W. P. CAREY

2020 CEO Letter

Investing for the Long Run®

W. P. CAREY

W. P. Carey Inc. (NYSE: WPC) is a diversified real estate investment trust and one of the largest owners of net lease commercial real estate with an enterprise value of approximately $19 billion.[1] Our portfolio of high-quality, mission-critical assets is located in North America and Europe and is leased to creditworthy companies on a long-term basis. Since our founding in 1973, we have maintained our commitment to providing investors with consistent and rising income.

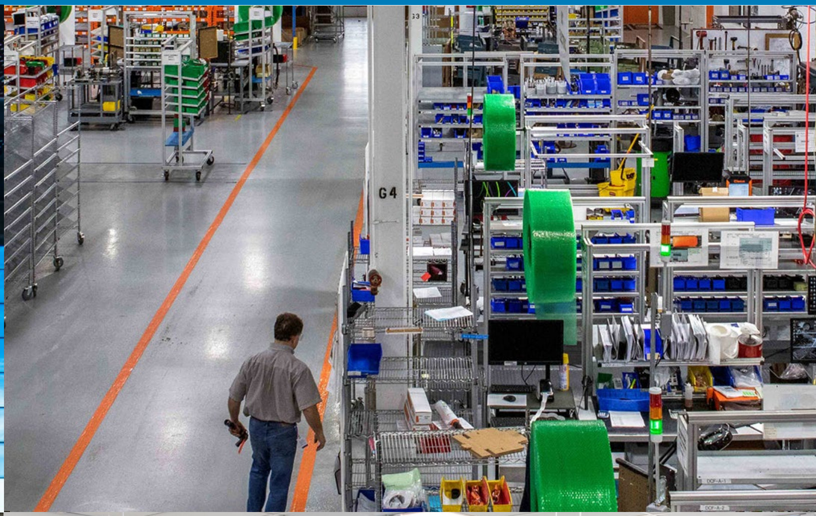
48 years *Investing for the Long Run®*

23 years as a public company

23 years investing in Europe

22 years of consecutive annual dividend increases

[1] Enterprise value as of December 31, 2020.



Dear Fellow Shareholders,

2020 was a year unlike any other in W. P. Carey's almost 50-year history.

The COVID-19 pandemic had an indelible impact on the lives of our employees, tenants, investors and communities. The economic upheaval resulting from the worst global pandemic in over a century presented a stress test for net lease REITs—one that amplified the benefits of our disciplined investment approach, diversified portfolio and constant focus on maintaining a well-positioned, investment-grade balance sheet with access to multiple forms of capital.

Despite the many challenges of 2020, thanks to the hard work of our employees and seamless transition to a remote work environment in mid-March, we continued to grow our portfolio and execute on corporate initiatives that position us for future growth. Together, we took advantage of timely opportunities to strengthen our balance sheet and liquidity position while adding high-quality, mission-critical assets to our portfolio. In addition, we advanced our evolution to a pure-play net lease REIT with the completion of the merger and internalization of the CWI lodging funds previously managed by W. P. Carey. At the same time, we maintained rent collections that were among the best in the net lease sector as well as REITs generally. I've never been prouder of our team and the commitment, collaboration and most importantly, compassion exemplified in the past year. In addition to providing security to our dividend, the resilience of our business enabled us to promptly resume external investment activity as transaction markets reopened, a key factor in our ability to continue driving future growth and creating long-term value for our shareholders.

98%

rent due between April and year-end collected[2]

[2] Based on percentage of annualized base rent (ABR).

