Safe Harbor For Forward-Looking Statements

Statements in this investor presentation that are not strictly historical are “forward-looking” statements. Forward-looking statements involve known and unknown risks, which may cause our actual future results to differ materially from expected results. These risks include, among others, general economic conditions, domestic and foreign real estate conditions, client financial health, the availability of capital to finance planned growth, volatility and uncertainty in the credit markets and broader financial markets, changes in foreign currency exchange rates, property acquisitions and the timing of these acquisitions, the structure, timing and completion of the anticipated spin-off of the office properties of Realty Income, Inc., and any effects of the announcement, pendency or completion of the spin-off, including the anticipated benefits therefrom, the anticipated benefits of the completed merger with VEREIT, charges for property impairments, the effects of the COVID-19 pandemic and the measures taken to limit its impact, the effects of pandemics or global outbreaks of contagious diseases or fear of such outbreaks, the ability of clients to adequately manage their properties and fulfill their respective lease obligations to Realty Income, and the outcome of any legal proceedings to which Realty Income is a party. Consequently, forward-looking statements should be regarded solely as reflections of Realty Income’s or VEREIT’s current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this investor presentation. Neither Realty Income nor VEREIT undertake any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.
Who We Are

To build **enduring relationships** and brighter financial futures

- Do the right thing
- Take ownership
- Empower each other
- Celebrate differences
- Give more than we take

**VALUES**

**MISSION**

We invest in **people** and **places** to deliver dependable **monthly dividends** that increase over time

To be a **top 5 U.S. REIT**, creating **long-term value** for stakeholders across the world

**PURPOSE**
Realty Income: A Path to Continued Long-Term Profitable Growth

WHERE WE ARE:

- **S&P 500** company
- One of 65 companies in the elite **S&P 500 Dividend Aristocrats®** Index
- **Top 10** global REIT\(^{(1)}\)
- **15.1%** compound annual total shareholder return since public listing in 1994
- **4.3%** compound annual dividend growth rate since 1994 and **112** dividend increases

WHERE WE ARE GOING:

- To become a **$50+ billion global company**, as measured by enterprise value
- To **consolidate** the ~$12 trillion global net lease addressable market
- To become a **top 5 global REIT**\(^{(1)}\)
- To average **double-digit total shareholder return** with minimal volatility
- To continue treating the dividend as **sacrosanct** to our mission

\(^{(1)}\) As measured by equity market capitalization of FTSE EPRA Nareit Global REITs TR Index Constituents.
Key Takeaways

- Realty Income’s track record illustrates **superior total return per unit of volatility**.
- Our **external growth** opportunities are **broad and unconstrained** by property type or geography.
- Realty Income’s strategic merger with VEREIT® created the **premier net lease REIT** with increased **size and scale**, supporting long-term growth through consolidation of a **highly fragmented net lease industry**.
- With over 7,000 properties, our portfolio has reached a critical mass providing access to proprietary data and information that enables us to make **data-driven, calculated investment decisions**.
- Our selective capital allocation philosophy supports **superior financial and operational stability** relative to REIT peers, particularly during economic downturns.
- Our **fortress balance sheet** and **access to a low-cost, diversified capital pool** supports the curation of a **best-in-class real estate portfolio** generating growing cash flows guaranteed by large, national, blue-chip operators.
- We aspire to be a **sustainability leader** in the net lease REIT sector and have set ambitious but attainable **goals for environmental stewardship and social responsibility**.
Latest Developments

November 1st, 2021: Closed merger with VEREIT®

- Combined enterprise value allowing for enhanced size, scale, and diversification
- Office portfolio spin-off (Orion Office REIT) is expected to be completed on November 12th, 2021

November 1st, 2021: Introduced preliminary 2022 guidance, inclusive of VEREIT merger (assuming Orion has been spun)

- 2022 AFFO/sh growth at the midpoint of guidance range
- Accretion to 2022 AFFO/sh from the VEREIT merger on a leverage-neutral basis, after excluding AFFO attributed to Orion (~10% system-wide accretion on a leverage-neutral basis)
- 2022 acquisition volume guidance

September - October 2021: Commenced expansion into Continental Europe

- €157 mm of real estate leased to Carrefour, one of Europe’s largest food retailers
- Properties, across two transactions, leased under long-term net lease agreements with annual rent escalators
Investment Thesis

**PROVEN TRACK RECORD OF RETURNS...**

- **15.1%**  
  Compound Annual Total Return Since ‘94 NYSE Listing

- **0.46**  
  Beta vs. S&P 500 Since ‘94 NYSE Listing\(^{(1)}\)

**STABILITY AND GROWTH OF EARNINGS...**

- **24 of 25**  
  Years of Positive Earnings Per Share\(^{(2)}\) Growth

- **5.1%**  
  Median AFFO Per Share Growth Since 1996

**CONSISTENTLY INCREASING DIVIDENDS...**

- **4.3%**  
  Compound Annual Dividend Growth Rate Since 1994

- **S&P 500 Dividend Aristocrats®**  
  Index Member

**POSITIONED FOR CONTINUED GROWTH...**

- **$12 Trillion**  
  Estimated Addressable Market Opportunity in the US and Europe

- **$64 Billion**  
  Sourced Acquisition Opportunities in 2020

---

\(^{(1)}\) Beta measured using monthly frequency.  
\(^{(2)}\) Measured as AFFO per share growth | Excludes positive earnings from Crest Net Lease, a subsidiary of Realty Income, as earnings do not reflect recurring business operations.  

Note: The area chart reflects Realty Income’s total shareholder return since 10/18/1994
Realty Income is the Global Leader in a Highly Fragmented Net Lease Sector

SIZE, SCALE AND QUALITY

- **$35B** enterprise value
- **$1.9B** annualized base rent
- **A3 /A-** credit ratings by Moody’s & S&P
- **52+** years of operating history
- **7,018** commercial real estate properties
- **~50%** of rent from investment grade clients\(^{(1)}\)

GROWING INTERNATIONAL PRESENCE

- **10\(^{th}\)** largest global REIT\(^{(2)}\)
- **$3.3B** European Portfolio
- **114** assets
- **100%** occupancy
- **11** years remaining lease term\(^{(3)}\)
- **10+** industries

DIVERSIFIED REAL ESTATE PORTFOLIO

- **~650** clients
- **60** industries
- **50** U.S. states, Puerto Rico, Spain and the U.K.
- **~96%** of total rent is resilient to economic downturns and/or isolated from e-commerce pressures

STRONG DIVIDEND TRACK RECORD\(^{(4)}\)

- **616** monthly dividends declared
- **96** consecutive quarterly increases
- **S&P 500** Dividend Aristocrats\(^{®}\) index member

\(^{(1)}\) Clients and clients that are subsidiaries or affiliates of companies with a credit rating of Baa3/BBB- or higher from one of the three major rating agencies (Moody’s/S&P/Fitch).

\(^{(2)}\) As of September 30, 2021.

\(^{(3)}\) As of October 2021 dividend declaration.

\(^{(4)}\) As measured by equity market capitalization of FTSE EPRA Nareit Global REITs TR Index Constituents.
Valuation Considerations Normalizing for Historically Low Treasury Yields

HISTORICAL NTM AFFO YIELD SPREAD VS 10 YEAR US TREASURY

30 Day Moving Average

Median = 331 bps

In order for O's AFFO yield spread to normalize to its historical median, annual AFFO would have to decline to $3.42, a 14% decline relative to the midpoint of O's 2022 AFFO/sh guidance.

Bond market bifurcation: Realty Income spreads near pre-pandemic lows...

Rated A3 by Moody’s
Rated A- by S&P


(1) Assuming 10y UST yield of 1.50%, $71 stock price, and 2022 AFFO/sh guidance range of $3.84-$3.97.

(2) Represents estimated G spreads on Realty Income benchmark 10-year unsecured notes outstanding.
Performance Track Record

Superior risk-adjusted returns, particularly during economic downturns
Attractive Risk/Reward vs. S&P 500 Companies and Blue-Chip REITs

**S&P 500 Members**

- **Realty Income return per unit of market risk is in the 95th percentile of all S&P 500 companies**
- **Return:** 15.1%
- **Beta:** 0.46

**S&P 500 REIT Peers**

- Historically, Realty Income delivered more return per unit of risk vs. majority of S&P 500 companies and S&P 500 REITs.

Source: Bloomberg

(1) n=259 | As of 9/30/2021 | Excludes companies without trading histories dating to 1994 | Beta measured using monthly frequency.

