W. P. CAREY

2021 CEO Letter

W. P. CAREY

W. P. Carey Inc. (NYSE: WPC) is one of the largest diversified real estate investment trusts with an enterprise value of approximately $22 billion. Our portfolio consists of over 1,300 high-quality, mission-critical assets located primarily in North America and Europe and net leased to creditworthy companies on a long-term basis. Since our founding in 1973, we have continued to provide investors with consistent and rising income.

49 years *Investing for the Long Run*®

24 years as a public company

24 years investing in Europe

23 years of consecutive annual dividend increases

Data as of December 31, 2021.

Dear Fellow Shareholders,

As CEO, I believe the success of our business may be distilled into one central theme: driving AFFO per share growth over the long term.

In this year's letter, I highlight our latest progress as well as our expectations for the year ahead, in the context of this important goal.

For W. P. Carey, 2021 was characterized by our ability to significantly accelerate our investment activity—completing record deal volume. This was supported by raising a record amount of capital, including an inaugural green bond—the first U.S. dollar green bond issued by a net lease REIT.

Naturally, 2021 did not come without its challenges, but we were well positioned for them, a hallmark of our long-term success. New COVID-19 variants reinforced the fundamental importance of disciplined underwriting and portfolio quality. Higher inflation emphasized the benefits of diversification in our rent escalations—something our founder etched in our lease structure nearly 50 years ago. Consequently, we remain uniquely positioned among net lease REITs for higher inflation to flow through to rents. Amid an increasingly competitive market for talent, we also maintained a very low rate of voluntary employee turnover—considerably lower than the real estate sector overall.

Strong execution across our company generated over 6% AFFO per share growth for the year in addition to a dividend yield averaging over 5%.

Looking ahead, I am more optimistic than ever about the long-term trajectory of the company and our ability to continue creating value for our stakeholders—from the businesses we provide with growth capital, to the shareholders for whom we generate growing long-term income, to the communities we support through our employee volunteer efforts and focus on reducing the environmental impact of our portfolio.

Furthermore, our proposed merger with CPA®:18, which at the time of publishing this letter has been announced but not closed, adds a pool of high-quality assets we know intimately that are well-aligned with our existing portfolio. We expect it to be immediately accretive to our Real Estate AFFO with potential upside within the self-storage portfolio and from refinancing opportunities. It also incrementally simplifies our business, essentially concluding our exit from Investment Management, thus marking a new chapter for W. P. Carey.

A Record Year for Deal Volume

In 2021, we demonstrated our ability to significantly increase investment volume, completing $1.72 billion in deals equivalent to roughly double the amount we completed in each of the three prior years.

Record global M&A activity spurred a steady flow of sale-leaseback opportunities, and net lease transaction markets remained active with investors coming off the sidelines following 2020's COVID-19-induced slowdown. Strong capital flows, largely into private equity funds, fueled further cap rate compression, with warehouse and industrial remaining sought-after asset classes.

Sale-leasebacks, which have long been the cornerstone of our investment approach, accounted for over half of our deal volume in 2021. The appeal of sale-leasebacks for W. P. Carey lies in our ability to directly negotiate the lease structure, especially the lease term and rent escalators.

From a top-down perspective, we remained focused on high-quality industrial and warehouse assets, which comprised about two-thirds of our 2021 deal volume and represented about half of our overall portfolio at year-end.

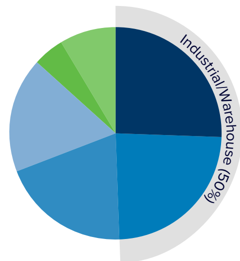
Within industrial, we furthered our expansion into attractive sub-sectors, including R&D and food production. We also grew our investment in essential retail properties in Europe—focusing on top-performing stores—with investments in grocery portfolios in France and Denmark and do-it-yourself stores in Germany and Poland. The proportion of ABR we generated from office properties also continued to decline.