We evaluate new investments using our four key criteria:

Our Time-Tested Investment Approach

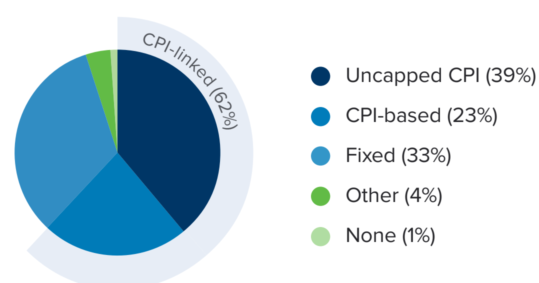
Throughout 2020, investors often asked REIT management teams whether the pandemic caused them to rethink any aspects of their business, particularly their investment process or the property types they favor. For W. P. Carey, it did not. In fact, the exceptional resilience of our portfolio evidenced by consistently strong rent collections throughout the pandemic reinforced the validity of our long-standing investment approach honed over nearly five decades and multiple market cycles.

Disciplined underwriting is core to our long-term success. While we seek to generate attractive long-term, risk-adjusted returns, we are equally focused on downside protection, evaluating new investments based on how we think a tenant will perform during both times of expansion and times of distress. We analyze several risk factors by applying our four key criteria: the creditworthiness of the tenant, the criticality of the asset to the tenant's business, the fundamental value of the real estate and the transaction structure and pricing.

We believe companies just below investment grade provide the most attractive risk-adjusted returns, especially in a well-diversified portfolio. Our expertise in credit underwriting and ability to perform in-depth analysis of each tenant's business and financial health enable us to effectively evaluate tenants across the credit spectrum. About 30% of our annual rent comes from investment-grade tenants, many of which achieved their current rating through a credit upgrade or M&A activity following our initial investment. As part of our underwriting, we also focus on large companies, which are better equipped to weather downturns through their access to liquidity, or in a worst-case scenario, have the ability to restructure and continue operating in critical properties.

Lease structure provides an additional opportunity to create value. We focus on long-term leases that provide stable and growing rental income over the duration of their term. Consequently, 99% of our ABR comes from leases with built-in rent growth, whether driven by fixed increases or tied to inflation.

99% of our ABR comes from leases with built-in rent growth[3]



[3] Based on contractual minimum ABR as of December 31, 2020.

The Importance of Diversification

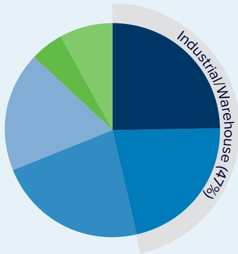
Having established investment criteria in place enables us to efficiently analyze a wide range of opportunities across industries, property types and geographies while effectively managing downside risk. When owning single-tenant net lease real estate with very long initial lease terms—averaging 20 years for our 2020 investments—unexpected events or significant market changes can occur. Maintaining a highly diversified portfolio ensures that no individual tenant, asset type or industry will have an outsized impact on our overall performance, an approach that proved especially valuable in 2020.

While no companies were completely immune to the impacts of the pandemic, the sectors most affected—specifically, restaurants, fitness centers and theaters—represented just 2% of our ABR when COVID-19 first took hold and 1% at year-end. In addition to mitigating risk, diversification broadens our addressable market for external growth. In 2020, warehouse and industrial remained our core focus, comprising the majority of our investment volume for the year and representing close to half of our ABR at year-end. As we have in recent years, we continued to underweight new investments in retail and office in 2020, selectively adding essential retail in Europe where there is less competition and higher barriers to entry.

22%

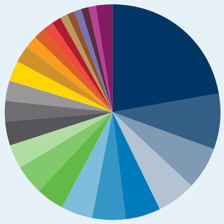
top 10 tenant concentration, among the lowest in the net lease sector

Property Type Diversification[4]



- Industrial (25%)
- Warehouse (22%)
- Office (22%)
- Retail (18%)
- Self-Storage (Net Lease) (5%)
- Other (8%)[5]

Tenant Industry Diversification[4]



