

NYSE: NXDT

# NexPoint Diversified Real Estate Trust

## Investor Presentation

**ADDRESS**

300 Crescent Ct  
Suite 700  
Dallas, TX 75201

**CONTACT**

**Investor Relations**

Kristen Thomas, NexPoint  
[IR@nexpoint.com](mailto:IR@nexpoint.com)

# Risks and 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,” “anticipate,” “target,” “plan,” “expect,” “progress,” “estimate,” “should,” “will,” “intend,” “short-term,” “long-term” and “potential” and similar expressions, and variations and negatives of these words. These forward-looking statements include, but are not limited to, statements regarding the compression of the yield curve, such compression’s impact on the transactions market and that it will create opportunities to generate liquidity and raise capital, the Company’s reallocation strategy, including selling \$100 million to \$150 million in assets and the effect of such strategy, the impact of the Company’s reallocation strategy on the value of the Company, investor perception and analyst coverage of the Company, which properties or investments may be sold as part of the reallocation strategy, the estimated proceeds from the sale of certain of the Company’s properties or investments, target sectors for the reallocation, the future demand for residential properties, VineBrook Homes Trust, Inc.’s ability to execute its investment strategy and generate returns for investors, the timing of the stabilization of NexPoint Storage Partners, Inc.’s portfolio, projected development yield on cost of NXDT’s investment in NexPoint Storage Partners, Inc., the gross asset value of NexPoint Storage Partners, Inc. upon stabilization, the details of planned redevelopment of Cityplace Tower, the possibility that NXDT’s loan to MidWave Wireless, Inc. is refinanced in the coming year, the timing of a possible strategic transaction by MidWave Wireless, Inc., and NXDT’s net asset value, including the related assumptions and estimates. 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 and Quarterly Reports on Form 10-Q 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.

## 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 History



**March 10, 2006**  
Company Inception

**April 1, 2015**  
NXRT Spins Out of NexPoint Strategic Opportunities Fund ("NHF")

**March 31, 2021**  
NHF Files Deregistration Application with SEC

**July 1, 2022**  
SEC Issues Deregistration Order

**August 28, 2020**  
NHF Receives Shareholder Approval for REIT Conversion Proposal, Investment Company Deregistration & Amended Investment Policies

**November 8, 2021**  
NXDT Name Change Becomes Official

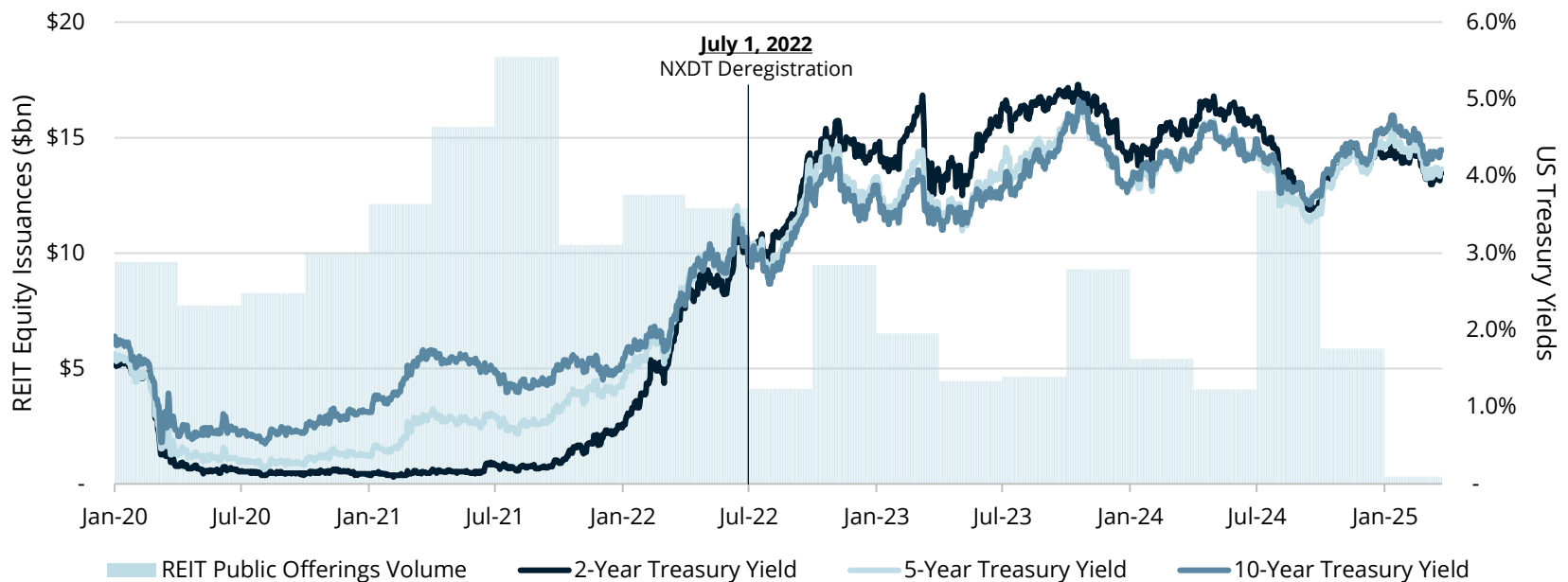
**June 29, 2023**  
NXDT Added to the Russell 2000 and Russell 3000 indexes



