

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-32921

NexPoint Diversified Real Estate Trust

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

80-0139099
(I.R.S. Employer
Identification No.)

300 Crescent Court, Suite 700, Dallas, Texas
(Address of Principal Executive Offices)

75201
(Zip Code)

(214) 276-6300

(Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, par value \$0.001 per share	NXDT	New York Stock Exchange; NYSE Texas, Inc.
5.50% Series A Cumulative Preferred Shares, par value \$0.001 per share (\$25.00 liquidation preference per share)	NXDT-PA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 13, 2025, the registrant had 49,020,409.06 common shares, par value \$0.001 per share, outstanding.

NEXPOINT DIVERSIFIED REAL ESTATE TRUST

Form 10-Q
Quarter Ended September 30, 2025

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Cautionary Statement Regarding Forward-Looking Statements

This quarterly report (this "Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. In particular, statements relating to our business and investment strategies, plans or intentions, our liquidity and capital resources, our performance and results of operations, expectations on our ability to refinance debt as necessary and repositioning of the portfolio of the Hospitality segment contain forward-looking statements. Furthermore, all of the statements regarding future financial performance (including market conditions and demographics) are forward-looking statements. We caution investors that any forward-looking statements presented in this Quarterly Report are based on management's current beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "potential," "estimate," "project," "target," "should," "will," "would," "result," "goal," "could," "future," "continue," "if," the negative version of these words and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We caution you therefore against relying on any of these forward-looking statements.

Some of the risks and uncertainties that may cause our actual results, performance, liquidity or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- Unfavorable changes in economic conditions and their effects on the real estate industry generally and our operations and financial condition, including inflation, rising or high interest rates, new or increased tariffs, tightening monetary policy or recession, which may limit our ability to access funding and generate returns for shareholders;
- Our loans and investments expose us to risks similar to and associated with real estate investments generally;
- Commercial real estate-related investments that are secured, directly or indirectly, by real property are subject to delinquency, foreclosure and loss, which could result in losses to us;
- Risks associated with the ownership of real estate, including dependence on tenants and compliance with laws and regulations related to ownership of real property;
- Risks associated with our investment in diverse issuers, industries and investment forms and classes, both in real estate and in non-real estate sectors, including common equity, preferred equity, options or other derivatives, short sale contracts, secured loans of securities, reverse repurchase agreements, structured finance securities, below investment grade senior loans, bonds, convertible instruments, joint ventures, and emerging markets;
- Fluctuations in interest rate and credit spreads, could reduce our ability to generate income on our loans and other investments, which could lead to a significant decrease in our results of operations, cash flows and the market value of our investments;
- The use of leverage to finance our investments;
- Risks associated with our loans and investments in debt instruments including, senior loans, mezzanine loans, collateralized loan obligations ("CLOs"), and structured finance securities;
- Our loans and investments are concentrated in terms of type of interest, geography, asset types, industry and sponsors and may continue to be so in the future;
- We have a substantial amount of indebtedness which may limit our financial and operating activities and may adversely affect our ability to incur additional debt to fund future needs;
- We have limited operating history as a standalone company and may not be able to operate our business successfully, find suitable investments, or generate sufficient revenue to make or sustain distributions to our shareholders;

- We may not replicate the historical results achieved by other entities managed or sponsored by affiliates of NexPoint Advisors, L.P. (“NexPoint” or our “Sponsor”), members of the NexPoint Real Estate Advisors X, L.P. (our “Adviser”) management team or their affiliates;
- We are dependent upon our Adviser and its affiliates to conduct our day-to-day operations; thus, adverse changes in their financial health or our relationship with them could cause our operations to suffer;
- Our Adviser and its affiliates face conflicts of interest, including significant conflicts created by our Adviser’s compensation arrangements with us, including compensation which may be required to be paid to our Adviser if our advisory agreement is terminated, which could result in decisions that are not in the best interests of our shareholders;
- We pay substantial fees and expenses to our Adviser and its affiliates, which payments increase the risk that shareholders will not earn a profit on their investment;
- If we fail to qualify as a real estate investment trust (“REIT”) for U.S. federal income tax purposes, cash available for distributions to be paid to our shareholders could decrease materially, which would limit our ability to make distributions to our shareholders; and
- Any other risks included under Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on March 31, 2025.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. They are based on estimates and assumptions only as of the date of this Quarterly Report. We undertake no obligation to update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by law.

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and par value amounts)

	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
Consolidated Real Estate Investments		
Land	\$ 62,227	\$ 62,227
Buildings and improvements	313,500	312,200
Intangible lease assets	10,979	10,979
Construction in progress	24,781	24,689
Furniture, fixtures, and equipment	10,400	10,124
Right-of-use assets (\$579 and \$712 with related parties, respectively)	2,044	2,176
Total Gross Consolidated Real Estate Investments	423,931	422,395
Accumulated depreciation and amortization	(46,236)	(35,002)
Total Net Consolidated Real Estate Investments	377,695	387,393
Real estate held for sale	—	29,890
Total Net Real Estate Investments	377,695	417,283
Investments, at fair value (\$438,714 and \$493,909 with related parties, respectively)	593,110	643,432
Equity method investments (\$633 and \$407 with related parties, respectively)	34,605	54,429
Investments in DSTs (\$33,559 and \$30,559, with related parties, respectively)	33,559	30,559
Cash and cash equivalents	5,310	8,791
Restricted cash	44,850	40,110
Accounts receivable, net	3,196	4,463
Prepaid and other assets (\$0 and \$7,315 with related parties, respectively)	10,294	17,500
Accrued interest and dividends	1,185	5,495
Interest rate caps	259	159
Deferred tax asset, net	2,606	2,618
Total Assets	\$ 1,106,669	\$ 1,224,839
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net (\$10,000 and \$10,000 with related parties, respectively)	\$ 228,002	\$ 261,945
Notes payable, net (\$65,787 and \$66,731 with related parties, respectively)	80,222	90,888
Prime brokerage borrowing	5,952	1,222
Accounts payable and other accrued liabilities	24,110	22,739
Income tax payable	84	255
Accrued real estate taxes payable	3,942	226
Accrued interest payable	10,503	8,724
Security deposit liability	375	389
Prepaid rents	427	1,053
Intangible lease liabilities, net	2,334	3,139
Lease liability (\$591 and \$721 with related parties, respectively)	591	721
Total Liabilities	356,542	391,301
Redeemable Series B Preferred shares, \$0.001 par value: 16,000,000 authorized: 485,608 and 0 shares issued and outstanding, respectively	10,834	—
Redeemable noncontrolling interests in the OP	328	—
Equity:		
Shareholders' Equity		
Series A Preferred shares, \$0.001 par value: 4,800,000 shares authorized; 3,359,593 shares issued and outstanding	3	3
Common shares, \$0.001 par value: unlimited shares authorized; 49,020,409 and 42,679,569 shares issued and outstanding, respectively	49	43

Additional paid-in capital	1,056,240	1,039,280
Accumulated earnings (loss)	<u>(317,327)</u>	<u>(202,818)</u>
Total Shareholders' Equity	738,965	836,508
Noncontrolling interests	<u>—</u>	<u>(2,970)</u>
Total Equity	738,965	833,538
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,106,669</u>	<u>\$ 1,224,839</u>

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Revenues				
Rental income (\$69, \$68, \$207 and \$203 with related parties, respectively)	\$ 1,616	\$ 4,447	\$ 8,974	\$ 12,479
Rooms	4,758	7,280	21,389	15,480
Food and beverage	553	533	2,192	1,345
Interest income (\$303, \$553, \$1,223 and \$1,619 with related parties, respectively)	2,443	1,653	6,840	5,043
Dividend income (\$7,630, \$7,227, \$22,743 and \$21,080 with related parties, respectively)	7,723	7,397	27,215	21,642
Other income	366	906	957	1,306
Total revenues	17,459	22,216	67,567	57,295
Expenses				
Property operating expenses (\$52, \$0, \$165 and \$0 with related parties, respectively)	5,589	6,339	18,073	14,672
Property management fees (\$131, \$193, \$494 and \$554 with related parties, respectively)	303	664	1,209	1,025
Real estate taxes and insurance	1,314	1,639	4,728	4,653
Advisory and administrative fees	3,218	3,976	13,880	10,665
Property general and administrative expenses (\$69, \$68, \$207 and \$203 with related parties, respectively)	1,308	2,057	4,915	4,949
Corporate general and administrative expenses	5,198	2,843	9,145	8,873
Depreciation and amortization	3,858	4,510	11,795	11,408
Impairment loss	—	6,134	1,752	6,134
Total expenses	20,788	28,162	65,497	62,379
Operating income (loss)	(3,329)	(5,946)	2,070	(5,084)
Interest expense (\$540), \$(620), \$(1,673) and \$(1,513) with related parties, respectively)	(6,903)	(8,288)	(20,816)	(20,670)
Equity in income (losses) of unconsolidated equity method ventures (\$20, \$233, \$226 and \$603 with related parties, respectively)	(581)	400	(748)	(558)
Change in unrealized gains (losses) (\$2,647), \$17,142, \$(59,358) and \$4,761 with related parties, respectively)	(2,505)	(885)	(77,464)	2,251
Realized gains (losses) (\$0, \$0, \$3,462 and \$0 with related parties, respectively)	6	(1)	4,987	(21,876)
Gain on sales of real estate	—	—	37	—
Net income (loss) before income taxes	(13,312)	(14,720)	(91,934)	(45,937)
Income tax expense	995	(700)	423	(1,553)
Net loss	(12,317)	(15,420)	(91,511)	(47,490)
Net (income) loss attributable to Series A preferred shareholders	(1,155)	(1,155)	(3,465)	(3,465)
Net (income) loss attributable to Series B preferred shareholders	(220)	—	(250)	—
Net (income) loss attributable to noncontrolling interests	—	6,538	1,945	8,432
Net (income) loss attributable to redeemable noncontrolling interests in the OP	5	—	25	—
Net loss attributable to common shareholders	\$ (13,687)	\$ (10,037)	\$ (93,256)	\$ (42,523)
Weighted average common shares outstanding - basic	47,436	40,786	45,324	39,662
Weighted average common shares outstanding - diluted	47,436	40,786	45,324	39,662
Loss per share - basic	\$ (0.29)	\$ (0.25)	\$ (2.06)	\$ (1.07)
Loss per share - diluted	\$ (0.29)	\$ (0.25)	\$ (2.06)	\$ (1.07)

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share and per share amounts)
(Unaudited)

