

# NEXPOINT

DIVERSIFIED REAL ESTATE

NYSE: NXDT

## NexPoint Diversified Real Estate Trust

Q2 2023 Investor Presentation

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# 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 “may,” “ability,” “target,” “believe,” “plan,” “continue,” “grow,” “future,” “brought,” “progress,” “budgeted,” “estimate,” “should,” “objective,” “complete,” “bullish,” “will,” “intend,” “project,” 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, VineBrook Homes Trust, Inc.’s business strategies and investment targets and the yield of our investment in NexPoint Storage Partners, Inc. 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) income tax expenses, (6) expenses associated with our conversion to a real estate investment trust, (7) 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 (8) non-operating property investment revenue as it is unrelated to the performance of our properties (9) realized and unrealized gains (loses) generated from non-real estate investments and (10) 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, equity based compensation expenses 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, [nxdt.nexpoint.com](http://nxdt.nexpoint.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.

**\$10.57**  
SHARE PRICE<sup>1</sup>

**5.6%**  
IMPLIED  
DIVIDEND YIELD<sup>2</sup>

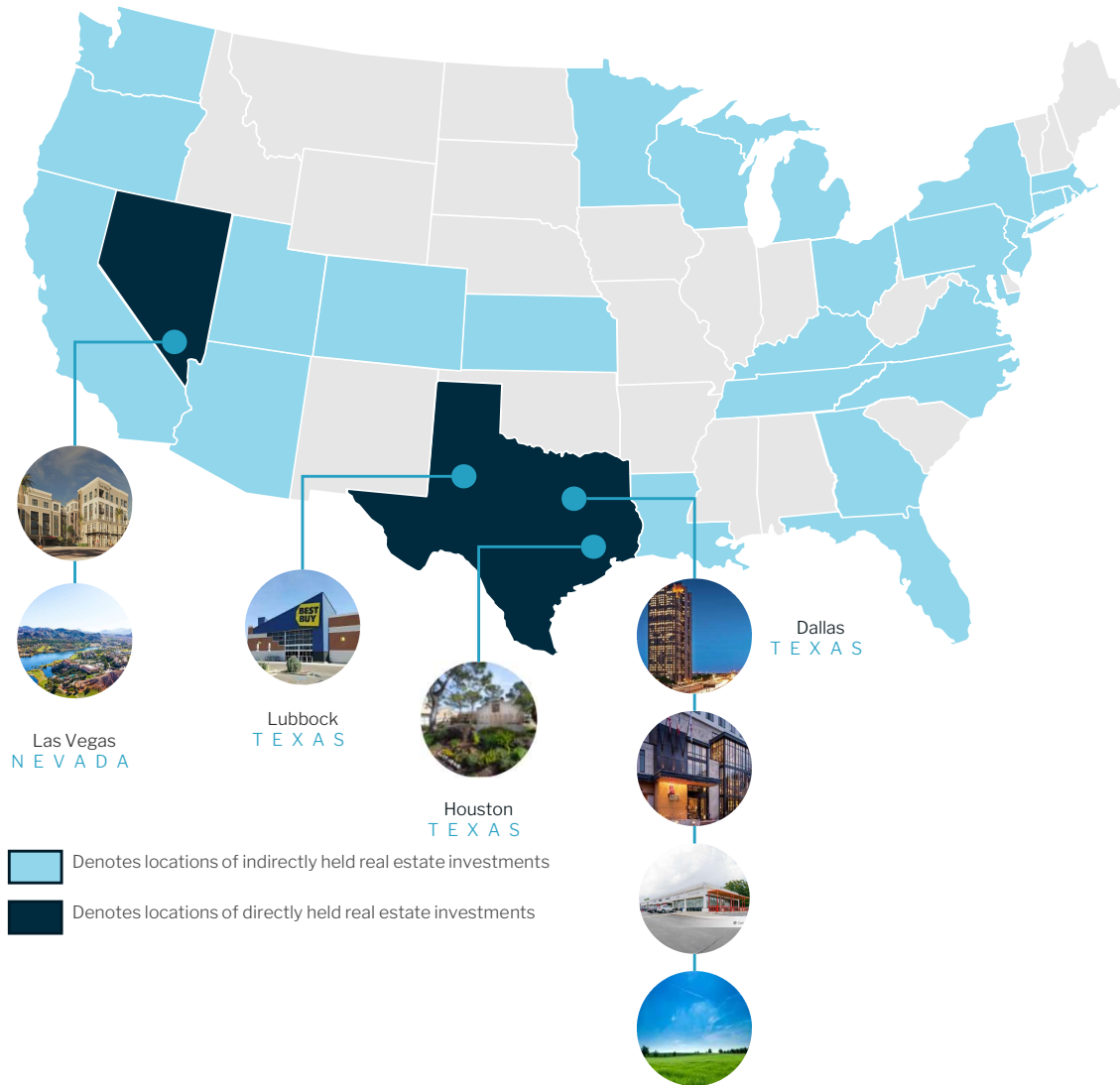
**18.66%**  
INSIDER  
OWNERSHIP<sup>3</sup>

