unsecured Revolving Credit Facility”), (ii) a £270.0 million term loan maturing on February 14, 2028 (our “GBP Term Loan due 2028”), and (iii) a €215.0 million term loan maturing on February 14, 2028 (our “EUR Term Loan due 2028”). We have an option to extend each of these term loans by up to an additional year, subject to certain customary conditions. The GBP Term Loan due 2028 borrowing rate at September 30, 2025 was 80 basis points over SONIA. On March 31, 2025, we executed variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate on our GBP Term Loan due 2028 at 3.92% through the end of 2027, for a total annual interest rate of approximately 4.72% as of September 30, 2025 (inclusive of the current spread). We refer to these term loans collectively as the “Unsecured Term Loans due 2028.” We refer to our Unsecured Term Loan due 2029 and Unsecured Term Loans due 2028 collectively as our “Unsecured Term Loans.” We refer to our Unsecured Revolving Credit Facility and our Unsecured Term Loans collectively as our “Senior Unsecured Credit Facility.”

As of September 30, 2025, the aggregate principal amount (of revolving and term loans) available under the Senior Unsecured Credit Facility was able to be increased up to an amount not to exceed the U.S. dollar equivalent of \$4.35 billion, subject to the conditions to increase set forth in our credit agreement.

At September 30, 2025, our Unsecured Revolving Credit Facility had available capacity of approximately \$1.6 billion (net of amounts reserved for standby letters of credit totaling \$1.0 million). We currently incur an annual facility fee of 0.140% of the total commitment on our Unsecured Revolving Credit Facility based on (i) our credit ratings of BBB+ and Baa1, (ii) the “Leverage Ratio” (as defined in the credit agreement for our Senior Unsecured Credit Facility), and (iii) the achievement of certain sustainability key performance indicators (“KPIs”) agreed to under the credit agreement, which is included within Interest expense in our consolidated statements of income.

The following table presents a summary of our Senior Unsecured Credit Facility (dollars in thousands):

Senior Unsecured Credit Facility	Interest Rate at September 30, 2025 ^(a)	Maturity Date at September 30, 2025	Principal Outstanding Balance at	
			September 30, 2025	December 31, 2024
Unsecured Term Loans: ^(b)				
Unsecured Term Loan due 2029 — borrowing in euros ^(c)	2.80%	4/24/2029	\$ 587,050	\$ 519,450
GBP Term Loan due 2028 — borrowing in British pounds sterling ^(d)	4.72%	2/14/2028	362,957	338,290
EUR Term Loan due 2028 — borrowing in euros	EURIBOR + 0.80%	2/14/2028	252,432	223,363
			<u>1,202,439</u>	<u>1,081,103</u>
Unsecured Revolving Credit Facility:				
Borrowing in British pounds sterling	SONIA + 0.735%	2/14/2029	100,822	40,094
Borrowing in euros	EURIBOR + 0.735%	2/14/2029	86,884	—
Borrowing in Canadian dollars ^(e)	CORRA + 0.735%	2/14/2029	54,589	—
Borrowing in Norwegian krone ^(f)	NIBOR + 0.735%	2/14/2029	54,267	—
Borrowing in U.S. dollars ^(g)	SOFR + 0.735%	2/14/2029	42,000	—
Borrowing in Japanese yen ^(h)	TIBOR + 0.735%	2/14/2029	16,284	15,354
			<u>354,846</u>	<u>55,448</u>
			\$ 1,557,285	\$ 1,136,551

- (a) The applicable interest rate at September 30, 2025 was based on the credit ratings for our Senior Unsecured Notes of BBB+/Baa1, our Leverage Ratio, and the achievement of certain sustainability KPIs.
- (b) Balance excludes unamortized discount of \$7.6 million and \$5.0 million at September 30, 2025 and December 31, 2024, respectively, and unamortized deferred financing costs of \$0.4 million and \$0.2 million at September 30, 2025 and December 31, 2024, respectively.
- (c) Interest rate is subject to variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate at 2.00% through December 31, 2027. Upon maturity of the interest rate swaps, the Unsecured Term Loan due 2029 will be subject to a variable interest rate based on the Euro Interbank Offered Rate (EURIBOR).
- (d) Interest rate is subject to variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate at 3.92% through December 31, 2027. Upon maturity of the interest rate swaps, the GBP Term Loan due 2028 will be subject to a variable interest rate based on the Sterling Overnight Index Average (SONIA).
- (e) CORRA means Canadian Overnight Repo Rate Average.
- (f) NIBOR means Norwegian Interbank Offered Rate.
- (g) SOFR means Secured Overnight Financing Rate.
- (h) TIBOR means Tokyo Interbank Offered Rate.

Senior Unsecured Notes

As set forth in the table below, we have euro and U.S. dollar-denominated senior unsecured notes outstanding with an aggregate principal balance outstanding of \$7.0 billion at September 30, 2025 (the “Senior Unsecured Notes”).

On July 10, 2025, we completed an underwritten public offering of \$400.0 million of 4.650% Senior Notes due 2030, at a price of 99.088% of par value. These 4.650% Senior Notes due 2030 have a five-year term and are scheduled to mature on July 15, 2030.

Notes to Consolidated Financial Statements (Unaudited)

Interest on the Senior Unsecured Notes is payable annually or semi-annually in arrears. The Senior Unsecured Notes can be redeemed at par within three months of their respective maturities, or we can call the notes at any time for the principal, accrued interest, and a make-whole amount based upon the applicable government bond yield plus 15 to 35 basis points (except for our 3.410% Senior Notes due 2029 and 3.700% Senior Notes due 2032, which are subject to different repayment provisions). The following table presents a summary of our Senior Unsecured Notes outstanding at September 30, 2025 (currency in thousands):

Senior Unsecured Notes, net	Issue Date	Principal Amount	Coupon Rate	Maturity Date	Principal Outstanding Balance at	
					September 30, 2025	December 31, 2024
4.000% Senior Notes due 2025 ^(a)	1/26/2015	\$ 450,000	4.000 %	2/1/2025	\$ —	\$ 450,000
2.250% Senior Notes due 2026	10/9/2018	€ 500,000	2.250 %	4/9/2026	587,050	519,450
4.250% Senior Notes due 2026	9/12/2016	\$ 350,000	4.250 %	10/1/2026	350,000	350,000
2.125% Senior Notes due 2027	3/6/2018	€ 500,000	2.125 %	4/15/2027	587,050	519,450
1.350% Senior Notes due 2028	9/19/2019	€ 500,000	1.350 %	4/15/2028	587,050	519,450
3.850% Senior Notes due 2029	6/14/2019	\$ 325,000	3.850 %	7/15/2029	325,000	325,000
3.410% Senior Notes due 2029	9/28/2022	€ 150,000	3.410 %	9/28/2029	176,115	155,835
0.950% Senior Notes due 2030	3/8/2021	€ 525,000	0.950 %	6/1/2030	616,403	545,422
4.650% Senior Notes due 2030	7/10/2025	\$ 400,000	4.650 %	7/15/2030	400,000	—
2.400% Senior Notes due 2031	10/14/2020	\$ 500,000	2.400 %	2/1/2031	500,000	500,000
2.450% Senior Notes due 2032	10/15/2021	\$ 350,000	2.450 %	2/1/2032	350,000	350,000
4.250% Senior Notes due 2032	5/16/2024	€ 650,000	4.250 %	7/23/2032	763,165	675,285
3.700% Senior Notes due 2032	9/28/2022	€ 200,000	3.700 %	9/28/2032	234,820	207,780
2.250% Senior Notes due 2033	2/25/2021	\$ 425,000	2.250 %	4/1/2033	425,000	425,000
5.375% Senior Notes due 2034	6/28/2024	\$ 400,000	5.375 %	6/30/2034	400,000	400,000
3.700% Senior Notes due 2034	11/19/2024	€ 600,000	3.700 %	11/19/2034	704,460	623,340
Total principal outstanding					7,006,113	6,566,012
Unamortized discount					(31,326)	(29,934)
Unamortized deferred financing costs					(30,847)	(30,171)
Total					<u>\$ 6,943,940</u>	<u>\$ 6,505,907</u>

(a) In February 2025, we repaid our \$450 million of 4.000% Senior Notes due 2025 at maturity.

Covenants

The credit agreements for our Senior Unsecured Credit Facility, each of the Senior Unsecured Notes, and certain of our non-recourse mortgage loan agreements include customary financial maintenance covenants that require us to maintain certain ratios and benchmarks at the end of each quarter. There have been no significant changes in our debt covenants from what was disclosed in the 2024 Annual Report. We were in compliance with all of these covenants at September 30, 2025.

Non-Recourse Mortgages

At September 30, 2025, the weighted-average interest rate for our total non-recourse mortgage notes payable was 5.0% (all of which had fixed rates), with maturity dates ranging from December 2025 to February 2033.

Repayments

During the nine months ended September 30, 2025, we repaid non-recourse mortgage loans at or close to maturity with an aggregate principal balance of approximately \$215.8 million. The weighted-average interest rate for these non-recourse mortgage loans on their respective dates of repayment was 4.4%.

Foreign Currency Exchange Rate Impact

During the nine months ended September 30, 2025, the U.S. dollar weakened against the euro, resulting in an increase of \$624.2 million in the aggregate carrying values of our Non-recourse mortgages, net, Senior Unsecured Credit Facility, and Senior Unsecured Notes, net from December 31, 2024 to September 30, 2025.

Scheduled Debt Principal Payments

Scheduled debt principal payments as of September 30, 2025 are as follows (in thousands):

Years Ending December 31,	Total
2025 (remainder)	\$ 2,537
2026	1,028,291
2027	597,344
2028	1,278,104
2029	1,454,711
Thereafter through 2034	4,397,036
Total principal payments	8,758,023
Unamortized discount, net	(41,697)
Unamortized deferred financing costs	(31,687)
Total	<u>\$ 8,684,639</u>

Certain amounts in the table above are based on the applicable foreign currency exchange rate at September 30, 2025.

Note 11. Commitments and Contingencies

At September 30, 2025, we were not involved in any material litigation. Various claims and lawsuits arising in the normal course of business are pending against us. The results of these proceedings are not expected to have a material adverse effect on our consolidated financial position or results of operations. In addition, we capitalize our captive insurance company in accordance with applicable regulatory requirements ([Note 3](#)).