Three Months Ended September 30, 2025	Series A Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Earnings (Loss)	Common Stock Held in Treasury at Cost	Total
	Number of Shares	Amount	Number of Shares	Amount				
Balances, June 30, 2025	3,359,593	3	47,421,929	47	\$ 1,048,828	\$ (296,170)	\$ —	\$ 752,708
Stock-based compensation expense	—	—	—	—	1,107	—	—	1,107
Shares issued to Adviser for admin and advisory fees	—	—	380,591	—	1,426	—	—	1,426
Net loss attributable to common shareholders	—	—	—	—	—	(13,687)	—	(13,687)
Net income attributable to Series A preferred shareholders	—	—	—	—	—	1,155	—	1,155
Repurchases of common stock	—	—	—	—	—	—	(800)	(800)
Retirement of common stock held in treasury	—	—	(185,477)	—	(800)	—	800	—
Common share distributions declared (\$0.15 per share)	—	—	1,403,366	2	5,679	(7,470)	—	(1,789)

Series A preferred share distributions declared (\$0.34375 per share)	—	—	—	—	—	(1,155)	—	(1,155)
Balances, September 30, 2025	<u>3,359,593</u>	<u>3</u>	<u>49,020,409</u>	<u>49</u>	<u>\$ 1,056,240</u>	<u>\$ (317,327)</u>	<u>\$ —</u>	<u>\$ 738,965</u>

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share and per share amounts)

Nine Months Ended September 30, 2025	Series A Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Earnings (Loss)	Noncontrolling Interests	Common Stock Held in Treasury at Cost	Total
	Number of Shares	Amount	Number of Shares	Amount					
Balances, December 31, 2024	3,359,593	\$ 3	42,679,569	\$ 43	\$ 1,039,280	\$ (202,818)	\$ (2,970)	\$ —	\$ 833,538
Stock-based compensation expense	—	—	358,173	—	3,260	—	—	—	3,260
Shares issued to Adviser for admin and advisory fees	—	—	937,026	1	4,319	—	—	—	4,320
Net loss attributable to common shareholders	—	—	—	—	—	(93,256)	—	—	(93,256)
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	(1,945)	—	(1,945)
Net income attributable to Series A preferred shareholders	—	—	—	—	—	3,465	—	—	3,465
Repurchases of common stock	—	—	—	—	—	—	—	(800)	(800)
Retirement of common stock held in treasury	—	—	(185,477)	—	(800)	—	—	800	—
Common share distributions declared (\$0.45 per share)	—	—	4,146,525	4	16,315	(21,253)	—	—	(4,934)

Series A preferred share distributions declared (\$1.03125 per share)	—	—	—	—	—	(3,465)	—	—	(3,465)
Acquisition of noncontrolling interests in NHT	—	—	1,084,593	1	(6,134)	—	4,915	—	(1,218)
Balances, September 30, 2025	<u>3,359,593</u>	<u>3</u>	<u>49,020,409</u>	<u>49</u>	<u>1,056,240</u>	<u>(317,327)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 738,965</u>

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share and per share amounts)

Three Months Ended September 30, 2024	Series A Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Earnings (Loss)	Noncontrolling Interest	Total
	Number of Shares	Amount	Number of Shares	Amount				
Balances, June 30, 2024	3,359,593	\$ 3	40,650,118	\$ 41	\$ 1,025,144	\$ (171,101)	\$ 4,979	\$ 859,066
Stock-based compensation expense	—	—	—	—	544	—	—	544
Shares issued to Adviser for admin and advisory fees	—	—	239,235	—	1,322	—	—	1,322
Net loss attributable to common shareholders	—	—	—	—	—	(10,037)	—	(10,037)
Net income attributable to noncontrolling interests	—	—	—	—	—	—	(6,538)	(6,538)
Net income attributable to preferred shareholders	—	—	—	—	—	1,155	—	1,155
Common share distributions declared (\$0.15 per share)	—	—	785,175	1	4,905	(6,349)	—	(1,443)
Series A preferred shares distributions declared (\$0.34375 per share)	—	—	—	—	—	(1,155)	—	(1,155)
Balances, September 30, 2024	3,359,593	3	41,674,528	42	1,031,915	(187,487)	(1,559)	842,914

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share and per share amounts)
(Unaudited)

Nine Months Ended September 30, 2024	Series A Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Earnings (Loss)	Noncontrolling Interest	Total
	Number of Shares	Amount	Number of Shares	Amount				
Balances, December 31, 2023	3,359,593	\$ 3	38,389,600	\$ 38	\$ 1,011,613	\$ (126,580)	\$ —	\$ 885,074
Noncontrolling interests from NHT Acquisition	—	—	—	—	—	—	6,873	6,873
Stock-based compensation expense	—	—	145,433	—	1,991	—	—	1,991
Shares issued to Adviser for admin and advisory fees	—	—	617,273	1	4,026	—	—	4,027
Net loss attributable to common shareholders	—	—	—	—	—	(42,523)	—	(42,523)
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	(8,432)	(8,432)
Net income attributable to preferred shareholders	—	—	—	—	—	3,465	—	3,465
Common share distributions declared (\$0.45 per share)	—	—	2,522,222	3	14,285	(18,384)	—	(4,096)
Series A preferred share distributions declared (\$1.03125 per share)	—	—	—	—	—	(3,465)	—	(3,465)
Balances, September 30, 2024	3,359,593	3	41,674,528	42	1,031,915	(187,487)	(1,559)	842,914

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (91,511)	\$ (47,490)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	11,795	11,408
Amortization of intangible lease assets and liabilities	(744)	(1,061)
Amortization of deferred financing costs	914	580
Amortization of fair value adjustment of assumed debt	1,296	731
Paid-in-kind interest and dividends (\$4,278 and \$(3,956) with related parties, respectively)	(9,535)	(7,173)
Net cash (paid) received on derivative settlements	(77)	660
Proceeds from paid-in-kind interest (\$518 and \$0 with related parties, respectively)	528	2,271
Realized (gain) loss \$(3,462) and \$0 with related parties, respectively)	(4,987)	21,876
Net change in unrealized (gain) loss on investments held at fair value (\$59,358 and \$4,761 with related parties, respectively)	77,464	(2,251)
(Gain) on sales of real estate	(37)	—
Unrealized (gain) loss on interest rate derivatives	(23)	7
Impairment loss	1,752	6,134
Equity in (income) losses of unconsolidated ventures \$(226) and \$(603) with related parties, respectively)	748	558
Distributions of earnings from unconsolidated ventures (\$0 and \$761 with related parties, respectively)	5,443	3,955
Stock-based compensation expense	3,605	2,193
Equity security dividends reinvested \$(1,979) and \$(4,817) with related parties, respectively)	(1,979)	(4,833)
Deferred tax expense	12	218
Changes in operating assets and liabilities, net of effects of acquisitions:		
Income tax payable	(171)	(356)
Real estate taxes payable	3,716	3,637
Operating assets	4,968	(1,815)
Operating liabilities	4,809	3,201
Net cash provided by (used in) operating activities	<u>7,986</u>	<u>(7,550)</u>
Cash flows from investing activities		
Proceeds from asset redemptions (\$21,368 and \$1,700 with related parties, respectively)	21,415	16,209
Distributions from CLO investments	—	1,266
Sale of consolidated real estate investment	28,306	—
Proceeds from return of investment	15,054	—
Net cash acquired in acquisition of NexPoint Hospitality Trust	—	42,749
Purchases of investments \$(12,108) and \$(6,835) with related parties, respectively)	(28,344)	(34,685)
Additions to consolidated real estate investments	(1,814)	(7,079)
Net cash provided by investing activities	<u>34,617</u>	<u>18,460</u>
Cash flows from financing activities		
Mortgage proceeds received (\$0 and \$10,000 with related parties, respectively)	705	10,000
Mortgage payments	(34,543)	(4,452)
Prime brokerage borrowing	5,476	262
Credit facilities payments	(12,774)	(8,103)
Prime brokerage payments	(746)	(633)
Deferred financing costs paid	(992)	(563)
Payments for taxes related to net share settlement of stock-based compensation	(345)	(202)

Proceeds from issuance of Series B preferred shares through public offering, net of offering costs	10,834	—
Repurchase of common shares	(800)	—
Distributions paid to Series A preferred shareholders	(3,465)	(3,465)
Distributions paid to Series B preferred shareholders	(250)	—
Distributions paid to common shareholders	(4,438)	(3,683)
Distributions to redeemable noncontrolling interests in the OP	(6)	—
Net cash used in financing activities	(41,344)	(10,839)
Net increase in cash, cash equivalents and restricted cash	1,259	71
Cash, cash equivalents and restricted cash, beginning of period	48,901	53,169
Cash, cash equivalents and restricted cash, end of period	\$ 50,160	\$ 53,240

Supplemental Disclosure of Cash Flow Information

Interest paid	\$ 17,741	\$ 13,911
Income tax paid	\$ 1,300	\$ —

Supplemental Disclosure of Noncash Activities

Non-cash distribution payment	\$ 16,319	\$ 14,285
Non-cash advisory fee payment	\$ 4,320	\$ 4,026
Increase (decrease) in dividends payable upon vesting of restricted stock units	\$ 496	\$ 412
Real estate investments assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (167,624)
DST investments assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (5,000)
Interest rate caps assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (1,064)
Notes payable assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 50,694
Notes payable assumed in merger of NexPoint Hospitality Trust	\$ 784	\$ —
Mortgages payable assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 114,640
APIC assumed in merger of NexPoint Hospitality Trust	\$ (6,058)	\$ —
Right of use assets assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (1,465)
Accrued interest payable assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 6,353
Noncontrolling interests extinguished in merger of NexPoint Hospitality Trust	\$ 4,915	\$ —
Noncontrolling interests assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 6,873
Redeemable noncontrolling interest in the OP from the acquisition of NexPoint Hospitality Trust	\$ 359	\$ —
Deconsolidated investments at fair value from the acquisition of NexPoint Hospitality Trust	\$ —	\$ 24,981
Accounts receivable and other assets assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (1,305)
Prepaid assets and other assets assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ (1,492)
Accounts payable and other liabilities assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 14,276
Real estate taxes payable assumed in acquisition of NexPoint Hospitality Trust	\$ —	\$ 1,233
Change in capitalized construction costs included in accounts payable and other accrued liabilities	\$ 25	\$ (627)

See Notes to Consolidated Financial Statements

NEXPOINT DIVERSIFIED REAL ESTATE TRUST AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Description of Business

NexPoint Diversified Real Estate Trust (the "Company", "we", "us", or "our") was formed in Delaware and has elected to be taxed as a real estate investment trust (a "REIT"). Substantially all of the Company's business is conducted through NexPoint Diversified Real Estate Trust Operating Partnership, L.P. (the "OP"), the Company's operating partnership. The Company conducts its business (the "Portfolio") through the OP and its wholly owned taxable REIT subsidiaries ("TRSs"). The Company's wholly owned subsidiary, NexPoint Diversified Real Estate Trust OP GP, LLC (the "OP GP"), is the sole general partner of the OP. As of September 30, 2025, there were 44,536,894.47 common units of the OP outstanding, of which 99.96% were owned by the Company, 3,359,593 Series A Preferred Units of the OP outstanding, of which 100.0% were owned by the Company, and 485,608 Series B Preferred Units of the OP, of which 100.0% were owned by the Company.