## NXDT Total Return<sup>1</sup>

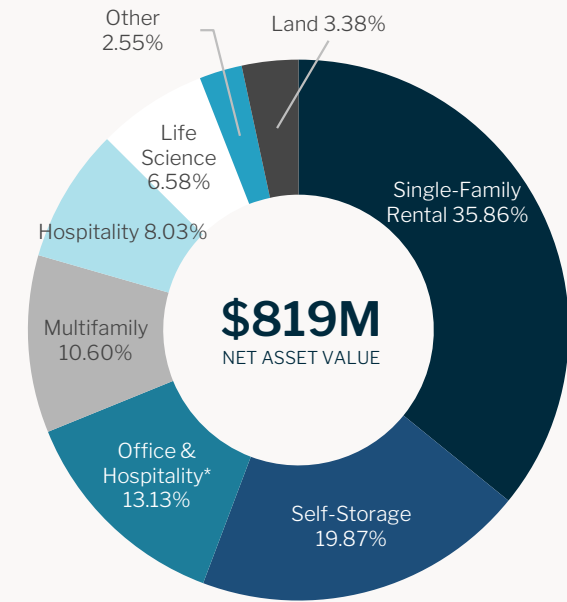


- 1) BLOOMBERG. TOTAL RETURN, INCLUDING DIVIDENDS, AS OF CLOSE OF TRADING AUGUST 21, 2023
- 2) IMPLIED DIVIDEND YIELD IS CALCULATED USING THE 2Q DIVIDEND OF \$0.15 PER COMMON SHARE, ANNUALIZED, DIVIDED BY THE SHARE PRICE AS OF CLOSE OF TRADING ON AUGUST 21, 2023
- 3) OF COMMON SHARES, INCLUDES OWNERSHIP BY FUNDS ADVISED OR MANAGED BY AFFILIATES OF OUR ADVISER AS OF THE CLOSE OF TRADING JUNE 30, 2023.

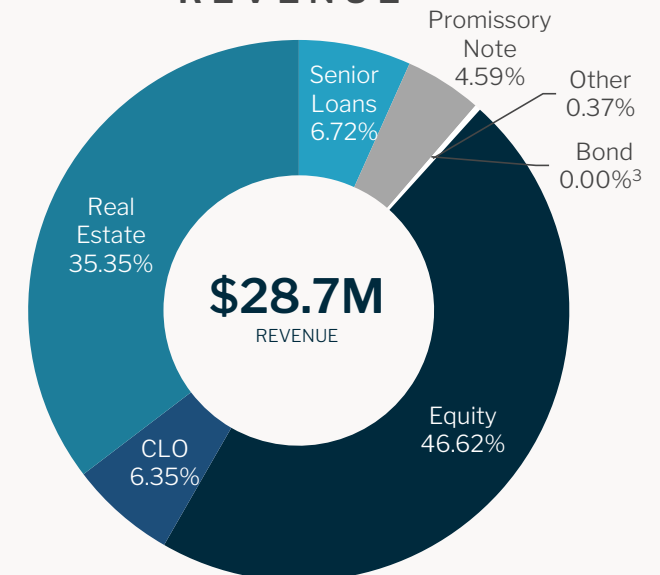
# Portfolio, Real Estate Owned



## REAL ESTATE ASSET CLASS<sup>1</sup>



## REVENUE<sup>2</sup>



1) AS A PERCENTAGE OF REAL ESTATE DEBT AND EQUITY INVESTMENTS AS OF JUNE 30, 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 SIX MONTHS ENDED JUNE 30, 2023  
 3) INDICATES A VALUE LESS THAN 0.01%

# Financial Summary

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

Company Profile	For the Three Months Ended June 30, 2023	For the Three Months Ended March 31, 2023	For the Six Months Ended June 30, 2023
Market capitalization	\$519,145	\$439,160	\$519,145
Share price (as of last day of period, common)	\$12.52	\$10.38	\$12.52
Share price (as of last day of period, preferred)	\$16.00	\$15.87	\$16.00
Weighted avg common shares outstanding, basic	37,172	37,172	37,172
Weighted avg common shares outstanding, diluted	37,755	37,172	37,465
<b>Earnings Profile</b>			
Total Revenues	\$13,880	\$14,866	\$28,746
Net Income (loss) attributable to common shareholders	\$(15,022)	\$(20,676)	\$(35,698)
NOI	\$363	\$952	\$1,315
<b>Earnings Metrics Per Common Share (diluted basis)</b>			
Earnings (loss)	\$(0.40)	\$(0.56)	\$(0.96)
FFO	\$(0.28)	\$(0.49)	\$(0.77)
AFFO	\$(0.02)	\$0.00	\$(0.02)
Dividends declared per common share	\$0.15	\$0.15	\$0.30
Net income (loss) coverage	-2.49x	-3.50x	-2.99x
FFO coverage	-1.85x	-3.28x	-2.56x
AFFO coverage	-0.16x	-0.02x	-0.06x
<b>Debt Summary</b>			
Total debt payable	\$183,441	\$165,904	\$183,441
Variable rate debt	\$183,441	\$165,904	\$183,441
Weighted avg rate, floating	8.22%	7.83%	8.01%
Leverage ratio (total debt to market capitalization plus total debt)	26.1%	27.4%	26.1%
Leverage ratio (net debt to enterprise value)	21.1%	21.6%	21.1%