(2) Excludes REITs without trading histories dating to 1994.
Low Earnings and Dividend Volatility Supports Low Share Price Volatility

ANNUAL TOTAL SHAREHOLDER RETURN AMONG S&P 500 COMPANIES:
Downside Volatility Since 1994\(^{(1)}\)

Realty Income’s TSR Downside Volatility since 1994 NYSE Listing is 3.5%, the sixth-lowest of all S&P 500 constituents\(^{(2)}\)

Source: Bloomberg

\(^{(1)}\) “Downside volatility” calculated as the standard deviation of annual total shareholder returns where positive values are assigned “0” value.

\(^{(2)}\) n=259 S&P 500 constituents with trading histories dating to Realty Income’s 1994 NYSE listing.
Superior Stability vs. Peers: Consistent Growth Maintained Through Pandemic

+3.1%

2020 Dividend Growth

1 of 8 Net Lease REITs(2)
1 of 15 S&P 500 REITs(3)
1 of 7 Retail REITs(4)

THAT INCREASED DIVIDEND IN 2020

2020 Earnings Per Share Growth(1)

Net Lease Peers: +2.1%
S&P 500 REIT Peers: -5.2%
Retail REIT Peers: -6.8%

1 of 4 Net Lease REITs(2)
1 of 7 S&P 500 REITs(3)
1 of 4 Retail REITs(4)
WITH POSITIVE EARNINGS GROWTH IN 2020

(1) Measured as median AFFO/sh growth rate for net lease peers and median FFO/sh growth rates for S&P 500 and retail REIT peers.
(2) Net lease peers include ADC, EPRT, FCPT, GTY, NNN, SRC, STOR, VER, WPC.
(3) Includes 22 S&P 500 constituents, excluding non-property REITs, such as AMT, CCI, EQIX, IRM, SBAC, WY.
(4) 25 total Retail REITs including shopping center and mall REITs, and ADC, EPRT, FCPT, GTY, NNN, O, SRC, STOR, VER.
**Superior Stability Through Pandemic:**
Realty Income Emerged Stronger and Better Positioned

### SIZE, SCALE AND LIQUIDITY

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Value (in billions)</td>
<td>$32.5</td>
<td>$35.0</td>
</tr>
<tr>
<td>Annualized Contractual Rent (in millions)</td>
<td>$1,553</td>
<td>$1,888</td>
</tr>
<tr>
<td>Available Liquidity (in millions)&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$2,350</td>
<td>$3,112</td>
</tr>
<tr>
<td>Fixed Charge Coverage Ratio</td>
<td>5.0x</td>
<td>6.1x</td>
</tr>
</tbody>
</table>

### LEVERAGE AND DEBT MATURITY SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt-to-EBITDAre</td>
<td>5.5x</td>
<td>5.0x</td>
</tr>
<tr>
<td>Total Debt / Total Market Capitalization</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Weighted Average Bonds Maturity (years)</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Total Debt Due in the Next Two Years (in millions)&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$653</td>
<td>$882</td>
</tr>
</tbody>
</table>

### AMPLE EXTERNAL GROWTH OPPORTUNITIES

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>YTD 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Volume Sourced (in billions)</td>
<td>$57</td>
<td>$64</td>
</tr>
<tr>
<td>Selectivity</td>
<td>7%</td>
<td>&lt; 6%</td>
</tr>
<tr>
<td>Annual Acquisitions Guidance (in billions)</td>
<td>$3.25 to $3.50</td>
<td>$&gt; 5.0</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Net of $405 million of commercial paper notes outstanding. Liquidity calculation excludes availability under the $1.0 billion commercial paper program. We use our unsecured revolving credit facility as a liquidity backstop for the repayment of the notes issued under this program.

<sup>(2)</sup> Excluding commercial paper and revolver maturities.

Despite volatility brought upon by the pandemic, the overall portfolio and balance sheet weathered the storm due to our commitment to a **prudent capital structure** and the **resiliency of our portfolio**. The highest FCCR in our history. The highest acquisition guidance ever provided.
Superior Stability vs S&P 500 REITs: Favorable Occupancy, Dividend Growth, Credit Rating and Total Return

PORTFOLIO OCCUPANCY

Historical Median: 98.4%
Lowest Year-End: 96.6%

DIVIDEND GROWTH

% of Years with Negative Growth: 0%
Dividend CAGR: 4.3%

AVG. CREDIT RATING (S&P/MOODYS)

S&P 500 REIT Median

Source: SNL, Bloomberg | Excludes specialty REITs (i.e., infrastructure, timber, information services).
(1) Since 1995. Excludes REITs with fewer years of history than Realty Income.
(2) As of October 2021 dividend declaration.
Realty Income Exhibited the Lowest Operational and Financial Volatility During Great Recession vs. A-Rated S&P 500 REITs

2007 – 2009 relative rankings

<table>
<thead>
<tr>
<th>RANK</th>
<th>RENTAL REVENUE&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>GROSS MARGIN&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>EBITDA&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>EBITDA MARGIN&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>DEBT/EBITDA&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>UNSECURED/TOTAL DEBT&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>OCCUPANCY RATE&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.1x</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.8%</td>
<td>0.3x</td>
<td>1.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>3</td>
<td>3.1%</td>
<td>1.1%</td>
<td>3.8%</td>
<td>1.3%</td>
<td>0.5x</td>
<td>1.5%</td>
<td>0.3%</td>
</tr>
<tr>
<td>4</td>
<td>3.7%</td>
<td>1.4%</td>
<td>4.3%</td>
<td>2.0%</td>
<td>1.5x</td>
<td>2.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>5</td>
<td>4.0%</td>
<td>1.7%</td>
<td>5.7%</td>
<td>2.2%</td>
<td>2.2x</td>
<td>2.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>6</td>
<td>4.2%</td>
<td>1.7%</td>
<td>9.7%</td>
<td>7.4%</td>
<td>2.2x</td>
<td>2.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td>7</td>
<td>9.7%</td>
<td>9.4%</td>
<td>31.9%</td>
<td>20.3%</td>
<td>3.3x</td>
<td>4.9%</td>
<td>N/A&lt;sup&gt;(3)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Source: SNL

<sup>(1)</sup> Downside Volatility calculated as the standard deviation around zero of quarterly percentage changes in each metric shown, where positive changes are replaced with zero.

<sup>(2)</sup> Upside Volatility calculated as the standard deviation around zero of quarterly percentage changes, where negative changes are replaced with zero.

<sup>(3)</sup> Company did not report consolidated quarterly portfolio occupancy during 2007-2009.
Leveraging Size and Scale to Drive Profitable Growth

The net lease opportunity set is broad and unconstrained.
Size and Scale as a Competitive Advantage

Inherent advantages of size and scale drive...

1. **OPTIMIZED PORTFOLIO PROFITABILITY**
   Leverage our 52+ year history and trove of portfolio data to capitalize on unique insights driven by predictive analytics

2. **DISCIPLINED CREATIVITY**
   Selectively pursue large-scale sale-leaseback or portfolio transaction opportunities without creating financing contingencies or concentration risks

3. **CALCULATED CONSOLIDATION**
   Take advantage of attractive consolidation opportunities in the extremely fragmented net lease space
Global Net Lease Investable Universe is Immense

Quantum of opportunity and low market saturation affords ample runway for growth

**AGGREGATE NET LEASE**

- **Market**
  - **EUROPE**
    - Combined enterprise value of public net lease REITs of ~$6 billion
  - **UNITED STATES**
    - Combined enterprise value of public net lease REITs of ~$145 billion

**PUBLIC NET LEASE**

- **Peers**
  - **EUROPE**
    - ~14 peers
  - **UNITED STATES**
    - ~3 peers

**To achieve similar market saturation, Realty Income’s enterprise value in Europe would approximate ~$68B, or ~21X the current portfolio size**

- **EUROPE**
  - Public net lease REITs account for <1% of total addressable universe
- **UNITED STATES**
  - ~$145 B

1) Represents “traditional” net lease peers, excluding gaming REITs.
Realty Income’s External Growth Opportunities are Broad and Unconstrained

International Expansion Has Accelerated Sourcing Volume Over the Last 2 Years...