The Company is externally managed by NexPoint Real Estate Advisors X, L.P. (the "Adviser"), through an agreement dated July 1, 2022, amended on October 25, 2022, April 11, 2023, July 22, 2024 and September 19, 2025 (the "Advisory Agreement"), by and among the Company and the Adviser for a term that will expire on July 1, 2026 and successive one-year terms thereafter unless earlier terminated. The Adviser manages the day-to-day operations of the Company and provides investment management services. The Company had no employees as of September 30, 2025. All of the Company's investment decisions are made by the Adviser, subject to general oversight by the Adviser's investment committee and our board of trustees (the "Board"). The Adviser is wholly owned by NexPoint Advisors, L.P. (the "Sponsor" or "NexPoint").

As a diversified REIT, the Company's primary investment objective is to provide both current income and capital appreciation. Target underlying property types primarily include, but are not limited to, single-family rentals, multifamily, self-storage, life science, office, industrial, hospitality, net lease, retail and small-bay industrial. The Company may, to a limited extent, hold, acquire or transact in certain non-real estate securities.

2. Asset Acquisition

NHT Acquisition

On April 10, 2024, NexPoint Real Estate Partners, LLC ("NREP"), an entity advised by an affiliate of the Adviser, and Highland Capital Management, L.P. ("Highland"), a third party, entered into a Purchase Agreement ("Purchase Agreement") whereby Highland agreed to sell, among other things, 2,176,257 units (the "NHT Units") of NexPoint Hospitality Trust ("NHT") to NREP. The Purchase Agreement was funded in part by cash of \$0.8 million provided to NREP by the Company that was allocated for the sale of the NHT Units. Then on April 19, 2024, the Company, NexPoint Real Estate Opportunities, LLC ("NREO"), a wholly owned subsidiary of the Company, and NREP entered into an Assignment of Interests Agreement whereby NREP distributed, assigned, conveyed, transferred, set over, and delivered to NREO its right to purchase the NHT Units under the Purchase Agreement and all of its rights, title and interest in, to and under the NHT Units, including all voting, consent and financial rights, free and clear of all liens and encumbrances (the "NHT Acquisition"). As a result, the Company owned 53.65% of the outstanding NHT Units and was determined to hold the controlling financial interest in NHT and as a result consolidated NHT. The NHT Acquisition was accounted for as an asset acquisition under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*.

Because the Company did not wholly own NHT following the NHT Acquisition, the Company recognized a noncontrolling interest ("NCI") of \$6.9 million, which was recorded at fair value when the controlling financial interest was acquired. The Company also recorded an unrealized gain on its previously held interest in NHT of \$3.9 million.

On November 22, 2024, the Company announced that it had entered into an Agreement and Plan of Merger (the "NHT Merger Agreement") pursuant to which it would acquire the remaining outstanding NHT Units in a merger transaction (the "NHT Merger"). On February 21, 2025, NHT's unitholders voted to approve the NHT Merger. On April 17, 2025, the Company consummated the NHT Merger in accordance with the NHT Merger Agreement.

As consideration for the NHT Merger, the Company issued 1,084,593 common shares to the former unitholders of NHT and caused the OP to issue 227,728.5 profits interest units to certain individuals employed by an affiliate of the Adviser as replacement awards for profits interest units they were previously granted by NHT and 19,881.2299 limited

partnership units to one of the members of NHT's operating company. Additionally, the Company issued promissory notes to certain unitholders of NHT that may be deemed affiliates of the Company in an aggregate principal amount of approximately \$0.8 million in lieu of common shares they otherwise would have been entitled to receive in consideration for the NHT Merger. Unitholders of NHT who elected to receive a cash payment for the redemption of their units received aggregate payments of approximately \$76.0 thousand from NHT in a reorganization transaction consummated prior to the consummation of the NHT Merger. NHT also paid an aggregate of approximately \$0.9 million to redeem certain deferred units held by its trustees prior to the consummation of the NHT Merger.

The accumulated cost of the NHT Acquisition was allocated to the acquired assets and liabilities based on their relative fair values as of April 10, 2024, as follows (in thousands):

Description		
Land	\$	22,673
Buildings and improvements		128,616
Construction in progress		3,613
Furniture, fixtures, and equipment		12,722
Investments, at fair value		5,000
Cash and cash equivalents		38,467
Restricted cash		5,065
Prepaid and other assets		4,001
Right-of-use asset		1,465
Interest-rate cap		1,064
Mortgages payable		(114,640)
Notes payable		(70,529)
Accounts payable and other accrued liabilities		(21,826)
Accrued real estate taxes		(1,233)
Identifiable Net Assets Acquired	\$	14,458

3. Summary of Significant Accounting Policies

Basis of Accounting

Readers of this Quarterly Report on Form 10-Q ("Quarterly Report") should refer to the audited financial statements and notes to consolidated financial statements of the Company for the year ended December 31, 2024, which are included in our [2024 Annual Report on Form 10-K \("2024 Annual Report"\)](#), filed with the SEC and also available on our website (nxdn.nexpoint.com), since we have omitted from this Quarterly Report certain footnote disclosures which would substantially duplicate those contained in such audited financial statements. You should also refer to Note 3, Summary of Significant Accounting Policies, in the notes to consolidated financial statements in our [2024 Annual Report](#) for further discussion of our significant accounting policies and estimates. Information contained on, or accessible through, our website is not incorporated by reference into and does not constitute a part of this Quarterly Report or any other report or documents we file or furnish with the SEC.

Reclassification of Prior Year Activity on the Consolidated Statement of Cash Flows

Certain reclassifications have been made within the consolidated statements of cash flows to proceeds from asset redemptions, proceeds from sale of investments, and proceeds from paydowns of investments for the nine months ended September 30, 2024 to be comparative to the consolidated statement of cash flows for the nine months ended September 30, 2025.

Income Taxes

I. U.S. REIT Status

The Company elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the “Code”), and expects to continue to qualify as a REIT. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to distribute annually at least 90% of its “REIT taxable income,” as defined by the Code, to its shareholders. As a REIT, the Company will be subject to federal income tax on its undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions it pays with respect to any calendar year are less than the sum of (1) 85% of its ordinary income, (2) 95% of its capital gain net income and (3) 100% of its undistributed income from prior years. The Company intends to operate in such a manner so as to qualify as a REIT, but no assurance can be given that the Company will operate in a manner so as to qualify as a REIT. Taxable income from certain non-REIT activities is managed through a TRS and is subject to applicable federal, state, and local income and margin taxes.

If the Company fails to meet these requirements, it could be subject to federal income tax on all of the Company’s taxable income at regular corporate rates for that year. The Company would not be able to deduct distributions paid to shareholders in any year in which it fails to qualify as a REIT. Additionally, the Company will also be disqualified from electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost unless the Company is entitled to relief under specific statutory provisions. As of September 30, 2025, the Company believes it is in compliance with all applicable REIT requirements.

As a REIT for U.S. federal income tax purposes, the Company may deduct earnings distributed to shareholders against the income generated by our REIT operations. The Company continues to be subject to income taxes on the income of its taxable REIT subsidiaries. A reconciliation of the deferred tax asset (liability) for the periods indicated is as follows (in thousands):

	As of September 30,				As of December 31,			
	2025				2024			
	NHF TRS	NREO TRS	NHT TRSs	Combined	NHF TRS	NREO TRS	NHT TRSs	Combined
Deferred Tax Assets	\$ 13,762	\$ 565	\$ 984	\$ 15,311	\$ 14,942	\$ 290	\$ 6,561	\$ 21,793
Valuation Allowance	(9,449)	—	(984)	(10,433)	(10,487)	—	(6,535)	(17,022)
Deferred Tax Liability	—	(2,272)	—	(2,272)	—	(2,127)	(26)	(2,153)
Deferred Tax Asset (Liability), net of Valuation Allowance	\$ 4,313	\$ (1,707)	\$ —	\$ 2,606	\$ 4,455	\$ (1,837)	\$ —	\$ 2,618

The Company’s tax provision for interim periods is determined using an estimate of its annual current and deferred effective tax rates, adjusted for discrete items. Our effective tax rates for the three and nine months ended September 30, 2025 and 2024 were 7.5%, (4.8)%, 0.5% and (3.4)%, respectively. Our effective tax rate differs from the U.S. federal statutory corporate tax rate of 21.0% primarily due to our REIT operations generally not being subject to federal income taxes.

The Company recognizes its tax positions and evaluates them using a two-step process. First, the Company determines whether a tax position is more-likely-than-not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Second, the Company will determine the amount of benefit to recognize and record the amount that is more likely than not to be realized upon ultimate settlement.

The Company had no material unrecognized tax benefit or expense, accrued interest or penalties as of September 30, 2025 and 2024. The Company and its subsidiaries are subject to federal income tax as well as income tax of various state and local jurisdictions. The 2024, 2023, 2022 and 2021 tax years remain open to examination by tax jurisdictions to which the Company and its subsidiaries are subject. When applicable, the Company recognizes interest and/or penalties related to uncertain tax positions on its Consolidated Statements of Operations and Comprehensive Income (Loss). The Company has not recorded any uncertain tax positions for the nine months ended September 30, 2025 and 2024.

A reconciliation of the statutory income tax provisions to the effective income tax provisions for the periods indicated is as follows (in thousands):

	For the Three Months Ended September 30,					For the Nine Months Ended September 30,						
	2025			2024		2025			2024			
Expected tax at statutory rate	\$	(2,796)	21.0 %	\$	(3,091)	21.0 %	\$	(19,306)	21.0 %	\$	(9,647)	21.0 %
Non-taxable REIT income		2,222	-16.7 %		4,776	-32.4 %		25,472	-27.7 %		16,047	-34.9 %
Change in valuation allowance		(422)	3.2 %		(985)	6.7 %		(6,589)	7.2 %		(4,847)	10.6 %
Total provision	\$	(995)	7.5 %	\$	700	-4.8 %	\$	(423)	0.5 %	\$	1,553	-3.4 %

II. Canadian mutual fund status

Through April 17, 2025, NHT was a mutual fund trust pursuant to the Income Tax Act (Canada) (the “Tax Act”). Under the-then current tax legislation, a mutual fund trust that was not a specified investment flow-through trust (“SIFT”) pursuant to the Tax Act generally was entitled to deduct distributions of taxable income such that it was not liable to pay Canadian income taxes provided that its taxable income was fully distributed to unitholders. On April 17, 2025, in connection with the merger of NHT into NXDT, NHT ceased to exist as a separate entity and no longer qualified for mutual fund trust status. Accordingly, the mutual fund trust provisions described above are no longer applicable subsequent to the merger date.