Note 12. Stock-Based Compensation and Equity**Stock-Based Compensation**

We maintain several stock-based compensation plans, which are more fully described in the 2024 Annual Report. There have been no significant changes to the terms and conditions of any of our stock-based compensation plans or arrangements during the three months ended September 30, 2025. We recorded stock-based compensation expense of \$11.2 million and \$13.5 million during the three months ended September 30, 2025 and 2024, respectively, and \$31.2 million and \$31.2 million during the nine months ended September 30, 2025 and 2024, respectively, which was included in Stock-based compensation expense in the consolidated financial statements.

Restricted and Conditional Awards

Nonvested restricted share awards (“RSAs”), restricted share units (“RSUs”), and performance share units (“PSUs”) at September 30, 2025 and changes during the nine months ended September 30, 2025 were as follows:

	RSA and RSU Awards		PSU Awards	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Nonvested at January 1, 2025	559,603	\$ 70.26	551,533	\$ 101.20
Granted ^(a)	302,514	57.55	227,702	74.78
Vested ^(b)	(235,029)	69.69	(239,291)	113.26
Forfeited	(11,236)	62.06	(5,595)	93.17
Adjustment ^(c)	—	—	195,174	69.46
Nonvested at September 30, 2025 ^(d)	<u>615,852</u>	<u>\$ 63.86</u>	<u>729,523</u>	<u>\$ 87.08</u>

- (a) The grant date fair value of RSAs and RSUs reflect our stock price on the date of grant on a one-for-one basis. The grant date fair value of PSUs was determined utilizing a Monte Carlo simulation model to generate an estimate of our future stock price over the three-year performance period. To estimate the fair value of PSUs granted during the nine months ended September 30, 2025, we used a risk-free interest rate of 4.3%, an expected volatility rate of 21.5%, and assumed a dividend yield of zero.
- (b) The grant date fair value of shares vested during the nine months ended September 30, 2025 was \$43.5 million. Employees and non-employee directors have the option to take immediate delivery of the shares upon vesting or defer receipt to a future date pursuant to previously made deferral elections. At September 30, 2025 and December 31, 2024, we had an obligation to issue 1,335,115 and 1,391,456 shares, respectively, of our common stock underlying such deferred awards, which is recorded within Total stockholders' equity as a Deferred compensation obligation of \$80.2 million and \$78.5 million, respectively.
- (c) Vesting and payment of the PSUs is conditioned upon certain company and/or market performance goals being met during the relevant three-year performance period. The ultimate number of PSUs to be vested will depend on the extent to which the performance goals are met and can range from zero to three times the original awards. As a result, we recorded adjustments at September 30, 2025 to reflect the number of shares expected to be issued when the PSUs vest.
- (d) At September 30, 2025, total unrecognized compensation expense related to these awards was approximately \$49.8 million, with an aggregate weighted-average remaining term of 1.8 years.

Earnings Per Share

The following table summarizes basic and diluted earnings (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income — basic and diluted	\$ 140,996	\$ 111,698	\$ 318,040	\$ 413,816
Weighted-average shares outstanding — basic	220,562,909	220,221,366	220,511,825	220,149,886
Effect of dilutive securities	524,924	182,783	521,803	275,358
Weighted-average shares outstanding — diluted	221,087,833	220,404,149	221,033,628	220,425,244

For the three and nine months ended September 30, 2025 and 2024, potentially dilutive securities excluded from the computation of diluted earnings per share were insignificant.

ATM Program and Forward Equity

On May 1, 2025, we established a continuous “at-the-market” offering program (“ATM Program”) with a syndicate of banks, pursuant to which shares of our common stock having an aggregate gross sales price of up to \$1.25 billion may be sold (i) directly through or to the banks acting as sales agents or as principal for their own accounts or (ii) through or to participating banks or their affiliates acting as forward sellers on behalf of any forward purchasers pursuant to a forward sale agreement (our “ATM Forwards”). Effective as of that date, we terminated a prior ATM Program that was established on May 2, 2022, under which we were able to offer and sell shares of our common stock from time to time, up to an aggregate gross sales price of \$1.0 billion, with a syndicate of banks.

We expect to settle the ATM Forwards in full on or prior to the maturity date of each ATM Forward via physical delivery of the outstanding shares of common stock in exchange for cash proceeds. However, subject to certain exceptions, we may also elect to cash settle or net share settle all or any portion of our obligations under any ATM Forwards. The forward sale price that we will receive upon physical settlement of the ATM Forwards will be (i) subject to adjustment on a daily basis based on a floating interest rate factor equal to a specified daily rate less a spread (i.e., if the specified daily rate is less than the spread on any day, the interest rate factor will result in a daily reduction of the applicable forward sale price) and (ii) decreased based on amounts related to expected dividends on shares of our common stock during the term of the ATM Forwards.

We determined that our ATM Forwards meet the criteria for equity classification and are therefore exempt from derivative accounting. We recorded the ATM Forwards at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

Our ATM Forwards are presented below (gross offering proceeds at closing in thousands):

	Agreement Date	Shares Offered	Average Gross Offering Price	Average Gross Offering Proceeds at Closing	Outstanding Shares as of September 30, 2025
ATM Forwards ^(a)	5/1/2025	2,757,370	\$ 67.91	\$ 187,258	2,757,370

- (a) We sold shares under our ATM Forwards during the three and nine months ended September 30, 2025. We did not settle any of the shares sold and therefore did not receive any proceeds from such sales. See [Note 15](#), Subsequent Events for sales through our ATM Forwards subsequent to September 30, 2025 and through the date of this Report.

Reclassifications Out of Accumulated Other Comprehensive Loss

The following tables present a reconciliation of changes in Accumulated other comprehensive loss by component for the periods presented (in thousands):

	Three Months Ended September 30, 2025		
	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Beginning balance	\$ (24,354)	\$ (240,396)	\$ (264,750)
Other comprehensive income before reclassifications	6,634	(5,204)	1,430
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	1,138	—	1,138
Interest expense	41	—	41
Total	1,179	—	1,179
Net current period other comprehensive income	7,813	(5,204)	2,609
Net current period other comprehensive income attributable to noncontrolling interests	—	(81)	(81)
Ending balance	\$ (16,541)	\$ (245,681)	\$ (262,222)

	Three Months Ended September 30, 2024		
	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Beginning balance	\$ 15,963	\$ (268,603)	\$ (252,640)
Other comprehensive income before reclassifications	(10,816)	28,630	17,814
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	(2,520)	—	(2,520)
Interest expense	(406)	—	(406)
Total	(2,926)	—	(2,926)
Net current period other comprehensive income	(13,742)	28,630	14,888
Net current period other comprehensive loss attributable to noncontrolling interests	—	(235)	(235)
Ending balance	\$ 2,221	\$ (240,208)	\$ (237,987)

Notes to Consolidated Financial Statements (Unaudited)

	Nine Months Ended September 30, 2025		
	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Beginning balance	\$ 20,274	\$ (270,506)	\$ (250,232)
Other comprehensive loss before reclassifications	(31,389)	25,308	(6,081)
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	(4,833)	—	(4,833)
Interest expense	(593)	—	(593)
Total	(5,426)	—	(5,426)
Net current period other comprehensive loss	(36,815)	25,308	(11,507)
Net current period other comprehensive income attributable to noncontrolling interests	—	(483)	(483)
Ending balance	\$ (16,541)	\$ (245,681)	\$ (262,222)

	Nine Months Ended September 30, 2024		
	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Beginning balance	\$ 9,650	\$ (264,517)	\$ (254,867)
Other comprehensive income before reclassifications	2,092	24,268	26,360
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	(7,586)	—	(7,586)
Interest expense	(1,935)	—	(1,935)
Total	(9,521)	—	(9,521)
Net current period other comprehensive income	(7,429)	24,268	16,839
Net current period other comprehensive loss attributable to noncontrolling interests	—	41	41
Ending balance	\$ 2,221	\$ (240,208)	\$ (237,987)

See [Note 9](#) for additional information on our derivatives activity recognized within Other comprehensive income (loss) for the periods presented.

Dividends Declared

During the third quarter of 2025, our board of directors declared a quarterly dividend of \$0.910 per share, which was paid on October 15, 2025 to stockholders of record as of September 30, 2025.

During the nine months ended September 30, 2025, we declared dividends totaling \$2.700 per share.

Note 13. Income Taxes

We elected to be treated as a REIT and believe that we have been organized and have operated in such a manner to maintain our qualification as a REIT for federal and state income tax purposes. As a REIT, we are generally not subject to corporate level federal income taxes on earnings distributed to our stockholders. Since inception, we have distributed at least 100% of our taxable income annually. Accordingly, we have not included any provisions for federal income taxes related to the REIT in the accompanying consolidated financial statements for the three and nine months ended September 30, 2025 and 2024.

Certain of our subsidiaries have elected taxable REIT subsidiary (“TRS”) status. A TRS may provide certain services considered impermissible for REITs and may hold assets that REITs may not hold directly. We also own real property in jurisdictions outside the United States through foreign subsidiaries and are subject to income taxes on our pre-tax income earned from properties in such countries. The accompanying consolidated financial statements include an interim tax provision for our TRSs and foreign subsidiaries, as necessary, for the three and nine months ended September 30, 2025 and 2024.

Current income tax expense was \$9.7 million and \$10.6 million for the three months ended September 30, 2025 and 2024, respectively, and \$32.4 million and \$28.3 million for the nine months ended September 30, 2025 and 2024, respectively. Deferred income tax benefit (expense) was \$1.2 million and \$1.6 million for the three months ended September 30, 2025 and 2024, respectively, and \$(0.8) million and \$4.3 million for the nine months ended September 30, 2025 and 2024, respectively.

Note 14. Property Dispositions

All property dispositions are also discussed in [Note 4](#) and [Note 5](#).

2025 — During the three and nine months ended September 30, 2025, we sold 29 and 84 properties, respectively, for total proceeds, net of selling costs, of \$483.0 million and \$970.3 million, respectively, and recognized a net gain on these sales totaling \$44.4 million and \$141.0 million, respectively (inclusive of income taxes totaling \$0.1 million and \$4.9 million, respectively, recognized upon sale).

This disposition activity for the three and nine months ended September 30, 2025 includes the sale of 22 and 32 self-storage operating properties, respectively, for total proceeds, net of selling costs, of \$340.8 million and \$451.2 million, respectively, resulting in a net gain on these sales totaling \$21.0 million and \$34.9 million, respectively. In addition, disposition activity for the three and nine months ended September 30, 2025 includes the sale of a student housing operating property for proceeds, net of selling costs, of \$77.8 million, resulting in a net gain on sale of \$9.3 million.