# Balance Sheet

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

	June 30, 2023	December 31, 2022
Consolidated Real Estate Investments:		
Land	\$47,708	\$47,708
Buildings and improvements	\$181,886	\$174,469
Intangible lease assets	\$10,979	\$10,979
Construction in progress	\$39,654	\$39,731
Furniture, fixtures and equipment	\$362	\$354
<b>Total Gross Consolidated Real Estate Investments</b>	<b>\$280,589</b>	<b>\$273,241</b>
Accumulated depreciation and amortization	\$(14,023)	\$(7,158)
<b>Total Net Consolidated Real Estate Investments</b>	<b>\$266,566</b>	<b>\$266,083</b>
Investments, at fair value	\$712,657	\$754,910
Equity method investments	\$69,590	\$70,656
Life insurance policies, at fair value	\$60,619	\$67,711
Cash and cash equivalents	\$10,590	\$13,360
Restricted cash	\$34,201	\$35,289
Accounts receivable, net	\$1,698	\$1,903
Prepaid and other assets	\$7,507	\$6,441
Accrued interest and dividends	\$8,131	\$4,302
Deferred tax asset, net	\$1,983	\$2,247
<b>TOTAL ASSETS</b>	<b>\$1,173,542</b>	<b>\$1,222,902</b>
Mortgages payable, net	\$143,421	\$144,414
Notes payable, net	\$37,902	\$24,250
Prime brokerage borrowing	\$2,118	\$2,624
Accounts payable and other accrued liabilities	\$8,483	\$24,585
Accrued real estate taxes payable	\$2,262	\$254
Accrued interest payable	\$1,286	\$1,115
Security deposit liability	\$414	\$416
Prepaid rents	\$931	\$1,273
Intangible lease liability	\$5,284	\$6,027
Due to affiliates	\$112	\$112
<b>Total Liabilities</b>	<b>\$202,213</b>	<b>\$205,070</b>
<b>Total Shareholders' Equity</b>	<b>\$971,329</b>	<b>\$1,017,832</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$1,173,542</b>	<b>\$1,222,902</b>

# Statement of Operations

(in thousands, except for per share and unit data)	For the Three Months Ended June 30, 2023	For the Three Months Ended March 31, 2023	For the Six Months Ended June 30, 2023
<b>Revenues</b>			
Rental income	\$5,417	\$4,720	\$10,137
Interest and dividends	\$8,441	\$10,137	\$18,578
Other income	\$22	\$9	\$31
Total revenues	\$13,880	\$14,866	\$28,746
Total expenses	\$13,853	\$12,538	\$26,391
<b>Operating income</b>	<b>\$27</b>	<b>\$2,328</b>	<b>\$2,355</b>
Interest expense	\$(3,762)	\$(3,462)	\$(7,224)
Equity in losses of unconsolidated ventures	\$422	\$(76)	\$346
Income tax expense	\$(308)	\$(806)	\$(1,114)
Change in unrealized losses	\$(9,332)	\$(18,640)	\$(27,972)
Realized gains (losses)	\$(914)	\$1,135	\$221
<b>Net Income (Loss)</b>	<b>\$(13,867)</b>	<b>\$(19,521)</b>	<b>\$(33,388)</b>
<b>Net income attributable to preferred shareholders</b>	<b>\$(1,155)</b>	<b>\$(1,155)</b>	<b>\$(2,310)</b>
<b>Net loss attributable to common shareholders</b>	<b>\$(15,022)</b>	<b>\$(20,676)</b>	<b>\$(35,698)</b>
<b>Weighted average common shares outstanding, basic and diluted</b>	<b>37,172</b>	<b>37,172</b>	<b>37,172</b>
<b>Earnings (loss) per share, basic and diluted</b>	<b>\$(0.40)</b>	<b>\$(0.56)</b>	<b>\$(0.96)</b>
<b>Dividends declared and paid, preferred shares</b>	<b>\$0.34375</b>	<b>\$0.34375</b>	<b>\$0.6875</b>
<b>Dividends declared and paid, common shares</b>	<b>\$0.15</b>	<b>\$0.15</b>	<b>\$0.30</b>

# Real Estate Portfolio Detail

(as of June 30, 2023)

Property	Type	Ownership %	Acquisition Date	Year Built	Acres	Square Feet	Occupancy	Leased Occ.	Cash ABR/SF <sup>1</sup>
LLV Holdco, LLC <sup>2</sup>	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 <sup>3</sup>
Cityplace Tower	Office	100%	August 15, 2018	1988	2.86	1,353,087	58%	64%	\$2.10
Marriott Uptown <sup>4</sup>	Hospitality	60%	June 8, 2018	2021	0.75	277,443	72%	72%	\$214.67 <sup>5</sup>
Las Vegas Land Owner, LLC <sup>4</sup>	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
<b>Total</b>					<b>366.74</b>	<b>16,649,145</b>	<b>67%</b>	<b>69%</b>	

1) ABR DEFINITION: TOTAL MONTHLY BASE RENT (CASH BASIS, ANNUALIZED) IN-PLACE AT 06/30/2023

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 ACCOUNTS 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 June 30, 2023)

