

NEXPOINT

DIVERSIFIED REAL ESTATE

NYSE: NXDT

NexPoint Diversified Real Estate Trust

Q1 2023 Investor Presentation

ADDRESS
300 Crescent Ct
Suite 700
Dallas, TX 75201

CONTACT
Investor Relations
Kristen Thomas, NexPoint
IR@nexpoint.com

Disclosures

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect the current views of management with respect to future events and financial performance. Forward looking statements can be identified by words such as “expect,” “may,” “ability,” “target,” “believe,” “plan,” “continue,” “grow,” “future,” “brought,” “one day,” “progress,” “budgeted,” “estimate,” “should,” “approaching,” “objective,” “complete,” “may,” “upside” and “seeks” and similar expressions, and variations and negatives of these words. These forward-looking statements include, but are not limited to, statements regarding the Company’s business and industry in general, the Company’s business strategy and target property types, Cityplace Tower plans, including a hotel and class A multifamily units, the budget of the construction of a hotel and class A multifamily units at Cityplace Tower, the results of renovations and remodeling at Cityplace tower, the trajectory of rents at Cityplace Tower, the internal rate of return and multiple on invested capital associated with renovations and remodeling at Cityplace Tower, estimated completion date, NXDT’s net asset value and related assumptions and components, including valuation techniques, inputs, input/range values and fair values based on those techniques. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. For a discussion of the factors that could change these forward-looking statements, see our Annual Report on Form 10-K filed with the SEC. The statements made herein speak only as of the date of this presentation and except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This presentation contains non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows of the Company. The non-GAAP financial measures used within this presentation are net operating income (“NOI”), funds from operations attributable to common stockholders (“FFO”), adjusted FFO (“AFFO”), and net debt.

NOI is used by investors and our management to evaluate and compare the performance of our properties to other comparable properties, to determine trends in earnings and to compute the fair value of our properties. NOI is calculated by adjusting net income (loss) to add back (1) interest expense (2) advisory and administrative fees, (3) the impact of depreciation and amortization (4) corporate general and administrative expenses, (5) other gains and losses that are specific (6) property general and administrative expenses that are not reflective of the continuing operations of the properties or are incurred on behalf of the Company at the property for expenses such as legal, professional, centralized leasing service and franchise tax fees (7) non-operating property investment revenue as it is unrelated to the performance of our properties (8) realized and unrealized gains (losses) generated from non-real estate investments and (9) equity in income (losses) of unconsolidated equity method ventures.

FFO is defined by the National Association of Real Estate Investment Trusts (“NAREIT”), as net income (loss) computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization. We compute FFO in accordance with NAREIT’s definition.

AFFO makes certain adjustments to FFO. There is no industry standard definition of AFFO, and practice is divergent across the industry. AFFO adjusts FFO to remove items such as the amortization of deferred financing costs incurred in connection with obtaining long-term debt financing and changes in unrealized losses.

Net debt is calculated by subtracting cash and cash equivalents and restricted cash from total debt outstanding.

We believe that the use of NOI, FFO, AFFO, and net debt, combined with the required GAAP presentations, improves the understanding of operating results and debt levels of real estate investment trusts (“REITs”) among investors and makes comparisons of operating results and debt levels among such companies more meaningful. While NOI, FFO, AFFO, and net debt are relevant and widely used measures of operating performance, debt levels and asset values of REITs, they do not represent cash flows from operations, net income (loss) or total debt as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity, operating performance or debt levels. NOI, FFO, and AFFO do not purport to be indicative of cash available to fund our future cash requirements. We present net debt because we believe it provides our investors a better understanding of our leverage ratio. Net debt should not be considered an alternative to total debt, as we may not always be able to use our available cash to repay debt. Our computation of NOI, FFO, AFFO, and net debt may not be comparable to NOI, FFO, AFFO, and net debt reported by other REITs.

We define Same Store as properties that are comparable between periods and that are stabilized.

ADDITIONAL INFORMATION

For additional information, see our filings with the SEC. Our filings with the SEC are available on our website, nxdn.nextpoint.com, under the “Financials” tab.

NexPoint Diversified Real Estate Trust

Company Overview

NexPoint Diversified Real Estate Trust (“NXDT”) is an externally advised diversified real estate investment trust (“REIT”), with its common shares and 5.50% Series A Cumulative Preferred Shares listed on the New York Stock Exchange under the symbols NXDT and NXDT-PA, respectively. As a diversified REIT, NXDT’s primary investment objective is to provide both current income and capital appreciation. NXDT seeks to achieve this objective by investing among various commercial real estate property types and across the capital structure, including but not limited to mortgage debt, mezzanine debt and common and preferred equity. Target underlying property types primarily include but are not limited to industrial, hospitality, net lease, retail, office, self-storage and, to the extent currently owned, multifamily and single-family rentals. NXDT also may, to a limited extent, hold, acquire or transact in certain non-real estate securities.

NXDT is externally advised by NexPoint Real Estate Advisors X, L.P. (the “Adviser”), a subsidiary of NexPoint Advisors, L.P.

NXDT Total Return¹



\$10.12
SHARE PRICE²

5.9%
IMPLIED
DIVIDEND YIELD²

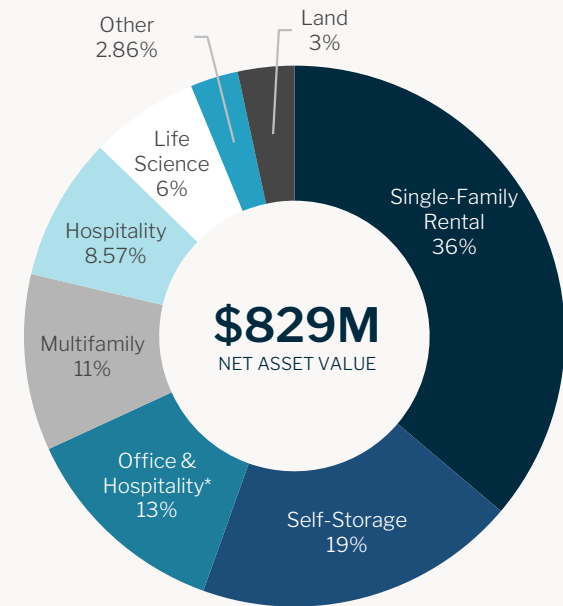
18.0%
INSIDER
OWNERSHIP³

- 1) BLOOMBERG. TOTAL RETURN, INCLUDING DIVIDENDS, AS OF CLOSE OF TRADING MAY 22, 2023
- 2) IMPLIED DIVIDEND YIELD IS CALCULATED USING THE 1Q DIVIDEND OF \$0.15 PER COMMON SHARE, ANNUALIZED, DIVIDED BY THE SHARE PRICE AS OF CLOSE OF TRADING ON MAY 22, 2023
- 3) INCLUDES NON-CONTROLLING INTERESTS. INCLUDES OWNERSHIP BY FUNDS ADVISED OR MANAGED BY AFFILIATES OF OUR ADVISER AS OF THE CLOSE OF TRADING MAY 22, 2023.