2024 — During the three and nine months ended September 30, 2024, we sold seven and 172 properties, respectively, for total proceeds, net of selling costs, of \$92.4 million and \$1.1 billion, respectively, and recognized a net gain on these sales totaling \$9.1 million and \$63.9 million, respectively (inclusive of income taxes totaling \$3.0 million recognized upon sale for the nine months ended September 30, 2024). One of the properties sold during the second quarter of 2024 was a hotel operating property.

Note 15. Subsequent Events

Acquisitions

In October 2025, we completed five acquisitions totaling approximately \$169.7 million. They are as follows:

- \$137.3 million for four inpatient rehabilitation facilities in the United States;
- \$9.9 million for an industrial facility in San Juan del Rio, Mexico;
- \$8.7 million for a food manufacturing facility in Delphos, Ohio;
- \$7.9 million for four retail properties in the United States; and
- \$5.9 million for one warehouse facility in Compton, California.

Dispositions

In October 2025, we sold seven properties for gross proceeds totaling approximately \$58.3 million. Five of these properties were self-storage operating properties in the United States for gross proceeds totaling approximately \$52.5 million ([Note 4](#)). Two of these properties were held for sale as of September 30, 2025 ([Note 4](#)).

Forward Equity

In October 2025, we sold 628,090 additional shares of common stock through our ATM Forwards at a weighted-average price of \$68.66 per share for anticipated gross proceeds of approximately \$43.1 million ([Note 12](#)).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in understanding our financial statements and the reasons for changes in certain key components of our financial statements from period to period. This item also provides our perspective on our financial position and liquidity, as well as certain other factors that may affect our future results. Our Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the 2024 Annual Report and subsequent reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Refer to Item 1 of the 2024 Annual Report for a description of our business.

Financial Highlights

During the nine months ended September 30, 2025, we completed the following (as further described in the consolidated financial statements):

Real Estate

Investments

- We acquired 21 investments totaling \$1.4 billion ([Note 4](#), [Note 5](#)).
- We completed two construction projects totaling \$46.9 million ([Note 4](#)).
- We acquired a 47.50% ownership interest in the partnership that owns the Las Vegas Retail Complex for \$5.0 million ([Note 7](#)). In addition, we funded approximately \$6.0 million for construction loans for projects in Las Vegas, Nevada, during the nine months ended September 30, 2025 ([Note 5](#), [Note 7](#)).
- We committed to fund five new construction projects totaling \$168.0 million (on a consolidated basis). We currently expect to complete these projects in 2026 and 2027 ([Note 4](#), [Note 5](#)).

Dispositions

- We disposed of 84 properties for total proceeds, net of selling costs, of \$970.3 million, including (i) 32 self-storage operating properties for total proceeds, net of selling costs, of \$451.2 million, and (ii) one student housing operating property for proceeds, net of selling costs, of \$77.8 million ([Note 14](#)).

Financing and Capital Markets Transactions

- In February 2025, we repaid our \$450 million of 4.000% Senior Notes due 2025 at maturity ([Note 10](#)).
- On March 31, 2025, we refinanced our €500.0 million term loan, extending the maturity date by three years to April 2029 (our Unsecured Term Loan due 2029). In conjunction with this refinancing, we executed variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate at 2.00% through the end of 2027, for a total annual interest rate of approximately 2.80% as of September 30, 2025 (inclusive of the current spread) ([Note 10](#)).
- On March 31, 2025, we executed variable-to-fixed interest rate swaps that fix the floating rate component of the per annum interest rate on our £270.0 million GBP Term Loan due 2028 at 3.92% through the end of 2027, for a total annual interest rate of approximately 4.72% as of September 30, 2025 (inclusive of the current spread) ([Note 10](#)).
- We repaid non-recourse mortgage debt outstanding totaling \$215.8 million with a weighted-average interest rate of 4.4% ([Note 10](#)).
- On July 10, 2025, we completed an underwritten public offering of \$400.0 million of 4.650% Senior Notes due 2030, at a price of 99.088% of par value. These 4.650% Senior Notes due 2030 have a five-year term and are scheduled to mature on July 15, 2030 ([Note 10](#)).
- We sold 2,757,370 shares of common stock during the third quarter of 2025 through our ATM Forwards at a weighted-average gross price of \$67.91 per share, for anticipated gross proceeds of approximately \$187.3 million as of September 30, 2025 ([Note 12](#)). In October 2025, we sold 628,090 additional shares of common stock through our ATM Forwards at a weighted-average price of \$68.66 per share for anticipated gross proceeds of approximately \$43.1 million ([Note 15](#)). As of the date of this Report, all of these shares of common stock sold through our ATM Forwards remain unsettled.

Dividends to Stockholders

We declared cash dividends totaling \$2.700 per share during the nine months ended September 30, 2025, comprised of three quarterly dividends per share of \$0.910, \$0.900, and \$0.890 ([Note 12](#)).

Consolidated Results

(in thousands, except shares)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total revenues	\$ 431,303	\$ 397,383	\$ 1,271,938	\$ 1,176,853
Net income attributable to W. P. Carey	140,996	111,698	318,040	413,816
Dividends declared	201,142	193,156	596,534	576,149
Net cash provided by operating activities ^(a)			977,686	1,536,765
Net cash used in investing activities			(756,981)	(436,022)
Net cash used in financing activities			(582,345)	(914,498)
Supplemental financial measures ^(b) :				
Adjusted funds from operations attributable to W. P. Carey (AFFO)	276,629	259,348	817,119	768,339
Diluted weighted-average shares outstanding	221,087,833	220,404,149	221,033,628	220,425,244

- (a) Amounts for the nine months ended September 30, 2025 and 2024 include \$200.2 million and \$807.0 million, respectively, of proceeds from the sales of net investments in sales-type leases (primarily the Grupo Memora portfolio sold during the current-year period and the U-Haul and State of Andalusia portfolios sold during the prior-year period) ([Note 5](#)). Such proceeds are included within Net cash provided by operating activities in accordance with ASC 842, *Leases*.
- (b) We consider Adjusted funds from operations (“AFFO”), a supplemental measure that is not defined by GAAP (a “non-GAAP measure”), to be an important measure in the evaluation of our operating performance. See [Supplemental Financial Measures](#) below for our definition of this non-GAAP measure and a reconciliation to its most directly comparable GAAP measure.

Revenues

Total revenues increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024, primarily due to net investment activity and rent escalations, partially offset by lower operating property revenues as a result of self-storage operating property dispositions ([Note 14](#)).

Net Income Attributable to W. P. Carey

Net income attributable to W. P. Carey increased for the three months ended September 30, 2025 as compared to the same period in 2024, primarily due to higher gain on sale of real estate, lower unrealized losses recognized on our investment in shares of Lineage ([Note 8](#)), and the accretive impact of net investment activity, partially offset by a gain on change in control of interests recognized in connection with the purchase of the remaining interest in a jointly owned investment during the prior-year period ([Note 7](#)).

Net income attributable to W. P. Carey decreased for the nine months ended September 30, 2025 as compared to the same period in 2024, primarily due to higher losses from remeasurement of foreign debt, higher unrealized losses recognized on our investment in shares of Lineage ([Note 8](#)), and a gain on change in control of interests recognized in connection with the purchase of the remaining interest in a jointly owned investment during the prior-year period, partially offset by higher gain on sale of real estate and the accretive impact of net investment activity.

AFFO

AFFO increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024, primarily due to the accretive impact of net investment activity and rent escalations.

Portfolio Overview

Our portfolio is comprised of operationally-critical, commercial real estate assets net leased to tenants located primarily in the United States and Europe. We invest in high-quality single tenant industrial, warehouse, and retail properties subject to long-term net leases with built-in rent escalators. Portfolio information is provided on a pro rata basis, unless otherwise noted below, to better illustrate the economic impact of our various net-leased jointly owned investments. See Terms and Definitions below for a description of pro rata amounts.

Portfolio Summary

<i>Net-leased Properties</i>	September 30, 2025	December 31, 2024
ABR (in thousands)	\$ 1,509,230	\$ 1,337,172
Number of net-leased properties	1,662	1,555
Number of tenants	373	355
Total square footage (in thousands)	182,775	176,420
Occupancy	97.0 %	98.6 %
Weighted-average lease term (in years)	12.1	12.3
<i>Operating Properties</i>		
Number of operating properties:	47	84
Number of self-storage operating properties	42	78
Number of hotel operating properties	4	4
Number of student housing operating properties	1	2
Occupancy (self-storage operating properties)	88.5 %	89.6 %
Number of countries	26	26
Total assets (in thousands)	\$ 17,985,040	\$ 17,535,024
Net investments in real estate (in thousands)	15,408,626	14,580,475
<i>Nine Months Ended September 30,</i>		
	2025	2024
Acquisition volume (in millions) ^(a)	\$ 1,423.2	\$ 707.1
Construction projects completed (in millions)	46.9	33.2
Average U.S. dollar/euro exchange rate	1.1180	1.0870
Average U.S. dollar/British pound sterling exchange rate	1.3140	1.2769

- (a) Amounts for the nine months ended September 30, 2025 and 2024 include \$3.2 million and \$8.8 million, respectively, of funding for a construction loan accounted for as an equity investment ([Note 7](#)). Amount for the nine months ended September 30, 2025 includes \$5.0 million to acquire a 47.50% ownership interest in that equity investment ([Note 7](#)). Amount for the nine months ended September 30, 2025 includes \$2.8 million of funding for two construction loans accounted for as secured loans receivable ([Note 5](#)). Amounts for the nine months ended September 30, 2025 and 2024 include \$361.4 million and \$83.9 million, respectively, of sale-leasebacks classified as loans receivable ([Note 5](#)).

Net-Leased Portfolio

The tables below represent information about our net-leased portfolio at September 30, 2025 on a pro rata basis and, accordingly, exclude all operating properties. See Terms and Definitions below for a description of pro rata amounts and ABR.