- Retail (22%)[6]
- Consumer Services (8%)
- Automotive (6%)
- Grocery (6%)
- Cargo Transportation (5%)
- Healthcare and Pharmaceuticals (5%)
- Business Services (5%)
- Beverage and Food (4%)
- Construction and Building (4%)
- Sovereign and Public Finance (4%)
- Capital Equipment (4%)
- Containers, Packaging and Glass (3%)
- Hotel and Leisure (3%)
- Durable Consumer Goods (3%)
- High-Tech Industries (3%)
- Insurance (2%)
- Banking (2%)
- Telecommunications (2%)
- Aerospace and Defense (1%)
- Media: Broadcasting and Subscription (1%)
- Media: Advertising, Printing and Publishing (1%)
- Chemicals, Plastics and Rubber (1%)
- Wholesale (1%)
- Non-Durable Consumer Goods (1%)
- Other (3%)[7]

[4] Based on contractual minimum ABR as of December 31, 2020.

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

[6] Includes automotive dealerships.

[7] Includes ABR from tenants in the following industries: metals and mining, oil and gas, environmental industries, electricity, consumer transportation, forest products and paper, real estate and finance.

61%

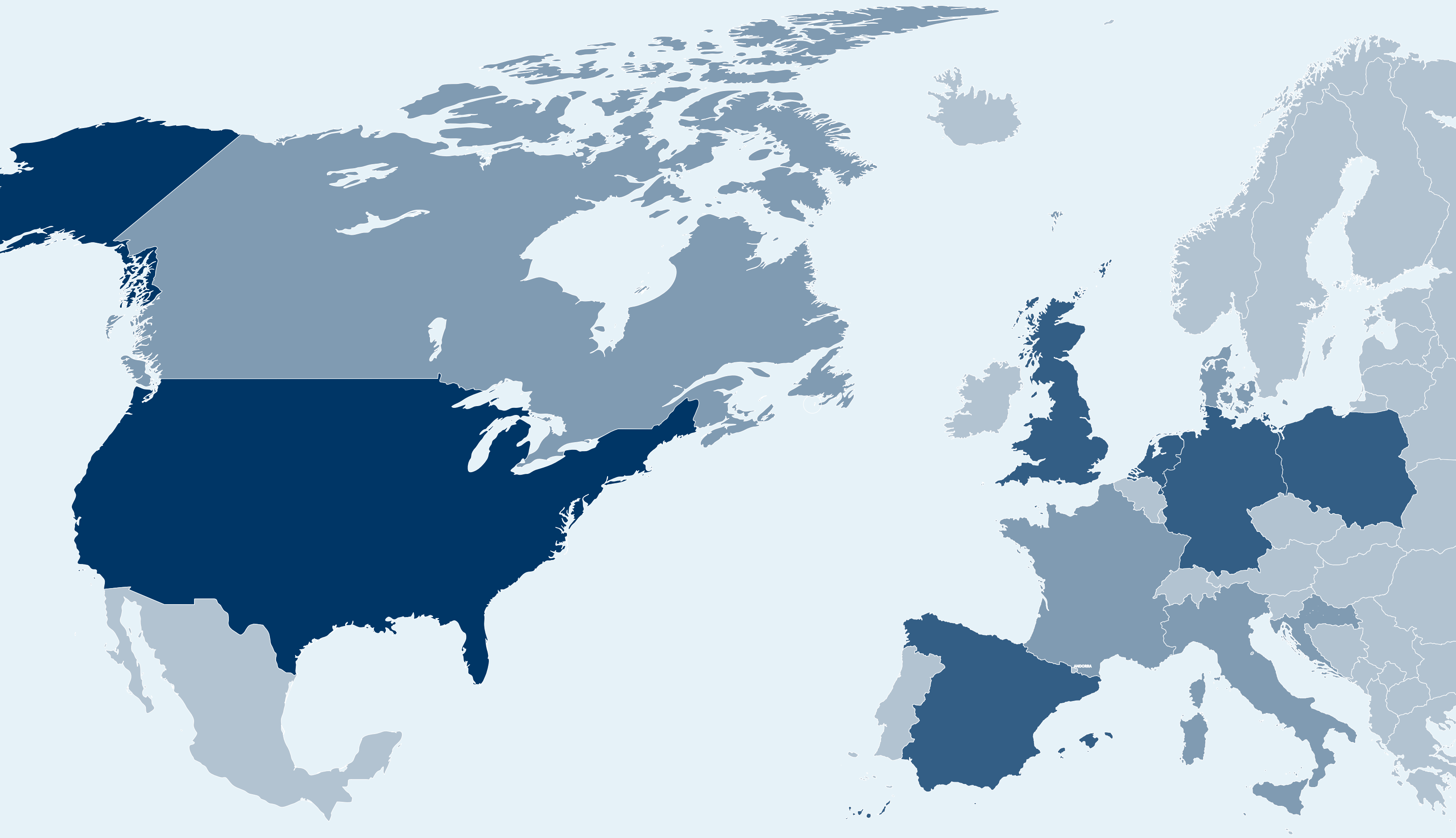
of total ABR in the U.S.