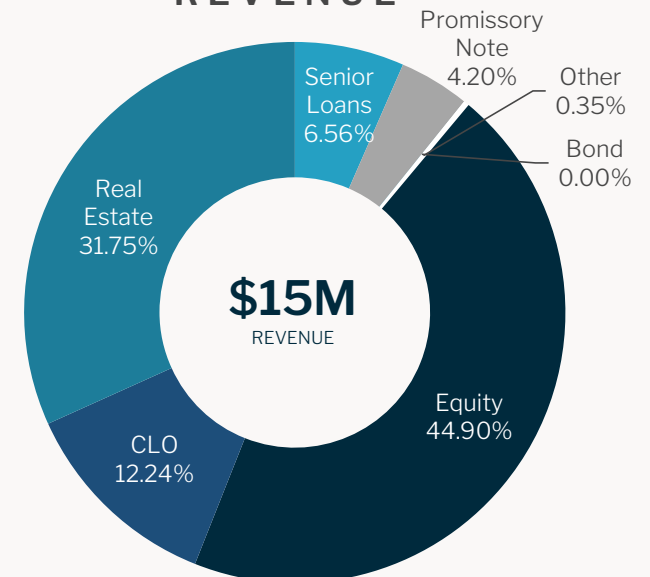
Portfolio, Real Estate Owned



ASSET CLASS¹



REVENUE²



1) AS A PERCENTAGE OF REAL ESTATE DEBT AND EQUITY INVESTMENTS AS OF MARCH 31, 2023
 * Cityplace IS CURRENTLY UNDER DEVELOPMENT, AND THE COMPANY IS CONVERTING PART OF THE PROPERTY INTO A HOTEL.

2) REVENUE CONTRIBUTION BY ASSET CLASS FOR THE THREE MONTHS ENDED MARCH 31, 2023

Financial Summary

(in thousands, except for per share and unit data)

Company Profile	Q1 2023	Q4 2022
Market capitalization	\$385,843	\$416,696
Share price (as of last day of period)	\$10.38	\$11.21
Weighted avg common shares outstanding, basic	37,171,807	37,171,807
Weighted avg common shares outstanding, diluted	37,171,807	37,171,807

Earnings Profile	Q1 2023	Q4 2022
Total Revenues	\$14,866	\$14,367
Net Income (loss) attributable to common shareholders	\$ (20,676)	\$ (23,741)
NOI	\$ 952	\$ 1,951

Earnings Metrics Per Common Share (diluted basis)	Q1 2023	Q4 2022
Earnings (loss)	\$ (0.56)	\$ (0.64)
FFO	\$ (0.49)	\$ (0.40)
AFFO	\$0.00	\$ (0.03)
Dividends declared per common share	\$0.15	\$0.15
Net income (loss) coverage	-3.50x	-4.05x
FFO coverage	-3.28x	-2.68x
AFFO coverage	-0.02x	-0.23x

Debt Summary	Q1 2023	Q4 2022
Total debt payable	\$165,904	\$171,288
Fixed rate debt	-	-
Weighted avg rate, fixed	-	-
Variable rate debt	\$165,904	\$171,288
Weighted avg rate, floating	7.83%	7.21%
Leverage ratio (net debt to enterprise value)	21.6%	20.7%

Balance Sheet

(in thousands, except for per share and unit data)

	March 31, 2023	December 31, 2022
Consolidated Real Estate Investments:		
Land	\$47,708	\$47,708
Buildings and improvements	\$174,471	\$174,469
Intangible lease assets	\$10,979	\$10,979
Construction in progress	\$44,894	\$39,731
Furniture, fixtures and equipment	\$362	\$354
Total Gross Consolidated Real Estate Investments	\$278,414	\$273,241
Accumulated depreciation and amortization	(\$10,603)	(\$7,158)
Total Net Consolidated Real Estate Investments	\$267,811	\$266,083
Investments, at fair value	\$727,856	\$754,910
Equity method investments	\$69,852	\$70,656
Life insurance policies, at fair value	\$66,384	\$67,711
Cash and cash equivalents	\$8,348	\$13,360
Restricted cash	\$36,453	\$35,289
Accounts receivable, net	\$1,919	\$1,903
Prepaid and other assets	\$4,959	\$6,441
Accrued interest and dividends	\$5,292	\$4,302
Deferred tax asset, net	\$2,363	\$2,247
TOTAL ASSETS	\$1,191,237	\$1,222,902
Mortgages payable, net	\$143,918	\$144,414
Notes payable, net	\$21,250	\$24,250
Prime brokerage borrowing	\$736	\$2,624
Accounts payable and other accrued liabilities	\$24,153	\$24,585
Accrued real estate taxes payable	\$1,131	\$254
Accrued interest payable	\$1,128	\$1,115
Security deposit liability	\$422	\$416
Prepaid rents	\$1,150	\$1,273
Intangible lease liability	\$5,656	\$6,027
Due to affiliates	\$112	\$112
Total Liabilities	\$199,656	\$205,070
Total Shareholders' Equity	\$991,581	\$1,017,832
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,191,387	\$1,222,902

Statement of Operations

(in thousands, except for per share and unit data)	For the Three Months Ended March 31, 2023	For the Three Months Ended December 31, 2022
Revenues		
Rental income	\$4,720	\$5,467
Interest and dividends	\$10,137	\$8,886
Other income	\$9	\$14
Total revenues	\$14,866	\$14,367
Total expenses	\$12,538	\$11,638
Operating income	\$2,328	\$2,729
Interest expense	\$ (3,462)	\$ (3,218)
Equity in losses of unconsolidated ventures	\$ (76)	(\$676)
Income tax expense	\$ (806)	\$(2,459)
Change in unrealized losses	(\$18,640)	(\$13,793)
Realized gains	\$1,135	(\$5,169)
Net Income (Loss)	(\$19,521)	(\$22,586)
Net income attributable to preferred shareholders	(\$1,155)	(\$1,155)
Net loss attributable to common shareholders	(\$20,676)	(\$23,741)
Weighted average common shares outstanding, basic and diluted	37,171,807	37,171,807
Earnings (loss) per share, basic and diluted	(\$0.56)	(\$0.61)
Dividends declared and paid, preferred shares	\$0.34375	\$0.34375
Dividends declared and paid, common shares	\$0.15	\$0.15