$1.72B

in completed investments—a record year for deal volume

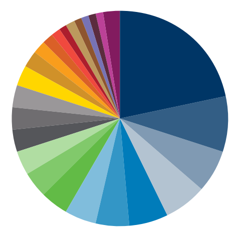
Focus on Industrial, but Commitment to Broad Diversification

Property Type Diversification[1]



- Industrial (25.8%)
- Warehouse (23.9%)
- Office (19.5%)
- Retail (17.6%)
- Self-Storage (Net Lease) (4.8%)
- Other (8.4%)[2]

Tenant Industry Diversification[1]



- Retail Stores (21.9%)[3]
- Consumer Services (8.2%)
- Automotive (6.5%)
- Beverage and Food (6.3%)
- Grocery (5.8%)
- Cargo Transportation (5.1%)
- Healthcare and Pharmaceuticals (4.8%)
- Construction and Building (4.0%)
- Business Services (3.8%)
- Capital Equipment (3.6%)
- Durable Consumer Goods (3.5%)
- Hotel and Leisure (3.3%)
- Sovereign and Public Finance (3.2%)
- Containers, Packaging and Glass (3.1%)
- High-Tech Industries (2.5%)
- Insurance (2.1%)
- Banking (1.6%)
- Metals (1.3%)
- Non-Durable Consumer Goods (1.3%)
- Aerospace and Defense (1.2%)
- Telecommunications (1.2%)
- Chemicals, Plastics and Rubber (1.1%)
- Media: Broadcasting and Subscription (1.1%)
- Wholesale (1.0%)
- Other (2.5%)[4]

[1] Based on contractual minimum ABR as of December 31, 2021.

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

[3] Includes automotive dealerships.

[4] Includes ABR from tenants in the following industries: media (advertising, printing and publishing), oil and gas, environmental industries, consumer transportation, forest products and paper, real estate and electricity.

63%

of total ABR in the U.S.

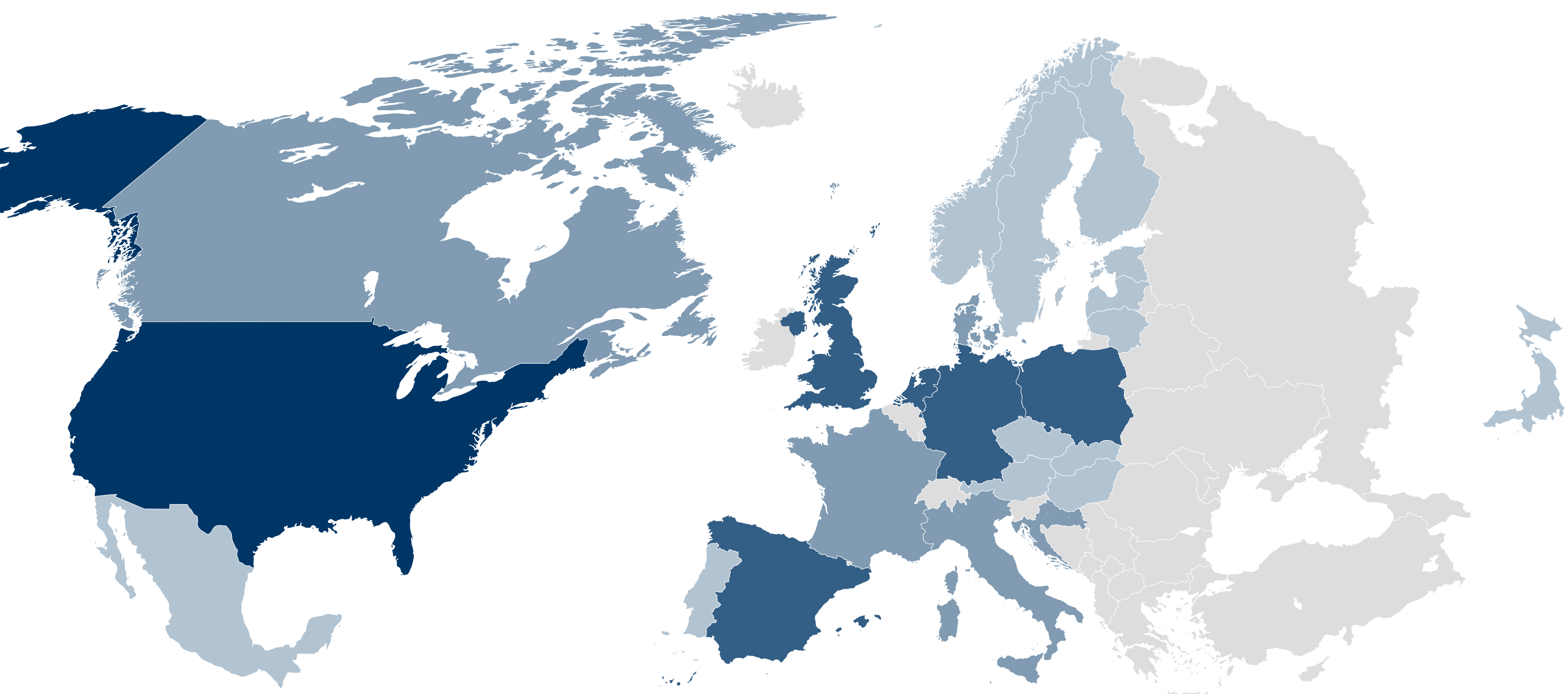
35%

of total ABR in Europe

Geographic Diversification

From a geographic perspective, our 2021 investments were split between the U.S. and Europe, broadly in proportion to our overall portfolio. While cap rates have tended to be lower in Europe in recent years, investment spreads have remained attractive given our ability to issue euro-denominated bonds with significantly lower coupon rates than U.S. dollar bonds.