37%

of total ABR in Europe

Geographic Diversification

We have been investing in Europe for over 20 years with on-the-ground teams in London and Amsterdam. In addition to providing a greater pathway for growth, geographic diversification enables us to access both the U.S. and European public debt markets, with the latter providing a natural hedge against currency fluctuations and an additional source of long-term debt capital at favorable interest rates.



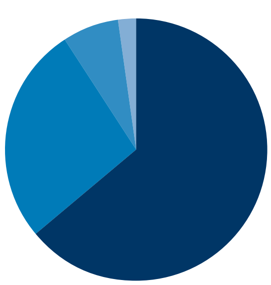
% ABR[8]

- 6.1%–or more
- 3.1%–6.0%
- 1.1%–3.0%
- 1.0%–or less

[8] Based on contractual minimum ABR as of December 31, 2020.

In 2020, our strong rent collections and investment-grade credit ratings helped position us to opportunistically access public equity and debt capital at pricing that enabled us to invest accretively in an increasingly competitive market.

In early 2020, we added further flexibility to our balance sheet with the renewal and upsizing of our credit facility.



9 Based on a closing stock price of $70.58 on December 31, 2020 and 175,401,757 common shares outstanding as of December 31, 2020.

Strategic Capital Markets Activity

Long-term success as a net lease REIT requires that we maintain a strong and flexible balance sheet, including ample liquidity and a well-laddered series of debt maturities. This approach ensures we have the flexibility to raise capital when market conditions are favorable, thereby helping maintain a cost of capital that supports accretive external growth.

2020 was an excellent example of the benefits of this approach. In March and early April—as equity markets moved sharply lower, volatility spiked and bond spreads widened significantly—we remained extremely well positioned with a recently renewed and upsized $1.8 billion revolving credit facility, which was almost entirely undrawn. In addition, we benefited from very limited near-term mortgage maturities and no bonds maturing until 2023.

In 2020, our strong rent collections and investment-grade credit ratings helped position us to opportunistically access public equity and debt capital at pricing that enabled us to invest accretively in an increasingly competitive market. Once capital markets stabilized, we raised over $880 million in permanent and long-term capital during the remainder of 2020. In June, after the equity markets regained much of their initial losses and the extreme volatility had subsided, we took the opportunity to further enhance our balance sheet with a forward equity offering—locking in our ability to match-fund acquisitions accretively with well-priced equity. In October, we took advantage of the low interest rate environment to successfully complete a senior unsecured note offering at a coupon rate, which at the time was the lowest ever for a ten-year net lease bond.

2020 Investment Activity

Thanks to the progress made in prior years, we started 2020 in a position of strength with a conservative balance sheet and ample liquidity to execute on new deals. During the initial stages of the pandemic, transaction markets slowed dramatically in the U.S. and Europe. As external acquisitions halted, we focused on preserving financial flexibility while continuing to fund our pipeline of committed capital investment projects despite market dislocation.