Which Resulted in Increased Selectivity
Earnings Growth Remains Strong As Size of Portfolio Continues to Increase

**AFFO/SH GROWTH:**

---

### Historical Median

- **5.1%**
- Stronger historical growth rate vs. REITs (3.2%)\(^{(1)}\)
- Positive earnings growth in 24 of 25 years
- Modest annual downside volatility of 2.8%\(^{(2)}\)

### Since 1995

- **5.1%**
- Proven track record of maintaining 5%+ earnings CAGR since listing regardless of size
- In 2012, portfolio GREAL was < $6B and earnings CAGR was 4.5%
- Earnings growth has accelerated as portfolio real estate value crossed $10B:
  - **6.4%** AFFO/SH CAGR since 2012

---

\(^{(1)}\) Median FFO | Represents all REITs currently included in MSCI REIT Index with earnings history since 2000 | Source: SNL.

\(^{(2)}\) Volatility of earnings growth, where accelerating year-over-year growth is replaced with “0”.

\(^{(3)}\) Excludes positive earnings from Crest Net Lease, a subsidiary of Realty Income, as earnings do not reflect recurring business operations.

\(^{(4)}\) Gross real estate asset value reflects historical year end real estate held for investment, at cost (in millions)
Filling the Void as a Premier Sale-Leaseback Financing Partner

THE OPPORTUNITY
Aggregate Corporate-Owned Real Estate\(^{(1)}\)

S&P 500® \(~$1.5\) TRILLION

FTSE Russell 3000 \(~$500\) BILLION

\(\text{Blue-chip, best-in-class operators represent Realty Income’s target market and account for} \sim 75\% \text{ of real estate owned by public companies}\)

Source: Bloomberg
\(^{(1)}\) Represents real estate owned by publicly traded companies. Calculated as the sum of gross book values of land, buildings, improvements and construction in progress. Excludes energy, financial and real estate industries.

MOMENTUM
Realty Income is Well-Positioned to Continue to Execute on Large-Scale Sale-Leaseback Transactions

AGGREGATE ACQUISITIONS VOLUME
2015 – YTD 2021

\(~40\%\) of total acquisitions volume since 2015

<table>
<thead>
<tr>
<th>TOTAL ACQUISITIONS VOLUME</th>
<th>SLB VOLUME</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16 bln</td>
<td>$6 bln</td>
</tr>
</tbody>
</table>
Crystallizing Value Creation: Illustrative Sale-Leaseback Scenarios

$500 MILLION SALE-LEASEBACK TRANSACTION AT 6.0% CAP RATE
$30 MILLION ANNUAL LEASE PAYMENT

**CORPORATE SELLER USES PROCEEDS TO DE-LEVERAGE BALANCE SHEET...**

<table>
<thead>
<tr>
<th>$ IN MILLIONS</th>
<th>PRE-SLB</th>
<th>ADJUSTMENTS</th>
<th>POST-SLB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Real Estate</strong></td>
<td>$500</td>
<td>($500)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>$3,100</td>
<td>($500)</td>
<td>$2,600</td>
</tr>
<tr>
<td><strong>Rent</strong></td>
<td>$0</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td><strong>Total Lease Adj. Debt</strong></td>
<td>$3,100</td>
<td>($500) + $225</td>
<td>$2,825</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$800</td>
<td>($30)</td>
<td>$770</td>
</tr>
<tr>
<td><strong>Total Debt / EBITDA</strong></td>
<td>3.9x</td>
<td>3.4x</td>
<td></td>
</tr>
<tr>
<td><strong>Lease Adj. Debt / EBITDAR</strong></td>
<td>3.9x</td>
<td>3.5x</td>
<td></td>
</tr>
</tbody>
</table>

(1) Assuming rating agency rent capitalization at 7.5x.

**CORPORATE SELLER USES PROCEEDS FOR SHARE BUYBACK...**

<table>
<thead>
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<th>PRE-SLB</th>
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<td>3.9x</td>
<td>3.4x</td>
<td></td>
</tr>
<tr>
<td><strong>Lease Adj. Debt / EBITDAR</strong></td>
<td>3.9x</td>
<td>3.5x</td>
<td></td>
</tr>
<tr>
<td><strong>Common Equity</strong></td>
<td>$6,000</td>
<td>($500) + $140</td>
<td>$5,640</td>
</tr>
<tr>
<td><strong>Shares Outstanding</strong></td>
<td>100</td>
<td>($500/$60)</td>
<td>91.7</td>
</tr>
<tr>
<td><strong>Price/Share</strong></td>
<td>$60</td>
<td></td>
<td>$61.5</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>$500</td>
<td>($30)</td>
<td>$470</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$5.00</td>
<td></td>
<td>$5.13</td>
</tr>
<tr>
<td><strong>P/E</strong></td>
<td>12.0x</td>
<td></td>
<td>12.0x</td>
</tr>
</tbody>
</table>

**Note:** Assuming constant P/E | Corporate seller uses $500 million of SLB proceeds to buy back 8.3 million shares at $60/sh.

**SLB transactions:** Inherently a deleveraging and value-enhancing exercise for shareholders of corporate sellers.
Net Lease Investment Opportunity Set is Not Constrained by Property Type

Diageo Transaction in 2010: Template for Creative Sale-Leaseback Opportunities

<table>
<thead>
<tr>
<th>REALTY INCOME INVESTMENT CRITERIA</th>
<th>DIAGEO PORTFOLIO ATTRIBUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEASE</strong></td>
<td></td>
</tr>
<tr>
<td>Triple Net Lease</td>
<td>✔ Triple Net, Sale-Leaseback Transaction</td>
</tr>
<tr>
<td>Long Lease Term</td>
<td>✔ 20-year term with extension options for up to 60 years</td>
</tr>
<tr>
<td><strong>REAL ESTATE</strong></td>
<td></td>
</tr>
<tr>
<td>Single-Client Commercial Property</td>
<td>✔ 17 Vineyards leased to Diageo</td>
</tr>
<tr>
<td>Strategic Location</td>
<td>✔ Napa Valley</td>
</tr>
<tr>
<td><strong>CLIENT</strong></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Rated</td>
<td>✔ A- / A3 /A-</td>
</tr>
<tr>
<td>Strong Financial Position</td>
<td>✔ Low leverage, strong coverage ratios, and solid free cash flow generation</td>
</tr>
<tr>
<td>Industry Leader</td>
<td>✔ Diageo is a leading global premium drink company (brands include Smirnoff, Baileys, Don Julio, Tanqueray and Guinness)</td>
</tr>
</tbody>
</table>

**QUANTIFYING VALUE OF THE INVESTMENT GRADE CREDIT**

In 2016-2017, Diageo paid $75 mm for a release of the guarantee, reducing Realty Income's cost basis by ~25% and resulting in a 10% adjusted cap rate. Treasury Wine Estates, which has lower corporate leverage but no public debt outstanding, assumed the corporate guarantee.
Efficiency of the Net Lease Business Model Supports Cash Flow Stability

Lease structure and growth drivers support a more predictable revenue stream relative to other forms of retail real estate.

### UNIQUE "NET LEASE" STRUCTURE DRIVES LOWER CASH FLOW VOLATILITY

<table>
<thead>
<tr>
<th></th>
<th>REALTY INCOME</th>
<th>SHOPPING CENTERS AND MALLS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Length of Lease</strong></td>
<td>15+ Years</td>
<td>&lt; 10 Years</td>
</tr>
<tr>
<td><strong>Remaining Average Term</strong></td>
<td>~ 9 Years</td>
<td>~ 5-7 Years</td>
</tr>
<tr>
<td><strong>Responsibility for Property Expenses</strong></td>
<td>Client</td>
<td>Landlord</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>&gt; 98%</td>
<td>~ 75%</td>
</tr>
<tr>
<td><strong>Volatility of Rental Revenue</strong></td>
<td>Low</td>
<td>Modest / High</td>
</tr>
<tr>
<td><strong>Maintenance Capital Expenditures</strong></td>
<td>Low</td>
<td>Modest / High</td>
</tr>
<tr>
<td><strong>Reliance on Anchor Tenant(s)</strong></td>
<td>None</td>
<td>High</td>
</tr>
<tr>
<td><strong>Average Retail Property Size / Fungibility</strong></td>
<td>12k sf / High</td>
<td>150k–850k sf / Low</td>
</tr>
</tbody>
</table>

### AMPLE EXTERNAL GROWTH OPPORTUNITIES

<table>
<thead>
<tr>
<th></th>
<th>REALTY INCOME</th>
<th>SHOPPING CENTERS AND MALLS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target Markets</strong></td>
<td>Many</td>
<td>Few</td>
</tr>
<tr>
<td><strong>External Acquisition Opportunities</strong></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Institutional Buyer Competition</strong></td>
<td>Modest</td>
<td>High</td>
</tr>
</tbody>
</table>

