

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 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 exchange on which registered
Common Stock, \$0.001 Par Value	WPC	New York Stock Exchange

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

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of last business day of the registrant's most recently completed second fiscal quarter: \$13.6 billion.

As of February 6, 2026, there were 219,145,876 shares of Common Stock of registrant outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

The registrant incorporates by reference its definitive Proxy Statement with respect to its 2026 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of its fiscal year, into Part III of this Annual Report on Form 10-K.

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## Forward-Looking Statements

This Annual Report on Form 10-K (the “Report”), including Management’s Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of Part II 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: the NLOP Spin-Off (as defined herein); 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 [Item 1A. Risk Factors](#) and [Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#) of this 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 presentation, 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 II, [Item 8. Financial Statements and Supplementary Data](#).

## PART I

### Item 1. Business.

#### General Development of Business

W. P. Carey Inc. (“W. P. Carey” or the “Company”) is an internally-managed diversified REIT that, together with our consolidated subsidiaries and predecessors, is a leading owner of commercial real estate, net-leased to companies located primarily in the United States and Europe on a long-term basis. The vast majority of our revenues originate from lease revenue provided by our real estate portfolio, which is comprised primarily of single-tenant industrial, warehouse, and retail facilities that are critical to our tenants’ operations. Our portfolio is comprised of 1,682 properties, net-leased to 371 tenants in 25 countries. As of December 31, 2025, approximately 61% of our contractual minimum annualized base rent (“ABR”) was generated by properties located in the United States and approximately 33% was generated by properties located in Europe. As of that same date, our portfolio included 16 operating properties, comprised of 11 self-storage properties, four hotels, and one student housing property. During the year ended December 31, 2025, we sold 63 self-storage operating properties.

In September 2023, we announced a plan to exit the office assets within our portfolio by (i) spinning-off 59 office properties into Net Lease Office Properties, a Maryland real estate investment trust (“NLOP”), so that it became a separate publicly-traded REIT (the “Spin-Off”), and (ii) implementing an asset sale program to dispose of certain office properties retained by us (the “Office Sale Program”), which was completed in 2024 ([Note 1](#)).

On November 1, 2023, we completed the Spin-Off, contributing 59 office properties to NLOP ([Note 3](#)). Following the closing of the Spin-Off, NLOP operates as a separate publicly-traded REIT, which we externally manage pursuant to certain advisory agreements (the “NLOP Advisory Agreements”).

Founded in 1973, we became a publicly traded company listed on the New York Stock Exchange (“NYSE”) in 1998 and reorganized as a REIT in 2012. Our shares of common stock are listed on the NYSE under the ticker symbol “WPC.” Headquartered in New York, we also have offices in Dallas, London, and Amsterdam.

#### Narrative Description of Business

##### *Business Objectives and Strategy*

Our primary business objective is to invest in a diversified portfolio of high-quality, mission-critical assets subject to long-term net leases with built-in rent escalators for the purpose of generating stable cash flows, enabling us to grow our dividend and increase long-term stockholder value.

Our investment strategy primarily focuses on owning and actively managing a diverse portfolio of commercial real estate that is net-leased to credit-worthy companies. We review and evaluate the fundamental value of the underlying real estate. We believe that many companies prefer to lease rather than own their corporate real estate because it allows them to deploy their capital more effectively into their core competencies. We specialize in sale-leaseback transactions, where we acquire a company’s critical real estate and then lease it back to them on a long-term, triple-net basis, which requires them to pay substantially all of the costs associated with operating and maintaining the property (such as real estate taxes, insurance, and facility maintenance). Compared to other types of real estate investments, sale-leaseback transactions typically produce a more predictable income stream and require minimal capital expenditures, which in turn generate revenues that provide our stockholders with a stable, growing source of income.

We believe that diversification across property type, tenant, tenant industry, and geographic location, as well as diversification of our lease expirations and scheduled rent increases, are vital aspects of portfolio risk management and accordingly have constructed a portfolio of real estate that we believe is well-diversified across each of these categories. We capitalize on our large portfolio and existing tenant relationships through accretive expansions, renovations, and follow-on deals. We actively manage our real estate portfolio to monitor tenant credit quality and lease renewal risks. We also maintain ample liquidity, a conservative capital structure, and access to multiple forms of capital.

We intend to operate our business in a manner that is consistent with the maintenance of our status as a REIT for federal income tax purposes. In addition, we expect to manage our investments in order to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended.

## ***Investment Strategies***

When considering potential net-lease investments for our real estate portfolio, we review various aspects of a transaction to determine whether the investment and lease structure will satisfy our investment criteria. We generally analyze the following main aspects of each transaction:

*Tenant/Borrower Evaluation* — We evaluate each potential tenant or borrower for creditworthiness, typically considering factors such as management experience, industry position and fundamentals, operating history, and capital structure. We also rate each asset based on its market, liquidity, and criticality to the tenant's operations, as well as other factors that may be unique to a particular investment. We seek opportunities where we believe the tenant may have a stable or improving credit profile or credit potential that has not been fully recognized by the market. We define creditworthiness as a risk-reward relationship appropriate to our investment strategies, which may or may not coincide with ratings issued by the credit rating agencies. We have a robust internal credit rating system and may designate subsidiaries of non-guarantor parent companies with investment grade ratings as "implied investment grade."

*Properties Critical to Tenant/Borrower Operations* — We generally focus on properties and facilities that we believe are critical to the ongoing operations of the tenant. We believe that these properties generally provide better protection, particularly in the event of a bankruptcy, since a tenant/borrower is less likely to risk the loss of a critically important lease or property in a bankruptcy proceeding or otherwise.

*Diversification* — We attempt to diversify our portfolio to avoid undue dependence on any one particular tenant, borrower, collateral type, geographic location, or industry. By diversifying our portfolio, we seek to reduce the adverse effect of a single underperforming investment or a downturn in any particular industry or geographic region. While we do not set any fixed diversity metrics in our portfolio, we believe that it is well-diversified across these categories.

*Lease Terms* — Generally, the net-leased properties we invest in are leased on a full-recourse basis to the tenants or their affiliates. In addition, the vast majority of our leases provide for scheduled rent increases over the term of the lease (see Our Portfolio below). These rent increases are either fixed (i.e., mandated on specific dates) or tied to increases in inflation indices (e.g., the Consumer Price Index ("CPI") or similar indices in the jurisdiction where the property is located), but may contain caps or other limitations, either on an annual or overall basis. In the case of retail stores and hotels, the lease may provide for participation in the gross revenues of the tenant above a stated level, which we refer to as percentage rent.

*Real Estate Evaluation* — We review and evaluate the physical condition of the property and the market in which it is located. We consider a variety of factors, including current market rents, replacement cost, residual valuation, property operating history, demographic characteristics of the location and accessibility, competitive properties, and suitability for re-leasing. We obtain third-party environmental and engineering reports and market studies when required. When considering an investment outside the United States, we will also consider factors particular to a country or region, including geopolitical risk, in addition to the risks normally associated with real property investments. See [Item 1A. Risk Factors](#).

*Transaction Provisions to Enhance and Protect Value* — When negotiating leases with potential tenants, we attempt to include provisions that we believe help to protect the investment from material changes in the tenant's operating and financial characteristics, which may affect the tenant's ability to satisfy its obligations to us or reduce the value of the investment. Such provisions include covenants requiring our consent for certain activities, requiring indemnification protections and/or security deposits, and requiring the tenant to satisfy specific operating tests. We may also seek to enhance the likelihood that a tenant will satisfy their lease obligations through a letter of credit or guaranty from the tenant's parent or other entity. Such credit enhancements, if obtained, provide us with additional financial security. However, in markets where competition for net-lease transactions is strong, some or all of these lease provisions may be difficult to obtain.

*Competition* — We face active competition from many sources, both domestically and internationally, for net-lease investment opportunities in commercial properties. In general, we believe that our management's experience in real estate, credit underwriting, and transaction structuring will allow us to compete effectively for commercial properties. However, competitors may be willing to accept rates of return, lease terms, other transaction terms, or levels of risk that we find unacceptable.

## ***Asset Management***

We believe that proactive asset management is essential to maintaining and enhancing property values. Important aspects of asset management include entering into new or modified transactions to meet the evolving needs of current tenants, re-leasing properties, credit and real estate risk analysis, building expansions and redevelopments, repositioning assets, sustainability and efficiency analysis and retrofits, and strategic dispositions. We regularly engage directly with our tenants and form long-term working relationships with their decision makers in order to provide proactive solutions and to obtain an in-depth, real-time understanding of tenant credit.

We monitor compliance by tenants with their lease obligations and other factors that could affect the financial performance of our real estate investments on an ongoing basis, which typically involves ensuring that each tenant has paid real estate taxes and other expenses relating to the properties it occupies and is maintaining appropriate insurance coverage. To ensure such compliance at our properties, we often engage the expertise of third parties to complete property inspections. We also review tenant financial statements and undertake regular physical inspections of the properties to verify their condition and maintenance. Additionally, we periodically analyze each tenant's financial condition, the industry in which each tenant operates, and each tenant's relative strength in its industry. The in-depth understanding of our tenants' businesses and direct relationships with their management teams provides strong visibility into potential issues as well as additional investment opportunities. Our business intelligence platform provides real-time surveillance and early warning, allowing asset managers to work with tenants to enforce lease provisions, and where appropriate, consider lease modifications.

## ***Financing Strategies***

We believe in maintaining ample liquidity, a conservative capital structure, and access to multiple forms of capital. We preserve balance sheet flexibility and liquidity by maintaining significant capacity on our \$2.0 billion unsecured revolving credit facility (the "Unsecured Revolving Credit Facility"). We generally use the Unsecured Revolving Credit Facility to fund our immediate business needs, including new investments and the repayment of outstanding debt. We seek to replace short-term financing with more permanent forms of capital, including, but not limited to, common stock (including common stock issued through our ATM Program), unsecured forms of debt such as public bonds, private placements and bank debt, and proceeds from asset sales. We also use cash flow retained from our operations to fund our business needs. When evaluating which form of capital to pursue, we take into consideration multiple factors, including our corporate leverage levels and targets, and the most attractive source of capital available to us. We may choose to issue unsecured bonds, notes, and bank debt denominated in foreign currencies in part to fund international acquisitions and mitigate our exposure to fluctuations in exchange rates. While we seek to maintain a predominantly fixed-rate debt profile, a well-staggered maturity ladder, and access to a wide variety of capital sources, and expect to continue being rated investment grade, this places limitations on the amount of leverage acceptable in our capital structure and as a result there can be no assurance that we will be able to do so in the future.

## ***Our Portfolio***

At December 31, 2025, our portfolio had the following characteristics:

- Number of properties — full or partial ownership interests in 1,682 net-leased properties, 11 self-storage operating properties, four operating hotels, and one student housing operating property;
- Total net-leased square footage — approximately 183 million; and
- Net-lease occupancy rate — approximately 98.0%.

For more information about our portfolio, see [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio Overview](#).

## *Tenant/Lease Information*

At December 31, 2025, our tenants/leases had the following characteristics:

- Number of tenants — 371;
- Investment grade tenants as a percentage of total ABR — 15%;
- Implied investment grade tenants as a percentage of total ABR — 7%;
- Weighted-average lease term — 12.0 years;
- 99.7% of our leases as a percentage of total ABR provide rent adjustments as follows:
  - CPI and similar — 48.4%
  - Fixed — 48.2%
  - Other — 3.1%

## ***Human Capital***

### *Investing in Our Employees*

At December 31, 2025, we had 199 employees, 145 of which were located in the United States and 54 of which were located in Europe. We seek to hire and retain a highly qualified workforce in compliance with applicable federal and other laws and regulations. We strive to attract the best and brightest applicants and support them as they grow with the company. We offer various types of training, including those focused on maintaining a supportive corporate culture, safety, and cybersecurity, coaching to facilitate leadership development, and trainings focused on job skills and development. By engaging with our employees and investing in their careers through training and development, we have built a talented workforce capable of executing our business strategies.

### *Inclusive Culture*

When we Invest for the Long Run, our employees are at the core of that philosophy. We strive to make W. P. Carey a great place to work and to maintain a culture where everyone feels valued for who they are and what they contribute. We are an equal opportunity employer and consider qualified applicants regardless of race, color, religion, sexual orientation, gender, gender identity or expression, pregnancy, age, disability, military or veteran status, genetic information, or other statuses protected by applicable federal, state, and local law. We actively work to foster an inclusive corporate culture that respects differences in race, sexual orientation and gender identity, national origin, creeds, and other differences.

### *Employee Wellness and Benefits*

Supporting our employees and their families is one of our top priorities and our comprehensive benefits package is designed to address the evolving needs of our workforce and their dependents. In addition to robust health and wellness benefits, we also provide our employees with competitive compensation programs, with a focus on both current compensation and retirement planning for their future.

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

## **Available Information**

We will supply to any stockholder, upon written request and without charge, a copy of this Report as filed with the SEC. Our filings can also be obtained for free on the SEC's website at <http://www.sec.gov>. All filings we make with the SEC, including this Report, our quarterly reports on Form 10-Q, and our current reports on Form 8-K, as well as any amendments to those reports, are available for free on the Investor Relations portion of our website (<http://www.wpcarey.com>), as soon as reasonably practicable after they are filed with or furnished to the SEC.

Our quarterly earnings conference call and investor presentations are accessible by the public. We generally announce via press release the dates and conference call details for upcoming scheduled quarterly earnings announcements and webcast investor presentations, which are also available in the Investor Relations section of our website approximately ten days prior to the event.

Our Code of Business Conduct and Ethics, which applies to all directors, officers, and employees, including our chief executive officer and chief financial officer, is also available on our website. We intend to make available on our website all disclosures that are required under the Securities Exchange Act of 1934 or NYSE listing standards concerning amendments or waivers to our Code of Business Conduct and Ethics. We are providing our website address solely for the information of investors and do not intend for it to be an active link. We do not intend to incorporate the information contained on our website into this Report or other documents filed with or furnished to the SEC.

## **Item 1A. Risk Factors.**

Our business, results of operations, financial condition, and ability to pay dividends could be materially adversely affected by various risks and uncertainties, including those enumerated below, which could cause such results to differ materially from those in any forward-looking statements. You should not consider this list exhaustive. New risk factors emerge periodically and we cannot assure you that the factors described below list all risks that may become material to us at any later time.

### ***Risks Related to Our Portfolio and Ownership of Real Estate***

#### **We face an increasingly competitive marketplace for investments.**

We compete for investments with many other institutions and investors, including other REITs, private equity firms, pension funds, and real estate companies. Operating in a competitive marketplace for investments could have a negative impact on our revenue growth. Our competitors may accept greater risk, lower returns, or a combination thereof allowing them to offer more attractive terms when pursuing investment opportunities. Access to capital and the cost of that capital could further impact the returns we generate from investments relative to our competitors and impair our ability to invest accretively. For example, high interest rates and equity costs may increase our cost of capital relative to our competitors and place additional pressure on investment spreads if capitalization rates (which generally respond to higher interest rates on a lag) remain constant or decline.

#### **Our portfolio is concentrated by tenant industry and geographic location.**

We are not required to meet any tenant industry, geographic diversification or property-type standards. Therefore, our investments may become concentrated by tenant industry, geographic location, type or tenant which could subject us to significant risks with potentially adverse effects on our investment objectives. For example, 9.6% and 9.4% of our ABR as of December 31, 2025 is concentrated by tenant industry in packaged foods & meats and food retail, respectively.

#### **Because we invest in properties located outside the United States, we are exposed to additional risks.**

We have invested, and may continue to invest, in properties located outside the United States. At December 31, 2025, our real estate properties located outside of the United States represented 39% of our ABR and our real estate properties located in Europe represented 33% of our ABR. These investments may be affected by factors particular to the local jurisdiction where the property is located and may expose us to additional risks, including:

- enactment of laws relating to foreign ownership of property (including expropriation of investments), or laws and regulations relating to our ability to repatriate invested capital, profits, or cash and cash equivalents back to the United States;
- legal systems where the ability to enforce contractual rights and remedies may be more limited than under U.S. law;
- trade disputes with other countries, the possibility of changes to some international trade agreements, and government regulatory actions, including the imposition of tariffs, trade barriers or other protectionist actions;
- difficulty in complying with conflicting obligations in various jurisdictions and the burden of observing a variety of evolving foreign laws, regulations, and governmental rules and policies, which may be more stringent than U.S. laws and regulations (including land use, zoning, environmental, financial, and privacy laws and regulations, such as the European Union's General Data Protection Regulation);
- tax requirements vary by country and existing foreign tax laws and interpretations may change (e.g., the on-going implementation of the European Union's Anti-Tax Avoidance Directives and the global minimum tax ("Pillar Two")), which may result in additional taxes on our international investments or additional taxes as a result of Pillar Two;

- changes in operating expenses in particular countries or regions;
- increased energy and commodity prices in Europe;
- foreign exchange rates;
- geopolitical and military conflict risk and adverse market conditions caused by changes in national or regional economic or political conditions, which may impact relative interest rates, the terms or availability of debt financing, customers' ability and willingness to renew agreements, make payments, and enter into new agreements, and energy costs; and
- political risks associated with our Eastern European assets as a result of the ongoing conflict between Russia and Ukraine.

The failure of our compliance and internal control systems to properly mitigate such additional risks, or of our operating infrastructure to support such international investments, could result in operational failures, regulatory fines, or other governmental sanctions. We may engage third-party asset managers in international jurisdictions to monitor compliance with legal requirements and lending agreements. Failure to comply with applicable requirements may expose us, our operating subsidiaries, or the entities we manage to additional liabilities. Our operations in the United Kingdom, the European Economic Area, and other countries are subject to significant compliance, disclosure, and other obligations.

In addition, the lack of publicly available information in certain jurisdictions could impair our ability to analyze transactions and may cause us to forego an investment opportunity. It may also impair our ability to receive timely and accurate financial information from tenants necessary to meet reporting obligations to financial institutions or governmental and regulatory agencies. Certain of these risks may be greater in less developed countries.

We are also subject to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar because we translate revenue denominated in foreign currency into U.S. dollars for our financial statements (our principal exposure is to the euro). Our results of our foreign operations are adversely affected by a stronger U.S. dollar relative to foreign currencies (i.e., absent other considerations, a stronger U.S. dollar will reduce both our revenues and our expenses).

**Inflation and high interest rates have adversely affected our financial condition and results of operations and may continue to do so in the future.**

Periods of inflation and elevated interest rates, particularly when sustained over a longer time horizon, have an adverse impact on our operations and financial condition. Net leases typically require our tenants to pay all property operating costs, including increases from inflation, and thus reduce our direct exposure to inflation in property expenses. However, inflationary pressures on property expenses at properties not subject to triple-net leases can and have caused us to incur additional expense. Inflation can and has impacted other expenses incurred by us including general and administrative costs. Elevated interest rates have also increased the cost of our variable-rate debt and new debt obligations we have entered into, negatively impacting the results of our operations and limiting our investment opportunities. Higher interest rates are often the result of challenges in the broader financing markets, and such challenges could impact our ability to arrange third-party debt, including to refinance maturing debt in part or in whole when due. If we are unable to find alternative credit arrangements or other funding sources, our financing needs may not be adequately met.

While the vast majority of our leases contain rent escalators, including inflation-linked rent escalators, expenses due to inflation or elevated interest rates could increase at a rate higher than our rental and other revenue. In the event an increase in our expenses is not sufficiently offset by contractual rent increases or increases in other revenue, we may be required to implement measures to conserve cash or preserve liquidity. Certain financial covenants could be affected by higher operating and debt service costs, which may also place restrictions on our liquidity. Furthermore, tenants and potential tenants of our properties may be adversely impacted by inflation and high interest rates, which could negatively impact our tenants' ability to pay rent and the demand for our properties.

**A significant amount of our leases will expire within the next five years and we may have difficulty re-leasing or selling our properties if tenants do not renew their leases.**

Approximately 19% of our leases, based on our ABR as of December 31, 2025, are due to expire within the next five years. If these leases are not renewed or if the properties cannot be re-leased on terms that yield comparable payments, our lease revenues could be substantially adversely affected. In addition, when attempting to re-lease such properties, we may incur significant costs and the terms of any new or renewed leases will depend on prevailing market conditions at that time. We may also seek to sell such properties and incur losses due to prevailing market conditions. Some of our properties are designed for

the particular needs of a tenant; thus, we may be required to renovate or make rent concessions in order to lease the property to another tenant. If we need to sell such properties, we may have difficulty selling it to a third party due to the property's unique design. Real estate investments are generally less liquid than many other financial assets, which may limit our ability to quickly adjust our portfolio in response to changes in economic or other conditions. These and other limitations may adversely affect returns to our stockholders.

**Certain of our leases permit tenants to purchase a property at a predetermined price, which could limit our realization of any appreciation or result in a loss.**

Under our existing leases, certain tenants have a right to repurchase the properties they lease from us. The purchase price may be a fixed price or it may be based on a formula or the market value at the time of exercise. If a tenant exercises its right to purchase the property and the property's market value has increased beyond that price, we would not be able to fully realize the appreciation on that property. Additionally, if the price at which the tenant can purchase the property is less than our carrying value (e.g., where the purchase price is based on an appraised value), we may incur a loss. In addition, we may also be unable to reinvest proceeds from these dispositions in investments with similar or better investment returns.

**Our ability to control the management of our net-leased properties is limited, which could impact our ability to make sustainability disclosures.**

The lack of direct control over our net-leased properties due to the fact that tenants or managers are responsible for maintenance and other day-to-day management of the properties also makes it difficult for us to collect property-level environmental metrics and to enforce sustainability initiatives, which may impact our ability to comply with certain sustainability disclosure requirements or engage effectively with established sustainability frameworks and standards, such as the Global Real Estate Sustainability Benchmarks, the Task Force for Climate-Related Financial Disclosures and the Sustainability Accounting Standards Board. If we are unable to successfully collect the data necessary to comply with sustainability disclosure requirements, we may be subject to increased regulatory risk; and if such data is incomplete or unfavorable, our relationship with our investor base, our stock price, our sustainability ratings and our access to capital may be negatively impacted.

**The direct and indirect impact on us and our tenants from severe weather could adversely affect our financial condition, operating results, and cash flows.**

We may be directly and indirectly adversely impacted by severe weather events, such as hurricanes, drought, flooding and wildfires, some of which may be exacerbated by climate change. These events have resulted in and may in the future result in property damage and closures and may adversely impact the operations of our tenants and their ability to fulfill their obligations under their leases. Even if these events do not directly impact our properties, they have impacted and may continue to impact us and our tenants through increases in insurance, energy or other costs.

**Because we are subject to possible liabilities relating to environmental matters, we could incur unexpected costs and our ability to sell or otherwise dispose of a property may be negatively impacted.**

We have invested, and may in the future invest, in real properties historically or currently used for industrial, manufacturing, and other commercial purposes, and some of our tenants may handle hazardous or toxic substances, generate hazardous wastes, or discharge regulated pollutants to the environment. Buildings and structures on the properties we purchase may have known or suspected asbestos-containing building materials. We may invest in properties located in countries that have adopted laws or observe environmental management standards that are less stringent than those generally followed in the United States, which may pose a greater risk that releases of hazardous or toxic substances have occurred. We therefore may own properties that have known or potential environmental contamination as a result of historical or ongoing operations, which may expose us to liabilities under environmental laws. Some of these laws could impose the following on us:

- responsibility and liability for the cost of investigation and removal or remediation (including at appropriate disposal facilities) of hazardous or toxic substances in, on, or migrating from our property, generally without regard to our knowledge of, or responsibility for, the presence of these contaminants;
- liability for claims by third parties based on damages to natural resources or property, personal injuries, or costs of removal or remediation of hazardous or toxic substances in, on, or migrating from our property; and
- responsibility for managing asbestos-containing building materials and third-party claims for exposure to those materials.

Costs relating to investigation, remediation, or removal of hazardous or toxic substances, or for third-party claims for damages, may be substantial and could exceed any amounts estimated and recorded within our consolidated financial statements. The presence of hazardous or toxic substances at any of our properties, or the failure to properly remediate a contaminated property, could (i) give rise to a lien in favor of the government for costs it may incur to address the contamination or (ii) otherwise adversely affect our ability to sell or lease the property or to borrow using the property as collateral. In addition, environmental liabilities, or costs or operating limitations imposed on a tenant by environmental laws, could affect its ability to make rental payments to us. And although we endeavor to avoid doing so, we may be required, in connection with any future divestitures of property, to provide buyers with indemnifications against potential environmental liabilities.

**The value of our real estate is subject to fluctuation.**

We are subject to all of the general risks associated with the ownership of real estate, which include:

- adverse changes in general or local economic conditions, including changes in interest rates or foreign exchange rates;
- changes in the supply of, or demand for, similar or competing properties;
- competition for tenants and changes in market rental rates;
- the ongoing need for capital improvements;
- Federal Reserve short term rate decisions;
- the mortgage market and real estate market in the United States;
- inability to lease or sell properties upon termination of existing leases, or renewal of leases at lower rental rates;
- inability to collect rents from tenants due to financial hardship, including bankruptcy;
- changes in tax, real estate, zoning, or environmental laws that adversely impact the value of real estate;
- failure to comply with federal, state, and local legal and regulatory requirements, including the Americans with Disabilities Act and fire or life-safety requirements;
- changes in governmental rules and fiscal policies;
- uninsured property liability, property damage, or casualty losses;
- increased operating costs, which may not necessarily be offset by increased rents, including insurance premiums, utilities and real estate taxes, due to inflation and other factors;
- exposure to environmental losses and the effects of climate change; and
- civil unrest, acts of war, terrorism, acts of God, including earthquakes, hurricanes and other natural disasters (which may result in uninsured losses) and other factors beyond our control.

While the revenues from our leases are not directly dependent upon the value of the real estate owned, significant declines in real estate values could adversely affect us in many ways, including a decline in the residual values of properties at lease expiration, possible lease abandonment by tenants, and a decline in the attractiveness of triple-net lease transactions to potential sellers. We also face the risk that lease revenue will be insufficient to cover all corporate operating expenses and the debt service payments we incur.

**Our success is materially dependent on the financial stability of our tenants.**

The success of our business is dependent on the financial stability of the tenants occupying our properties. A default of a tenant on its lease payments may cause us to lose some of the anticipated revenue from an investment property. Even if our tenants are current on their rent obligations, if several of our tenants face significant financial instability, we may have to engage with such tenants to amend the terms of their existing agreements which could in turn materially affect our business and financial condition.

**The bankruptcy or insolvency of tenants may cause a reduction in our revenue and an increase in our expenses.**

We have had, and may in the future have, tenants file for bankruptcy protection. Bankruptcy or insolvency of a tenant could lead to the loss of lease or interest and principal payments, an increase in the carrying cost of the property, and litigation. If one or a series of bankruptcies or insolvencies is significant enough (more likely during a period of economic downturn), it could lead to a reduction in the value of our shares and/or a decrease in our dividend. Under U.S. bankruptcy law, a tenant that is the subject of bankruptcy proceedings has the option of assuming or rejecting any unexpired lease. If the tenant rejects the lease, any resulting claim we have for breach of the lease (excluding collateral securing the claim) will be treated as a general unsecured claim and the maximum claim will be capped. In addition, due to the long-term nature of our leases and, in some cases, terms providing for the repurchase of a property by the tenant, a bankruptcy court could recharacterize a net lease transaction as a secured lending transaction. Insolvency laws outside the United States may be more or less favorable to

reorganization or the protection of a debtor's rights as in the United States. In circumstances where the bankruptcy laws of the United States are considered to be more favorable to debtors and/or their reorganization, entities that are not ordinarily perceived as U.S. entities may seek to take advantage of U.S. bankruptcy laws.

High interest rates, inflation, the imposition of tariffs, heightened vacancy rates, extended loan maturities and an environment of increased loan delinquencies, may severely affect our tenants' businesses, financial condition and liquidity, leading to an increase in tenant bankruptcy or insolvency. In addition, a portion of our tenants may fail to meet their obligations to us in full (or at all), or may otherwise seek modifications of such obligations, which would reduce our revenue and increase our expenses.

**We may acquire or develop properties or acquire other real estate related companies, and this may create risks.**

We may acquire or develop properties or acquire other real estate related companies when we believe that an acquisition or development is consistent with our business strategies. We may not succeed in consummating desired acquisitions or in completing developments on time or within budget. When we do pursue a project or acquisition, we may not succeed in leasing newly developed or acquired properties at rents sufficient to cover the costs of acquisition or development and operations. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management's attention from other activities. Acquisitions or developments in new markets or industries where we do not have the same level of market knowledge may result in poorer than anticipated performance. We may also abandon acquisition or development opportunities that management has begun pursuing and consequently fail to recover expenses already incurred and will have devoted management's time to a matter not consummated. Furthermore, our acquisitions of new properties or companies will expose us to the liabilities of those properties or companies, some of which we may not be aware of at the time of the acquisition. In addition, development of our existing properties presents similar risks.

***Risks Related to Our Liquidity and Capital Resources***

**Our level of indebtedness could have significant adverse consequences and our cash flow may be insufficient to meet our debt service obligations.**

Our consolidated indebtedness as of December 31, 2025, was approximately \$8.7 billion, representing a consolidated debt to gross assets ratio of approximately 43.4%. Our level of indebtedness could have significant adverse consequences on our business and operations, including the following:

- it may increase our vulnerability to changes in economic conditions (including increases in interest rates) and limit our flexibility in planning for, or reacting to, changes in our business and/or industry;
- we may be at a disadvantage compared to our competitors with comparatively less indebtedness;
- we may be unable to hedge our debt, or such hedges may fail or expire, leaving us exposed to potentially volatile interest or currency exchange rates;
- any default on our secured indebtedness may lead to foreclosures, creating taxable income that could hinder our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"); and
- we may be unable to refinance our indebtedness or obtain additional financing as needed or on favorable terms.

Our ability to generate sufficient cash flow determines whether we will be able to (i) meet our existing or potential future debt service obligations; (ii) refinance our existing or potential future indebtedness; and (iii) fund our operations, working capital, acquisitions, capital expenditures, and other important business uses. Our future cash flow is subject to many factors beyond our control and we cannot assure you that our business will generate sufficient cash flow from operations, or that future sources of cash will be available to us on favorable terms, to meet all of our debt service obligations and fund our other important business uses or liquidity needs. As a result, we may be forced to take other actions to meet those obligations, such as selling properties, raising equity, or delaying capital expenditures, any of which may not be feasible or could have a material adverse effect on us. In addition, despite our substantial outstanding indebtedness and the restrictions in the agreements governing our indebtedness, we may incur significantly more indebtedness in the future, which would exacerbate the risks discussed above.

**Restrictive covenants in our credit agreement and indentures may limit our ability to expand or fully pursue our business strategies.**

The credit agreement for our Senior Unsecured Credit Facility and the indentures governing our Senior Unsecured Notes contain financial and operating covenants that, among other things, require us to meet specified financial ratios and may limit

our ability to take specific actions, even if we believe them to be in our best interest (e.g., subject to certain exceptions, our ability to consummate a merger, consolidation, or a transfer of all or substantially all of our consolidated assets to another person is restricted). These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of our debt agreements may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments, or other events beyond our control. The breach of any of these covenants could result in a default under our indebtedness, which could result in the acceleration of the maturity of such indebtedness and potentially other indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay such indebtedness or refinance such indebtedness on favorable terms, or at all.

**A downgrade in our credit ratings could materially adversely affect our business and financial condition as well as the market price of our Senior Unsecured Notes.**

We plan to manage our operations to maintain investment grade status with a capital structure consistent with our current profile. There can be no assurance that we will be able to maintain our current credit ratings. Our credit ratings could change based upon, among other things, our historical and projected business, financial condition, liquidity, results of operations, and prospects. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot provide any assurance that our ratings will not be changed or withdrawn by a rating agency in the future. If any of the credit rating agencies downgrades or lowers our credit rating, or if any credit rating agency indicates that it has placed our rating on a “watch list” for a possible downgrading or lowering, or otherwise indicates that its outlook for our rating is negative, it could have a material adverse effect on our costs and availability of capital, which could in turn have a material adverse effect on us and on our ability to satisfy our debt service obligations (including those under our Senior Unsecured Credit Facility, our Senior Unsecured Notes, or other similar debt securities that we issue) and to pay dividends on our common stock. Furthermore, any such action could negatively impact the market price of our Senior Unsecured Notes.

**Some of our properties are encumbered by mortgage debt, which could adversely affect our cash flow.**

At December 31, 2025, we had \$140.6 million of property-level mortgage debt on a non-recourse basis, which limits our exposure on any property to the amount of equity invested in the property. If we are unable to make our mortgage-related debt payments as required, a lender could foreclose on the property or properties securing its debt. Additionally, lenders for our mortgage loan transactions typically incorporated various covenants and other provisions (including loan to value ratio, debt service coverage ratio, and material adverse changes in the borrower’s or tenant’s business) that can cause a technical loan default. Accordingly, if the real estate value declines or the tenant defaults, the lender would have the right to foreclose on its security. If any of these events were to occur, it could cause us to lose part or all of our investment, which could reduce the value of our portfolio and revenues available for distribution to our stockholders.

Some of our property-level financing may also require us to make a balloon payment at maturity. Our ability to make such balloon payments may depend upon our ability to refinance the obligation or sell the underlying property. When a balloon payment is due, however, we may be unable to refinance the balloon payment on terms as favorable as the original loan, make the payment with existing cash or cash resources, or sell the property at a price sufficient to cover the payment. Our ability to accomplish these goals will be affected by various factors existing at the relevant time, such as the state of national and regional economies, local real estate conditions, available mortgage or interest rates, availability of credit, our equity in the mortgaged properties, our financial condition, the operating history of the mortgaged properties, and tax laws. A refinancing or sale could affect the rate of return to stockholders and the projected disposition timeline of our assets.

## ***Risks Related to our Corporate Structure and Maryland Law***

### **Certain provisions of our charter and Maryland law could inhibit changes in control.**

Certain provisions of our charter and of the Maryland General Corporation Law (“MGCL”) may have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control that could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our common stock, including:

- to protect against the loss of our REIT status due to concentration of ownership levels, our charter generally limits the ability of a person, to own, actually or constructively, more than 9.8%, in either value or number of shares, whichever is more restrictive, of our aggregate outstanding shares of common stock or preferred stock. Our board of directors (our “Board”), in its sole discretion, may exempt a person from such ownership limits, provided that they obtain such representations, covenants, and undertakings as appropriate to determine that the exemption would not affect our REIT status. Our Board may also increase or decrease the common stock ownership limit and/or the aggregate stock ownership limit, so long as the change would not result in five or fewer persons beneficially owning more than 49.9% in value of our outstanding stock;
- “business combination” provisions that, subject to limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock), or an affiliate thereof, for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes appraisal rights and supermajority voting requirements on these combinations;
- “control share” provisions that provide that holders of “control shares” of our company (defined as outstanding voting shares which, when aggregated with all other shares owned or controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of issued and outstanding “control shares”) have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares; and
- our charter empowers our Board, without stockholder approval, to increase or decrease the aggregate number of shares of our stock or the number of shares of stock of any class or series that we have authority to issue, classify any unissued shares of common stock or preferred stock, reclassify any previously classified, but unissued, shares of common stock or preferred stock into one or more classes or series of stock, and issue such shares of stock so classified or reclassified, and our Board may determine the relative rights, preferences, and privileges of any class or series of common stock or preferred stock issued, including terms that could have the effect of delaying or preventing a change of control transaction.

The MGCL permits various exemptions from its provisions, including business combinations that are exempted by a board of directors prior to the time that the “interested stockholder” becomes an interested stockholder. Our Board has, by resolution, exempted any business combination between us and any person who is an existing, or becomes in the future, an “interested stockholder.” Consequently, the five-year prohibition and the supermajority vote requirements will not apply to business combinations between us and any such person. As a result, such person may be able to enter into business combinations with us that may not be in the best interest of our stockholders, without compliance with the supermajority vote requirements and the other provisions of the statute. Additionally, this resolution may be altered, revoked, or repealed in whole or in part at any time and we may opt back into the business combination provisions of the MGCL. If this resolution is revoked or repealed, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. In the case of the control share provisions of the MGCL, we have elected to opt out of these provisions of the MGCL pursuant to a provision in our bylaws. If we amend our bylaws to remove or modify this provision, the control share provisions of the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Additionally, Title 3, Subtitle 8 of the MGCL permits our Board, without stockholder approval and regardless of what is currently provided in our charter or our bylaws, to implement certain governance provisions, some of which we do not currently have. Our charter contains a provision opting out of Section 3-803 of the MGCL, which permits a board of directors to be divided into classes pursuant by Board action and without a stockholder-approved charter amendment. This provision can be modified only with a board recommendation and stockholder approval of the charter amendment. If we elect in the future to become subject to any of the remaining provisions of Title 3, Subtitle 8 of the MGCL, such an election may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring, or preventing a change in control of our company under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-current market price. Our charter, our bylaws, and Maryland law also contain

other provisions that may delay, defer, or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

### ***Risks Related to our REIT Structure***

**While we believe that we are properly organized as a REIT in accordance with applicable law, we cannot guarantee that the Internal Revenue Service will find that we have qualified as a REIT.**

We believe that we are organized in conformity with the requirements for qualification as a REIT under the Internal Revenue Code beginning with our 2012 taxable year and that our current and anticipated investments and plan of operation will enable us to meet and continue to meet the requirements for qualification and taxation as a REIT. Investors should be aware, however, that the Internal Revenue Service or any court could take a position different from our own. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we will qualify as a REIT for any particular year.

Furthermore, our qualification and taxation as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership, and other requirements on a continuing basis. Our ability to satisfy the quarterly asset tests under applicable Internal Revenue Code provisions and Treasury Regulations will depend on the fair market values of our assets, some of which are not susceptible to a precise determination. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. While we believe that we will satisfy these tests, we cannot guarantee that this will be the case on a continuing basis. There are limited judicial or administrative interpretations of these provisions. Although we plan to continue to operate in a manner consistent with the REIT qualification rules, we cannot assure you that we will qualify in a given year or remain so qualified.

**If we fail to remain qualified as a REIT, we would be subject to federal income tax at corporate income tax rates and would not be able to deduct distributions to stockholders when computing our taxable income.**

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under the Internal Revenue Code, we will:

- not be allowed a deduction for distributions to stockholders in computing our taxable income;
- be subject to federal and state income tax, including a 15% corporate minimum tax on certain corporations and a 1% excise tax on certain stock repurchases by certain corporations on our taxable income at regular corporate rate; and
- be barred from qualifying as a REIT for the four taxable years following the year when we were disqualified.

**If we fail to make required distributions, we may be subject to federal corporate income tax.**

We intend to declare regular quarterly distributions, the amount of which will be determined, and is subject to adjustment, by our Board. To continue to qualify and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends-paid deduction and excluding net capital gain) each year to our stockholders. Generally, we expect to distribute all, or substantially all, of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income and we may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes or the effect of nondeductible expenditures (e.g., capital expenditures, payments of compensation for which Section 162(m) of the Internal Revenue Code denies a deduction, the creation of reserves, or required debt service or amortization payments). To the extent we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. We will also be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Internal Revenue Code. In addition, in order to continue to qualify as a REIT, any C corporation earnings and profits to which we succeed must be distributed as of the close of the taxable year in which we accumulate or acquire such C corporation's earnings and profits.

**Because certain covenants in our debt instruments may limit our ability to make required REIT distributions, we could be subject to taxation.**

Our existing debt instruments include, and our future debt instruments may include, covenants that limit our ability to make required REIT distributions. If the limits set forth in these covenants prevent us from satisfying our REIT distribution requirements, we could fail to qualify for federal income tax purposes as a REIT. If the limits set forth in these covenants do not jeopardize our qualification for taxation as a REIT, but prevent us from distributing 100% of our REIT taxable income, we will be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts.

**Because we are required to satisfy numerous requirements imposed upon REITs, we may be required to borrow funds, sell assets, or raise equity on terms that are not favorable to us.**

In order to meet the REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds, sell assets, or raise equity, even if the then-prevailing market conditions are not favorable for such transactions. If our cash flows are not sufficient to cover our REIT distribution requirements, it could adversely impact our ability to raise short- and long-term debt, sell assets, or offer equity securities in order to fund the distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth, and expansion initiatives, which would increase our total leverage.