Real Estate Portfolio Detail

(as of March 31, 2023)

Property	Type	Ownership %	Acquisition Date	Year Built	Acres	Square Feet	Occupancy	Leased Occ.	Cash ABR/SF ¹
LLV Holdco, LLC ²	Land	26.8%	January 9, 2012	n/a	300	13,068,000	n/a	n/a	n/a
White Rock Center	Retail	100%	May 31, 2013	1986	4.91	82,793	66%	66%	\$1.50
5916 W Loop 289	Retail	100%	July 22, 2013	2003	3.14	30,140	100%	100%	\$0.40
Sandstone Pasadena Apartments, LLC	Multifamily	83.3%	June 26, 2015	1978/1979	25.05	529,575	92%	92%	\$1,069.00 ³
Cityplace Tower	Office	100%	August 15, 2018	1988	2.86	1,353,087	58%	64%	\$2.10
Marriott Uptown ⁴	Hospitality	60%	June 8, 2018	2021	0.75	277,443	72%	72%	\$214.67 ⁵
Las Vegas Land Owner, LLC ⁴	Land	77%	March 30, 2022	n/a	8.50	370,260	n/a	n/a	n/a
NexPoint Dominion Land, LLC	Land	100%	August 9, 2022	n/a	21.53	937,847	n/a	n/a	n/a
Total					366.74	16,649,145	67%	69%	

1) ABR DEFINITION: TOTAL MONTHLY BASE RENT (CASH BASIS, ANNUALIZED) IN-PLACE AT 03/31/2023

2) THE INVESTMENT QUALIFIES FOR THE EQUITY METHOD OF ACCOUNTING BUT THE COMPANY HAS ELECTED TO ACCOUNT FOR USING THE FAIR VALUE OPTION

3) SANDSTONE PASADENA "CASH ABR/SF" IS SHOWN AS AVERAGE RENT PER UNIT

4) THE COMPANY ACCOJUNTS FOR THESE INVESTMENTS UNDER THE EQUITY METHOD OF ACCOUNTING

5) MARRIOTT DALLAS UPTOWN CASH ABR/SF IS SHOWN AS TOTAL REVENUE PER AVAILABLE ROOM ("TOTAL RevPAR")

Net Asset Value Estimate – Fair Value

(in thousands and as of March 31, 2023)

Investment	Asset Type	Real Estate Sector	Location	Ownership %	NXDT Fair Value
VineBrook Homes Operating Partnership, L.P.	LP Interest	Single-Family Rental	Various	11.5%	\$166,463
Cityplace Tower	Real Estate	Office/Hospitality/Multifamily	Dallas, Texas	100.0%	\$105,092 ¹
NexPoint Storage Partners, Inc.	Common Stock	Self-Storage	Various	53.0%	\$103,194
NexPoint Real Estate Finance Operating Partnership, L.P.	OP Units	Diversified	Various	16.1%	\$76,299
Specialty Financial Products, Ltd.	Life Settlement Policies	N/A	N/A	100%	\$69,529 ¹
NexPoint Storage Partners Operating Company, LLC	LLC Interest	Self-Storage	Various	29.7%	\$56,232
Non-Real Estate Common Equities	Common Equity	N/A	N/A	N/A	\$53,470
NexPoint SFR Operating Partnership, L.P.	LP Interest	Single-Family Rental	Various	30.8%	\$48,666
IQHQ Holdings Class A-1	LP Interest	Life Science	Various	1.4%	\$45,733
NexPoint Real Estate Finance, Inc.	Common Stock	Mortgage	Various	12.2%	\$32,907
7.50% Convertible Notes of NexPoint SFR Operating Partnership, L.P.	Convertible Notes	Single-Family Rental	Various	100%	\$29,625
Senior Loans	Senior Loans	N/A	N/A	100%	\$28,523
AM Uptown Hotel, LLC (Marriott Uptown)	Real Estate	Hospitality	Dallas, Texas	60.0%	\$26,455 ²
NexPoint Hospitality Trust	Common Stock	Hospitality	Various	45.4%	\$22,935
Convertible Notes in the Operating Partnership of NexPoint Hospitality Trust	Convertible Notes	Hospitality	Various	100%	\$21,677
White Rock Center	Real Estate	Retail	Dallas, Texas	100.0%	\$13,913 ¹
NexPoint Dominion Land, LLC	Real Estate	Land	Plano, Texas	100.0%	\$13,025 ¹
Sandstone Pasadena Apartments, LLC	Real Estate	Multifamily	Pasadena, Texas	83.3%	\$12,549 ²
Las Vegas Land Owner, LLC	Real Estate	Land	Las Vegas, Nevada	76.7%	\$12,312 ²
Perilune Aero Equity Holdings One, LLC	LLC Interest	Aircraft Leasing	Various	16.4%	\$11,248 ²
LLV Holdco, LLC Revolver	Senior Loans	Land	Las Vegas, Nevada	29.1%	\$11,089
SFR WLIF III, LLC	LLC Interest	Single-Family Rental	Various	20%	\$7,289 ²
CLO	CLO	N/A	N/A	100%	\$7,462
IQHQ Holdings Class A-2	LP Interest	Life Science	Various	0.5%	\$6,307
Real Estate Common Equities	Common Stock	Real Estate Other	Various	100%	\$5,685
5916 W Loop 289	Real Estate	Retail	Lubbock, Texas	100.0%	\$4,135 ¹
LLV Holdco, LLC	LLC Interest	Land	Henderson, Nevada	26.8%	\$3,896
NexPoint Residential Trust, Inc.	Common Stock	Multifamily	Various	0.3%	\$3,875

1) REPRESENTS THE NET EQUITY OF THE INVESTMENT. NET EQUITY REPRESENTS THE CARRYING VALUE OF THE INVESTMENT. FOR INVESTMENTS IN OPERATING PROPERTIES, ANY DEBT SECURED BY THE UNDERLYING REAL PROPERTY IS SUBTRACTED FROM THE CARRYING VALUE OF THE INSTRUMENT.