Dixons Carphone | U.K.

Purchase Price: $112MM
Size: 726,000 sq. ft.
Property Type: Class-A logistics with solar panels
Lease Term: 13.5 years

In January, we closed the off-market acquisition of a Class-A, cross-docked logistics facility net leased to the U.K. operating subsidiary of Dixons Carphone PLC, a publicly listed multinational electronics and telecommunications retailer and services company. The mission-critical facility supports the company's growing e-commerce business and is located in the U.K.'s East Midlands region in one of the country's most active logistics corridors.

Cuisine Solutions | Texas

Investment: $74MM
Size: 312,000 sq. ft.
Property Type: LEED-certified food processing plant
Lease Term: 25.5 years

In June, we completed a build-to-suit food production facility with existing tenant, Cuisine Solutions, the world's largest manufacturer and distributor of sous vide food. The state-of-the-art facility was built to address increased demand and expanding operations. The LEED-certified facility has many sustainable features, including electric charging stations and a 300-space parking lot shaded by solar panels.

Market activity began to rebound in the second half of the year, and the strength of our portfolio coupled with a well-managed balance sheet enabled us to promptly resume external investment activity. By the third quarter, we had rebuilt our deal pipeline to pre-pandemic levels.

Weber-Stephen Products | Illinois

Purchase Price: $40MM
Size: 622,000 sq. ft.
Property Type: Light manufacturing
Lease Term: 15 years

In September, we completed the sale-leaseback of a light manufacturing facility net leased to Weber Grills, the global leader in barbecue grills and accessories. The facility comprises Weber's primary North American manufacturing footprint, into which it has made significant capital investments. The facility is strategically located near Weber's global distribution center and in proximity to Chicago's O'Hare International Airport.

Sonae MC | Portugal

Investment: $28MM
Expansion Size: 294,000 sq. ft.
Property Type: LEED-gold warehouse with solar rooftop
Lease Term: 20 years

As the pandemic continued, existing tenant and leading Portuguese food retailer, Sonae MC, experienced increased product demand due to the acceleration of e-commerce and requested to expedite the final stages of a capital project W. P. Carey agreed to in 2018. In September, we completed an expansion of its mission-critical distribution and warehouse facility in Azambuja, Portugal, delivering the square footage needed in an accelerated time frame to meet rapidly growing demand. The state-of-the-art, LEED-gold certified facility serves as Sonae's primary distribution center and features a solar rooftop generating 4,000 MWh/year.

We ended the year with renewed momentum—closing over half of our 2020 external acquisitions during the fourth quarter—which continued into the first quarter of 2021.

Eroski Sociedad Cooperativa | Spain

Purchase Price: $102MM
Size: 481,000 sq. ft.
Property Type: 27-property supermarket portfolio
Lease Term: 20 years

In October, we completed an off-market sale-leaseback for a 27-property supermarket portfolio with existing tenant, Eroski, one of the largest food retailers in Spain. The portfolio is strategically located in dense residential neighborhoods with limited local competition where Eroski holds the dominant share of the food retail market. This acquisition was an opportunity to expand our investment with a tenant committed to sustainability and is a great example of an attractive deal in a defensive sector that has proved resilient throughout the pandemic.

Orgill | Utah

Purchase Price: $23MM
Size: 506,000 sq. ft.
Property Type: Distribution
Lease Term: 20 years

In December, we completed a $23 million off-market follow-on acquisition of a distribution facility net leased to existing tenant, Orgill, the world's largest independent hardware distributor. The modern facility serves as Orgill's primary distribution center for the western and southwestern U.S. and is strategically located along a key interstate. To support rising product demand, W. P. Carey also committed to an additional investment of up to $20 million for a 427,500-square-foot expansion scheduled for completion in 2022.