Investment	Asset Type	Real Estate Sector	Location	Ownership %	NXDT Fair Value
VineBrook Homes Operating Partnership, L.P.	LP Interest	Single-Family Rental	Various	11.1%	\$167,305
Cityplace Tower	Real Estate	Office/Hospitality/Multifamily	Dallas, Texas	100.0%	\$107,472 <sup>1</sup>
NexPoint Storage Partners, Inc.	Common Stock	Self-Storage	Various	53.0%	\$105,006
NexPoint Real Estate Finance Operating Partnership, L.P.	OP Units	Diversified	Various	16.1%	\$75,909
Specialty Financial Products, Ltd.	Life Settlement Policies	N/A	N/A	100%	\$65,532 <sup>1</sup>
NexPoint Storage Partners Operating Company, LLC	LLC Interest	Self-Storage	Various	29.7%	\$57,220
Non-Real Estate Common Equities	Common Equity	N/A	N/A	N/A	\$51,375
NexPoint SFR Operating Partnership, L.P.	LP Interest	Single-Family Rental	Various	30.8%	\$49,720
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%	\$32,739
Senior Loans	Senior Loans	N/A	N/A	100%	\$29,255
AM Uptown Hotel, LLC (Marriott Uptown)	Real Estate	Hospitality	Dallas, Texas	60.0%	\$26,216 <sup>2</sup>
7.50% Convertible Notes of NexPoint SFR Operating Partnership, L.P.	Convertible Notes	Single-Family Rental	Various	100%	\$21,200
Convertible Notes in the Operating Partnership of NexPoint Hospitality Trust	Convertible Notes	Hospitality	Various	100%	\$22,531
NexPoint Hospitality Trust	Common Stock	Hospitality	Various	45.4%	\$16,964
White Rock Center	Real Estate	Retail	Dallas, Texas	100.0%	\$13,175 <sup>1</sup>
NexPoint Dominion Land, LLC	Real Estate	Land	Plano, Texas	100.0%	\$12,984 <sup>1</sup>
Las Vegas Land Owner, LLC	Real Estate	Land	Las Vegas, Nevada	76.7%	\$12,312 <sup>2</sup>
Sandstone Pasadena Apartments, LLC	Real Estate	Multifamily	Pasadena, Texas	83.3%	\$12,169 <sup>2</sup>
Perilune Aero Equity Holdings One, LLC	LLC Interest	Aircraft Leasing	Various	16.4%	\$11,587 <sup>2</sup>
LLV Holdco, LLC Revolver	Senior Loans	Land	Las Vegas, Nevada	29.1%	\$11,317
SFR WLIF III, LLC	LLC Interest	Single-Family Rental	Various	20%	\$7,306 <sup>2</sup>
IQHQ Holdings Class A-2	LP Interest	Life Science	Various	0.5%	\$6,308
CLO	CLO	N/A	N/A	100%	\$5,415
5916 W Loop 289	Real Estate	Retail	Lubbock, Texas	100.0%	\$4,111 <sup>1</sup>
NexPoint Residential Trust, Inc.	Common Stock	Multifamily	Various	0.3%	\$4,075
Real Estate Common Equities	Common Stock	Real Estate Other	Various	100%	\$3,630
LLV Holdco, LLC	LLC Interest	Land	Henderson, Nevada	26.8%	\$3,372

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 June 30, 2023)

Investment	Asset Type	Investment Sector	Location	Ownership %	NXDT Fair Value
Rights and Warrants	Rights and Warrants	N/A	N/A	100%	\$3,557
Bonds	Bonds	N/A	N/A	100%	\$25
<b>Total Investments</b>					<b>\$985,520</b>
Other assets and liabilities					\$ (14,191)
Preferred shares					\$ (83,248)
<b>Net Asset Value</b>					<b>\$888,081</b>
Shares outstanding, diluted					37,172
<b>Estimated NAV/Share</b>					<b>\$23.89/sh</b>