# Higher Interest Rates Have Stunted Liquidity in Public Markets

During the roughly two-year period before NXDT's deregistration on July 1, 2022, low interest rates produced a pace of REIT equity issuances averaging ~\$12bn annually. Since then, significantly higher interest rates have driven a decline in the rate of REIT equity offerings to roughly half that annual volume in capital raised. This created a challenging backdrop for NXDT, as a slowdown in property transactions and illiquidity in the capital markets made it difficult to execute the Company's newly formulated REIT business plan. Near-term compression in the yield curve (which is anticipated to tighten ~70bps in the next year) should reignite the transaction market and create opportunities to generate liquidity and raise capital. Transaction volume spiked pre-election in lockstep with a dip in rates, signaling liquidity is available in capital markets, however, has tapered off as rates have risen post-election.

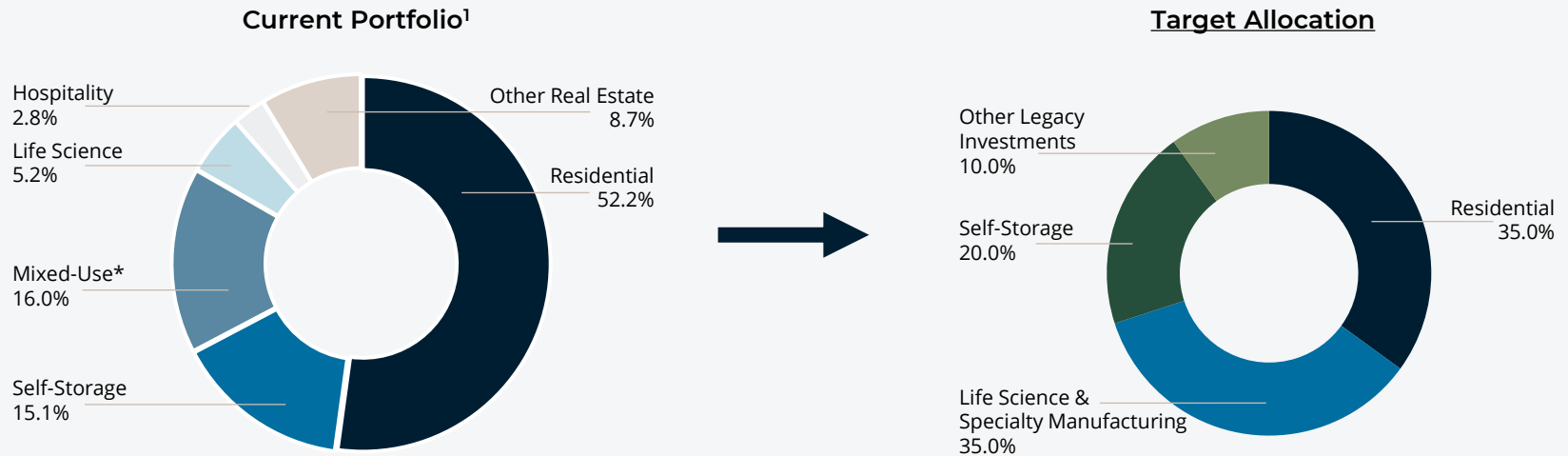
REIT Equity Offerings vs. US Treasury Yields<sup>1</sup>



# Strategic Reallocation of NXDT's Portfolio

NXDT's portfolio consists of a diverse mix of equity, debt, and mezzanine investments across various major asset classes. We believe the market is undervaluing these assets due to the portfolio's diverse nature. In the coming year, NXDT plans to re-focus its asset allocation across sectors in which NexPoint has extensive track record and a history of investment success. This re-focusing will involve selling legacy NXDT assets that do not fall within the "core" focus of NexPoint. A more favorable capital market environment, with lower interest rates and increased liquidity, should facilitate this process. The more strategically focused portfolio, together with enhanced investor outreach, should allow investors to better understand the value of NXDT's underlying investments, reducing the value discount. We endeavor to opportunistically sell \$100 million to \$150 million in assets to free up capital for reinvestment in target asset classes such as residential, self-storage, and life sciences. Transitioning to a more strategically focused portfolio covering fewer sectors is expected to attract analyst coverage, shedding more light on the value of NXDT and its holdings. Currently, eight analysts cover NXRT, and three analysts cover NREF.