2) REPRESENTS THE CARRYING AMOUNT OF THE INVESTMENT FOR ITS SHARE OF EARNINGS AND LOSSES REPORTED BY THE INVESTEE, DISTRIBUTIONS RECEIVED, AND OTHER-THAN-TEMPORARY IMPAIRMENTS.

Net Asset Value Estimate – Fair Value (continued)

(in thousands and as of March 31, 2023)

Investment	Asset Type	Investment Sector	Location	Ownership %	NXDT Fair Value
Rights and Warrants	Rights and Warrants	N/A	N/A	100%	\$3,795
Bonds	Bonds	N/A	N/A	100%	\$21
Total Investments					\$1,003,400
Other assets and liabilities					\$(11,820)
Preferred shares					\$(83,248)
Value of Assets					\$ 908,332
<i>Leverage ratio (net debt to enterprise value)</i>					21.6%
Net Asset Value					\$903,332
Shares outstanding, diluted					37,172
Estimated NAV/Share					\$24.4/sh

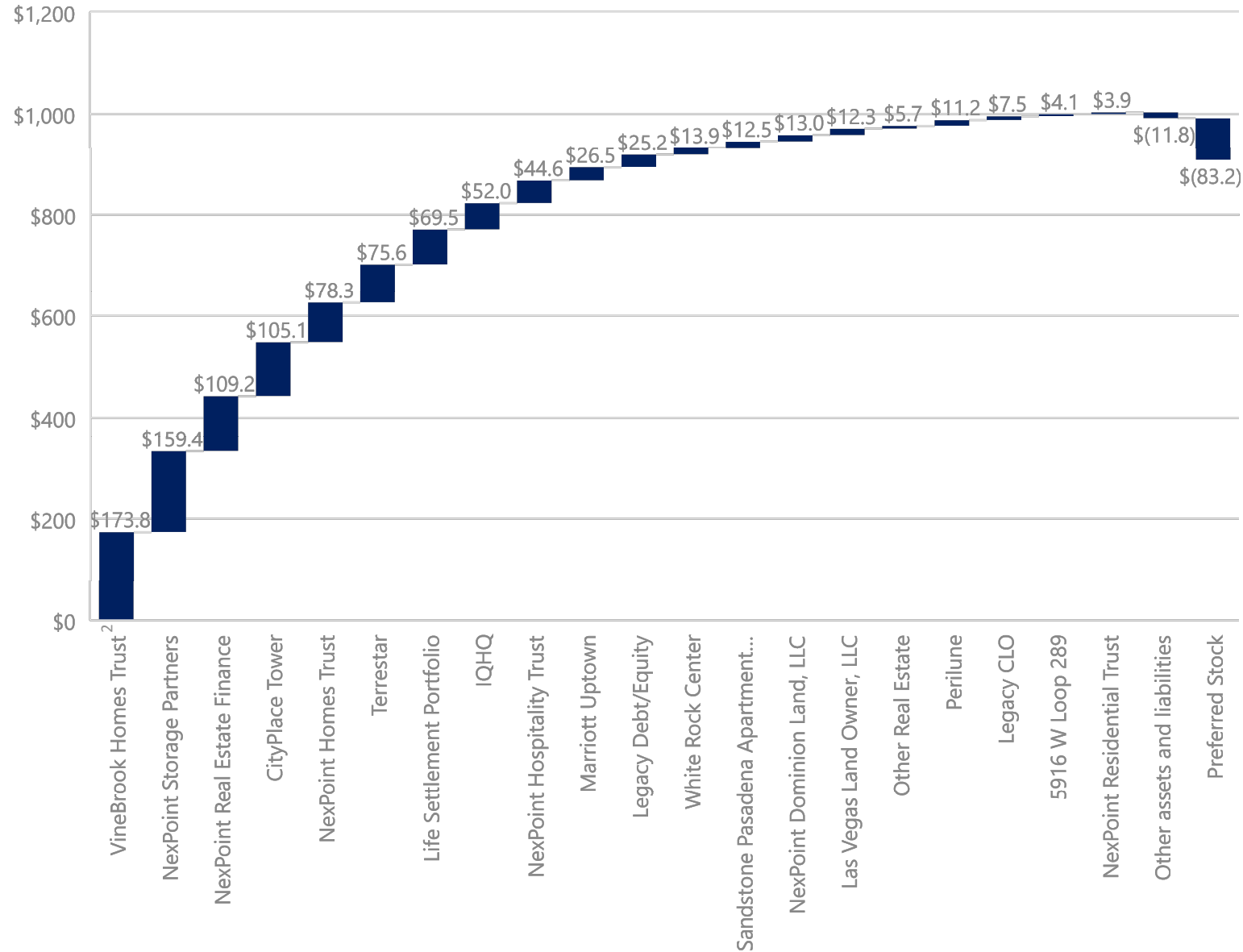
Net Asset Value Estimate – Value of Assets Fair Value

(in thousands and as of March 31, 2023)