In addition to decades of experience with cross-border and complex deals, we have continued to benefit from our ability to leverage the scale of our portfolio and the many relationships we have built over the years. About one-third of our 2021 investments were originated as follow-on deals through existing tenants or sponsor relationships.



% ABR [5]

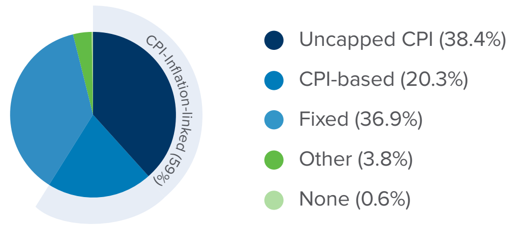
- 6.1%–or more
- 3.1%–6.0%
- 1.1%–3.0%
- 1.0%–or less

[5] Based on contractual minimum ABR as of December 31, 2021.

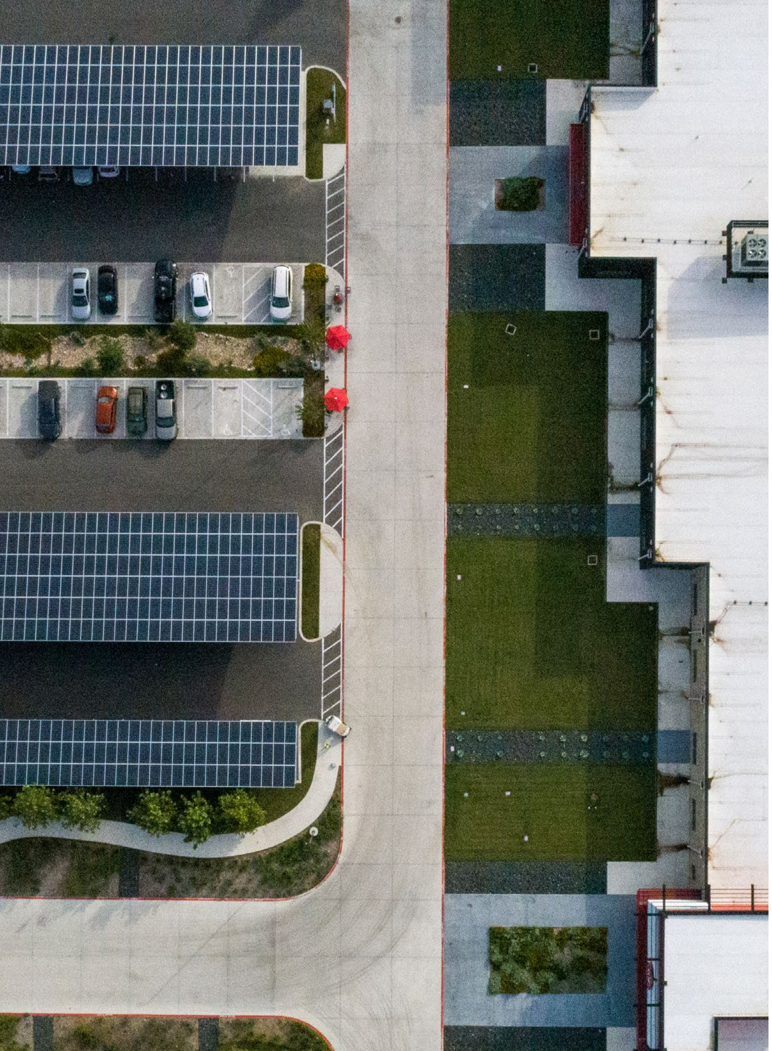
Inflation Takes Center Stage

Throughout our nearly 50-year history, we have strategically built a business well positioned for all economic cycles. After many years in which our fixed rent increases outpaced those with inflation-linked increases, we've now entered a period of higher inflation—providing a tailwind to our same-store rent growth. With 59% of our rents coming from leases tied to CPI, we are uniquely positioned within net lease for higher inflation.