4. Investments in Real Estate Subsidiaries

The Company conducts its operations through the OP which owns several real estate properties through single asset limited liability companies that are special purpose entities (“SPEs”). The Company consolidates the SPEs that it controls as well as any VIEs where it is the primary beneficiary. All of the properties the SPEs own are consolidated in the Company’s consolidated financial statements. The assets of each entity can only be used to settle obligations of that particular entity, and the creditors of each entity have no recourse to the assets of other entities or the Company.

As of September 30, 2025, the Company, through the OP, owned eight properties through SPEs, including four in the Diversified segment, and four in the Hospitality segment. The following table represents the Company’s ownership in each property by virtue of its consolidation of the SPEs that directly own the title to each property as of September 30, 2025 and December 31, 2024:

Property Name	Location	Year Acquired	Effective Ownership Percentage at	
			September 30, 2025	December 31, 2024
White Rock Center	Dallas, Texas	2013	100 %	100 %
5916 W Loop 289	Lubbock, Texas	2013	100 %	100 %
Cityplace Tower	Dallas, Texas	2018	100 %	100 %
NexPoint Dominion Land, LLC	(1) Plano, Texas	2022	100 %	100 %
Dallas Hilton Garden Inn	Dallas, Texas	2014	(2) 100 %	54 %
St. Petersburg Marriott	St. Petersburg, Florida	2018	(2) 100 %	54 %
Hyatt Place Park City	Park City, Utah	2022	(2) 100 %	54 %
Bradenton Hampton Inn & Suites	Bradenton, Florida	2022	(2) 100 %	54 %

(1) NexPoint Dominion Land, LLC owns 100% of 21.5 acres of undeveloped land in Plano, Texas.

(2) Reflects the date NHT or its predecessor acquired the property.

5. Consolidated Real Estate Investments

As of September 30, 2025, the major components of the Company's investments in real estate held by SPEs the Company consolidates, which are included in "Consolidated Real Estate Investments" on the Consolidated Balance Sheets, were as follows (in thousands):

Operating Properties	Land	Buildings and Improvements	Intangible Lease Assets	Intangible Lease Liabilities	Right of use assets	Construction in Progress	Furniture, Fixtures, and Equipment	Totals
White Rock Center	\$ 1,315	\$ 10,597	\$ 1,921	\$ (101)	\$ —	\$ —	\$ 13	\$ 13,745
5916 W Loop 289	1,081	2,938	—	—	—	—	—	4,019
Cityplace Tower	18,813	195,416	9,058	(6,669)	—	19,437	356	236,411
NexPoint Dominion Land, LLC	26,500	—	—	—	—	—	—	26,500
Dallas Hilton Garden Inn	4,115	24,818	—	—	—	81	1,548	30,562
St. Petersburg Marriott	5,829	33,798	—	—	—	4,106	2,389	46,122
Hyatt Place Park City	3,737	20,296	—	—	—	876	3,166	28,075
Bradenton Hampton Inn & Suites	837	25,637	—	—	1,465	281	2,928	31,148
HUB Research Triangle Park	—	—	—	—	579	—	—	579
Accumulated depreciation and amortization	—	(34,636)	(9,014)	4,436	(58)	—	(2,528)	(41,800)
Total Operating Properties	\$ 62,227	\$ 278,864	\$ 1,965	\$ (2,334)	\$ 1,986	\$ 24,781	\$ 7,872	\$ 375,361

As of December 31, 2024, the major components of the Company's investments in real estate held by SPEs the Company consolidates, which are included in "Consolidated Real Estate Investments" on the Consolidated Balance Sheets, were as follows (in thousands):

Operating Properties	Land	Buildings and Improvements	Intangible Lease Assets	Intangible Lease Liabilities	Right of use assets	Construction in Progress	Furniture, Fixtures, and Equipment	Totals
White Rock Center	\$ 1,315	\$ 10,568	\$ 1,921	\$ (101)	\$ —	\$ —	\$ 13	\$ 13,716
5916 W Loop 289	1,081	2,938	—	—	—	—	—	4,019
Cityplace Tower	18,812	195,408	9,058	(6,669)	—	19,053	356	236,018
NexPoint Dominion Land, LLC	26,500	—	—	—	—	—	—	26,500
Dallas Hilton Garden Inn	4,116	24,631	—	—	—	96	1,475	30,318
St. Petersburg Marriott	5,829	33,715	—	—	—	3,951	2,301	45,796
Hyatt Place Park City	3,737	19,876	—	—	—	877	3,146	27,636
Bradenton Hampton Inn & Suites	837	25,064	—	—	1,465	712	2,833	30,911
HUB Research Triangle Park	—	—	—	—	711	—	—	711
Accumulated depreciation and amortization	—	(25,230)	(8,353)	3,631	(29)	—	(1,390)	(31,371)
Total Operating Properties	\$ 62,227	\$ 286,970	\$ 2,626	\$ (3,139)	\$ 2,147	\$ 24,689	\$ 8,734	\$ 384,254
Held for Sale Properties								
Plano Homewood Suites	\$ 2,106	\$ 5,394	\$ —	\$ —	\$ —	\$ 28	\$ 738	\$ 8,266
Las Colinas Homewood Suites	2,292	10,153	—	—	—	313	1,004	13,762
Addison Property	2,351	4,577	—	—	—	518	804	8,250
Accumulated depreciation and amortization	—	(218)	—	—	—	—	(170)	(388)
Total Held for Sale Properties	\$ 6,749	\$ 19,906	\$ —	\$ —	\$ —	\$ 859	\$ 2,376	\$ 29,890

Depreciation expense was \$3.5 million and \$10.5 million for the three and nine months ended September 30, 2025 and \$3.9 million and \$9.9 million for the three and nine months ended September 30, 2024. Amortization expense related to the Company's intangible lease assets was \$0.2 million and \$0.7 million for the three and nine months ended September 30, 2025 and \$0.4 million and \$1.0 million for the three and nine months ended September 30, 2024. Amortization expense related to the Company's intangible lease liabilities was \$0.3 million and \$0.8 million for the three and nine months ended September 30, 2025 and \$0.6 million and \$1.2 million for the three and nine months ended September 30, 2024. The net amount amortized as an increase to rental revenue for capitalized above and below-market lease intangibles was \$0.2 million and \$0.7 million for the three and nine months ended September 30, 2025 and \$0.6 million and \$1.1 million for the three and nine months ended September 30, 2024. Impairment loss consists of \$0 million and \$1.8 million on real estate held for sale, respectively, for the three and nine months ended September 30, 2025. Fair value was determined based on a signed purchase and sale agreement with an unrelated third-party in an arm's-length transaction. Because the agreement represents observable market inputs, the resulting valuation was classified within Level 2 of the fair-value hierarchy. Impairment loss consists of \$5.1 million

relating to Las Colinas Homewood Suites and \$1.0 million relating to Plano Homewood Suites, which was classified as held for sale, for the three and nine months ended September 30, 2024.

Acquisitions

There were no acquisitions by the Company for the nine months ended September 30, 2025. During the nine months ended September 30, 2024, as a result of the NHT Acquisition, the Company consolidated the following properties: Dallas Hilton Garden Inn, Addison Property, Plano Homewood Suites, Las Colinas Homewood Suites, St. Petersburg Marriott, Hyatt Place Park City, Bradenton Hampton Inn & Suites.

Dispositions

The Company sold three properties during the nine months ended September 30, 2025 as detailed in the table below (in thousands). The Company did not sell any properties during the nine months ended September 30, 2024.

Property Name	Location	Date of Sale	Sales Price	Net Cash Proceeds	Gain (Loss) on Sales of Real Estate
Plano Homewood Suites	Plano, Texas	January 24, 2025	\$ 8,300	\$ 8,154	\$ 11
Addison Property	Addison, Texas	April 18, 2025	\$ 6,400	\$ 6,308	\$ (88)
Las Colinas HomeWood Suites	Las Colinas, Texas	April 8, 2025	\$ 14,000	\$ 13,844	\$ 114

6. Debt

The following table contains summary information of the Company's debt as of September 30, 2025 and December 31, 2024 (dollars in thousands):

Description	Type	Outstanding principal as of		Interest Rate	Maturity Date
		September 30, 2025	December 31, 2024		
Mortgages Payable					
Cityplace Note A-1 (1)	Floating	\$ 98,175	\$ 99,435	6.59 %	3/8/2026
Cityplace Note A-2 (1)	Floating	12,359	12,517	6.59 %	3/8/2026
Cityplace Note B-1 (1)	Floating	21,476	21,751	10.59 %	3/8/2026
Cityplace Note B-2 (1)	Floating	2,703	2,738	10.59 %	3/8/2026
Cityplace Mezz Note-1 (1)	Floating	3,068	3,107	10.59 %	3/8/2026
Cityplace Mezz Note-2 (1)	Floating	386	391	10.59 %	3/8/2026
NHT - Note A Loan (2)	Floating	28,068	50,188	6.15 %	2/8/2026 (7)
NHT - Note B Loan (2)	Floating	13,515	24,165	10.61 %	2/8/2026 (7)
NHT - PC & B Loan (3)	Floating	38,579	37,875	8.85 %	2/5/2026
White Rock Center (4)	Fixed	10,000	10,000	10.00 %	8/2/2029
Notes Payable					
Dominion Note	Floating	13,250	13,250	7.25 %	8/8/2026
Raymond James Loan	Floating	1,250	11,000	8.53 %	10/6/2025 (8)
NexBank Revolver (5)	Floating	13,470	16,485	7.75 %	11/21/2025
Convertible Notes Due to Affiliates	Fixed	57,986	57,986	2.25% - 7.50%	2/14/2027 - 9/30/2042
Promissory Notes Due to Affiliates	Fixed	775	—	7.33 %	4/17/2027
Prime Brokerage Borrowing					
Jefferies Line of Credit	Floating	5,952	1,222	4.59 %	N/A (9)
Total Debt		\$ 321,012	\$ 362,110		
Fair market value adjustment, net of accumulated amortization (6)		(6,444)	(7,740)		
Deferred financing costs		(392)	(315)		
		\$ 314,176	\$ 354,055		

(1) This debt is secured by the following property: Cityplace Tower.

(2) This debt is secured by the following properties: HGI Property and the St. Pete Property.