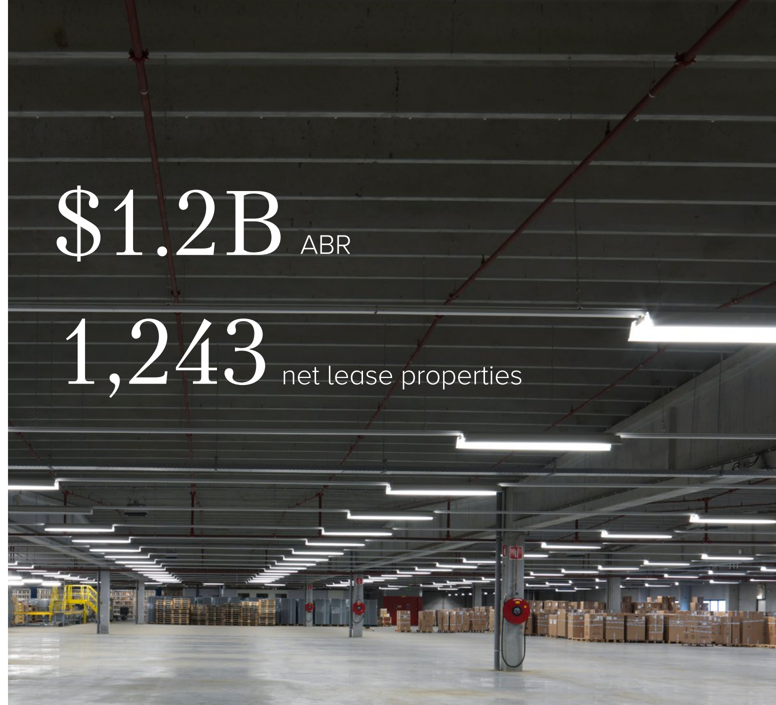
2020 Portfolio Overview

Despite the pandemic's interruption of the transaction markets during 2020, we are pleased with our portfolio's growth across a diverse range of high-quality, mission critical assets. In addition to our growth through new sale-leasebacks, build-to-suits, forward commitments and acquisitions of existing net leases, we continued to proactively manage and enhance the value of our portfolio. With asset management teams in both the U.S. and Europe, we have the infrastructure in place to effectively manage end-of-lease outcomes, tenant credit issues and lease restructurings while sourcing discretionary investment opportunities from within our existing portfolio. As we expand our real estate footprint, follow-on opportunities with existing tenants have become a more meaningful source of deal flow, representing 31% of our 2020 investment volume. Such projects often include expansions, build-to-suits and building efficiency retrofits.

In 2020, our diversified investment strategy, proactive asset management and ability to execute large structured transactions enabled us to invest $826 million into 56 properties across most of our core property types, net leased to 20 tenants operating in ten different industries in the U.S. and Europe.

26%

of 2020 investment volume was in green buildings, totaling 1.3 MM sq. ft.



$1.2B ABR

1,243 net lease properties

350 tenants

98.5% occupancy

10.6 years weighted-average lease term

144MM square feet

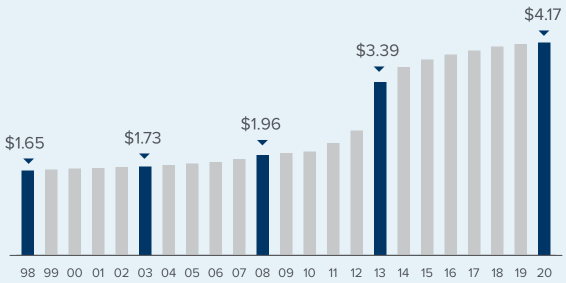
Attractive Dividend Yield Derived from Durable Earnings

Total AFFO for 2020 was $4.74 per diluted share, a modest 5% decline from the prior year, due primarily to the pandemic's impact on our tenants and to a lesser extent, our transition out of the investment management business as part of our strategic plan to derive 100% of earnings directly from real estate.