Top Ten Tenants by ABR (dollars in thousands)

Tenant/Lease Guarantor	Description	Number of Properties	ABR	ABR Percent	Weighted-Average Lease Term (Years)
Extra Space Storage, Inc.	Net lease self-storage properties in the U.S. leased to publicly traded self-storage REIT	43	\$ 41,332	2.7 %	23.9
Apotex Pharmaceutical Holdings Inc. ^(a)	Pharmaceutical R&D and manufacturing properties in the Greater Toronto Area leased to generic drug manufacturer	11	33,448	2.2 %	17.5
Metro Cash & Carry Italia S.p.A. ^(b)	Business-to-business retail stores in Italy leased to cash and carry wholesaler	19	30,869	2.0 %	4.6
Fortenova Grupa d.d. ^(b)	Grocery stores and one warehouse in Croatia leased to European food retailer	19	28,382	1.9 %	8.6
OBI Group ^(b)	Retail properties in Poland leased to German DIY retailer	26	27,444	1.8 %	5.6
TI Automotive (formerly ABC Technologies Holdings Inc.) ^{(a) (c)}	Automotive parts manufacturing properties in the U.S., Canada and Mexico leased to OEM supplier	22	25,510	1.7 %	19.5
Fedrigoni S.p.A. ^(b)	Industrial and warehouse facilities in Germany, Italy and Spain leased to global manufacturer of premium packaging and labels	16	25,078	1.7 %	18.2
Eroski Sociedad Cooperativa ^(b)	Grocery stores and warehouses in Spain leased to Spanish food retailer	63	24,086	1.6 %	10.5
Nord Anglia Education, Inc.	K-12 private schools in Orlando, Miami and Houston leased to international day and boarding school operator	3	23,599	1.6 %	18.0
Quikrete Holdings, Inc. ^(b)	Industrial facilities in the U.S. and Canada leased to concrete and building products manufacturer	27	20,644	1.4 %	17.7
		<u>249</u>	<u>\$ 280,392</u>	<u>18.6 %</u>	<u>14.7</u>

(a) ABR from these properties is denominated in U.S. dollars.

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

(c) Of the 22 properties leased to TI Automotive, nine are located in Canada, seven are located in the United States, and six are located in Mexico.

Portfolio Diversification by Geography
(in thousands, except percentages)

Region	ABR	ABR Percent	Square Footage ^(a)	Square Footage Percent
United States				
South				
Texas	\$ 92,882	6.1 %	11,702	6.4 %
Florida	44,679	3.0 %	3,707	2.0 %
Tennessee	39,035	2.6 %	4,572	2.5 %
Georgia	28,402	1.9 %	4,415	2.4 %
Alabama	21,314	1.4 %	3,504	1.9 %
Other ^(b)	26,692	1.8 %	3,024	1.7 %
Total South	253,004	16.8 %	30,924	16.9 %
Midwest				
Illinois	63,982	4.2 %	9,474	5.2 %
Ohio	41,092	2.7 %	8,383	4.6 %
Indiana	40,217	2.7 %	6,173	3.4 %
Michigan	27,122	1.8 %	4,499	2.5 %
Wisconsin	19,866	1.3 %	3,351	1.8 %
Other ^(b)	51,465	3.4 %	7,174	3.9 %
Total Midwest	243,744	16.1 %	39,054	21.4 %
East				
North Carolina	41,065	2.7 %	8,858	4.8 %
Pennsylvania	32,781	2.2 %	3,416	1.9 %
Kentucky	29,737	2.0 %	4,485	2.4 %
Massachusetts	25,049	1.6 %	1,216	0.7 %
New York	22,568	1.5 %	2,284	1.2 %
New Jersey	22,334	1.5 %	1,008	0.5 %
South Carolina	19,495	1.3 %	4,485	2.5 %
Other ^(b)	34,904	2.3 %	5,247	2.9 %
Total East	227,933	15.1 %	30,999	16.9 %
West				
California	75,892	5.0 %	5,351	2.9 %
Arizona	22,381	1.5 %	2,372	1.3 %
Nevada	17,747	1.2 %	485	0.3 %
Other ^(b)	66,990	4.4 %	6,742	3.7 %
Total West	183,010	12.1 %	14,950	8.2 %
United States Total	907,691	60.1 %	115,927	63.4 %
International				
Italy	77,711	5.2 %	9,911	5.4 %
The Netherlands	67,611	4.5 %	6,784	3.7 %
Poland	66,276	4.4 %	8,460	4.6 %
United Kingdom	61,559	4.1 %	4,848	2.7 %
Canada ^(c)	59,476	3.9 %	5,737	3.1 %
Germany	47,191	3.1 %	5,580	3.1 %
Spain	35,959	2.4 %	3,522	1.9 %
Croatia	29,306	1.9 %	2,063	1.1 %
France	28,061	1.9 %	2,149	1.2 %
Denmark	27,606	1.8 %	3,002	1.7 %
Mexico ^(d)	26,139	1.7 %	4,190	2.3 %
Lithuania	15,144	1.0 %	1,640	0.9 %
Other ^(e)	59,500	4.0 %	8,962	4.9 %
International Total	601,539	39.9 %	66,848	36.6 %
Total	\$ 1,509,230	100.0 %	182,775	100.0 %

Portfolio Diversification by Property Type
(in thousands, except percentages)

Property Type	ABR	ABR Percent	Square Footage ^(a)	Square Footage Percent
Industrial	\$ 589,156	39.0%	83,359	45.6%
Warehouse	384,049	25.5%	66,099	36.2%
Retail ^(f)	327,449	21.7%	22,089	12.1%
Other ^(g)	208,576	13.8%	11,228	6.1%
Total	\$ 1,509,230	100.0%	182,775	100.0%

-
- (a) Includes square footage for any vacant properties.
- (b) Other properties within South include assets in Arkansas, Louisiana, Oklahoma, and Mississippi. Other properties within Midwest include assets in Iowa, Minnesota, Kansas, Missouri, Nebraska, South Dakota, and North Dakota. Other properties within East include assets in Virginia, Maryland, Connecticut, West Virginia, New Hampshire, and Maine. Other properties within West include assets in Utah, Oregon, Colorado, Washington, Montana, Hawaii, Idaho, Wyoming, and New Mexico.
- (c) \$50.4 million (85%) of ABR from properties in Canada is denominated in U.S. dollars, with the balance denominated in Canadian dollars.
- (d) All ABR from properties in Mexico is denominated in U.S. dollars.
- (e) Includes assets in Slovakia, Belgium, the Czech Republic, Norway, Mauritius, Portugal, Austria, Latvia, Sweden, Finland, Japan, Estonia, and Hungary.
- (f) Includes automotive dealerships.
- (g) Includes ABR from tenants within the following property types: education facility, self-storage (net lease), specialty, laboratory, research and development, hotel (net lease), office, and land.

Portfolio Diversification by Tenant Industry
(in thousands, except percentages)

Industry Type ^(a)	ABR	ABR Percent	Square Footage	Square Footage Percent
Food Retail	\$ 148,851	9.9 %	10,867	5.9 %
Packaged Foods & Meats	148,194	9.8 %	18,559	10.2 %
Home Improvement Retail	97,999	6.5 %	12,187	6.7 %
Auto Parts & Equipment	81,791	5.4 %	12,225	6.7 %
Automotive Retail	76,918	5.1 %	7,023	3.8 %
Education Services	60,418	4.0 %	2,778	1.5 %
Pharmaceuticals	48,155	3.2 %	3,076	1.7 %
Air Freight & Logistics	46,409	3.1 %	7,075	3.9 %
Self-Storage REITs	41,332	2.7 %	3,170	1.7 %
Industrial Machinery	40,504	2.7 %	5,570	3.0 %
Trading Companies & Distributors	38,132	2.5 %	8,663	4.7 %
Metal & Glass Containers	37,299	2.5 %	5,083	2.8 %
Building Products	30,817	2.0 %	6,653	3.6 %
Other Specialty Retail	29,041	1.9 %	3,233	1.8 %
Paper Products	25,078	1.7 %	4,459	2.4 %
Specialty Chemicals	24,370	1.6 %	4,303	2.4 %
Diversified Support Services	23,909	1.6 %	2,372	1.3 %
Construction Materials	23,557	1.5 %	3,781	2.1 %
Food Distributors	19,316	1.3 %	1,552	0.8 %
Construction Machinery	19,123	1.3 %	2,528	1.4 %
Passenger Ground Transportation	18,841	1.2 %	850	0.5 %
Consumer Staples Merchandise Retail	18,215	1.2 %	1,541	0.8 %
Leisure Facilities	18,102	1.2 %	656	0.4 %
Hotels & Resorts	16,472	1.1 %	1,073	0.6 %
Commodity Chemicals	16,417	1.1 %	2,493	1.4 %
Diversified Metals	16,281	1.1 %	3,290	1.8 %
Other (63 industries, each <1% ABR) ^(b)	343,689	22.8 %	47,715	26.1 %
Total	\$ 1,509,230	100.0 %	182,775	100.0 %

(a) Industry classification is based on the Global Industry Classification Standard (GICS) framework.

(b) Includes square footage for vacant properties.

Lease Expirations

(in thousands, except percentages, number of leases, and number of tenants)

Year of Lease Expiration ^(a)	Number of Leases Expiring	Number of Tenants with Leases Expiring	ABR	ABR Percent	Square Footage	Square Footage Percent
Remaining 2025	4	5	\$ 1,572	0.1 %	166	0.1 %
2026	23	23	40,901	2.7 %	5,542	3.0 %
2027	45	28	62,640	4.1 %	6,855	3.8 %
2028	45	27	71,109	4.7 %	7,348	4.0 %
2029	60	33	78,675	5.2 %	8,649	4.7 %
2030	35	30	41,009	2.7 %	4,031	2.2 %
2031	46	27	90,041	6.0 %	10,599	5.8 %
2032	46	24	55,429	3.7 %	7,257	4.0 %
2033	32	25	83,063	5.5 %	11,790	6.5 %
2034	59	27	95,959	6.4 %	9,464	5.2 %
2035	25	21	56,985	3.8 %	8,115	4.4 %
2036	45	21	66,785	4.4 %	7,891	4.3 %
2037	43	20	56,626	3.8 %	7,851	4.3 %
2038	46	13	27,831	1.8 %	2,766	1.5 %
Thereafter (>2038)	382	132	680,605	45.1 %	79,037	43.2 %
Vacant	—	—	—	— %	5,414	3.0 %
Total	936		\$ 1,509,230	100.0 %	182,775	100.0 %

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

Terms and Definitions

Pro Rata Metrics — The portfolio information above contains certain metrics prepared on a pro rata basis. We refer to these metrics as pro rata metrics. We have certain investments 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 generally present our proportionate share, based on our economic ownership of these jointly owned investments, of the portfolio metrics 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, 2025. 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.

Results of Operations

We evaluate our results of operations with a primary focus on increasing and enhancing the value, quality, and number of our properties. We focus our efforts on accretive investing and improving portfolio quality through re-leasing efforts, including negotiation of lease renewals, or selectively selling assets in order to increase value in our real estate portfolio.