External acquisitions drive ~2/3 of total earnings growth.
Prudent Capital Allocation

Building a high-quality real estate portfolio through prudent, top-down, data-driven investment process.
Curating Best-in-Class Portfolio Through Thoughtful Investment Process Supported by Proprietary Data From Over 7,000 Properties

**RESEARCH AND STRATEGY**

**Strategic Objectives:**
- Identify “Mega Trends”
- Research Geographies, Industries and Prospective Clients
- “Big Data” Analysis of New and Existing Industries
- Construct Optimal Portfolio

**Considerations Include:**
- Market & Location
- Surrounding Demographics
- Traffic Counts, Access & Signage
- Rent Relative to Market
- Price vs Replacement Cost
- Lease Term & Rent Escalators
- Alternative Use and Fungibility
- IRR Scenario Analysis

**ANALYSIS OF CLIENT FINANCIAL STRENGTH**

**Key Insights:**
- Long-Term Industry Trends
- Competitive Landscape
- Corporate Financial Profile
- Client’s Long-Term Growth Strategy
- Store-Level Performance
- ESG Metrics

**INVESTMENT COMMITTEE DISCUSSION AND DECISION**

**Discussion Points:**
- Fit in Portfolio and Company Strategy
- Consideration of Overall Opportunity
- Pricing and Other Deal Terms
- Investment Spreads and Long-Term IRR vs Long-Term WACC

**SELECTIVITY: < 6%**

- **$64 Billion** YTD 2021 Sourced Opportunities
- **$3.8 Billion** YTD 2021 Acquisitions Volume

- YTD 2021 28 RESEARCH AND STRATEGY
Investment Strategy: Returns Must Exceed Long-Term WACC

WACC viewpoint balances near-term earnings per share growth with long-term value accretion

**KEY ASSUMPTIONS & CALCULATION:**

**LONG-TERM COST OF EQUITY**

<table>
<thead>
<tr>
<th>Component</th>
<th>Methodology</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta vs. S&amp;P 500 (since S&amp;P 500 Index Inclusion on 4/6/15)</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>Long-term 10-year U.S. yield (Fitted Instantaneous Forward Rate)</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Equity market risk premium (S&amp;P 500 Earnings Yield vs 10Y UST)</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Long-Term Cost of Equity (CAPM methodology)</strong></td>
<td><strong>5.9%</strong></td>
<td></td>
</tr>
<tr>
<td>Dividend yield</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Assumed long-term dividend growth rate</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Long-Term Cost of Equity (Yield + Growth methodology)</strong></td>
<td><strong>8.0%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Long-Term Cost of Equity (Average of two methodologies)</strong></td>
<td><strong>7.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**SHORT-TERM**

“Nominal 1st-Year Weighted Average Cost of Capital

- Drives investment decision-making at the property level
- Considers required “growth” component of equity returns
- Long-term WACC is the hurdle rate for acquisitions
- Focus on higher long-term IRR discourages risk-taking

**KEY ASSUMPTIONS & CALCULATION:**

**NOMINAL 1ST-YEAR WACC**

<table>
<thead>
<tr>
<th>Component</th>
<th>Equity: AFFO Yield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>62% Equity: AFFO Yield</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>33% Debt: unsecured, 10-year, fixed</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>5% Retained Free Cash Flow</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

**LOW NOMINAL WACC** supports ability to spread invest in high-quality real estate opportunities

**LONG-TERM WACC** considers growth requirements of equity and supports focus on residual value of acquisitions

Note: Cost of capital information uses illustrative assumptions only (as of 10/29/2021). AFFO yield is based on the NTM AFFO/sh consensus. Cost of debt is based on a mix of USD-denominated, GBP-denominated, and EUR-denominated debt.
Philosophical Capital Allocation Mindset: Utilizing Low Cost of Capital to Assemble Highest-Quality Portfolio in Marketplace

"HIGH YIELD" INVESTMENT CHARACTERISTICS (HIGHER CAP RATES):
- Above-market rents / financially-engineered cap rates
- Poor credit or limited credit availability and track record
- Thin industry-specific rent coverage
- Poor real estate (low residual value)
- Short lease terms
- Volatile industries
- Lower long-term IRR

"HIGH QUALITY" INVESTMENT CHARACTERISTICS (LOWER CAP RATES):
- At or below-market rents
- Strong credit / proven sponsors & clients
- Above-average rent coverage
- Flexible alternative use
- Long lease terms
- Stable industries
- Higher long-term IRR

Lower cost of capital allows Realty Income to invest in higher quality opportunities to derive the same spread.

Higher cost of capital forces companies to invest in riskier investment opportunities to derive 150 bps of spread.

Note: Cost of capital information uses illustrative assumptions only.
Investment Spreads Tend to Persevere Even as Interest Rates Rise

RISING INTEREST RATES DO NOT POSE SIGNIFICANT EARNINGS HEADWIND TO THE NET LEASE BUSINESS MODEL

It takes ~12 months for cap rates to adjust to changing interest rates...

R2=0.9

RECESSIONARY ENVIRONMENT PRESENTS ATTRACTIVE ACQUISITIONS OPPORTUNITIES

Measured as acquisition cap rate spread over average 10-year Treasury during a given year

Indicates recession years

Acquisition Cap Rate
Average 10Y UST Yield (12M Lag)
Benefits of Size and Scale

Capacity to Buy in Bulk at “Wholesale” Prices While Maintaining Diversification

LARGER SIZE PROVIDES GROWTH OPTIONALITY

| TRANSACTION SIZE & IMPACT (1) TO RENT CONCENTRATION |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| TOTAL ABR      | $100           | $200           | $300           | $400           | $500           | $1,000         |
| $200           | 3%             | 6%             | 8%             | 11%            | 13%            | 23%            |
| $400           | 1%             | 3%             | 4%             | 6%             | 7%             | 13%            |
| $600           | 1%             | 2%             | 3%             | 4%             | 5%             | 9%             |
| $800           | 1%             | 1%             | 2%             | 3%             | 4%             | 7%             |
| $1,000         | 1%             | 1%             | 2%             | 2%             | 3%             | 6%             |
| $1,900         | <1%            | <1%            | <1%            | <1%            | <2%            | 3%             |
| $2,800(2)      | <1%            | <1%            | <1%            | <1%            | <1%            | 1%             | 2%             |

Peers with smaller denominators lack ability to buy in bulk without incurring material diversification risk.

$2.8 BILLION ABR

Increased scale post merger allows Realty Income to pursue even larger sale-leaseback transactions without compromising prudent client and industry diversification metrics.

(1) Assumes 6.0% cap rate | in millions.
(2) Estimated ABR post merger.

SCALE AND SIZE BENEFITS ILLUSTRATED

$1.2B portfolio transaction at ~7% cap rate

444 single-client properties

~9.5Y WALT

58% investment-grade clients

CIM Transaction (Dec 2019)

• Realty Income estimates cap rate represented a portfolio discount relative to sum-of-the-parts valuation

• Top 3 client concentration – Dollar General, Walgreens, Dollar Tree / Family Dollar

• Negligible impact to key portfolio concentrations:

<table>
<thead>
<tr>
<th>Client</th>
<th>3.8%</th>
<th>4.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar General</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollar Tree / Family Dollar</td>
<td>3.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Walgreens</td>
<td>5.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Dollar Stores</td>
<td>7.1%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

(1) Assumes 6.0% cap rate | in millions.
(2) Estimated ABR post merger.
## Benefits of Size and Scale: Greater EBITDA Flow-Through to Bottom Line

**Operating efficiencies** continue to scale as Realty Income grows.

<table>
<thead>
<tr>
<th></th>
<th>NET LEASE PEER MEDIAN(^{(2)})</th>
<th>S&amp;P 500 REIT PEER MEDIAN(^{(3)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G&amp;A AS % OF RENTAL REVENUE</strong></td>
<td>5.0%</td>
<td>9.1%</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA Margin</strong></td>
<td>93.4%</td>
<td>88.2%</td>
</tr>
<tr>
<td><strong>G&amp;A AS % OF GREAV</strong></td>
<td>33 bps</td>
<td>71 bps</td>
</tr>
<tr>
<td></td>
<td></td>
<td>68 bps</td>
</tr>
</tbody>
</table>

**Source:** Bloomberg

\(^{(1)}\) 2018 G&A excludes $18.7 million severance to former CEO paid in 4Q18 | 2020 G&A excludes $3.5 million severance to former CFO paid in 1Q20. Percentage of rental revenue calculation excludes reimbursements.