In addition, if we fail to comply with certain asset tests at the end of any calendar quarter, we must generally correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate otherwise attractive investments. These actions may reduce our income and amounts available for distribution to our stockholders.

**Because the REIT rules require us to satisfy certain rules on an ongoing basis, our flexibility or ability to pursue otherwise attractive opportunities may be limited.**

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders, and the ownership of our common stock. Compliance with these tests will require us to refrain from certain activities and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, and investments in the businesses to be conducted by our taxable REIT subsidiaries (“TRSs”), thereby limiting our opportunities and the flexibility to change our business strategy. Furthermore, acquisition opportunities in domestic and international markets may be adversely affected if we need or require target companies to comply with certain REIT requirements prior to closing on acquisitions.

**Because the REIT provisions of the Internal Revenue Code limit our ability to hedge effectively, the cost of our hedging may increase and we may incur tax liabilities.**

The REIT provisions of the Internal Revenue Code limit our ability to hedge assets and liabilities that are not incurred to acquire or carry real estate. Generally, income from hedging transactions that have been properly identified for tax purposes (which we enter into to manage interest rate risk with respect to borrowings to acquire or carry real estate assets) and income from certain currency hedging transactions related to our non-U.S. operations, do not constitute “gross income” for purposes of the REIT gross income tests (such a hedging transaction is referred to as a “qualifying hedge”). In addition, if we enter into a qualifying hedge, but dispose of the underlying property (or a portion thereof) or the underlying debt (or a portion thereof) is extinguished, we can enter into a hedge of the original qualifying hedge, and income from the subsequent hedge will also not constitute “gross income” for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs could be subject to tax on income or gains resulting from such hedges or expose us to greater interest rate risks than we would otherwise want to bear. In addition, losses in any of our TRSs generally will not provide any tax benefit, except for being carried forward for use against future taxable income in the TRSs.

**We use TRSs, which may cause us to fail to qualify as a REIT.**

To qualify as a REIT for federal income tax purposes, we hold our non-qualifying REIT assets and conduct our non-qualifying REIT income activities in or through one or more TRSs. The net income of our TRSs is not required to be distributed to us. Income that is not distributed to us by our domestic TRSs will generally not be subject to the REIT income distribution requirement. However, certain income that is not distributed to us by our foreign TRSs may be deemed distributed to us by operation of certain provisions of the Internal Revenue Code and generally subject to REIT income distribution requirements. In addition, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our TRS interests and certain other non-qualifying assets to exceed 20% for taxable years through December 31, 2025 and 25% for subsequent taxable years of the fair market value of our assets, we would lose tax efficiency and could potentially fail to qualify as a REIT.

**Because the REIT rules limit our ability to receive distributions from TRSs, our ability to fund distribution payments using cash generated through our TRSs may be limited.**

Our ability to receive distributions from our TRSs is limited by the rules we must comply with in order to maintain our REIT status. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate-related sources, which principally includes gross income from the leasing of our properties. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other non-qualifying income types. Thus, our ability to receive distributions from our TRSs is limited and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs. Specifically, if our TRSs become highly profitable, we might be limited in our ability to receive net income from our TRSs in an amount required to fund distributions to our stockholders commensurate with that profitability.

**Transactions with our TRSs could cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on an arm's-length basis.**

The Internal Revenue Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Internal Revenue Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. We will structure our transactions with our TRSs on terms that we believe are arm's-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to avoid application of the 100% excise tax.

**We may be subject to a limitation on our deductions for business interest expense.**

In addition, the deduction for net business interest is generally limited to 30% of the borrower's adjusted taxable income (excluding non-business income, net operating losses and business interest income). This limitation on the deductibility of net business interest could result in additional taxable income for us and our subsidiaries that are C corporations, including our TRSs, unless we or our subsidiaries qualify as a real property trade or business and elect not to be subject to such limitation in exchange for using longer depreciation periods that may otherwise be available. WPC, and some of its subsidiaries, have made such election to be classified as a real property trade or business.

**Because distributions payable by REITs generally do not qualify for reduced tax rates, the value of our common stock could be adversely affected.**

Certain distributions payable by domestic or qualified foreign corporations to individuals, trusts, and estates in the United States are currently eligible for federal income tax at a maximum rate of 20% plus the 3.8% Medicare tax on net investment income, if applicable. Distributions payable by REITs, in contrast, are generally not eligible for this reduced rate, unless the distributions are attributable to dividends received by the REIT from other corporations that would otherwise be eligible for the reduced rate. Certain non-corporate U.S. stockholders may deduct 20% of their dividends from REITs (excluding qualified dividend income and capital gains dividends). For such U.S. stockholders in the top marginal tax bracket of 37%, the deduction for REIT dividends yields an effective income tax rate of 29.6% on REIT dividends, which is higher than the 20% tax rate on qualified dividend income paid by non-REIT "C" corporations. The more favorable tax rate for regular corporate distributions could cause qualified investors to perceive investments in REITs to be less attractive than investments in the stock of corporations that pay distributions, which could adversely affect the value of REIT stocks, including our common stock.

**Even if we continue to qualify as a REIT, certain of our business activities will be subject to other tax liabilities, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.**

Even if we qualify for taxation as a REIT, we may be subject to certain (i) federal, state, local, and foreign taxes on our income and assets; (ii) taxes on any undistributed income and state, local, or foreign income; and (iii) franchise, property, and transfer taxes. In addition, we could be required to pay an excise or penalty tax under certain circumstances in order to utilize one or more relief provisions under the Internal Revenue Code to maintain qualification for taxation as a REIT, which could be significant in amount.

Any TRS assets and operations would continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those assets and operations are located. Any of these taxes would decrease our earnings and our cash available for distributions to stockholders.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 21%) on all or a portion of the gain recognized from a sale of assets formerly held by any C corporation that we acquire on a carry-over basis transaction occurring within a five-year period after we acquire such assets, to the extent the built-in gain based on the fair market value of those assets on the effective date of the REIT election is in excess of our then tax basis. The tax on subsequently sold assets will be based on the fair market value and built-in gain of those assets as of the beginning of our holding period. Gains from the sale of an asset occurring after the specified period will not be subject to this corporate level tax.

**Because dividends received by foreign stockholders are generally taxable, we may be required to withhold a portion of our distributions to such persons.**

Ordinary dividends received by foreign stockholders that are not effectively connected with the conduct of a U.S. trade or business are generally subject to U.S. withholding tax at a rate of 30%, unless reduced by an applicable income tax treaty. Additional rules with respect to certain capital gain distributions will apply to foreign stockholders that own more than 10% of our common stock.

**The tax imposed on REITs engaging in “prohibited transactions” may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes.**

A REIT’s net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business, unless certain safe harbor exceptions apply. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, such characterization is a factual determination and no guarantee can be given that the Internal Revenue Service would agree with our characterization of our properties or that we will always be able to satisfy the available safe harbors.

**The ability of our Board to revoke our REIT election, without stockholder approval, may cause adverse consequences for our stockholders.**

Our organizational documents permit our Board to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for dividends paid to stockholders in computing our taxable income and we will be subject to federal income tax at regular corporate rate and state and local taxes, which may have adverse consequences on the total return to our stockholders.

**Federal and state income tax laws governing REITs and related interpretations may change at any time, and any such legislative or other actions affecting REITs could have a negative effect on us and our stockholders.**

Federal and state income tax laws governing REITs or the administrative interpretations of those laws may be amended at any time. Federal, state, and foreign tax laws are under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U.S. Department of the Treasury, and at various state and foreign tax authorities. Changes to tax laws, regulations, or administrative interpretations, which may be applied retroactively, could adversely affect us or our stockholders. We cannot predict whether, when, in what forms, or with what effective dates, the tax laws, regulations, and administrative interpretations applicable to us or our stockholders may be changed. Accordingly, we cannot assure you that any such change will not significantly affect our ability to qualify for taxation as a REIT or the federal income tax consequences to you or us.

## ***Risks Related to Our Overall Business***

### **We are subject to the volatility of the capital markets, which may impact our ability to deploy capital.**

The trading volume and market price of our common stock may fluctuate significantly and be adversely impacted in response to a number of factors, including disruption in the banking industry, inflation, trade disputes, and other macroeconomic developments. Therefore, our current or historical trading volume and share prices are not indicative of the number of shares of our common stock that will trade going forward or how the market will value shares of our common stock in the future. In addition, the capital markets may experience extreme volatility, disruption and periods of dislocation (e.g., during pandemics or a global financial crisis), which could make it more difficult for us to raise capital. Since net-lease REITs must be able to deploy capital with agility and consistency, if we cannot access the capital markets upon favorable terms or at all, we may be required to liquidate one or more investments, including when an investment has not yet realized its maximum return, which could also result in adverse tax consequences and affect our ability to capitalize on acquisition opportunities and/or meet operational needs. Moreover, market turmoil could lead to decreased consumer confidence and widespread reduction of business activity, which may materially and adversely impact us, including our ability to acquire and dispose of properties.

### **Future issuances of debt and equity securities may negatively affect the market price of our common stock.**

We may issue debt or equity securities or incur additional borrowings in the future. Future issuances of debt securities would increase our interest costs and rank senior to our common stock upon our liquidation, and additional issuances of equity securities would dilute the holdings of our existing common stockholders (and any preferred stock may rank senior to our common stock for the purposes of making distributions), both of which may negatively affect the market price of our common stock. However, our future growth will depend, in part, upon our ability to raise additional capital, including through the issuance of debt and equity securities. Because our decision to issue additional debt or equity securities or incur additional borrowings in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature, or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future issuances of debt or equity securities, or our incurrence of additional borrowings, will negatively affect the market price of our common stock.

### **There can be no assurance that we will be able to maintain cash dividends.**

Our ability to continue to pay dividends in the future may be adversely affected by the risk factors described in this Report. More specifically, while we expect to continue our current dividend practices, we can give no assurance that we will be able to maintain dividend levels in the future for various reasons, including the following:

- there is no assurance that rents from our properties will increase or that future acquisitions will increase our cash available for distribution to stockholders, and we may not have enough cash to pay such dividends due to changes in our cash requirements, capital plans, cash flow, or financial position;
- our Board, in its sole discretion, determines the amount and timing of any future dividend payments to our stockholders based on a number of factors, therefore our dividend levels are not guaranteed and may fluctuate; and
- the amount of dividends that our subsidiaries may distribute to us may be subject to restrictions imposed by law or regulators, as well as the terms of any current or future indebtedness that these subsidiaries may incur.

Furthermore, certain agreements relating to our borrowings may, under certain circumstances, prohibit or otherwise restrict our ability to pay dividends to our common stockholders. Future dividends, if any, are expected to be based upon our earnings, financial condition, cash flows and liquidity, debt service requirements, capital expenditure requirements for our properties, financing covenants, and applicable law. If we do not have sufficient cash available to pay dividends, we may need to fund the shortage out of working capital or revenues from future acquisitions, if any, or borrow to provide funds for such dividends, which would reduce the amount of funds available for investment and increase our future interest costs. Our inability to pay dividends, or to pay dividends at expected levels, could adversely impact the market price of our common stock. Additionally, in the event that we have to declare dividends in-kind in order to satisfy the REIT annual distribution requirements, a holder of our common stock will be required to report dividend income as a result of such distributions even though we distributed no cash or only nominal amounts of cash to such stockholder.

**We may make investments in asset classes or countries outside of our core investment strategy which may be perceived as complicating our strategy relative to our peers.**

We may need to expand beyond our current asset class mix to grow our portfolio. As a result, we intend, to the extent that market conditions warrant, to seek to grow our business by increasing our investments in existing businesses, pursuing new investment strategies (including investment opportunities in new asset classes), developing new types of investment structures and products, and expanding into new geographic markets and businesses. Introducing new types of investment structures and products could increase the complexities involved in managing such investments, including to ensure compliance with regulatory requirements and terms of the investment. Making investments in assets classes or countries outside of our core investment strategy may also be perceived as complicating our strategy relative to our peers.

Entry into new asset classes or countries may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk and costs.

**Failure to hedge effectively against interest rate changes and foreign exchange rate changes may have a material adverse effect on our business, financial condition and results of operations.**

The interest rate and foreign exchange rate hedge instruments we may use to manage some of our exposure to interest rate and foreign exchange rate volatility involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements. Failure to hedge effectively against such interest rate and foreign exchange rate changes may have a material adverse effect on our business, financial condition and results of operations.

**Uninsured losses relating to property or excessively expensive premiums for insurance coverage could adversely affect our cash flows and operating results.**

Although the majority of our tenants are responsible for obtaining insurance on their properties, we maintain insurance coverage on some of our properties with third-party carriers who provide a portion of the coverage of potential losses and we maintain contingency coverage on all of our properties. We also currently self-insure a portion of our North American portfolio and NLOP's North American portfolio through our captive insurance company and may be required to fund additional capital to our captive insurance company, or we may be required to bear that loss. As a result, our cash flows and operating results may be adversely affected.

**The occurrence of cyber incidents, or a deficiency in our cyber security, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.**

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of our information resources, which could be an intentional attack or an unintentional accident or error. Information technology, communication networks, and other computer resources are essential for us to carry out important operational activities and maintain our business records.

In addition, we may store or come into contact with sensitive information and data. If we or our third-party service providers fail to comply with applicable privacy or data security laws in handling this information, including the General Data Protection Regulation and the California Consumer Privacy Act, we could face significant legal and financial exposure to claims of governmental agencies and parties whose privacy is compromised, including sizable fines and penalties.

We have implemented processes, procedures, and controls, which are reviewed periodically and are intended to address ongoing and evolving cyber security risks. However, these measures do not guarantee that our financial results will not be negatively impacted by such an incident, especially in light of the fact that it is not always possible to anticipate, detect, or recognize threats to our systems. Additionally, as artificial intelligence technologies become increasingly sophisticated, the security risks associated with their use and the potential for misuse also increase. The primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to our relationship with our tenants, expensive remediation efforts, liability exposure under federal and state law, and private data exposure. There can be no assurance that the insurance we maintain to cover some of these risks will be sufficient to cover the losses from any future breaches of our systems.

Further information relating to cybersecurity risk management is discussed in [Item 1C. Cybersecurity](#) in this Report.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

We maintain an information technology and cybersecurity program.

**Management and Board Oversight**

We are committed to cybersecurity and vigilantly protecting all our resources and information from unauthorized access. Our cybersecurity approach incorporates a layered portfolio of employee training programs, multiple resources to manage and monitor the evolving threat landscape, Board oversight of cybersecurity risks and knowledgeable teams responsible for preventing and detecting cybersecurity risks.

As part of the Board's oversight of risk management, the Board reviews our cyber-risks with management and the actions we are taking to mitigate such risks. These actions include implementing industry-recognized practices for protecting systems, third-party monitoring of certain systems and cybersecurity training for employees. Board oversight of risk is also performed between meetings through the Audit Committee and communications between management and the Board. The Board receives periodic education around cybersecurity risks and best practices.

Additionally, the Audit Committee, which consists solely of independent directors, is responsible for overseeing cybersecurity risks and related initiatives. The Audit Committee reviews our enterprise risk and cybersecurity risks. It also reviews the steps management has taken to protect against threats to our information systems and security and receives updates on cybersecurity on a quarterly basis.

Our information technology team is led by our Chief Information Officer who reports to our Chief Financial Officer and has extensive experience working with information security systems. Our information technology team consists of individuals with expertise in assessing, preventing and addressing cybersecurity risk and is responsible for executing our cybersecurity program as well as communicating regularly with senior management, our cybersecurity governance committee, the Audit Committee and the Board. Our cybersecurity governance committee, comprised of our Chief Financial Officer, Chief Legal Officer, Chief Information Officer, Head of Internal Audit and senior members of our information technology team are responsible for developing and maintaining our cybersecurity policies and standards, monitoring ongoing compliance and program updates, and ensuring our information security is aligned with our business objectives and strategies.

**Processes for Assessing, Identifying and Managing Material Risks from Cybersecurity Threats**

Our cybersecurity program focuses on (1) preventing and preparing for cybersecurity incidents, (2) detecting and analyzing cybersecurity incidents and (3) containing, eradicating, recovering from and reporting cybersecurity events.

*Prevention and Preparation*

We employ a variety of measures to prevent threats related to privacy, information technology security and cybersecurity, which include password protection, frequent mandatory password change events, multi-factor authentication, internal phishing testing, vulnerability scanning and penetration testing.

Our information technology and internal audit teams utilize frameworks consistent with well-recognized industry cybersecurity frameworks to identify and mitigate information security risks and oversee an active cybersecurity training program.

In addition, our information technology team conducts routine security assessments as well as ongoing cybersecurity training campaigns for employees and our Board to enhance awareness and increase vigilance for the various types of cybersecurity attacks to which they may be exposed. Our internal audit team evaluates and monitors our internal controls over systems access in an effort to mitigate information security risks that may result from unauthorized access to systems and data.

Third-party vendors are vetted through our service delivery program to ensure they have an established cybersecurity program. We have also engaged our managed security provider to manage a supply chain defense subscription that will help obtain visibility into cybersecurity risks across high-risk third party vendors by proactively identifying, prioritizing, and driving

remediation for cyber risks posed by critical business partners. Our managed security provider's risk operations center will escalate certain alerts regarding third-party vendors directly to the IT Department thus providing direct collaboration with third parties, saving time and improving risk reduction while safeguarding our relationships with such third parties.

#### *Detection and Analysis*

Cybersecurity incidents may be detected through a variety of means, including but not limited to automated event-detection notifications or similar technologies which are monitored by our managed cybersecurity provider, notifications from employees, vendors or service providers, and notifications from third party information technology system providers. Once a potential cybersecurity incident is identified, including a third party cybersecurity event, the incident response team designated pursuant to our incident response plan follows the procedures set forth in the plan to investigate the potential incident, such as determining the nature of the event and assessing the severity of the event.

#### *Containment, Eradication, Recovery, and Reporting*

In the event of a cybersecurity incident, the incident response team is responsible for containing the cybersecurity incident, consistent with the procedures in the incident response plan.

Once a cybersecurity incident is contained, the focus shifts to remediation. Eradication and recovery activities depend on the nature of the cybersecurity incident. They may include returning affected systems to an operationally ready state and confirming that the affected systems are functioning normally.

We have relationships with a number of third party service providers to assist with cybersecurity containment and remediation efforts, including outside legal counsel, vendors and external insurance brokers.

In the event of a cybersecurity incident, the incident response team is responsible for following the steps outlined in our incident response plan, including notifying our senior management, as appropriate.

Following the conclusion of an incident, we, with the assistance of the incident response team, will generally reassess the effectiveness of the cybersecurity program and incident response plan, identify potential adjustments as appropriate and report to our senior management and our Audit Committee on these matters.

### **Cybersecurity Risks**

As of December 31, 2025, we have not had any known instances of material cybersecurity incidents, including third-party incidents, during any of the last three fiscal years. However, there can be no assurance that our cybersecurity efforts and measures will be effective or that attempted cybersecurity incidents or disruptions would not be successful or damaging. See [Item 1A. Risk Factors — The occurrence of cyber incidents, or a deficiency in our cyber security, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.](#)

### **Item 2. Properties.**

Our principal corporate offices are located at One Manhattan West, 395 9th Avenue, 58th Floor, New York, NY 10001 and our international offices are located in London and Amsterdam. We have additional office space domestically in Dallas. We lease all of these offices and believe these leases are suitable for our operations for the foreseeable future.

See [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio Overview](#) for a discussion of the properties we hold for rental operations and Part II, [Item 8. Financial Statements and Supplementary Data — Schedule III — Real Estate and Accumulated Depreciation](#) for a detailed listing of such properties.

### **Item 3. Legal Proceedings.**

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.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## PART II

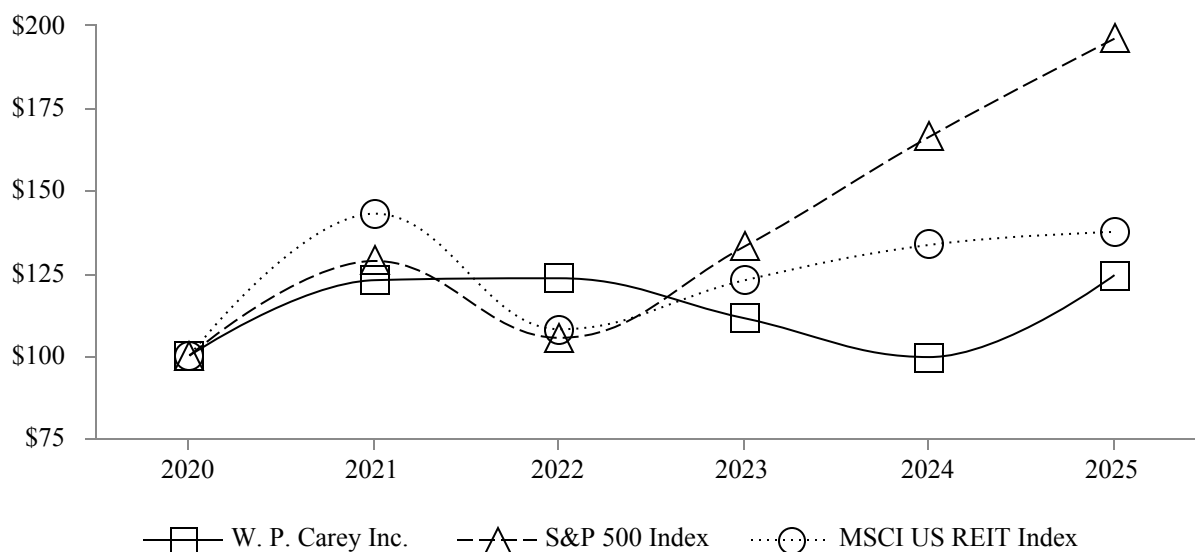
### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### Market Information

Our common stock is listed on the NYSE under the ticker symbol “WPC.” At February 6, 2026 there were 7,005 registered holders of record of our common stock. This figure does not reflect the beneficial ownership of shares of our common stock.

#### Stock Price Performance Graph

The graph below provides an indicator of cumulative total stockholder returns for our common stock for the period December 31, 2020 to December 31, 2025, as compared with the S&P 500 Index and the MSCI US REIT Index. The graph assumes a \$100 investment on December 31, 2020, together with the reinvestment of all dividends. The graph does not reflect any adjustments for the Spin-Off of NLOP that was completed on November 1, 2023 and accomplished via a pro rata dividend of one NLOP common share for every 15 shares of WPC common stock outstanding ([Note 3](#)).



	At December 31,					
	2020	2021	2022	2023	2024	2025
W. P. Carey Inc.	\$ 100.00	\$ 122.88	\$ 123.46	\$ 111.34	\$ 99.55	\$ 124.42
S&P 500 Index	100.00	128.71	105.40	133.10	166.40	196.16
MSCI US REIT Index	100.00	143.06	108.00	122.84	133.59	137.53

The stock price performance included in this graph is not indicative of future stock price performance.

#### Dividends

We currently intend to continue paying cash dividends consistent with our historical practice; however, our Board determines the amount and timing of any future dividend payments to our stockholders based on a variety of factors. Refer to [Note 13](#) for information on the tax treatment of our dividends.

### Item 6. Reserved

## Item 7. 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.

The following discussion should be read in conjunction with our consolidated financial statements in [Item 8](#) of this Report and the matters described under [Item 1A. Risk Factors](#). Please see our Annual Report on Form 10-K for the year ended December 31, 2024 for discussion of our financial condition and results of operations for the year ended December 31, 2023. Refer to [Item 1. Business](#) for a description of our business.

### Financial Highlights

During the year ended December 31, 2025, we completed the following (as further described in the consolidated financial statements):

#### *Real Estate*

##### *Investments*

- We acquired 31 investments totaling \$2.0 billion ([Note 5](#), [Note 6](#)).
- We completed three construction projects at a cost totaling \$68.9 million ([Note 5](#)).
- We acquired a 47.50% ownership interest in the partnership that owns the Las Vegas Retail Complex for \$5.0 million ([Note 8](#)). In addition, we funded approximately \$3.2 million for a construction loan on this project during the year ended December 31, 2025. Through December 31, 2025, we have funded \$250.9 million ([Note 6](#), [Note 8](#)).
- We committed to fund 11 construction projects totaling \$277.3 million (on a consolidated basis). We currently expect to complete the projects in 2026 and 2027 ([Note 5](#), [Note 6](#)).

##### *Dispositions*

- We disposed of 128 properties for total proceeds, net of selling costs, of \$1.5 billion, including (i) 63 self-storage operating properties for total proceeds, net of selling costs, of \$772.2 million, and (ii) one student housing operating property for proceeds, net of selling costs, of \$77.8 million ([Note 16](#)).

### *Financing and Capital Markets Transactions*

- In February 2025, we repaid our \$450 million of 4.000% Senior Notes due 2025 at maturity ([Note 11](#)).
- On March 31, 2025, we refinanced our €500.0 million Unsecured Term Loan due 2029, extending the maturity date by three years to April 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 December 31, 2025 (inclusive of the current spread) ([Note 11](#)).
- 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 December 31, 2025 (inclusive of the current spread) ([Note 11](#)).
- 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 11](#)).
- We sold 6,258,496 shares of common stock during the year ended December 31, 2025 through our ATM Forwards at a weighted-average gross price of \$67.53 per share, for anticipated gross proceeds of approximately \$422.6 million as of December 31, 2025. As of the date of this Report, all of these shares of common stock sold through our ATM Forwards remain unsettled ([Note 13](#)).
- We repaid non-recourse mortgage debt outstanding totaling \$265.1 million with a weighted-average interest rate of 4.5% ([Note 11](#)).

## Dividends to Stockholders

We declared cash dividends totaling \$3.620 per share, comprised of four quarterly dividends per share of \$0.890, \$0.900, \$0.910, and \$0.920.

## Consolidated Results

(in thousands, except shares)

	Years Ended December 31,	
	2025	2024
Total revenues	\$ 1,716,485	\$ 1,583,018
Net income attributable to W. P. Carey	466,359	460,839
Dividends declared	799,907	770,426
Net cash provided by operating activities <sup>(a)</sup>	1,282,319	1,833,112
Net cash used in investing activities	(960,140)	(1,133,892)
Net cash used in financing activities	(761,710)	(688,468)
Supplemental financial measures <sup>(b)</sup> :		
Adjusted funds from operations attributable to W. P. Carey (AFFO)	1,098,243	1,035,945
Diluted weighted-average shares outstanding	221,112,343	220,520,457

- (a) Amounts for the years ended December 31, 2025 and 2024 include \$200.2 million and \$806.8 million, respectively, of proceeds from the sales of net investments in sales-type leases (primarily the Grupo Memora portfolio sold during 2025 and the U-Haul and State of Andalusia portfolios sold during 2024) ([Note 6](#)). Such proceeds are included within Net cash provided by operating activities in accordance with Accounting Standards Codification (“ASC”) 842, *Leases*.
- (b) We consider Adjusted funds from operations (“AFFO”), a supplemental measure that is not defined by U.S. generally accepted accounting principles (“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 in 2025 as compared to 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 16](#)).

## Net Income Attributable to W. P. Carey

Net income attributable to W. P. Carey increased in 2025 as compared to 2024, primarily due to a higher gain on sale of real estate, lower unrealized losses recognized on our investment in shares of Lineage ([Note 9](#)), and the accretive impact of net investment activity, partially offset by higher losses from remeasurement of foreign debt, a gain on change in control of interests recognized in connection with the purchase of the remaining interest in a jointly owned investment during 2024 ([Note 8](#)), and higher impairment charges ([Note 9](#)).

## AFFO

AFFO increased in 2025 as compared to 2024, primarily due to the 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

	As of December 31,	
	2025	2024
<b>Net-leased Properties</b>		
ABR (in thousands)	\$ 1,553,312	\$ 1,337,172
Number of net-leased properties	1,682	1,555
Number of tenants	371	355
Total square footage (in thousands)	183,498	176,420
Occupancy	98.0 %	98.6 %
Weighted-average lease term (in years)	12.0	12.3
<b>Operating Properties</b>		
Number of operating properties:	16	84
Number of self-storage operating properties	11	78
Number of hotel operating properties	4	4
Number of student housing operating properties	1	2
Occupancy (self-storage operating properties)	87.6 %	89.6 %
Number of countries <sup>(a)</sup>	25	26
Total assets (in thousands)	\$ 17,990,232	\$ 17,535,024
Net investments in real estate (in thousands)	15,469,174	14,580,475
	Years Ended December 31,	
	2025	2024
Acquisition volume (in millions) <sup>(b)</sup>	\$ 2,038.5	\$ 1,477.0
Construction projects completed (in millions)	68.9	87.0
Average U.S. dollar/euro exchange rate	1.1295	1.0820
Average U.S. dollar/British pound sterling exchange rate	1.3178	1.2781

(a) We sold all of our investments in Norway during 2025 (Note 16).

(b) Amounts for the years ended December 31, 2025 and 2024 include \$3.2 million and \$16.3 million, respectively, of funding for a construction loan accounted for as an equity method investment (Note 8). Amount for the year ended December 31, 2025 includes \$5.0 million to acquire a 47.5% ownership interest in that equity investment (Note 8). Amounts for the years ended December 31, 2025 and 2024 include \$3.9 million and \$31.9 million, respectively, of funding for two construction loans accounted for as secured loans receivable (Note 6). Amounts for the year ended December 31, 2025 and 2024 include \$370.0 million and \$238.6 million, respectively, of sale-leasebacks classified as loans receivable (Note 6). Amount for the year ended December 31, 2024 includes the purchase of the remaining interest in a jointly owned investment for \$10.5 million (Note 8).

### Net-Leased Portfolio

The tables below represent information about our net-leased portfolio at December 31, 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	Description	Number of Properties	ABR	ABR Percent	Weighted-Average Lease Term (Years)
Extra Space Storage	Net lease self-storage properties in the U.S. leased to publicly traded self-storage REIT	43	\$ 41,332	2.7 %	23.7
Apotex <sup>(a)</sup>	Pharmaceutical R&D and manufacturing properties in the Greater Toronto Area leased to generic drug manufacturer	11	33,448	2.2 %	17.2
Life Time Fitness	Health and fitness facilities in the U.S. leased to premium athletic club operator	12	32,450	2.1 %	7.9
Metro Italia <sup>(b)</sup>	Business-to-business retail stores in Italy leased to cash and carry wholesaler	19	30,893	2.0 %	4.4
Fortenova <sup>(b)</sup>	Grocery stores and one warehouse in Croatia leased to European food retailer	19	28,404	1.8 %	8.3
OBI <sup>(b)</sup>	Retail properties in Poland leased to German DIY retailer	26	27,524	1.8 %	5.3
Fedrigoni <sup>(b)</sup>	Industrial and warehouse facilities in Germany, Italy and Spain leased to global manufacturer of premium packaging and labels	16	25,517	1.6 %	17.9
TI Automotive (formerly ABC Technologies) <sup>(a) (c)</sup>	Automotive parts manufacturing properties in the U.S., Canada and Mexico leased to OEM supplier	21	25,313	1.6 %	19.2
Eroski <sup>(b)</sup>	Grocery stores and warehouses in Spain leased to Spanish food retailer	63	24,104	1.5 %	10.2
Nord Anglia	K-12 private schools in Orlando, Miami and Houston leased to international day and boarding school operator	3	23,599	1.5 %	18.7
<b>Total</b>		<b>233</b>	<b>\$ 292,584</b>	<b>18.8 %</b>	<b>13.5</b>

(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 21 properties leased to TI Automotive (formerly ABC Technologies), nine are located in Canada, six 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 <sup>(a)</sup>	Square Footage Percent
<b>United States</b>				
<b>Midwest</b>				
Illinois	\$ 66,036	4.3 %	9,455	5.2 %
Ohio	45,660	2.9 %	8,218	4.5 %
Indiana	43,362	2.8 %	6,251	3.4 %
Michigan	27,158	1.7 %	4,486	2.4 %
Wisconsin	22,515	1.4 %	3,410	1.9 %
Other <sup>(b)</sup>	58,624	3.8 %	7,141	3.9 %
<b>Total Midwest</b>	<b>263,355</b>	<b>16.9 %</b>	<b>38,961</b>	<b>21.3 %</b>
<b>South</b>				
Texas	93,471	6.0 %	11,702	6.4 %
Florida	44,548	2.9 %	3,633	2.0 %
Tennessee	39,281	2.5 %	4,572	2.5 %
Georgia	30,302	2.0 %	4,529	2.5 %
Alabama	23,484	1.5 %	3,607	2.0 %
Other <sup>(b)</sup>	29,031	1.9 %	3,072	1.7 %
<b>Total South</b>	<b>260,117</b>	<b>16.8 %</b>	<b>31,115</b>	<b>17.1 %</b>
<b>East</b>				
North Carolina	41,210	2.7 %	8,852	4.8 %
Pennsylvania	32,527	2.1 %	3,385	1.8 %
Kentucky	29,768	1.9 %	4,485	2.4 %
Massachusetts	28,681	1.8 %	1,344	0.7 %
New Jersey	27,506	1.8 %	1,118	0.6 %
New York	23,080	1.5 %	2,287	1.2 %
South Carolina	19,531	1.3 %	4,413	2.4 %
Other <sup>(b)</sup>	37,266	2.4 %	5,359	2.9 %
<b>Total East</b>	<b>239,569</b>	<b>15.5 %</b>	<b>31,243</b>	<b>16.8 %</b>
<b>West</b>				
California	76,277	4.9 %	5,375	2.9 %
Arizona	22,548	1.5 %	2,372	1.3 %
Nevada	17,861	1.1 %	485	0.3 %
Other <sup>(b)</sup>	67,330	4.3 %	6,761	3.7 %
<b>Total West</b>	<b>184,016</b>	<b>11.8 %</b>	<b>14,993</b>	<b>8.2 %</b>
<b>United States Total</b>	<b>947,057</b>	<b>61.0 %</b>	<b>116,312</b>	<b>63.4 %</b>
<b>International</b>				
Italy	78,315	5.0 %	9,941	5.4 %
The Netherlands	68,092	4.4 %	6,847	3.7 %
Poland	65,529	4.2 %	8,448	4.6 %
United Kingdom	62,845	4.1 %	4,848	2.7 %
Canada <sup>(c)</sup>	59,680	3.8 %	5,737	3.1 %
Germany	48,061	3.1 %	5,304	2.9 %
Spain	42,550	2.7 %	4,251	2.3 %
Croatia	29,330	1.9 %	2,063	1.1 %
France	28,203	1.8 %	2,149	1.2 %
Mexico <sup>(d)</sup>	27,686	1.8 %	4,328	2.4 %
Denmark	27,613	1.8 %	3,002	1.6 %
Other <sup>(e)</sup>	68,351	4.4 %	10,268	5.6 %
<b>International Total</b>	<b>606,255</b>	<b>39.0 %</b>	<b>67,186</b>	<b>36.6 %</b>
<b>Total</b>	<b>\$ 1,553,312</b>	<b>100.0 %</b>	<b>183,498</b>	<b>100.0 %</b>

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

<b>Property Type</b>	<b>ABR</b>	<b>ABR Percent</b>	<b>Square Footage <sup>(a)</sup></b>	<b>Square Footage Percent</b>
Industrial	\$ 595,868	38.3%	83,756	45.6%
Warehouse	390,917	25.2%	65,676	35.8%
Retail <sup>(f)</sup>	348,039	22.4%	22,855	12.5%
Other <sup>(g)</sup>	218,488	14.1%	11,211	6.1%
<b>Total</b>	<b>\$ 1,553,312</b>	<b>100.0%</b>	<b>183,498</b>	<b>100.0%</b>

- (a) Includes square footage for any vacant properties.
- (b) Other properties within Midwest include assets in Minnesota, Kansas, Iowa, Missouri, Nebraska, South Dakota, and North Dakota. Other properties within South include assets in Louisiana, Arkansas, Oklahoma, and Mississippi. 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 (84.4%) 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 Lithuania, Slovakia, Belgium, the Czech Republic, Mauritius, Portugal, Austria, Latvia, Sweden, Finland, Japan, Estonia, and Hungary.
- (f) Includes automotive dealerships.
- (g) Includes ABR from tenants with the following property types: education facility, specialty, self-storage (net lease), laboratory, research and development, hotel (net lease), office, and land.

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

<b>Industry Type <sup>(a)</sup></b>	<b>ABR</b>	<b>ABR Percent</b>	<b>Square Footage</b>	<b>Square Footage Percent</b>
Packaged Foods & Meats	\$ 149,136	9.6%	18,625	10.2 %
Food Retail	146,151	9.4%	10,704	5.8 %
Home Improvement Retail	96,221	6.2%	11,937	6.5 %
Auto Parts & Equipment	81,819	5.3%	12,148	6.6 %
Automotive Retail	78,203	5.0%	7,079	3.9 %
Education Services	60,532	3.9%	2,747	1.5 %
Air Freight & Logistics	51,599	3.3%	7,982	4.3 %
Pharmaceuticals	48,155	3.1%	3,076	1.7 %
Leisure Facilities	43,423	2.8%	1,958	1.1 %
Industrial Machinery	41,888	2.7%	5,716	3.1 %
Self-Storage REITs	41,332	2.7%	3,170	1.7 %
Metal, Glass & Plastic Containers	39,646	2.6%	5,318	2.9 %
Trading Companies & Distributors	37,752	2.4%	8,663	4.7 %
Building Products	31,086	2.0%	6,653	3.6 %
Other Specialty Retail	28,953	1.9%	3,227	1.8 %
Paper Products	25,517	1.6%	4,458	2.4 %
Specialty Chemicals	24,409	1.6%	4,303	2.3 %
Diversified Support Services	24,000	1.5%	2,372	1.3 %
Construction Materials	23,574	1.5%	3,781	2.1 %
Food Distributors	20,621	1.3%	1,552	0.8 %
Construction Machinery	19,645	1.3%	2,528	1.4 %
Consumer Staples Merchandise Retail	19,404	1.3%	1,624	0.9 %
Passenger Ground Transportation	18,970	1.2%	850	0.5 %
Commodity Chemicals	16,848	1.1%	2,517	1.4 %
Hotels & Resorts	16,556	1.1%	1,073	0.6 %
Diversified Metals	16,289	1.0%	3,290	1.8 %
Other (64 industries, each <1% ABR) <sup>(b)</sup>	351,583	22.6%	46,147	25.1 %
<b>Total</b>	<b>\$ 1,553,312</b>	<b>100.0%</b>	<b>183,498</b>	<b>100.0 %</b>

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

(b) Includes square footage for vacant properties.