99% of our leases have contractual rent increases providing built-in rent growth[6]



[6] Based on contractual minimum ABR as of December 31, 2021.



W. P. Carey Issues First Green Bond

W. P. Carey strives to be a leader in environmental sustainability over the long term. In October, we completed our inaugural green bond issuance with proceeds allocated to new and existing eligible green projects. The green bond was a particular point of pride for our company, furthering our commitment to ESG and marking the first U.S. dollar green bond issued by a net lease REIT.

With this offering, we also achieved one of the tightest spreads for a net lease REIT on a ten-year bond offering and further diversified our investor base to include ESG-focused investors. Moving forward, we hope ESG investors will continue to be a source of capital for W. P. Carey as we acquire more eligible buildings and seek opportunities to improve or redevelop existing properties to enhance their sustainable characteristics.

A Record Year for Capital Raising

For net lease REITs, access to well-priced capital from a variety of sources is a constant endeavor. In 2021, we raised a record amount of long-term and permanent capital to support multiple initiatives, including funding our increased pace of investment activity, generating interest savings through debt refinancing and furthering our commitment to ESG.

Our cost of debt has become increasingly efficient in recent years, enhancing our ability to continue generating externally driven growth amid an environment where cap rates remain tight. Since our inaugural bond issuance in 2014, our spreads have narrowed meaningfully, reflecting both our status as an established issuer and the continued strengthening of our credit profile.

The U.S. dollar- and euro-denominated bond issuances we completed during the first quarter were, at the time, executed at our tightest spreads and lowest coupons to date. Proceeds were primarily used to prepay a combination of secured and unsecured debt—reducing refinancing risk, extending our weighted-average debt maturity and further advancing our unsecured debt strategy.

We also issued significant equity capital during the year through a combination of settling equity forward agreements and issuing shares under our ATM program, enabling us to accretively fund new investments and de-leverage relative to where we started the year.

I'm also pleased to say that since publishing our 2020 CEO letter, we have been placed on positive outlook by both Moody's and S&P, reflecting the positive trajectory of our business and the strength of our balance sheet.

2021
Investment Activity

A Resurgence in Activity

With access to attractively priced capital, we were well prepared to meaningfully increase our pace of investments in 2021 through both externally and internally sourced opportunities. Our diversified investment strategy, creative structuring and sophisticated underwriting expertise gave us flexibility in the types of deals we pursued. In addition to sale-leasebacks, acquisitions and build-to-suits, we completed opportunistic investments, including the redevelopment of a portfolio asset into a modern logistics facility and the completion of two solar installations with existing tenants.

As always, we remained focused on long-term fundamentals and leases structured to generate strong annual rent growth and average yields well in excess of our going-in cap rates. As a result of our investment and asset management activities, we ended the year with 1,304 properties covering approximately 156 million square feet leased to 352 tenants.

Acquisition of BREEAM-Certified Logistics Facility in the U.K.

Purchase Price: $195 million
Size: 1.1 million sq. ft.
Lease Term: 30 years

In May, we acquired a brand-new Class A logistics facility in Solihull, U.K., leased to Jaguar Land Rover Limited, the U.K.'s largest premium automotive manufacturer. The high-quality, cross-docked facility features up to 50-foot clear heights and is critical in supplying auto parts to Jaguar Land Rover's largest manufacturing plant. The facility is strategically located at the center of the U.K.'s transport network in the "Golden Triangle" of logistics and received a BREEAM Very Good certification for its environmental features.

Sale-Leaseback of Three Mission-Critical Hypermarkets in France

Purchase Price: $119 million
Size: 425,000 sq. ft.

In April, we completed an off-market sale-leaseback of a three-property hypermarket portfolio in Southern and Central France. The properties are strategically located in dense urban infill areas forecast to experience above-average population growth and are leased to a wholly owned subsidiary of Casino Guichard-Perrachon, one of the largest food retailers in the world and ranked as one of The Wall Street Journal's "Top 100 Most Sustainably Managed Companies." This investment added three high-performing essential retail assets to W. P. Carey's growing European portfolio.

Redevelopment of Portfolio Asset into State-of-the-Art Logistics Facility

Investment:	$25 million
Size:	505,000 sq. ft.
Lease Term:	5 years

In August, we completed the redevelopment of a warehouse first acquired by W. P. Carey in 1997. When the tenant vacated the property years later, we were left with a 325,000-square-foot, Class C metal warehouse. Instead of selling the asset, we leveraged our redevelopment capabilities to transform the property into a state-of-the-art 505,000-square-foot, Class A warehouse and logistics facility. Located in Lehigh Valley, Pennsylvania, one of the fastest-growing industrial markets in the U.S., the property is now fully leased and is expected to receive a LEED Silver certification for its environmental features.