\(^{(2)}\) Based on trailing twelve months. Net Lease peers include ADC, BNL, EPR, EPRT, FCPT, GTY, LXP, NNN, NTST, SRC, STAG, STOR, VER, WPC.

\(^{(3)}\) Based on trailing twelve months. Excludes non-property REITs: AMT, CCI, EQIX, IRM, SBAC, WY.

---

*Portfolio growth* resulted in improved operating margins, which compare favorably vs. *industry peers*.
Recent Acquisitions Demonstrate Bias Towards Quality

**UNITED STATES**

- **Property Type:** Class A Industrial
- **Size:** approx. 2mm SF
- **Year Built:** 2020 – 2021
- **Strategic Location:** DFW (Texas) / $37B+ in annual economic impact
- **Client Industry:** Warehousing / Distribution / E-commerce
- **Lease Term:** approx. 11 years
- **Contractual Rent Escalators:** annual fixed increases of 2.0%+
- **Key Real Estate Attributes:** 15-minute drive population of ~650k, healthy direct vacancy rate of ~5%, annual net absorption of over 20mm sq. ft. for the fifth consecutive year
- **“Green” Attributes:** LED lighting, ESFR sprinkler system, TPO roofing, efficient HVAC

**EUROPE**

- **Property Type:** Retail
- **Transaction Type:** Strategic sale-leaseback with Carrefour in Spain
- **Purchase Price:** approx. €93mm
- **Location:** Canary Islands, Valencia, Madrid, Basque Country, Navarra, and Castile and León
- **Lease Term:** approx. 10 years
- **Contractual Rent Escalators:** annual inflation-linked increases
- **Client Profile:** Carrefour is the second-largest grocer in Spain and the eighth-largest retailer in the world with ~€70 billion in annual revenue
- **Investment Grade Credit:** ‘BBB’ / ‘Baa1’ by S&P and Moody’s
- **Key Real Estate Attributes:** average 10-minute drive population of ~200k, portfolio’s average household income above the Spanish median, below market rents support future releasing prospects
Fortress Balance Sheet

Our conservative capital structure supports superior financial flexibility.
Fortress Balance Sheet – One of Only Seven U.S. REITs with Two A3/A- Ratings or Better

FAVORABLE CREDIT RATINGS
Long-Term Unsecured Debt Rating

Moody’s: A3 / Stable
S&P Global: A- / Stable

KEY CREDIT METRICS

Low Leverage / High Coverage Ratios
Net Debt to EBITDA: 5.0x
Fixed Charge Coverage Ratio: 6.1x

Conservative Long-Term Debt Profile
Unsecured: 97%
Fixed Rate: 96%

Debt to Total Market Cap: 26%
W.A. term to maturity for notes & bonds: 8.3 yrs

STAGGERED DEBT MATURITY PROFILE (1)
In $ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial Paper</th>
<th>GBP Denominated Notes (2)</th>
<th>Term Loan</th>
<th>Revolver (3)</th>
<th>Mortgages (4)</th>
<th>Unsecured Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$406</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$112</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>$770</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>$712</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>$541</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>$975</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td>$1,140</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td>$550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2029</td>
<td>$500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>$540</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2031</td>
<td>$950</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2032+</td>
<td>$2,098</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) As of 9/30/2021.
(2) Represents the principal balance (in USD) of Sterling-denominated note offerings and Sterling-denominated private placement offering converted at the applicable exchange rate on September 30, 2021.
(3) As of September 30, 2021, there was no balance of borrowings outstanding under our revolving credit facility. The revolver has a $1 billion accordion feature, which is subject to obtaining lender commitments.
(4) Includes the principal balance (in USD) of one Sterling-denominated mortgage payable of £31 million converted at the applicable exchange rate on September 30, 2021.
Ample Liquidity and Low Borrowing Costs Support Enhanced Financial Flexibility

$3,112
Liquidity

Revolver Availability
$2,595

(Net of $405mm borrowings under $1.0 billion commercial paper program)\(^1\)

Cash & Equivalents
$517

Sources

$518
Debt Obligations through 2022

Excess Liquidity, $2,595

Mortgages Payable, $113

CP Borrowings, $405

Uses Through 2022

Note: Values shown in millions.
Uses: Excludes interest expense, ground leases paid by Realty Income or our clients, and commitments under construction contracts.
\(^1\) We use our revolving credit facility as a liquidity backstop for the repayment of the notes issued under our commercial paper program. The revolver has a $1 billion accordion feature, which is subject to obtaining lender commitments.
High-Quality Real Estate Portfolio

Diversified exposure to cash flows guaranteed by best-in-class, blue-chip operators
### Diversified High-Quality Portfolio

**CLIENT DIVERSIFICATION – TOP 20 CLIENTS**

<table>
<thead>
<tr>
<th>Client</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-ELEVEN</td>
<td>5.7%</td>
</tr>
<tr>
<td>Walmart</td>
<td>2.3%</td>
</tr>
<tr>
<td>Family Dollar</td>
<td>3.3%</td>
</tr>
<tr>
<td>Sainsbury's</td>
<td>3.2%</td>
</tr>
<tr>
<td>FedEx</td>
<td>3.4%</td>
</tr>
<tr>
<td>BJ's</td>
<td>1.8%</td>
</tr>
<tr>
<td>Dollar Tree</td>
<td>1.5%</td>
</tr>
<tr>
<td>Family Dollar</td>
<td>1.4%</td>
</tr>
<tr>
<td>AMC Theatres</td>
<td>2.8%</td>
</tr>
<tr>
<td>Regal</td>
<td>2.4%</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
<td>1.4%</td>
</tr>
<tr>
<td>Circuit Q</td>
<td>1.4%</td>
</tr>
<tr>
<td>Lifetime</td>
<td>2.1%</td>
</tr>
<tr>
<td>B&amp;Q</td>
<td>2.0%</td>
</tr>
<tr>
<td>Tesco</td>
<td>1.9%</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>1.4%</td>
</tr>
<tr>
<td>L.A. Fitness</td>
<td>1.4%</td>
</tr>
<tr>
<td>Lifetime</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

- Orange indicates investment grade clients that are companies or their subsidiaries with a credit rating, as of the balance sheet date, of Baa3/BBB- or higher from one of the three major rating agencies (Moody’s/S&P/Fitch).

### INDUSTRY DIVERSIFICATION

**% of Revenue**

- Convenience Stores: 11.6%
- Grocery Stores: 7.5%
- Dollar Stores: 10.9%
- Drug Stores: 7.2%
- Health and Fitness: 5.9%
- Home Improvement: 5.6%
- Restaurants - Quick Service: 5.2%
- Theaters: 5.2%
- Transportation Services: 3.8%
- General Merchandise: 3.7%

(1) Represents total portfolio annualized contractual rent contribution from U.S. and European properties.

### PROPERTY TYPE DIVERSIFICATION

- Agriculture: 1.6%
- Office: 5.0%
- Industrial: 19.2%
- Retail: 83.7%

### GEOGRAPHIC DIVERSIFICATION

- **TEXAS**: 10.9%
- **U.K.**: 9.5%
- **CALIFORNIA**: 8.2%
- **ILLINOIS**: 5.3%
- **FLORIDA**: 4.9%
Top 20 Clients Highly Insulated from Changing Consumer Behavior

All top 20 clients fall into at least one category:

- Non-Discretionary
- Low Price Point
- Service Retail
- Non-Retail

Note: Walmart represented by both Neighborhood Markets and Sam’s Club.
Diligent Underwriting Process Results in Minimal Exposure to Retail Bankruptcies

Realty Income’s strategy is to invest in clients with a non-discretionary, low price point, and / or service-oriented component to their business. **112 of 151 U.S. retailer bankruptcies since 2017** are associated with companies lacking at least one of these characteristics.