*Lease Expirations*  
(dollars and square footage in thousands)

Year of Lease Expiration <sup>(a)</sup>	Number of Leases Expiring	Number of Tenants with Leases Expiring	ABR	ABR Percent	Square Footage	Square Footage Percent
2026	19	20	\$ 44,906	2.9 %	5,972	3.3 %
2027	44	28	60,395	3.9 %	6,326	3.4 %
2028	45	27	67,268	4.3 %	7,419	4.0 %
2029	62	35	79,275	5.1 %	8,675	4.7 %
2030	32	26	39,625	2.6 %	3,793	2.1 %
2031	46	27	81,501	5.2 %	9,356	5.1 %
2032	45	23	54,804	3.5 %	7,244	4.0 %
2033	32	25	83,537	5.4 %	11,790	6.4 %
2034	59	27	96,161	6.2 %	9,464	5.2 %
2035	24	20	78,145	5.0 %	8,805	4.8 %
2036	45	21	66,933	4.3 %	7,891	4.3 %
2037	44	21	63,514	4.1 %	8,618	4.7 %
2038	46	13	28,148	1.8 %	2,766	1.5 %
2039	100	27	75,293	4.9 %	11,372	6.2 %
Thereafter (>2039)	302	115	633,807	40.8 %	70,247	38.3 %
Vacant	—	—	—	— %	3,760	2.0 %
<b>Total</b>	<b>945</b>		<b>\$ 1,553,312</b>	<b>100.0 %</b>	<b>183,498</b>	<b>100.0 %</b>

(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 December 31, 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

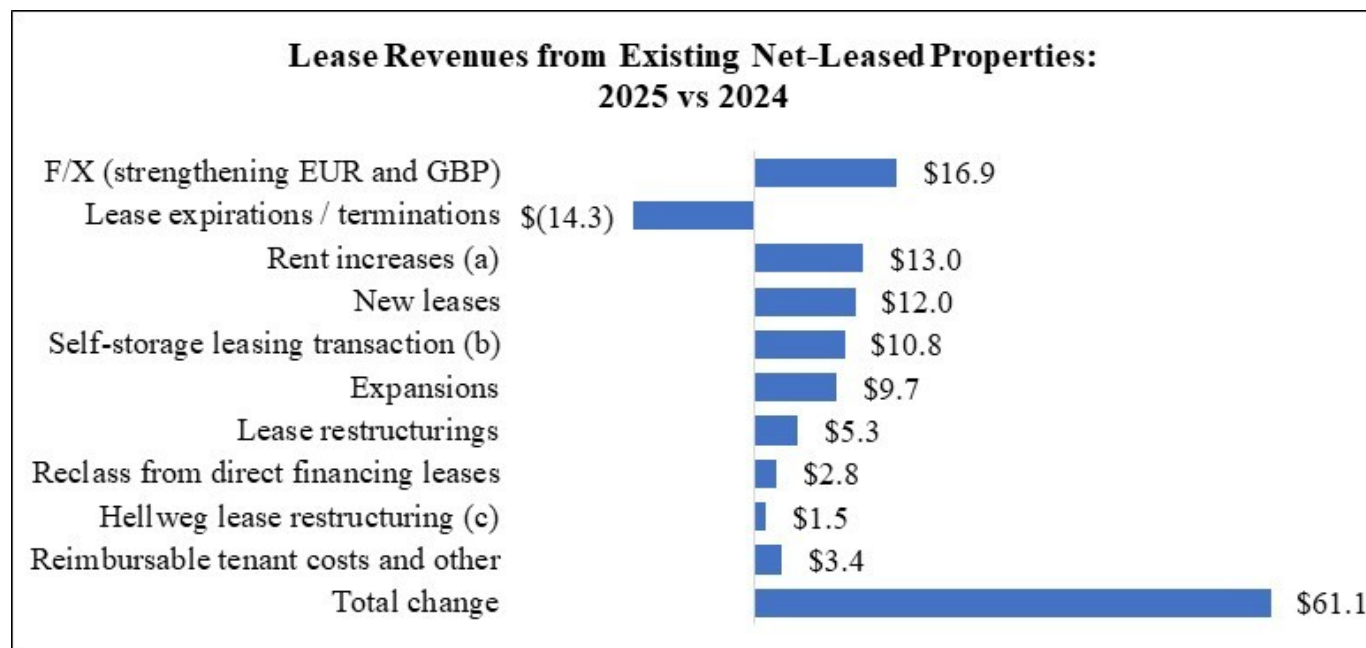
The following table presents revenues (in thousands):

	Years Ended December 31,		
	2025	2024	Change
<b>Real Estate Revenues</b>			
Lease revenues from:			
Existing net-leased properties	\$ 1,301,431	\$ 1,240,374	\$ 61,057
Recently acquired net-leased properties	159,994	39,998	119,996
Net-leased properties sold or held for sale	17,779	51,416	(33,637)
Total lease revenues (including reimbursable tenant costs)	1,479,204	1,331,788	147,416
Income from finance leases and loans receivable	90,948	73,262	17,686
Operating property revenues from:			
Operating properties sold, held for sale, or reclassified to net-leased properties	60,117	91,926	(31,809)
Existing operating properties	51,751	54,635	(2,884)
Recently acquired operating properties	663	252	411
Total operating property revenues	112,531	146,813	(34,282)
Other lease-related income	24,561	20,334	4,227
<b>Investment Management Revenues</b>			
Asset management revenue	4,957	6,597	(1,640)
Other advisory income and reimbursements	4,284	4,224	60
	<u>\$ 1,716,485</u>	<u>\$ 1,583,018</u>	<u>\$ 133,467</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, held for sale, or reclassified to operating properties or sales-type leases during the periods presented. For the periods presented, there were 1,120 existing net-leased properties, including 12 self-storage properties that converted from operating properties to net leases during 2024 and four self-storage properties that converted from operating properties to net leases during 2025 ([Note 5](#), [Note 8](#)).

For the year ended December 31, 2025 as compared to 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 \$9.7 million from 16 self-storage operating properties that were converted to net leases in 2024 and 2025 ([Note 5](#), [Note 8](#)) and (ii) higher lease revenues of \$1.1 million 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 52 investments (comprising 444 properties).

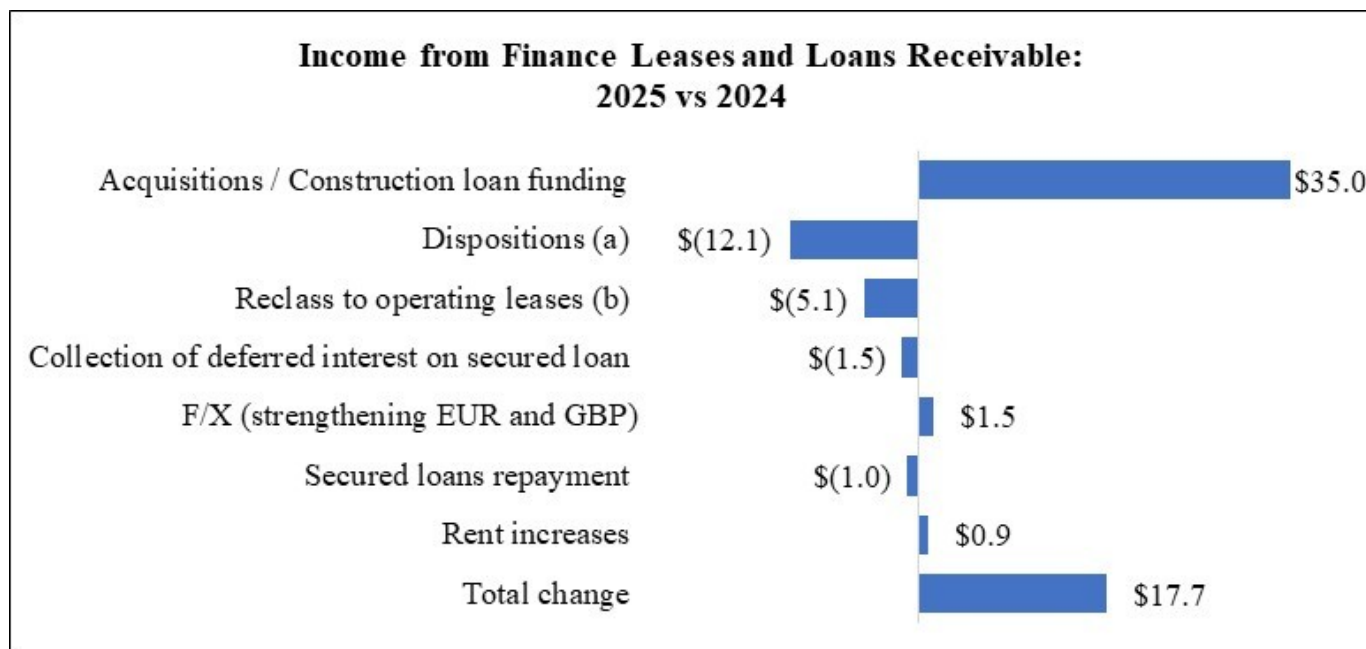
“Net-leased properties sold or held for sale” include:

- 64 net-leased properties disposed of during the year ended December 31, 2025;
- one net-leased property classified as held for sale at December 31, 2025, which was sold in January 2026 ([Note 18](#)); and
- 175 net-leased properties disposed of during the year ended December 31, 2024.

Our dispositions are more fully described in [Note 16](#).

#### *Income from Finance Leases and Loans Receivable*

For the year ended December 31, 2025 as compared to 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 ([Note 6](#)).
- (b) Properties comprising \$2.3 million of this decrease were sold subsequent to their reclassification to operating leases during the reporting period.

### *Operating Property Revenues and Expenses*

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

- one hotel operating property sold during 2024;
- three self-storage operating properties that were reclassified to net-leased properties during 2024;
- four self-storage operating properties that were reclassified to net-leased properties during 2025;
- 63 self-storage operating properties sold during 2025; and
- one student housing operating property sold during 2025.

“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 15 existing operating properties, comprised of ten self-storage operating properties, four hotel operating properties, and one student housing operating property. For the year ended December 31, 2025 as compared to 2024, operating property revenues from these properties decreased, primarily due to lower occupancy at our hotel operating properties.

“Recently acquired operating properties” include one self-storage operating property acquired during 2024 ([Note 5](#)).

### *Other Lease-Related Income*

Other lease-related income is described in [Note 5](#).

### *Asset Management Revenue*

During the periods presented, we earned asset management revenue from (i) NLOP and (ii) Carey European Student Housing Fund I, L.P. (“CESH”) ([Note 4](#)). 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 4](#)).

### ***Operating Expenses***

#### *Depreciation and Amortization*

For the year ended December 31, 2025 as compared to 2024, depreciation and amortization expense increased 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 year ended December 31, 2024.

#### *General and Administrative*

For the year ended December 31, 2025 as compared to 2024, general and administrative expenses increased by \$1.7 million, primarily due to higher bonus expense and compensation expense, partially offset by lower professional fees.

#### *Impairment Charges — Real Estate*

Our impairment charges on real estate are described in [Note 9](#).

#### *Property Expenses, Excluding Reimbursable Tenant Costs*

For the year ended December 31, 2025 as compared to 2024, property expenses, excluding reimbursable tenant costs, increased by \$4.1 million, primarily due to tenant vacancies (which resulted in property expenses no longer being reimbursable) and higher real estate taxes at certain properties.

### Stock-Based Compensation Expense

For a description of our equity plans and awards, please see [Note 14](#).

For the year ended December 31, 2025 as compared to 2024, stock-based compensation expense decreased by \$1.0 million, primarily due to the modification of restricted share units (“RSUs”) and performance share units (“PSUs”) in connection with an executive departure in 2024 totaling \$1.1 million and a reduction in expense of \$0.3 million resulting from the separation of certain employees, partially offset by increases in expense from changes in projected PSU payouts of \$0.4 million.

### Merger and Other Expenses

For the year ended December 31, 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 year ended December 31, 2025 as compared to 2024, interest expense increased by \$13.9 million, 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 \$480.2 million of non-recourse mortgage loans with a weighted-average interest rate of 4.5% since January 1, 2024 ([Note 11](#)).

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

	Years Ended December 31,	
	2025	2024
Average outstanding debt balance	\$ 8,529,460	\$ 7,948,034
Weighted-average interest rate	3.2 %	3.2 %

#### 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 10](#))), (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):

	Years Ended December 31,		
	2025	2024	Change
<b>Other Gains and (Losses)</b>			
Non-cash unrealized losses related to a decrease in the fair value of our investment in shares of Lineage ( <a href="#">Note 9</a> )	\$ (103,394)	\$ (134,002)	\$ 30,608
Net realized and unrealized (losses) gains on foreign currency exchange rate movements <sup>(a)</sup>	(97,723)	11,491	(109,214)
Change in allowance for credit losses on finance receivables ( <a href="#">Note 6</a> )	(27,186)	(27,629)	443
Non-cash unrealized (losses) gains on non-hedging derivatives	(2,953)	1,913	(4,866)
Gain on repayment of secured loan receivable <sup>(b)</sup>	—	10,650	(10,650)
Other	(851)	(411)	(440)
	<u>\$ (232,107)</u>	<u>\$ (137,988)</u>	<u>\$ (94,119)</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.
- (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 6). Therefore, we recorded a \$10.7 million gain on repayment of this secured loan receivable during the year ended December 31, 2024.

#### *Gain on Sale of Real Estate, Net*

Gain on sale of real estate, net, consists of gains and losses on (i) the sale of properties that were disposed of, net of taxes, (ii) properties subject to the exercise of a purchase option, (iii) properties subject to a purchase agreement resulting in a lease modification during the reporting period, or (iv) properties included in assets held for sale and subject to a revised estimated purchase price, as more fully described in Note 5, Note 6, and Note 16.

#### *Earnings from Equity Method Investments*

Our equity method investments are more fully described in Note 8. The following table presents earnings from equity method investments (in thousands):

	Years Ended December 31,		
	2025	2024	Change
<b>Earnings from Equity Method Investments</b>			
Earnings from Las Vegas Retail Complex	\$ 13,349	\$ 13,168	\$ 181
Earnings from Kesko Senukai <sup>(a)</sup>	3,855	686	3,169
Earnings from Harmon Retail Center	805	855	(50)
Earnings from Johnson Self Storage <sup>(b)</sup>	—	3,217	(3,217)
	<u>\$ 18,009</u>	<u>\$ 17,926</u>	<u>\$ 83</u>

- (a) Increase is primarily due to higher rent collections at these retail properties, where certain rents were previously disputed and subsequently collected.
- (b) 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 8).

#### *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):

	Years Ended December 31,		
	2025	2024	Change
<b>Non-Operating Income</b>			
Dividends from our investment in Lineage (Note 9)	\$ 11,294	\$ 7,899	\$ 3,395
Interest income on our cash deposits <sup>(a)</sup>	6,345	31,816	(25,471)
Realized (losses) gains on foreign currency collars (Note 10)	(688)	12,521	(13,209)
	<u>\$ 16,951</u>	<u>\$ 52,236</u>	<u>\$ (35,285)</u>

- (a) Decrease for the year ended December 31, 2025 as compared to 2024 is due to lower cash deposit balances as a result of investment activity and debt repayments.

### *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 8](#)).

### *Provision for Income Taxes*

For the year ended December 31, 2025 as compared to 2024, provision for income taxes increased by \$0.2 million, primarily due to the impact of strengthening foreign currencies and international property acquisitions, partially offset by the impact of international lease restructurings.

### *Net (Income) Loss Attributable to Noncontrolling Interests*

For the year ended December 31, 2025, Net (income) loss attributable to noncontrolling interests includes a noncontrolling interest's \$6.0 million share of a gain on sale of real estate recognized in connection with the disposition of a consolidated joint venture ([Note 16](#)).

## **Liquidity and Capital Resources**

### ***Sources and Uses of Cash During the Year***

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 13](#)), 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 \$550.8 million during 2025 as compared to 2024, primarily due to significantly lower proceeds received from the sales of net investments in sales-type leases ([Note 6](#)), 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):

	December 31,	
	2025	2024
<b>Carrying Value</b>		
Fixed rate:		
Senior Unsecured Notes, net <sup>(a)</sup>	\$ 6,950,261	\$ 6,505,907
Unsecured Term Loans, net subject to interest rate swaps <sup>(a)</sup>	944,663	517,524
Non-recourse mortgages, net <sup>(a)(c)</sup>	140,646	401,821
	<u>8,035,570</u>	<u>7,425,252</u>
Variable rate:		
Unsecured Revolving Credit Facility	435,417	55,448
Unsecured Term Loans, net <sup>(a)</sup>	251,703	558,302
	<u>687,120</u>	<u>613,750</u>
	<u>\$ 8,722,690</u>	<u>\$ 8,039,002</u>
<b>Percent of Total Debt</b>		
Fixed rate	92 %	92 %
Variable rate	8 %	8 %
	<u>100 %</u>	<u>100 %</u>
<b>Weighted-Average Interest Rate at End of Year</b>		
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 \$39.2 million and \$39.3 million as of December 31, 2025 and 2024, respectively, and unamortized deferred financing costs totaling \$30.1 million and \$30.9 million as of December 31, 2025 and 2024, respectively.

(b) Includes non-recourse mortgages subject to variable-to-fixed interest rate swaps totaling \$46.0 million and \$43.5 million as of December 31, 2025 and 2024, respectively.

## Cash Resources

At December 31, 2025, our cash resources consisted of the following:

- cash and cash equivalents totaling \$155.3 million. Of this amount, \$130.7 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 \$80.9 million that are held by an intermediary and have been designated for future tax-deferred like-kind exchanges under Section 1031 of the Internal Revenue Code (“1031 Exchange”) transactions ([Note 2](#));
- our Unsecured Revolving Credit Facility, with available capacity of \$1.6 billion (net of amounts reserved for standby letters of credit totaling \$1.1 million);
- available proceeds under our ATM Forwards of approximately \$412.2 million ([Note 13](#)); and
- unleveraged properties that had an aggregate asset carrying value of approximately \$15.2 billion at December 31, 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 December 31, 2025, we had (i) \$155.3 million of cash and cash equivalents, (ii) \$80.9 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 \$1.1 million), and (iv) available proceeds under our ATM Forwards of approximately \$412.2 million ([Note 13](#)). As of December 31, 2025, scheduled debt principal payments total \$979.8 million during 2026 and \$597.9 million during 2027 ([Note 11](#)).

During the next 12 months following December 31, 2025 and thereafter, we expect that our significant cash requirements will include:

- paying dividends to our stockholders;
- funding acquisitions of new investments ([Note 5](#));
- funding future capital commitments ([Note 5](#)) and tenant improvement allowances;
- making scheduled principal and balloon payments on our debt obligations, including €500 million of senior notes due in April 2026 and \$350 million of senior notes due in October 2026 ([Note 11](#));
- making scheduled interest payments on our debt obligations (future interest payments total \$1.3 billion, with \$270.7 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 December 31, 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 and settlements of common stock through our ATM Program ([Note 13](#)), 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 December 31, 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 Internal Revenue 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) increased the base on which the 30% interest deduction limit under Section 163(j) of the Internal Revenue 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.

## ***Environmental Obligations***

In connection with the purchase of many of our properties, we have required the sellers to perform environmental reviews. We believe, based on the results of these reviews, that these properties were in substantial compliance with federal, state, and foreign environmental statutes at the time the properties were acquired. However, portions of certain properties have been subject to some degree of contamination, principally in connection with leakage from underground storage tanks, surface spills, or other on-site activities. In most instances where contamination has been identified, tenants are actively engaged in the remediation process and addressing identified conditions. We believe that the ultimate resolution of any environmental matters should not have a material adverse effect on our financial condition, liquidity, or results of operations. We record environmental obligations within Accounts payable, accrued expenses and other liabilities in the consolidated financial statements. See [Item 1A. Risk Factors](#) for further discussion of potential environmental risks.

## **Critical Accounting Estimates**

Our significant accounting policies are described in [Note 2](#). Many of these accounting policies require judgment and the use of estimates and assumptions when applying these policies in the preparation of our consolidated financial statements. On a quarterly basis, we evaluate these estimates and judgments based on historical experience as well as other factors that we believe to be reasonable under the circumstances. These estimates are subject to change in the future if underlying assumptions or factors change. Certain accounting policies, while significant, may not require the use of estimates. Below is a summary of certain critical accounting estimates used in the preparation of our consolidated financial statements. Please also refer to our accounting policies described under Critical Accounting Policies and Estimates in [Note 2](#).

### *Accounting for Acquisitions*

In accordance with the guidance for business combinations and asset acquisitions, we recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity. When we acquire properties with leases classified as operating leases, we allocate the purchase price to the tangible and intangible assets and liabilities acquired based on their estimated fair values.

The tangible assets consist of land, buildings, and site improvements. The intangible assets and liabilities include the above- and below-market value of leases and the in-place leases, which includes the value of tenant relationships. The recorded allocations of tangible and intangible assets incorporate discount rates, capitalization rates, interest rates, market rents, leasing commissions, and certain other assumptions and estimates. We use considerable judgment in developing such assumptions and estimates, and significant increases or decreases in these key assumptions and estimates would result in a significantly lower or higher fair value measurement of the real estate assets being acquired.

### *Impairments of Real Estate*

For real estate assets held for investment and related intangible assets in which an impairment indicator is identified, we follow a two-step process to determine whether an asset is impaired and to determine the amount of the charge. First, we compare the carrying value of the property's asset group to the estimated future net undiscounted cash flow that we expect the property's asset group will generate, including any estimated proceeds from the eventual sale of the property's asset group. The undiscounted cash flow analysis requires us to make our best estimate of market rents, residual values, and holding periods. We estimate market rents and residual values using market information from outside sources such as third-party market research, external appraisals, broker quotes, or recent comparable sales.

As our investment objective is to hold properties on a long-term basis, holding periods used in the undiscounted cash flow analysis are generally ten years, but may be less if our intent is to hold a property for less than ten years. Depending on the assumptions made and estimates used, the future cash flow projected in the evaluation of long-lived assets and associated intangible assets can vary within a range of outcomes. We consider the likelihood of possible outcomes in determining our estimate of future cash flows and, if warranted, we apply a probability-weighted method to the different possible scenarios. If the future net undiscounted cash flow of the property's asset group is less than the carrying value, the carrying value of the property's asset group is considered not recoverable. We then measure the impairment loss as the excess of the carrying value of the property's asset group over its estimated fair value.

## 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 because they are not the primary drivers in our decision-making process and excluding these items provides investors with 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 because we believe it will help them 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, alternatives to net cash provided by operating activities computed under GAAP, or indicators of our ability to fund our cash needs.

FFO and AFFO were as follows (in thousands):

	Years Ended December 31,	
	2025	2024
Net income attributable to W. P. Carey	\$ 466,359	\$ 460,839
Adjustments:		
Depreciation and amortization of real property	518,414	485,088
Gain on sale of real estate, net	(193,793)	(74,822)
Impairment charges — real estate	70,367	43,595
Gain on change in control of interests <sup>(a)</sup>	—	(31,849)
Proportionate share of adjustments to earnings from equity method investments <sup>(b)</sup>	8,400	11,871
Proportionate share of adjustments for noncontrolling interests <sup>(c) (d)</sup>	5,716	(379)
Total adjustments	<u>409,104</u>	<u>433,504</u>
FFO (as defined by NAREIT) attributable to W. P. Carey	<u>875,463</u>	<u>894,343</u>
Adjustments:		
Other (gains) and losses <sup>(e)</sup>	232,107	137,988
Straight-line and other leasing and financing adjustments	(75,589)	(80,899)
Stock-based compensation	39,894	40,894
Amortization of deferred financing costs	19,172	18,845
Above- and below-market rent intangible lease amortization, net	11,488	26,144
Tax benefit — deferred and other	(10,885)	(4,245)
Other amortization and non-cash items	2,315	2,303
Merger and other expenses <sup>(f)</sup>	2,247	4,457
Proportionate share of adjustments to earnings from equity method investments <sup>(b)</sup>	2,374	(3,531)
Proportionate share of adjustments for noncontrolling interests <sup>(c)</sup>	(343)	(354)
Total adjustments	<u>222,780</u>	<u>141,602</u>
AFFO attributable to W. P. Carey	<u>\$ 1,098,243</u>	<u>\$ 1,035,945</u>
<b>Summary</b>		
FFO (as defined by NAREIT) attributable to W. P. Carey	<u>\$ 875,463</u>	<u>\$ 894,343</u>
AFFO attributable to W. P. Carey	<u>\$ 1,098,243</u>	<u>\$ 1,035,945</u>

- (a) Amount for the year ended December 31, 2024 represents 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 8](#)).
- (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) Amount for the year ended December 31, 2025 includes a noncontrolling interest's \$6.0 million share of a gain on sale of real estate ([Note 16](#)).
- (e) 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. Amounts for the years ended December 31, 2025 and 2024 include mark-to-market unrealized losses for our investment in shares of Lineage of \$103.4 million and \$134.0 million, respectively ([Note 9](#)).
- (f) Amount for the year ended December 31, 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 7A. 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 11](#)). See [Note 10](#) for additional information on our interest rate swaps and caps.

Our debt obligations are more fully described in [Note 11](#) and [Liquidity and Capital Resources — Summary of Financing](#) in Item 7 above. The following table presents principal cash flows based upon expected maturity dates of our debt obligations outstanding at December 31, 2025 (in thousands):

	2026	2027	2028	2029	2030	Thereafter	Total	Fair Value
Fixed-rate debt <sup>(a) (b)</sup>	\$ 979,753	\$ 597,920	\$1,026,968	\$1,100,450	\$1,017,519	\$3,381,294	\$8,103,904	\$ 7,839,512
Variable-rate debt <sup>(a)</sup>	\$ —	\$ —	\$ 252,625	\$ 435,417	\$ —	\$ —	\$ 688,042	\$ 721,820

(a) Amounts are based on the exchange rate at December 31, 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 11](#)).

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 December 31, 2025 would increase or decrease by \$3.2 million for our euro-denominated debt, \$0.5 million for our Canadian dollar-denominated debt, \$0.4 million for our British pound sterling-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, Japanese yen, and Canadian dollar ([Note 11](#)). 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 December 31, 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 10](#) 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.

For the year ended December 31, 2025, our consolidated portfolio had the following significant characteristics in excess of 10%, based on the percentage of our consolidated total revenues:

- 64% related to domestic operations; and
- 36% related to international operations.

At December 31, 2025, our net-lease portfolio, which excludes our operating properties, had the following significant property and lease characteristics in excess of 10% in certain areas, based on the percentage of our ABR as of that date:

- 61% related to domestic properties;
- 39% related to international properties; and
- 38% related to industrial facilities, 25% related to warehouse facilities, and 22% related to retail facilities.

## Item 8. Financial Statements and Supplementary Data.

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Financial statement schedules other than those listed above are omitted because the required information is given in the financial statements, including the notes thereto, or because the conditions requiring their filing do not exist.

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of W. P. Carey Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of W. P. Carey Inc. and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the COSO.

### ***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

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

### ***Critical Audit Matters***

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

#### *Purchase Price Allocation for Asset Acquisitions*

As described in Notes 2 and 5 to the consolidated financial statements, the Company completed real estate acquisitions for total consideration of \$1.7 billion during the year ended December 31, 2025. For acquired properties with leases classified as operating leases, management allocates the purchase price to the tangible and intangible assets and liabilities based on their estimated fair values. Management determines the fair value of land under the sales comparison (or market) approach. Management determines the fair value of real estate under the income approach using either the discounted cash flow method or the direct capitalization method. For the discounted cash flow method, the fair value of real estate is determined (i) by applying a discounted cash flow analysis to the estimated net operating income for each property in the portfolio during the remaining anticipated lease term and (ii) by the estimated residual value, which is based on a hypothetical sale of the property upon expiration of a lease factoring in the re-tenanting of such property at estimated market rental rates, and applying a selected capitalization rate. For the direct capitalization method, the fair value of real estate is determined (i) by the stabilized estimated net operating income for each property in the portfolio and (ii) a selected capitalization rate. For any acquisitions that do not qualify as sale-leaseback transactions, management records above- and below-market lease intangible assets and liabilities for acquired properties based on the present value, using a discount rate reflecting the risks associated with the leases acquired. For acquired properties with tenants in place, management records in-place lease intangible assets based on the estimated value ascribed to the avoidance of costs of leasing the properties for the remaining primary in-place lease terms. The principal considerations for our determination that performing procedures relating to the purchase price allocation for acquisitions is a critical audit matter are (i) the significant judgment by management when developing the estimated fair value of tangible and intangible assets and liabilities to allocate the purchase price; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to land values used in the sales comparison approach for land, capitalization rates, market rental rates and discount rates used in the discounted cash flow method for tangible and intangible assets and capitalization rates and market rental rates used in the direct capitalization method for tangible and intangible assets; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to purchase price allocations for acquisitions, including controls over management's development of the estimated fair value of the land and tangible and intangible assets and liabilities and controls over the review of significant assumptions related to land values, capitalization rates, market rental rates and discount rates. These procedures also included, among others, for a sample of acquisitions (i) reading the executed purchase agreements and leasing documents; (ii) testing management's process for developing the estimated fair value of land and tangible and intangible assets and liabilities; (iii) evaluating the appropriateness of the sales comparison approach, discounted cash flow and direct capitalization methods; (iv) testing the completeness and accuracy of underlying data used in the sales comparison approach, discounted cash flow and direct capitalization methods; (v) evaluating the reasonableness of the significant assumptions used by management related to land values used in the sales comparison approach for land, capitalization rates, market rental rates and discount rates used in the discounted cash flow method for tangible and intangible assets and capitalization rates and market rental rates used in the direct capitalization method for tangible and intangible assets. Professionals with specialized skill and knowledge were used to assist in evaluating the reasonableness of the significant assumptions related to land values, discount rates, capitalization rates and market rental rates.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
February 11, 2026

We have served as the Company's auditor since 1973, which includes periods before the Company became subject to SEC reporting requirements.

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

	December 31,	
	2025	2024
<b>Assets</b>		
Investments in real estate:		
Land, buildings and improvements — net lease and other	\$ 14,451,306	\$ 12,842,869
Land, buildings and improvements — operating properties	286,079	1,198,676
Net investments in finance leases and loans receivable	1,171,886	798,259
In-place lease intangible assets and other	2,466,199	2,297,572
Above-market rent intangible assets	668,707	665,495
Investments in real estate	19,044,177	17,802,871
Accumulated depreciation and amortization	(3,578,330)	(3,222,396)
Assets held for sale, net	3,327	—
Net investments in real estate	15,469,174	14,580,475
Equity method investments	310,178	301,115
Cash and cash equivalents	155,329	640,373
Other assets, net	1,068,480	1,045,218
Goodwill	987,071	967,843
<b>Total assets <sup>(a)</sup></b>	<b>\$ 17,990,232</b>	<b>\$ 17,535,024</b>
<b>Liabilities and Equity</b>		
Debt:		
Senior unsecured notes, net	\$ 6,950,261	\$ 6,505,907
Unsecured term loans, net	1,196,366	1,075,826
Unsecured revolving credit facility	435,417	55,448
Non-recourse mortgages, net	140,646	401,821
Debt, net	8,722,690	8,039,002
Accounts payable, accrued expenses and other liabilities	670,038	596,994
Below-market rent intangible liabilities, net	104,055	119,831
Deferred income taxes	151,820	147,461
Dividends payable	207,487	197,612
<b>Total liabilities <sup>(a)</sup></b>	<b>9,856,090</b>	<b>9,100,900</b>
Commitments and contingencies ( <a href="#">Note 12</a> )		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 450,000,000 shares authorized; 219,145,876 and 218,848,844 shares, respectively, issued and outstanding	219	219
Additional paid-in capital	11,830,737	11,805,179
Distributions in excess of accumulated earnings	(3,539,592)	(3,203,974)
Deferred compensation obligation	80,239	78,503
Accumulated other comprehensive loss	(253,346)	(250,232)
Total stockholders' equity	8,118,257	8,429,695
Noncontrolling interests	15,885	4,429
<b>Total equity</b>	<b>8,134,142</b>	<b>8,434,124</b>
<b>Total liabilities and equity</b>	<b>\$ 17,990,232</b>	<b>\$ 17,535,024</b>

(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**  
*(in thousands, except share and per share amounts)*

	Years Ended December 31,		
	2025	2024	2023
<b>Revenues</b>			
Real Estate:			
Lease revenues	\$ 1,479,204	\$ 1,331,788	\$ 1,427,376
Income from finance leases and loans receivable	90,948	73,262	107,173
Operating property revenues	112,531	146,813	180,257
Other lease-related income	24,561	20,334	23,333
	<u>1,707,244</u>	<u>1,572,197</u>	<u>1,738,139</u>
Investment Management:			
Asset management revenue	4,957	6,597	2,184
Other advisory income and reimbursements	4,284	4,224	1,035
	<u>9,241</u>	<u>10,821</u>	<u>3,219</u>
	<u>1,716,485</u>	<u>1,583,018</u>	<u>1,741,358</u>
<b>Operating Expenses</b>			
Depreciation and amortization	521,127	487,724	574,212
General and administrative	100,672	98,969	96,395
Impairment charges — real estate	70,367	43,595	86,411
Reimbursable tenant costs	68,743	55,975	81,939
Operating property expenses	60,177	70,866	95,141
Property expenses, excluding reimbursable tenant costs	53,825	49,677	44,451
Stock-based compensation expense	39,894	40,894	34,504
Merger and other expenses	2,247	4,457	4,954
	<u>917,052</u>	<u>852,157</u>	<u>1,018,007</u>
<b>Other Income and Expenses</b>			
Interest expense	(291,256)	(277,367)	(291,852)
Other gains and (losses)	(232,107)	(137,988)	(36,184)
Gain on sale of real estate, net	193,793	74,822	315,984
Earnings from equity method investments	18,009	17,926	19,575
Non-operating income	16,951	52,236	21,442
Gain on change in control of interests	—	31,849	—
	<u>(294,610)</u>	<u>(238,522)</u>	<u>28,965</u>
Income before income taxes	504,823	492,339	752,316
Provision for income taxes	(31,908)	(31,709)	(44,052)
<b>Net Income</b>	<u>472,915</u>	<u>460,630</u>	<u>708,264</u>
Net (income) loss attributable to noncontrolling interests	(6,556)	209	70
<b>Net Income Attributable to W. P. Carey</b>	<u>\$ 466,359</u>	<u>\$ 460,839</u>	<u>\$ 708,334</u>
<b>Basic Earnings Per Share</b>	<u>\$ 2.11</u>	<u>\$ 2.09</u>	<u>\$ 3.29</u>
<b>Diluted Earnings Per Share</b>	<u>\$ 2.11</u>	<u>\$ 2.09</u>	<u>\$ 3.28</u>
<b>Weighted-Average Shares Outstanding</b>			
Basic	<u>220,501,239</u>	<u>220,168,325</u>	<u>215,369,777</u>
Diluted	<u>221,112,343</u>	<u>220,520,457</u>	<u>215,760,496</u>

See Notes to Consolidated Financial Statements.

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

	Years Ended December 31,		
	2025	2024	2023
<b>Net Income</b>	\$ 472,915	\$ 460,630	\$ 708,264
<b>Other Comprehensive (Loss) Income</b>			
Unrealized (loss) gain on derivative instruments	(35,728)	10,624	(26,429)
Foreign currency translation adjustments	32,943	(6,281)	19,758
Foreign currency translation adjustments derecognized in connection with the Spin-Off	—	—	35,664
	(2,785)	4,343	28,993
<b>Comprehensive Income</b>	470,130	464,973	737,257
<b>Amounts Attributable to Noncontrolling Interests</b>			
Net (income) loss	(6,556)	209	70
Foreign currency translation adjustments	(329)	292	(80)
Comprehensive (income) loss attributable to noncontrolling interests	(6,885)	501	(10)
<b>Comprehensive Income Attributable to W. P. Carey</b>	<u>\$ 463,245</u>	<u>\$ 465,474</u>	<u>\$ 737,247</u>

See Notes to Consolidated Financial Statements.

**W. P. CAREY INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
*(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
	\$0.001 Par Value								
	Shares	Amount							
<b>Balance at January 1, 2025</b>	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	293,495	—	(14,873)				(14,873)		(14,873)
Shares issued upon purchases under employee share purchase plan	3,537	—	203				203		203
Amortization of stock-based compensation expense			39,894				39,894		39,894
Deferral of vested shares, net			(2,264)		2,264		—		—
Dividends declared (\$3.620 per share)			2,598	(801,977)	(528)		(799,907)		(799,907)
Net income				466,359			466,359	6,556	472,915
Contributions from noncontrolling interests <a href="#">(Note 6)</a>							—	8,766	8,766
Distributions to noncontrolling interests							—	(7,563)	(7,563)
Non-cash contributions from noncontrolling interests <a href="#">(Note 6)</a>							—	3,872	3,872
Non-cash write-off of noncontrolling interest in connection with a disposition							—	(504)	(504)
Other comprehensive loss:									
Unrealized loss on derivative instruments						(35,728)	(35,728)		(35,728)
Foreign currency translation adjustments						32,614	32,614	329	32,943
<b>Balance at December 31, 2025</b>	<u>219,145,876</u>	<u>\$ 219</u>	<u>\$ 11,830,737</u>	<u>\$ (3,539,592)</u>	<u>\$ 80,239</u>	<u>\$ (253,346)</u>	<u>\$ 8,118,257</u>	<u>\$ 15,885</u>	<u>\$ 8,134,142</u>

(Continued)

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

	W. P. Carey Stockholders									
	Common Stock		Additional Paid-in Capital	Distributions	Deferred Compensation Obligation	Accumulated		Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	\$0.001 Par Value			in Excess of		Comprehensive	Other			
	Shares	Amount	Earnings	Loss	Loss					
<b>Balance at January 1, 2024</b>	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	171,705	—	(6,950)				(6,950)		(6,950)	
Shares issued upon purchases under employee share purchase plan	5,265	—	268				268		268	
Amortization of stock-based compensation expense			40,894				40,894		40,894	
Deferral of vested shares, net			(14,543)	14,543			—		—	
Dividends declared (\$3.490 per share)			1,049	(773,389)	1,914		(770,426)		(770,426)	
Net income				460,839			460,839	(209)	460,630	
Distributions to noncontrolling interests							—	(2,255)	(2,255)	
Contributions from noncontrolling interests							—	623	623	
Other comprehensive income:										
Unrealized gain on derivative instruments						10,624	10,624		10,624	
Foreign currency translation adjustments						(5,989)	(5,989)	(292)	(6,281)	
<b>Balance at December 31, 2024</b>	<u>218,848,844</u>	<u>\$ 219</u>	<u>\$ 11,805,179</u>	<u>\$ (3,203,974)</u>	<u>\$ 78,503</u>	<u>\$ (250,232)</u>	<u>\$ 8,429,695</u>	<u>\$ 4,429</u>	<u>\$ 8,434,124</u>	

(Continued)

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

	W. P. Carey Stockholders								
	Common Stock		Additional Paid-in Capital	Distributions	Deferred Compensation Obligation	Accumulated	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	\$0.001 Par Value			in Excess of		Other			
	Shares	Amount	Accumulated Earnings	Comprehensive Loss					
<b>Balance at January 1, 2023</b>	210,620,949	\$ 211	\$ 11,706,836	\$ (2,486,633)	\$ 57,012	\$ (283,780)	\$ 8,993,646	\$ 14,998	\$ 9,008,644
Shares issued under forward equity, net	7,826,840	8	633,834				633,842		633,842
Shares issued upon delivery of vested restricted share awards	218,266	—	(13,679)				(13,679)		(13,679)
Shares issued upon purchases under employee share purchase plan	5,819	—	347				347		347
Distributions in connection with the Spin-Off (Note 3)			(578,818)	(229,712)		35,664	(772,866)	(4,406)	(777,272)
Amortization of stock-based compensation expense			34,504				34,504		34,504
Deferral of vested shares, net			(4,521)		4,521		—		—
Acquisition of noncontrolling interests			3,663				3,663	(3,663)	—
Dividends declared (\$4.067 per share)			2,295	(883,413)	513		(880,605)		(880,605)
Net income				708,334			708,334	(70)	708,264
Distributions to noncontrolling interests							—	(3,263)	(3,263)
Contributions from noncontrolling interests							—	2,886	2,886
Other comprehensive loss:									
Unrealized loss on derivative instruments						(26,429)	(26,429)		(26,429)
Foreign currency translation adjustments						19,678	19,678	80	19,758
<b>Balance at December 31, 2023</b>	<u>218,671,874</u>	<u>\$ 219</u>	<u>\$ 11,784,461</u>	<u>\$ (2,891,424)</u>	<u>\$ 62,046</u>	<u>\$ (254,867)</u>	<u>\$ 8,700,435</u>	<u>\$ 6,562</u>	<u>\$ 8,706,997</u>

See Notes to Consolidated Financial Statements.