## Target Repositioning



## Target Sector Reallocations

### Residential

Residential properties provide a steady stream of rental income, contributing to predictable and stable cash flow for institutional investors. Long-term demand drivers include population growth, urbanization, a significant shortage of quality housing, and the preferences of millennials and retirees for rental housing. Residential investments can provide competitive cash yields compared to other real estate sectors and fixed-income assets while generating return through appreciating in value.

Stable Cash Flows	Home Price Appreciation
Experienced Residential Investor	Scalable Asset Class

### Self-Storage

Self-storage facilities typically offer stable and predictable rental income due to a monthly rental model, allowing for daily adjustment of rents to account for market dynamics, and high occupancy rates. Demand is driven by increased urbanization, smaller living spaces, and a tendency to accumulate belongings. The self-storage industry is still relatively fragmented, providing opportunities for institutional investors to acquire and consolidate smaller operators, creating larger and more efficient portfolios.

Strong Stabilized Occupancy	High Margin Business
Low CapEx Requirements	Short-Term Duration Leases

### Life Sciences & Specialty Manufacturing

The life sciences and specialty manufacturing sectors are experiencing significant growth due to advancements in biotechnology, an aging population, and increased healthcare spending. Tenants often sign long-term leases because of the high costs and complexities involved in relocating laboratories and specialized equipment, providing stable and predictable rental income. Due to the specialized nature of these facilities, life science and specialty manufacturing real estate often command higher rental rates compared to traditional office or industrial properties. The properties are often located in innovation hubs near major universities and research institutions, benefiting from proximity to cutting-edge research and talent.

High Growth Industry	Attractive Yield Profile
NNN Leases	Government Funding

# VineBrook Homes Trust<sup>1</sup>

VineBrook Homes Trust, Inc. (“VineBrook”) is a single-family rental platform that, as of December 2024, owns ~20,800 homes with a stabilized occupancy of 95.7%. The company was started in 2008 in Ohio, with a strategy to purchase and renovate homes in the workforce housing segment of metropolitan areas with stable demand drivers. In 2018, NexPoint became VineBrook’s capital partner, providing 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 23 MSAs in 18 states. VineBrook’s primary investment objectives are to provide VineBrook residents with affordable, safe, clean, and functional dwellings, a high level of service, 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, renovate and maintain its homes to deliver a high-quality resident experience, provide quarterly cash distributions and achieve long-term capital appreciation for its stockholders.

NXDT initially invested in VineBrook through contribution of \$70.7 million in exchange for operating partnership units on November 1, 2018.



## NXDT Investment Overview<sup>2</sup>

<p><b>\$151.7 Million</b> Investment NAV</p>	<p><b>11.4%</b> NXDT Ownership</p>
<p><b>3.3%</b> Stabilized Dividend Yield</p>	<p><b>Common Equity</b> Investment Type</p>

## Entity Overview<sup>2</sup>

<p><b>\$3.7 Billion</b> Entity GAV</p>	<p><b>Stabilized</b> Entity Status</p>
<p><b>~20,800</b> Homes</p>	<p><b>23 U.S. Markets</b> Location</p>

# NexPoint Storage Partners

In November 2020, NexPoint took private Jernigan Capital (formerly NYSE: JCAP), a high-quality publicly traded self-storage REIT with a differentiated business model and strategy, in a \$900 million transaction. The company was immediately rebranded as NexPoint Storage Partners, Inc. (“NSP”). NSP invests in newly built, multi-story, climate-controlled, Class-A self-storage facilities located in dense and growing markets such as Miami, New York, Los Angeles, Tampa / St. Petersburg, Atlanta, and Charlotte. All assets are managed by Extra Space Storage, who also invested \$300 million in preferred equity during the JCAP buy-out. Extra Space is the leading manager of self-storage properties in the United States and has produced industry-leading investment returns since going public in 2004. In 4Q’22, NSP acquired the general partner’s interest in SAFStor, a separate self-storage entity largely funded by NexPoint. The acquired SAFStor 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. The NSP portfolio is currently 92.1% occupied, has largely exceeded lease-up expectations, and is expected to stabilize by early 2025.