<table>
<thead>
<tr>
<th>#</th>
<th>TOTAL RETAILER BANKRUPTCIES SINCE 2017</th>
<th>REALTY INCOME EXPOSURE AND STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>Apparel</td>
<td>Limited exposure to the industry; existing exposure is primarily with off-price retailers that have fared better.</td>
</tr>
<tr>
<td>33</td>
<td>Casual Dining</td>
<td>Immaterial exposure to bankruptcies in this sector. Top two clients are large, national operators with strong access to capital that paid ~97% of rent through the duration of the pandemic.</td>
</tr>
<tr>
<td>19</td>
<td>Specialty Retail</td>
<td>Limited exposure to the industry, primarily with clients selling low price point goods.</td>
</tr>
<tr>
<td>18</td>
<td>General Merchandise</td>
<td>Exposure to clients selling non-discretionary and/or low price point goods.</td>
</tr>
<tr>
<td>8</td>
<td>Grocery</td>
<td>Immaterial exposure to bankruptcies in this industry. Top two US grocery clients (Kroger and Walmart NM) control ~40% of the US grocery market share and have significant size, scale and access to capital to expand their omni-channel platforms. In the UK, Sainsbury’s and Tesco are among the top three grocery operators.</td>
</tr>
<tr>
<td>8</td>
<td>Shoe Stores</td>
<td>Limited exposure to the industry, primarily with off-price retailers.</td>
</tr>
<tr>
<td>6</td>
<td>Sporting Goods</td>
<td>Limited exposure to this industry and immaterial exposure to bankruptcies, as Realty Income has been proactively addressing its investment in this industry since 2016.</td>
</tr>
<tr>
<td>6</td>
<td>Entertainment</td>
<td>Immaterial exposure to entertainment clients outside of the movie theaters, and minimal exposure to bankruptcies.</td>
</tr>
<tr>
<td>5</td>
<td>Health and Fitness</td>
<td>Top two clients are large, national operators with strong scale and access to capital, one of which paid 100% of rent through the duration of the pandemic.</td>
</tr>
<tr>
<td>3</td>
<td>Jewelry / Accessories</td>
<td>Immaterial exposure to this industry. No exposure to bankruptcies.</td>
</tr>
<tr>
<td>3</td>
<td>Consumer Electronics</td>
<td>Immaterial exposure to a large, national operator with strong balance sheet and successful omni-channel platform. No exposure to bankruptcies.</td>
</tr>
<tr>
<td>4</td>
<td>Other Discretionary Retail</td>
<td>No exposure to retailers that filed bankruptcy.</td>
</tr>
</tbody>
</table>
**Investing in Realty Income = Diversified Credit Exposure to Best-in-Class Operators**

Realty Income dividend yield is superior to 10-year bond yields of its underlying clients.

<table>
<thead>
<tr>
<th>PREMIUM YIELD WITH BOND-LIKE SAFETY GUARANTEED BY INVESTMENT GRADE CREDITS</th>
<th>CONVENIENCE STORES</th>
<th>GROCERY STORES</th>
<th>DOLLAR STORES</th>
<th>DRUG STORES</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIVERSIFICATION</td>
<td>✔</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>INCOME GROWTH POTENTIAL</td>
<td>✔</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>25+ YEAR HISTORY OF INCREASING INCOME</td>
<td>✔</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>YIELD PRODUCING</td>
<td>4.4%&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>2.3%&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>1.9%&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>2.3%&lt;sup&gt;(3)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> The sample size represents Realty Income’s clients from top four industries that have ~10-year public unsecured debt outstanding.

<sup>(2)</sup> Represents dividend yield as of 9/30/2021.

<sup>(3)</sup> Weighted average (by rent) ~10-year unsecured bond yields for each industry. As of 9/30/2021.
Credit Valuation Arbitrage: Acquiring Cash Flow from Blue-Chip Operators at Attractive Real Estate Spreads

Top 50 Clients Represent

- ~70% of total annual rent
- ~40% of total annual rent from clients with public ~10-yr notes outstanding
- ~60% of Top 50 clients have an investment grade credit rating
- BBB-/Baa3 weighted average credit rating

Credit Valuation Arbitrage: Acquiring Cash Flow from Blue-Chip Operators at Attractive Real Estate Spreads

- Realty Income’s acquisitions generate ~300 bps spread over comparable bond yields

Source: Bloomberg

(1) Weighted average (by rent) ~10-year bond yields as of 9/30/2021.
(2) As of 9/30/2021.
(3) As measured by rent. ~15% of clients (by rent) are not rated. Investment grade clients are clients with a credit rating of Baa3/BBB or higher from one of the three major rating agencies (Moody’s/S&P/Fitch).
Stable and Predictable Cash Flows Supported by High-Quality Real Estate Portfolio

**Industry-Leading Occupancy Levels, Consistent During Various Economic Cycles**

![Graph showing consistency in occupancy levels across various years.]

**CONSISTENCY BY DESIGN:**
- Careful underwriting at acquisition
- Long initial lease term
- Strong underlying real estate quality
- Strategy of owning “mission critical” locations
- Diversified client industries with strong fundamentals
- Prudent disposition activity

**MAXIMIZING REAL ESTATE VALUE:**
- Strategic management of rollovers
- Proactively addressing portfolio “watch list”
- Resolved over 3,800 lease expirations since 1996

Weighted average lease term of 8.8 years

(1) Includes 22 S&P 500 constituents, excluding non-property REITs, such as AMT, CCI, EQIX, IRM, SBAC, WY.

Occupancy calculated by number of properties. Lease expiration schedule represents percentage of total portfolio annualized contractual rent.
Proven Track Record of Value-Add Asset and Portfolio Management

Strong client retention rates are a testament to real estate quality, operator quality, active asset management and mutually beneficial client relationships.\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retention Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>85%</td>
</tr>
<tr>
<td>2016</td>
<td>77%</td>
</tr>
<tr>
<td>2017</td>
<td>91%</td>
</tr>
<tr>
<td>2018</td>
<td>94%</td>
</tr>
<tr>
<td>2019</td>
<td>93%</td>
</tr>
<tr>
<td>2020</td>
<td>94%</td>
</tr>
<tr>
<td>YTD 2021</td>
<td>81%</td>
</tr>
</tbody>
</table>

Strong client retention supports industry-leading leasing spreads.

- **Rents** at or below market at acquisition result in above 100% recapture ratios at expiration.
- Re-leased over 3,200 properties at 100.8% recapture rate\(^2\) since 1996.
- One of the few net lease companies that report re-leaseing results.

\(^1\) Based on number of leases re-leased to same clients each year.
\(^2\) Reflects cash rent recapture inclusive of client improvement spend (immaterial).

Accretive Re-Leasing Activity is a Result of Prudent Underwriting.\(^2\)
Capital-Light Real Estate Portfolio is a Differentiating Factor vs Other Property Types

Recurring Capital Expenditures as % of NOI:
Realty Income vs. Competing Real Estate Sectors\(^{(1)}\)

Less than 1% of Realty Income’s NOI is spent on recurring capex

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Recurring Capital Expenditures as % of NOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>0.6%</td>
</tr>
<tr>
<td>Shopping Center</td>
<td>5.2%</td>
</tr>
<tr>
<td>Office</td>
<td>6.9%</td>
</tr>
<tr>
<td>Industrial</td>
<td>7.2%</td>
</tr>
<tr>
<td>Mall</td>
<td>7.6%</td>
</tr>
<tr>
<td>Mall</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

Source: SNL, Company Filings.
\(^{(1)}\) Analysis represents simple average of 52 representative companies across five property types. Based on annual data between 2012 and 2020.

“HIDDEN” COST OF SUPPORTING PORTFOLIO REVENUE:
RARELY CAPTURED IN NAREIT-DEFINED FFO MULTIPLES....

NAREIT-DEFINED FUNDS FROM OPERATIONS (FFO)
(NOT INTENDED TO MEASURE CASH GENERATION OR DIVIDEND PAYING CAPACITY)

Generally used as primary valuation multiple for other Real Estate sectors and excludes recurring Capex associated with maintaining revenue-generating capacity of portfolio

….BUT IS BETTER REFLECTED IN AFFO MULTIPLES

ADJUSTED FFO (AFFO)
(CLOSE PROXY FOR RECURRING CASH EARNINGS)

Generally used as a valuation metric for net lease sector and includes impact of recurring Capex (defined by Realty as mandatory and repetitive landlord capex obligations that have a limited useful life)
Sale-leaseback transaction with Sainsbury’s in May 2019 was a foundation for a growth platform in Europe
REALTY INCOME HAS CONTINUED TO GROW ITS EUROPEAN PRESENCE WITH INVESTMENTS OF ~$3.3 BILLION THROUGH SEPTEMBER 30, 2021

114 properties
100% occupancy
~8.9mm leasable square feet
~$187mm annualized contractual rent
~11 years wtd. avg. remaining lease term
9.9% of total portfolio annualized contractual rent

REALTY INCOME’S QUARTERLY INVESTMENT VOLUMES IN EUROPE (in millions)

~$3.3 billion invested in real estate in the U.K. and Spain since international expansion in May 2019
European Portfolio Snapshot (cont’d)

CLIENT DIVERSIFICATION – TOP EUROPEAN CLIENTS

Sainsbury’s 33.6%
B&Q 20.6%
Tesco 19.7%
Other 26.1%

Based on percentages of total European portfolio annualized contractual rent as of September 30, 2021.