(3) This debt is secured by the following properties: Park City and Bradenton.

(4) This debt is secured by the following property: White Rock Center.

(5) This debt is secured by the following property and investments: 5916 W Loop 289 and IQHQ, LP ("IQHQ LP").

(6) The Company recorded a valuation adjustment of the Convertible Notes Due to Affiliates upon the consolidation of NHT to adjust for the difference between the fair value and the outstanding principal amount of the debt. The difference is amortized into interest expense.

(7) Subsequent to September 30, 2025, the Company extended the maturity date of the debt to February 8, 2026.

(8) On October 6, 2025, the Company repaid the remaining \$1.3 million principal balance and fully extinguished the debt.

(9)
This debt balance has no stated maturity date.

Cityplace Tower Debt

The Company has debt on the Cityplace Tower pursuant to a Loan Agreement, originally dated August 15, 2018 and subsequently amended (the “Loan Agreement”). The debt is limited recourse to the Company and encumbers the property. On April 15, 2025, the lender agreed to defer the maturity of the Cityplace Tower debt by twelve months to March 8, 2026. The debt restructuring per the terms of the Fourteenth Omnibus Amendment Agreement was considered a debt modification. The purpose of the deferral was to allow for continued discussions around refinancing the debt. Management recognizes that finding an alternative source of funding is necessary to repay the debt by the maturity date. Management is evaluating multiple options to fund the repayment of the \$138.2 million principal balance outstanding as of September 30, 2025, including refinancing the debt, securing additional equity or debt financing, selling a portion of the portfolio, or any combination thereof. Management believes that there is sufficient time before the maturity date and that the Company has sufficient access to capital to ensure the Company is able to meet its obligations as they become due.

The weighted average interest rate of the Company’s debt related to its Cityplace Tower investment was 7.39% as of September 30, 2025 and 7.65% as of December 31, 2024. The one-month secured overnight financing rate (“SOFR”) was 4.31% as of September 30, 2025 and 4.33% as of December 31, 2024.

The Loan Agreement contains customary events of default, including defaults in the payment of principal or interest, defaults in compliance with the covenants contained in the documents evidencing the loan, defaults in payments under any other security instrument covering any part of the property, whether junior or senior to the loan, and bankruptcy or other insolvency events.

White Rock Center Debt

On August 2, 2024, the Company, through Freedom LHV, LLC (“Freedom LHV”), an indirect subsidiary of the Company, borrowed approximately \$10.0 million from The Ohio State Life Insurance Company (“OSL”). The note bears interest at an annual fixed rate of 10.0% and matures on August 2, 2029. The debt is secured by certain real property held by Freedom LHV and is guaranteed by the Company.

Dominion Note

On August 9, 2022, the Company borrowed approximately \$13.3 million from the seller, Gabriel Legacy, LLC to finance its acquisition of 21.5 acres of land in Plano, Texas held through NexPoint Dominion Land, LLC, a wholly owned subsidiary of the OP. The note (the “Dominion Note”) bears interest at an annual rate equal to the WSJ Prime Rate and initially matured on August 8, 2025, with two one-year extension options. On August 8, 2025, the Company elected to use one of the one-year extensions under the Dominion Note to extend the maturity date to August 8, 2026. One additional one-year extension option remains available under the terms of the Dominion Note.

Mortgages Payable, Hospitality

On February 28, 2019, a subsidiary of the Company, entered into a borrowing arrangement for a \$59.4 million Note A loan (the “Note A Loan”) and a \$28.6 million Note B loan (the “Note B Loan”) with ACORE Capital Mortgage, LP (“ACORE”). The Note A Loan and Note B Loan are secured by the HGI Property and the St. Pete Property. The Note A Loan bears interest at a variable rate equal to the 30-day SOFR plus 2.00% and matures on November 8, 2025. The Note B Loan bears interest at a variable rate equal to the 30-day SOFR plus 6.46% and matures on November 8, 2025. The Note A Loan and Note B Loan principal amounts reflected their fair values on the date of the NHT Acquisition. As of September 30, 2025, the Note A Loan and the Note B Loan had an outstanding balance of \$28.1 million and \$13.5 million and effective interest rates of 6.15% and 10.61%, respectively. For the nine months ended September 30, 2025, our subsidiary paid \$1.7 million and \$1.4 million in interest on the Note A Loan and the Note B Loan, respectively. Subsequent to September 30, 2025, on November 7, 2025, the Company executed a loan modification agreement related to the Note A Loan and Note B Loan extending the maturity date of each to February 8, 2026. See Note 18.

On February 15, 2022, in connection with the acquisition of the Park City and Bradenton properties, the Company, through its subsidiaries entered into a borrowing arrangement for a \$39.3 million loan (the "PC & B Loan") with AREEIF Lender, LLC. The PC & B Loan principal amount reflected its fair value on the date of the NHT Acquisition. The outstanding balance on the PC & B Loan as of September 30, 2025 was \$38.6 million, with \$0.7 million available to draw on for renovation purposes as of September 30, 2025. In connection with the NHT Merger, a subsidiary of the Company assumed the obligations under the debt.

The loan documents, including the guaranty, for the PC & B Loan and the Note A Loan and Note B Loan contain customary representations, warranties, and events of default, which require a subsidiary of the Company to comply with affirmative and negative covenants. As of September 30, 2025, the Company is in compliance with all debt covenants.

Notes Payable, Hospitality

NHT and certain of its subsidiaries also entered into several convertible notes with affiliates of NexPoint Real Estate Advisors VI, L.P. (the "NHT Adviser") since January 8, 2019. On April 17, 2025, the notes were amended and restated in connection with the closing of the NHT Merger and the obligations thereunder were assumed by a NXDT Hospitality Holdco, LLC ("Hospitality Holdco"), a wholly-owned subsidiary of the Company. The fixed rate notes have rates ranging from 2.25% to 7.50% (which were market interest rates at the time of their issuance) while outstanding and mature between February 14, 2027 and September 30, 2042. For \$0.1 million of the notes, the principal and interest is convertible into membership interest units of Hospitality Holdco (the "Hospitality Holdco Units") at the fair market price of the Hospitality Holdco Units at the time of conversion any time during the term of the note. For \$44.2 million of the notes, the principal of the notes is convertible into Hospitality Holdco Units, at prices ranging from \$1.44 to \$2.50 for a period of five years from its date of issuance (with the expiration of conversion rights ranging from June 25, 2026 to September 30, 2027). One note issued to Highland Global Allocation Fund in the amount of \$8.5 million, and two notes issued to Highland Opportunities and Income Fund in the aggregate amount of \$5.2 million are not convertible into Hospitality Holdco Units. The relative fair value of the convertible notes did not reflect the outstanding principal on the date of the NHT Acquisition. The difference between the fair value and the principal amount of debt is amortized into interest expense over the remaining term. As of September 30, 2025, the net carrying amount of the convertible notes due to affiliates of the NHT Adviser was \$51.5 million.

Promissory Notes Payable to Affiliates

In connection with the NHT Merger, on April 17, 2025, several promissory notes were issued to certain affiliates of the Company due to a limitation on common shares issued to affiliates of the issuer by the New York Stock Exchange. The aggregate principal amount of such promissory notes was \$0.8 million, each with an interest rate of 7.334% and maturing on April 17, 2027, with two one-year extension options. As of September 30, 2025, the carrying amount of the promissory notes due to affiliates under the notes was \$0.8 million.

Credit Facility

On January 8, 2021, the Company entered into a \$30.0 million credit facility (the "Credit Facility") with Raymond James Bank, N.A. and drew the full balance. Prior to October 20, 2023, the Company paid down the outstanding amount under the Credit Facility to \$1.0 million. Amounts repaid by the Company under the Credit Facility could not be reborrowed. On October 20, 2023, Raymond James Bank, N.A. agreed to amend the terms of the Credit Facility, which, among other things, extended the maturity date to October 6, 2025 and amended the credit limit to \$20.0 million. During the nine months ended September 30, 2025, the Company paid down \$9.8 million on the Credit Facility. As of September 30, 2025, the Credit Facility had an outstanding balance of \$1.3 million and bore interest at the one-month SOFR plus 4.25%. Subsequent to September 30, 2025, on October 6, 2025, the Company repaid the remaining \$1.3 million principal balance and fully extinguished the debt under the Credit Facility. See Note 18.

Revolving Credit Facility

On May 22, 2023, the Company entered into a \$20.0 million revolving credit facility (the "NexBank Revolver") with NexBank, in the initial principal balance of \$20.0 million, with the option for the Company to receive additional disbursements thereunder up to a maximum of \$50.0 million, a maturity date of May 21, 2024 and the option to extend the maturity two times by six months. On May 21, 2024, the Company elected to extend the maturity by six months to November 21, 2024. On November 21, 2024, the Company elected to extend the maturity by six months to May 21, 2025. On May 15, 2025, the Company amended the NexBank Revolver agreement to extend the maturity date to November 21,

2025, and to provide for three additional six-month extension options. As of September 30, 2025, the NexBank Revolver bears interest at one-month SOFR plus 3.50% and matures on November 21, 2025. Management expects to elect one of the extension options to extend the maturity date of the debt to May 21, 2026. As of September 30, 2025, the NexBank Revolver had an outstanding balance of \$13.5 million.

Deferred Financing Costs

The Company defers costs incurred in obtaining financing and amortizes the costs over the terms of the related loans using the straight-line method, which approximates the effective interest method. Deferred financing costs, net of amortization, are recorded as a reduction from the related debt on the Company's Consolidated Balance Sheets. Upon repayment of or in conjunction with a material change in the terms of the underlying debt agreement, any unamortized costs are charged to loss on extinguishment of debt and modification costs.

Prime Brokerage Borrowing

Effective July 2, 2022, the Company entered a prime brokerage account with Jefferies to hold securities owned by the Company (the "Prime Brokerage"). The Company from time to time borrows against the value of these securities. As of September 30, 2025, the Company had a margin balance of approximately \$6.0 million outstanding with Jefferies bearing interest at the Overnight Bank Funding Rate plus 0.50%. Securities with a fair value of approximately \$12.4 million are pledged as collateral against this margin balance. This arrangement has no stated maturity date. Due to the short-term nature of the debt, the fair value of the debt is approximately the outstanding balance.