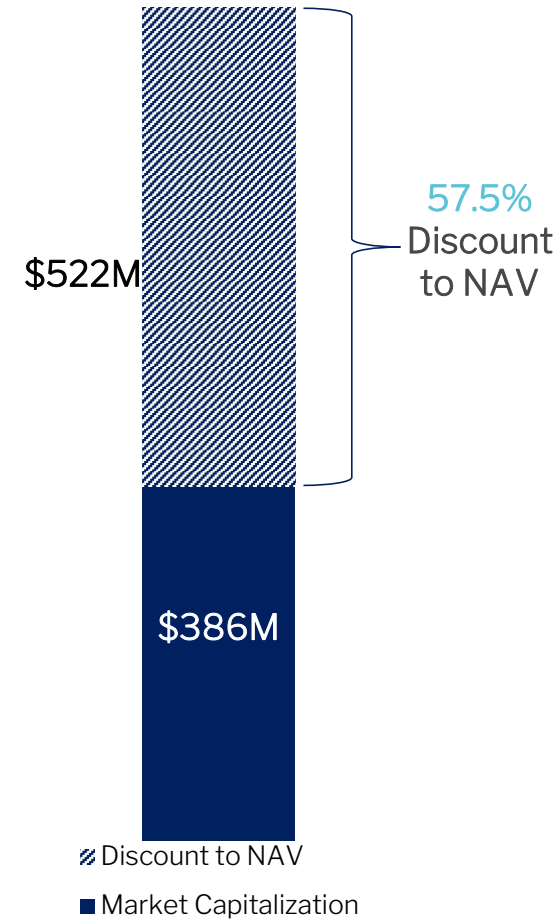
Asset Type	Valuation Technique	Inputs	Input/Range Values	Fair Value
Single-Family Rental	Discounted Cash Flow	Discount Rate	6.4% - 9.1% (7.75%)	\$300.2
		Capitalization Rate	3.6% - 7.0% (5.3%)	
	Transaction Indication of Value	Price per Share	\$22.75	
Self-Storage	Discounted Cash Flow	Discount Rate	4.98% - 9.25% (7.67%)	159.9
	Discounted Cash Flow	Discount Rate	7.75% - 9.75% (8.75%)	
		Capitalization Rate	5.125% - 5.625% (5.375%)	
Multifamily		Market Rent (per sqft)	\$4.39 - \$32.31 (\$18.35)	87.4
	Direct Capitalization Method	Capitalization Rates	5.5%	
	Transaction Indication of Value	Bid/Ask	Various	
Office & Hospitality*	Transaction Indication of Value	Cost Price	N/A	105.1
	Direct Capitalization Method	Capitalization Rates	6.8%	
	Discounted Cash Flow	Discount Rate	7.8%	
TerreStar	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.09 - \$0.95 (\$0.515)	75.6
	Cost of Capital	Discount Rate	11.0% - 13.0% (12.1%)	
	Transaction Indication of Value	Enterprise Value (\$mm)	\$841	
Life Settlement Portfolio	Discounted Cash Flow	Discount Rate	11.3%	69.5
	Discounted Cash Flow	Discount Rate	14.0%	
		Life Expectancy (Months)	12 - 302 (62.8)	
Life Science	Transaction Indication of Value	N/A	\$25.31 - \$28.00 (\$26.66)	53.9
Legacy CLO	Multiples Analysis	NAV / sh multiple	1.10x - 1.45x (1.28x)	7.5
	NAV Approach	Discount Rate	70.0%	
Hospitality	Direct Capitalization Method	Capitalization Rates	7.5% - 9.2% (8.5%)	71.1
	Discounted Cash Flow	Discount Rate	8.3% - 10.2% (9.6%)	
	Discounted Cash Flow	Discount Rate	7.00% - 9.00% (8.00%)	
Real Estate Other	Transaction Indication of Value	Offer Price per Share	\$1.10	23.7
		Bid/Ask	Various	
	Direct Capitalization Method	Capitalization Rates	9.3%	
Land	Transaction Indication of Value	Rent PSF	\$7- \$9	16.9
Aircraft	Transaction Indication of Value	Cost Price	N/A	
Legacy Debt/Equity	Discounted Cash Flow	Discount Rate	7.5% - 10.5%	11.2
	Discounted Cash Flow	Discount Rate	20% - 30%	21.3
	NAV Approach	Discount Rate	10.0%	
		Bid/Ask	Various	
	Multiples Analysis	Multiple of EBITDA	3.25x - 4.25x (3.75x)	
	Black-Scholes Model	Volatility	82.9%	
Other assets and liabilities, net	N/A	N/A	N/A	(11.8)
(Less) Preferred stock	N/A	N/A	N/A	(83.2)
Total				\$908.3

NXDT Net Asset Value (NAV)

NXDT NAV Build¹



NXDT Discount to NAV



1) AS OF MARCH 31, 2023
 2) INCLUDES VINEBROOK DEBT AND EQUITY INVESTMENTS

The background of the slide features a dark, semi-transparent overlay on a photograph of a city street. In the foreground, a red and white tram is visible, with a sign on its front that reads "RIDE FREE". In the background, a tall, modern skyscraper with many windows rises against a cloudy sky. The overall aesthetic is professional and urban.

NEXPOINT

DIVERSIFIED REAL ESTATE

Q1 2023 Investor
Presentation

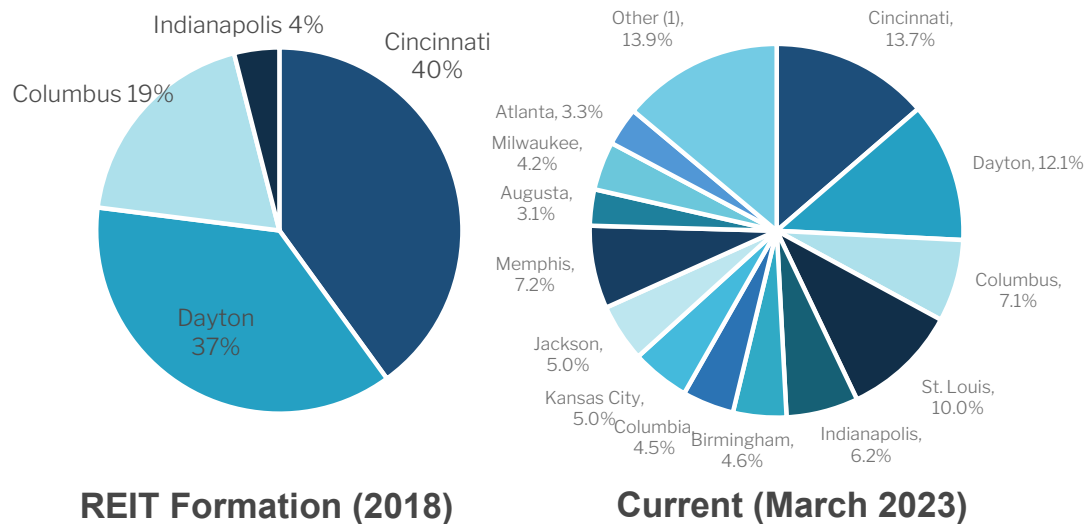
Appendix

VineBrook Homes

OVERVIEW OF BUSINESS PLAN:

VineBrook Homes Trust, Inc.'s ("VineBrook") primary investment objectives are to provide their residents with affordable, safe, clean and functional dwellings with a high level of service through institutional management and a renovation program on the homes purchased, while enhancing the cash flow and value of properties owned. VineBrook intend to acquire properties with cash flow growth potential, provide quarterly cash distributions and achieve long-term capital appreciation for our stockholders.

INVESTMENT GEOGRAPHIC RESULTS:



REIT Formation (2018)

Current (March 2023)

(1) Other includes Markets below 3.0%: Pittsburgh, Pensacola, Greenville, Little Rock, Huntsville, Raeford, Portales, Omaha, Triad, Montgomery, and Charleston



ASSET PROFILE:

Homes Owned:	24,527 units
Stabilized Occupancy:	95.8%
Average Stabilized Monthly Rent:	\$1,199
Average Square Feet per Home:	1,341 sq ft
NXDT Ownership:	11.5%

INVESTMENT HISTORY:

The Company, through NREO, contributed \$70.7 million to VineBrook in exchange for operating partnership units on November 1, 2018.