## NXDT Investment Overview<sup>1</sup>

**\$99.6 Million**  
Investment NAV

**52.8%**  
Common Ownership

**29.5%**  
OpCo Ownership

**8.0%**  
Projected Development  
Yield on Cost

**Common Equity**  
Investment Type

## Entity Overview<sup>1</sup>

**\$1.5/ \$1.8 Billion**  
Current / Stabilized GAV

**Lease-Up**  
Stabilizes in 2H 2025

**~76,000**  
Units

**25 States**  
Location

# CityPlace Tower

## Property Overview

Cityplace Tower (the “Property”) is a Class-A office building that was originally constructed in 1988 for ~\$300 million. The Property is situated along the East side of Highway 75 and N. Haskell Ave., adjacent to the Uptown, Dallas sub-market and less than 1-mile from downtown Dallas. CityPlace Tower is 42 stories and currently contains 1.36 million square feet of office space and common areas. The Property has direct access to the DART Light Rail, a 10-story deep rail station which is accessed via the concourse level of Cityplace or via entrance on the West side of Highway-75. The DART Light Rail had the 6th highest ridership of light rail systems in the United States, with more than 21.4 million annual rides, an average of 71,700 rides per weekday.<sup>1</sup> NREO, a wholly-owned subsidiary of NXDT purchased the Property in August 2018 for \$195.75mm



## Business Plan

NXDT purchased the Property in 2018 as an office redevelopment strategy given the attractive basis at which it was purchased (\$195.75mm acquisition price vs. \$300mm cost) with the thought that adding a hotel would drive superior office leasing. Given the COVID pandemic that ensued shortly thereafter, NXDT has since pivoted the redevelopment strategy to incorporate 28 floors of multifamily units. A detailed description of redevelopment plans for the asset are included below:

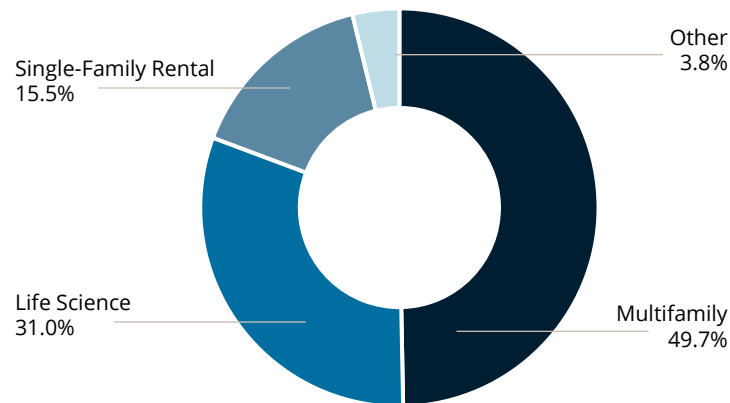
- **Hotel (Floors 3-10):** former office floors will be converted to a 221-key full-service hotel to attract both business and leisure travelers. The hotel's main lobby level will contain a 7-level atrium with a lobby lounge, reception area, bars, and a full-service upmarket restaurant. The southside of the main hotel lobby level will contain a multi-function pool, pool deck and outdoor bar.
- **Residential (Floors 14 - 41):** previous office floors will be converted to ~500 units of a mix of affordable and luxury multifamily residences. Residents will have access to some of the best views in Dallas, sprawling floor plans and a full-service hotel.
- **Hotel Event Space (Floor 42):** Existing event spaces will be upgraded with new FF&E, including updating of food & beverage catering spaces.

# NexPoint Real Estate Finance

NexPoint Real Estate Finance, Inc. ("NREF") is a publicly traded mortgage REIT, with its shares of common stock and 8.50% Series A Cumulative Redeemable Preferred Stock listed on the New York Stock Exchange. NREF concentrates on investments in real estate sectors where senior management has operating expertise, including multifamily, single-family rental, self-storage, life science and marina sectors in the top 50 metropolitan statistical areas. NREF targets lending in stabilized properties or properties with "light-transitional" business plans. NREF is externally managed by NexPoint Real Estate Advisors VII, L.P. ("NREA"), an affiliate of NexPoint Advisors, L.P., an SEC-registered investment advisor with extensive real estate and fixed income experience.