By focusing on long-term, risk-adjusted returns rather than near-term growth at any cost, we've created durable income streams and strong long-term total returns for our shareholders. The stability of our earnings enabled us to continue to provide stable and growing income for our shareholders despite the impact of the pandemic, and total dividends declared in 2020 increased to $4.17 per share.

Growing Annual Dividends[10]

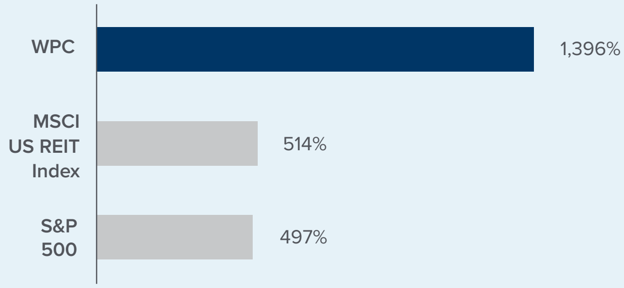
Since going public in 1998, we have consistently provided investors with steady cash flow and increasing dividends through all market cycles, maintaining our NASDAQ Dividend Achievers Index membership and building long-term shareholder value.



10 Annual dividend per share reflects the sum of quarterly dividends per share during the respective year. Past performance is not a guarantee of future results.

Outperforming Total Return[11]

We have significantly outpaced key REIT indices and the broader equity market over the long run while maintaining exceptional downside protection.



11 Total return from January 21, 1998, through market close December 31, 2020. Reflects the reinvestment of all dividends.

Investing in Green Buildings

We invest for the long run through both our acquisitions and commitment to sustainability. We focus on high-quality, socially responsible investments that add value to both our portfolio and the environment. ESG due diligence is a part of our underwriting process, providing a more holistic view of each transaction and ensuring our investments adhere to our high standards. We also proactively work with our tenants to scale our impact through building efficiency retrofits and other property-level sustainability projects.

Looking Ahead

Moving forward we are committed to several key endeavors. First and foremost, growth driven by a combination of accretive investments and rent escalations. Virtually all of our ABR comes from leases with built-in rent growth and so far in 2021 we are building on the positive deal momentum we saw in the latter part of 2020.

Externally driven growth requires an attractive cost of capital and we are well-placed in this regard. Through the significant strides we have made in recent years, institutional ownership of our equity has increased, and the continued strengthening of our balance sheet and credit profile have improved our pricing and access to public debt markets, both in the U.S. and Europe. Early in 2021, we moved quickly to successfully issue bonds in each region, lowering our overall cost of debt and extending our average maturity. Amid growing expectations for higher inflation accompanied by rising interest rates, we remain well-positioned—with 62% of rent coming from leases tied to inflation and having recently locked in much of our debt costs for the next few years.

Second, we remain committed to diversification which both augments our addressable market and provides stability to our earnings, in conjunction with our thoughtful and thorough investment underwriting. Proactive asset management will continue to protect our downside by managing residual risk and optimizing end-of-lease outcomes, in addition to generating new investments with existing tenants.

Lastly, our overall operations will continue to benefit from the further simplification of our business and the efficiencies arising from increased scale and operating as a pure-play net lease REIT.

In Closing

I'd like to end where I started with a sincere thank you to our employees. I've always said that our employees are our most important asset, but this year, that could not have been more true. Despite the difficult circumstances, our employees upheld our founder Wm. Polk Carey's core tenet of *Doing Good While Doing Well®*. They didn't just show up for work; they showed up for our communities, for each other and for what is right—all of which make me extremely proud to lead this team.

W. P. Carey has always believed in the power of a diverse workforce and strived to make our company a place where everyone is welcome, respected, treated fairly and has the resources and opportunities to advance in their careers. With more than 180 employees around the world, nearly half of whom are women, we represent more than 20 countries and speak more than 20 languages. In 2020, we launched our Diversity & Inclusion (D&I) initiative to formalize and build on our commitment to cultivating a diverse, inclusive and equitable workforce. Focusing on education, engagement, recruitment and culture—our D&I initiative has enabled us to translate our position as a company into concrete action. To further support these efforts, we also launched our D&I Advisory Committee to facilitate ongoing conversations around race, sexual orientation and gender identity, national origin, creeds and other important topics. The committee's insights have been invaluable in guiding us as we move forward.