Schedule of Debt Maturities

The aggregate scheduled maturities, including amortizing principal payments, of total debt for the next five calendar years subsequent to September 30, 2025 are as follows (in thousands):

	Mortgages Payable	Credit Facilities	Notes Payable	Prime Brokerage Borrowing	Total
2025	\$ 41,583	\$ 14,720	\$ —	\$ —	\$ 56,303
2026	176,746	—	13,250	—	189,996
2027	—	—	21,275	—	21,275
2028	—	—	—	—	—
2029	10,000	—	—	—	10,000
Thereafter	—	—	37,486	5,952	43,438
Total	\$ 228,329	\$ 14,720	\$ 72,011	\$ 5,952	\$ 321,012

7. Variable Interest Entities

As of September 30, 2025, and December 31, 2024, the Company does not consolidate the investments below as it does not have a controlling financial interest in these investments:

Entities	Instrument	Asset Type	Percentage Ownership as of September 30, 2025	Percentage Ownership as of December 31, 2024	Relationship as of September 30, 2025	Relationship as of December 31, 2024
<i>Unconsolidated Entities:</i>						
NexPoint Storage Partners, Inc.	Common stock	Self-storage	52.7 %	52.8 %	VIE	VIE
NexPoint Storage Partners Operating Company, LLC	LLC interest	Self-storage	33.8 %	29.5 %	VIE	VIE
Perilune Aero Equity Holdings One, LLC	LLC interest	Aircraft	16.4 %	16.4 %	VIE	VIE
Sandstone Pasadena Apartments, LLC	LLC Interest	Multifamily	50.0 %	50.0 %	VIE	VOE
Life Sciences II DST	DST investment	Life science	25.8 %	25.8 %	VIE	VIE
Semiconductor DST	DST investment	Industrial	19.2 %	16.8 %	VIE	VIE
Capital Acquisitions Partners, LLC	LLC interest	Multifamily	20.9 %	20.9 %	VIE	VIE
IQHQ Holdings, LP	LP interest	Life science	1.1 %	1.2 %	VIE	VIE
NexPoint Real Estate Finance Operating Partnership, L.P.	LP interest	Mortgage	15.6 %	15.6 %	VIE	VIE
VineBrook Homes Operating Partnership, L.P.	LP interest	Single-family rental	11.7 %	11.4 %	VIE	VIE
NexPoint SFR Operating Partnership, L.P.	LP interest	Single-family rental	27.7 %	30.8 %	VIE	VIE
NexAnnuity Holdings, Inc.	Preferred Shares	Annuities	100.0 % (1)	100.0 %	VIE	VIE
AMS C-Store JV, LLC	Preferred Shares	Retail	100.0 % (2)	N/A	VIE	N/A

(1) The Company owns 100% of the preferred stock of NexAnnuity Holdings, Inc. ("NHI"), but it does not own any of the outstanding common stock of NHI.

(2) The Company owns 100% of the preferred units of AMS C-Store JV, LLC, but it does not own any of the outstanding common units of AMS C-Store JV, LLC.

The maximum exposure to loss of value for the VIE investments includes both the carrying value of each investment, as presented in the tables in Note 8 and 10, and the Company's exposure through additional arrangements. The Company has provided guarantees on certain debt obligations of some of the VIEs, see Note 14 for further details.

Consolidated VIEs

The Company did not have any consolidated VIEs as of September 30, 2025 and December 31, 2024.

8. Equity Method Investments

Below is a summary of the Company's equity method investments as of September 30, 2025 (dollars in thousands):

Investee Name	Instrument	Asset Type	NXDT Percentage Ownership		Investment Basis	Share of Investee's Net Assets (1)	Basis Difference (2)	Share of Earnings (Loss)
Sandstone Pasadena Apartments, LLC	LLC interest	Multifamily	50.0 %		\$ 9,023	\$ (9,590)	\$ 18,613	\$ 166
AM Uptown Hotel, LLC	LLC interest	Hospitality	60.0 %	(3)	(1,421)	387	(1,808)	91
Las Vegas Land Owner, LLC	LLC interest	Land	77.0 %	(4)	12,323	12,324	(1)	2
Perilune Aero Equity Holdings One, LLC	LLC interest	Aircraft	16.4 %	(8)	12,625	11,756	869	153
Capital Acquisitions Partners, LLC	LLC interest	Multifamily	20.9 %		633	1,717	(1,084)	226
					<u>\$ 33,183</u>	<u>\$ 16,594</u>	<u>\$ 16,589</u>	<u>\$ 638</u>

Below is a summary of the Company's investments as of September 30, 2025 that qualify for equity method accounting for which the Company has elected to account for using the fair value option. Amounts are included in "Investments, at fair value" on the Consolidated Balance Sheets.

Investee Name	Instrument	Asset Type	NXDT Percentage Ownership		Fair Value
NexPoint Real Estate Finance Operating Partnership, L.P.	LP interest	Mortgage	15.6 %	(6)	\$69,044
NexPoint Real Estate Finance, Inc.	Common stock	Mortgage	11.8 %	(6)	29,778
Claymore Holdings, LLC	LLC interest	N/A	50.0 %	(5)	—
LLV Holdco, LLC	LLC interest	Land	26.8 %		2,997
NexPoint Storage Partners, Inc.	Common stock	Self-storage	52.7 %	(3)	53,536
NexPoint Storage Partners Operating Company, LLC	LLC interest	Self-storage	33.8 %		36,952
Vinebrook Homes Operating Partnership, L.P.	LP interest	Single-family rental	11.7 %	(6)	128,800
NexPoint SFR Operating Partnership, L.P.	LP interest	Single-family rental	27.7 %		29,384
AMS C-Store JV, LLC	Preferred stock	Retail	100.0 %	(9)	17,620
					<u>\$ 368,111</u>

Below is a summary of the Company's equity method investments as of December 31, 2024 (dollars in thousands):

Investee Name	Instrument	Asset Type	NXDT Percentage Ownership		Investment Basis	Share of Investee's Net Assets (1)	Basis Difference (2)	Share of Earnings (Loss)
Sandstone Pasadena Apartments, LLC	LLC interest	Multifamily	50.0 %		\$ 10,055	\$ (9,590)	\$ 19,645	\$ 70
AM Uptown Hotel, LLC	LLC interest	Hospitality	60.0 %	(3)	18,081	14,970	3,111	(155)
Las Vegas Land Owner, LLC	LLC interest	Land	77.0 %	(4)	12,321	12,321	—	10
Perilune Aero Equity Holdings One, LLC	LLC interest	Aircraft	16.4 %	(8)	13,565	10,488	3,077	1,414
Capital Acquisitions Partners, LLC	LLC interest	Multifamily	20.9 %		407	1,717	(1,310)	126
					<u>\$ 54,429</u>	<u>\$ 29,906</u>	<u>\$ 24,523</u>	<u>\$ 1,465</u>

Below is a summary of the Company's investments as of December 31, 2024 that qualify for equity method accounting for which the Company has elected to account for using the fair value option. Amounts are included in "Investments, at fair value" on the Consolidated Balance Sheets.

Investee Name	Instrument	Asset Type	NXDT Percentage Ownership		Fair Value
NexPoint Real Estate Finance Operating Partnership, L.P.	LP interest	Mortgage	15.6 %	(6)	\$76,396
NexPoint Real Estate Finance, Inc.	Common stock	Mortgage	12.0 %	(6)	32,949
Claymore Holdings, LLC	LLC interest	N/A	50.0 %	(5)	—
Allenby, LLC	LLC interest	N/A	50.0 %	(5)	—
Haygood, LLC	LLC interest	N/A	31.0 %	(7)	—
LLV Holdco, LLC	LLC interest	Land	26.8 %		2,606
NexPoint Storage Partners, Inc.	Common stock	Self-storage	52.8 %	(3)	62,709
NexPoint Storage Partners Operating Company, LLC	LLC interest	Self-storage	29.5 %		34,172
Vinebrook Homes Operating Partnership, L.P.	LP interest	Single-family rental	11.4 %	(6)	151,706
NexPoint SFR Operating Partnership, L.P.	LP interest	Single-family rental	30.8 %		37,953
					<u>\$ 398,491</u>

(1) Represents the Company's percentage share of net assets of the investee per the investee's books and records.

(2) Represents the difference between the basis at which the investments in unconsolidated ventures are carried by the Company and the Company's proportionate share of the equity method investee's net assets. To the extent that the Company's cost basis is different from the basis reflected at the joint venture level, the basis difference is generally amortized over the lives of the related assets and liabilities, and such amortization is included in the Company's share of equity in earnings of the joint venture.

- (3) The Company owns greater than 50% of the outstanding common equity but is not deemed to be the primary beneficiary or have a controlling financial interest of the investee and as such, accounts for the investee using the equity method.
- (4) The Company owns 100% of Las Vegas Land Owner, LLC which owns 77% of a joint venture that owns an 8.5 acre tract of land (the "Tivoli North Property"). Through a tenants in common arrangement, the Company shares control and as such accounts for this investment using the equity method.
- (5) The Company has a 50% non-controlling interest in Claymore Holdings, LLC ("Claymore") and Allenby, LLC, ("Allenby"). The Company has determined it is not the primary beneficiary and does not consolidate these entities.
- (6) The Company owns less than 20% of the investee but has significant influence due to members of the management team serving on the board of the investee or its parent and as such, accounts for the investee using the equity method.
- (7) The Company has a 31% non-controlling interest in Haygood, LLC, ("Haygood"). The Company has determined it is not the primary beneficiary and does not consolidate this entity.
- (8) The Company owns less than 20% of the investee but has significant influence due to the legal nature of a partnership that implies an inherent right to influence the operating and financial policies of the partnership.
- (9) The Company owns 100% of the preferred units in AMS C-Store JV, LLC but is not deemed to be the primary beneficiary or have a controlling financial interest of the investee and as such, accounts for the investee using the equity method.

Marriott Uptown Basis

As of September 30, 2025, the Company held an equity method investment in AM Uptown, LLC ("Marriott Uptown"). The Company accounts for this investment under the equity method of accounting, as it has the ability to exercise significant influence over operating and financial policies.

During the three months ended June 30, 2025, the Company received cash distributions of \$2.2 million from Marriott Uptown. These distributions exceeded the Company's equity method investment balance, which was \$0.8 million as of March 31, 2025. Because the Company has continuing obligations to Marriott Uptown, including a guarantee of certain recourse carve-outs, commonly referred to as "bad boy" guarantees, the excess of distributions over the carrying value of the investment was not recognized as a gain. Instead, the Company recorded a liability of \$1.4 million, which is presented within "Accounts payable and other accrued liabilities" on the Consolidated Balance Sheets.

The Company will continue to evaluate the investment for indications of other-than-temporary impairment and will assess whether its obligations under the guarantee require recognition of additional liabilities.

Significant Equity Method Investments

For its interim reporting, the Company assesses and presents summarized financial information for its significant equity method investments in accordance with Rule 10-01(b)(1) of Regulation S-X. The Company reports the financial information on a three-month lag to align with the availability of investee financials. VineBrook Homes Trust, Inc. ("VineBrook") and NexPoint Storage Partners, Inc. ("NSP") do not prepare standalone financials for their operating companies as all operations and investments are owned through their operating companies and are consolidated by the corporate entities.