Grocery, 65.7%
Home Improvement, 24.2%
Warehousing and Storage, 3.0%
Other, 7.1%

KEY HIGHLIGHTS

- **Diversified portfolio** leased to clients operating in non-discretionary industries
- Sainsbury’s and Tesco are the **top grocers** in the U.K., and Carrefour is the **2nd largest grocer** in Spain
- B&Q (Kingfisher) is the **largest home improvement retailer** in the U.K. and is number two in France

(1) Based on market share. Source: Kantar World Panel.
ESG Overview

We are committed to partnering with our clients on ESG initiatives to uphold our corporate responsibilities as a public company for the benefit of our stakeholders.
ESG Overview

OUR COMMITMENT

Realty Income is committed to conducting our business according to the highest ethical standards. We are dedicated to providing an engaging, inclusive, and safe work environment for our employees, operating our business in an environmentally conscious manner, and upholding our corporate responsibilities as a public company for the benefit of our stakeholders.

OUR STAKEHOLDERS

Investors  Clients  Team  Community

GOVERNANCE(1)

KEY BOARD CHARACTERISTICS

We seek to compose our Board of directors with members who contribute to diversity of background, expertise, perspective, age, gender, and ethnicity.

ESG OVERSIGHT

The Nominating/Corporate Governance Committee of our Board of Directors has direct oversight of the policies, programs and practices related to ESG matters of significance to the company.

| ~40% OF OUR BOARD IDENTIFIES AS FEMALE | ~70% OF OUR BOARD IS FROM UNDERREPRESENTED COMMUNITIES |

92% INDEPENDENT

All our directors other than our CEO are independent.

DIRECTOR TENURE

| <6 years | 6 |
| 6-11 years | 1 |
| >11 years | 5 |

(1) Post VEREIT merger.

Note: for additional information, refer to our Sustainability Report which can be found at: https://www.realtyincome.com/corporate-responsibility/sustainability-report
Social Responsibility

**OUR COMMITMENT:** We put great effort into **cultivating an inclusive company culture.** We are one team, and **together we are committed to providing** an engaging work environment centered on our **values of integrity, respect, and humility.** We hire talented employees **with diverse backgrounds and perspectives** and work to provide an **environment** with regular open communication where capable team members have **fulfilling careers** and are **encouraged** to engage with and make a positive impact with business partners and in the communities where we operate.

- **Hiring and Retention** – Competitive pay & benefits; Internal Talent Mobility Program; Mentorship Program.
- **Human Capital Development** – Continued education; training and development.
- **Employee Health, Safety & Wellbeing** – “O”verall Wellbeing Program.
- **Human Rights** – Read our Human Rights Policy on our website!
- **Engagement** – We conduct employee engagement surveys every 18 months.
- **Social Justice** – Read our Statement on Racial Justice and Equality for All on our website!
- **Community Service** – Our community partnerships and charitable giving reflect our commitment.
Environmental Responsibility

**OUR COMMITMENT:** We remain committed to sustainable business practices in our day-to-day activities by encouraging a culture of environmental responsibility at our headquarters and within our communities. We work with our clients to promote environmental responsibility at the properties we own.

- **Starting** to realize the benefits of property-level energy efficiency commitments.
- **Expanding** and incorporating a greater volume of “Green Lease Clauses”.
- **Scaling** collaborative client engagement projects.
- **Working** with strategic partners to identify sustainable portfolio initiatives.
- **Providing** our team with resources to further client partnership opportunities.
- **Continuing** to strengthen our sustainability governance structure across portfolio.
Green Financing Framework

Summary

We believe we all have a shared responsibility to our community and the planet. As a leading company in the U.S. REIT industry, we feel we have a role to play in driving positive change and we are committed to exploring ways in which we can partner with our clients to realize this objective.

We aspire to be a sustainability leader in the net lease REIT sector and have established a Green Financing Framework that includes the following:

**Use of Proceeds:** Green Buildings, Energy Efficiency, Clean Transportation, Renewable Energy, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Climate Change Adaption

**Process for Project Evaluation and Selection:** Realty Income’s Green Finance Committee (or a subcommittee thereof)

**Management of Proceeds:** Allocation of amount equal to net proceeds to the financing and refinancing of completed, current and future Eligible Green Projects

**Reporting:** Annually until full allocation of net proceeds on the sustainability page of our website and including, where applicable, quantification of environmental benefits using key performance indicators (KPIs)

We have followed the International Capital Market Association’s (ICMA) 2021 Green Bond Principles and received an external review from a leading Second Party Opinion (SPO) provider, DNV, to further establish confidence in our approach.

Note: for additional information, refer to our Green Financing Framework which can be found at: https://www.realtyincome.com/corporate-responsibility/Green-Financing-Framework
Appendix

- VEREIT Refinancing Opportunity Quantified
- Inflation Insulated Business Model
- International Expansion Opportunity
- Top Industry Investment Theses
VEREIT Refinancing Opportunity Quantified

Superior credit ratings and access to international capital markets provide organic growth lever for value creation...

### Cumulative Annualized Interest Expense Accretion

<table>
<thead>
<tr>
<th>Year</th>
<th>Maturities (2)</th>
<th>Rate</th>
<th>$</th>
<th>£</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>239</td>
<td>4.8%</td>
<td>6</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>2023</td>
<td>148</td>
<td>4.3%</td>
<td>9</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>2024</td>
<td>1,175</td>
<td>4.8%</td>
<td>38</td>
<td>43</td>
<td>60</td>
</tr>
<tr>
<td>2025</td>
<td>551</td>
<td>4.6%</td>
<td>51</td>
<td>57</td>
<td>81</td>
</tr>
<tr>
<td>Through 2025</td>
<td></td>
<td></td>
<td>$2,113</td>
<td>$51</td>
<td>$57</td>
</tr>
<tr>
<td>2026</td>
<td>601</td>
<td>4.9%</td>
<td>67</td>
<td>75</td>
<td>105</td>
</tr>
<tr>
<td>2027</td>
<td>633</td>
<td>4.0%</td>
<td>77</td>
<td>87</td>
<td>124</td>
</tr>
<tr>
<td>2028</td>
<td>1,101</td>
<td>2.9%</td>
<td>84</td>
<td>97</td>
<td>146</td>
</tr>
<tr>
<td>2029</td>
<td>601</td>
<td>3.1%</td>
<td>89</td>
<td>104</td>
<td>159</td>
</tr>
<tr>
<td>2030</td>
<td>1</td>
<td>5.5%</td>
<td>89</td>
<td>104</td>
<td>160</td>
</tr>
<tr>
<td>2032</td>
<td>700</td>
<td>2.9%</td>
<td>93</td>
<td>110</td>
<td>174</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$5,750</td>
<td>$93</td>
<td>$110</td>
</tr>
</tbody>
</table>

(1) Estimated based on various 10-yr indicatives as of 10/29/2021.
(2) As of September 30, 2021 reported capital structure adjusted for previously disclosed activity.

Synergies amplified: As capital allocation progresses throughout Europe, refinancing opportunities support natural hedging needs.
Inflation: Immaterial Impact on Realty Income’s Business

While there are inflationary forces at play in the short-term, we believe deflationary trends are likely to counter-balance long-term inflationary pressures. Inflation translates into stronger fundamentals for our clients’ businesses, leading to higher rent coverage ratios. And, as the prices of raw materials, land, and labor increase, the value of our existing portfolio increases as well.