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

	Years Ended December 31,		
	2025	2024	2023
<b>Cash Flows — Operating Activities</b>			
Net income	\$ 472,915	\$ 460,630	\$ 708,264
Adjustments to net income:			
Depreciation and amortization, including intangible assets and deferred financing costs	537,645	507,101	594,166
Net realized and unrealized losses on equity securities, foreign currency exchange rate movements, extinguishment of debt, and other	204,439	120,962	9,059
Gain on sale of real estate, net	(193,793)	(74,822)	(315,984)
Straight-line rent adjustments	(78,374)	(83,094)	(75,435)
Impairment charges — real estate	70,367	43,595	86,411
Stock-based compensation expense	39,894	40,894	34,504
Increase in allowance for credit losses	27,186	27,629	29,074
Earnings from equity method investments	(18,009)	(17,926)	(19,575)
Distributions of earnings from equity method investments	15,942	21,066	18,588
Deferred income tax benefit	(10,885)	(4,245)	(199)
Amortization of rent-related intangibles and deferred rental revenue	5,986	24,477	33,958
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	200,168	806,812	—
Net changes in other operating assets and liabilities	8,838	2,532	(29,399)
<b>Net Cash Provided by Operating Activities</b>	<b>1,282,319</b>	<b>1,833,112</b>	<b>1,073,432</b>
<b>Cash Flows — Investing Activities</b>			
Purchases of real estate	(1,657,339)	(1,128,809)	(1,211,397)
Proceeds from sales of real estate	1,280,180	409,487	446,402
Investments in loans receivable	(399,819)	(270,380)	—
Funding for real estate construction, redevelopments, and other capital expenditures on real estate	(191,213)	(135,327)	(121,625)
Value added taxes refunded in connection with acquisition of real estate	47,731	34,801	13,795
Value added taxes paid in connection with acquisition of real estate	(45,647)	(56,509)	(20,532)
Other investing activities, net	8,820	4,579	(12,791)
Return of capital from equity method investments	5,317	1,026	10,484
Purchase of equity investment	(5,000)	—	—
Capital contributions to equity method investments	(3,170)	(16,760)	(38,219)
Proceeds from repayment of loans receivable	—	24,000	28,000
<b>Net Cash Used in Investing Activities</b>	<b>(960,140)</b>	<b>(1,133,892)</b>	<b>(905,883)</b>
<b>Cash Flows — Financing Activities</b>			
Proceeds from Unsecured Revolving Credit Facility	3,115,158	1,229,189	2,551,578
Repayments of Unsecured Revolving Credit Facility	(2,739,777)	(1,566,439)	(2,439,754)
Dividends paid	(790,032)	(765,146)	(916,530)
Repayment of Senior Unsecured Notes	(450,000)	(1,044,500)	—
Proceeds from issuance of Senior Unsecured Notes	396,352	1,725,886	—
Payments of mortgage principal	(274,572)	(231,506)	(396,730)
Repayments of Unsecured Term Loans	(90,224)	—	—
Proceeds from Unsecured Term Loans	86,224	—	542,330
Payments for withholding taxes upon delivery of equity-based awards	(14,873)	(6,950)	(13,679)
Contributions from noncontrolling interests	8,767	623	2,886
Distributions to noncontrolling interests	(7,563)	(2,255)	(3,263)
Payment of financing costs	(4,278)	(14,559)	(13,875)
Other financing activities, net	3,108	(12,811)	1,929
Proceeds from shares issued under forward equity, net of selling costs	—	—	633,785
Proceeds in connection with the Spin-Off	—	—	343,885
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(761,710)</b>	<b>(688,468)</b>	<b>292,562</b>
<b>Change in Cash and Cash Equivalents and Restricted Cash During the Year</b>			
Effect of exchange rate changes on cash and cash equivalents and restricted cash	21,222	(12,022)	7,719
Net (decrease) increase in cash and cash equivalents and restricted cash	(418,309)	(1,270)	467,830
Cash and cash equivalents and restricted cash, beginning of year	690,701	691,971	224,141
Cash and cash equivalents and restricted cash, end of year	<b>\$ 272,392</b>	<b>\$ 690,701</b>	<b>\$ 691,971</b>

(Continued)

**W. P. CAREY INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Continued)**

*Supplemental Non-Cash Investing and Financing Activities:*

2023 — On November 1, 2023, we completed the Spin-Off (as defined herein) ([Note 3](#)). The following table summarizes non-cash assets, liabilities, and equity derecognized in connection with the Spin-Off and provides a reconciliation to cash proceeds from the Spin-Off (in thousands):

<b>Impact of the Spin-Off</b>	
Total assets derecognized (excluding cash and cash equivalents and restricted cash)	\$ 1,361,616
Total liabilities and equity derecognized	<u>(438,913)</u>
Total non-cash assets, liabilities, and equity derecognized	922,703
Reduction to Additional paid-in capital	<u>(578,818)</u>
Proceeds in connection with the Spin-Off	<u><u>\$ 343,885</u></u>

See Notes to Consolidated Financial Statements.

**W. P. CAREY INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Business and Organization**

W. P. Carey Inc. (“W. P. Carey” or the “Company”) is a real estate investment trust (“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.

In September 2023, we announced a plan to exit the office assets within our portfolio by (i) spinning-off 59 office properties into Net Lease Office Properties (“NLOP”), so that it became a separate publicly-traded real estate investment trust (the “Spin-Off”), and (ii) implementing an asset sale program to dispose of certain office properties retained by us (the “Office Sale Program”), which was completed in 2024.

On November 1, 2023, we completed the Spin-Off, contributing 59 office properties to NLOP ([Note 3](#)). Following the closing of the Spin-Off, NLOP operates as a separate publicly-traded REIT, which we externally manage pursuant to certain advisory agreements (the “NLOP Advisory Agreements”).

At December 31, 2025, we were the advisor to Carey European Student Housing Fund I, L.P. (“CESH”), a limited partnership formed for the purpose of developing, owning, and operating student housing properties in Europe ([Note 4](#)).

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 ([Note 17](#)). 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. The CODM is our Chief Executive Officer.

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 December 31, 2025, our portfolio was comprised of our full or partial ownership interests in 1,682 properties, totaling approximately 183 million square feet, substantially all of which were net leased to 371 tenants, with a weighted-average lease term of 12.0 years and an occupancy rate of 98.0%. In addition, at December 31, 2025, our portfolio was comprised of 16 operating properties, including 11 self-storage properties, four hotels, and one student housing property, totaling approximately 1.3 million square feet. All references to number of properties, square footage, occupancy, and industry type are unaudited.

**Note 2. Summary of Significant Accounting Policies**

***Critical Accounting Policies and Estimates***

*Accounting for Acquisitions*

In accordance with the guidance for business combinations, we determine whether a transaction or other event is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, we account for the transaction or other event as an asset acquisition. Under both methods, we recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity. In addition, for transactions that are business combinations, we evaluate the existence of goodwill or a gain from a bargain purchase. We

capitalize acquisition-related costs and fees associated with asset acquisitions. We immediately expense acquisition-related costs and fees associated with business combinations. All transaction costs incurred during the reporting period were capitalized since our acquisitions were classified as asset acquisitions.

*Purchase Price Allocation of Tangible Assets* — When we acquire properties with leases classified as operating leases, we allocate the purchase price to the tangible and intangible assets and liabilities acquired based on their estimated fair values. The tangible assets consist of land, buildings, and site improvements. The intangible assets include the above- and below-market value of leases and the in-place leases, which includes the value of tenant relationships. Land is typically valued utilizing the sales comparison (or market) approach. Buildings are valued, as if vacant, using the cost and/or income approach. Under the cost approach, the fair value of real estate is based on estimated costs to construct a vacant building with similar characteristics. Under the income approach, we use either the discounted cash flow method or the direct capitalization method. For the discounted cash flow method, the fair value of real estate is determined (i) by applying a discounted cash flow analysis to the estimated net operating income for each property in the portfolio during the remaining anticipated lease term and (ii) by the estimated residual value, which is based on a hypothetical sale of the property upon expiration of a lease factoring in the re-tenanting of such property at estimated market rental rates, and applying a selected capitalization rate. For the direct capitalization method, the fair value of real estate is determined (i) by the stabilized estimated net operating income for each property in the portfolio and (ii) a selected capitalization rate.

Assumptions used in the model are property-specific where this information is available; however, when certain necessary information is not available, we use available regional and property-type information. Assumptions and estimates include the following:

- a discount rate or internal rate of return;
- market rents, growth factors of rents, and market lease term;
- capitalization rates to be applied to an estimate of market rent at the beginning and/or the end of the market lease term;
- the marketing period necessary to put a lease in place;
- carrying costs during the marketing period; and
- leasing commissions and tenant improvement allowances.

The discount rates and residual capitalization rates used to value the properties are selected based on several factors, including:

- the creditworthiness of the lessees;
- industry surveys;
- property type;
- property location and age;
- current lease rates relative to market lease rates; and
- anticipated lease duration.

In the case where a tenant has a purchase option deemed to be favorable to the tenant, or the tenant has long-term renewal options at rental rates below estimated market rental rates, we generally include the value of the exercise of such purchase option or long-term renewal options in the determination of residual value.

The remaining economic life of leased assets is estimated by relying in part upon third-party appraisals of the leased assets and industry standards. Different estimates of remaining economic life will affect the depreciation expense that is recorded.

*Purchase Price Allocation of Intangible Assets and Liabilities* — For acquired properties that do not qualify as sale-leaseback transactions, we record above- and below-market lease intangible assets and liabilities for acquired properties based on the present value (using a discount rate reflecting the risks associated with the leases acquired including consideration of the credit of the lessee) of the difference between (i) the contractual rents to be paid pursuant to the leases negotiated or in place at the time of acquisition of the properties and (ii) our estimate of fair market lease rates for the property or equivalent property, both of which are measured over the estimated lease term, which includes renewal options that have rental rates below estimated market rental rates. We discount the difference between the estimated market rent and contractual rent to a present value using an interest rate reflecting our current assessment of the risk associated with the lease acquired, which includes a consideration of the credit of the lessee. When we enter into sale-leaseback transactions with above- or below-market leases, the intangibles will be accounted for as loan receivables or prepaid rent liabilities, respectively. We measure the fair value of below-market purchase option liabilities we acquire as the excess of the present value of the fair value of the real estate over the present value

of the tenant's exercise price at the option date. We determine these values using our estimates or by relying in part upon third-party valuations conducted by independent appraisal firms.

We amortize the above-market lease intangible as a reduction of lease revenue over the remaining contractual lease term. We amortize the below-market lease intangible as an increase to lease revenue over the initial term and any renewal periods in the respective leases. We include the value of below-market leases in Below-market rent intangible liabilities in the consolidated financial statements.

For acquired properties with tenants in place, we record in-place lease intangible assets based on the estimated value ascribed to the avoidance of costs of leasing the properties for the remaining primary in-place lease terms. The cost avoidance is derived first by determining the in-place lease term on the subject lease. Then, based on our review of the market, the cost to be borne by a property owner to replicate a market lease to the remaining in-place term is estimated. These costs consist of: (i) rent lost during downtime (i.e., assumed periods of vacancy), (ii) estimated expenses that would be incurred by the property owner during periods of vacancy, (iii) rent concessions (i.e., free rent), (iv) leasing commissions, and (v) tenant improvements allowances given to tenants. We determine these values using our estimates or by relying in part upon third-party valuations. We amortize the value of in-place lease intangibles to depreciation and amortization expense over the remaining initial term of each lease. The amortization period for intangibles does not exceed the remaining depreciable life of the building.

If a lease is terminated, we charge the unamortized portion of above- and below-market lease values to rental income and in-place lease values to amortization expense. If a lease is amended, we will determine whether the economics of the amended lease continue to support the existence of the above- or below-market lease intangibles.

*Purchase Price Allocation of Debt* — When we acquire leveraged properties, the fair value of the related debt instruments is determined using a discounted cash flow model with rates that take into account the credit of the tenants, where applicable, and interest rate risk. Such resulting premium or discount is amortized over the remaining term of the obligation. We also consider the value of the underlying collateral, taking into account the quality of the collateral, the credit quality of the tenant, the time until maturity and the current interest rate.

*Purchase Price Allocation of Goodwill* — In the case of a business combination, after identifying all tangible and intangible assets and liabilities, the excess consideration paid over the fair value of the assets and liabilities acquired and assumed, respectively, represents goodwill. In the event we dispose of a property or an investment that constitutes a business under U.S. generally accepted accounting principles ("GAAP") from a property with goodwill, we allocate a portion of the property's goodwill to that business in determining the gain or loss on the disposal of the business. The amount of goodwill allocated to the business is based on the relative fair value of the business to the fair value of the property. As part of purchase accounting for a business, we record any deferred tax assets and/or liabilities resulting from the difference between the tax basis and GAAP basis of the investment in the taxing jurisdiction. Such deferred tax amount will be included in purchase accounting and may impact the amount of goodwill recorded depending on the fair value of all of the other assets and liabilities and the amounts paid.

*Financing Arrangements* — In accordance with Accounting Standards Codification ("ASC") 310, *Receivables* and ASC 842, *Leases*, real estate assets acquired through a sale-leaseback transaction are accounted for as a financing arrangement if the investment does not meet the criteria for sale-leaseback accounting. We record such investments within Net investments in finance leases and loans receivable on the consolidated balance sheets. Rent payments from these investments are included within Income from finance leases and loans receivable on the consolidated statements of income.

#### *Impairments*

*Real Estate* — We periodically assess whether there are any indicators that the value of our long-lived real estate and related intangible assets may be impaired or that their carrying value may not be recoverable. These impairment indicators include, but are not limited to, vacancies, an upcoming lease expiration, a tenant with credit difficulty, the termination of a lease by a tenant, or a likely disposition of the property.

For real estate assets held for investment and related intangible assets in which an impairment indicator is identified, we follow a two-step process to determine whether an asset is impaired and to determine the amount of the charge. First, we compare the carrying value of the property's asset group to the estimated future net undiscounted cash flow that we expect the property's asset group will generate, including any estimated proceeds from the eventual sale of the property's asset group. The undiscounted cash flow analysis requires us to make our best estimate of market rents, residual values, and holding periods. We estimate market rents and residual values using market information from outside sources such as third-party market research, external appraisals, broker quotes, or recent comparable sales.

As our investment objective is to hold properties on a long-term basis, holding periods used in the undiscounted cash flow analysis are generally ten years, but may be less if our intent is to hold a property for less than ten years. Depending on the assumptions made and estimates used, the future cash flow projected in the evaluation of long-lived assets and associated intangible assets can vary within a range of outcomes. We consider the likelihood of possible outcomes in determining our estimate of future cash flows and, if warranted, we apply a probability-weighted method to the different possible scenarios. If the future net undiscounted cash flow of the property's asset group is less than the carrying value, the carrying value of the property's asset group is considered not recoverable. We then measure the impairment loss as the excess of the carrying value of the property's asset group over its estimated fair value.

*Assets Held for Sale* — We generally classify real estate assets that are subject to operating leases as held for sale when we have entered into a contract to sell the property, all material due diligence requirements have been satisfied, we received a non-refundable deposit, and we believe it is probable that the disposition will occur within one year. When we classify an asset as held for sale, we compare the asset's fair value less estimated cost to sell to its carrying value, and if the fair value less estimated cost to sell is less than the property's carrying value, we reduce the carrying value to the fair value less estimated cost to sell. We will continue to review the property for subsequent changes in the fair value, and may recognize a loss on sale of real estate, if warranted.

*Equity Method Investments* — We evaluate our equity method investments on a periodic basis to determine if there are any indicators that the value of our equity investment may be impaired and whether or not that impairment is other-than-temporary. To the extent an impairment has occurred and is determined to be other-than-temporary, we measure the charge as the excess of the carrying value of our investment over its estimated fair value, which is determined by calculating our share of the estimated fair market value of the underlying net assets based on the terms of the applicable partnership or joint-venture agreement. For our equity method investments, we calculate the estimated fair value of the underlying investment's real estate as described in Real Estate above. The fair value of the underlying investment's debt, if any, is calculated based on market interest rates and other market information. The fair value of the underlying investment's other financial assets and liabilities (excluding net investment in direct financing leases) have fair values that generally approximate their carrying values.

*Goodwill* — We evaluate goodwill for possible impairment at least annually or upon the occurrence of a triggering event (for example, the Spin-Off ([Note 3](#), [Note 7](#))). To identify any impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of the Company is less than its carrying value. This assessment is used as a basis to determine whether it is necessary to calculate fair value of the Company. We calculate the estimated fair value of the Company by utilizing our market capitalization. Impairments, if any, will be the difference between the Company's fair value and carrying amount, not to exceed the carrying amount of goodwill.

#### *Credit Losses*

The allowance for credit losses, which is recorded as a reduction to Net investments in finance leases and loans receivable on our consolidated balance sheets, is measured on a pool basis by credit ratings ([Note 6](#)), using a probability of default method based on the lessees' respective credit ratings, the expected value of the underlying collateral upon its repossession, and our historical loss experience related to other direct financing leases. Included in our model are factors that incorporate forward-looking information. If we determine that a finance lease no longer shares risk characteristics with other finance leases in the pool, we evaluate the finance lease for expected credit losses on an individual basis. Allowance for credit losses is included in our consolidated statements of income within Other gains and (losses).

**Other Accounting Policies**

*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. We apply accounting guidance for consolidation of VIEs to certain entities in which the equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Fixed price purchase and renewal options within a lease, as well as certain decision-making rights within a loan or joint-venture agreement, can cause us to consider an entity a VIE. Limited partnerships and other similar entities that operate as a partnership will be considered a VIE unless the limited partners hold substantive kick-out rights or participation rights. Significant judgment is required to determine whether a VIE should be consolidated. We review the contractual arrangements provided for in the partnership agreement or other related contracts to determine whether the entity is considered a VIE, and to establish whether we have any variable interests in the VIE. We then compare our variable interests, if any, to those of the other variable interest holders to determine which party is the primary beneficiary of the VIE based on whether the entity (i) has the power to direct the activities that most significantly impact the economic performance of the VIE and (ii) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The liabilities of these VIEs are non-recourse to us and can only be satisfied from each VIE's respective assets.

During the year ended December 31, 2025, we had a net decrease of four entities classified as VIEs, primarily due to the completion of certain tax-deferred like-kind exchanges under Section 1031 of the Internal Revenue Code ("1031 Exchange"), the liquidation of an unconsolidated investment in equity securities, and the disposition of a consolidated joint venture, partially offset by committing to certain joint venture construction projects ([Note 6](#)).

At December 31, 2025 and 2024, we considered ten and 14 entities to be VIEs, respectively, of which we consolidated six 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):

	December 31,	
	2025	2024
Land, buildings and improvements — net lease and other	\$ 31,861	\$ 468,484
Net investments in finance leases and loans receivable	178,076	144,103
In-place lease intangible assets and other	3,620	67,764
Above-market rent intangible assets	1,685	3,757
Accumulated depreciation and amortization	(11,637)	(19,391)
Total assets	207,985	671,402
Non-recourse mortgages, net	\$ —	\$ 47,853
Below-market rent intangible liabilities, net	—	25
Total liabilities	946	72,521

At December 31, 2025 and 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 December 31, 2025 and 2024, the net carrying amount of our investments in these entities was \$477.5 million and \$576.2 million, respectively, and our maximum exposure to loss in these entities was limited to our investments.

## Leases

*As a Lessee:* Right-of-use (“ROU”) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments under the lease. We determine if an arrangement contains a lease at contract inception and determine the classification of the lease at commencement. Operating and financing lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We do not include renewal options in the lease term when calculating the lease liability unless we are reasonably certain we will exercise the option. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. Our variable lease payments consist of increases as a result of the Consumer Price Index (“CPI”) or other comparable indices, taxes, and maintenance costs. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Below-market ground lease intangible assets and above-market ground lease intangible liabilities are included as a component of ROU assets. See [Note 5](#) for additional disclosures on the presentation of these amounts in our consolidated balance sheets.

The implicit rate within our operating leases is generally not determinable and, as a result, we use our incremental borrowing rate at the lease commencement date to determine the present value of lease payments. The determination of our incremental borrowing rate requires judgment. We determine our incremental borrowing rate for each lease using estimated baseline mortgage rates. These baseline rates are determined based on a review of current mortgage debt market activity for benchmark securities across domestic and international markets, utilizing a yield curve. The rates are then adjusted for various factors, including level of collateralization and lease term.

*As a Lessor:* We combine non-lease components (lease arrangements that include common area maintenance services) with related lease components (lease revenues), since both the timing and pattern of transfer are the same for the non-lease component and related lease component, the lease component is the predominant component, and the lease component would otherwise be classified as an operating lease. For (i) operating lease arrangements involving real estate that include common area maintenance services and (ii) all real estate arrangements that include real estate taxes and insurance costs, we present these amounts within lease revenues in our consolidated statements of income. We record amounts reimbursed by the lessee in the period in which the applicable expenses are incurred, if the reimbursements are deemed collectible.

Net investments in sales-type leases are accounted for under ASC 842, *Leases*. Upon lease commencement or lease modification, we assess lease classification to determine whether the lease should be classified as an operating, direct financing, or sales-type lease. If the lease is determined to be a sales-type lease, we record a net investment in the lease, which is equal to the sum of the lease payments receivable and the unguaranteed residual value, discounted at the rate implicit in the lease. Any difference between the fair value of the asset and the net investment in the lease is considered a gain on sale of real estate and recognized upon execution of the lease.

*Cash and Cash Equivalents* — We consider all short-term, highly liquid investments that are both readily convertible to cash and have a maturity of three months or less at the time of purchase to be cash equivalents. Items classified as cash equivalents include commercial paper and money market funds. Our cash and cash equivalents are held in the custody of several financial institutions, and these balances, at times, exceed federally insurable limits. We seek to mitigate this risk by depositing funds only with major financial institutions.

*Restricted Cash* — Restricted cash primarily consists of (i) security deposits and amounts required to be reserved pursuant to lender agreements for debt service, capital improvements, and real estate taxes, and (ii) funds designated for future 1031 Exchange transactions. 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):

	December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 155,329	\$ 640,373	\$ 633,860
Restricted cash <sup>(a)</sup>	117,063	50,328	58,111
Total cash and cash equivalents and restricted cash	<u>\$ 272,392</u>	<u>\$ 690,701</u>	<u>\$ 691,971</u>

(a) Restricted cash is included within Other assets, net on our consolidated balance sheets. Amounts as of December 31, 2025 and 2024 include \$80.9 million and \$14.6 million, respectively, of proceeds from certain dispositions, which are held by an intermediary and have been designated for future 1031 Exchange transactions.

*Real Estate and Operating Real Estate* — We carry land, buildings, and improvements at cost less accumulated depreciation. We capitalize costs that extend the useful life of properties or increase their value, while we expense maintenance and repairs that do not improve or extend the lives of the respective assets as incurred.

*Gain/Loss on Sale* — We recognize gains and losses on the sale of properties when the transaction meets the definition of a contract, criteria are met for the sale of one or more distinct assets, and control of the properties is transferred.

*Internal-Use Software Development Costs and Cloud Computing Arrangements* — We expense costs associated with the assessment stage of software development projects. Upon completion of the preliminary project assessment stage, we capitalize internal and external costs associated with the application development stage. We expense the personnel-related costs of training and data conversion. We also expense costs associated with the post-implementation and operation stage, including maintenance and specified upgrades; however, we capitalize internal and external costs associated with significant upgrades to existing systems that result in additional functionality. Cloud computing arrangement costs follow the internal-use software accounting guidance to determine which implementation costs to capitalize as assets or expense as incurred. Capitalized internal-use software development costs are amortized on a straight-line basis over the software's estimated useful life, which is three to seven years. Capitalized implementation costs related to a service contract will be amortized over the term of the hosting arrangement beginning when the component of the hosting arrangement is ready for its intended use. Periodically, we reassess the useful life considering technology, obsolescence, and other factors.

*Other Assets and Liabilities* — We include prepaid expenses, straight-line rent receivables, tenant receivables, deferred charges, escrow balances held by lenders, restricted cash balances, marketable securities, derivative assets, other intangible assets, corporate fixed assets, our investment in shares of Lineage (a cold storage REIT) ([Note 9](#)), and office lease ROU assets in Other assets, net. We include derivative liabilities, amounts held on behalf of tenants, operating lease liabilities, and deferred revenue in Accounts payable, accrued expenses and other liabilities.

*Investment in Shares of Lineage* — We have elected to apply the measurement alternative under Accounting Standards Update (“ASU”) 2016-01, *Financial Instruments — Overall (Subtopic 825-10)* to account for our investment in 5,546,547 shares of Lineage, which is included in Other assets, net in the consolidated financial statements ([Note 9](#)). 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 transferred this investment from Level 3 to Level 2 within the fair value hierarchy during the third quarter of 2024 because Lineage became a publicly traded company during that period. Although its share price is actively traded on an open market, 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.

*Revenue Recognition, Real Estate Leased to Others* — We lease real estate to others primarily on a triple-net leased basis, whereby the tenant is generally responsible for operating expenses relating to the property, including property taxes, insurance, maintenance, repairs, and improvements.

Substantially all of our leases provide for either scheduled rent increases, periodic rent adjustments based on formulas indexed to changes in the CPI or similar indices, or percentage rents. CPI-based adjustments are contingent on future events and are therefore not included as minimum rent in straight-line rent calculations. We recognize rents from percentage rents as reported by the lessees, which is after the level of sales requiring a rental payment to us is reached. Percentage rents were insignificant for the periods presented.

For our operating leases, we recognize future minimum rental revenue on a straight-line basis over the non-cancelable lease term of the related leases and charge expenses to operations as incurred ([Note 5](#)). We record leases accounted for under the direct financing method as a net investment in direct financing leases ([Note 6](#)). The net investment is equal to the cost of the leased assets. The difference between the cost and the gross investment, which includes the residual value of the leased asset and the future minimum rents, is unearned income. We defer and amortize unearned income to income over the lease term so as to produce a constant periodic rate of return on our net investment in the lease.

Revenue from contracts under ASC 606, *Revenue from Contracts with Customers* is recognized when, or as, control of promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. At contract inception, we assess the services promised in our contracts with customers and identify a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, we consider all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. ASC 606 does not apply to our lease revenues, which constitute a majority of our revenues, but primarily applies to revenues generated from our hotel operating properties and revenues earned from our affiliates ([Note 4](#)).

Revenue from contracts primarily represented hotel operating property revenues of \$37.6 million, \$43.0 million, and \$76.2 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Such operating property revenues are primarily comprised of revenues from room rentals and from food and beverage services at our hotel operating properties during those years. We identified a single performance obligation for each distinct service. Performance obligations are typically satisfied at a point in time, at the time of sale, or at the rendering of the service. Fees are generally determined to be fixed. Payment is typically due immediately following the delivery of the service.

*Revenue Recognition, Investment Management Operations* — We earn asset management revenue in connection with providing services to CESH and NLOP. We earn asset management revenue from property management, leasing, and advisory services performed.

We earn other advisory income and reimbursements from NLOP for certain administrative services, including day-to-day management services, investor relations, accounting, tax, legal, and other administrative matters, paid in cash.

CESH reimburses us for certain personnel and overhead costs that we incur on their behalf. We record reimbursement income as the expenses are incurred, subject to limitations imposed by the advisory agreements. Revenue from contracts with affiliates under ASC 606 is discussed in [Note 4](#).

*Asset Retirement Obligations* — Asset retirement obligations relate to the legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development, and/or normal operation of a long-lived asset. The fair value of a liability for an asset retirement obligation is recorded in the period in which it is incurred or at the point of acquisition of an asset with an assumed asset retirement obligation, and the cost of such liability is recorded as an increase in the carrying amount of the related long-lived asset by the same amount. The liability is accreted each period and the capitalized cost is depreciated over the estimated remaining life of the related long-lived asset. Revisions to estimated retirement obligations result in adjustments to the related capitalized asset and corresponding liability.

In order to determine the fair value of the asset retirement obligations, we make certain estimates and assumptions including, among other things, projected cash flows, the borrowing interest rate, and an assessment of market conditions that could significantly impact the estimated fair value. These estimates and assumptions are subjective.

*Depreciation* — We compute depreciation of building and related improvements using the straight-line method over the estimated remaining useful lives of the properties (not to exceed 40 years) and furniture, fixtures, and equipment. We compute depreciation of tenant improvements using the straight-line method over the lesser of the remaining term of the lease or the estimated useful life.

*Stock-Based Compensation* — We have granted restricted share awards (“RSAs”), restricted share units (“RSUs”), and performance share units (“PSUs”) to certain employees, independent directors, and nonemployees. Grants were awarded in the name of the recipient subject to certain restrictions of transferability and a risk of forfeiture. Stock-based compensation expense for all equity-classified stock-based compensation awards is based on the grant date fair value estimated in accordance with current accounting guidance for share-based payments, which includes awards granted to certain nonemployees. We recognize these compensation costs for only those shares expected to vest on a straight-line basis over the requisite service or performance period of the award. We include stock-based compensation within Additional paid-in capital in the consolidated statements of equity and Stock-based compensation expense in the consolidated statements of income.

*Foreign Currency Translation and Transaction Gains and Losses* — We have interests in international real estate investments primarily in Europe, Canada, and Japan, and the primary functional currencies for those investments are the euro, the British pound sterling, the Danish krone, the Canadian dollar, and the Japanese yen. We perform the translation from these currencies to the U.S. dollar for assets and liabilities using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using the average exchange rate during the month in which the transaction occurs. We report the gains and losses resulting from such translation as a component of other comprehensive income in equity. These translation gains and losses are fully reclassified out of foreign currency translation adjustments (within Accumulated other comprehensive loss in the consolidated balance sheets) and released to net income (within Gain on sale of real estate, net, in the consolidated statements of income) when we have substantially exited from all investments in the related currency. During the year ended December 31, 2025, we exited all investments denominated in Norwegian krone ([Note 13](#), [Note 16](#)).

A transaction gain or loss (measured from the transaction date or the most recent intervening balance sheet date, whichever is later), realized upon settlement of a foreign currency transaction generally will be included in net income for the period in which the transaction is settled. Also, foreign currency intercompany transactions that are scheduled for settlement, consisting primarily of accrued interest and the translation to the reporting currency of intercompany debt that is short-term or has scheduled principal payments, are included in the determination of net income (within Other gains and (losses) in the consolidated statements of income).

The translation impact of foreign currency transactions of a long-term nature (that is, settlement is not planned or anticipated in the foreseeable future), in which the entities involved in the transactions are consolidated or accounted for by the equity method in our consolidated financial statements, are not included in net income but are reported as a component of other comprehensive income in equity.

*Derivative Instruments* — We measure derivative instruments at fair value and record them as assets or liabilities, depending on our rights or obligations under the applicable derivative contract. Derivatives that are not designated as hedges must be adjusted to fair value through earnings. For derivatives designated and that qualify as cash flow hedges, the change in fair value of the derivative is recognized in Other comprehensive income (loss) until the hedged transaction affects earnings. Gains and losses on the cash flow hedges representing hedge components excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. Such gains and losses are recorded within Other gains and (losses) or Interest expense in our consolidated statements of income. The earnings recognition of excluded components is presented in the same line item as the hedged transactions. For derivatives designated and that qualify as a net investment hedge, the change in the fair value and/or the net settlement of the derivative is reported in Other comprehensive income (loss) as part of the cumulative foreign currency translation adjustment. Amounts are reclassified out of Other comprehensive income (loss) into earnings (within Gain on sale of real estate, net, in our consolidated statements of income) when the hedged investment is either sold or substantially liquidated. In accordance with fair value measurement guidance, counterparty credit risk is measured on a net portfolio position basis.

*Income Taxes* — We conduct business in various states and municipalities primarily within North America and Europe, and as a result, we or one or more of our subsidiaries file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. We derive most of our REIT income from our real estate operations. Our domestic real estate operations are generally not subject to federal tax, and accordingly, no provision has been made for U.S. federal income taxes in the consolidated financial statements for these operations. These operations may be subject to certain state and local taxes, as applicable. A taxable REIT subsidiary (“TRS”) may perform additional services for our tenants and generally may engage in any real estate or non-real estate-related business. These operations are subject to federal, state, local, and foreign taxes, as applicable. Our financial statements are prepared on a consolidated basis including these TRSs and include a provision for current and deferred taxes on these operations.

Significant judgment is required in determining our tax provision and in evaluating our tax positions. We establish tax reserves based on a benefit recognition model, which could result in a greater amount of benefit (and a lower amount of reserve) being initially recognized in certain circumstances. Provided that the tax position is deemed more likely than not of being sustained, we recognize the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon settlement. We derecognize the tax position when it is no longer more likely than not of being sustained.

Our earnings and profits, which determine the taxability of distributions to stockholders, differ from net income reported for financial reporting purposes due primarily to differences in depreciation, including hotel properties, and timing differences of rent recognition and certain expense deductions, for federal income tax purposes.

We recognize deferred income taxes in certain of our subsidiaries taxable in the United States or in foreign jurisdictions. Deferred income taxes are generally the result of temporary differences (items that are treated differently for tax purposes than for GAAP purposes as described in [Note 15](#)). In addition, deferred tax assets arise from unutilized tax net operating losses, generated in prior years. Deferred income taxes are computed under the asset and liability method. The asset and liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between tax bases and financial bases of assets and liabilities. We provide a valuation allowance against our deferred income tax assets when we believe that it is more likely than not that all or some portion of the deferred income tax asset may not be realized. Whenever a change in circumstances causes a change in the estimated realizability of the related deferred income tax asset, the resulting increase or decrease in the valuation allowance is included in deferred income tax expense (benefit).

*Earnings Per Share* — Basic earnings per share is calculated by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding during the year. Diluted earnings per share reflects potentially dilutive securities (RSAs, RSUs, PSUs, and shares available for issuance under our ATM Forwards, as defined in [Note 13](#)) using the treasury stock method, except when the effect would be anti-dilutive.

*Reference Rate Reform* — During the first quarter of 2023, we applied the guidance in ASC 848, *Reference Rate Reform* and elected the practical expedient to transition certain contracts that reference London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”), including our Senior Unsecured Credit Facility ([Note 11](#)) and certain derivative instruments. The application of this guidance did not have a material impact on our consolidated financial statements.

*Use of Estimates* — 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.

### ***Recent Accounting Pronouncements***

In November 2024, the Financial Accounting Standards Board (“FASB”) issued *ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, requiring all public business entities to provide additional disclosure of the nature of expenses included in the consolidated statements of income. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim reporting periods beginning after December 15, 2027, on a prospective basis, with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements.

In December 2023, the FASB issued *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. We adopted this standard for our annual period beginning January 1, 2025 on a prospective basis. The adoption of this standard did not have a material impact on our consolidated financial statements, but has resulted in incremental disclosures within the footnotes to our consolidated financial statements ([Note 15](#)).

### **Note 3. NLOP Spin-Off**

#### *Spin-Off*

On November 1, 2023, we completed the Spin-Off of 59 office properties into NLOP ([Note 1](#)). The Spin-Off was accomplished via a pro rata dividend of one NLOP common share for every 15 shares of WPC common stock outstanding. Following the closing of the Spin-Off, NLOP operates as a separate publicly-traded REIT, for which we serve as advisor pursuant to the NLOP Advisory Agreements executed in connection with the Spin-Off, as described below in further detail.

On the date of the Spin-Off, NLOP's portfolio of 59 office properties totaled approximately 9.3 million leasable square feet (including 0.6 million of operating square footage for a parking garage at a domestic property) (unaudited) primarily leased to 62 corporate tenants on a single-tenant net lease basis. The vast majority of the office properties owned by NLOP are located in the United States, with the balance in Europe. NLOP's portfolio generated contractual minimum annualized base rent ("ABR") totaling approximately \$145 million as of September 30, 2023. We also derecognized non-recourse mortgages encumbering ten properties totaling \$164.7 million.

The following table summarizes assets, liabilities, and equity derecognized in connection with the Spin-Off (in thousands):

<b>Assets</b>	
Investments in real estate:	
Land, buildings and improvements — net lease and other	\$ 1,299,400
In-place lease and other intangible assets	373,631
Above-market rent intangible assets	58,426
Investments in real estate	1,731,457
Accumulated depreciation and amortization	(454,768)
Net investments in real estate	1,276,689
Cash and cash equivalents and restricted cash	9,141
Other assets, net (excluding restricted cash)	70,472
Goodwill ( <a href="#">Note 7</a> )	61,737
Less: impairment charges ( <a href="#">Note 9</a> )	(47,282)
<b>Total assets</b>	<b>\$ 1,370,757</b>
<b>Liabilities and Equity</b>	
Non-recourse mortgages, net	\$ 164,743
Accounts payable, accrued expenses and other liabilities	54,199
Below-market rent intangible liabilities	11,799
Deferred income taxes	9,718
<b>Total liabilities</b>	<b>240,459</b>
Distributions in excess of accumulated earnings	229,712
Accumulated other comprehensive loss	(35,664)
Noncontrolling interests	4,406
<b>Total equity</b>	<b>198,454</b>
<b>Total liabilities and equity</b>	<b>\$ 438,913</b>

The following table summarizes the impact to the components of Total equity in connection with the Spin-Off (in thousands):

<b>Impact to Total Equity</b>	
Total assets derecognized (excluding cash and cash equivalents and restricted cash)	\$ (1,361,616)
Total liabilities derecognized	240,459
Net assets derecognized	(1,121,157)
Less: Proceeds in connection with the Spin-Off, reflecting cash and cash equivalents and restricted cash derecognized (described below under “Debt Facility”)	343,885
Impact to Total equity	<u>\$ (777,272)</u>
<b>Impact to Components of Total Equity</b>	
Distributions in excess of accumulated earnings derecognized	\$ (229,712)
Accumulated other comprehensive income derecognized	35,664
Noncontrolling interests derecognized	(4,406)
Reduction to Additional paid-in capital	(578,818)
Impact to Total equity	<u>\$ (777,272)</u>

#### *NLOP Agreements*

Pursuant to the NLOP Advisory Agreements, which we entered into on November 1, 2023, we provide NLOP with strategic management services, including asset management, property disposition support, and various related services. NLOP will pay us an asset management fee, which was initially set at an annual amount of approximately \$7.5 million and is being reduced proportionately following the disposition of each portfolio property. Such fees are included in Asset management revenue on our consolidated statements of income. In addition, NLOP will reimburse us 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. Such amounts are included in Other advisory income and reimbursements on our consolidated statements of income.

On October 31, 2023, we entered into a Separation and Distribution Agreement, which set forth the various individual transactions to be consummated that comprised the Separation and the Distribution, including the assets transferred to and liabilities assumed by NLOP.

On October 31, 2023, we also entered into a Tax Matters Agreement, which governs the respective rights, responsibilities, and obligations of us and NLOP after the Distribution, with respect to tax liabilities and benefits, the preparation and filing of tax returns, the control of audits and other tax proceedings, tax covenants, tax indemnification, cooperation, and information sharing.

#### *Debt Facility*

In September 2023, NLOP entered into a new \$455 million debt facility, which was executed by NLOP and funded upon the closing of the Spin-Off on November 1, 2023 (the “NLOP Financing Arrangements”). Approximately \$343.9 million of this amount (net of (i) transaction expenses and (ii) cash and cash equivalents and restricted cash derecognized) was retained by us in connection with the Spin-Off.

#### *Spin-Off Costs*

In connection with the Spin-Off, we incurred approximately \$61.6 million in total costs, comprised of (i) \$10.0 million of advisory fees, which is included in Merger and other expenses on our consolidated statements of income (\$4.9 million of such fees were recognized during the year ended December 31, 2022 and \$5.1 million were recognized during the year ended December 31, 2023); and (ii) \$51.6 million of additional Spin-Off related costs (including \$14.4 million of financing costs incurred in connection with the NLOP Financing Arrangements), which were reimbursed to us by NLOP in connection with the Spin-Off.

**Note 4. Agreements and Transactions with Related Parties***Advisory Agreements with NLOP and CESH*

We currently have advisory arrangements with NLOP and CESH, pursuant to which we earn fees and are entitled to receive reimbursement for certain administrative expenses. The NLOP Advisory Agreements are described in [Note 3](#).

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):

	Years Ended December 31,		
	2025	2024	2023
Asset management revenue <sup>(a) (b)</sup>	\$ 4,957	\$ 6,597	\$ 2,184
Administrative reimbursements <sup>(a) (c)</sup>	4,000	4,000	667
Reimbursable costs from affiliates <sup>(a) (c)</sup>	284	224	368
	<u>\$ 9,241</u>	<u>\$ 10,821</u>	<u>\$ 3,219</u>

	Years Ended December 31,		
	2025	2024	2023
NLOP	\$ 8,578	\$ 10,243	\$ 1,912
CESH	663	578	1,307
	<u>\$ 9,241</u>	<u>\$ 10,821</u>	<u>\$ 3,219</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.

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):

	December 31,	
	2025	2024
Accounts receivable	\$ 535	\$ 462
Asset management fees receivable	391	554
Reimbursable costs	70	73
	<u>\$ 996</u>	<u>\$ 1,089</u>

*Performance Obligations and Significant Judgments*

The fees earned pursuant to our advisory agreements are considered variable consideration. For the agreements that include multiple performance obligations, including asset management services, revenue is allocated to each performance obligation based on estimates of the price that we would charge for each promised service if it were sold on a standalone basis.