VineBrook began operations on November 1, 2018, as a result of the acquisition of various partnerships and limited liability companies owned and operated by the VineBrook Contributors and other third parties, which owned 4,129 single family rental ("SFR") assets located in Ohio, Kentucky and Indiana. Since then, NexPoint has provided access to over \$1 billion in equity and \$2 billion in debt, which has funded the purchase of more than 20,000 homes outside of the original portfolio. The VineBrook portfolio now covers 24 MSAs in 18 different states.

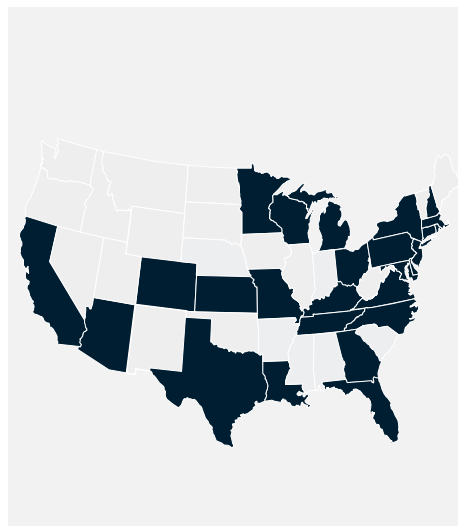
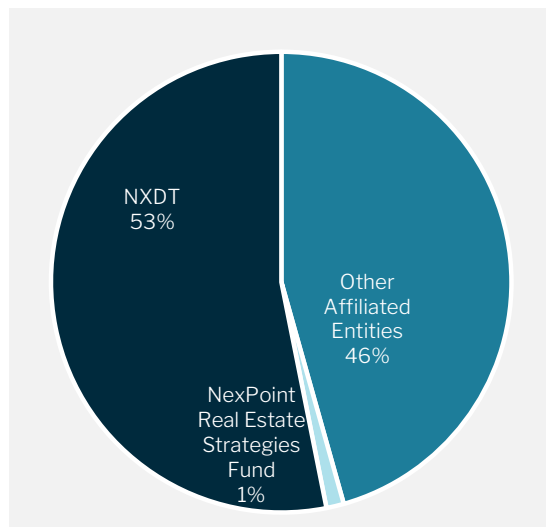
As of March 31, 2023, NXDT owns \$166.5 million of VineBrook, representing 11.5% ownership of VineBrook's operating partnership.

NexPoint Storage Partners

OVERVIEW OF BUSINESS PLAN:

We believe that combining these platforms, NexPoint Storage Partners and SAFStor, will provide us with the scale to attract better financing and raise preferred equity, as we continue to look and grow this vertical. Storage fundamentals remain remarkably strong, and with its low capital expenditures and short-term duration leases, we are bullish on the future for this platform.

OWNERSHIP BREAKDOWN¹ AND MARKETS:



ASSET PROFILE:

Units Owned:	61,000 units
Total Investments:	77
Market Cap:	\$384 million
Total Rentable Sq. Ft:	5.8 million
Projected Development Yield on Cost:	8.0%
NXDT Fair Value:	\$159 million ²

INVESTMENT HISTORY:

In November 2020, NexPoint took Jernigan Capital (formerly NYSE: JCAP) private in a \$900 million transaction. The company rebranded as NexPoint Storage Partners, Inc. ("NSP"). JCAP was started as a hybrid mortgage-equity REIT, providing capital to self-storage developers and also owning facilities outright. Today, NSP invests in newly built, multi-story, climate-controlled, Class-A self storage facilities located in dense and growing markets. All assets are managed by Extra Space Storage, who also invested \$300 million in preferred equity during the JCAP buy out.

On December 8, 2023, NexPoint Storage Partners acquired and consolidated SAFStor (another Storage platform that was largely funded via LP equity by NexPoint). The newly acquired properties are in high-density, high-growth submarkets in major U.S. markets and benefit from demographics very similar to those of the existing NexPoint Storage portfolio, including strong household incomes, a high percentage of renters, and barriers to new development. The markets of the newly acquired properties include Baltimore, Cleveland, Detroit, Houston, Miami/Ft. Lauderdale, Nashville, New Orleans, Philadelphia, and Washington D.C.

1) CHART ONLY SHOWS COMMON STOCK OWNERSHIP OF NSP
2) INCLUDES COMMON AND PREFERRED STOCK OF NSP

Cityplace Tower

OVERVIEW OF BUSINESS PLAN:

NexPoint plans to build a ~222-room class A hotel and conference space within the current structure to attract corporate travelers, as well as weekend visitors, to the Dallas metroplex. The estimated budget to complete the hotel is approximately \$136.2MM and has an estimated IRR and MOIC of 15.9% and 2.22x, respectively. In addition, we plan to convert floors 34 to 41 from multi-tenant office to ~98 high-end class A multifamily units. The multifamily conversion is estimated to cost \$61.5MM and has an estimated IRR and MOIC of 27.6% and 3.21x, respectively. Both projects have an estimated completion date of Q1 2025.

INVESTMENT SUMMARY AND OPERATING RESULTS:

- NexPoint Real Estate Opportunities, LLC (“NREO”), a wholly-owned subsidiary of NexPoint Diversified Real Estate Trust purchased the Property in August 2018 for \$195.75MM
- As of March 31, 2023, NXDT has invested approximately \$116.6MM of equity into the project
- As of March 31, 2023, the office portion of Cityplace Tower is 52% occupied and 62% leased compared to the Uptown/Oak Lawn submarket average occupancy of 81%²
- Despite the challenges brought by both the Dean Foods bankruptcy and COVID-19 Pandemic related issues, our leasing results have been positive and reinforce our original investment thesis – core property with below market rents which can be brought to market with long overdue capex investments

\$s in 0,000s	2019	2020	2021	2022
Occupancy:	75%	70%	66%	58%
NOI:	\$9,507	\$6,552	\$7,952	\$8,180

LEASING RESULTS:

- Weighted average renewal/extension gross equivalent rent at Cityplace - \$36.34 per square foot¹ compared to:
 - Direct asking rents in the Uptown/Oak Lawn submarket are the highest in Dallas - \$59.62 per square foot²
 - Dallas average asking rent - \$31.83 per square foot³
- Weighted average increase in base rent of 48% on renewals and extensions signed¹
 - Weighted average gross equivalent of renewals/extensions are 61% LOWER than the Uptown/Oak Lawn submarket and only 14% HIGHER than Dallas’ average asking rent
- Cityplace rents should be comfortably inside the Uptown/Oak Lawn submarket, which has superior location being on the West side of I-75, and the Dallas average, which is of inferior quality.