Revenues

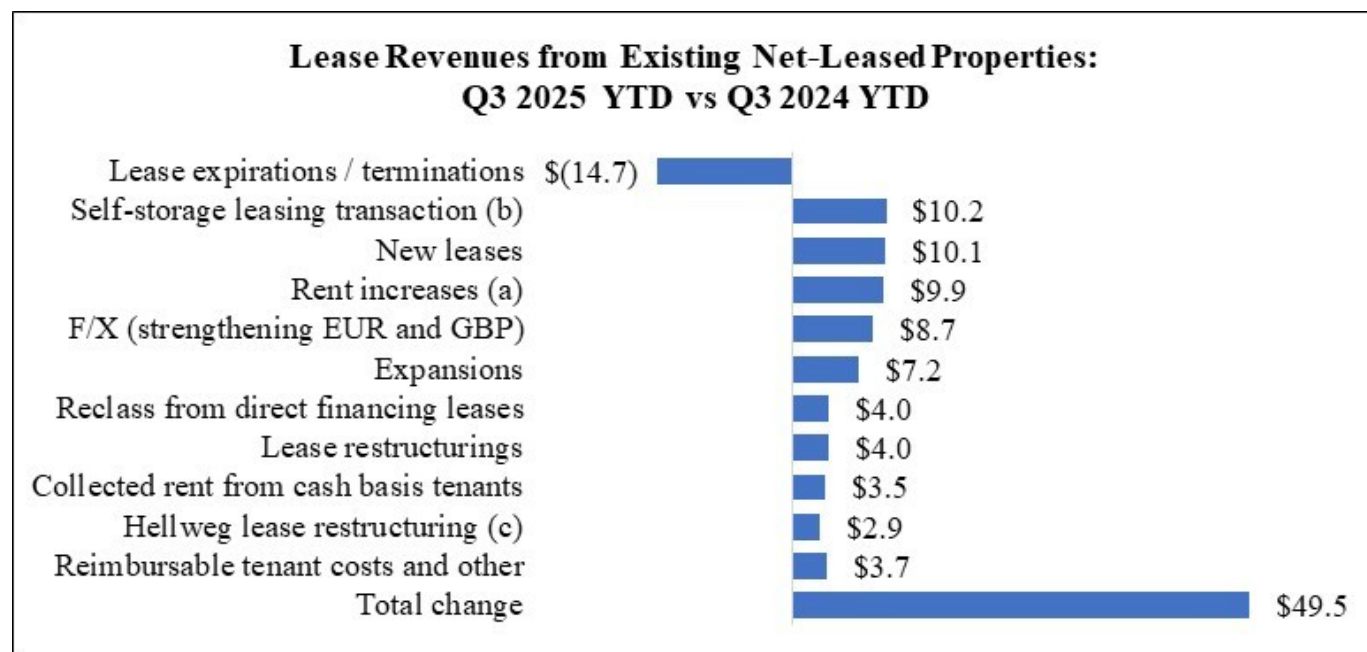
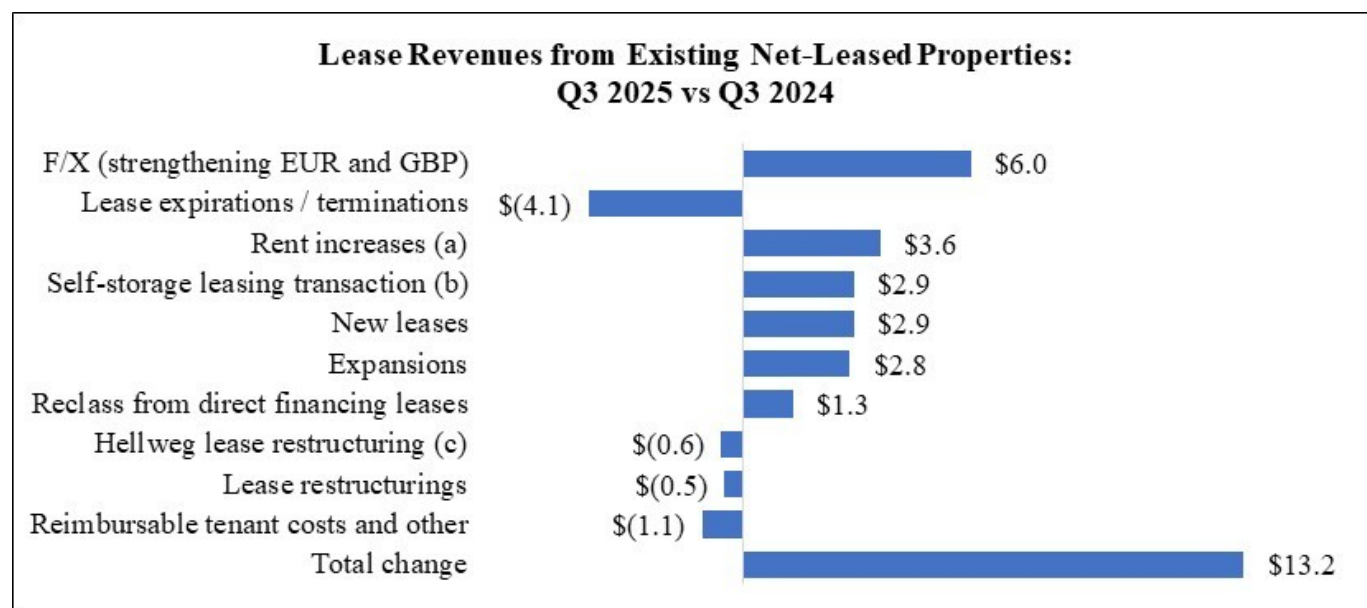
The following table presents revenues (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Real Estate Revenues						
Lease revenues from:						
Existing net-leased properties	\$ 327,451	\$ 314,248	\$ 13,203	\$ 978,240	\$ 928,790	\$ 49,450
Recently acquired net-leased properties	43,827	11,910	31,917	103,805	22,234	81,571
Net-leased properties sold or held for sale	809	7,881	(7,072)	8,005	29,370	(21,365)
Total lease revenues (includes reimbursable tenant costs)	372,087	334,039	38,048	1,090,050	980,394	109,656
Income from finance leases and loans receivable	26,498	15,712	10,786	64,232	56,466	7,766
Operating property revenues from:						
Existing operating properties	21,982	23,234	(1,252)	64,091	66,769	(2,678)
Operating properties sold, held for sale, or reclassified to net-leased properties	4,622	14,006	(9,384)	29,565	45,829	(16,264)
Recently acquired operating properties	167	83	84	496	83	413
Total operating property revenues	26,771	37,323	(10,552)	94,152	112,681	(18,529)
Other lease-related income	3,660	7,701	(4,041)	16,424	19,005	(2,581)
Investment Management Revenues						
Asset management revenue	1,218	1,557	(339)	3,872	5,136	(1,264)
Other advisory income and reimbursements	1,069	1,051	18	3,208	3,171	37
	<u>\$ 431,303</u>	<u>\$ 397,383</u>	<u>\$ 33,920</u>	<u>\$1,271,938</u>	<u>\$1,176,853</u>	<u>\$ 95,085</u>

Lease Revenues

“Existing net-leased properties” are those that we acquired or placed into service prior to January 1, 2024 and that were not sold or held for sale during the periods presented. For the periods presented, there were 1,131 existing net-leased properties.

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, lease revenues from existing net-leased properties increased due to the following items (in millions):



- (a) Excludes fixed minimum rent increases, which are reflected as straight-line rent adjustments within lease revenues.
- (b) Includes (i) higher lease revenues of \$2.7 million and \$8.7 million for the three and nine months ended September 30, 2025 as compared to the same periods in 2024, respectively, from 16 self-storage operating properties that were converted to net leases on September 1, 2024, April 1, 2025, July 1, 2025, or August 1, 2025, and (ii) higher lease revenues of \$0.2 million and \$1.5 million during the three and nine months ended September 30, 2025 as compared to the same periods in 2024, respectively, as a result of a lease restructuring for 27 existing net-leased self-storage properties that was executed on September 1, 2024.

(c) During the first quarter of 2024, we entered into a lease restructuring with our tenant Hellweg, which included (i) abated rent from January 1, 2024 to March 31, 2024 and (ii) a reduction in annual base rent. In addition, these amounts reflect a decrease in lease revenues of \$0.6 million related to lease terminations during the third quarter of 2025 at certain properties leased to Hellweg.

“Recently acquired net-leased properties” are those that we acquired or placed into service subsequent to December 31, 2023 and that were not sold or held for sale during the periods presented. Since January 1, 2024, we acquired 43 investments (comprised of 412 properties).