# Net Asset Value Estimate – Value of Assets Fair Value<sup>1</sup>

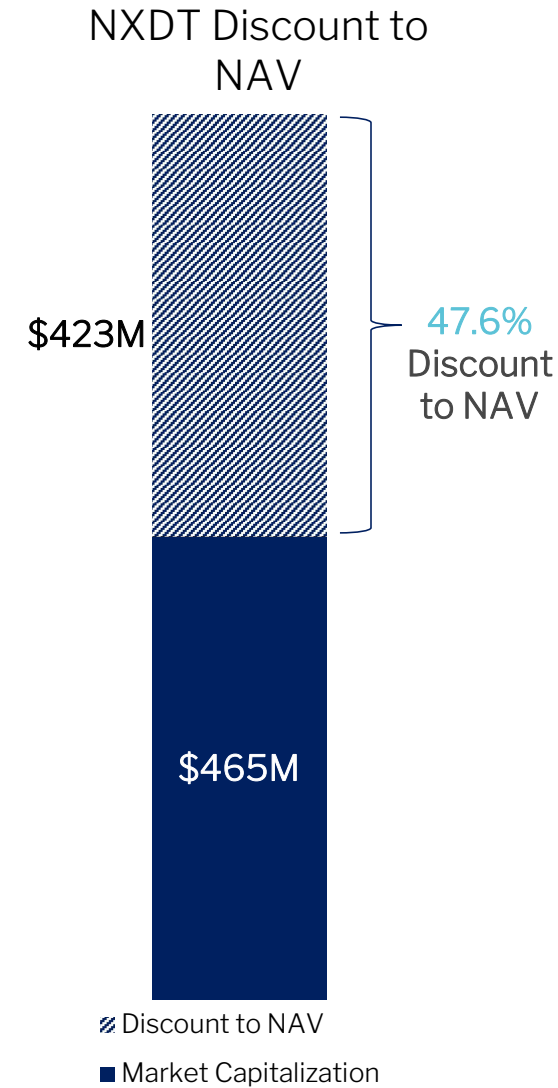
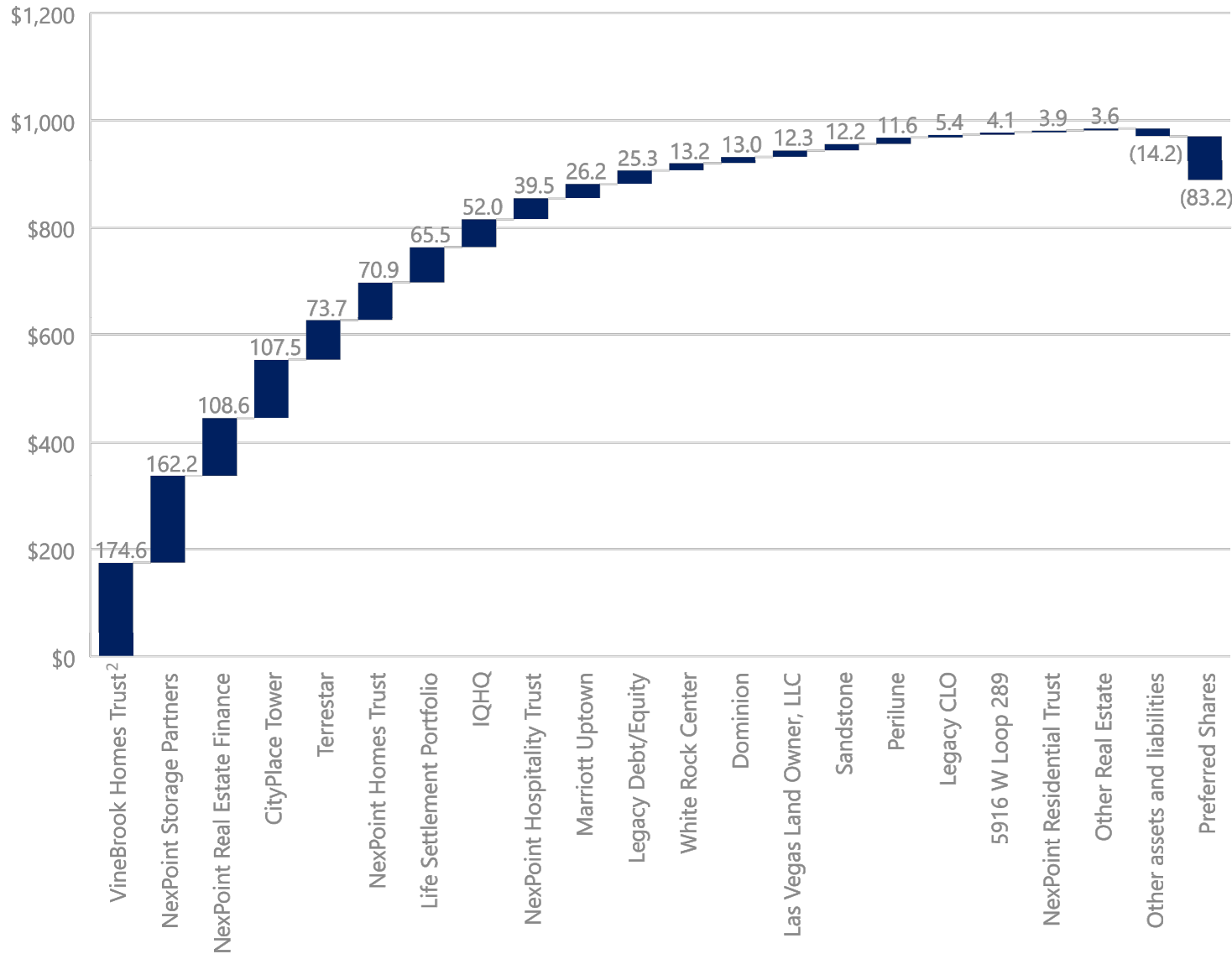
(in thousands and as of June 30, 2023)

Asset Type	Valuation Technique	Inputs	Input/Range Values	Fair Value
Single-Family Rental	Discounted Cash Flow	Discount Rate	6.4% - 9.1% (7.75%)	\$293.6
		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%)	162.7
	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)	86.9
	Direct Capitalization Method	Capitalization Rates	5.5%	
	Transaction Indication of Value	Bid/Ask	Various	
Office & Hospitality*	Transaction Indication of Value	Cost Price	N/A	107.5
	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)	73.7
	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%	65.5
	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)	5.4
	NAV Approach	Discount Rate	70.0%	
Hospitality	Direct Capitalization Method	Capitalization Rates	7.5% - 9.2% (8.5%)	65.7
	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	20.9
		Bid/Ask	Various	
	Direct Capitalization Method	Capitalization Rates	9.3%	
Land	Transaction Indication of Value	Rent PSF	\$7- \$9	
Aircraft	Transaction Indication of Value	Cost Price	N/A	27.7
Legacy Debt/Equity	Discounted Cash Flow	Discount Rate	7.5% - 10.5%	11.6
	Discounted Cash Flow	Discount Rate	20% - 30%	10.5
	NAV Approach	Discount Rate	10.0%	
		Bid/Ask	Various	
	Multiples Analysis	Multiple of EBITDA	3.25x -4.25x (3.75x)	
Other assets and liabilities, net	Black-Scholes Model	Volatility	82.9%	(14.2)
(Less) Preferred shares	N/A	N/A	N/A	(83.2)
<b>Total</b>				<b>\$888.2</b>

1) Per the Company's Fair Value policies and procedures, the fair value positions are typically assessed annually by independent, third-party valuation specialists. If the fair value method of accounting is elected for these investments, these third-party fair values are also subject to an independent audit.