1) AS OF MARCH 31, 2023
 2) ACCORDING TO JLL OFFICE SUBMARKET REPORT – UPTOWN/OAK LAWN Q1 2023 QUARTERLY SUBMARKET
 3) ACCORDING TO CBRE DALLAS/FORTH WORTH OFFICE REPORT – Q1 2023
 4) SOURCE: DALLAS AREA RAPID TRANSIT ANNUAL COMPREHENSIVE REPORT FOR 2022



ASSET PROFILE:

Address:	2711 N. Haskell Ave, Dallas, Texas 75204
Total Rentable Area:	1,353,087 square feet
No. of Stories:	42
Year Built:	1988
NXDT Ownership:	100%

PROPERTY HISTORY:

Cityplace Tower (the “Property”) is a class-A trophy office building, originally constructed in 1988 for approximately \$300 million, which at the time was the most expensive office building ever constructed in Dallas, Texas. The Property is situated along the East side of Interstate 75 and N. Haskell Ave., adjacent to the Uptown, Dallas sub-market and less than 1-mile from downtown Dallas. The Property is 42 stories, contains 1.35 million square feet of office space and common areas. The Property was built as the headquarters for Southland Corporation (now 7-Eleven) and was originally planned to be Cityplace East of what would be “twin towers” on opposite sides of Interstate 75 and connected by a skybridge. Construction of the second tower (Cityplace West) was eventually canceled due to the Savings and Loan crisis and resulting real estate crash in Dallas, Texas.

The Property is also the only office building in the DFW metroplex with direct access to the DART Light Rail and services the Red, Orange and Blue lines. The 10-story deep rail station is accessed via the concourse level of Cityplace or via entrance on the West side of Interstate-75. The DART Light Rail had the 5th highest ridership of light rail systems in the United States, with more than 17.6 million annual rides, an average of 48,200 rides per weekday.⁴

TerreStar Corporation

OVERVIEW OF BUSINESS PLAN:

- TerreStar Corporation is one of the largest independent wireless spectrum license holders in the United States. Founded in 2013, TerreStar's mid-band spectrum investments cover every major domestic market, representing more than 3.3 Billion MHz-POPs of aggregate Radio Frequency (RF) resource.

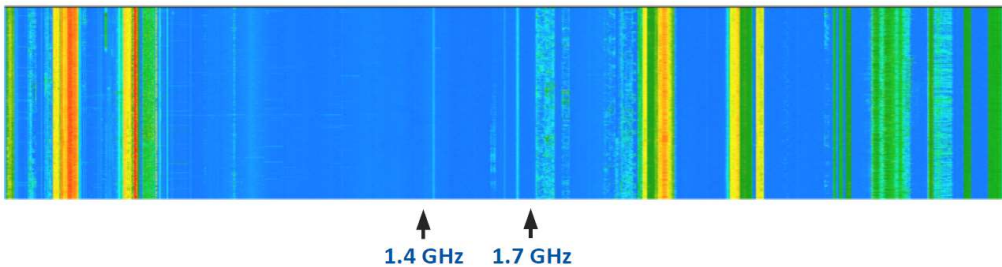
1.7 GHz SPECTRUM SUMMARY:

- TerreStar owns ~30% of the critical 1.7GHz Band within the AWS-3 spectrum block. The AWS-3 is considered paired alongside AWS-4 as a result of 3GPP creating Band 70.
- TerreStar's 1.7 asset is comprised of 18 licenses that cover 19% of the nation with a heavy presence in the Midwest spanning from Minnesota to Ohio, as well as Hawaii, Puerto Rico and the U.S. Virgin Islands.
- Mobile carriers such as Dish Network, Verizon Communications Inc. and AT&T Inc., are spending billions of dollars on similar spectrum assets as they build out their 5G networks for customers.

1.4 GHz SPECTRUM SUMMARY:

- TerreStar owns 100% of the 1.4 GHz Band, which is comprised of 64 licenses covering the entire United States. At 2.64 Billion MHz-POPs, this is the largest wide-area resource not controlled by a wireless carrier.
- The 1.4 GHz spectrum is entirely private and is currently positioned to support advanced wireless patient monitoring through its Wireless Medical Telemetry Service or "WMTS".
- Not limited to medical applications, the band is of primary interest to private LTE+NR use cases in support of next-generation industrial and enterprise wireless applications.

RF SPECTRUM



ASSET PROFILE:

Spectrum Portfolio:	1.4 GHz and 1.7 GHz
Wire Area Networks:	Industrial and Enterprise
Nationwide Coverage:	100% of US Population
Year Founded:	2013
NXDT Fair Value::	\$75.6 million

INVESTMENT HISTORY:

TerreStar Corporation is one of the largest independent wireless spectrum license holders in the United States. Founded in 2013, today's company was born from a restructuring of the original TerreStar, which was a mobile satellite network operator. TerreStar's mid-band spectrum investments cover every major domestic market, representing more than 3.3 Billion MHz-POPs of aggregate Radio Frequency (RF) resource.

The background of the slide features a dark, semi-transparent overlay on a photograph of a city street. In the foreground, a red and white tram is visible, with a sign on its front that reads "RIDE FREE". In the background, a tall, modern skyscraper with many windows rises against a cloudy sky. The overall color palette is muted, with blues, greys, and the red of the tram.

