

Realty Income Commences Exchange Offer and Consent Solicitation

12.19.2023

SAN DIEGO, Dec. 19, 2023 /PRNewswire/ – Realty Income Corporation (Realty Income, NYSE: O), The Monthly Dividend Company®, today announced the commencement of offers to exchange all validly tendered and accepted notes of the following series issued by Spirit Realty, L.P. ("Spirit"), for notes to be issued by Realty Income as described below (collectively, the "Realty Notes"). A Registration Statement on Form S-4 (the "Registration Statement") relating to the issuance of the Realty Notes was filed with the U.S. Securities and Exchange Commission ("SEC") on December 19, 2023, but has not yet been declared effective.



- 4.450% Notes due 2026 issued by Spirit for up to an aggregate principal amount of \$300 million of new 4.450% Notes due 2026 issued by Realty Income;
- 3.200% Notes due 2027 issued by Spirit for up to an aggregate principal amount of \$300 million of new 3.200% Notes due 2027 issued by Realty Income;
- 2.100% Notes due 2028 issued by Spirit for up to an aggregate principal amount of \$450 million of new 2.100% Notes due 2028 issued by Realty Income;
- 4.000% Notes due 2029 issued by Spirit for up to an aggregate principal amount of \$400 million of new 4.000% Notes due 2029 issued by Realty Income;
- 3.400% Notes due 2030 issued by Spirit for up to an aggregate principal amount of \$500 million of new 3.400% Notes due 2030 issued by Realty Income;
- 3.200% Notes due 2031 issued by Spirit for up to an aggregate principal amount of \$450 million of new 3.200% Notes due 2031 issued by Realty Income;
- 2.700% Notes due 2032 issued by Spirit for up to an aggregate principal amount of \$350 million of new 2.700% Notes due 2032 issued by Realty Income.

The following table sets forth the Exchange Consideration (as defined herein), Early Participation Premium (as defined herein) and Total Consideration (as defined herein) for each series of Spirit Notes (as defined herein):

| | | | Exchange | | Early | | Total | |
|-----------------------------------|---|-----------|---|---------------------------------|---------------|---------------------------------|---------------------------------|--------|
| | | | Consideration ⁽¹⁾ | | Participation | | Consideration ⁽¹⁾⁽²⁾ | |
| Aggregate Principal Amount (\$mm) | Series of Notes Issued by Spirit to be Exchanged (Collectively, the "Spirit Notes") | CUSIP No. | Series of Notes to be Issued by Realty Income | Realty Notes (principal amount) | Cash | Realty Notes (principal amount) | Realty Notes (principal amount) | Cash |
| | | | | | | | | |
| | 4.450% Notes due 2026 | 84861TAC2 | 4.450% Notes due 2026 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| \$300 | | | | | | | | |
| | 3.200% Notes due 2027 | 84861TAE8 | 3.200% Notes due 2027 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| \$300 | | | | | | | | |
| | 2.100% Notes due 2028 | 84861TAH1 | 2.100% Notes due 2028 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| \$450 | | | | | | | | |
| | 4.000% Notes due 2029 | 84861TAD0 | 4.000% Notes due 2029 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| \$400 | | | | | | | | |

| 3.400% Notes | | | | | | | | |
|--------------|------|-----------|------------------|-------|--------|------|---------|--------|
| | due | | 3.400% Notes due | | | | | |
| \$500 | 2030 | 84861TAF5 | 2030 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| 3.200% Notes | | | | | | | | |
| | due | | 3.200% Notes due | | | | | |
| \$450 | 2031 | 84861TAG3 | 2031 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |
| 2.700% Notes | | | | | | | | |
| | due | | 2.700% Notes due | | | | | |
| \$350 | 2032 | 84861TAJ7 | 2032 | \$970 | \$1.00 | \$30 | \$1,000 | \$1.00 |

- (1) Consideration per \$1,000 principal amount of Spirit Notes validly tendered, subject to any rounding as described in the Registration Statement.
- (2) Includes the Early Participation Premium for Spirit Notes validly tendered prior to the Early Consent Date described below and not validly withdrawn.

In connection with the exchange offers, Realty Income is also soliciting consents from holders of the Spirit Notes to amend the indenture governing the Spirit Notes to eliminate substantially all of the restrictive covenants in the indenture (the "Proposed Amendments"). If the Proposed Amendments are adopted, the Spirit Notes will be governed by the amended indenture. Holders of the Spirit Notes under the amended indenture will no longer receive annual, quarterly and other reports from Spirit, and will no longer be entitled to the benefits of various covenants and other provisions in the indenture and certain other provisions.

The exchange offers and consent solicitations (together, the "Exchange Offers") commenced on December 19, 2023 and expire immediately following 5:00 p.m., New York City time, on January 19, 2024, unless extended or terminated (the "Expiration Date"). In exchange for each \$1,000 principal amount of the Spirit Notes that is validly tendered prior to 5:00 p.m., New York City time, on January 10, 2024 (the "Early Consent Date") and not validly withdrawn, holders will receive the total exchange consideration set forth in the table above (the "Total Consideration"), which consists of \$1,000 principal amount of the Realty Notes and a cash amount of \$1.00. The Total Consideration includes the early participation premium set out in the table above (the "Early Participation Premium"), which consists of \$30 principal amount of Realty Notes. In exchange for each \$1,000 principal amount of the Spirit Notes that is validly tendered after the Early Consent Date but prior to the Expiration Date and not validly withdrawn, holders will receive only the exchange consideration set out in the table above (the "Exchange Consideration"), which is equal to the Total Consideration less the Early Participation Premium and so consists of \$970 principal amount of the Realty Notes and a cash amount of \$1.00.