# NXDT Net Asset Value (NAV)

NXDT NAV Build<sup>1</sup>



1) AS OF JUNE 30, 2023  
 2) INCLUDES VINEBROOK DEBT AND EQUITY INVESTMENTS

# Debt Look through of Equity Investments

(in thousands and as of June 30, 2023, and excludes non-affiliated publicly traded investments)

Investment	Total Debt per Investment	Ownership %
VineBrook Homes Operating Partnership, L.P.	\$2,026,155	11.1%
Cityplace Tower	\$143,487	100.0%
NexPoint Storage Partners, Inc.	\$904,248	53.0% <sup>1</sup>
NexPoint SFR Operating Partnership, L.P.	\$578,075	30.8%
Terrestar Corporation	Information is confidential	Information is confidential
IQHQ Holdings Class A-1	Information is confidential	1.4%
NexPoint Real Estate Finance, Inc.	\$7,122,310	12.2% <sup>1</sup>
AM Uptown Hotel, LLC (Marriott Uptown)	Information is confidential	60.0%
NexPoint Hospitality Trust <sup>2</sup>	\$212,849	45.4%
White Rock Center	\$—	100.0%
NexPoint Dominion Land, LLC	\$13,250	100.0%
Las Vegas Land Owner, LLC	Information is confidential	76.7%
Sandstone Pasadena Apartments, LLC	Information is confidential	83.3%
Perilune Aero Equity Holdings One, LLC	Information is confidential	16.4%
SFR WLIF III, LLC	Information is confidential	20%
IQHQ Holdings Class A-2	Information is confidential	0.5%
5916 W Loop 289	\$—	100.0%
NexPoint Residential Trust, Inc.	\$1,598,475	0.3%
LLV Holdco, LLC	Information is confidential	26.8%
IQHQ Holdings Class A-2	Information is confidential	0.5%

1) REFLECTS COMMON SHARES ONLY  
2) AS OF 3/31/2023



# NEXPOINT

DIVERSIFIED REAL ESTATE

Q2 2023 Investor  
Presentation

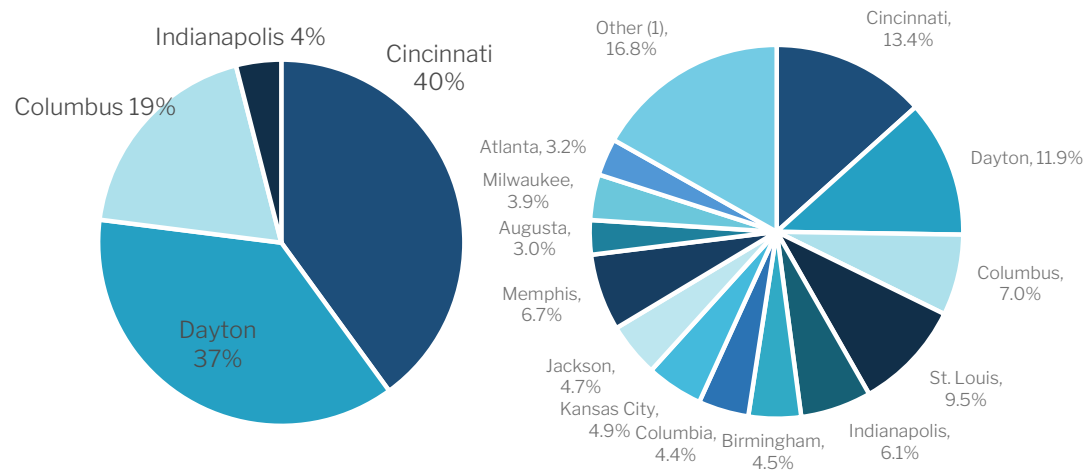
## Appendix

# 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 intends to acquire properties with cash flow growth potential, provide quarterly cash distributions and achieve long-term capital appreciation for its stockholders.

## INVESTMENT GEOGRAPHIC RESULTS:



## REIT Formation (2018)

## Current (June 2023)

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



1) AS OF 03/31/2023



## ASSET PROFILE:

Homes Owned:	24,004 units
Stabilized Occupancy:	95.9%
Average Stabilized Monthly Rent:	\$1,221
Average Square Feet per Home:	1,341 sq ft <sup>1</sup>
NXDT Ownership:	11.2%

## INVESTMENT HISTORY:

The Company, through NexPoint Real Estate Opportunities, LLC, its indirect subsidiary, 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 persons or entities affiliated with the manager of VineBrook 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.

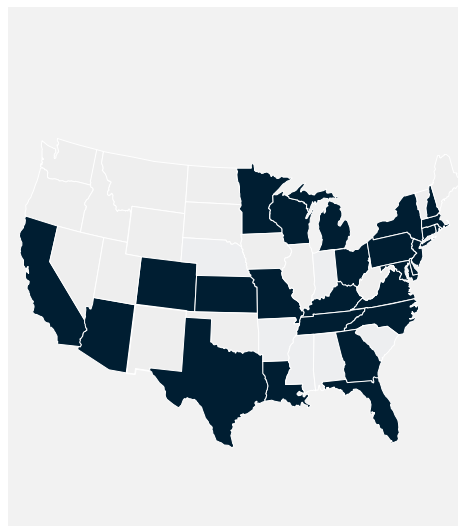
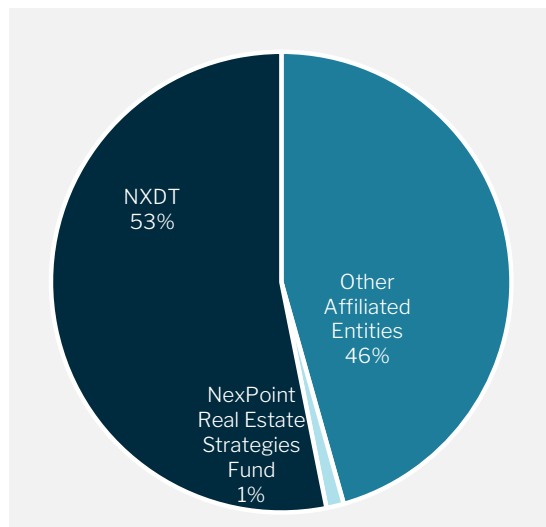
As of June 30, 2023, NXDT owns \$167.3 million of VineBrook, representing 11.2% ownership of VineBrook's operating partnership.