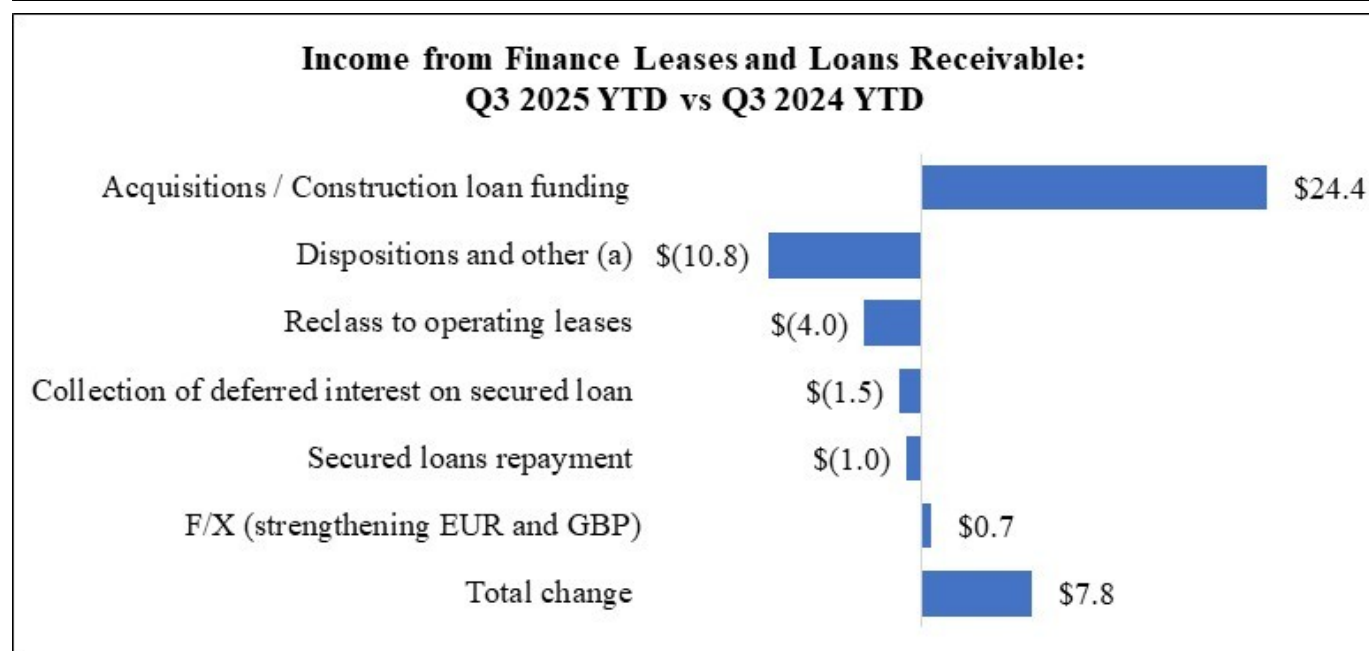
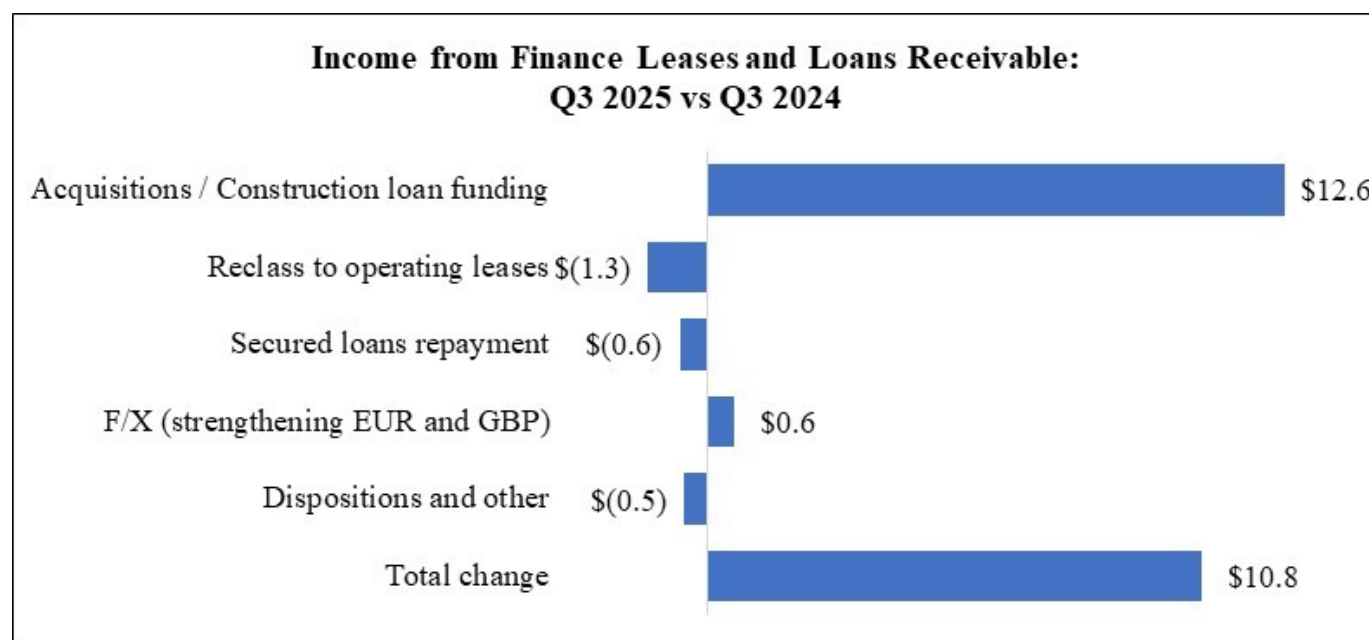
“Net-leased properties sold or held for sale” include:

- 51 net-leased properties disposed of during the nine months ended September 30, 2025;
- three net-leased properties classified as held for sale at September 30, 2025, two of which were sold in October 2025 ([Note 15](#)); and
- 175 net-leased properties disposed of during the year ended December 31, 2024.

Our dispositions are more fully described in [Note 14](#).

Income from Finance Leases and Loans Receivable

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, income from finance leases and loans receivable increased due to the following items (in millions):



(a) We sold our U-Haul and State of Andalusia portfolios during the first quarter of 2024. Such investments were previously reclassified to net investments in sales-type leases during 2023.

Operating Property Revenues

“Existing operating properties” are those that we acquired or placed into service prior to January 1, 2024 and that were not sold, held for sale, or reclassified to net-leased properties during the periods presented. For the periods presented, we recorded operating property revenues from 46 existing operating properties, comprised of 41 self-storage operating properties, four hotel operating properties, and one student housing operating property.

“Recently acquired operating properties” include one self-storage operating property acquired during the third quarter of 2024.

“Operating properties sold, held for sale, or reclassified to net-leased properties” include:

- one hotel operating property sold during the second quarter of 2024;
- three self-storage operating properties that were reclassified to net-leased properties during the third quarter of 2024;
- two self-storage operating properties that were reclassified to net-leased properties during the second quarter of 2025;
- two self-storage operating properties that were reclassified to net-leased properties during the third quarter of 2025;
- ten self-storage operating properties sold during the second quarter of 2025;
- 22 self-storage operating properties sold during the third quarter of 2025; and
- one student housing operating property sold during the third quarter of 2025.

Other Lease-Related Income

Other lease-related income is described in [Note 4](#).

Asset Management Revenue

During the periods presented, we earned asset management revenue from (i) NLOP and (ii) CESH ([Note 3](#)). Asset management revenues from NLOP and CESH are expected to decline as assets are sold (CESH owns one remaining build-to-suit project).

Other Advisory Income and Reimbursements

Other advisory income and reimbursements are comprised of (i) fixed administrative fees earned from NLOP and (ii) reimbursable costs from CESH ([Note 3](#)).

Operating Expenses

Depreciation and Amortization

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, depreciation and amortization expense increased by \$9.9 million and \$3.8 million, respectively, primarily due to the impact of net investment activity, partially offset by accelerated amortization of intangible assets in connection with certain lease restructurings during the nine months ended September 30, 2024.

Impairment Charges — Real Estate

Our impairment charges on real estate are more fully described in [Note 8](#).

Operating Property Expenses

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, operating property expenses decreased by \$2.7 million and \$6.0 million, respectively, primarily due to the self-storage operating property dispositions and reclassifications to net leases during the reporting period, as described above and in [Note 14](#).

Property Expenses, Excluding Reimbursable Tenant Costs

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, property expenses, excluding reimbursable tenant costs, increased by \$3.6 million and \$2.9 million, respectively, primarily due to higher real estate taxes at certain properties and tenant vacancies (which resulted in property expenses no longer being reimbursable).

Stock-Based Compensation Expense

For the three months ended September 30, 2025 as compared to the same period in 2024, stock-based compensation expense decreased by \$2.3 million primarily due to changes in estimated future PSU payouts.

Merger and Other Expenses

For the nine months ended September 30, 2024, merger and other expenses are primarily comprised of the write-off of a value added tax receivable that was previously recorded in connection with an international investment.

Other Income and Expenses, and Provision for Income Taxes

Interest Expense

For the three and nine months ended September 30, 2025 as compared to the same periods in 2024, interest expense increased by \$2.7 million and \$9.3 million, respectively, primarily due to higher outstanding balances and interest rates on our Senior Unsecured Notes and Unsecured Revolving Credit Facility, partially offset by lower interest rates on our Unsecured Term Loans and the reduction of our mortgage debt outstanding by prepaying or repaying at or close to maturity a total of \$430.9 million of non-recourse mortgage loans with a weighted-average interest rate of 4.4% since January 1, 2024 ([Note 10](#)).

The following table presents certain information about our outstanding debt (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Average outstanding debt balance	\$ 8,796,494	\$ 7,993,827	\$ 8,442,383	\$ 7,923,491
Weighted-average interest rate	3.2 %	3.4 %	3.2 %	3.2 %

Gain on Sale of Real Estate, Net

Gain on sale of real estate, net, consists of gains and losses on the sale of properties that were (i) disposed of, (ii) subject to the exercise of a purchase option, or (iii) subject to a purchase agreement resulting in a lease modification during the reporting period, as more fully described in [Note 4](#), [Note 5](#) and [Note 14](#).

Other Gains and (Losses)

Other gains and (losses) primarily consists of gains and losses on (i) the mark-to-market fair value of equity securities, (ii) foreign currency exchange rate movements (except those foreign currency-denominated unsecured debt instruments that were designated as net investment hedges ([Note 9](#))), (iii) changes in the non-cash allowance for credit losses on loans receivable and finance leases, and (iv) extinguishment of debt. The timing and amount of such gains or losses cannot always be estimated and are subject to fluctuation.

The following table presents other gains and (losses) (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Other Gains and (Losses)						
Non-cash unrealized losses related to a decrease in the fair value of our investment in shares of Lineage Logistics (Note 8)	\$ (22,625)	\$ (43,600)	\$ 20,975	\$ (91,717)	\$ (43,600)	\$ (48,117)
Change in allowance for credit losses on finance receivables (Note 5)	(4,766)	(15,895)	11,129	(26,968)	(10,798)	(16,170)
Net realized and unrealized losses on foreign currency exchange rate movements ^(a)	(4,436)	(17,308)	12,872	(98,758)	(17,046)	(81,712)
Non-cash unrealized gains (losses) on non-hedging derivatives	913	(332)	1,245	(4,102)	185	(4,287)
Gain on repayment of secured loan receivable ^(b)	—	—	—	—	10,650	(10,650)
Other	(97)	28	(125)	(431)	(155)	(276)
	<u>\$ (31,011)</u>	<u>\$ (77,107)</u>	<u>\$ 46,096</u>	<u>\$ (221,976)</u>	<u>\$ (60,764)</u>	<u>\$ (161,212)</u>

- (a) Remeasurement of certain monetary assets and liabilities that are held by our subsidiaries in currencies other than their functional currency are included in other gains and (losses), including certain foreign currency-denominated unsecured debt instruments that are not designated as net investment hedges. This includes foreign currency-denominated intercompany loans to our foreign subsidiaries that are scheduled for settlement. Beginning in the first quarter of 2023, our intercompany loans subject to remeasurement were hedged by certain of our foreign currency-denominated unsecured debt that we de-designated as net investment hedges.
- (b) We acquired a secured loan receivable with a fair value of \$13.3 million in our merger with a former affiliate, Corporate Property Associates 17 – Global Incorporated, in October 2018, for which the outstanding principal of \$24.0 million was fully repaid to us in March 2024 (Note 5). Therefore, we recorded a \$10.7 million gain on repayment of this secured loan receivable during the nine months ended September 30, 2024.