LONG-TERM DEFLATIONARY TRENDS
- **DEBT**: Outstanding debt will eventually have to be repaid
- **CHINA**: Producing goods at low cost and low prices
- **DEMOGRAPHICS**: Aging populations tend to spend less money
- **TECHNOLOGY**: Driving costs down through improved efficiency

SHORT-TERM INFLATIONARY FORCES
- **GOVERNMENT SPENDING**: Printing money as a result of the COVID-19 Pandemic
- **COMMODITY PRICING?**
- **WAGE INFLATION?**
- **CONSUMER SPENDING?**

INFLATION INSULATION
- ~85% Of leases have built in rent escalators
- ~30% Of properties have leases linked to CPI, where most leases have both a multiplier and a capped total increase
- ~53% Of properties have leases with set increases

THE BALANCE OF INFLATIONARY FORCES

Correlation coefficient for inflation vs Realty Income’s performance compared to the FTSE NAREIT US Equity REIT Index: 0.06

Correlation coefficient of inflation and Realty Income relative TSR to the S&P 500 Index: 0.25

Historically, Realty Income has outperformed in an inflationary environment.

**UK Density Supports Long-Term Real Estate Stability**

Limited retail supply and supply growth also supports long-term viability of stable cash flow generation.

---

**UK Population and Projections**

- **Projected Population**: 67.9M (2020)

---

**Retail Square Footage Per Capita**

- **Spain**: 4
- **UK**: 5
- **US**: 24

---

The **UK**, by population, is approximately the size of **California** and **Texas** combined.

The **UK**, by land area, is approximately the size of **Oregon**.

The **UK**, by GDP, is approximately the size of **California**.

Population density and growth, combined with limited retail supply and supply growth, creates compelling opportunity for long-term real estate investors.

---

Source:

1. UK Office for National Statistics.
2. ICSC; Springboard.
3. 2020 GDP: Source: OECD National Accounts Data files; Bureau of Economic Analysis; Savills Aguirre Newman.
Spain Considerations as Market for European Entry:
Strong GDP growth, sizable addressable market, low financing costs

GROWING ECONOMY:
Spain GDP growth is expected to outperform the Euro Area

LARGE ADDRESSABLE MARKET
suggests deep pipeline of future expansion opportunity

Source:
(1) Barclays Economics.
(2) CBRE Research.
Convenience Stores (11.6% of ABR)
Quality real estate locations with inelastic demand

~20% of all shoppers claim to visit a c-store to purchase food-to-go\(^1\).

~70% of inside sales are generated by customers not buying gas\(^2\).

165M people shop in c-stores everyday\(^3\).

GROSS MARGIN\(^3\)

~9% Margin
Gasoline

30%+ Margin
In Store Sales

~70% of gross profit is generated from inside sales

Source:
\(^1\) Explorer Research.
\(^2\) Realty Income estimates based on industry component data.
\(^3\) National Association of Convenience Stores. Gross margins are averages over the past five years.
\(^4\) U.S. Energy Information Administration and Bureau of Transportation Statistics.
\(^5\) Company Filings.

2040 SNAPSHOT
In 2040, EVs will make up about 6% of all vehicles on the road, while EVs will account for about 10% of all new vehicle sales.

AVG AGE OF CARS ON THE ROAD 11.8 YEARS\(^4\)

VEHICLES ON THE ROAD IN 2040\(^4\)

7-ELEVEN: INSIDE SAME-STORE SALES:
18 Consecutive Years of Positive Same-Store Sales Growth\(^5\)

Source:
\(^1\) National Association of Convenience Stores.
\(^2\) Realty Income estimates based on industry component data.
Grocery (10.9% of ABR)

U.S. Grocery Market Share

<table>
<thead>
<tr>
<th>Grocery Client</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart</td>
<td>26%</td>
</tr>
<tr>
<td>Kroger</td>
<td>14%</td>
</tr>
<tr>
<td>Costco</td>
<td>7%</td>
</tr>
<tr>
<td>Amazon</td>
<td>3%</td>
</tr>
<tr>
<td>Dollar General</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>


Realty Income's top two U.S. grocery clients control 40% of U.S. grocery market share.

U.K. Grocery Market Share

<table>
<thead>
<tr>
<th>Grocery Client</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>TESCO</td>
<td>46%</td>
</tr>
<tr>
<td>ASDA</td>
<td>17%</td>
</tr>
<tr>
<td>Sainsbury</td>
<td>8%</td>
</tr>
<tr>
<td>Morrisons</td>
<td>5%</td>
</tr>
<tr>
<td>&quot;Pure play&quot; online</td>
<td>2%</td>
</tr>
</tbody>
</table>


Realty Income's top two U.K. grocery clients control 42% of U.K. grocery market share.

EXPOSURE TO TOP OPERATORS IN AN ESSENTIAL, E-COMMERCE RESISTANT INDUSTRY

POSITIVE OUTLOOK ON THE SPANISH GROCERY INDUSTRY:
Food-at-home spending more prevalent, online grocery spending less common

<table>
<thead>
<tr>
<th>Country</th>
<th>Food-at-Home as % of Total Food Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>66%</td>
</tr>
<tr>
<td>UK</td>
<td>61%</td>
</tr>
<tr>
<td>US</td>
<td>52%</td>
</tr>
</tbody>
</table>

Source: (3) Statista.com, Gov.uk, USDA ERS. (4) CBRE, Statista.com, Multichannelmerchant.com, Kantar.

Pre-COVID Online Grocery Penetration

<table>
<thead>
<tr>
<th>Country</th>
<th>Online Grocery Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1.3%</td>
</tr>
<tr>
<td>US</td>
<td>4.5%</td>
</tr>
<tr>
<td>UK</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Source: (1) Statista.com, Gov.uk, USDA ERS. (2) CBRE, Statista.com, Multichannelmerchant.com, Kantar.
Dollar Stores (7.5% of ABR)

Growing industry: 89% of all shoppers across geographies, income levels, and demographics shop at discount retailers.

US Discount Store Market Size (in billions)\(^1\)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in billions)</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>180</td>
<td>200</td>
<td>220</td>
</tr>
</tbody>
</table>

\(\text{1}\) National Retail Federation.
\(\text{2}\) Company Filings.

Dollar General & Dollar Tree: Same-Store Sales Growth\(^2\)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>5.7%</td>
<td>7.3%</td>
<td>2.0%</td>
<td>4.6%</td>
<td>4.9%</td>
<td>9.5%</td>
<td>4.3%</td>
<td>3.2%</td>
<td>1.7%</td>
<td>1.8%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Counter-cyclical protection due to a trade down effect and e-commerce resiliency.
Drug Stores (7.2% of ABR)

Bundled service partnerships and vertical integration among incumbents insulates industry from outside threats.

Both Walgreens and CVS are investing in improved customer experience.

Walgreens plans to open 1,000 full-service doctor offices by the end of 2027.

CVS aims to implement 1,500 Health HUB locations by the end of 2021.

80% Of the scope of a typical primary care physician treatable at an on-site clinic(1).

85% Of the US population lives within 3 miles of a Walgreens or CVS(2).

~50% Combined retail prescription market share of Walgreens and CVS(3).

Bundled service partnerships and vertical integration among incumbents insulates industry from outside threats.

Walgreens: 33 of 34 Quarters of Positive Same-Store Pharmacy Sales Growth(4).

Source:
(1) CVS filings.
(2) Company Documents.
(3) Company Filings as reported by IQVIA.
(4) Company Filings | Latest reported quarter.
FAVORABLE CONSUMER TRENDS AND DEMOGRAPHIC TAILWINDS:

- Growing market as consumers increasingly value health.
- Consumer surveys indicate that 94% of pre-pandemic gym-goers will return in some capacity\(^1\).

E-COMMERCE RESILIENT INDUSTRY:

- Health clubs offer unique experiences to their members that cannot be replicated online (i.e. socializing, amenities).
- Service-oriented business model makes the core real estate essential to operators.

ATTRACTIVE MARGIN OF SAFETY, EXPOSURE TO TOP OPERATORS:

- Average CFC of portfolio\(^2\) allows for 40% sales drop to breakeven.
- Top exposure is with \#1 operator (L.A. Fitness, a low-cost provider) and premium provider that performed well during prior economic downturn (Life Time Fitness).

<table>
<thead>
<tr>
<th>ORIGINAL ECONOMICS</th>
<th>△</th>
<th>NEW ECONOMICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>100</td>
<td>50%</td>
</tr>
<tr>
<td>STAFFING COSTS</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>REPAIRS &amp; MAINTENANCE</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>EBITDAR</td>
<td>70</td>
<td>20</td>
</tr>
<tr>
<td>RENT</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>EBITDAR COVERAGE</td>
<td>3.5x</td>
<td>1.0x</td>
</tr>
</tbody>
</table>

\(^1\) IHRSA.  
\(^2\) Average CFC of portfolio based on locations that report sales.