# NexPoint Storage Partners

## OVERVIEW OF BUSINESS PLAN:

NexPoint believes that combining these platforms, NexPoint Storage Partners, Inc. (“NSP”) and SAFStor, will provide NSP with the scale to attract better financing and raise preferred equity, as NSP continues to look to grow this vertical. Storage fundamentals have softened thus far in 2023; however, given the portfolio’s quality and markets, we remain bullish on the future for this platform and its ability to outperform.

## OWNERSHIP BREAKDOWN<sup>1</sup> AND MARKETS:



## ASSET PROFILE:

Units Owned:	62,000 units
Total Investments:	75
Market Cap:	\$391 million
Total Rentable Sq. Ft:	5.8 million
Projected Development Yield on Cost:	8.0%
NXDT Fair Value:	\$162 million <sup>2</sup>

## INVESTMENT HISTORY:

In November 2020, NexPoint took Jernigan Capital (formerly NYSE: JCAP) private in a \$900 million transaction. The company rebranded as 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, 2022, NSP 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 STOCK OF NSP AND LLC UNITS OF NEXPOINT STORAGE PARTNERS OPERATING COMPANY, LLC, NSP'S OPERATING COMPANY.



# 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:

- NREO, a wholly-owned subsidiary of NXDT purchased the Property in August 2018 for \$195.75MM
- As of June 30, 2023, the office portion of Cityplace Tower is 62% occupied and 62% leased compared to the Uptown/Oak Lawn submarket average occupancy of 80%<sup>1</sup>
- 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 foot<sup>2</sup> compared to:
  - Direct asking rents in the Uptown/Oak Lawn submarket are the highest in Dallas - \$49.30 per square foot<sup>2</sup>
  - Dallas average asking rent - \$31.83 per square foot<sup>3</sup>
- Weighted average increase in base rent of 47% on renewals and extensions signed<sup>2</sup>
  - Weighted average gross equivalent of renewals/extensions are 35% LOWER than the Uptown/Oak Lawn submarket and only 16% 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) ACCORDING TO JLL OFFICE SUBMARKET REPORT – UPTOWN/OAK LAWN Q2 2023 QUARTERLY SUBMARKET AS OF JUNE 30, 2023  
 2) ACCORDING TO CBRE DALLAS/FORTH WORTH OFFICE REPORT – Q1 2023  
 3) SOURCE: DALLAS AREA RAPID TRANSIT ANNUAL COMPREHENSIVE REPORT FOR 2022  
 4)



## 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 5<sup>th</sup> 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.<sup>4</sup>

# 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.

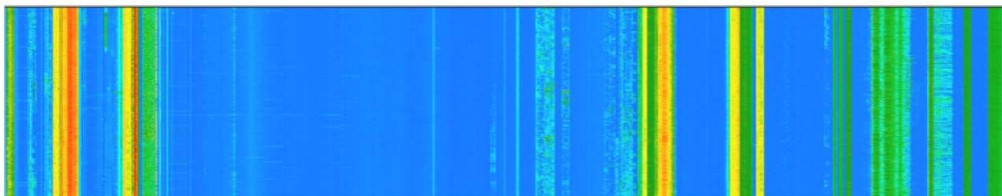
## 1.7 GHz SPECTRUM SUMMARY:

- 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.<sup>2</sup>

## 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.<sup>1</sup>
- 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.
- TerreStar is provisionally licensed by the FCC to prove out a medical telemetry use case. Currently TerreStar has met all FCC milestones on schedule and expects to meet remaining milestones in a timely manner.

## RF SPECTRUM



↑ 1.4 GHz    ↑ 1.7 GHz



## 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.

1) ACCORDING TO TERRESTAR CORPORATION FACT SHEET, ACCESSIBLE AT TERRESTAR.NET  
2) (Big 4 Wireless Carriers Spent \$100B on 5G Spectrum: Was It Worth It?, Jan. 26, 2022)

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". Behind the tram, a tall, modern skyscraper with many windows rises into a cloudy sky. The overall color palette is muted, with blues, greys, and the red of the tram.