The table below presents summarized statement of operations for the six months ended June 30, 2025 for the Company's equity method investments (dollars in thousands):

	VineBrook	NSP
Revenues		
Rental income	\$ 181,224	\$ 60,026
Net interest income	—	650
Other income	5,741	2,661
Total revenues	186,965	63,337
Expenses		
Total expenses	298,470	53,608
Gain (loss) on sales of real estate	2,381	—
Other income (expense)	9	(36,965)
Unrealized gain (loss) on derivatives	—	—
Total comprehensive income (loss)	\$ (109,115)	\$ (27,236)

There were no significant equity method investments for the nine months ended September 30, 2024.

9. Fair Value of Financial Instruments

The table below summarizes the Company's assets within the valuation hierarchy carried at fair value on a recurring basis as of September 30, 2025 (in thousands):

	Fair Value			
	Level 1	Level 2	Level 3	Total
Assets				
Bond	\$ —	\$ 44	\$ —	\$ 44
Common stock	42,579	—	131,299	173,878
Convertible notes	—	—	11,963	11,963
LLC interest	—	—	57,569	57,569
LP interest	—	69,045	158,184	227,229
Preferred Shares	—	—	74,173	74,173
Rights and warrants	—	1,788	—	1,788
Senior loan	—	50	46,416	46,466
	\$ 42,579	\$ 70,927	\$ 479,604	\$ 593,110

The table below summarizes the Company's assets within the valuation hierarchy carried at fair value on a recurring basis as of December 31, 2024 (in thousands):

	Fair Value			
	Level 1	Level 2	Level 3	Total
Assets				
Bond	\$ —	\$ 62	\$ —	62
Common stock	46,436	—	157,828	204,264
Convertible notes	—	—	20,846	20,846
LLC interest	—	—	36,777	36,777
LP interest	—	76,396	189,659	266,055
Preferred Shares	—	—	69,895	69,895
Rights and warrants	—	1,788	—	1,788
Senior loan	—	52	43,693	43,745
	\$ 46,436	\$ 78,298	\$ 518,698	\$ 643,432

The table below sets forth a summary of changes in the Company's Level 3 assets (assets measured at fair value using significant unobservable inputs) for the nine months ended September 30, 2025 (in thousands):

	December 31, 2024	Contributions/ Purchases	Paid in- kind dividends	Transfer Into (Out of) Level 3	Redemptions/ conversions	Return of capital	Realized gain/(loss)	Unrealized gain/(loss)	September 30, 2025
Common stock \$	157,828	\$ —	\$ —	\$ —	\$ (3,688)	\$ —	\$ 1,511	\$ (24,352)	\$ 131,299
Convertible notes	20,846	—	—	—	(9,194)	—	—	311	11,963
LLC interest	36,777	25,120	1,384	—	(3,996)	—	3,462	(5,178)	57,569
LP interest	189,659	1,979	—	—	—	—	—	(33,454)	158,184
Preferred Shares	69,895	—	4,278	—	—	—	—	—	74,173
Senior loan	43,693	—	3,847	—	(1,422)	—	2	296	46,416
Total \$	518,698	\$ 27,099	\$ 9,509	\$ —	\$ (18,300)	\$ —	\$ 4,975	\$ (62,377)	\$ 479,604

The table below sets forth a summary of changes in the Company's Level 3 assets (assets measured at fair value using significant unobservable inputs) for the nine months ended September 30, 2024 (in thousands):

	December 31, 2023	Contributions/ Purchases	Paid in- kind dividends	Transfer Into (Out of) Level 3	Investments (Eliminated) Acquired Through Consolidation ¹	Redemptions/ conversions	Return of capital	Realized gain/(loss)	Unrealized gain/(loss)	September 30, 2024
CLO \$	1,215	\$ —	\$ —	\$ —	\$ —	\$ —	(1,266)	\$ (22,735)	\$ 22,786	\$ —
Common stock	176,256	904	—	—	(7,757)	—	—	—	(18,330)	151,073
Convertible notes	42,251	—	—	—	(21,129)	—	—	—	(62)	21,060
LLC interest	39,399	564	—	—	—	—	—	—	2,935	42,898
LP interest	195,898	4,818	—	—	—	—	—	—	(4,881)	195,835
Preferred Shares	66,268	—	3,956	—	—	(1,700)	—	—	—	68,524
Senior loan	46,353	6,596	3,217	—	—	(14,343)	—	574	(174)	42,223
Total \$	567,640	\$ 12,882	\$ 7,173	\$ —	\$ (28,886)	\$ (16,043)	\$ (1,266)	\$ (22,161)	\$ 2,274	\$ 521,613

(1) As a result of the NHT consolidation, certain investments were eliminated or acquired.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the significant unobservable inputs used in the fair valuation of assets categorized within Level 3 of the fair value hierarchy as of September 30, 2025.

Category	Valuation Technique	Significant Unobservable Inputs	Input Value(s) (Arithmetic Mean)				Fair Value
Common Stock	Market Approach	Unadjusted Price/MHz-PoP	\$0.10	—	\$1.25	\$(0.64)	\$ 131,299
	Discounted Cash Flow	Discount Rate	7.00%	—	14.00%	(9.50)%	
		Market Rent (per sqft)	\$13.00	—	\$42.50	\$(27.75)	
	NAV Approach	Discount Rate		10.00%			
		NAV per Share		\$5.85			
		Multiple of EBITDA	3.00x	—	4.25x	(3.63)x	
		Implied Enterprise Value from Transaction Price (\$mm)		\$1,258.50			
	Recent Transaction						
Convertible Notes	Discounted Cash Flow	Discount Rate	6.08%	—	8.08%	(7.08)%	11,963
LLC Interest	Discounted Cash Flow	Discount Rate	7.00%	—	26.00%	(12.5)%	57,569
		Market Rent (per sqft)	\$13.00	—	\$42.50	\$(27.75)	
		Capitalization Rate		5.25%			
LP Interest	Market Approach	Capitalization Rate	5.25%	—	5.50%	(5.375)%	158,184
	Direct Capitalization Approach	Discount Rate		(8.04)%			
		Terminal Capitalization Rate		6.03%			
	NAV Approach	Discount Rate	5.00%	—	10.00%	(7.50)%	
		NAV per Share	4.50%	—	5.00%	(4.75 %)	
Preferred Shares	Liquidation Analysis	Par		\$1,000			74,173
Senior Loan	Discounted Cash Flow	Discount Rate	13.25%	—	15.00%	(14.13)%	46,416
Total							\$ 479,604

The following is a summary of the significant unobservable inputs used in the fair valuation of assets categorized within Level 3 of the fair value hierarchy as of December 31, 2024.

Category	Valuation Technique	Significant Unobservable Inputs	Input Value(s) (Arithmetic Mean)				Fair Value
Common Stock	Market Approach	Unadjusted Price/MHz-PoP	\$0.10	—	\$0.90	\$(0.48)	\$ 157,828
	Discounted Cash Flow	Discount Rate	7.00%	—	14.50%	(9.63)%	
		Market Rent (per sqft)	\$13.00	—	\$42.50	\$(27.75)	
	NAV Approach	Discount Rate		10.00%			
		NAV per Share		12.75			
		Multiple of EBITDA	3.00x	—	4.25x	(3.63)x	
	Recent Transaction	Implied Enterprise Value from Transaction Price (\$mm)		\$1,149.00			
		N/A	\$25.31	—	\$28.00	\$(26.66)	
		Discount to NAV	(30.00)%	—	(20.00)%	(25.00)%	
		Offer Price per Share		\$4.27			
Convertible Notes	Discounted Cash Flow	Discount Rate	6.08%	—	(8.08)%	(7.08)%	20,846
LLC Interest	Discounted Cash Flow	Discount Rate	7.00%	—	26.00%	(12.5)%	36,777
		Market Rent (per sqft)	\$13.00	—	\$42.50	\$(27.75)	
		Capitalization Rate		5.13%			
LP Interest	Direct Capitalization Approach	Capitalization Rate	5.25%	—	5.50%	(5.38)%	189,659
	Market Approach	Discount to NAV		(7.5)%			
	Recent Transaction	Price per Share		\$16.41			
Preferred Shares	Liquidation Analysis	Par		\$1,000			69,895
Senior Loan	Discounted Cash Flow	Discount Rate	13.30%	—	26.00%	(19.65)%	43,693
Total							\$ 518,698

Financial Instruments Not Carried at Fair Value

At September 30, 2025 and December 31, 2024, the fair values of cash and cash equivalents, restricted cash, accounts receivable, prepaid and other assets, accrued interest and dividends, accounts payable and other accrued liabilities, accrued real estate taxes payable, accrued interest payable, income tax payable, security deposits and prepaid rent approximated their carrying values because of the short-term nature of these instruments. The estimated fair values of other financial instruments were determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair values.

Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company would realize on the disposition of the financial instruments. The use of different market assumptions or estimation methodologies may have a material effect on the estimated fair value amounts.

In calculating the fair value of its long-term indebtedness, the Company used interest rate and spread assumptions that reflect current credit worthiness and market conditions available for the issuance of long-term debt with similar terms and remaining maturities. These financial instruments utilize Level 2 inputs. Long-term indebtedness is carried at amounts that reasonably approximate their fair value at September 30, 2025 and December 31, 2024, except for the following debt (in thousands):

	September 30, 2025		December 31, 2024	
	Outstanding Principal Balance	Estimated Fair Value	Outstanding Principal Balance	Estimated Fair Value
Notes payable	\$ 86,731	\$ 71,415	\$ 98,721	\$ 78,607

Other Financial Instruments Carried at Fair Value

Redeemable noncontrolling interests in the OP and the 9.00% Series B Cumulative Redeemable Preferred Shares, par value \$0.001 per share, liquidation preference \$25.00 per share (the "Series B Preferred Shares"), have redemption features and are marked to their redemption value if such value exceeds the carrying value. The redemption values are based on the liquidation preference of the Series B Preferred Shares, and less certain redemption fees. Since the valuation is based on observable inputs such as quoted prices for similar instruments in active markets, the redeemable noncontrolling interests in the OP and the Series B Preferred Shares are classified as Level 2 if they are adjusted to their redemption value. As of September 30, 2025, the redeemable noncontrolling interests in the OP and the Series B Preferred Shares are valued at their carrying value on the Consolidated Balance Sheets.

Derivative Financial Instruments

The NHT segment manages interest rate risks primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments.