Judgment is applied in assessing whether there should be a constraint on the amount of fees recognized, such as amounts in excess of certain threshold limits with respect to the contract price or any potential clawback provisions included in certain of our arrangements. We exclude fees subject to such constraints to the extent it is probable that a significant reversal of those amounts will occur.

*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.

The performance obligation for asset management services is satisfied over time as services are rendered. The time-based output method is used to measure progress over time, as this is representative of the transfer of the services. We are compensated for our services on a monthly or quarterly basis. However, these services represent a series of distinct daily services under ASC 606, *Revenue from Contracts with Customers*. Accordingly, we satisfy the performance obligation and resolve the variability associated with our fees on a daily basis. We apply the practical expedient and, as a result, do not disclose variable consideration attributable to wholly or partially unsatisfied performance obligations as of the end of the reporting period.

In providing asset management services, we are reimbursed for certain costs. Direct reimbursement of these costs does not represent a separate performance obligation. Payment for asset management services is typically due on the first business day following the month of the delivery of the service.

*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.

***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 \$0.4 million for the year ended December 31, 2025, 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 December 31, 2025, we owned interests in eight jointly owned investments in real estate, with the remaining interests held by third parties. We consolidate five such investments and account for the remaining three investments under the equity method of accounting (Note 8). 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 8).

**Note 5. 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):

	December 31,	
	2025	2024
Land	\$ 2,839,757	\$ 2,398,409
Buildings and improvements	11,531,634	10,388,418
Real estate under construction	79,915	56,042
Less: Accumulated depreciation	(2,026,829)	(1,701,892)
	<u>\$ 12,424,477</u>	<u>\$ 11,140,977</u>

During 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 13.1% to \$1.1750 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 \$435.9 million from December 31, 2024 to December 31, 2025.

During the year ended December 31, 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 December 31, 2025 ([Note 6](#)). These properties were sold in June 2025.

During the year ended December 31, 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 December 31, 2025 ([Note 6](#)). 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 2025 ([Note 6](#)).

Depreciation expense, including the effect of foreign currency translation, on our buildings and improvements subject to operating leases was \$331.1 million, \$292.9 million, and \$325.8 million for the years ended December 31, 2025, 2024, and 2023, respectively.

## Acquisitions of Real Estate During 2025

During 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 <sup>(a)</sup>
Various, United States <sup>(a)</sup>	59	2/26/2025	Industrial, Warehouse	\$ 136,022
Various, United States <sup>(b)</sup>	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 <sup>(c)</sup>	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 <sup>(c)</sup>	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 <sup>(d)</sup>	8	7/11/2025; 8/28/2025	Retail	15,796
Loughborough and Ilkeston, United Kingdom <sup>(c)</sup>	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 <sup>(c)</sup>	4	7/31/2025	Industrial	56,388
Various, Italy <sup>(c)</sup>	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 <sup>(c)</sup>	3	9/24/2025	Industrial	67,170
Compton, California	1	10/1/2025	Warehouse	5,937
Various, United States <sup>(d)</sup>	4	10/2/2025	Specialty (Healthcare)	137,275
San Juan del Rio, Mexico	1	10/2/2025	Industrial	9,999
Various, United States <sup>(e)</sup>	8	10/9/2025; 12/10/2025	Retail	15,986
New Hartford, New York	1	11/26/2025	Retail (Car Wash)	5,084
Wasserburg am Inn, Germany <sup>(c)</sup>	1	12/16/2025	Industrial	27,142
Cesena and Gela, Italy <sup>(c)</sup>	2	12/17/2025	Industrial, Warehouse	2,218
Various, United States <sup>(f)</sup>	10	12/18/2025	Retail	321,826
Navarra and Zaragoza, Spain <sup>(c)</sup>	4	12/22/2025	Warehouse	80,020
	173			\$ 1,656,317

- (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.  
(e) This investment includes properties located across five U.S. states.  
(f) This investment includes properties located across nine U.S. states.

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

	Total Capitalized Costs
Land	\$ 420,119
Buildings and improvements	995,255
Intangible assets and liabilities:	
In-place lease (weighted-average expected life of 16.0 years)	252,165
Above-market rent (expected life of 15.5 years)	14,059
Below-market rent (expected life of 5.7 years)	(3,061)
Right-of-use assets:	
Land lease right-of-use assets	2,296
Below-market ground lease intangibles	1,495
Prepaid rent liabilities	(23,715)
Operating lease liabilities	(2,296)
	<u>\$ 1,656,317</u>

*Acquisitions of Real Estate During 2024* — We entered into 25 investments, which were deemed to be real estate asset acquisitions, at a total cost of \$1.2 billion, including land of \$219.4 million, buildings of \$772.3 million, in-place lease intangibles of \$166.1 million, above-market rent intangibles of \$7.1 million, below-market rent intangibles of \$0.4 million, land lease ROU assets of \$4.3 million, below-market ground lease intangibles of \$3.5 million, debt discount and deferred financing costs on non-recourse mortgage loans assumed of \$4.2 million, and operating lease liabilities of \$4.3 million.

*Acquisitions of Real Estate During 2023* — We entered into 12 investments, which were deemed to be real estate asset acquisitions, at a total cost of \$1.2 billion, including land of \$212.6 million, buildings of \$774.1 million, in-place lease intangibles of \$185.9 million, ROU assets of \$13.0 million, and prepaid rent liabilities of \$6.9 million.

*Real Estate Under Construction — Net Lease and Operating Properties*

During 2025, we capitalized real estate under construction totaling \$98.2 million. The number of construction projects in progress with balances included in real estate under construction was ten and four as of December 31, 2025 and 2024, respectively. Aggregate unfunded commitments totaled approximately \$125.3 million and \$72.1 million as of December 31, 2025 and 2024, respectively.

During 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
Surprise, Arizona <sup>(a)</sup>	Build-to-Suit	1	10/27/2025	Industrial	22,042
		<u>3</u>			<u>\$ 68,944</u>

(a) The tenant at this property commenced paying rent in January 2026.

During 2024, we completed five construction projects, at a total cost of \$87.0 million.

During 2023, we completed four construction projects, at a total cost of \$60.7 million.

During 2025, we committed to fund nine construction projects, for an aggregate amount of \$157.0 million. We currently expect to complete the projects in 2026 and 2027.

Capitalized interest incurred during construction was \$1.1 million, \$1.0 million, and \$0.6 million for the years ended December 31, 2025, 2024, and 2023 respectively, which reduces Interest expense in the consolidated statements of income.

*Dispositions of Properties*

During 2025, we sold 34 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 \$300.3 million from December 31, 2024 to December 31, 2025 ([Note 16](#)).

*Other Lease-Related Income*

2025 — For the year ended December 31, 2025, Other lease-related income on our consolidated statements of income included: (i) lease termination income totaling \$16.9 million and (ii) other lease-related settlements totaling \$5.3 million.

2024 — For the year ended December 31, 2024, Other lease-related income on our consolidated statements of income included: (i) lease termination income totaling \$7.0 million and (ii) other lease-related settlements totaling \$11.8 million.

2023 — For the year ended December 31, 2023, Other lease-related income on our consolidated statements of income included: (i) lease termination income totaling \$11.9 million received from two tenants in connection with the sales of the properties they occupied and (ii) other lease-related settlements totaling \$9.1 million.

*Leases**Operating Lease Income*

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

	Years Ended December 31,		
	2025	2024	2023
Lease income — fixed	\$ 1,313,926	\$ 1,186,730	\$ 1,254,340
Lease income — variable <sup>(a)</sup>	165,278	145,058	173,036
Total operating lease income	<u>\$ 1,479,204</u>	<u>\$ 1,331,788</u>	<u>\$ 1,427,376</u>

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

*Scheduled Future Lease Payments to be Received*

Scheduled future lease payments to be received (exclusive of expenses paid by tenants, percentage of sales rents, and future CPI-based adjustments) under non-cancelable operating leases at December 31, 2025 are as follows (in thousands):

Years Ending December 31,	Total
2026	\$ 1,426,069
2027	1,400,521
2028	1,364,800
2029	1,310,345
2030	1,261,348
Thereafter	11,763,531
Total	<u>\$ 18,526,614</u>

See [Note 6](#) for scheduled future lease payments to be received under non-cancelable direct financing leases and sales-type leases.

## Lease Cost

Lease costs for operating leases are included in (i) General and administrative expenses (office leases), (ii) Property expenses, excluding reimbursable tenant costs (land leases), and (iii) Reimbursable tenant costs (land leases) in the consolidated statements of income. Certain information related to the total lease cost for operating leases is as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Fixed lease cost	\$ 16,359	\$ 15,550	\$ 15,518
Variable lease cost	2,204	1,992	1,731
Total lease cost	\$ 18,563	\$ 17,542	\$ 17,249

During the years ended December 31, 2025, 2024, and 2023, we received sublease income totaling approximately \$5.6 million, \$5.0 million, and \$4.9 million, respectively, which is included in Lease revenues in the consolidated statements of income.

## Other Information

Supplemental balance sheet information related to ROU assets and lease liabilities is as follows (dollars in thousands):

	Location on Consolidated Balance Sheets	December 31,	
		2025	2024
Operating ROU assets — land leases	In-place lease intangible assets and other	\$ 123,242	\$ 115,156
Finance ROU assets — land and building leases	In-place lease intangible assets and other	26,860	25,253
Operating ROU assets — office leases	Other assets, net	47,719	51,319
Total operating ROU assets		\$ 197,821	\$ 191,728
Operating lease liabilities	Accounts payable, accrued expenses and other liabilities	\$ 144,252	\$ 143,274
Weighted-average remaining lease term — operating leases		23.8 years	23.4 years
Weighted-average discount rate — operating leases		6.9 %	6.8 %
Number of land lease arrangements — operating leases		71	72
Weighted-average remaining lease term — finance leases <sup>(a)</sup>		57.8 years	56.4 years
Number of land and building lease arrangements — finance leases		3	2
Number of office space arrangements		4	4
Remaining lease term range (excluding extension options not reasonably certain of being exercised)		<1 – 94 years	<1 – 95 years

(a) There are no related lease liabilities for our finance ROU assets. Therefore, there is no applicable weighted-average discount rate for such assets.

Cash paid for operating lease liabilities included in Net cash provided by operating activities totaled \$17.3 million, \$16.2 million, and \$16.1 million for the years ended December 31, 2025, 2024, and 2023, respectively.

*Undiscounted Cash Flows*

A reconciliation of the undiscounted cash flows for operating leases recorded on the consolidated balance sheet within Accounts payable, accrued expenses and other liabilities as of December 31, 2025 is as follows (in thousands):

Years Ending December 31,	Total
2026	\$ 15,361
2027	15,947
2028	15,849
2029	14,927
2030	14,398
Thereafter	234,536
Total lease payments	311,018
Less: amount of lease payments representing interest	(166,766)
Present value of future lease payments/lease obligations	<u>\$ 144,252</u>

***Land, Buildings and Improvements — Operating Properties***

At December 31, 2025, Land, buildings and improvements — operating properties consisted of our investments in 11 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):

	December 31,	
	2025	2024
Land	\$ 25,665	\$ 144,871
Buildings and improvements	260,414	1,053,805
Less: Accumulated depreciation	(59,626)	(100,575)
	<u>\$ 226,453</u>	<u>\$ 1,098,101</u>

During the year ended December 31, 2025, the U.S. dollar weakened against the British pound sterling, resulting in an increase of \$7.0 million in the carrying value of our Land, buildings and improvements — operating properties from December 31, 2024 to December 31, 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 \$22.5 million, \$28.7 million, and \$29.8 million for the years ended December 31, 2025, 2024, and 2023, respectively.

*Dispositions of Properties*

During the year ended December 31, 2025, we sold 63 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 \$802.1 million from December 31, 2024 to December 31, 2025 ([Note 16](#)).

*Acquisitions of Operating Real Estate During 2024* — We entered into one self-storage operating property investment, which was deemed to be a real estate asset acquisition, at a cost of \$7.4 million, including land of \$1.7 million, buildings of \$5.3 million, and in-place lease intangibles of \$0.4 million.

*Acquisitions of Operating Real Estate During 2023* — We entered into four self-storage operating property investments, which were deemed to be real estate asset acquisitions, at a total cost of \$47.3 million, including land of \$13.5 million, buildings of \$31.9 million, and in-place lease intangibles of \$1.8 million.

For the year ended December 31, 2025, Land, buildings and improvements — operating properties revenues totaling \$112.5 million were comprised of \$103.9 million in lease revenues and \$8.6 million in other income (such as food and beverage revenue) from 78 consolidated self-storage properties, four consolidated hotels, and two consolidated student housing properties. For the year ended December 31, 2024, Land, buildings and improvements — operating properties revenues totaling \$146.8 million were comprised of \$136.5 million in lease revenues and \$10.3 million in other income (such as food and beverage revenue) from 81 consolidated self-storage properties, five consolidated hotels, and two consolidated student housing properties. For the year ended December 31, 2023, Land, buildings and improvements — operating properties revenues totaling \$180.3 million were comprised of \$164.5 million in lease revenues and \$15.8 million in other income from 80 consolidated self-storage properties, 13 consolidated hotels, and two consolidated student housing properties. We derive self-storage revenue primarily from rents received from customers who rent storage space under month-to-month leases for personal or business use. We derive hotel revenue primarily from room rentals, as well as food, beverage, and other services. We earn student housing operating revenue primarily from leases of one year or less with individual students.

**Assets Held for Sale, Net**

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

	December 31,	
	2025	2024
Land, buildings and improvements — net lease and other	\$ 3,741	\$ —
Accumulated depreciation and amortization	(414)	—
Assets held for sale, net	<u>\$ 3,327</u>	<u>\$ —</u>

At December 31, 2025, we had one property classified as Assets held for sale, net, with an aggregate carrying value of \$3.3 million. This property was sold in January 2026 ([Note 18](#)).

**Note 6. 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. See [Note 2](#) and [Note 5](#) for information on ROU operating lease assets recognized in our consolidated balance sheets.

**Finance Receivables**

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

	Maturity Date	December 31,	
		2025	2024
Sale-leaseback transactions accounted for as loans receivable <sup>(a)</sup>	2038 – 2057	\$ 857,931	\$ 451,813
Net investments in direct financing leases <sup>(b)</sup>	2026 – 2036	267,530	277,698
Secured loans receivable <sup>(c)</sup>	2026	35,783	31,857
Net investments in sales-type leases <sup>(c)</sup>	2057	10,642	36,891
		<u>\$ 1,171,886</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 \$35.3 million and \$14.3 million as of December 31, 2025 and 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 December 31, 2025 or 2024.

During the year ended December 31, 2025, the U.S. dollar weakened against the euro, resulting in a \$40.6 million increase in the carrying value of Net investments in finance leases and loans receivable from December 31, 2024 to December 31, 2025.

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

	Years Ended December 31,		
	2025	2024	2023
Sale-leaseback transactions accounted for as loans receivable	\$ 56,419	\$ 22,754	\$ 14,715
Net investments in direct financing leases	30,447	34,375	49,950
Secured loans receivable	2,580	2,853	4,399
Net investments in sales-type leases	1,502	13,280	38,109
	<u>\$ 90,948</u>	<u>\$ 73,262</u>	<u>\$ 107,173</u>

#### Loans Receivable

During the year ended December 31, 2025, we entered into the following sale-leasebacks, which were deemed to be loans receivable 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 <sup>(a)</sup>	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) <sup>(b)</sup>	6	7/3/2025	Industrial	103,380
Delphos, Ohio <sup>(c)</sup>	1	10/24/2025	Industrial	8,693
	<u>9</u>			<u>\$ 370,043</u>

- (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.  
(c) In connection with this acquisition, we committed to fund (i) an expansion at this facility for \$2.0 million and (ii) a build-to-suit project for a new industrial facility for \$36.0 million, both of which are expected to be completed in the fourth quarter of 2026.

During the year ended December 31, 2024, we entered into three sale-leasebacks, which were deemed to be loans receivable, at a total cost of \$238.6 million.

During the years ended December 31, 2025, 2024, and 2023, we recorded an allowance for credit losses of \$21.0 million, \$13.5 million, and \$0.8 million, respectively, on our sale-leaseback transactions accounted for as loans receivables due to changes in economic conditions.

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 year ended December 31, 2025 we capitalized land and buildings totaling \$33.8 million, which is recorded in Net investments in finance leases and loans receivable in our consolidated financial statements. Our joint-venture partner contributed \$12.6 million to the projects during the year ended December 31, 2025, 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 December 31, 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 <sup>(a)</sup>	Total Funded as of December 31,	
			2025	2024
Las Vegas, Nevada (retail)	\$ 1,556	Dec. 2026	\$ 18,367	\$ 16,811
Las Vegas, Nevada (mixed use)	2,371	Nov. 2026	17,417	15,046
	<u>\$ 3,927</u>		<u>\$ 35,784</u>	<u>\$ 31,857</u>

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

In June 2024, in connection with a property disposition, we provided financing to the buyer of \$15.0 million with an interest rate of 15.0%. In September 2024, this secured loan receivable was repaid to us for \$15.0 million.

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 year ended December 31, 2025.

In August 2023, one of our secured loans receivable was repaid to us for \$28.0 million. In connection with this repayment, we received an \$0.6 million prepayment penalty from the borrower, which was included in Income from finance leases and loans receivable in the consolidated financial statements for the year ended December 31, 2023.

#### *Net Investments in Direct Financing Leases*

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

	December 31,	
	2025	2024
Lease payments receivable	\$ 146,467	\$ 178,639
Unguaranteed residual value	244,928	273,502
	391,395	452,141
Less: unearned income	(120,120)	(150,383)
Less: allowance for credit losses <sup>(a)</sup>	(3,745)	(24,060)
	<u>\$ 267,530</u>	<u>\$ 277,698</u>

(a) During the years ended December 31, 2025, 2024, and 2023, we recorded a net allowance for credit losses of \$2.3 million, \$16.2 million, and \$28.2 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 year ended December 31, 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.

2025 — During the year ended December 31, 2025, we reclassified three properties with a 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 ([Note 5](#)).

#### *Net Investments in Sales-Type Leases*

On February 28, 2023, the tenant occupying our portfolio of 78 net-lease self-storage properties located in the United States provided notice of its intention to exercise its option to repurchase the properties. In accordance with ASC 842, *Leases*, we reclassified these net-lease assets to net investments in sales-type leases totaling \$451.4 million on our consolidated balance sheets within Net investments in finance leases and loans receivable (based on the present value of remaining rents and estimated purchase price, using the CPI rates as of the exercise notice date), since the tenant provided notice of its intention to exercise its purchase option. We recognized an aggregate Gain on sale of real estate, net, of \$176.2 million during the year ended December 31, 2023 related to this transaction. During the year ended December 31, 2024, we completed the sale of this portfolio ([Note 16](#)).

On October 16, 2023, the tenant occupying an industrial/office facility located in Nagold, Germany, provided notice of its intention to exercise its option to repurchase the property. In accordance with ASC 842, *Leases*, we reclassified this net-lease asset to net investments in sales-type leases totaling \$20.6 million on our consolidated balance sheets (based on the estimated purchase price and the foreign currency exchange rate of the euro on the date of notice), since the tenant provided notice of its intention to exercise its purchase option. During the year ended December 31, 2025, we completed the sale of this property. 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 December 31, 2025 ([Note 16](#)). No gain or loss on sale of real estate was recognized related to this transaction.

On October 31, 2023, we entered into an agreement to sell our portfolio of 70 office properties 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 \$348.6 million on our consolidated balance sheets within Net investments in finance leases and loans receivable (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. We recognized an aggregate Gain on sale of real estate, net, of \$59.1 million during the year ended December 31, 2023 related to this transaction. During the year ended December 31, 2024, we completed the sale of this portfolio ([Note 16](#)).

On July 10, 2024, we entered into an agreement to sell two properties located in the Netherlands 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 \$17.3 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. We recognized an aggregate Gain on sale of real estate, net, of \$6.4 million during the year ended December 31, 2024 related to this transaction. During the year ended December 31, 2025, we completed the sale of these properties. 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 December 31, 2025 ([Note 16](#)).

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 year ended December 31, 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.

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 year ended December 31, 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.

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):

	December 31,	
	2025	2024
Lease payments receivable	\$ 38,306	\$ 36,938
Unguaranteed residual value	10,500	—
	48,806	36,938
Less: unearned income	(38,164)	(47)
	<u>\$ 10,642</u>	<u>\$ 36,891</u>

*Scheduled Future Lease Payments to be Received*

Scheduled future lease payments to be received (exclusive of expenses paid by tenants, percentage of sales rents, and future CPI-based adjustments) under non-cancelable direct financing leases and sales-type leases at December 31, 2025 are as follows (in thousands):

Years Ending December 31,	Total
2026	\$ 32,658
2027	31,443
2028	23,800
2029	21,284
2030	19,552
Thereafter	56,036
Total	<u>\$ 184,773</u>

See [Note 5](#) for scheduled future lease payments to be received under non-cancelable operating leases.

*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 December 31, 2025 and 2024, no material balances of our finance receivables were past due. Other than the lease extensions noted above under *Net Investments in Direct Financing Leases*, there were no material modifications of finance receivables during the year ended December 31, 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 / Obligors at December 31,		Carrying Value at December 31,	
	2025	2024	2025	2024
1 – 3	17	18	\$ 762,969	\$ 575,361
4	9	7	448,007	254,864
5	—	1	—	6,411
			<u>\$ 1,210,976</u>	<u>\$ 836,636</u>

#### Note 7. Goodwill and Other Intangibles

We have recorded lease and internal-use software development intangibles that are being amortized over periods ranging from one year to 38 years. 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 year ended December 31, 2025 are described in [Note 5](#).

In connection with certain business combinations, we recorded goodwill as a result of consideration exceeding the fair values of the assets acquired and liabilities assumed ([Note 2](#)). The following table presents a reconciliation of our goodwill (in thousands):

	Goodwill
<b>Balance at January 1, 2023</b>	\$ 1,037,412
Allocation of goodwill distributed to NLOP ( <a href="#">Note 3</a> )	(61,737)
Foreign currency translation adjustments	2,614
<b>Balance at December 31, 2023</b>	978,289
Foreign currency translation adjustments	(10,446)
<b>Balance at December 31, 2024</b>	967,843
Foreign currency translation adjustments	19,228
<b>Balance at December 31, 2025</b>	<u>\$ 987,071</u>

Current accounting guidance requires that we test for the recoverability of goodwill at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. We performed our annual test for impairment in October 2025 and found no impairment indicated.

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

	December 31,					
	2025			2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Finite-Lived Intangible Assets</b>						
Internal-use software development costs	\$ 3,996	\$ (1,578)	\$ 2,418	\$ 2,778	\$ (999)	\$ 1,779
	3,996	(1,578)	2,418	2,778	(999)	1,779
Lease Intangibles:						
In-place lease	2,316,097	(993,737)	1,322,360	2,157,163	(938,574)	1,218,589
Above-market rent	668,707	(498,138)	170,569	665,495	(481,355)	184,140
	2,984,804	(1,491,875)	1,492,929	2,822,658	(1,419,929)	1,402,729
<b>Goodwill</b>						
Goodwill	987,071	—	987,071	967,843	—	967,843
Total intangible assets	<u>\$ 3,975,871</u>	<u>\$(1,493,453)</u>	<u>\$ 2,482,418</u>	<u>\$ 3,793,279</u>	<u>\$(1,420,928)</u>	<u>\$ 2,372,351</u>
<b>Finite-Lived Intangible Liabilities</b>						
Below-market rent	\$ (202,319)	\$ 98,264	\$ (104,055)	\$ (197,971)	\$ 78,140	\$ (119,831)
Total intangible liabilities	<u>\$ (202,319)</u>	<u>\$ 98,264</u>	<u>\$ (104,055)</u>	<u>\$ (197,971)</u>	<u>\$ 78,140</u>	<u>\$ (119,831)</u>

During 2025, the U.S. dollar weakened against the euro, resulting in an increase of \$45.0 million in the carrying value of our net intangible assets from December 31, 2024 to December 31, 2025. See [Note 6](#) for a description of intangible assets and liabilities reclassified to net investments in sales-type leases during the year ended December 31, 2025.

Net amortization of intangibles, including the effect of foreign currency translation, was \$174.7 million, \$186.7 million, and \$247.5 million for the years ended December 31, 2025, 2024, and 2023, 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.

Based on the intangible assets and liabilities recorded at December 31, 2025, scheduled annual net amortization of intangibles for each of the next five calendar years and thereafter is as follows (in thousands):

Years Ending December 31,	Net Decrease (Increase) in Lease Revenues	Increase to Amortization	Total
2026	\$ 15,862	\$ 137,206	\$ 153,068
2027	14,564	125,231	139,795
2028	12,950	114,466	127,416
2029	12,466	104,714	117,180
2030	11,818	98,106	109,924
Thereafter	(1,146)	745,055	743,909
Total	<u>\$ 66,514</u>	<u>\$ 1,324,778</u>	<u>\$ 1,391,292</u>

**Note 8. 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. We account for our interests in these investments under the equity method of accounting (i.e., at cost, increased or decreased by our share of earnings or losses, less distributions, plus contributions and other adjustments required by equity method accounting, such as basis differences) or at fair value by electing the equity method fair value option available under GAAP.

We classify distributions received from equity method investments using the cumulative earnings approach. In general, distributions received are considered returns on the investment and classified as cash inflows from operating activities. If, however, the investor's cumulative distributions received, less distributions received in prior periods determined to be returns of investment, exceeds cumulative equity in earnings recognized, the excess is considered a return of investment and is classified as cash inflows from investing activities.

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 December 31,	
		2025	2024
Las Vegas Retail Complex <sup>(a) (b)</sup>	47.50%	\$ 250,567	\$ 248,972
Kesko Senukai <sup>(c)</sup>	70.00%	34,732	26,773
Harmon Retail Corner <sup>(b)</sup>	15.00%	23,641	24,169
CESH <sup>(d)</sup>	2.43%	1,238	1,201
		<u>\$ 310,178</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 \$21.3 million, \$22.1 million, and \$29.1 million from our unconsolidated real estate investments for the years ended December 31, 2025, 2024, and 2023, respectively. At December 31, 2025 and 2024, the aggregate unamortized basis differences on our unconsolidated real estate investments were \$15.1 million and \$16.5 million, respectively. We received a distribution from CESH of \$1.2 million during the year ended December 31, 2023. We did not receive a distribution from CESH during the years ended December 31, 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 December 31, 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 December 31, 2025, we funded \$250.9 million, including \$3.2 million during the year ended December 31, 2025. During the year ended December 31, 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 December 31, 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 \$13.3 million, \$13.2 million, and \$12.8 million for the years ended December 31, 2025, 2024, and 2023, 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.

In addition, on September 1, 2024, we entered into net lease agreements for these nine self-storage properties previously classified as operating properties. As a result, in September 2024, we reclassified these nine self-storage properties from Equity method investments and recorded the following amounts: (i) \$84.4 million to Land, buildings and improvements — net lease and other, and (ii) \$20.6 million to In-place lease intangible assets and other. Effective as of that date, we began recognizing Lease revenues from these properties.

#### **Note 9. 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 10](#)).

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 8). 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* — Refer to Note 2 for information about the accounting treatment of our investment in 5,546,547 shares of Lineage, which is classified as Level 2 as of December 31, 2025. During the years ended December 31, 2025 and 2024, we recognized non-cash unrealized losses on our investment in shares of Lineage totaling \$103.4 million and \$134.0 million, respectively, due to a lower closing share price, which was recorded within Other gains and (losses) in the consolidated financial statements. We did not recognize such gains (losses) during the year ended December 31, 2023. In addition, during the years ended December 31, 2025 and 2024, we recognized dividends of \$11.3 million and \$7.9 million, respectively, from our investment in shares of Lineage, which was recorded within Non-operating income in the consolidated financial statements. We did not recognize such dividends during the year ended December 31, 2023. The fair value of this investment was \$167.5 million and \$270.9 million at December 31, 2025 and 2024, respectively, which is reflected in Other assets, net in the consolidated financial statements.

Other than the transfer of our investment in shares of Lineage from Level 3 to Level 2 noted above, we did not have any transfers into or out of Level 1, Level 2, and Level 3 category of measurements during either the years ended December 31, 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	December 31, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Unsecured Notes, net <sup>(a) (b) (c)</sup>	2 and 3	\$ 6,950,261	\$ 6,788,238	\$ 6,505,907	\$ 6,232,889
Non-recourse mortgages, net <sup>(a) (b) (d)</sup>	3	140,646	141,311	401,821	400,508

- (a) The carrying value of Senior Unsecured Notes, net (Note 11) includes unamortized deferred financing costs of \$29.3 million and \$30.2 million at December 31, 2025 and 2024, respectively. The carrying value of Non-recourse mortgages, net includes unamortized deferred financing costs of \$0.4 million and \$0.5 million at December 31, 2025 and 2024, respectively.
- (b) The carrying value of Senior Unsecured Notes, net includes unamortized discount of \$29.8 million and \$29.9 million at December 31, 2025 and 2024, respectively. The carrying value of Non-recourse mortgages, net includes unamortized discount of \$2.4 million and \$4.4 million at December 31, 2025 and 2024, respectively.
- (c) For those Senior Unsecured Notes for which there are no observable market prices (specifically, our private placement Senior Unsecured Notes (Note 11)), 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 11), but excluding finance receivables (Note 6), had fair values that approximated their carrying values at both December 31, 2025 and 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, including investments impacted by the Spin-Off and Office Sale Program (Note 1). Our impairment policies are described in Note 2.

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

	Years Ended December 31,					
	2025		2024		2023	
	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges
<b>Impairment Charges</b>						
Real estate	\$ 108,930	\$ 70,367	\$ 110,485	\$ 43,595	\$ 1,182,551	\$ 86,411
		<u>\$ 70,367</u>		<u>\$ 43,595</u>		<u>\$ 86,411</u>

Impairment charges, and their related triggering events and fair value measurements, recognized during 2025, 2024, and 2023 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 year ended December 31, 2025, we recognized impairment charges totaling \$70.4 million on 15 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, all of which were sold during 2025. Three more of these properties were sold in 2025.

**2024** — During the year ended December 31, 2024, we recognized impairment charges totaling \$23.0 million on four 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 2024 and two were sold in 2025.

In addition, during the year ended December 31, 2024, we recognized impairment charges totaling \$20.6 million on two properties leased to the same tenant due to changes in expected cash flows related to a tenant bankruptcy, in order to reduce their carrying values to their estimated fair values. The fair value measurements for these properties were determined by using the following unobservable inputs:

- Comparable vacant sale prices ranging from \$35 per square foot to \$36 per square foot; and
- Six months of estimated net cash flows ranging from \$0.5 million to \$1.0 million.

These properties were sold in 2025.

**2023** — During the year ended December 31, 2023, we recorded an impairment charge of \$47.3 million related to the 59 properties that were contributed to NLOP in the Spin-Off ([Note 3](#)). The fair value measurements for certain of these properties were determined by estimating discounted cash flows using the following unobservable inputs:

- Market rents ranging from \$6 per square foot to \$65 per square foot;
- Cash flow discount rates ranging from 6.5% to 12.0%; and
- Terminal capitalization rates ranging from 5.5% to 12.0%.

Additionally, the fair value measurements for certain of these properties approximated their estimated selling prices.

The fair value measurements for the non-recourse mortgages encumbering certain of the properties that were contributed to NLOP were determined 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.

In addition, during the year ended December 31, 2023, we recognized impairment charges totaling \$39.1 million on three office properties in order to reduce their carrying values to their estimated fair values, which approximated their estimated selling prices. We sold all of these properties during 2023 and 2024.

**Note 10. 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 11](#)) 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***

When we use derivative instruments, it is generally to reduce our exposure to fluctuations in interest rates and foreign currency exchange rate movements. We have not entered into, and do not plan to enter into, financial instruments for trading or speculative purposes. In addition to entering into derivative instruments on our own behalf, we may also be a party to derivative instruments that are embedded in other contracts, and we may be granted common stock warrants by lessees when structuring lease transactions, which are considered to be derivative instruments. The primary risks related to our use of derivative instruments include a counterparty to a hedging arrangement defaulting on its obligation and a downgrade in the credit quality of a counterparty to such an extent that our ability to sell or assign our side of the hedging transaction is impaired. While we seek to mitigate these risks by entering into hedging arrangements with large financial institutions that we deem to be creditworthy, it is possible that our hedging transactions, which are intended to limit losses, could adversely affect our earnings. Furthermore, if we terminate a hedging arrangement, we may be obligated to pay certain costs, such as transaction or breakage fees. We have established policies and procedures for risk assessment and the approval, reporting, and monitoring of derivative financial instrument activities.

We measure derivative instruments at fair value and record them as assets or liabilities, depending on our rights or obligations under the applicable derivative contract. Derivatives that are not designated as hedges must be adjusted to fair value through earnings. For derivatives designated and that qualify as cash flow hedges, the change in fair value of the derivative is recognized in Other comprehensive income (loss) until the hedged item is recognized in earnings. Gains and losses on the cash flow hedges representing hedge components excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. Such gains and losses are recorded within Other gains and (losses) or Interest expense in our consolidated statements of income. The earnings recognition of excluded components is presented in the same line item as the hedged transactions. For derivatives designated and that qualify as a net investment hedge, the change in the fair value and/or the net settlement of the derivative is reported in Other comprehensive income (loss) as part of the cumulative foreign currency translation adjustment. Amounts are reclassified out of Other comprehensive income (loss) into earnings (within Gain on sale of real estate, net, in our consolidated statements of income) when the hedged net investment is either sold or substantially liquidated.

All derivative transactions with an individual counterparty are governed by a master International Swap and Derivatives Association agreement, which can be considered as a master netting arrangement; however, we report all our derivative instruments on a gross basis on our consolidated financial statements. At both December 31, 2025 and 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	Asset Derivatives Fair Value at		Liability Derivatives Fair Value at	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Foreign currency collars	Other assets, net	\$ 1,468	\$ 21,556	\$ —	\$ —
Interest rate swaps	Other assets, net	244	250	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(13,021)	(50)
Interest rate swaps	Accounts payable, accrued expenses and other liabilities	—	—	(4,024)	(848)
		<u>1,712</u>	<u>21,806</u>	<u>(17,045)</u>	<u>(898)</u>
<b>Derivatives Not Designated as Hedging Instruments</b>					
Foreign currency collars	Other assets, net	133	1,696	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(1,390)	—
		<u>133</u>	<u>1,696</u>	<u>(1,390)</u>	<u>—</u>
Total derivatives		<u>\$ 1,845</u>	<u>\$ 23,502</u>	<u>\$ (18,435)</u>	<u>\$ (898)</u>

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

		Amount of Gain (Loss) Recognized on Derivatives in Other Comprehensive Income (Loss) <sup>(a)</sup>		
		Years Ended December 31,		
		2025	2024	2023
<b>Derivatives in Cash Flow Hedging Relationships</b>				
Foreign currency collars		\$ (33,060)	\$ 11,432	\$ (21,112)
Interest rate swaps		(2,996)	154	(3,270)
Interest rate caps		—	—	(9)
Total		<u>\$ (36,056)</u>	<u>\$ 11,586</u>	<u>\$ (24,391)</u>
		Amount of Gain (Loss) on Derivatives Reclassified from Other Comprehensive Income (Loss)		
		Years Ended December 31,		
		2025	2024	2023
Foreign currency collars	Non-operating income	\$ 4,352	\$ 8,695	\$ 14,874
Interest rate swaps and caps	Interest expense	453	1,582	1,956
Total		<u>\$ 4,805</u>	<u>\$ 10,277</u>	<u>\$ 16,830</u>

(a) Excludes net gains of \$0.3 million, net losses of \$1.0 million, and net losses of \$2.0 million recognized on unconsolidated jointly owned investments for the years ended December 31, 2025, 2024, and 2023, respectively.

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 December 31, 2025, we estimate that an additional \$2.2 million and \$3.5 million of losses will be reclassified as Interest expense and Non-operating income, respectively, during the next 12 months.

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Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Recognized in Income	Amount of Gain (Loss) on Derivatives Recognized in Income		
		Years Ended December 31,		
		2025	2024	2023
Foreign currency collars	Non-operating income	\$ (5,039)	\$ 3,826	\$ (389)
Interest rate swaps	Interest expense	(534)	(1,691)	(2,076)
<b>Derivatives Not in Cash Flow Hedging Relationships</b>				
Foreign currency collars	Other gains and (losses)	(2,953)	1,913	32
Stock warrants	Other gains and (losses)	—	—	(3,950)
<b>Total</b>		<b>\$ (8,526)</b>	<b>\$ 4,048</b>	<b>\$ (6,383)</b>

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 11), 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 December 31, 2025 are summarized as follows (currency in thousands):

Interest Rate Derivatives	Number of Instruments	Notional Amount	Fair Value at December 31, 2025 <sup>(a)</sup>
<b>Designated as Cash Flow Hedging Instruments</b>			
Interest rate swaps	2	270,000 GBP	\$ (3,404)
Interest rate swaps	4	529,640 EUR	(381)
Interest rate swap	1	11,290 USD	5
			<b>\$ (3,780)</b>

(a) Fair value amounts are based on the exchange rate of the euro at December 31, 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 December 31, 2025 (currency in thousands):

Foreign Currency Derivatives	Number of Instruments	Notional Amount	Fair Value at December 31, 2025
<b>Designated as Cash Flow Hedging Instruments</b>			
Foreign currency collars	38	252,000 EUR	\$ (11,581)
Foreign currency collars	17	20,000 GBP	27
<b>Not Designated as Cash Flow Hedging Instruments</b>			
Foreign currency collars	8	68,000 EUR	(1,256)
			\$ (12,810)

#### *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 December 31, 2025. At December 31, 2025, both our total credit exposure and the maximum exposure to any single counterparty was \$0.1 million.

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 December 31, 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 \$18.5 million and \$0.9 million at December 31, 2025 and 2024, respectively, which included accrued interest and any nonperformance risk adjustments. If we had breached any of these provisions at December 31, 2025 or 2024, we could have been required to settle our obligations under these agreements at their aggregate termination value of \$18.6 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 11](#)) denominated in euro, British pounds sterling, 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 pound sterling, 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 (losses) gains related to non-derivative net investment hedges were \$(491.8) million, \$239.7 million, and \$(121.8) million for the years ended December 31, 2025, 2024, and 2023, respectively.

### **Note 11. 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 December 31, 2025 was 80 basis points over EURIBOR (as defined below). 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 December 31, 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 December 31, 2025 and 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 December 31, 2025 was 80 basis points over SONIA (as defined below). 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 per annum interest rate of approximately 4.72% as of December 31, 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 December 31, 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 December 31, 2025, our Unsecured Revolving Credit Facility had available capacity of approximately \$1.6 billion (net of amounts reserved for standby letters of credit totaling \$1.1 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 and (ii) 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 December 31, 2025 <sup>(a)</sup>	Maturity Date at December 31, 2025	Principal Outstanding Balance at December 31,	
			2025	2024
<b>Unsecured Term Loans: <sup>(b)</sup></b>				
Unsecured Term Loan due 2029 — borrowing in euros <sup>(c)</sup>	2.80%	4/24/2029	\$ 587,500	\$ 519,450
GBP Term Loan due 2028 — borrowing in British pounds sterling <sup>(d)</sup>	4.72%	2/14/2028	363,569	338,290
EUR Term Loan due 2028 — borrowing in euros	EURIBOR + 0.80%	2/14/2028	252,625	223,363
			<u>1,203,694</u>	<u>1,081,103</u>
<b>Unsecured Revolving Credit Facility:</b>				
Borrowing in U.S. dollars <sup>(e)</sup>	SOFR + 0.735%	2/14/2029	258,000	—
Borrowing in euros <sup>(c)</sup>	EURIBOR + 0.735%	2/14/2029	66,975	—
Borrowing in Canadian dollars <sup>(f)</sup>	CORRA + 0.735%	2/14/2029	53,316	—
Borrowing in British pounds sterling	SONIA + 0.735%	2/14/2029	41,743	40,094
Borrowing in Japanese yen <sup>(g)</sup>	TIBOR + 0.735%	2/14/2029	15,383	15,354
			<u>435,417</u>	<u>55,448</u>
			<u>\$ 1,639,111</u>	<u>\$ 1,136,551</u>

- (a) The applicable interest rate at December 31, 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) Balances exclude unamortized discount of \$6.9 million and \$5.0 million at December 31, 2025 and 2024, respectively, and unamortized deferred financing costs of \$0.4 million and \$0.2 million at December 31, 2025 and 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) SOFR means Secured Overnight Financing Rate.
- (f) CORRA means Canadian Overnight Repo Rate Average.
- (g) 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 December 31, 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.