Acquisition of Class A Food Production Warehouse in Indiana

Purchase Price:	$114 million
Size:	1.5 million sq. ft.
Lease Term:	12 years

In August, we completed the acquisition of a 1.5 million-square-foot, Class A warehouse and distribution facility in Indiana. The facility is net leased to Conagra, an investment-grade leader in the North American consumer packaged food market. The building is one of the largest modern distribution centers in the Midwest and plays an integral role in Conagra's ability to deliver food to a significant portion of the country. The investment supports W. P. Carey's focus on acquiring critical industrial and warehouse properties and demonstrates how our competitive cost of capital enables us to win high-quality deals.

A Proven Portfolio:
Asset Quality and Underwriting Still Matter

$1.25 billion ABR

1,304 net lease properties

352 tenants

156 million square feet

98.5% occupancy

10.8 years weighted average lease term

Looking Ahead

We remain keenly focused on growth—creating value for our investors through a combination of sustained investment activity and the contractual rent growth built into our leases, with the potential for additional upside from prolonged higher inflation.

The deal momentum we generated in 2021 has continued, and we expect sale-leasebacks to keep gaining popularity among corporations as part of an overall trend toward leasing rather than owning real estate.

As private equity funds continue to deploy capital at unprecedented rates, we anticipate corporate M&A to remain strong. In turn, this will create additional sale-leaseback opportunities as companies seek to optimize their balance sheets and private equity firms look to monetize assets and drive overall returns.

While industrial will likely remain the favored asset class for investors, it is a deep and diverse sector from which we expect to continue sourcing accretive opportunities underpinned by our access to and cost of capital.

At the time of publishing this letter, we are closely tracking the events unfolding in Ukraine, and we are committed to supporting the humanitarian relief efforts in the region. From a portfolio perspective, we have very limited exposure to Eastern Europe—all of which is within NATO countries. However, we are actively monitoring the situation for potential implications, both for our tenants and the transaction market.

In addition to the proven downside protection our portfolio provides, our unique combination of external and internal growth will continue to provide stable and growing cash flow with a strong dividend yield for our shareholders.

In Closing

As I reflect on 2021, I am incredibly proud of what our company and our employees have accomplished. To all employees—thank you for your dedication, hard work and tenacity. Our employees are our most valuable asset and without each of you, we would not be where we are today.

I'd like to thank our Board of Directors for their continued guidance and support, in particular, Axel K.A. Hansing, who will be retiring from the board later this year after nearly 11 years. I'd also like to extend a warm welcome to Constantin Beier, who was recently appointed to our board. His global perspective and wide-ranging experience, including data management and governance at a large multinational company, will serve as an invaluable resource to W. P. Carey.

Lastly, I want to thank you, our shareholders, for your continued support and trust. I am more optimistic than ever about the future of W. P. Carey and have great confidence in our ability to navigate whatever comes our way while continuing to generate long-term shareholder value.

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 Bloomberg Gender-Equality Index for second year in a row
- Issued first green bond offering with $350 million of proceeds earmarked for green projects
- Initiated tenant energy management program and collected energy usage data from tenants representing approximately 25% of ABR
- Furthered our commitment to sustainability with over 10% of our 2021 investment volume in green-certified buildings
- Increased corporate donations by over 30% compared to 2020 to support organizations including the Asian American Federation, Dominican Women's Development Center, Union Settlement, Enfield Saheli, Juneteenth NY and NYC Pride
- Supported organizations through our Carey Forward employee volunteer program including City Harvest, Volunteers of America, the American Cancer Society and the Billion Oyster Project

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, amortization of discounts and premiums on debt and amortization of deferred financing costs. Our assessment of our operations is focused on long-term sustainability and not on such non-cash items, which may cause short-term fluctuations in net income but have no impact on cash flows. Additionally, we exclude non-core income and expenses, such as gains or losses from extinguishment of debt 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 on a pro rata basis. 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%. On a full consideration basis, we report 100% of the assets, liabilities, revenues and expenses of those investments that are deemed to be under our control or for which we are deemed to be the primary beneficiary, even if our ownership is less than 100%. Also, for all other jointly owned investments, which we do not control, we report our net investment and our net income or loss from that investment. On a pro rata basis, we 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, 2021. 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.

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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 2021 CEO Letter was issued in electronic form only.