I am also excited to share that in early 2021 we were included in the Bloomberg Gender-Equality Index for our commitment to advancing women in the workplace. We also established our interdepartmental ESG Committee, formed to maximize our environmental, social and governance impact through a holistic and collaborative approach. Together we will seek opportunities to set new standards and become a leader in ESG within the net lease industry. I encourage you to view this year's ESG report for more information on our D&I initiatives and broader ESG commitment.

Finally, I would like to give a warm welcome to our newest board member, Tonit M. Calaway, who joined our Board of Directors in 2020. Tonit's diverse expertise and unique experience have already proven to be an invaluable resource. I would also like to thank our longtime board member and Director Emeritus, Benjamin H. Griswold, following his retirement in June 2020. Over the span of his 13 years of service and seven years as Chairman of the Board, he has contributed immensely to our company and has been a critical part of our evolution. Lastly, I'd like to thank the entire Board for their support, guidance and trust throughout a uniquely challenging year.

Although this past year was unlike any other in my career, I am incredibly proud of what we were able to accomplish, and I am optimistic about what's to come. As always, I want to thank you, our shareholders, for your ongoing support and wish you and your families good health during this time.

With best regards,

Jason E. Fox
Chief Executive Officer

W. P. CAREY

Our founder Wm. Polk Carey's sense of duty and lifelong commitment to *Doing Good While Doing Well* are central to our corporate culture and day-to-day operations. We are proud to highlight some of our latest achievements, which reflect our ongoing commitment to making a positive difference within our business, local communities and beyond:

- Included in the 2021 Bloomberg Gender-Equality Index, an elite list of companies committed to advancing women in the workplace
- Signed the CEO Action Pledge for Diversity & Inclusion
- Made donations to the NAACP Legal Defense and Education Fund and The Audre Lorde Project, a community organizing center for Lesbian, Gay, Bisexual, Two Spirit, Trans and Gender Non-Conforming People of Color
- Recognized by Women on Boards as a "Winning" Company for Board Diversity
- Supported community organizations for COVID-19 relief, including the Food Bank For New York City and the NewYork-Presbyterian Hospital COVID-19 Healthcare Workers Fund, in partnership with the W. P. Carey Foundation
- Donated through our Carey Forward employee program to support local organizations, including City Harvest, Volunteers of America and the American Cancer Society

Disclosures

The following non-GAAP financial measures are used in this CEO letter:

AFFO

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

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

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

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

Other Metrics

Pro Rata Metrics

This CEO letter contains certain metrics prepared under the pro rata consolidation method. We refer to these metrics as pro rata metrics. We have a number of investments, usually with our affiliates, in which our economic ownership is less than 100%. Under the full consolidation method, 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. Under the pro rata consolidation method, we present our proportionate share, based on our economic ownership of these jointly owned investments, of the assets, liabilities, revenues and expenses of those investments. Multiplying each of our jointly owned investments' financial statement line items by our percentage ownership and adding or subtracting those amounts from our totals, as applicable, may not accurately depict the legal and economic implications of holding an ownership interest of less than 100% in our jointly owned investments.

ABR

ABR represents contractual minimum annualized base rent for our net-leased properties and reflects exchange rates as of December 31, 2020. 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.

W. P. CAREY

W. P. Carey Inc.
One Manhattan West
395 9th Avenue, 58th Floor
New York, NY 10001
1-800-WP CAREY
www.wpcarey.com
NYSE: WPC

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Paperless

W. P. Carey is committed to reducing our environmental impact and finding new ways to expand our green efforts. As such, we are proud to report that our 2020 CEO Letter was issued in electronic form only.