The current portfolio consists of senior loans, CMBS B-Pieces, CMBS I/O Strips, mezzanine debt, preferred equity, mortgage-backed securities, multifamily properties, promissory notes, and common stock investments in short-duration lease-term assets (multifamily, SFR, self-storage, life sciences, marina) that are geographically diverse in the United States. The portfolio has minimal exposure to construction loans, no heavy transitional loans, and no for-sale loans.

**Asset Type Exposure**



## NXDT Investment Overview<sup>1</sup>

<b>\$109.3 Million</b> Investment NAV	<b>12.0%</b> Common Ownership
<b>12.7%</b> Implied Dividend Yield	<b>15.6%</b> OP Ownership
<b>Common Equity</b> Investment Type	

## Entity Overview<sup>1</sup>

<b>\$1.2 Billion</b> Portfolio	<b>\$381.8mm</b> Book Value (\$16.97 Per Share)
<b>83</b> Investments	<b>18.8%</b> Insider Ownership

# MidWave Wireless, Inc. (f.k.a Terrestar Corporation)

MidWave Wireless, Inc. (“MidWave”), is one of the largest independent wireless spectrum license holders in the United States. Founded in 2013, MidWave’s mid-band spectrum investments cover every major domestic market, representing more than 3.3 Billion MHz-POPs of aggregate Radio Frequency (RF) resource. MidWave consists of the following two spectrums:

## 1.7 GHz Spectrum:

MidWave owns ~30% of the critical 1.7GHz Band within the AWS-3 spectrum block. The AWS-3 is considered paired alongside AWS-4 spectrums, 3GPP creating Band 70. MidWave’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>1</sup>

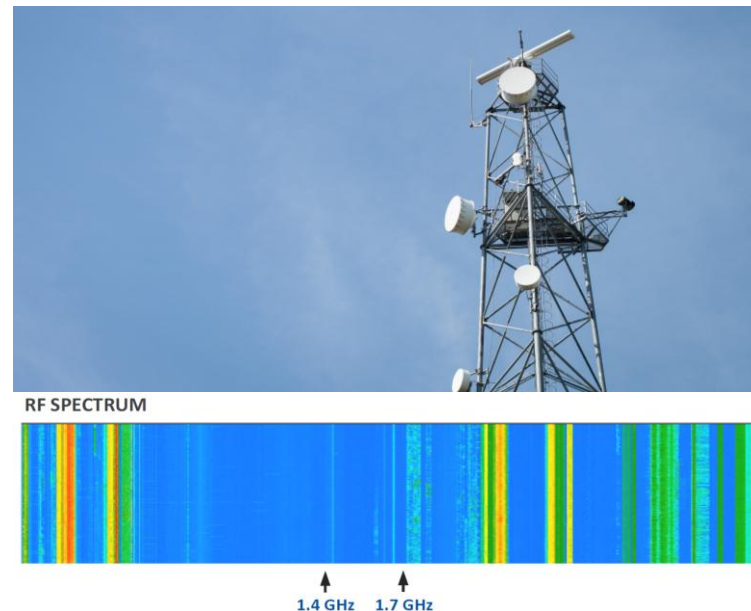
## 1.4 GHz Spectrum:

MidWave 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>2</sup> Having recently satisfied all outstanding FCC requirements, the 1.4 GHz band is now open to a diversity of private LTE and 5G NR use cases in support of next generation industrial and enterprise wireless applications.

## Monetization Commentary:

NXDT anticipates a refinance of its \$35.2mm 1<sup>st</sup> Lien Term Loan A investment during 2025, if such facility is not otherwise paid off in its entirety in connection with a sale of MidWave.

Regarding the equity investment, T-Mobile recently announced the sale of its 800 MHz spectrum portfolio to Grain Management, LLC, a private investment firm focused on digital infrastructure.<sup>3</sup> This sale ratifies the market for wireless spectrums, and we remain optimistic that MidWave will be able to effectuate a transaction in the near future.



## NXDT Investment Overview<sup>4</sup>

**\$93.6 Million**  
Investment NAV

**12.4%**  
of NXDT’s NAV

**\$35.2 Million**  
13.0% PIK Debt

**\$58.4 Million**  
Common Equity

# Implied Pricing at 78% Discount to NAV (based on 3/31/2025 Market Cap)

The NAV bridge (as of 12/31/2024) below shows NXDT's holdings at the implied valuation based on the company's market cap (as of 3/31/2025), which represents a 78% discount to NAV. When using look-through public market values or our marks for NXDT's investment (as of 12/31/2024) in other NexPoint vehicles (VineBrook, NREF, and NSP), NAV reflects \$10.17 per share, a ~166% premium to the 3/31/2025 share price.