# NEXPOINT

DIVERSIFIED REAL ESTATE

Q2 2023 Investor  
Presentation

## Reconciliations

# Reconciliations

## RECONCILIATION OF NET INCOME TO FFO AND AFFO

(in thousands except per share data)	For the Three Months Ended June 30,2023	For the Three Months Ended March 31,2023	For the Six Months Ended June 30,2023
Net loss	\$(13,867)	\$(19,521)	\$(33,388)
Depreciation and amortization	3,584	3,524	7,108
Realized gains	914	(1,135)	(221)
<b>FFO</b>	<b>(9,369)</b>	<b>(17,132)</b>	<b>(26,501)</b>
Distributions to preferred shareholders	(1,155)	(1,155)	(2,310)
<b>FFO attributable to common shareholders</b>	<b>(10,524)</b>	<b>(18,287)</b>	<b>(28,811)</b>
<b>FFO per share - basic</b>	<b>\$(0.29)</b>	<b>\$(0.49)</b>	<b>\$(0.78)</b>
<b>FFO per share - diluted</b>	<b>\$(0.28)</b>	<b>\$(0.49)</b>	<b>\$(0.77)</b>
Equity-based compensation expense	436	—	436
Amortization of deferred financing costs - long term debt	230	(474)	(244)
Change in unrealized (gains) losses	9,332	18,640	27,972
<b>AFFO attributable to common shareholders</b>	<b>(526)</b>	<b>(121)</b>	<b>(647)</b>
<b>AFFO per share - basic</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>
<b>AFFO per share - diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>
Weighted average common shares outstanding, basic	37,172	37,172	37,172
Weighted average common shares outstanding, diluted	37,755	37,172	37,465
Dividends declared per common share	\$0.15	\$0.15	\$0.30
<b>FFO Coverage, diluted (1)</b>	<b>-1.85x</b>	<b>-3.28x</b>	<b>-2.56x</b>
<b>AFFO Coverage, diluted (1)</b>	<b>-0.16x</b>	<b>-0.02x</b>	<b>-0.06x</b>

1) INCLUDES COVERAGE RATIO OF FFO/AFFO PER COMMON SHARE (DILUTED) OVER DIVIDENDS DECLARED PER COMMON SHARE DURING THE PERIOD.

# Reconciliations

## RECONCILIATION OF NET INCOME TO NET OPERATING INCOME AND SAME STORE NET OPERATING INCOME

	For the Three Months Ended June 30	For the Six Months Ended June 30	For the Three Months Ended March 31	For the Six 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	2023	2023	2022	2022 <sup>1</sup>	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
Net income (loss)	\$ (13,867)	\$ (33,388)	\$ (19,521)	\$ (81,574)	\$ 47,570	\$ 245,455	\$ (120,767)	\$ 65,781
Adjustments to reconcile net loss to NOI:								
Advisory and administrative fees	1,660	5,238	3,578	5,514	11,793	11,094	11,654	14,078
Corporate general and administrative expenses	2,252	3,748	1,496	3,080	5,425	5,090	4,374	3,996
Conversion expense	1,281	1,444	163	1,615	2,086	—	—	—
Income tax expense	308	1,114	806	9,975	11,975	14	—	22
Depreciation and amortization	3,584	7,108	3,524	7,175	7,175	—	—	—
Interest expense	3,762	7,224	3,462	5,759	6,455	2,435	4,650	10,936
Property general and administrative expenses	—	—	—	(824)	(824)	—	—	—
Non—operating property investments revenue	(8,441)	(18,578)	(10,137)	(45,061)	(124,257)	(95,136)	(38,456)	(5,515)
Realized gains (losses)	914	(221)	(1,135)	2,323	(26,822)	41,721	59,248	388
Change in unrealized gains (losses)	9,332	27,972	18,640	92,031	(59,438)	(216,624)	79,296	(40,053)
Equity in income (losses) of unconsolidated equity method ventures	(422)	(346)	76	2,257	2,257	—	—	—
NOI	\$ 363	\$ 1,315	\$ 952	\$ 2,270	\$ 2,271	\$ —	\$ —	\$ —
Less Non—Same Store								
Revenues	\$ (5,064)	\$ (9,446)	\$ (4,382)	\$ (9,258)	\$ (9,258)	\$ —	\$ —	\$ —
Operating expenses	4,955	8,599	3,644	7,497	7,497	—	—	—
Operating income	—	—	—	—	—	—	—	—
Same Store NOI	\$ 254	\$ 468	\$ 214	\$ 509	\$ 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

## RECONCILIATION OF CITYPLACE TOWER NET LOSS TO NET OPERATING INCOME

	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 June 30, 2023	For the Three Months Ended March 31, 2023	For the Six Months Ended June 30, 2023
<b>Revenues</b>			
Same Store			
Rental Income	\$374	\$348	\$722
Same Store revenues	\$374	\$348	\$722
Non-Same Store			
Rental Income	5,042	4,373	9,415
Other Income	22	9	31
Non-Same Store revenues	5,064	4,382	9,446
Total Revenues	5,438	4,730	10,168
<b>Operating expenses</b>			
Same Store			
Property operating expenses	26	24	50
Real estate taxes and insurance	63	82	145
Property management fees	19	17	36
Property general and administrative expenses	13	10	23
Same Store operating expenses	121	133	254
Non-Same Store			
Property operating expenses	2,493	1,483	3,976
Real estate taxes and insurance	1,277	1,275	2,552
Property management fees	173	153	326
Property general and administrative expenses	1,012	733	1,745
Non-Same Store operating expenses	4,955	3,644	8,599
Total operating expenses	5,076	3,778	8,853
<b>NOI</b>			
Same Store	254	214	468
Non-Same Store	109	738	847
Total NOI	\$ 363	\$ 952	\$1,315

# Reconciliations

## RECONCILIATION OF DEBT TO NET DEBT

(in thousands except per share data)	June 30, 2023	March 31, 2022
Mortgages payable, net	\$ 143,421	\$ 143,918
Notes payable	37,902	21,250
Prime brokerage borrowing	2,118	736
Total Debt	<u>183,441</u>	<u>165,904</u>
Adjustments to arrive at net debt:		
Cash and cash equivalents	(10,590)	(8,348)
Restricted cash	(34,201)	(36,453)
Net Debt	<u>\$ 138,650</u>	<u>\$ 121,103</u>
Enterprise Value (1)	\$ 657,795	\$ 560,263
Leverage Ratio	21.1%	21.6%

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