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 December 31, 2025 (currency in thousands):

Senior Unsecured Notes, net	Issue Date	Principal Amount	Coupon Rate	Maturity Date	Principal Outstanding Balance at December 31,	
					2025	2024
4.000% Senior Notes due 2025 <sup>(a)</sup>	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	587,500	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	587,500	519,450
1.350% Senior Notes due 2028	9/19/2019	€ 500,000	1.350 %	4/15/2028	587,500	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	176,250	155,835
0.950% Senior Notes due 2030	3/8/2021	€ 525,000	0.950 %	6/1/2030	616,875	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	763,750	675,285
3.700% Senior Notes due 2032	9/28/2022	€ 200,000	3.700 %	9/28/2032	235,000	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	705,000	623,340
Total principal outstanding					\$ 7,009,375	\$ 6,566,012
Unamortized discount					(29,819)	(29,934)
Unamortized deferred financing costs					(29,295)	(30,171)
Total					<u>\$ 6,950,261</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. The credit agreement for our Senior Unsecured Credit Facility also contains various customary affirmative and negative covenants applicable to us and our subsidiaries, subject to materiality and other qualifications, baskets, and exceptions as outlined in the credit agreement. We were in compliance with all of these covenants at December 31, 2025.

We may make unlimited Restricted Payments (as defined in the credit agreement for our Senior Unsecured Credit Facility), as long as no non-payment default or financial covenant default has occurred before, or would on a pro forma basis occur as a result of, the Restricted Payment. In addition, we may make Restricted Payments in an amount required to (i) maintain our REIT status and (ii) as a result of that status, not pay federal or state income or excise tax, as long as the loans under the Credit Agreement have not been accelerated and no bankruptcy or event of default has occurred.

Obligations under the Unsecured Revolving Credit Facility may be declared immediately due and payable upon the occurrence of certain events of default as defined in the credit agreement for our Senior Unsecured Credit Facility, including failure to pay any principal when due and payable, failure to pay interest within five business days after becoming due, failure to comply with any covenant, representation or condition of any loan document, any change of control, cross-defaults, and certain other events as set forth in the credit agreement, with grace periods in some cases.

### ***Non-Recourse Mortgages***

Non-recourse mortgages consist of mortgage notes payable, which are collateralized by the assignment of real estate properties. For a list of our encumbered properties, please see [Schedule III — Real Estate and Accumulated Depreciation](#). At December 31, 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 January 2026 to February 2033. In January and February 2026, we repaid at maturity two non-recourse mortgage loans totaling approximately \$22.4 million ([Note 18](#)).

During the year ended December 31, 2024, we assumed five non-recourse mortgage loans with an aggregate outstanding principal balance totaling \$66.0 million in connection with the acquisitions of certain properties. These mortgage loans have a weighted-average fixed annual interest rate of 4.5% and maturity dates ranging from May 2027 to September 2029.

See [Note 3](#) for a description of non-recourse mortgages derecognized in connection with the Spin-Off.

#### ***Repayments During 2025***

During the year ended December 31, 2025, we repaid non-recourse mortgage loans at or close to maturity with an aggregate principal balance of approximately \$265.1 million. The weighted-average interest rate for these non-recourse mortgage loans on their respective dates of repayment was 4.5%.

#### ***Repayments During 2024***

During the year ended December 31, 2024, we (i) repaid non-recourse mortgage loans at or close to maturity with an aggregate principal balance of approximately \$181.3 million and (ii) prepaid non-recourse mortgage loans totaling \$33.8 million. We recognized an aggregate net loss on extinguishment of debt of \$0.1 million on these repayments, which is included within Other gains and (losses) on our consolidated statements of income. The weighted-average interest rate for these non-recourse mortgage loans on their respective dates of repayment was 4.5%.

### ***Interest Paid***

For the years ended December 31, 2025, 2024, and 2023, interest paid was \$267.5 million, \$256.6 million, and \$269.7 million, respectively.

**Foreign Currency Exchange Rate Impact**

During the year ended December 31, 2025, the U.S. dollar weakened against the euro and British pound sterling, resulting in an increase of \$628.1 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 December 31, 2025.

**Scheduled Debt Principal Payments**

Scheduled debt principal payments as of December 31, 2025 are as follows (in thousands):

Years Ending December 31,	Total
2026	\$ 979,753
2027	597,920
2028	1,279,593
2029	1,535,867
2030	1,017,519
Thereafter through 2034	3,381,294
Total principal payments	8,791,946
Unamortized discount, net	(39,189)
Unamortized deferred financing costs	(30,067)
Total	\$ 8,722,690

Certain amounts are based on the applicable foreign currency exchange rate at December 31, 2025.

**Note 12. Commitments and Contingencies**

At December 31, 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 4](#)).

**Note 13. Equity****Common Stock**

Dividends paid to stockholders consist of ordinary income, capital gains, return of capital or a combination thereof for income tax purposes. Our dividends per share are summarized as follows:

	Dividends Paid		
	During the Years Ended December 31,		
	2025	2024	2023
Ordinary income	\$ 3.3754	\$ 3.0709	\$ 3.8233
Capital gains	0.2046	0.2363	0.3443
Return of capital	—	0.1628	0.8671
Total dividends paid <sup>(a) (b)</sup>	<u>\$ 3.5800</u>	<u>\$ 3.4700</u>	<u>\$ 5.0347</u>

- (a) A portion of dividends paid during 2026 (as described below) has been applied to 2025 for income tax purposes.
- (b) Amount for the year ended December 31, 2023 includes a distribution of \$0.7627 per share representing the taxable distribution of shares of NLOP that occurred in conjunction with the Spin-Off on November 1, 2023 (Note 3). The per share distribution rate is based on the exchange ratio of one share of NLOP distributed for every 15 shares of WPC held and the fair market value of NLOP shares distributed in the Spin-Off, which was determined to be \$11.44 per NLOP share, using a three-day volume weighted average price.

During the fourth quarter of 2025, our Board declared a quarterly dividend of \$0.920 per share, which was paid on January 15, 2026 to stockholders of record as of December 31, 2025.

**Earnings Per Share**

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

	Years Ended December 31,		
	2025	2024	2023
Net income – basic and diluted	<u>\$ 466,359</u>	<u>\$ 460,839</u>	<u>\$ 708,334</u>
Weighted-average shares outstanding – basic	220,501,239	220,168,325	215,369,777
Effect of dilutive securities	611,104	352,132	390,719
Weighted-average shares outstanding – diluted	<u>221,112,343</u>	<u>220,520,457</u>	<u>215,760,496</u>

For the years ended December 31, 2025, 2024, and 2023, potentially dilutive securities excluded from the computation of diluted earnings per share were insignificant.

**Acquisitions of Noncontrolling Interests**

On May 30, 2023, we acquired the remaining 3% interest in an international jointly owned investment (which we already consolidated) from the noncontrolling interest holders for nominal consideration, bringing our ownership interest to 100%. No gain or loss was recognized on the transaction. We recorded an increase of approximately \$1.2 million to Additional paid-in capital in our consolidated statements of equity for the year ended December 31, 2023 related to the difference between the consideration transferred and the carrying value of the noncontrolling interest related to this investment.

On July 18, 2023, we acquired the remaining 10% interest in a domestic jointly owned investment (which we already consolidated) from the noncontrolling interest holders for \$2.4 million, bringing our ownership interest to 100%. No gain or loss was recognized on the transaction. We recorded an increase of approximately \$2.5 million to Additional paid-in capital in our consolidated statements of equity for the year ended December 31, 2023 related to the difference between the consideration transferred and the carrying value of the noncontrolling interest related to this investment.

**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):

	<u>Shares Offered</u>	<u>Average Gross Offering Price</u>	<u>Average Gross Offering Proceeds at Closing</u>	<u>Outstanding Shares as of December 31, 2025</u>
ATM Forwards <sup>(a)</sup>	6,258,496	\$ 67.53	\$ 422,621	6,258,496

(a) We sold shares under our ATM Forwards during the three months and year ended December 31, 2025. We did not settle any of the shares sold and therefore did not receive any proceeds from such sales.

**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):

	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
<b>Balance at January 1, 2023</b>	\$ 36,079	\$ (319,859)	\$ (283,780)
Other comprehensive income before reclassifications	(9,599)	19,758	10,159
Other comprehensive income derecognized in connection with the Spin-Off ( <a href="#">Note 3</a> )	—	35,664	35,664
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	(14,874)	—	(14,874)
Interest expense	(1,956)	—	(1,956)
Total	(16,830)	—	(16,830)
Net current period other comprehensive income	(26,429)	55,422	28,993
Net current period other comprehensive income attributable to noncontrolling interests	—	(80)	(80)
<b>Balance at December 31, 2023</b>	9,650	(264,517)	(254,867)
Other comprehensive income before reclassifications	20,901	(6,281)	14,620
Amounts reclassified from accumulated other comprehensive loss to:			
Non-operating income	(8,695)	—	(8,695)
Interest expense	(1,582)	—	(1,582)
Total	(10,277)	—	(10,277)
Net current period other comprehensive income	10,624	(6,281)	4,343
Net current period other comprehensive loss attributable to noncontrolling interests	—	292	292
<b>Balance at December 31, 2024</b>	20,274	(270,506)	(250,232)
Other comprehensive loss before reclassifications	(30,923)	25,089	(5,834)
Amounts reclassified from accumulated other comprehensive loss to:			
Loss on sale of real estate, net ( <a href="#">Note 16</a> )	—	7,854	7,854
Non-operating income	(4,352)	—	(4,352)
Interest expense	(453)	—	(453)
Total	(4,805)	7,854	3,049
Net current period other comprehensive loss	(35,728)	32,943	(2,785)
Net current period other comprehensive income attributable to noncontrolling interests	—	(329)	(329)
<b>Balance at December 31, 2025</b>	<u>\$ (15,454)</u>	<u>\$ (237,892)</u>	<u>\$ (253,346)</u>

See [Note 10](#) for additional information on our derivatives activity recognized within Other comprehensive income (loss) for the periods presented.

**Note 14. Stock-Based and Other Compensation****Stock-Based Compensation**

At December 31, 2025, we maintained the stock-based compensation plans described below. The total compensation expense (net of forfeitures) for awards issued under these plans was \$39.9 million, \$40.9 million, and \$34.5 million for the years ended December 31, 2025, 2024, and 2023, respectively, which was included in Stock-based compensation expense in the consolidated financial statements.

*Amended and Restated 2017 Share Incentive Plan*

In June 2024, our stockholders approved the Amended and Restated 2017 Share Incentive Plan (the “Plan”), which authorizes the issuance of up to 4,000,000 additional shares of our common stock and makes certain other changes. The Plan is more fully described in the registration statement on Form S-8 filed on June 14, 2024. The Plan provides for the grant of various stock- and cash-based awards, including (i) RSUs, (ii) PSUs, (iii) RSAs, and (iv) dividend equivalent rights. At December 31, 2025, 4,521,900 shares remained available for issuance under the Plan.

Nonvested RSAs, RSUs, and PSUs at December 31, 2025 and changes during the years ended December 31, 2025, 2024, and 2023 were as follows:

	RSA and RSU Awards		PSU Awards	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
<b>Nonvested at January 1, 2023</b>	376,298	\$ 74.78	531,781	\$ 89.14
Granted	260,193	82.43	150,989	144.54
Vested <sup>(a)</sup>	(173,883)	76.50	(218,147)	104.65
Forfeited	(3,581)	82.58	(3,487)	107.72
Adjustment <sup>(b)</sup>	(11,669)	80.75	65,277	113.99
<b>Nonvested at December 31, 2023</b>	447,358	77.69	526,413	105.92
Granted	300,657	63.11	213,645	82.95
Vested <sup>(a)</sup>	(181,581)	74.99	(309,670)	86.19
Forfeited	(6,831)	72.38	(3,364)	101.11
Adjustment <sup>(b)</sup>	—	—	124,509	80.73
<b>Nonvested at December 31, 2024</b>	559,603	70.26	551,533	101.20
Granted <sup>(c)</sup>	306,628	57.67	227,702	74.78
Vested <sup>(a)</sup>	(238,872)	69.61	(239,291)	113.26
Forfeited	(11,451)	61.97	(5,810)	92.49
Adjustment <sup>(b)</sup>	—	—	159,686	71.19
<b>Nonvested at December 31, 2025 <sup>(d)</sup></b>	<b>615,908</b>	<b>\$ 64.34</b>	<b>693,820</b>	<b>\$ 88.40</b>

- (a) The grant date fair value of shares vested during the years ended December 31, 2025, 2024, and 2023 was \$43.7 million, \$40.3 million, and \$36.1 million, respectively. 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 December 31, 2025 and 2024, we had an obligation to issue 1,335,743 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.
- (b) 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 to reflect the number of shares expected to be issued when the PSUs vest.
- (c) 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 year ended December 31, 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.
- (d) At December 31, 2025, total unrecognized compensation expense related to these awards was approximately \$39.2 million, with an aggregate weighted-average remaining term of 1.7 years.

At the end of each reporting period, we evaluate the ultimate number of PSUs we expect to vest (based upon the extent to which we have met and expect to meet the performance goals) and where appropriate, revise our estimate and associated expense. We do not revise the associated expense on PSUs expected to vest based on market performance. Upon vesting, the RSUs and PSUs may be converted into shares of our common stock. Both the RSUs and PSUs carry dividend equivalent rights. Dividend equivalent rights on RSUs issued under a predecessor employee plan are paid in cash on a quarterly basis, whereas dividend

equivalent rights on RSUs issued under the Plan are accrued and paid in cash only when the underlying shares vest, which is generally on an annual basis. Dividend equivalents on PSUs accrue during the performance period and are converted into additional shares of common stock at the conclusion of the performance period to the extent the PSUs vest. Dividend equivalent rights are accounted for as a reduction to retained earnings to the extent that the awards are expected to vest.

In connection with the Spin-Off ([Note 3](#)), each RSU and PSU outstanding at November 1, 2023 received an equitable adjustment equal to the ratio of the five-day volume weighted average per-share price of our common stock prior to the Spin-Off divided by the five-day volume weighted average per-share of our common stock following the Spin-Off. Concurrently, our Board approved amending the performance vesting conditions assigned to the 2021 and 2022 PSU outstanding awards. The equitable adjustment and the amended performance vesting conditions were considered modifications in accordance with the provisions of ASC 718, *Compensation-Stock Compensation*. As a result, we compared the fair value of each award immediately prior to the modification to the fair value immediately after the modification to measure incremental compensation cost, if any. The modification resulted in minimal incremental fair value. The table above is inclusive of these adjustments.

#### *Employee Share Purchase Plan*

We sponsor an employee share purchase plan (“ESPP”) pursuant to which eligible employees may contribute up to 10% of compensation, subject to certain limits, to purchase our common stock semi-annually at a price equal to 90% of the fair market value at certain plan defined dates. Compensation expense under this plan for each of the years ended December 31, 2025, 2024, and 2023 was less than \$0.1 million. Cash received from purchases under the ESPP during the years ended December 31, 2025, 2024, and 2023 was \$0.2 million, \$0.3 million, and \$0.3 million, respectively.

#### *Profit-Sharing Plan*

We sponsor a qualified profit-sharing plan and trust that generally permits all employees, as defined by the plan, to make pre-tax contributions into the plan. We are under no obligation to contribute to the plan and the amount of any contribution is determined by and at the discretion of our Board. In December 2025, 2024, and 2023, our Board determined that the contribution to the plan for each of those respective years would be 10% of an eligible participant’s cash compensation, up to \$30,000 for 2025, \$33,000 for 2024, and \$33,000 for 2023. For the years ended December 31, 2025, 2024, and 2023, amounts expensed for contributions to the trust were \$2.7 million, \$2.8 million, and \$2.6 million, respectively, which were included in General and administrative expenses in the consolidated financial statements. The profit-sharing plan is a deferred compensation plan and is therefore considered to be outside the scope of current accounting guidance for stock-based compensation.

**Note 15. Income Taxes*****Income Tax Provision***

The components of our provision for income taxes for the periods presented are as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
<b>Federal</b>			
Current	\$ 588	\$ (450)	\$ (291)
Deferred	(11)	(71)	—
	<u>577</u>	<u>(521)</u>	<u>(291)</u>
<b>State and Local</b>			
Current	3,044	2,209	3,456
	<u>3,044</u>	<u>2,209</u>	<u>3,456</u>
<b>Foreign</b>			
Current	39,161	34,195	41,085
Deferred	(10,874)	(4,174)	(198)
	<u>28,287</u>	<u>30,021</u>	<u>40,887</u>
<b>Total Provision for Income Taxes</b>	<u>\$ 31,908</u>	<u>\$ 31,709</u>	<u>\$ 44,052</u>

The composition of income before income taxes for the year ended December 31, 2025 is as follows (in thousands):

<b>Income before Income Taxes</b>	<b>Year Ended December 31, 2025</b>	
Domestic	\$	285,029
International		219,794
<b>Total</b>	<b>\$</b>	<b>504,823</b>

A reconciliation of effective income tax for the periods presented is as follows (in thousands):

	<b>Year Ended December 31,</b>	
	<b>2025</b>	
Income before income taxes	\$	504,823
Federal provision at statutory tax rate	\$	106,013      21.0 %
REIT income not subject to federal income taxes		(88,760)      (17.6)%
State and local taxes, net of federal benefit <sup>(a)</sup>		3,038      0.6 %
<b>Foreign Tax Effects:</b>		
The Netherlands:		
Change in valuation allowance		(6,524)      (1.3)%
Other		278      0.1 %
United Kingdom		6,822      1.4 %
Other foreign jurisdictions		11,561      2.3 %
Changes in unrecognized tax benefits		(1,421)      (0.3)%
Change in valuation allowance		196      0.0 %
Other		705      0.1 %
<b>Total Provision for Income Taxes</b>	<b>\$</b>	<b>31,908      6.3 %</b>

	<b>Years Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Income before income taxes attributable to taxable subsidiaries	\$	63,669      \$ 73,669
Federal provision at statutory tax rate (21%)	\$	13,370      \$ 15,471
Non-deductible expense		6,227      3,201
Change in valuation allowance		3,215      9,970
Rate differential		2,712      1,357
State and local taxes, net of federal benefit		2,382      3,517
Other		3,803      10,536
<b>Total Provision for Income Taxes</b>	<b>\$</b>	<b>31,709      \$ 44,052</b>

(a) State taxes in California, North Carolina, Tennessee, and Texas made up the majority (greater than 50 percent) of the tax effect in this category.

**Deferred Income Taxes**

Deferred income taxes at December 31, 2025 and 2024 consist of the following (in thousands):

	December 31,	
	2025	2024
<b>Deferred Tax Assets</b>		
Net operating loss and other tax credit carryforwards	\$ 42,685	\$ 47,134
Basis differences — foreign investments	34,486	24,991
Other	741	953
Total deferred tax assets	77,912	73,078
Valuation allowance	(44,761)	(55,488)
Net deferred tax assets	33,151	17,590
<b>Deferred Tax Liabilities</b>		
Basis differences — foreign investments	(151,820)	(147,462)
Total deferred tax liabilities	(151,820)	(147,462)
<b>Net Deferred Tax Liability</b>	<b>\$ (118,669)</b>	<b>\$ (129,872)</b>

Our deferred tax assets and liabilities are primarily the result of temporary differences related to the following:

- Basis differences between tax and GAAP for certain international real estate investments. For income tax purposes, in certain acquisitions, we assume the seller's basis, or the carry-over basis, in the acquired assets. The carry-over basis is typically lower than the purchase price, or the GAAP basis, resulting in a deferred tax liability with an offsetting increase to goodwill or the acquired tangible or intangible assets;
- Timing differences generated by differences in the GAAP basis and the tax basis of assets such as those related to capitalized acquisition costs, straight-line rent, prepaid rents, and intangible assets, as well as unearned and deferred compensation; and
- Tax net operating losses in certain subsidiaries, including those domiciled in foreign jurisdictions, that may be realized in future periods if the respective subsidiary generates sufficient taxable income. Certain net operating losses and interest carryforwards were subject to limitations as a result of certain business combinations, and thus could not be applied to reduce future income tax liabilities.

As of December 31, 2025, U.S. federal and state net operating loss carryforwards were \$20.4 million and \$12.7 million, respectively, which will begin to expire in 2033. As of December 31, 2025, net operating loss carryforwards in foreign jurisdictions were \$105.9 million, which will begin to expire in 2026.

The net deferred tax liability in the table above is comprised of deferred tax asset balances, net of certain deferred tax liabilities and valuation allowances, of \$33.2 million and \$17.6 million at December 31, 2025 and 2024, respectively, which are included in Other assets, net in the consolidated balance sheets, and other deferred tax liability balances of \$151.8 million and \$147.5 million at December 31, 2025 and 2024, respectively, which are included in Deferred income taxes in the consolidated balance sheets.

Our taxable subsidiaries recognize tax positions in the financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the financial statements.

The following table presents a reconciliation of the beginning and ending amount of unrecognized tax benefits (in thousands):

	Years Ended December 31,	
	2025	2024
Beginning balance	\$ 2,909	\$ 5,112
Decrease based on tax positions related to the prior year	(1,588)	(1,379)
Addition based on tax positions related to the current year	1,543	77
Decrease due to lapse in statute of limitations	(742)	(745)
Foreign currency translation adjustments	110	(156)
Ending balance	<u>\$ 2,232</u>	<u>\$ 2,909</u>

At December 31, 2025 and 2024, we had unrecognized tax benefits as presented in the table above. These unrecognized tax benefits are recorded as liabilities within Accounts payable, accrued expenses and other liabilities on our consolidated balance sheets. We recognize interest and penalties related to uncertain tax positions in income tax expense. At December 31, 2025 and 2024, we had approximately \$0.3 million and \$1.0 million, respectively, of accrued interest related to uncertain tax positions.

### *Income Taxes Paid*

Income taxes paid during the year ended December 31, 2025 consist of the following (in thousands):

	Year Ended December 31, 2025
<b>Domestic:</b>	
Federal	\$ (257)
State and local	2,453
<b>Foreign:</b>	
The Netherlands	7,664
United Kingdom	6,642
Poland	4,561
Canada	3,559
France	2,954
Spain	2,193
Mexico	2,056
Other Foreign	8,270
<b>Total Income Taxes Paid</b>	<u>\$ 40,095</u>

Income taxes paid were \$36.3 million and \$38.6 million during the years ended December 31, 2024, and 2023, respectively.

### *REIT Qualification*

We elected to be taxed as a REIT under Section 856 through 860 of the Internal Revenue Code effective as of February 15, 2012. In order to maintain our qualification as a REIT, we are required, among other things, to distribute at least 90% of our REIT net taxable income to our stockholders and meet certain tests regarding the nature of our income and assets. As a REIT, we are not subject to federal income taxes on our 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 believe that we have operated, and we intend to continue to operate, in a manner that allows us to continue to qualify as a REIT. We conduct business primarily in North America and Europe, and as a result, we or one or more of our subsidiaries file income tax returns in the United States federal jurisdiction and various state, local, and foreign jurisdictions.

Tax authorities in the relevant jurisdictions may select our tax returns for audit and propose adjustments before the expiration of the statute of limitations. Our tax returns filed for tax years 2020 through 2024 or any ongoing audits remain open to adjustment in the major tax jurisdictions.

**Note 16. Property Dispositions**

We implemented the Office Sale Program in September 2023, which was completed in 2024 ([Note 1](#)).

All property dispositions are also discussed in [Note 5](#) and [Note 6](#). These dispositions exclude properties contributed to NLOP in the Spin-Off ([Note 3](#)).

2025 — During the year ended December 31, 2025, we sold 128 properties for total proceeds, net of selling costs, of \$1.5 billion, and recognized a net gain on these sales totaling \$193.8 million (inclusive of (i) \$6.0 million attributable to a noncontrolling interest and (ii) income taxes totaling \$6.8 million recognized upon sale).

This disposition activity for the year ended December 31, 2025 includes the sale of 63 self-storage operating properties for total proceeds, net of selling costs, of \$772.2 million, resulting in a net gain on these sales totaling \$37.3 million. In addition, disposition activity for the year ended December 31, 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.

In connection with the sale of a property in Norway in December 2025, and in accordance with ASC 830-30-40, *Foreign Currency Matters*, we reclassified an aggregate of \$7.9 million of net foreign currency translation losses from Accumulated other comprehensive loss to Gain on sale of real estate, net (as a decrease to Gain on sale of real estate, net), since the sale represented a disposal of all of our investments denominated in Norwegian krone ([Note 2](#), [Note 13](#)).

2024 — During the year ended December 31, 2024, we sold 176 properties for total proceeds, net of selling costs, of \$1.2 billion, and recognized a net gain on these sales totaling \$68.4 million (inclusive of income taxes totaling \$7.3 million recognized upon sale). One of the properties sold during 2024 was a hotel operating property.

This disposition activity for the year ended December 31, 2024 includes the sale of 78 properties under the Office Sale Program for total proceeds, net of selling costs, of \$524.8 million, resulting in a net gain on these sales totaling \$3.9 million.

2023 — During the year ended December 31, 2023, we sold 31 properties for total proceeds, net of selling costs, of \$446.4 million, and recognized a net gain on these sales totaling \$80.7 million (inclusive of income taxes totaling \$1.6 million recognized upon sale). Eight of the properties sold during 2023 were hotel operating properties.

This disposition activity includes the sale of eight properties under the Office Sale Program for total proceeds, net of selling costs, of \$216.9 million, resulting in a net gain on these sales totaling \$3.6 million.

**Note 17. Segment Information*****Reportable Segment Information***

The Company operates 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 CODM to evaluate performance and allocate resources, which can be found on our consolidated financial statements ([Note 1](#), [Note 2](#)).

Our revenues are largely derived from the long-term leases that we execute with tenants. These revenues are classified as either Lease revenues ([Note 5](#)) or Income from finance leases and loans receivable ([Note 6](#)) in accordance with 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.

**Geographic Information**

Our portfolio is comprised of domestic and international investments. At December 31, 2025, our international investments were comprised of investments in Austria, Belgium, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Japan, Latvia, Lithuania, Mauritius, Mexico, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, and the United Kingdom. We sold all of our investments in Norway during 2025 ([Note 16](#)). No tenant or international country individually comprised at least 10% of our total lease revenues for the years ended December 31, 2025, 2024, or 2023, or at least 10% of our total long-lived assets at December 31, 2025 or 2024. The following tables present the geographic information (in thousands):

	Years Ended December 31,		
	2025	2024	2023
<b>Revenues</b>			
Domestic	\$ 1,092,612	\$ 1,013,217	\$ 1,154,863
International	623,873	569,801	586,495
Total	<u>\$ 1,716,485</u>	<u>\$ 1,583,018</u>	<u>\$ 1,741,358</u>
<b>Long-lived Assets</b>			
	December 31,		
	2025	2024	
Domestic	\$ 9,507,419	\$ 9,273,858	
International	5,961,755	5,306,617	
Total	<u>\$ 15,469,174</u>	<u>\$ 14,580,475</u>	
<b>Equity Method Investments</b>			
Domestic	\$ 274,208	\$ 273,141	
International	35,970	27,974	
Total	<u>\$ 310,178</u>	<u>\$ 301,115</u>	

**Note 18. Subsequent Events****Acquisitions and Completed Construction Projects**

In January and February 2026, we completed five acquisitions totaling approximately \$262.4 million. They are as follows:

- \$2.2 million for a retail facility in Las Vegas, New Mexico;
- \$9.4 million for a manufacturing facility in Arlington Heights, Illinois;
- \$185.0 million for a portfolio of six warehouse facilities and one office facility in Poland;
- \$43.4 million for an industrial facility in Glenwillow, Ohio; and
- \$22.3 million for two manufacturing facilities in Peebles, Ohio, and one manufacturing facility in Hope, Arkansas.

In addition, in January 2026, we completed two construction projects totaling approximately \$29.3 million. They are as follows:

- \$17.6 million for a build-to-suit at an existing retail facility in Amsterdam, the Netherlands; and
- \$11.6 million for a build-to-suit retail facility in Surprise, Arizona.

**Dispositions**

In January and February 2026, we sold four properties for gross proceeds totaling \$60.2 million. One of these properties was classified as held for sale as of December 31, 2025 ([Note 5](#)).

**Mortgage Loan Repayments**

In January and February 2026, we repaid at maturity two non-recourse mortgage loans totaling approximately \$22.4 million.

**W. P. CAREY INC.**  
**SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS**  
Years Ended December 31, 2025, 2024, and 2023  
*(in thousands)*

Description	Balance at Beginning of Year	Other Additions	Deductions	Balance at End of Year
<b>Year Ended December 31, 2025</b>				
Valuation reserve for deferred tax assets	\$ 55,488	\$ 10,487	\$ (21,214)	\$ 44,761
<b>Year Ended December 31, 2024</b>				
Valuation reserve for deferred tax assets	\$ 69,800	\$ 6,731	\$ (21,043)	\$ 55,488
<b>Year Ended December 31, 2023</b>				
Valuation reserve for deferred tax assets	\$ 106,185	\$ 19,107	\$ (55,492)	\$ 69,800

**W. P. CAREY INC.**  
**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION**  
December 31, 2025  
*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
<b>Real Estate Subject to Operating Leases</b>												
Industrial facilities in Erlanger, KY	\$ —	\$ 1,526	\$ 21,427	\$ 2,966	\$ (84)	\$ 1,526	\$ 24,309	\$ 25,835	\$ 17,156	1979; 1987	Jan. 1998	40 yrs.
Industrial facilities in Thurmont, MD and Farmington, NY	—	729	5,903	—	—	729	5,903	6,632	4,602	1964; 1983	Jan. 1998	15 yrs.
Warehouse facility in Commerce, CA	—	4,905	11,898	—	(3,043)	4,573	9,187	13,760	7,198	1948	Jan. 1998	40 yrs.
Industrial facilities in Goshen, IN	—	239	940	—	—	239	940	1,179	745	1973	Jan. 1998	40 yrs.
Industrial facilities in Sylmar, CA	—	2,052	5,322	—	(1,889)	1,494	3,991	5,485	2,800	1962; 1979	Jan. 1998	40 yrs.
Retail facilities in the United States	—	9,382	—	238	13,778	9,025	14,373	23,398	13,384	Various	Jan. 1998	15 yrs.
Land in Glendora, CA	—	1,135	—	—	17	1,152	—	1,152	—	N/A	Jan. 1998	N/A
Warehouse facility in Doraville, GA	—	3,288	9,864	17,079	(11,410)	3,288	15,533	18,821	4,332	2016	Jan. 1998	40 yrs.
Warehouse facility in Corpus Christi, TX	—	3,490	72,497	3,615	(77,927)	288	1,387	1,675	916	1989	Jan. 1998	40 yrs.
Land in Irving and Houston, TX	—	9,795	—	—	—	9,795	—	9,795	—	N/A	Jan. 1998	N/A
Warehouse facility in Memphis, TN	—	1,882	3,973	294	(3,892)	328	1,929	2,257	1,843	1969	Jan. 1998	15 yrs.
Industrial facility in Romulus, MI	—	454	6,411	525	—	454	6,936	7,390	4,851	1970	Jan. 1998	10 yrs.
Retail facility in Bellevue, WA	—	4,125	11,812	393	(123)	4,371	11,836	16,207	7,976	1994	Apr. 1998	40 yrs.
Industrial facility in Winston-Salem, NC	—	1,860	12,539	4,775	(7,325)	925	10,924	11,849	6,726	1980	Sep. 2002	40 yrs.
Warehouse facility in Greenfield, IN	—	2,807	10,335	223	(8,383)	967	4,015	4,982	2,718	1995	Sep. 2004	40 yrs.
Warehouse facilities in Apopka, FL	—	362	10,855	1,629	(3,330)	337	9,179	9,516	4,167	1969	Sep. 2004	40 yrs.
Land in San Leandro, CA	—	1,532	—	—	—	1,532	—	1,532	—	N/A	Dec. 2006	N/A
Retail facility in Austin, TX	—	1,725	5,168	—	—	1,725	5,168	6,893	3,461	1995	Dec. 2006	29 yrs.
Retail facility in Wroclaw, Poland	—	3,600	10,306	—	(3,280)	2,938	7,688	10,626	3,425	2007	Dec. 2007	40 yrs.
Retail and warehouse facilities in Spain	—	50,231	82,613	239	2,702	50,920	84,865	135,785	13,576	Various	Various	40 yrs.
Industrial facilities in Auburn, IN; Clinton Township, MI; and Bluffton, OH	—	4,403	20,298	—	(3,870)	2,589	18,242	20,831	7,832	1968; 1975; 1995	Sep. 2012; Jan. 2014	30 yrs.
Industrial facility in Irvine, CA	—	4,173	—	15,566	—	4,173	15,566	19,739	580	2024	Sep. 2012	40 yrs.
Industrial facility in Alpharetta, GA	—	2,198	6,349	1,247	—	2,198	7,596	9,794	3,552	1997	Sep. 2012	30 yrs.
Warehouse facility in St. Petersburg, FL	—	3,280	24,627	4,736	(20,393)	1,814	10,436	12,250	4,555	1996	Sep. 2012	30 yrs.
Retail facility in Baton Rouge, LA	—	4,168	5,724	3,200	—	4,168	8,924	13,092	4,321	2003	Sep. 2012	30 yrs.
Industrial facility in Richmond, CA	—	895	1,953	—	—	895	1,953	2,848	865	1999	Sep. 2012	30 yrs.
Warehouse facilities in the United States	—	16,386	84,668	17,383	(14,825)	15,208	88,404	103,612	35,786	Various	Sep. 2012	30 yrs.
Industrial facilities in Rocky Mount, NC and Lewisville, TX	—	2,163	17,715	1,324	(8,389)	1,132	11,681	12,813	4,901	1948; 1989	Sep. 2012	30 yrs.
Industrial facilities in Chattanooga, TN	—	558	5,923	—	—	558	5,923	6,481	2,594	1974; 1989	Sep. 2012	30 yrs.
Industrial facility in Mooresville, NC	—	756	9,775	—	—	756	9,775	10,531	4,269	1997	Sep. 2012	30 yrs.
Industrial facility in McCalla, AL	—	960	14,472	42,662	(254)	2,076	55,764	57,840	17,994	2004	Sep. 2012	31 yrs.
Industrial facility in Fort Smith, AZ	—	1,063	6,159	—	—	1,063	6,159	7,222	2,661	1982	Sep. 2012	30 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Retail facilities in Greenwood, IN, Freehold, NJ, and Buffalo, NY	—	—	19,990	—	1,765	—	21,755	21,755	10,173	2000; 2003; 2004	Sep. 2012	13 - 31 yrs.
Industrial facilities in Bowling Green, KY and Jackson, TN	—	1,492	8,182	600	—	1,492	8,782	10,274	3,641	1989; 1995	Sep. 2012	31 yrs.
Education facility in Rancho Cucamonga, CA and laboratory facility in Exton, PA	—	14,006	33,683	12,194	(20,143)	6,638	33,102	39,740	12,275	2004	Sep. 2012	31 - 32 yrs.
Industrial facilities in St. Petersburg, FL; Buffalo Grove, IL; West Lafayette, IN; Excelsior Springs, MO; and North Versailles, PA	—	6,559	19,078	4,637	(2,921)	5,751	21,602	27,353	8,175	Various	Sep. 2012	31 yrs.
Industrial and warehouse facility in Mesquite, TX	—	2,702	13,029	1,700	—	2,702	14,729	17,431	1,941	1972	Sep. 2012	31 yrs.
Industrial facilities in Tolleson, AZ and Solvay, NY	—	6,080	23,424	810	(13,860)	3,658	12,796	16,454	5,401	1994; 2000	Sep. 2012	31 yrs.
Retail facility in Memphis, TN	—	4,877	4,258	5,215	(2,353)	2,027	9,970	11,997	6,179	1990	Sep. 2012	31 yrs.
Warehouse facilities in Oceanside, CA and Concordville, PA	—	3,333	8,270	1,805	—	3,333	10,075	13,408	3,620	1989; 1996	Sep. 2012	31 yrs.
Warehouse facility in La Vista, NE	14,661	4,196	23,148	3,495	—	4,196	26,643	30,839	9,185	2005	Sep. 2012	33 yrs.
Laboratory facility in Pleasanton, CA	—	3,675	7,468	14,855	—	3,675	22,323	25,998	4,104	2000	Sep. 2012	40 yrs.
Industrial facilities in Hollywood and Orlando, FL	—	3,639	1,269	—	—	3,639	1,269	4,908	528	1996	Sep. 2012	31 yrs.
Warehouse facility in Golden, CO	—	808	4,304	77	—	808	4,381	5,189	1,986	1998	Sep. 2012	30 yrs.
Industrial facility in Texarkana, TX	—	1,755	4,493	—	(2,783)	216	3,249	3,465	1,352	1997	Sep. 2012	31 yrs.
Industrial facility in South Jordan, UT	—	2,183	11,340	2,609	—	2,183	13,949	16,132	5,574	1995	Sep. 2012	31 yrs.
Warehouse facility in Ennis, TX	—	478	4,087	145	(145)	478	4,087	4,565	1,701	1989	Sep. 2012	31 yrs.
Specialty facility in Paris, France	—	23,387	43,450	703	(5,750)	21,369	40,421	61,790	16,277	1975	Sep. 2012	32 yrs.
Retail facilities in Poland	—	26,564	72,866	—	(8,625)	24,228	66,577	90,805	37,101	Various	Sep. 2012	23 - 34 yrs.
Industrial facilities in Danbury, CT and Bedford, MA	—	3,519	16,329	50,871	(8,461)	1,667	60,591	62,258	5,988	1965; 1980	Sep. 2012	29 yrs.
Industrial facility in Brownwood, TX	—	722	6,268	—	—	722	6,268	6,990	2,925	1964	Sep. 2012	15 yrs.
Industrial facility in Rochester, MN	—	809	14,236	4,440	—	809	18,676	19,485	2,648	1997	Sep. 2012	31 yrs.
Retail facilities in Germany	—	16,146	83,746	11	(12,300)	15,034	72,569	87,603	4,911	Various	Sep. 2012	29 yrs.
Retail facility in Houston, TX	—	2,430	2,270	—	—	2,430	2,270	4,700	1,207	1995	Jan. 2014	23 yrs.
Retail facility in St. Charles, MO	—	1,966	1,368	1,980	—	1,966	3,348	5,314	1,782	1987	Jan. 2014	27 yrs.
Industrial facility in Aurora, CO	—	737	2,609	1,206	—	737	3,815	4,552	1,110	1985	Jan. 2014	32 yrs.
Warehouse facility in Burlington, NJ	—	3,989	6,213	377	—	3,989	6,590	10,579	3,118	1999	Jan. 2014	26 yrs.
Industrial facility in Albuquerque, NM	—	2,467	3,476	715	—	2,467	4,191	6,658	1,945	1993	Jan. 2014	27 yrs.
Industrial facility in North Salt Lake, UT	—	10,601	17,626	—	(16,936)	4,388	6,903	11,291	3,144	1981	Jan. 2014	26 yrs.
Industrial facility in Lexington, NC	—	2,185	12,058	601	(2,519)	494	11,831	12,325	4,939	2003	Jan. 2014	28 yrs.
Industrial facility in Dallas, TX	—	3,190	10,010	—	—	3,190	10,010	13,200	1,087	1968	Jan. 2014	32 yrs.
Land in Welcome, NC	—	980	11,230	—	(11,724)	486	—	486	—	N/A	Jan. 2014	N/A