Non-Operating Income

Non-operating income primarily consists of interest income on our cash deposits, realized gains and losses on derivative instruments, and dividends from equity securities.

The following table presents non-operating income (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Non-Operating Income						
Dividends from our investment in Lineage (Note 8)	\$ 2,847	\$ 2,107	\$ 740	\$ 8,448	\$ 5,139	\$ 3,309
Interest income on our cash deposits ^(a)	1,703	9,934	(8,231)	5,348	25,181	(19,833)
Realized (losses) gains on foreign currency collars (Note 9)	(1,520)	1,628	(3,148)	639	8,069	(7,430)
	<u>\$ 3,030</u>	<u>\$ 13,669</u>	<u>\$ (10,639)</u>	<u>\$ 14,435</u>	<u>\$ 38,389</u>	<u>\$ (23,954)</u>

- (a) Decreases for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 are due to lower cash deposit balances as a result of investment activity and debt repayments.

Earnings from Equity Method Investments

Our equity method investments are more fully described in Note 7. The following table presents earnings from equity method investments (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Earnings from Equity Method Investments						
Earnings from Las Vegas Retail Complex ^(a)	\$ 1,828	\$ 5,125	\$ (3,297)	\$ 10,216	\$ 13,454	\$ (3,238)
Earnings from Kesko Senukai ^(b)	323	(81)	404	3,051	312	2,739
Earnings from Harmon Retail Center	210	212	(2)	633	641	(8)
Earnings from Johnson Self Storage ^(c)	—	868	(868)	—	3,217	(3,217)
	<u>\$ 2,361</u>	<u>\$ 6,124</u>	<u>\$ (3,763)</u>	<u>\$ 13,900</u>	<u>\$ 17,624</u>	<u>\$ (3,724)</u>

- (a) Decrease is primarily due to rent collections from a tenant at the complex and the write-off of the related straight-line rent receivable balance (since we began recognizing lease revenue from the tenant on a cash basis).
- (b) Increase is primarily due to higher rent collections at these retail properties, where certain rents were previously disputed and subsequently collected.
- (c) On September 1, 2024, we acquired the remaining 10% controlling interest in the Johnson Self Storage jointly owned investment, bringing our ownership interest to 100%. Following this acquisition, we no longer recognize equity income from this consolidated investment (Note 7).

Gain on Change in Control of Interests

On September 1, 2024, we acquired the remaining interest in an investment in which we already had a joint interest and accounted for under the equity method. Due to the change in control of this jointly owned investment, we recorded a gain on change in control of interests of \$31.8 million reflecting the difference between our carrying value and the fair value of our previously held equity interest. Subsequent to this acquisition, we consolidated this wholly owned investment ([Note 7](#)).

Provision for Income Taxes

For the nine months ended September 30, 2025 as compared to the same period in 2024, provision for income taxes increased by \$9.3 million, primarily due to the impact of (i) international lease restructurings, (ii) strengthening foreign currencies, and (iii) international property acquisitions.

Liquidity and Capital Resources

Sources and Uses of Cash During the Period

We use the cash flow generated from our investments primarily to meet our operating expenses, service debt, and fund dividends to stockholders. Our cash flows fluctuate periodically due to a number of factors, which may include, among other things: the timing of our equity and debt offerings; the timing of purchases and sales of real estate; the timing of the repayment of mortgage loans, our Senior Unsecured Notes, and our Unsecured Term Loans; the timing of our receipt of lease revenues; the timing and amount of other lease-related payments; the timing of settlement of foreign currency transactions; changes in foreign currency exchange rates; and the timing of distributions from equity method investments. Despite these fluctuations, we believe that we will generate sufficient cash from operations to meet our normal recurring short-term liquidity needs. We may also use existing cash resources, available capacity under our Senior Unsecured Credit Facility, proceeds from term loans or other bank debt, proceeds from dispositions of properties, and the issuance of additional debt or equity securities, such as issuances of common stock through our ATM Program ([Note 12](#)), in order to meet our short-term and long-term liquidity needs. We assess our ability to access capital on an ongoing basis. Our sources and uses of cash during the period are described below.

Operating Activities — Net cash provided by operating activities decreased by \$559.1 million during the nine months ended September 30, 2025 as compared to the same period in 2024, primarily due to significantly lower proceeds received from the sales of net investments in sales-type leases ([Note 5](#)), partially offset by an increase in cash flow generated from net investment activity, scheduled rent increases at existing properties, and leasing activity.

Investing Activities — Our investing activities are generally comprised of real estate-related transactions (purchases and sales) and funding for build-to-suit activities and other capital expenditures on real estate.

Financing Activities — Our financing activities are generally comprised of borrowings and repayments under our Unsecured Revolving Credit Facility and Unsecured Term Loans, issuances and repayments of the Senior Unsecured Notes, payments of non-recourse mortgage loans, issuances of common equity, and payments of dividends to stockholders.

Summary of Financing

The table below summarizes our Senior Unsecured Notes, our non-recourse mortgages, and our Senior Unsecured Credit Facility (dollars in thousands):

	September 30, 2025	December 31, 2024
Carrying Value		
Fixed rate:		
Senior Unsecured Notes, net ^(a)	\$ 6,943,940	\$ 6,505,907
Unsecured Term Loans, net subject to interest rate swaps ^(a)	943,065	517,524
Non-recourse mortgages, net ^{(a) (b)}	191,387	401,821
	<u>8,078,392</u>	<u>7,425,252</u>
Variable rate:		
Unsecured Revolving Credit Facility	354,846	55,448
Unsecured Term Loans, net ^(a)	251,401	558,302
	<u>606,247</u>	<u>613,750</u>
	<u><u>\$ 8,684,639</u></u>	<u><u>\$ 8,039,002</u></u>
Percent of Total Debt		
Fixed rate	93 %	92 %
Variable rate	7 %	8 %
	<u>100 %</u>	<u>100 %</u>
Weighted-Average Interest Rate at End of Period		
Fixed rate	3.1 %	3.2 %
Variable rate	3.4 %	4.7 %
Total debt	3.1 %	3.3 %

- (a) Aggregate debt balance includes unamortized discount, net, totaling \$41.7 million and \$39.3 million as of September 30, 2025 and December 31, 2024, respectively, and unamortized deferred financing costs totaling \$31.7 million and \$30.9 million as of September 30, 2025 and December 31, 2024, respectively.
- (b) Includes non-recourse mortgages subject to variable-to-fixed interest rate swaps totaling \$46.4 million and \$43.5 million as of September 30, 2025 and December 31, 2024, respectively.

Cash Resources

At September 30, 2025, our cash resources consisted of the following:

- cash and cash equivalents totaling \$249.0 million. Of this amount, \$196.2 million, at then-current exchange rates, was held in foreign subsidiaries, and we could be subject to restrictions or significant costs should we decide to repatriate these amounts;
- funds totaling \$64.1 million that are held by an intermediary and have been designated for future tax-deferred like-kind exchanges under 1031 Exchange transactions ([Note 2](#));
- our Unsecured Revolving Credit Facility, with available capacity of approximately \$1.6 billion (net of amounts reserved for standby letters of credit totaling \$1.0 million);
- available proceeds under our ATM Forwards of approximately \$182.8 million ([Note 12](#)); and
- unleveraged properties that had an aggregate asset carrying value of approximately \$15.0 billion at September 30, 2025, although there can be no assurance that we would be able to obtain financing for these properties.

We may also access the capital markets through additional debt (denominated in both U.S. dollars and euros) and equity offerings, as well as term loans and other bank debt.

Our cash resources can be used for working capital needs and other commitments and may be used for future investments.

Cash Requirements and Liquidity

As of September 30, 2025, we had (i) \$249.0 million of cash and cash equivalents, (ii) \$64.1 million of funds that are held by an intermediary and have been designated for future 1031 Exchange transactions ([Note 2](#)), (iii) approximately \$1.6 billion of available capacity under our Unsecured Revolving Credit Facility (net of amounts reserved for standby letters of credit totaling \$1.0 million), and (iv) available proceeds under our ATM Forwards of approximately \$182.8 million ([Note 12](#)). As of September 30, 2025, scheduled debt principal payments total \$2.5 million during the remainder of 2025 and \$1.0 billion during 2026 ([Note 10](#)).

During the next 12 months following September 30, 2025 and thereafter, we expect that our significant cash requirements will include:

- paying dividends to our stockholders;
- funding acquisitions of new investments ([Note 4](#));
- funding future capital commitments ([Note 4](#)) and tenant improvement allowances;
- making scheduled principal and balloon payments on our debt obligations, including €500 million of senior notes due in April 2026 ([Note 10](#));
- making scheduled interest payments on our debt obligations (future interest payments total \$1.4 billion, with \$270.2 million due during the next 12 months; interest on unhedged variable-rate debt obligations was calculated using the applicable annual variable interest rates and balances outstanding at September 30, 2025); and
- other normal recurring operating expenses.

We expect to fund these cash requirements through cash generated from operations, cash received from dispositions of properties, the use of our cash reserves or unused amounts on our Unsecured Revolving Credit Facility (as described above), proceeds from term loans or other bank debt, issuances of common stock through our ATM Program ([Note 12](#)), and potential issuances of additional debt or equity securities.

Our liquidity could be adversely affected by an unanticipated disruption to our operating cash flow, which could include interrupted rent collections or greater-than-anticipated operating expenses. To the extent that our working capital reserve is insufficient to satisfy our cash requirements, additional funds may be provided from cash from operations to meet our normal recurring short-term and long-term liquidity needs. We may also use existing cash resources, available capacity under our Unsecured Revolving Credit Facility, mortgage loan proceeds, and the issuance of additional debt or equity securities to meet these needs.

Certain amounts disclosed above are based on the applicable foreign currency exchange rate at September 30, 2025.

New Tax Legislation

Effective July 4, 2025, certain changes to U.S. tax law were approved that may impact us and our stockholders. Among other changes, this legislation (i) permanently extended the 20% deduction for “qualified REIT dividends” for individuals and other non-corporate taxpayers under Section 199A of the Code, (ii) increased the percentage limit under the REIT asset test applicable to TRSs from 20% to 25% for taxable years beginning after December 31, 2025, and (iii) increases the base on which the 30% interest deduction limit under Section 163(j) of the Code applies by excluding depreciation, amortization, and depletion from the definition of “adjusted taxable income” (i.e. based on EBITDA rather than EBIT) for taxable years beginning after December 31, 2024.