NEXPOINT

DIVERSIFIED REAL ESTATE

Q1 2023 Investor
Presentation

Reconciliations

Reconciliations

RECONCILIATION OF NET INCOME TO FFO AND AFFO

(in thousands except per share data)	For the Three Months Ended March 31, 2023	For the Three Months Ended December 31, 2022
Net loss	\$(19,521)	\$(22,586)
Depreciation and amortization	3,524	3,614
Realized gains	(1,135)	5,169
FFO	(17,132)	(13,803)
Distributions to preferred shareholders	(1,155)	(1,155)
FFO attributable to common shareholders	(18,287)	(14,958)
FFO per share - basic	\$(0.49)	\$(0.40)
FFO per share - diluted	\$(0.49)	\$(0.40)
Amortization of deferred financing costs - long term debt	(474)	(92)
Change in unrealized losses	18,640	13,793
AFFO attributable to common shareholders	(121)	(1,257)
AFFO per share - basic	\$(0.00)	\$(0.03)
AFFO per share - diluted	\$(0.00)	\$(0.03)
Weighted average common shares outstanding, basic	37,172	37,172
Weighted average common shares outstanding, diluted	37,172	37,172
Dividends declared per common share	\$0.15	\$0.15
FFO Coverage, diluted	-3.28x	-2.68x
AFFO Coverage, diluted	-0.02x	-0.23x

Reconciliations - NXDT

	For the Three Months Ended March 31	For the Three Months Ended December 31	For the Year Ended December	For the Year Ended December	For the Year Ended December	For the Year Ended December
	2023	2022	2022 ¹	2021 ¹	2020 ¹	2019 ¹
Net income (loss)	\$ (19,521)	\$ (22,586)	\$ 47,570	\$ 245,455	\$ (120,767)	\$ 65,781
Adjustments to reconcile net loss to NOI:						
Advisory and administrative fees	3,578	2,575	11,793	11,094	11,654	14,078
Corporate general and administrative expenses	1,496	1,142	5,425	5,090	4,374	3,996
Conversion expense	163	1,615	2,086	-	-	-
Income tax expense	806	2,459	11,975	14	-	22
Depreciation and amortization	3,524	3,614	7,175	-	-	-
Interest expense	3,462	3,218	6,455	2,435	4,650	10,936
Property general and administrative expenses (2)	-	(824)	(824)	-	-	-
Non-operating property investments revenue	(10,137)	(8,901)	(124,257)	(95,136)	(38,456)	(5,515)
Realized gains (losses)	(1,135)	5,169	(26,822)	41,721	59,248	388
Change in unrealized gains (losses)	18,640	13,793	(59,438)	(216,624)	79,296	(40,053)
Equity in income (losses) of unconsolidated equity method ventures	76	676	2,257	-	-	-
NOI	\$ 952	\$ 1,951	\$ 2,271	\$ -	\$ -	\$ -
Less Non-Same Store						
Revenues	\$ (4,382)	\$ (5,073)	\$ (9,258)	\$ -	\$ -	\$ -
Operating expenses	3,644	3,368	7,497	-	-	-
Operating income	-	-	-	-	-	-
Same Store NOI	\$ 214	\$ 245	\$ 510	\$ -	\$ -	\$ -

- 1) REFLECTS PERIODS WHERE THE COMPANY WAS PARTIALLY OR FULLY REGISTERED AS AN INVESTMENT COMPANY, AND AS A RESULT ANY NOI WAS FLOWN THROUGH CHANGE IN UNREALIZED GAIN (LOSS).
2) INCLUDES AN ADJUSTMENT TO NET LOSS TO EXCLUDE CERTAIN PROPERTY GENERAL AND ADMINISTRATIVE EXPENSES THAT ARE NOT REFLECTIVE OF THE CONTINUING OPERATIONS OF THE OPERATIONS

Reconciliations – Cityplace Tower

	For the Year Ended December 31	For the Year Ended December	For the Year Ended December	For the Year Ended December
	2022	2021	2020	2019
Net loss	\$ (11,475)	\$ (9,940)	\$ (13,584)	\$ (8,207)
Adjustments to reconcile net loss to NOI:				
Amortization of leasing costs	229	146	148	52
Amortization of deferred leasing fees	288	155	41	5
Amortization of in place leases	3,671	2,676	11,243	4,883
Amortization of above/below market leases	(102)	1,422	(3,635)	592
Amortization of deferred legal expenses	46	31	19	-
Amortization of loan costs	394	740	850	843
Amortization of tenant inducements	7	-	-	-
Depreciation of building and building improvements	4,680	4,106	4,073	4,073
Depreciation of tenant improvements and inducements	1,430	733	1	1
Depreciation of furniture, fixtures and equipment	54	53	53	17
Interest expense	8,188	7,817	7,326	7,231
Bank charges	21	13	17	17
Other non-operating expense	(1)	749	-	-
Net Operating Income	\$ 8,180	\$ 7,952	\$ 6,552	\$ 9,507

1) INCLUDES AN ADJUSTMENT TO NET LOSS TO EXCLUDE CERTAIN PROPERTY GENERAL AND ADMINISTRATIVE EXPENSES THAT ARE NOT REFLECTIVE OF THE CONTINUING OPERATIONS OF THE OPERATIONS..

Reconciliations (RECONCILIATION OF SAME STORE AND NON-SAME STORE NET OPERATING INCOME)

(in thousands except per share data)

For the Three Months Ended March 31, 2023

For the Three Months Ended December 31, 2022

	For the Three Months Ended March 31, 2023	For the Three Months Ended December 31, 2022
Revenues		
Same Store		
Rental Income	\$347	\$393
Same Store revenues	\$347	\$393
Non-Same Store		
Rental Income	4,373	5,073
Other Income	9	—
Non-Same Store revenues	4,382	5,073
Total Revenues	4,729	5,467
Operating expenses		
Same Store		
Property operating expenses	24	29
Real estate taxes and insurance	82	84
Property management fees	17	18
Property general and administrative expenses	10	17
Same Store operating expenses	133	148
Non-Same Store		
Property operating expenses	1,482	1,834
Real estate taxes and insurance	1,275	1,109
Property management fees	154	174
Property general and administrative expenses	733	251
Non-Same Store operating expenses	3,644	3,368
Total operating expenses	3,777	3,516
NOI		
Same Store	214	245
Non-Same Store	738	1,706
Total NOI	\$ 952	\$1,951

Reconciliations

RECONCILIATION OF DEBT TO NET DEBT

(in thousands except per share data)	March 31, 2023	December 31, 2022
Mortgages payable, net	\$ 143,918	\$ 144,414
Notes payable	21,250	24,250
Prime brokerage borrowing	736	2,624
Total Debt	<u>165,904</u>	<u>171,288</u>
Adjustments to arrive at net debt:		
Cash and cash equivalents	(8,348)	(13,360)
Restricted cash	(36,453)	(35,289)
Net Debt	<u>\$ 121,103</u>	<u>\$ 122,639</u>
Enterprise Value (1)	\$ 560,263	\$ 592,215
Leverage Ratio	21.6%	20.7%

1) ENTERPRISE VALUE IS CALCULATED AS MARKET CAPITALIZATION AS OF PERIOD END PLUS NET DEBT.