Each Realty Note will have the same maturity date, accrue interest at the same annual interest rate, have the same interest payment dates, and same redemption terms as the Spirit Note for which it is exchanged. Each Realty Note received in exchange for the corresponding Spirit Note will accrue interest from (and including) the most recent date to which interest has been paid on such Spirit Note; provided, that interest will only accrue with respect to the aggregate principal amount of the Realty Note received, which may be less than the principal amount of the Spirit Note tendered for exchange. Except as otherwise set forth in the Prospectus (as defined below), payment will not be received for accrued and unpaid interest on the Spirit Note exchanged at the time of the exchange.

The Realty Notes will be senior unsecured obligations of Realty Income and will rank equally in right of payment with all other existing and future senior indebtedness of Realty Income. The Realty Notes will be effectively subordinated in right of payment to all of Realty Income's existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness) and structurally subordinated to all obligations of Realty Income's subsidiaries with respect to the assets of such subsidiaries, other than any subsidiaries that may guarantee the Realty Notes in the future.

The consummation of the Exchange Offers is subject to, and conditional upon, the satisfaction or waiver (other than the waiver of the condition requiring consummation of the Merger (as defined in the Prospectus)) of the conditions set forth in Realty Income's preliminary

prospectus, dated as of December 19, 2023 (the "Prospectus"), including, among other things, (i) the consummation of the Merger, which is currently expected to close in the first quarter of 2024 subject to customary closing conditions and (ii) receipt of valid consents to the proposed amendments from the holders of at least a majority of the outstanding aggregate principal amount of each series of the Spirit Notes, voting as separate series. Tendered Spirit Notes may be validly withdrawn at any time prior to the Expiration Date. Consents to the Proposed Amendments may be revoked at any time prior to the Early Consent Date, but may not be revoked at any time thereafter. Realty Income may terminate or withdraw the Exchange Offers at any time for any reason.

The closing of the Merger is not conditioned upon the completion of the Exchange Offers.

The dealer manager for the Exchange Offers is:

Wells Fargo Securities, LLC
550 South Tryon Street, 5th Floor
Charlotte, North Carolina 28202
Attention: Liability Management Group
Collect: (704) 410-4759
Toll Free: (866) 309-6316
Email: liabilitymanagement@wellsfargo.com

The exchange agent and information agent for the Exchange Offers is:

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005

Bank and Brokers Call Collect: (212) 269-5550
All Others, Please Call Toll-Free: (866) 796-7184
Email: realtyincome@dfking.com

Requests for copies of the Prospectus can be made directly to the exchange agent and information agent listed above.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities described herein and is also not a solicitation of the related consents. The Exchange Offers may be made only pursuant to the terms and conditions of the Prospectus and the other related materials. A Registration Statement relating to the Realty Notes has been filed with the SEC but has not yet become effective. The Realty Notes may not be sold, nor may offers to buy be accepted, prior to the time the Registration Statement is declared effective by the SEC.


About Realty Income

Realty Income, The Monthly Dividend Company®, is an S&P 500 company and member of the S&P 500 Dividend Aristocrats® index. We invest in people and places to deliver dependable monthly dividends that increase over time. The company is structured as a REIT, and its monthly dividends are supported by the cash flow from over 13,250 real estate properties primarily owned under long-term net lease agreements with commercial clients. To date, the company has declared 642 consecutive common stock monthly dividends throughout its 54-year operating history and increased the dividend 123 times since Realty Income's public listing in 1994 (NYSE: O).

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. When used in this press release, the words "estimated," "anticipated," "expect," "believe," "intend," "continue," "should," "may," "likely," "plans," and similar expressions are intended to identify forward-looking statements. Forward-looking statements include discussions of Realty Income's business and portfolio; strategy, plans, and the intentions of management; and statements regarding the Exchange Offers and Merger including the anticipated or projected impact of the

Merger with Spirit on its business, results of operations, financial condition or prospects. Forward-looking statements are subject to risks, uncertainties, and assumptions about us which may cause its actual future results to differ materially from expected results. Some of the factors that could cause actual results to differ materially are, among others, its continued qualification as a real estate investment trust; general domestic and foreign business, economic, or financial conditions; competition; fluctuating interest and currency rates; inflation and its impact on its clients and us; access to debt and equity capital markets and other sources of funding; continued volatility and uncertainty in the credit markets and broader financial markets; other risks inherent in the real estate business including its clients' defaults under leases, increased client bankruptcies, potential liability relating to environmental matters, illiquidity of real estate investments, and potential damages from natural disasters; impairments in the value of its real estate assets; changes in domestic and foreign income tax laws and rates; its clients' solvency; property ownership through joint ventures and partnerships which may limit control of the underlying investments; current or future epidemics or pandemics, measures taken to limit their spread, the impacts on Realty Income, its business, its clients (including those in the theater and fitness industries), and the economy generally; the loss of key personnel; the outcome of any legal proceedings to which Realty Income is a party or which may occur in the future; acts of terrorism and war; the structure, timing and completion of the announced merger between its subsidiary and Spirit and any effects of the announcement, pendency or completion of the announced merger with Spirit, including the anticipated benefits therefrom; and those additional risks and factors discussed in its reports filed with the SEC. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are not guarantees of future plans and performance and speak only as of the date of this press release. Actual plans and operating results may differ materially from what is expressed or forecasted in this press release. Realty Income does not undertake any obligation to update forward-looking statements or publicly release the results of any forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

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