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in Evansville, IN; Lawrence, KS; and Baltimore, MD	—	4,005	44,192	21,685	—	5,054	64,828	69,882	26,004	1911; 1967; 1982	Jan. 2014	24 yrs.
Industrial facilities in Colton, CA; Bonner Springs, KS; Eagan, MN; and Dallas, TX	—	8,451	25,457	—	11,200	8,451	36,657	45,108	11,687	Various	Jan. 2014	17 - 34 yrs.
Retail facility in Torrance, CA	—	8,412	12,241	8,062	(77)	8,335	20,303	28,638	7,600	1973	Jan. 2014	25 yrs.
Warehouse facility in Houston, TX	—	6,578	424	560	—	6,578	984	7,562	920	1978	Jan. 2014	27 yrs.
Warehouse facility in Norwich, CT	—	3,885	21,342	—	2	3,885	21,344	25,229	9,004	1960	Jan. 2014	28 yrs.
Warehouse facility in Norwich, CT	—	1,437	9,669	—	—	1,437	9,669	11,106	4,079	2005	Jan. 2014	28 yrs.
Warehouse facility in Whitehall, PA	—	7,435	9,093	27,791	(9,525)	6,983	27,811	34,794	3,239	2021	Jan. 2014	40 yrs.
Retail facility in York, PA	—	3,776	10,092	—	(6,413)	527	6,928	7,455	2,446	2005	Jan. 2014	34 yrs.
Warehouse facilities in Atlanta, GA and Elkwood, VA	—	5,356	4,121	17,441	(3,219)	4,284	19,415	23,699	1,282	1975	Jan. 2014	28 yrs.
Warehouse facility in Harrisburg, NC	—	1,753	5,840	781	(111)	1,642	6,621	8,263	2,898	2000	Jan. 2014	26 yrs.
Industrial facility in Chandler, AZ; and industrial and warehouse facility in Englewood, CO	—	4,306	7,235	802	3	4,306	8,040	12,346	2,892	1978; 1987	Jan. 2014	30 yrs.
Industrial facility in Cynthiana, KY	—	1,274	3,505	525	(107)	1,274	3,923	5,197	1,706	1967	Jan. 2014	31 yrs.
Industrial facilities in Albemarle and Old Fort, NC and Holmesville, OH	—	5,507	18,653	—	—	5,507	18,653	24,160	2,453	1955; 1966; 1970	Jan. 2014	32 yrs.
Industrial facility in Columbia, SC	—	2,843	11,886	—	—	2,843	11,886	14,729	6,271	1962	Jan. 2014	23 yrs.
Retail facility in Midlothian, VA	—	2,824	16,618	—	—	2,824	16,618	19,442	4,196	2000	Jan. 2014	40 yrs.
Specialty facility in Laramie, WY	—	1,966	18,896	—	—	1,966	18,896	20,862	7,531	2007	Jan. 2014	33 yrs.
Warehouse facilities in Mendota, IL; Toppenish, WA; and Plover, WI	—	1,444	21,208	—	(623)	1,382	20,647	22,029	10,976	1996	Jan. 2014	23 yrs.
Land in Sunnyvale, CA	—	9,297	24,086	—	(26,077)	7,306	—	7,306	—	N/A	Jan. 2014	N/A
Industrial facilities in Hampton, NH	—	8,990	7,362	—	—	8,990	7,362	16,352	2,892	1976	Jan. 2014	30 yrs.
Industrial facilities in France	—	36,306	5,212	7,906	8,224	26,892	30,756	57,648	6,003	Various	Jan. 2014	23 yrs.
Retail facility in Lombard, IL	—	5,087	8,578	—	—	5,087	8,578	13,665	3,882	1999	Jan. 2014	26 yrs.
Warehouse facility in Plainfield, IN	—	1,578	29,415	2,176	—	1,578	31,591	33,169	12,055	1997	Jan. 2014	30 yrs.
Retail facility in Kennesaw, GA	—	2,849	6,180	5,530	(76)	2,773	11,710	14,483	5,758	1999	Jan. 2014	26 yrs.
Retail facility in Leawood, KS	—	1,487	13,417	2,977	—	1,487	16,394	17,881	6,071	1997	Jan. 2014	26 yrs.
Industrial facility in Tolland, CT	—	1,817	5,709	—	11	1,817	5,720	7,537	2,486	1968	Jan. 2014	28 yrs.
Warehouse facility in Lincolnton, NC	—	1,962	9,247	310	(2,235)	1,754	7,530	9,284	3,064	1996	Jan. 2014	28 yrs.
Retail facilities in Germany	—	81,109	153,927	11,756	(164,649)	18,953	63,190	82,143	25,374	Various	Jan. 2014	Various
Laboratory facility in The Woodlands, TX	—	3,204	24,997	2,826	—	3,204	27,823	31,027	9,613	1997	Jan. 2014	32 yrs.
Warehouse facilities in Valdosta, GA and Johnson City, TN	—	1,080	14,998	1,841	—	1,080	16,839	17,919	7,403	1978; 1998	Jan. 2014	27 yrs.
Industrial facility in Amherst, NY	—	674	7,971	—	—	674	7,971	8,645	4,238	1984	Jan. 2014	23 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial and warehouse facilities in Westfield, MA	—	1,922	9,755	7,435	9	1,922	17,199	19,121	8,250	1954; 1997	Jan. 2014	28 yrs.
Retail facility in Cresskill, NJ	—	2,366	5,482	—	19	2,366	5,501	7,867	2,104	1975	Jan. 2014	31 yrs.
Retail facility in Livingston, NJ	—	2,932	2,001	—	14	2,932	2,015	4,947	884	1966	Jan. 2014	27 yrs.
Retail facility in Montclair, NJ	—	1,905	1,403	—	6	1,905	1,409	3,314	618	1950	Jan. 2014	27 yrs.
Retail facility in Morristown, NJ	—	3,258	8,352	—	26	3,258	8,378	11,636	3,675	1973	Jan. 2014	27 yrs.
Retail facility in Summit, NJ	—	1,228	1,465	—	8	1,228	1,473	2,701	646	1950	Jan. 2014	27 yrs.
Industrial facilities in Georgetown, TX and Woodland, WA	—	965	4,113	35	—	965	4,148	5,113	1,460	1998; 2001	Jan. 2014	33 - 35 yrs.
Education facilities in Union, NJ; Allentown, PA; and Grand Prairie, TX	—	5,365	7,845	—	(2,397)	5,007	5,806	10,813	2,486	1950; 1969; 1972	Jan. 2014	28 yrs.
Industrial facility in Salisbury, NC	—	1,499	8,185	—	—	1,499	8,185	9,684	3,515	2000	Jan. 2014	28 yrs.
Industrial facility in Twinsburg, OH	—	2,831	10,565	386	(6,975)	1,293	5,514	6,807	2,404	1991	Jan. 2014	27 yrs.
Industrial facility in Cambridge, Canada	—	1,849	7,371	—	(1,692)	1,510	6,018	7,528	2,295	2001	Jan. 2014	31 yrs.
Industrial facilities in Peru, IL; Huber Heights, Lima, and Sheffield, OH; and Lebanon, TN	—	2,962	17,832	—	—	2,962	17,832	20,794	6,800	Various	Jan. 2014	31 yrs.
Industrial facility in Ramos Arizpe, Mexico	—	1,059	2,886	—	—	1,059	2,886	3,945	1,098	2000	Jan. 2014	31 yrs.
Industrial facilities in Salt Lake City, UT	—	2,783	3,773	—	—	2,783	3,773	6,556	1,438	1983; 2002	Jan. 2014	31 - 33 yrs.
Specialty facility in Blairsville, PA	—	1,631	23,163	—	—	1,631	23,163	24,794	9,053	2005	Jan. 2014	33 yrs.
Education facility in Mooresville, NC	—	1,795	15,955	—	—	1,795	15,955	17,750	2,430	2002	Jan. 2014	33 yrs.
Warehouse facilities in Atlanta, Doraville, and Rockmart, GA	—	6,488	77,192	—	—	6,488	77,192	83,680	51,534	1959; 1962; 1991	Jan. 2014	23 - 33 yrs.
Warehouse facility in Muskogee, OK	—	554	4,353	—	(3,437)	158	1,312	1,470	477	1992	Jan. 2014	33 yrs.
Industrial facility in Richmond, MO	—	2,211	8,505	747	—	2,211	9,252	11,463	4,002	1996	Jan. 2014	28 yrs.
Industrial facility in Tuusula, Finland	—	6,173	10,321	—	(2,256)	5,329	8,909	14,238	4,164	1975	Jan. 2014	26 yrs.
Warehouse facility in Phoenix, AZ	—	6,747	21,352	2,024	20	6,747	23,396	30,143	9,549	1996	Jan. 2014	28 yrs.
Industrial facilities in the United States	—	4,816	31,712	5,094	9,461	5,780	45,303	51,083	4,080	Various	Jan. 2014	30 - 32 yrs.
Industrial facilities in Sandersville, GA; Erwin, TN; and Gainesville, TX	—	955	4,779	—	—	955	4,779	5,734	1,837	1950; 1986; 1996	Jan. 2014	31 yrs.
Industrial facility in Buffalo Grove, IL	—	1,492	12,233	3,030	20	1,492	15,283	16,775	4,839	1996	Jan. 2014	31 yrs.
Warehouse facility in Carlsbad, CA	—	3,230	5,492	1,062	—	3,230	6,554	9,784	2,775	1999	Jan. 2014	24 yrs.
Retail facility in Port St. Lucie, FL	—	4,654	2,576	—	—	4,654	2,576	7,230	1,123	2000	Jan. 2014	27 yrs.
Industrial facility in Nurieux-Volognat, France	—	121	5,328	723	(606)	104	5,462	5,566	1,778	2000	Jan. 2014	32 yrs.
Industrial facility in Monheim, Germany	—	2,500	5,727	—	105	2,537	5,795	8,332	767	1992	Jan. 2014	32 yrs.
Warehouse facility in Suwanee, GA	—	2,330	8,406	—	—	2,330	8,406	10,736	2,961	1995	Jan. 2014	34 yrs.
Retail facilities in Wichita, KS and Oklahoma City, OK and warehouse facility in Wichita, KS	—	1,878	8,579	3,128	(89)	1,878	11,618	13,496	4,762	1954; 1975; 1984	Jan. 2014	24 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

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*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facility in Mesa, AZ	—	2,888	4,282	—	—	2,888	4,282	7,170	1,873	1991	Jan. 2014	27 yrs.
Industrial facility in North Amityville, NY	—	3,486	11,413	—	—	3,486	11,413	14,899	5,230	1981	Jan. 2014	26 yrs.
Industrial facility in Fort Collins, CO	—	821	7,236	—	—	821	7,236	8,057	2,626	1993	Jan. 2014	33 yrs.
Warehouse facility in Elk Grove Village, IL	—	4,037	7,865	62	—	4,037	7,927	11,964	2,288	1980	Jan. 2014	22 yrs.
Research and development facility in Washington, MI	—	4,085	7,496	43,918	—	4,085	51,414	55,499	3,668	1990	Jan. 2014	33 yrs.
Industrial facilities in Conroe, Odessa, and Weimar, TX and industrial and office facility in Houston, TX	—	4,049	13,021	—	133	4,049	13,154	17,203	8,397	Various	Jan. 2014	12 - 22 yrs.
Education facility in Sacramento, CA	—	—	13,715	16	—	—	13,731	13,731	4,891	2005	Jan. 2014	34 yrs.
Industrial facility in Sankt Ingbert, Germany	—	2,226	17,460	—	(12,988)	468	6,230	6,698	3,173	1960	Jan. 2014	34 yrs.
Industrial facilities in City of Industry, CA; Chelmsford, MA; and Lancaster, TX	—	5,138	8,387	—	43	5,138	8,430	13,568	3,625	1969; 1974; 1984	Jan. 2014	27 yrs.
Industrial facility in Woodland, WA	—	707	1,562	—	—	707	1,562	2,269	528	2009	Jan. 2014	35 yrs.
Warehouse facilities in Gyál and Herceghalom, Hungary	—	14,601	21,915	—	(4,996)	12,603	18,917	31,520	11,043	2002; 2004	Jan. 2014	21 yrs.
Industrial facility in Aurora, CO	—	574	3,999	—	—	574	3,999	4,573	1,214	2012	Jan. 2014	40 yrs.
Warehouse facility in University Park, IL	—	7,962	32,756	427	—	7,962	33,183	41,145	11,001	2008	May 2014	40 yrs.
Laboratory facility in Westborough, MA	—	3,409	37,914	53,065	—	3,409	90,979	94,388	19,931	1992	Aug. 2014	40 yrs.
Research and development facility in Andover, MA	—	3,980	45,120	323	—	3,980	45,443	49,423	13,416	2013	Oct. 2014	40 yrs.
Industrial facility in Lewisburg, OH	—	1,627	13,721	—	—	1,627	13,721	15,348	4,295	2014	Nov. 2014	40 yrs.
Industrial facility in Opole, Poland	—	2,151	21,438	3	(1,297)	2,033	20,262	22,295	6,559	2014	Dec. 2014	38 yrs.
Retail facilities in the United Kingdom	—	66,319	230,113	277	(107,870)	39,758	149,081	188,839	53,877	Various	Jan. 2015	20 - 40 yrs.
Warehouse facility in Rotterdam, Netherlands	—	—	33,935	21,037	1,976	—	56,948	56,948	13,851	2014	Feb. 2015	40 yrs.
Retail facility in Bad Fischau, Austria	—	2,855	18,829	6	1,961	3,113	20,538	23,651	6,017	1998	Apr. 2015	40 yrs.
Industrial facility in Oskarshamn, Sweden	—	3,090	18,262	115	(2,172)	2,772	16,523	19,295	4,755	2015	Jun. 2015	40 yrs.
Industrial facilities in Gersthofen and Senden, Germany and Leopoldsdorf, Austria	—	9,449	15,838	902	1,403	9,973	17,619	27,592	4,895	2008; 2010	Aug. 2015	40 yrs.
Net-lease hotels in the United States	—	—	49,190	17,396	—	17,396	49,190	66,586	14,547	1988; 1989; 1990	Oct. 2015	38 - 40 yrs.
Retail facilities in the Netherlands	—	5,698	38,130	20,631	(5,861)	5,572	53,026	58,598	9,911	Various	Nov. 2015	30 - 40 yrs.
Specialty facility in Irvine, CA	—	7,626	16,137	—	—	7,626	16,137	23,763	4,172	1977	Dec. 2015	40 yrs.
Education facility in Windermere, FL	—	5,090	34,721	15,333	—	5,090	50,054	55,144	14,913	1998	Apr. 2016	38 yrs.
Industrial facilities in the United States	—	66,845	87,575	65,400	(56,525)	49,672	113,623	163,295	38,602	Various	Apr. 2016	Various
Industrial facilities in North Dumfries and Ottawa, Canada	—	17,155	10,665	—	(18,696)	5,659	3,465	9,124	1,873	1967; 1974	Apr. 2016	28 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

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*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Education facilities in Coconut Creek, FL and Houston, TX	—	15,550	83,862	63,830	—	15,550	147,692	163,242	38,531	1979; 1984	May 2016	37 - 40 yrs.
Warehouse facilities in London, KY and Gallatin, TN	—	3,585	17,254	—	(1,557)	3,214	16,068	19,282	4,172	1987; 2000	Nov. 2016	35 - 36 yrs.
Industrial facilities in Brampton, Toronto, and Vaughan, Canada	—	28,759	13,998	—	—	28,759	13,998	42,757	4,324	Various	Nov. 2016	28 - 35 yrs.
Industrial facilities in Queretaro and San Juan del Rio, Mexico	—	5,152	12,614	2,440	—	5,152	15,054	20,206	3,354	Various	Dec. 2016	28 - 40 yrs.
Industrial facility in Chicago, IL	—	2,222	2,655	3,511	—	2,222	6,166	8,388	2,707	1985	Jun. 2017	30 yrs.
Industrial facility in Zawiercie, Poland	—	395	102	10,383	80	398	10,562	10,960	2,030	2018	Aug. 2017	40 yrs.
Industrial facility in Radomsko, Poland	—	1,718	59	37,522	3,267	1,733	40,833	42,566	4,918	2018	Nov. 2017	40 yrs.
Warehouse facility in Sellersburg, IN	—	1,016	3,838	96	—	1,016	3,934	4,950	1,049	2000	Feb. 2018	36 yrs.
Retail and warehouse facilities in Appleton, Madison, and Waukesha, WI	—	5,512	61,230	—	—	5,465	61,277	66,742	14,664	1995; 2004	Mar. 2018	36 - 40 yrs.
Warehouse facilities in Denmark	—	20,304	185,481	2,037	(3,071)	20,162	184,589	204,751	42,998	Various	Jun. 2018	25 - 41 yrs.
Retail facilities in the Netherlands	—	38,475	117,127	—	1,431	38,829	118,204	157,033	31,286	Various	Jul. 2018	26 - 30 yrs.
Industrial facility in Oostburg, WI	—	786	6,589	—	—	786	6,589	7,375	1,868	2002	Jul. 2018	35 yrs.
Warehouse facility in Kampen, Netherlands	—	3,251	12,858	128	231	3,296	13,172	16,468	3,959	1976	Jul. 2018	26 yrs.
Warehouse facility in Azambuja, Portugal	—	13,527	35,631	28,054	650	13,730	64,132	77,862	13,919	1994	Sep. 2018	28 yrs.
Retail facilities in Amsterdam, Moordrecht, and Rotterdam, Netherlands	—	2,582	18,731	11,338	1,076	2,666	31,061	33,727	7,272	Various	Oct. 2018	27 - 37 yrs.
Industrial facility in Norfolk, NE	—	802	3,686	—	—	802	3,686	4,488	896	1975	Oct. 2018	40 yrs.
Retail facilities in Phoenix, AZ and Columbia, MD	—	18,286	33,030	—	—	18,286	33,030	51,316	6,286	2006	Oct. 2018	40 yrs.
Retail facility in Gorzow, Poland	—	1,736	8,298	—	315	1,791	8,558	10,349	1,765	2008	Oct. 2018	40 yrs.
Industrial facilities in Sergeant Bluff, IA; Bossier City, LA; and Alvarado, TX	—	6,460	49,462	—	—	6,460	49,462	55,922	10,194	Various	Oct. 2018	40 yrs.
Industrial facility in Glendale Heights, IL	—	4,237	45,484	—	—	4,237	45,484	49,721	6,568	1991	Oct. 2018	38 yrs.
Industrial facilities in Mayodan, Sanford, and Stoneville, NC	—	3,505	20,913	—	—	3,505	20,913	24,418	4,281	1992; 1997; 1998	Oct. 2018	29 yrs.
Warehouse facility in Dillon, SC	—	3,424	43,114	—	—	3,424	43,114	46,538	8,885	2001	Oct. 2018	40 yrs.
Specialty facility in Birmingham, United Kingdom	—	7,383	7,687	—	635	7,694	8,011	15,705	1,508	2009	Oct. 2018	40 yrs.
Retail facilities in Spain	—	17,626	44,501	—	1,948	18,179	45,896	64,075	8,910	Various	Oct. 2018	40 yrs.
Warehouse facility in Gadki, Poland	—	1,376	6,137	2	235	1,419	6,331	7,750	1,241	2011	Oct. 2018	40 yrs.
Warehouse facility in Zagreb, Croatia	—	15,789	33,287	15	1,523	16,283	34,331	50,614	9,783	2001	Oct. 2018	26 yrs.
Industrial facilities in Middleburg Heights and Union Township, OH	—	1,295	13,384	426	—	1,295	13,810	15,105	2,535	1990; 1997	Oct. 2018	40 yrs.
Retail facility in Las Vegas, NV	—	—	79,720	—	—	—	79,720	79,720	14,313	2012	Oct. 2018	40 yrs.
Industrial facilities in the United States	—	20,517	14,135	—	30,060	22,585	42,127	64,712	6,843	Various	Oct. 2018	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

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*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c)(d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Warehouse facility in Bowling Green, KY	—	2,652	51,915	72,976	(11)	2,652	124,880	127,532	17,670	2011	Oct. 2018	40 yrs.
Warehouse facilities in the United Kingdom	—	6,791	2,315	—	383	7,077	2,412	9,489	508	Various	Oct. 2018	40 yrs.
Industrial facility in Evansville, IN	—	180	22,095	—	—	180	22,095	22,275	4,062	2009	Oct. 2018	40 yrs.
Warehouse facility in Elorrio, Spain	—	7,858	12,728	—	646	8,105	13,127	21,232	2,848	1996	Oct. 2018	40 yrs.
Industrial and office facilities in Elberton, GA	—	879	2,014	—	—	879	2,014	2,893	521	1997; 2002	Oct. 2018	40 yrs.
Retail facilities in Dugo Selo, Kutina, Samobor, Spansko, and Zagreb, Croatia	—	5,549	12,408	1,777	7,565	7,020	20,279	27,299	5,590	2000; 2002; 2003	Oct. 2018	26 yrs.
Office and warehouse facilities in the United States	—	42,793	193,666	500	—	42,793	194,166	236,959	38,582	Various	Oct. 2018	40 yrs.
Warehouse facilities in Breda, Elst, Gieten, Raalte, and Woerden, Netherlands	—	37,755	91,666	4,793	11,414	38,938	106,690	145,628	18,474	Various	Oct. 2018	40 yrs.
Warehouse facilities in Oxnard and Watsonville, CA	—	22,453	78,814	—	—	22,453	78,814	101,267	14,954	1975; 1994; 2002	Oct. 2018	40 yrs.
Retail facilities in Italy	—	75,492	138,280	7,242	3,387	76,486	147,915	224,401	29,953	Various	Oct. 2018	40 yrs.
Land in Hudson, NY	—	2,405	—	—	—	2,405	—	2,405	—	N/A	Oct. 2018	N/A
Land in Chicago, IL	—	9,887	—	—	—	9,887	—	9,887	—	N/A	Oct. 2018	N/A
Industrial facility in Fraser, MI	—	1,346	9,551	—	—	1,346	9,551	10,897	1,865	2012	Oct. 2018	40 yrs.
Net-lease self-storage facilities in the United States	—	19,583	108,971	—	—	19,583	108,971	128,554	22,143	Various	Oct. 2018	40 yrs.
Net-lease self-storage facility in Fort Worth, TX	—	691	6,295	—	—	691	6,295	6,986	1,309	2004	Oct. 2018	40 yrs.
Retail facilities in Delnice, Pozega, and Sesvete, Croatia	—	5,519	9,930	1,540	388	5,692	11,685	17,377	3,303	2011	Oct. 2018	27 yrs.
Retail facility in Orlando, FL	—	6,262	25,134	430	—	6,371	25,455	31,826	4,630	2011	Oct. 2018	40 yrs.
Industrial facility in Avon, OH	—	1,447	5,564	—	—	1,447	5,564	7,011	1,139	2001	Oct. 2018	40 yrs.
Industrial facility in Chimelow, Poland	—	6,158	28,032	—	1,071	6,351	28,910	35,261	5,683	2012	Oct. 2018	40 yrs.
Net-lease self-storage facility in Fayetteville, NC	—	1,839	4,654	—	—	1,839	4,654	6,493	1,233	2001	Oct. 2018	40 yrs.
Retail facilities in the United States	—	19,529	42,318	—	(7,938)	17,297	36,612	53,909	7,305	Various	Oct. 2018	40 yrs.
Education facilities in Montgomery, AL and Savannah, GA	—	5,508	12,032	—	—	5,508	12,032	17,540	2,365	1969; 2002	Oct. 2018	40 yrs.
Warehouse facility in Zary, Poland	—	2,062	10,034	—	379	2,127	10,348	12,475	2,085	2013	Oct. 2018	40 yrs.
Industrial facilities in San Antonio, TX and Sterling, VA	—	3,198	23,981	78,728	(462)	6,767	98,678	105,445	14,731	1980; 2020	Oct. 2018; Dec. 2018	40 yrs.
Industrial facility in Elk Grove Village, IL	—	5,511	10,766	3,004	—	5,511	13,770	19,281	2,294	1961	Oct. 2018	40 yrs.
Industrial facility in Portage, WI	3,332	3,450	7,797	—	—	3,450	7,797	11,247	1,689	1970	Oct. 2018	40 yrs.
Warehouse facility in Saitama Prefecture, Japan	—	13,507	25,301	6,639	(16,666)	9,288	19,493	28,781	3,675	2007	Oct. 2018	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

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*(in thousands)*

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		Land	Buildings			Land	Buildings	Total				
Retail facility in Dallas, TX	—	2,977	16,168	—	—	2,977	16,168	19,145	2,979	1913	Oct. 2018	40 yrs.
Retail facilities in Croatia	—	9,000	13,002	1,415	(4,022)	8,048	11,347	19,395	2,849	Various	Oct. 2018	29 - 37 yrs.
Retail facility in Northbrook, IL	—	—	493	447	—	—	940	940	450	2007	Oct. 2018	40 yrs.
Education facility in Chicago, IL	—	18,510	163	—	(16,859)	1,793	21	1,814	16	2015	Oct. 2018	40 yrs.
Warehouse facility in Dillon, SC	—	3,516	44,933	—	—	3,516	44,933	48,449	9,190	2013	Oct. 2018	40 yrs.
Net-lease self-storage facilities in New York City, NY	—	29,223	77,202	714	—	29,223	77,916	107,139	14,113	Various	Oct. 2018	40 yrs.
Net-lease self-storage facility in Hilo, HI	—	769	12,869	—	—	769	12,869	13,638	2,340	2007	Oct. 2018	40 yrs.
Net-lease self-storage facility in Clearwater, FL	—	1,247	5,733	—	—	1,247	5,733	6,980	1,187	2001	Oct. 2018	40 yrs.
Warehouse facilities in Gadki, Poland	—	10,422	47,727	2,695	1,960	10,748	52,056	62,804	9,856	2007; 2010	Oct. 2018	40 yrs.
Net-lease self-storage facility in Orlando, FL	—	1,070	8,686	—	—	1,070	8,686	9,756	1,695	2000	Oct. 2018	40 yrs.
Retail facility in Lewisville, TX	—	3,485	11,263	—	—	3,485	11,263	14,748	2,161	2004	Oct. 2018	40 yrs.
Research and development facility in Wageningen, Netherlands	—	5,227	18,793	112	1,048	5,391	19,789	25,180	3,865	2013	Oct. 2018	40 yrs.
Net-lease self-storage facility in Palm Coast, FL	—	1,994	4,982	—	—	1,994	4,982	6,976	1,207	2001	Oct. 2018	40 yrs.
Net-lease self-storage facility in Holiday, FL	—	1,730	4,213	—	—	1,730	4,213	5,943	998	1975	Oct. 2018	40 yrs.
Research and development facility in Drunen, Netherlands	—	2,316	9,370	—	366	2,389	9,663	12,052	1,849	2014	Oct. 2018	40 yrs.
Industrial facility Bluffton, IN and New Concord, OH	—	958	2,309	—	3,449	1,409	5,307	6,716	649	1975; 1999	Oct. 2018	34 - 40 yrs.
Retail facility in Gelsenkirchen, Germany	—	2,178	17,097	1,763	604	2,246	19,396	21,642	3,362	2000	Oct. 2018	40 yrs.
Warehouse facilities in Mszczonow and Tomaszow Mazowiecki, Poland	—	8,782	53,575	389	1,964	9,057	55,653	64,710	11,420	1995; 2000	Oct. 2018	40 yrs.
Warehouse facility in Sered, Slovakia	—	3,428	28,005	3	986	3,536	28,886	32,422	5,562	2004	Oct. 2018	40 yrs.
Industrial facility in Tuchomerice, Czech Republic	—	7,864	27,006	3	1,092	8,110	27,855	35,965	5,293	1998	Oct. 2018	40 yrs.
Warehouse facility in Kaunas, Lithuania	34,700	10,199	47,391	—	1,804	10,518	48,876	59,394	9,515	2008	Oct. 2018	40 yrs.
Specialty facility in Jacksonville, FL	11,135	906	17,020	—	—	906	17,020	17,926	3,155	2015	Oct. 2018	40 yrs.
Warehouse facilities in Houston, TX	—	791	1,990	—	—	791	1,990	2,781	403	1972	Oct. 2018	40 yrs.
Warehouse facilities in Shelbyville, IN; Kalamazoo, MI; Tiffin, OH; Andersonville, TN; and Millwood, WV	—	2,868	37,571	—	—	2,868	37,571	40,439	7,786	Various	Oct. 2018	40 yrs.
Warehouse facility in Perrysburg, OH	—	806	11,922	—	—	806	11,922	12,728	2,551	1974	Oct. 2018	40 yrs.
Warehouse facility in Dillon, SC	—	620	46,319	434	—	620	46,753	47,373	7,929	2019	Oct. 2018	40 yrs.
Warehouse facility in Zabia Wola, Poland	—	4,742	23,270	5,636	1,086	4,890	29,844	34,734	5,670	1999	Oct. 2018	40 yrs.
Laboratory facility in Buffalo Grove, IL	—	2,224	6,583	—	—	2,224	6,583	8,807	1,288	1992	Oct. 2018	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Net-lease self-storage facilities in the United States	—	12,755	48,965	—	—	12,755	48,965	61,720	1,632	Various	Oct. 2018	40 yrs.
Net-lease self-storage facilities in Raleigh, NC and Mount Pleasant, SC	—	3,473	19,202	—	—	3,473	19,202	22,675	640	2017	Nov. 2018	40 yrs.
Warehouse facilities in McHenry, IL	—	5,794	21,141	—	—	5,794	21,141	26,935	6,018	1990; 1999	Dec. 2018	27 - 28 yrs.
Industrial facilities in Chicago, Cortland, Forest View, Morton Grove, and Northbrook, IL and Madison and Monona, WI	—	23,267	9,166	—	—	23,267	9,166	32,433	2,468	Various	Dec. 2018; Dec. 2019	35 - 40 yrs.
Warehouse facility in Kilgore, TX	—	3,002	36,334	14,096	(6)	3,002	50,424	53,426	9,747	2007	Dec. 2018	37 yrs.
Industrial facility in San Luis Potosi, Mexico	—	2,787	12,945	—	—	2,787	12,945	15,732	2,663	2009	Dec. 2018	39 yrs.
Industrial facility in Legnica, Poland	—	995	9,787	6,007	508	1,024	16,273	17,297	3,739	2002	Dec. 2018	29 yrs.
Industrial facility in Meru, France	—	4,231	14,731	8	623	4,370	15,223	19,593	4,030	1997	Dec. 2018	29 yrs.
Education facility in Portland, OR	—	2,396	23,258	4,177	—	2,396	27,435	29,831	6,117	2006	Feb. 2019	40 yrs.
Warehouse facility in Inwood, WV	—	3,265	36,692	—	—	3,265	36,692	39,957	6,857	2000	Mar. 2019	40 yrs.
Industrial facility in Hurricane, UT	—	1,914	37,279	—	—	1,914	37,279	39,193	6,591	2011	Mar. 2019	40 yrs.
Industrial facility in Bensenville, IL	—	8,640	4,948	—	300	8,940	4,948	13,888	1,406	1981	Mar. 2019	40 yrs.
Industrial facility in Katowice, Poland	—	—	764	15,165	1,085	—	17,014	17,014	2,593	2019	Apr. 2019	40 yrs.
Industrial facilities in Westerville, OH and North Wales, PA	—	1,545	6,508	—	—	1,545	6,508	8,053	1,415	1960; 1997	May 2019	40 yrs.
Industrial facilities in Fargo, ND; Norristown, PA; and Atlanta, TX	—	1,616	5,589	—	—	1,616	5,589	7,205	1,302	Various	May 2019	40 yrs.
Industrial facilities in Chihuahua and Juarez, Mexico	—	3,426	7,286	—	—	3,426	7,286	10,712	1,691	1983; 1986; 1991	May 2019	40 yrs.
Warehouse facility in Statesville, NC	—	1,683	13,827	—	—	1,683	13,827	15,510	2,740	1979	Jun. 2019	40 yrs.
Industrial facilities in Searcy, AR and Conestoga, PA	—	4,290	51,410	21,027	—	4,678	72,049	76,727	13,856	1950; 1951	Jun. 2019; Apr. 2021	40 yrs.
Industrial facilities in Hartford and Milwaukee, WI	—	1,471	21,293	—	—	1,471	21,293	22,764	4,009	1964; 1992; 1993	Jul. 2019	40 yrs.
Industrial facilities in Brockville and Prescott, Canada	—	2,025	9,519	—	—	2,025	9,519	11,544	1,851	1955; 1995	Jul. 2019	40 yrs.
Industrial facility in Dordrecht, Netherlands	—	3,233	10,954	2	974	3,459	11,704	15,163	1,880	1986	Sep. 2019	40 yrs.
Industrial facilities in York, PA and Lexington, SC	—	4,155	22,930	19	—	4,155	22,949	27,104	4,678	1968; 1971	Oct. 2019	40 yrs.
Industrial facility in Queretaro, Mexico	—	2,851	12,748	—	(3)	2,851	12,745	15,596	2,393	1999	Oct. 2019	40 yrs.
Industrial facilities in Houston, TX and Metairie, LA and office facilities in Houston, TX and Mason, OH	—	6,130	24,981	2,145	—	6,130	27,126	33,256	4,830	Various	Nov. 2019	40 yrs.
Industrial facility in Pardubice, Czech Republic	—	1,694	8,793	437	696	1,806	9,814	11,620	1,608	1970	Nov. 2019	40 yrs.
Warehouse facilities in Brabrand, Denmark and Arlandastad, Sweden	—	6,499	27,899	151	1,969	6,845	29,673	36,518	5,042	2012; 2017	Nov. 2019	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c),(d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Retail facility in Hamburg, PA	—	4,520	34,167	—	—	4,520	34,167	38,687	5,918	2003	Dec. 2019	40 yrs.
Warehouse facility in Charlotte, NC	—	6,481	82,936	—	—	6,481	82,936	89,417	13,843	1995	Dec. 2019	40 yrs.
Warehouse facility in Buffalo Grove, IL	—	3,287	10,167	1,479	20	3,287	11,666	14,953	1,839	1987	Dec. 2019	40 yrs.
Industrial facility in Hvidovre, Denmark	—	1,931	4,243	—	335	2,045	4,464	6,509	954	2007	Dec. 2019	40 yrs.
Warehouse facility in Huddersfield, United Kingdom	—	8,659	29,752	—	761	8,831	30,341	39,172	4,825	2005	Dec. 2019	40 yrs.
Warehouse facility in Newark, United Kingdom	—	21,869	74,777	—	2,423	22,417	76,652	99,069	11,472	2006	Jan. 2020	40 yrs.
Industrial facility in Langen, Germany	—	14,160	7,694	32,173	(1,118)	13,727	39,182	52,909	4,806	2021	Jan. 2020	40 yrs.
Industrial facility in Aurora, OR	—	2,914	21,459	—	(5,000)	2,914	16,459	19,373	2,443	1976	Jan. 2020	40 yrs.
Warehouse facility in Vojens, Denmark	—	1,031	8,784	—	625	1,096	9,344	10,440	1,382	2020	Jan. 2020	40 yrs.
Warehouse facility in Knoxville, TN	—	2,455	47,446	—	—	2,455	47,446	49,901	6,547	2020	Jun. 2020	40 yrs.
Industrial facilities in Bluffton and Plymouth, IN; and Lawrence, KS	—	674	33,519	21,216	—	1,738	53,671	55,409	6,466	1981; 2014; 2021	Sep 2020; Dec. 2021	40 yrs.
Industrial facility in Huntley, IL	—	5,260	26,617	—	—	5,260	26,617	31,877	3,496	1996	Sep. 2020	40 yrs.
Industrial facilities in Winter Haven, FL; Belvedere, IL; and Fayetteville, NC	—	8,232	31,745	—	—	8,232	31,745	39,977	4,144	1954; 1984; 1997	Oct. 2020	40 yrs.
Warehouse facility in Little Canada, MN	—	3,384	23,422	—	—	3,384	23,422	26,806	3,028	1987	Oct. 2020	40 yrs.
Warehouse facility in Hurricane, UT	—	5,154	22,893	20,517	—	5,154	43,410	48,564	4,858	2005	Dec. 2020	40 yrs.
Industrial facilities in Bethlehem, PA and Waco, TX	—	4,673	19,111	—	—	4,673	19,111	23,784	2,418	Various	Dec. 2020	40 yrs.
Industrial facilities in Pleasanton, KS; Savage, MN; Grove City, OH; and Mahanoy City, PA	—	7,717	21,569	—	—	7,717	21,569	29,286	2,696	Various	Dec. 2020	40 yrs.
Specialty facilities in Fort Washington, Huntingdon Valley, and West Chester, PA	—	—	492	—	—	—	492	492	61	2011; 2014; 2016	Jan. 2021	40 yrs.
Warehouse facilities in Grove City, OH and Anderson, SC	—	1,415	15,151	—	—	1,415	15,151	16,566	1,861	1995; 2001	Feb. 2021	40 yrs.
Office and retail facilities in NJ and PA	—	17,537	25,987	—	—	17,537	25,987	43,524	3,175	Various	Feb. 2021	40 yrs.
Research and development facility in Wageningen, Netherlands	—	1,429	5,777	18,852	4,014	1,646	28,426	30,072	2,479	2022	Mar. 2021	40 yrs.
Retail facilities in France	—	15,954	104,578	—	(20,958)	14,938	84,636	99,574	12,432	1968; 1981; 1983	Apr. 2021	40 yrs.
Warehouse facility in Detroit, MI	—	3,625	47,743	—	—	3,625	47,743	51,368	5,589	1991	Apr. 2021	40 yrs.
Warehouse facility in Solihull, United Kingdom	—	42,137	123,315	—	(4,638)	40,956	119,858	160,814	13,972	2021	May 2021	40 yrs.
Specialty facility in New Rochelle, NY	—	3,617	21,590	—	—	3,617	21,590	25,207	2,515	2018	May 2021	40 yrs.
Industrial facility in Groveport, OH	—	—	26,639	2,904	—	—	29,543	29,543	3,386	1982	May 2021	40 yrs.
Industrial facility in Dakota, IL	—	1,970	50,369	—	—	1,970	50,369	52,339	5,844	1978	May 2021	40 yrs.
Industrial facility in San Jose, CA	—	12,808	31,714	—	—	12,808	31,714	44,522	3,677	1984	May 2021	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Warehouse facility in Opelika, AL	—	2,115	39,980	—	—	2,115	39,980	42,095	4,568	2005	Jun. 2021	40 yrs.
Warehouse facilities in Elk Grove Village and Niles, IL; and Guelph, Canada	—	12,932	25,096	209	—	12,932	25,305	38,237	2,869	1962; 1976; 1983	Jun. 2021	40 yrs.
Warehouse facility in Rome, NY	—	1,480	47,781	—	—	1,480	47,781	49,261	5,449	2021	Jun. 2021	40 yrs.
Warehouse facility in Frankfort, IN	—	5,423	95,915	—	—	5,423	95,915	101,338	10,432	2015	Aug. 2021	40 yrs.
Warehouse facility in Rogers, MN	—	1,871	20,959	—	—	1,871	20,959	22,830	2,260	2005	Sep. 2021	40 yrs.
Industrial facilities in Chattanooga, TN	—	4,859	29,302	1,453	—	4,859	30,755	35,614	3,138	2006; 2017	Oct. 2021	40 yrs.
Retail facilities in Denmark	—	2,695	38,428	—	1,618	2,801	39,940	42,741	4,062	Various	Dec. 2021	40 yrs.
Retail facilities in Poland	—	15,110	47,511	—	2,708	15,759	49,570	65,329	5,015	Various	Dec. 2021	40 yrs.
Industrial facility in Cary, IL	—	4,568	31,977	—	—	4,568	31,977	36,545	3,206	1975	Dec. 2021	40 yrs.
Retail facilities in the Netherlands	—	9,342	32,770	—	1,666	9,712	34,066	43,778	3,414	Various	Dec. 2021	40 yrs.
Specialty facilities in Flemington and Pennsauken, NJ	—	1,025	397	832	—	1,025	1,229	2,254	111	Various	Dec. 2021	40 yrs.
Industrial facility in Pleasant Prairie, WI	—	1,443	16,532	—	—	1,443	16,532	17,975	1,643	2001	Jan. 2022	40 yrs.
Retail facilities in Denmark	—	3,295	35,898	—	2,175	3,459	37,909	41,368	3,528	Various	Various	40 yrs.
Industrial facilities in Laval, Canada	—	5,506	16,678	—	(1,468)	5,202	15,514	20,716	1,467	1966; 1973	Feb. 2022; Mar. 2024	40 yrs.
Warehouse facility in Chattanooga, TN	—	5,063	36,645	26,103	102	5,063	62,850	67,913	5,315	2003	Mar. 2022	40 yrs.
Industrial facility in Coatzacoalcos, Mexico	—	9,805	17,622	—	—	9,805	17,622	27,427	1,622	1960	Apr. 2022	40 yrs.
Industrial facility in Lowbanks, CA	—	3,574	1,605	—	—	3,574	1,605	5,179	148	1967	Apr. 2022	40 yrs.
Industrial facilities in Chicago, IL; Geismar, LA; and Nashville, TN	—	9,300	26,945	—	—	9,300	26,945	36,245	2,458	Various	May 2022	40 yrs.
Industrial and warehouse facilities in the United States	—	9,847	88,227	—	—	9,847	88,227	98,074	8,007	Various	May 2022	40 yrs.
Retail facilities in Denmark	—	2,228	31,774	—	3,569	2,464	35,107	37,571	3,119	Various	Various	40 yrs.
Industrial facility in Medina, OH	—	2,029	22,938	—	—	2,029	22,938	24,967	2,031	1963	Jun. 2022	40 yrs.
Warehouse facility in Bree, Belgium	—	—	73,302	43	9,628	—	82,973	82,973	7,274	1964	Jun. 2022	40 yrs.
Industrial and warehouse facilities in the United States	—	27,543	192,197	—	—	27,543	192,197	219,740	16,508	Various	Jul. 2022	40 yrs.
Retail facilities in Denmark	—	2,690	33,703	—	4,964	3,059	38,298	41,357	3,198	Various	Various	40 yrs.
Office facility in Austin, TX	—	31,095	45,393	—	—	31,095	45,393	76,488	3,880	1993	Aug. 2022	40 yrs.
Land in Chicago, IL	—	3,873	—	—	—	3,873	—	3,873	—	N/A	Aug. 2022	N/A
Retail facilities in Croatia	—	1,367	23,337	—	3,663	1,570	26,797	28,367	2,291	2001; 2006	Aug. 2022	40 yrs.
Warehouse facility in Streetsboro, OH	—	2,435	9,333	—	—	2,435	9,333	11,768	798	1993	Aug. 2022	40 yrs.
Net-lease self-storage facility in Kissimmee, FL	—	923	17,205	11	4	923	17,220	18,143	1,478	2005	Aug. 2022	40 yrs.
Warehouse facility in University Park, IL	—	15,377	63,299	20,430	—	15,377	83,729	99,106	5,411	2003	Aug. 2022	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in Surprise, AZ; Temple, GA; and Houston, TX	—	2,994	26,100	22,042	—	7,793	43,343	51,136	2,342	1998; 2007; 2011	Aug. 2022	40 yrs.
Warehouse facility in Albany, GA	—	3,108	12,220	194	—	3,108	12,414	15,522	1,045	1977	Aug. 2022	40 yrs.
Industrial facilities in Dallas/Fort Worth, TX	—	3,918	9,817	405	—	3,918	10,222	14,140	842	1990; 2008	Aug. 2022	40 yrs.
Warehouse facility in Byron Center, MI	—	1,925	10,098	—	(5,403)	998	5,622	6,620	833	2015	Aug. 2022	40 yrs.
Net-lease hotel in Albion, Mauritius	1,624	7,633	29,274	—	5,472	8,765	33,614	42,379	2,873	2007	Aug. 2022	40 yrs.
Net-lease self-storage facility in Sebastian, FL	—	529	8,027	—	—	529	8,027	8,556	695	1986	Aug. 2022	40 yrs.
Net-lease self-storage facility in Naples, FL	—	6,826	20,655	—	—	6,826	20,655	27,481	1,879	1974	Aug. 2022	40 yrs.
Net-lease self-storage facilities in Hesperia and Thousand Palms, CA	—	3,105	27,124	—	4	3,105	27,128	30,233	2,331	2007	Aug. 2022	40 yrs.
Net-lease self-storage facility in Stockbridge, GA	—	308	7,286	—	—	308	7,286	7,594	635	2003	Aug. 2022	40 yrs.
Industrial facility in Plymouth, MN	—	3,693	13,242	914	—	3,693	14,156	17,849	1,213	1975	Aug. 2022	40 yrs.
Net-lease hotel in Hamburg, Germany	—	7,328	17,467	272	3,677	8,415	20,329	28,744	1,714	2017	Aug. 2022	40 yrs.
Net-lease self-storage facility in Sarasota, FL	—	638	10,312	—	—	638	10,312	10,950	890	2001	Aug. 2022	40 yrs.
Industrial facility in Michalovce, Slovakia	—	4,538	19,009	—	3,491	5,211	21,827	27,038	1,866	2006	Aug. 2022	40 yrs.
Net-lease hotel in Stuttgart, Germany	—	—	31,276	—	4,637	—	35,913	35,913	3,070	1965	Aug. 2022	40 yrs.
Industrial facility in Menomonee Falls, WI	11,290	2,726	17,453	—	—	2,726	17,453	20,179	1,492	1974	Aug. 2022	40 yrs.
Warehouse facility in Iowa Falls, IA	—	997	8,819	—	—	997	8,819	9,816	754	2001	Aug. 2022	40 yrs.
Industrial facility in Hebron, Ohio and warehouse facility in Strongsville, OH	—	4,671	5,494	—	—	4,671	5,494	10,165	466	1969; 1999	Aug. 2022	40 yrs.
Warehouse facility in Scarborough, Canada	—	5,092	1,868	—	—	5,092	1,868	6,960	158	1980	Aug. 2022	40 yrs.
Specialty facilities in West Des Moines, IA and Clifton Park, NY	—	3,229	17,080	—	—	3,229	17,080	20,309	1,447	1971; 2021	Aug. 2022	40 yrs.
Industrial facility in Orzinuovi, Italy	—	2,473	9,892	—	2,154	2,904	11,615	14,519	973	1978	Aug. 2022	40 yrs.
Specialty facilities in West Chester, PA	—	—	559	—	—	—	559	559	52	2022	Oct. 2022	40 yrs.
Industrial facilities in the United States	—	11,117	41,107	—	—	11,117	41,107	52,224	3,114	Various	Dec. 2022	40 yrs.
Warehouse facility in Romulus, MI	—	2,788	33,353	—	—	2,788	33,353	36,141	2,506	2017	Dec. 2022	40 yrs.
Industrial facility in Salisbury, NC	—	1,308	13,082	14,147	—	1,308	27,229	28,537	1,625	2015	Dec. 2022	40 yrs.
Industrial facilities in the United States	—	11,503	42,967	—	—	11,503	42,967	54,470	3,190	Various	Jan. 2023	40 yrs.
Industrial facilities in Italy and Spain	—	21,167	56,172	4	6,193	22,862	60,674	83,536	4,214	Various	Mar. 2023	40 yrs.
Industrial and warehouse facilities in Canada	—	71,228	330,400	—	—	71,228	330,400	401,628	22,743	Various	Apr. 2023	40 yrs.
Industrial facilities in Canada, Mexico, and the United States	—	11,873	55,997	4,831	(7,389)	11,139	54,173	65,312	3,402	Various	Apr. 2023	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**  
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(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Retail (car wash) facilities in the United States	—	9,511	32,777	—	—	9,511	32,777	42,288	2,106	Various	May 2023; Oct. 2023	40 yrs.
Education and specialty facilities in the United States	—	11,973	90,101	—	—	11,973	90,101	102,074	5,739	Various	Jun. 2023	40 yrs.
Retail (car wash) facilities in the United States	—	12,240	36,914	—	—	12,240	36,914	49,154	1,626	2023	Nov. 2023; Oct. 2024	40 yrs.
Industrial and warehouse facilities in Italy, Germany, and Spain	—	80,767	191,007	4	21,222	87,407	205,593	293,000	10,315	Various	Nov. 2023; Jan. 2024	40 yrs.
Warehouse facility in Houston, TX	—	18,999	27,199	—	—	18,999	27,199	46,198	1,410	2000	Dec. 2023	40 yrs.
Industrial and research and development facilities in San Diego, CA	—	5,739	6,397	1,536	—	5,739	7,933	13,672	534	1990	Dec. 2023	40 yrs.
Retail facility in Phoenix, AZ	—	1,729	9,201	—	—	1,729	9,201	10,930	466	2023	Dec. 2023	40 yrs.
Retail facilities in Doncaster, United Kingdom	—	6,133	17,512	—	1,366	6,488	18,523	25,011	916	2010; 2013	Jan. 2024	40 yrs.
Warehouse facility in Commercial Point, OH	—	11,363	76,376	—	—	11,363	76,376	87,739	3,323	2022	Apr. 2024	40 yrs.
Warehouse facility in Tucson, AZ	—	3,742	30,914	920	—	3,742	31,834	35,576	1,281	2024	May 2024	40 yrs.
Industrial and warehouse facilities in the United States	—	11,209	50,311	—	—	11,209	50,311	61,520	2,052	Various	May 2024	40 yrs.
Laveen and Mesa, AZ	—	4,407	16,938	1,190	—	4,407	18,128	22,535	710	2024	Jun. 2024	40 yrs.
Industrial facilities in La Porte, IN and Moxee, WA	20,537	3,657	25,004	—	—	3,657	25,004	28,661	948	1963; 1990	Jun. 2024	40 yrs.
Industrial and retail facilities in NC	10,778	2,102	12,021	—	—	2,102	12,021	14,123	434	1959; 1995; 2005	Jul. 2024	40 yrs.
Industrial facility in Neenah, WI	10,086	1,734	13,774	—	—	1,734	13,774	15,508	497	1979	Jul. 2024	40 yrs.
Retail facilities in Poland	—	5,585	21,834	—	2,224	6,040	23,603	29,643	842	Various	Jul. 2024; Sep. 2024	40 yrs.
Retail facility in Las Vegas, NV	—	1,103	8,817	—	—	1,103	8,817	9,920	312	2024	Aug. 2024	40 yrs.
Warehouse facility in Alexandria, Canada	13,149	2,180	18,894	—	199	2,201	19,072	21,273	670	1980	Aug. 2024	40 yrs.
Industrial facilities in Oldcastle and Tillsonburg, Canada	7,234	1,133	11,269	—	—	1,133	11,269	12,402	396	1990; 1999	Aug. 2024	40 yrs.
Retail facility in West Des Moines, IA	—	—	14,457	—	—	—	14,457	14,457	505	2024	Aug. 2024	40 yrs.
Industrial facility in Lebanon, IN	—	4,995	40,345	118	—	4,995	40,463	45,458	1,221	2003	Oct. 2024	40 yrs.
Industrial facility in Shelbyville, KY	—	5,704	86,354	—	—	5,704	86,354	92,058	2,601	2024	Oct. 2024	40 yrs.
Land in Stockton, CA	—	40,217	7,003	—	—	40,217	7,003	47,220	511	2023	Nov. 2024	15 yrs.
Specialty facility in Weehawken, NJ	—	25,016	61,404	—	—	25,016	61,404	86,420	1,682	1990	Nov. 2024	40 yrs.
Retail facilities in the United States	—	20,020	64,990	—	—	20,020	64,990	85,010	1,685	Various	Various	40 yrs.
Retail facilities in the United States	—	6,705	21,003	—	—	6,705	21,003	27,708	554	2023; 2024	Dec. 2024	40 yrs.