Supplemental Financial Measures

In the real estate industry, analysts and investors employ certain non-GAAP supplemental financial measures in order to facilitate meaningful comparisons between periods and among peer companies. Additionally, in the formulation of our goals and in the evaluation of the effectiveness of our strategies, we use Funds from Operations (“FFO”) and AFFO, which are non-GAAP measures defined by our management. We believe that these measures are useful to investors to consider because they may assist them to better understand and measure the performance of our business over time and against similar companies. A description of FFO and AFFO and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are provided below.

Funds from Operations and Adjusted Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts (“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 the sale of certain real estate, impairment charges on real estate or other assets incidental to the company’s main business, 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 on the same basis.

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 finance 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, gains or losses on the mark-to-market fair value of equity securities, merger and acquisition expenses, spin-off expenses, and income and expenses associated with our captive insurance company. We also exclude realized and unrealized gains/losses on foreign currency exchange rate movements (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. 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 exchange rate 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.

FFO and AFFO were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income attributable to W. P. Carey	\$ 140,996	\$ 111,698	\$ 318,040	\$ 413,816
Adjustments:				
Depreciation and amortization of real property	124,906	115,028	373,773	369,981
Gain on sale of real estate, net	(44,401)	(15,534)	(141,002)	(70,342)
Impairment charges — real estate	19,474	—	30,677	15,752
Gain on change in control of interests ^(a)	—	(31,849)	—	(31,849)
Proportionate share of adjustments to earnings from equity method investments ^(b)	2,271	3,028	6,145	8,992
Proportionate share of adjustments for noncontrolling interests ^(c)	(82)	(96)	(242)	(300)
Total adjustments	102,168	70,577	269,351	292,234
FFO (as defined by NAREIT) attributable to W. P. Carey	243,164	182,275	587,391	706,050
Adjustments:				
Other (gains) and losses ^(d)	31,011	77,107	221,976	60,764
Straight-line and other leasing and financing adjustments	(20,424)	(21,187)	(54,831)	(56,050)
Stock-based compensation	11,153	13,468	31,244	31,227
Amortization of deferred financing costs	4,874	4,851	14,284	13,994
Above- and below-market rent intangible lease amortization, net	4,363	6,263	10,547	16,097
Tax (benefit) expense — deferred and other	(1,215)	(1,576)	823	(4,341)
Merger and other expenses ^(e)	1,021	283	1,769	4,941
Other amortization and non-cash items	587	587	1,726	1,746
Proportionate share of adjustments to earnings from equity method investments ^(b)	2,194	(2,632)	2,417	(5,797)
Proportionate share of adjustments for noncontrolling interests ^(c)	(99)	(91)	(227)	(292)
Total adjustments	33,465	77,073	229,728	62,289
AFFO attributable to W. P. Carey	\$ 276,629	\$ 259,348	\$ 817,119	\$ 768,339
Summary				
FFO (as defined by NAREIT) attributable to W. P. Carey	\$ 243,164	\$ 182,275	\$ 587,391	\$ 706,050
AFFO attributable to W. P. Carey	\$ 276,629	\$ 259,348	\$ 817,119	\$ 768,339

- (a) Amounts for the three and nine months ended September 30, 2024 represent a gain recognized on the remaining interest in an investment acquired during the third quarter of 2024, which we had previously accounted for under the equity method ([Note 7](#)).
- (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) Primarily comprised of gains and losses on the mark-to-market fair value of equity securities, foreign currency exchange rate movements, changes in the non-cash allowance for credit losses on loans receivable and finance leases, and extinguishment of debt. Includes mark-to-market unrealized losses for our investment in shares of Lineage of \$22.6 million and \$43.6 million during the three months ended September 30, 2025 and 2024, respectively, and \$91.7 million and \$43.6 million during the nine months ended September 30, 2025 and 2024, respectively ([Note 8](#)).
- (e) Amount for the nine months ended September 30, 2024 is primarily comprised of the write-off of a value added tax receivable that was previously recorded in connection with an international investment.

While we believe that FFO and AFFO are important supplemental measures, they should not be considered as alternatives to net income as an indication of a company's operating performance. These non-GAAP measures should be used in conjunction with net income as defined by GAAP. FFO and AFFO, or similarly titled measures disclosed by other REITs, may not be comparable to our FFO and AFFO measures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, and equity prices. The primary market risks that we are exposed to are interest rate risk and foreign currency exchange risk; however, we do not use derivative instruments to hedge credit/market risks or for speculative purposes.

We are also exposed to further market risk as a result of tenant concentrations in certain industries and/or geographic regions, since adverse market factors can affect the ability of tenants in a particular industry/region to meet their respective lease obligations. In order to manage this risk, we view our collective tenant roster as a portfolio and we attempt to diversify such portfolio so that we are not overexposed to a particular industry or geographic region.

Interest Rate Risk

The values of our real estate and related fixed-rate debt obligations, as well as the values of our unsecured debt obligations, are subject to fluctuations based on changes in interest rates. The value of our real estate is also subject to fluctuations based on local and regional economic conditions and changes in the creditworthiness of lessees, which may affect our ability to refinance property-level mortgage debt when balloon payments are scheduled, if we do not choose to repay the debt when due. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond our control. An increase in interest rates would likely cause the fair value of our assets to decrease. Increases in interest rates may also have an impact on the credit profile of certain tenants.

We are exposed to the impact of interest rate changes primarily through our borrowing activities. To limit this exposure, we generally seek long-term debt financing on a fixed-rate basis. However, we are subject to variable-rate interest on our Unsecured Term Loans and Unsecured Revolving Credit Facility. We have entered into, and may continue to enter into, interest rate swap agreements or interest rate cap agreements with counterparties related to certain of our variable-rate debt ([Note 10](#)). See [Note 9](#) for additional information on our interest rate swaps and caps.

Our debt obligations are more fully described in [Note 10](#) and [Liquidity and Capital Resources — Summary of Financing](#) in Item 2 above. The following table presents principal cash flows based upon expected maturity dates of our debt obligations outstanding at September 30, 2025 (in thousands):

	2025 (Remainder)	2026	2027	2028	2029	Thereafter	Total	Fair Value
Fixed-rate debt ^{(a) (b)}	\$ 2,537	\$1,028,291	\$ 597,344	\$1,025,672	\$1,099,865	\$4,397,036	\$ 8,150,745	\$7,872,368
Variable-rate debt ^(a)	\$ —	\$ —	\$ —	\$ 252,432	\$ 354,846	\$ —	\$ 607,278	\$ 641,301

(a) Amounts are based on the exchange rate at September 30, 2025, as applicable.

(b) Amounts include non-recourse mortgages and unsecured term loans subject to variable-to-fixed interest rate swaps. Amounts are primarily comprised of principal payments for our Senior Unsecured Notes ([Note 10](#)).

The estimated fair value of our fixed-rate debt and our variable-rate debt is affected by changes in interest rates. Annual interest expense on our unhedged variable-rate debt that does not bear interest at fixed rates at September 30, 2025 would increase or decrease by \$3.4 million for our euro-denominated debt, by \$1.0 million for our British pound sterling-denominated debt, by \$0.5 million for our Norwegian krone-denominated debt, \$0.5 million for our Canadian dollar-denominated debt, \$0.4 million for our U.S. dollar-denominated debt, and by \$0.2 million for our Japanese yen-denominated debt, for each respective 1% change in annual interest rates.

Foreign Currency Exchange Rate Risk

We own international investments, primarily in Europe, Canada, and Japan, and as a result are subject to risk from the effects of exchange rate movements in various foreign currencies, primarily the euro, British pound sterling, Danish krone, Canadian dollar, Japanese yen, and certain other currencies which may affect future costs and cash flows. We have obtained, and may in the future obtain, non-recourse mortgage financing in the local currency. We have also completed several offerings of euro-denominated senior notes, and have borrowed under our Senior Unsecured Credit Facility and Unsecured Term Loan due 2029 in foreign currencies, including the euro, British pound sterling, Norwegian krone, Japanese yen, and Canadian dollar ([Note 10](#)). Volatile market conditions arising from certain macroeconomic factors may result in significant fluctuations in foreign currency exchange rates. To the extent that currency fluctuations increase or decrease rental revenues, as translated to U.S. dollars, the change in debt service (comprised of principal and interest, excluding balloon payments), as translated to U.S. dollars, will partially offset the effect of fluctuations in revenue and, to some extent, mitigate the risk from changes in foreign currency exchange rates. We estimate that, for a 1% increase or decrease in the exchange rate between the euro, British pound sterling, or Danish krone and the U.S. dollar, there would be a corresponding change in the projected estimated cash flow (scheduled future rental revenues, net of scheduled future debt service payments for the next 12 months) for our consolidated foreign operations at September 30, 2025 of \$2.3 million, \$0.4 million, and \$0.3 million, respectively, excluding the impact of our derivative instruments.

In addition, we may use currency hedging to further reduce the exposure to our equity cash flow. We are generally a net receiver of these currencies (we receive more cash than we pay out), and therefore our foreign operations benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar, relative to the foreign currency.

We enter into foreign currency collars to hedge certain of our foreign currency cash flow exposures. See [Note 9](#) for additional information on our foreign currency collars.

Concentration of Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities or have similar economic risks or conditions that could cause them to default on their lease obligations to us. We regularly monitor our portfolio to assess potential concentrations of credit risk. While we believe our portfolio is well-diversified, it does contain concentrations in certain areas. There have been no material changes in our concentration of credit risk from what was disclosed in the 2024 Annual Report.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Our disclosure controls and procedures include internal controls and other procedures designed to provide reasonable assurance that information required to be disclosed in this and other reports filed under the Exchange Act is recorded, processed, summarized, and reported within the required time periods specified in the SEC's rules and forms; and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures. It should be noted that no system of controls can provide complete assurance of achieving a company's objectives and that future events may impact the effectiveness of a system of controls.

Our chief executive officer and chief financial officer, after conducting an evaluation, together with members of our management, of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2025, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of September 30, 2025 at a reasonable level of assurance.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 6. Exhibits.

The following exhibits are filed with this Report. Documents other than those designated as being filed herewith are incorporated herein by reference.

Exhibit No.	Description	Method of Filing
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101.INS	XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

W. P. Carey Inc.

Date: October 29, 2025

By: /s/ ToniAnn Sanzone

ToniAnn Sanzone

Chief Financial Officer

(Principal Financial Officer)

Date: October 29, 2025

By: /s/ Brian Zander

Brian Zander

Chief Accounting Officer

(Principal Accounting Officer)