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>			Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Retail facility in Manchester, United Kingdom	—	—	17,244	—	1,089	—	18,333	18,333	482	2012	Dec. 2024	40 yrs.
Education facility in Yarnfield, United Kingdom	—	5,929	14,848	—	1,199	6,332	15,644	21,976	405	1960	Dec. 2024	40 yrs.
Retail facilities in the United States	—	9,303	29,973	—	—	9,303	29,973	39,276	768	2023; 2024	Dec. 2024	40 yrs.
Retail facilities in the United States	—	3,572	12,111	—	—	3,572	12,111	15,683	307	Various	Dec. 2024	40 yrs.
Industrial and warehouse facilities in the United States	—	43,240	93,006	—	—	43,240	93,006	136,246	1,968	Various	Feb. 2025	40 yrs.
Specialty facility in Mishawaka, IN	—	1,176	24,108	—	—	1,176	24,108	25,284	464	2020	Mar. 2025	40 yrs.
Industrial facilities in Germany and Spain	—	11,528	25,286	—	1,310	11,938	26,186	38,124	475	Various	Apr. 2025	40 yrs.
Warehouse in Santa Fe Springs, CA	—	57,869	54,677	—	—	57,869	54,677	112,546	947	1970	Apr. 2025	40 yrs.
Industrial properties in Italy and Spain	—	15,294	48,667	—	3,672	16,172	51,461	67,633	821	Various	May 2025	40 yrs.
Industrial facility in Chattanooga, TN	—	3,162	13,158	—	—	3,162	13,158	16,320	179	1991	Jun. 2025	40 yrs.
Industrial facilities in Boston, MA and Newark, NJ	—	71,781	11,357	—	—	71,781	11,357	83,138	154	1970; 1985	Jun. 2025	40 yrs.
Industrial facility in San Francisco, CA	—	35,353	5,942	—	—	35,353	5,942	41,295	71	1954	Jul. 2025	40 yrs.
Retail facilities in the United States	—	6,027	19,582	—	—	6,027	19,582	25,609	131	Various	Various	40 yrs.
Retail facilities in Loughborough and Ilkeston, United Kingdom	—	13,777	31,090	—	224	13,846	31,245	45,091	362	1980; 2015	Jul. 2025	40 yrs.
Industrial facility in Houston, TX	—	2,325	17,071	—	—	2,325	17,071	19,396	180	2008	Jul. 2025	40 yrs.
Industrial facilities in France and Spain	—	13,507	35,420	—	1,299	13,865	36,361	50,226	384	Various	Jul. 2025	40 yrs.
Industrial and warehouse facilities in Italy	—	15,871	57,573	—	905	16,066	58,283	74,349	578	Various	Aug. 2025; Dec. 2025	40 yrs.
Industrial facilities in Mexico	—	15,183	29,674	—	—	15,183	29,674	44,857	246	Various	Aug. 2025; Oct. 2025	40 yrs.
Industrial facility in Mesquite, TX	—	5,325	76,867	—	—	5,325	76,867	82,192	553	2025	Sep. 2025	40 yrs.
Retail facility in Kissimmee, FL	—	2,252	9,525	—	—	2,252	9,525	11,777	65	2025	Sep. 2025	40 yrs.
Industrial facilities in Markham and Toronto, Canada; and Lee's Summit, MO	—	12,133	43,923	—	596	12,253	44,399	56,652	305	1979; 1980; 1990	Sep. 2025	40 yrs.
Warehouse facility in Compton, CA	—	1,660	3,641	—	—	1,660	3,641	5,301	23	1969	Oct. 2025	40 yrs.
Specialty facilities in the United States	—	12,385	95,298	—	—	12,385	95,298	107,683	594	2021; 2022	Oct. 2025	40 yrs.
Industrial facility in Wasserburg am Inn, Germany	—	5,814	15,492	—	(47)	5,801	15,458	21,259	17	1964	Dec. 2025	40 yrs.
Retail facilities in the United States	—	49,832	228,020	—	—	49,832	228,020	277,852	219	Various	Dec. 2025	40 yrs.
Warehouse facilities in Navarra and Zaragoza, Spain	—	22,170	46,818	—	29	22,179	46,838	69,017	—	Various	Dec. 2025	40 yrs.
Solar projects in the United States	—	—	—	11,017	—	—	11,017	11,017	—			
	<u>\$ 138,526</u>	<u>\$ 2,994,071</u>	<u>\$10,731,745</u>	<u>\$ 1,220,756</u>	<u>\$ (575,181)</u>	<u>\$2,839,757</u>	<u>\$11,531,634</u>	<u>\$14,371,391</u>	<u>\$ 2,026,829</u>			

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

December 31, 2025

*(in thousands)*

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period Total	Date of Construction	Date Acquired
		Land	Buildings					
<b>Direct Financing Method</b>								
Industrial facilities in Irving and Houston, TX	\$ —	\$ —	\$ 27,599	\$ —	\$ (4,467)	\$ 23,132	1978	Jan. 1998
Warehouse facility in Brierley Hill, United Kingdom	—	2,147	12,357	—	(1,405)	13,099	1996	Sep. 2012
Retail facilities in El Paso and Fabens, TX	—	4,777	17,823	—	(165)	22,435	Various	Jan. 2014
Industrial facility in Mount Carmel, IL	—	135	3,265	—	(504)	2,896	1896	Jan. 2014
Industrial facility in Göppingen, Germany	—	10,717	60,120	—	(17,839)	52,998	1930	Jan. 2014
Warehouse facilities in Bristol, Leeds, Liverpool, Luton, Newport, Plymouth, and Southampton, United Kingdom	—	1,062	23,087	—	791	24,940	Various	Oct. 2018
Warehouse facility in Oxnard, CA	—	—	10,960	—	(3,145)	7,815	1975	Oct. 2018
Industrial facilities in Bartow, FL; Momence, IL; Smithfield, NC; Hudson, NY; and Ardmore, OK	—	4,454	87,030	—	2,787	94,271	Various	Oct. 2018
Industrial facility in Countryside, IL	—	563	1,457	—	18	2,038	1981	Oct. 2018
Industrial facility in Clarksville, TN	2,120	1,680	10,180	—	(541)	11,319	1998	Oct. 2018
Warehouse facility in Houston, TX	—	—	5,977	—	(250)	5,727	1972	Oct. 2018
Warehouse in Chicago, IL	—	—	10,517	—	88	10,605	1942	Aug. 2022
Less: allowance for credit losses					(3,745)	(3,745)		
	<u>\$ 2,120</u>	<u>\$ 25,535</u>	<u>\$ 270,372</u>	<u>\$ —</u>	<u>\$ (28,377)</u>	<u>\$ 267,530</u>		

**SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**  
December 31, 2025  
(in thousands)

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition <sup>(a)</sup>	Increase (Decrease) in Net Investments <sup>(b)</sup>	Gross Amount at which Carried at Close of Period <sup>(c) (d)</sup>				Accumulated Depreciation <sup>(d)</sup>	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings	Personal Property			Land	Buildings	Personal Property	Total				
<b>Operating Real Estate – Hotels</b>														
Bloomington, MN	\$ —	\$ 3,810	\$ 29,126	\$ 3,622	\$ 7,500	\$ (314)	\$ 3,874	\$ 31,675	\$ 8,195	\$ 43,744	\$ 18,268	2008	Jan. 2014	34 yrs.
Newark, NJ	—	4,912	5,581	—	128	—	4,912	5,581	128	10,621	2,054	1989	Sep. 2012	37 yrs.
San Diego, CA	—	3,898	33,729	—	339	—	3,898	33,729	339	37,966	12,255	1989	Sep. 2012	37 yrs.
Irvine, CA	—	3,720	24,983	—	523	—	3,720	24,983	523	29,226	9,687	1989	Sep. 2012	35 yrs.
<b>Operating Real Estate – Student Housing Facilities</b>														
Swansea, United Kingdom	—	—	32,884	—	60,474	14,563	—	107,921	—	107,921	8,449	2022	Aug. 2022	40 yrs.
<b>Operating Real Estate – Self-Storage Facilities</b>														
Loves Park, IL	—	1,412	4,853	—	159	—	1,412	4,973	39	6,424	1,358	1997	Oct. 2018	40 yrs.
Cherry Valley, IL	—	1,339	4,160	—	98	—	1,339	4,239	19	5,597	1,107	1988	Oct. 2018	40 yrs.
Rockford, IL	—	695	3,873	—	240	—	695	4,098	15	4,808	989	1979	Oct. 2018	40 yrs.
Rockford, IL	—	87	785	—	17	—	87	802	—	889	170	1979	Oct. 2018	40 yrs.
Rockford, IL	—	454	4,724	—	130	—	454	4,780	74	5,308	955	1957	Oct. 2018	40 yrs.
Peoria, IL	—	444	4,944	—	248	—	444	5,167	25	5,636	1,507	1990	Oct. 2018	40 yrs.
East Peoria, IL	—	268	3,290	—	119	—	268	3,381	28	3,677	909	1986	Oct. 2018	40 yrs.
Loves Park, IL	—	721	2,973	—	70	—	721	3,039	4	3,764	745	1978	Oct. 2018	40 yrs.
Crystal Lake, IL	—	1,325	6,056	—	12	—	1,325	6,066	2	7,393	520	1977	Aug. 2022	40 yrs.
Chicago, IL	—	787	4,931	—	350	—	787	5,229	52	6,068	471	1990	Aug. 2022	40 yrs.
Dayton, OH	—	1,729	5,291	—	17	—	1,729	5,308	—	7,037	182	1978	Aug. 2024	40 yrs.
	—	25,601	172,183	3,622	70,424	14,249	25,665	250,971	9,443	286,079	59,626			

- (a) Consists of the cost of improvements subsequent to acquisition and acquisition costs, including construction costs on build-to-suit transactions, legal fees, appraisal fees, title costs, and other related professional fees. For business combinations, transaction costs are excluded.
- (b) The increase (decrease) in net investment was primarily due to (i) sales of properties, (ii) impairment charges, (iii) changes in foreign currency exchange rates, (iv) allowances for credit loss ([Note 6](#)), (v) reclassifications from net investments in direct financing leases to real estate subject to operating leases, and (vi) the amortization of unearned income from net investments in direct financing leases, which produces a periodic rate of return that at times may be greater or less than lease payments received.
- (c) Excludes (i) gross lease intangible assets of \$3.0 billion and the related accumulated amortization of \$1.5 billion, (ii) gross lease intangible liabilities of \$202.3 million and the related accumulated amortization of \$98.3 million, (iii) sale-leasebacks classified as loans receivable of \$857.9 million, (iv) secured loans receivable of \$35.8 million (as disclosed in [Schedule IV – Mortgage Loans on Real Estate](#)), (v) net investments in sales-type leases of \$10.6 million, (vi) assets held for sale, net of \$3.3 million, and (vii) real estate under construction of \$79.9 million.
- (d) A reconciliation of real estate and accumulated depreciation follows:

**W. P. CAREY INC.**  
**NOTES TO SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION**  
*(in thousands)*

	<b>Reconciliation of Real Estate Subject to Operating Leases</b>		
	<b>Years Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 12,786,827	\$ 12,049,896	\$ 13,316,632
Acquisitions	1,415,374	991,404	984,283
Foreign currency translation adjustment	498,340	(237,200)	132,686
Dispositions	(494,755)	(354,456)	(256,339)
Reclassification from real estate under construction	82,626	83,373	40,479
Capital improvements	72,703	46,184	54,667
Impairment charges	(55,558)	(36,851)	(17,885)
Reclassification from operating real estate	54,582	48,370	—
Reclassification from direct financing leases	14,993	120,921	25,460
Reclassification to assets held for sale	(3,741)	—	(46,985)
Reclassification from equity method investments	—	84,396	—
Reclassification to sales-type lease	—	(9,210)	(662,674)
Derecognition through the Spin-Off	—	—	(1,299,400)
Reclassification to operating real estate	—	—	(221,028)
Ending balance	<u>\$ 14,371,391</u>	<u>\$ 12,786,827</u>	<u>\$ 12,049,896</u>

	<b>Reconciliation of Accumulated Depreciation for Real Estate Subject to Operating Leases</b>		
	<b>Years Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 1,701,892	\$ 1,509,730	\$ 1,672,091
Depreciation expense	331,228	292,770	326,719
Dispositions	(72,359)	(73,297)	(58,861)
Foreign currency translation adjustment	63,171	(27,239)	14,192
Reclassification from operating real estate	3,311	2,314	—
Reclassification to assets held for sale	(414)	—	(16,539)
Reclassification to sales-type lease	—	(2,386)	(156,461)
Derecognition through the Spin-Off	—	—	(214,977)
Reclassification to operating real estate	—	—	(56,434)
Ending balance	<u>\$ 2,026,829</u>	<u>\$ 1,701,892</u>	<u>\$ 1,509,730</u>

	<b>Reconciliation of Operating Real Estate</b>		
	<b>Years Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 1,198,676	\$ 1,254,719	\$ 1,077,326
Dispositions	(862,727)	(21,638)	(124,237)
Reclassification to operating leases	(54,618)	(48,370)	—
Impairment charges	(8,662)	—	—
Foreign currency translation adjustment	7,461	(1,476)	5,088
Capital improvements	5,303	4,702	4,593
Reclassification from real estate under construction	646	3,719	25,452
Acquisitions	—	7,020	45,469
Reclassification from operating leases	—	—	221,028
Ending balance	<u>\$ 286,079</u>	<u>\$ 1,198,676</u>	<u>\$ 1,254,719</u>

<b>Reconciliation of Accumulated Depreciation for Operating Real Estate</b>			
<b>Years Ended December 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 100,575	\$ 80,057	\$ 28,295
Dispositions	(60,612)	(5,826)	(34,580)
Depreciation expense	22,523	28,752	29,840
Reclassification to operating leases	(3,311)	(2,314)	—
Foreign currency translation adjustment	451	(94)	68
Reclassification from operating leases	—	—	56,434
Ending balance	<u>\$ 59,626</u>	<u>\$ 100,575</u>	<u>\$ 80,057</u>

At December 31, 2025, the aggregate cost of real estate that we and our consolidated subsidiaries own for federal income tax purposes was approximately \$17.4 billion.

**W. P. CAREY INC.**  
**SCHEDULE IV — MORTGAGE LOANS ON REAL ESTATE**  
December 31, 2025  
*(dollars in thousands)*

Description	Interest Rate	Final Maturity Date	Carrying Amount
Financing agreement — Las Vegas retail	8.0 %	Dec. 2026	\$ 18,367
Financing agreement — Las Vegas mixed use	7.0 %	Nov. 2026	17,416
			<u>\$ 35,783</u>

	Reconciliation of Mortgage Loans on Real Estate		
	Years Ended December 31,		
	2025	2024	2023
Beginning balance	\$ 31,856	\$ 11,250	\$ 39,250
Funding of secured loans receivable ( <a href="#">Note 6</a> )	3,927	31,856	—
Repayments	—	(24,000)	(28,000)
Gain on repayment of secured loan receivable	—	10,650	—
Change in allowance for credit losses ( <a href="#">Note 6</a> )	—	2,100	—
Ending balance	<u>\$ 35,783</u>	<u>\$ 31,856</u>	<u>\$ 11,250</u>

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. 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 Securities Exchange Act of 1934, as amended (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 December 31, 2025, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of December 31, 2025 at a reasonable level of assurance.

#### *Management’s Report on Internal Control Over Financial Reporting*

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

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

We assessed the effectiveness of our internal control over financial reporting at December 31, 2025. In making this assessment, we used criteria set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we concluded that, at December 31, 2025, our internal control over financial reporting is effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, and in connection therewith, PricewaterhouseCoopers LLP has issued an attestation report on the Company’s effectiveness of internal controls over financial reporting as of December 31, 2025, as stated in their report in [Item 8](#).

#### *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.

**Item 9B. Other Information.**

During the three months ended December 31, 2025, no director or officer of the Company, nor the Company itself, adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

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

Not applicable.

### **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance.**

This information will be contained in our definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

#### **Item 11. Executive Compensation.**

This information will be contained in our definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

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

This information will be contained in our definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

This information will be contained in our definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

#### **Item 14. Principal Accounting Fees and Services.**

This information will be contained in our definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules.

(1) and (2) — Financial statements and schedules: see index to financial statements and schedules included in [Item 8](#).

(3) Exhibits:

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

<b>Exhibit No.</b>	<b>Description</b>	<b>Method of Filing</b>
3.1	Articles of Amendment and Restatement of W. P. Carey Inc. dated June 15, 2017	<a href="#">Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed June 16, 2017</a>
3.2	Fifth Amended and Restated Bylaws of W. P. Carey Inc. dated June 15, 2017	<a href="#">Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed June 16, 2017</a>
4.1	Form of Common Stock Certificate	<a href="#">Incorporated by reference to Exhibit 4.1 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013</a>
4.2	Indenture, dated as of March 14, 2014, by and between W. P. Carey Inc., as issuer and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 14, 2014</a>
4.3	Fourth Supplemental Indenture, dated as of September 12, 2016, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed September 12, 2016</a>
4.4	Form of Note representing \$350 Million Aggregate Principal Amount of 4.250% Senior Notes due 2026	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 12, 2016</a>
4.5	Indenture, dated as of November 8, 2016, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Automatic shelf registration statement on Form S-3 (File No. 333-233159) filed August 9, 2019</a>
4.6	Second Supplemental Indenture dated as of March 6, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 6, 2018</a>
4.7	Form of Note representing €500 Million Aggregate Principal Amount of 2.125% Senior Notes due 2027	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 6, 2018</a>
4.8	Third Supplemental Indenture dated as of October 9, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed October 9, 2018</a>
4.9	Form of Note representing €500 Million Aggregate Principal Amount of 2.250% Senior Notes due 2026	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed October 9, 2018</a>

Exhibit No.	Description	Method of Filing
4.10	Fifth Supplemental Indenture, dated June 14, 2019, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 10-Q filed August 2, 2019</a>
4.11	Form of Note representing \$325 Million Aggregate Principal Amount of 3.850% Senior Notes due 2029	<a href="#">Incorporated by reference to Exhibit 4.2 to Current Report on Form 10-Q filed August 2, 2019</a>
4.12	Fourth Supplemental Indenture, dated as of September 19, 2019, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 19, 2019</a>
4.13	Form of Note representing €500 Million Aggregate Principal Amount of 1.350% Senior Notes due 2028	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed September 19, 2019</a>
4.14	Description of Securities Registered under Section 12 of the Exchange Act	<a href="#">Incorporated by reference to Exhibit 4.22 to Annual Report on Form 10-K for the year ended December 31, 2019 filed February 21, 2020</a>
4.15	Sixth Supplemental Indenture, dated October 14, 2020, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed October 14, 2020</a>
4.16	Form of Note representing \$500 Million Aggregate Principal Amount of 2.400% Senior Notes due 2031	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed October 14, 2020</a>
4.17	Seventh Supplemental Indenture, dated February 25, 2021, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed February 25, 2021</a>
4.18	Form of Note representing \$425 Million Aggregate Principal Amount of 2.250% Senior Notes Due 2033	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed February 25, 2021</a>
4.19	Fifth Supplemental Indenture dated as of March 8, 2021, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 8, 2021</a>
4.20	Form of Note representing €525 Million Aggregate Principal Amount of 0.950% Senior Notes Due 2030	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 8, 2021</a>
4.21	Eighth Supplemental Indenture, dated October 15, 2021, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	<a href="#">Incorporated by reference Exhibit 4.2 to Current Report on Form 8-K filed October 15, 2021</a>
4.22	Form of Note representing \$350 Million Aggregate Principal Amount of 2.450% Senior Notes due 2032	<a href="#">Incorporated by reference Exhibit 4.3 to Current Report on Form 8-K filed October 15, 2021</a>
4.23	Form of Note Representing €150,000,000 Aggregate Principal Amount of 3.410% Senior Notes due 2029	<a href="#">Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q filed November 4, 2022</a>
4.24	Form of Note Representing €200,000,000 Aggregate Principal Amount of 3.700% Senior Notes due 2032	<a href="#">Incorporated by reference to Exhibit 4.2 to Quarterly Report on Form 10-Q filed November 4, 2022</a>
4.25	Ninth Supplemental Indenture dated as of May 16, 2024, by and between W. P. Carey Inc., as issuer, and U.S. Bank Trust Company, National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed May 16, 2024</a>

Exhibit No.	Description	Method of Filing
4.26	Form of Note representing €650 Million Aggregate Principal Amount of 4.250% Senior Notes due 2032	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed May 16, 2024</a>
4.27	Tenth Supplemental Indenture dated June 28, 2024, by and between W. P. Carey Inc., as issuer, and U.S. Bank Trust Company, National Association, as trustee	<a href="#">Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed June 28, 2024</a>
4.28	Form of Note representing \$400 Million Aggregate Principal Amount of 5.375% Senior Notes due 2032	<a href="#">Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed June 28, 2024</a>
4.29	Eleventh Supplemental Indenture dated as of November 19, 2024, by and between W. P. Carey Inc., as issuer, and U.S. Bank Trust Company, National Association, as trustee	<a href="#">Incorporated by Reference to Exhibit 4.3 to Current Report on Form 8-K filed November 19, 2024</a>
4.30	Form of Note representing €600 Million Aggregate Principal Amount of 3.700% Senior Notes due 2034	<a href="#">Incorporated by Reference to Exhibit 4.1 to Current Report on Form 8-K filed November 19, 2024</a>
4.31	Twelfth Supplemental Indenture dated as of July 10, 2025, by and between W. P. Carey Inc., as issuer, and U.S. Bank Trust Company, National Association, as trustee	<a href="#">Incorporated by Reference to Exhibit 4.3 to Current Report on Form 8-K filed July 10, 2025</a>
4.32	Form of Note representing \$400 Million Aggregate Principal Amount of 4.650% Senior Notes due 2030	<a href="#">Incorporated by Reference to Exhibit 4.1 to Current Report on Form 8-K filed July 10, 2025</a>
10.1†	W. P. Carey Inc. 1997 Share Incentive Plan, as amended	<a href="#">Incorporated by reference to Exhibit 10.2 to Annual Report on Form 10-K for the year ended December 31, 2014 filed March 2, 2015</a>
10.2†	W. P. Carey Inc. (formerly W. P. Carey & Co. LLC) Long-Term Incentive Program as amended and restated effective as of September 28, 2012	<a href="#">Incorporated by reference to Exhibit 10.3 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013</a>
10.3†	W. P. Carey Inc. Amended and Restated Deferred Compensation Plan for Employees	<a href="#">Incorporated by reference to Exhibit 10.4 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013</a>
10.4†	Amended and Restated W. P. Carey Inc. 2009 Share Incentive Plan	<a href="#">Incorporated by reference to Appendix A of Schedule 14A filed April 30, 2013</a>
10.5†	2017 Annual Incentive Compensation Plan	<a href="#">Incorporated by reference to Exhibit A of Schedule 14A filed April 11, 2017</a>
10.6†	2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit B of Schedule 14A filed April 11, 2017</a>
10.7†	Form of Share Option Agreement under the 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.9 to Registration Statement on Form S-8 filed June 27, 2017</a>
10.8†	Form of Restricted Share Agreement under the 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.7 to Registration Statement on Form S-8 filed June 27, 2017</a>
10.9†	Form of Restricted Share Unit Agreement under the 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.8 to Registration Statement on Form S-8 filed June 27, 2017</a>

<b>Exhibit No.</b>	<b>Description</b>	<b>Method of Filing</b>
10.10†	Form of Long-Term Performance Share Unit Award Agreement pursuant to the W. P. Carey Inc. 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.6 to Registration Statement on Form S-8 filed June 27, 2017</a>
10.11†	Form of Non-Employee Director Restricted Share Agreement under the 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-8, filed June 27, 2017</a>
10.12†	W. P. Carey Inc. 2009 Non-Employee Directors' Incentive Plan	<a href="#">Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed August 6, 2013</a>
10.13†	W. P. Carey Inc. Non-Employee Director Stock Election Plan	<a href="#">Incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-8 filed November 20, 2023</a>
10.14†	Amended & Restated 2017 Share Incentive Plan	<a href="#">Incorporated by reference to Exhibit 4.4 to the Form S-8 filed June 14, 2024</a>
10.15†	Executive Severance Plan effective as of December 19, 2025	<a href="#">Filed herewith</a>
10.16†	Form of Executive Restricted Stock Unit Award Agreement pursuant to the W. P. Carey Inc. Amended and Restated 2017 Share Incentive Plan	<a href="#">Filed herewith</a>
10.17†	Form of Executive Long-Term Performance Share Unit Award Agreement pursuant to the W. P. Carey Inc. Amended and Restated 2017 Share Incentive Plan	<a href="#">Filed herewith</a>
10.18*	Fifth Amended and Restated Credit Agreement, dated as of December 14, 2023, among W. P. Carey Inc., each Designated Borrower from time to time party thereto, certain Subsidiaries identified therein, as Guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent	<a href="#">Incorporated by referenced to Exhibit 10.1 to Current Report on Form 8-K filed December 18, 2023</a>
10.19	First Amendment, dated as of September 20, 2024, to Fifth Amended and Restated Credit Agreement, dated as of December 14, 2023, entered into among W. P. Carey Inc., as Parent Borrower, the Lenders party thereto, and JP Morgan Chase Bank, as administrative agent	<a href="#">Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed October 30, 2024</a>
10.20	Second Amendment to Fifth Amended and Restated Credit Agreement, dated as of March 31, 2025, among W. P. Carey Inc., the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent	<a href="#">Incorporated by reference to Current Report on Form 8-K filed on April 1, 2025</a>
10.21	Agency Agreement dated as of January 19, 2017, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	<a href="#">Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed January 19, 2017</a>
10.22	Agency Agreement dated as of March 6, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	<a href="#">Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 6, 2018</a>

<b>Exhibit No.</b>	<b>Description</b>	<b>Method of Filing</b>
10.23	Agency Agreement dated as of October 9, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	<a href="#">Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed October 9, 2018</a>
10.24	Agency Agreement dated as of March 8, 2021, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	<a href="#">Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 8, 2021</a>
10.25	Note Purchase Agreement, dated August 31, 2022, by and among W. P. Carey Inc. and the purchasers listed in the purchaser schedule thereto	<a href="#">Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 1, 2022</a>
10.26	Separation and Distribution Agreement, dated October 31, 2023, between W. P. Carey Inc. and Net Lease Office Properties	<a href="#">Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 2, 2023</a>
10.27*	Tax Matters Agreement, dated October 31, 2023, between W. P. Carey Inc. and Net Lease Office Properties	<a href="#">Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed November 2, 2023</a>
10.28*	Advisory Agreement, dated November 1, 2023, between W. P. Carey & Co. B.V. and Net Lease Office Properties	<a href="#">Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed November 2, 2023</a>
10.29*	Advisory Agreement, dated November 1, 2023, between W. P. Carey Management LLC and Net Lease Office Properties	<a href="#">Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K/A filed November 7, 2023</a>
19.1	W. P. Carey Inc. Statement of Policy Concerning Securities Trading	<a href="#">Filed herewith</a>
21.1	List of Registrant Subsidiaries	<a href="#">Filed herewith</a>
23.1	Consent of PricewaterhouseCoopers LLP	<a href="#">Filed herewith</a>
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	<a href="#">Filed herewith</a>
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	<a href="#">Filed herewith</a>
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	<a href="#">Filed herewith</a>
97.1	Clawback Policy	<a href="#">Incorporated by reference to Exhibit 97.1 to Annual Report on Form 10-K for the year ended December 31, 2023 filed February 9, 2024</a>
99.1	Director and Officer Indemnification Policy	<a href="#">Incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013</a>
99.2	Form of Master ATM Forward Confirmation	<a href="#">Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed May 1, 2025</a>

Exhibit No.	Description	Method of Filing
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

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† The referenced exhibit is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15 (a)(3) of Form 10-K.

\* Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any exhibits or schedules so furnished.

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

None.

## 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: February 11, 2026

By: /s/ ToniAnn Sanzone  
ToniAnn Sanzone  
Chief Financial Officer

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jason E. Fox</u> Jason E. Fox	Chief Executive Officer and Director (Principal Executive Officer)	February 11, 2026
<u>/s/ ToniAnn Sanzone</u> ToniAnn Sanzone	Chief Financial Officer (Principal Financial Officer)	February 11, 2026
<u>/s/ Brian Zander</u> Brian Zander	Chief Accounting Officer (Principal Accounting Officer)	February 11, 2026
<u>/s/ Christopher J. Niehaus</u> Christopher J. Niehaus	Chair of the Board and Director	February 11, 2026
<u>/s/ Constantin H. Beier</u> Constantin H. Beier	Director	February 11, 2026
<u>/s/ Tonit M. Calaway</u> Tonit M. Calaway	Director	February 11, 2026
<u>/s/ Peter J. Farrell</u> Peter J. Farrell	Director	February 11, 2026
<u>/s/ Robert J. Flanagan</u> Robert J. Flanagan	Director	February 11, 2026
<u>/s/ Rhonda O. Gass</u> Rhonda O. Gass	Director	February 11, 2026
<u>/s/ Margaret G. Lewis</u> Margaret G. Lewis	Director	February 11, 2026
<u>/s/ Elisabeth T. Stheeman</u> Elisabeth T. Stheeman	Director	February 11, 2026