The NHT segment performs market valuations on its derivative financial instruments. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate caps are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

Interest rate caps involve the receipt of variable-rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. The NHT segment has an interest rate cap agreement related to the notes payable on the Park City and Bradenton properties. As of September 30, 2025, the interest rate cap agreements effectively cap one-month SOFR on \$38.6 million of the NHT segment's floating rate mortgage and mezzanine indebtedness at a weighted average rate of 6.70%.

To comply with the provisions of ASC 820, Fair Value Measurement, the NHT segment incorporates credit valuation adjustments to appropriately reflect both the NHT segment's own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the NHT segment's derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the NHT segment and its counterparties. The Company has determined that the significance of the impact of the credit valuation adjustments made to the NHT segment's derivative contracts, which determination was based on the fair value of each individual contract, was not significant to the overall valuation. Additionally, in the case of interest rate caps, the NHT segment has no performance obligation, so no credit valuation adjustment is necessary. As a result, all of the Hospitality segment's derivatives held as of September 30, 2025 were classified as Level 2 of the fair value hierarchy.

Changes in fair value of the interest rate caps are recorded directly as interest expense on the Consolidated Statements of Operations and Comprehensive Income (Loss). For the three months ended September 30, 2025 and 2024, NHT recorded \$(11.7) thousand and \$(0.1) million, respectively, in interest expense related to changes in the fair value of interest rate caps. For the nine months ended September 30, 2025 and 2024, NHT recorded \$(23.2) thousand, and \$0.1 million, respectively in interest expense related to changes in the fair value of interest rate caps. The combined fair value of the interest rate caps is \$0.3 million as of September 30, 2025, and is recorded as interest rate caps in the Consolidated Balance Sheets.

As of September 30, 2025, the Hospitality segment had the following outstanding interest rate caps:

Type of Derivative	Hedged Financial Instrument	Notional	Strike Rate	Reference Rate	Termination Date
Interest rate cap	Note payable	\$39,300	2.00%	One-month SOFR	2.00% February 5, 2026

10. Investments in DSTs

The Company invested in the Class 1 Beneficial Interests ("Class 1") in two Delaware Statutory Trusts (DSTs). The Class 1 are accounted for as investments in equity securities without readily determinable fair values under the measurement alternative, which measures the investment at cost minus impairment, if any, plus or minus changes in fair value when observable prices are identified. As the Class 1 are still being actively issued, the investments are held at cost with no upward or downward fair value adjustment nor impairment losses to date. Therefore, the fair value of the Investment in DSTs utilizing Level 3 inputs approximate their carrying amount. The Company recognized \$0.5 million and \$1.4 million in dividend income for the three and nine months ended September 30, 2025, respectively, and \$0.2 million and \$0.3 million, respectively, in dividend income for the three and nine months ended September 30, 2024, respectively.

As of September 30, 2025, the Company held the following investments (dollars in thousands):

Balances, as of September 30, 2025	Number of Shares	Carrying Amount
NexPoint Life Sciences II DST	1,044,040	\$ 9,600
NexPoint Semiconductor DST	2,625,618	23,959
Total		\$ 33,559

As of December 31, 2024, the Company held the following investments (dollars in thousands):

Balances, as of December 31, 2024	Number of Shares	Carrying Amount
NexPoint Life Sciences II DST	1,044,040	\$ 9,600
NexPoint Semiconductor DST	2,296,851	20,959
Total		\$ 30,559

11. Shareholders' Equity

Common Shares

During the nine months ended September 30, 2025 and 2024, the Company issued 6,340,840 and 3,284,928 common shares, respectively.

During the nine months ended September 30, 2025, the Company paid three distributions on its common shares in the amount of \$0.15 per share each, which were paid on March 31, 2025 to shareholders of record on February 28, 2025, on June 30, 2025 to shareholders of record on May 9, 2025, and on September 30, 2025 to shareholders of record on August 14, 2025. During the nine months ended September 30, 2024, the Company paid a distribution of \$0.15 per share on its common shares on March 28, 2024 to shareholders of record on February 16, 2024, June 28, 2024 to shareholders of record on May 15, 2024 and September 30, 2024 to shareholders of record on August 15, 2024. The distributions paid on September 30, 2025, June 30, 2025, March 31, 2025, September 30, 2024, June 28, 2024 and March 28, 2024 consisted of

a combination of cash and shares, with the cash component of each distribution (other than cash paid in lieu of fractional shares) comprising 20% of the distribution, with the balance being paid in the Company's common shares.

As of September 30, 2025, and December 31, 2024, the Company had 49,020,409 and 42,679,569 common shares, issued and outstanding, respectively.

Series A Preferred Shares

On January 8, 2021, the Company issued 3,359,593 5.50% Series A Cumulative Preferred Shares, par value \$0.001 per share, liquidation preference \$25.00 per share ("Series A Preferred Shares") with an aggregate liquidation preference of approximately \$84.0 million. The Series A Preferred Shares were issued as part of the consideration for an exchange offer for a portion of the Company's common shares. The Series A Preferred Shares are callable beginning on December 15, 2023 at a price of \$25 per share. The Company may exercise its call option at the Company's discretion. As a result, these are included in permanent equity.

During the nine months ended September 30, 2025, the Company declared three distributions on its Series A Preferred Shares, in the amount of \$0.34375 per share each, which were paid on March 31, 2025, to shareholders of record on March 24, 2025, June 30, 2025 to shareholders of record on June 23, 2025 and September 30, 2025 to shareholders of record on September 23, 2025.

During the nine months ended September 30, 2024, the Company declared distributions on its Series A Preferred Shares, in the amount of \$0.34375 per share each, which were paid on April 1, 2024 to shareholders of record on March 25, 2024, July 1, 2024, to shareholders of record on June 24, 2024 and September 30, 2024 to shareholders of record on September 23, 2024. The Company sent funding to the transfer agent for the dividend paid on July 1, 2024 prior to June 30, 2024, which was then paid to shareholders on July 1, 2024.

Distributions on the Series A Preferred Shares are cumulative from their original issue date at the annual rate of 5.5% of the \$25 per share liquidation preference and are payable quarterly on March 31, June 30, September 30, and December 31 of each year, or in each case on the next succeeding business day.

Series B Preferred Shares

On January 30, 2025, the Company announced the launch of a continuous public offering (the "Series B Preferred Offering") of up to 16,000,000 shares of its newly designated Series B Preferred Shares at a price to the public of \$25.00 per share, for gross proceeds of \$400.0 million. As of September 30, 2025, the Company has issued 485,608 Series B Preferred Shares for gross proceeds of \$12.1 million before deducting selling commissions and dealer manager fees of approximately \$1.0 million, and organization and offering costs of approximately \$0.3 million. The Company expects that the offering will terminate on the earlier of the date the Company sells all 16,000,000 Series B Preferred Shares in the offering or August 1, 2027 (which is the third anniversary of the effective date of the Company's registration statement), which may be extended by the Board in its sole discretion. The Board may elect to terminate the Series B Preferred Offering at any time.

During the nine months ended September 30, 2025, the Company declared eleven distributions on the Series B Preferred Shares, each in the amount of \$0.1875 per share, two of which will be paid to holders of Series B Preferred Shares on December 5, 2025 and January 5, 2026 to holders of record on November 25, 2025 and December 24, 2025, respectively, and the remaining which were paid to holders of Series B Preferred Shares on November 5, 2025, October 6, 2025, September 5, 2025, August 5, 2025, July 7, 2025, June 5, 2025, May 5, 2025, April 7, 2025 and March 5, 2025 to holders of record of Series B Preferred Shares on October 24, 2025, September 25, 2025, August 25, 2025, July 25, 2025, June 25, 2025, May 23, 2025, April 25, 2025, March 25, 2025 and February 25, 2025, respectively.

Distributions on the Series B Preferred Shares are cumulative from their original issue date at the annual rate of 9% of the \$25 per share initial stated value and are payable monthly on the fifth day of each calendar month or, if such date is not a business day, on the next succeeding business day.

Long Term Incentive Plan, NXDT

On January 30, 2023, the Company's shareholders approved a long-term incentive plan (the "2023 LTIP" as amended by the A&R 2023 LTIP (as defined below), the "LTIP") and the Company subsequently filed a registration statement on

Form S-8 registering 2,545,000 common shares, which the Company may issue pursuant to the 2023 LTIP. On June 10, 2025, the Company's shareholders approved an amendment and restatement of the 2023 LTIP (the "A&R" 2023 LTIP") and the Company subsequently filed a registration statement on Form S-8 registering an additional 1,007,258 common shares, which the Company may issue pursuant to the A&R 2023 LTIP. The LTIP authorizes the compensation committee of the Board to provide equity-based compensation in the form of share options, appreciation rights, restricted shares, restricted share units, performance shares, performance units and certain other awards denominated or payable in, or otherwise based on, the Company's common shares or factors that may influence the value of the Company's common shares, plus cash incentive awards, for the purpose of providing the Company's trustees, officers and other key employees (and those of the Adviser and the Company's subsidiaries), and potentially certain nonemployees who perform employee-type functions, incentives and rewards for performance (the "participants").

Restricted Share Units. Under the LTIP, restricted share units may be granted to the participants and typically vest over a three to five-year period for officers, employees and certain key employees of the Adviser and annually for trustees. The most recent grant of restricted share units to officers, employees and certain key employees of the Adviser will vest over a four-year period. Beginning on the date of grant, restricted share units earn distributions that are payable in cash on the vesting date. Compensation expense is recognized on a straight-line basis over the total requisite service period for the entire award. Forfeitures are recognized as they occur. The following table includes the number of restricted share units granted to its trustees, officers, employees and certain key employees of the Adviser under the LTIP:

	Summary of Grants			Total
	March	April	June	
2023	—	603,482	—	603,482
2024	1,033,787	—	—	1,033,787
2025	—	937,643	572,592	1,510,235
Total	1,033,787	1,541,125	572,592	3,147,504

As of September 30, 2025 and December 31, 2024, the Company had 2,463,802 and 1,438,049 unvested units under the LTIP, respectively.

The following table includes the number of restricted share units granted, vested, forfeited and outstanding as of and for the nine months ended September 30, 2025:

	2025	
	Number of Units	Weighted Average Grant Date Fair Value
Outstanding January 1, 2025	1,438,049	\$ 7.35
Granted	1,510,235	3.73
Vested	(449,024) (1)	3.76
Forfeited	(35,458)	5.90
Outstanding September 30, 2025	2,463,802	\$ 5.81

- (1) Certain key employees of the Adviser elected to net the taxes owed upon the vesting against the shares issued resulting in 358,173 shares being issued as shown on the Consolidated Statement of Equity.

The following table contains information regarding the vesting of restricted share units under the LTIP as of September 30, 2025:

	Shares Vesting				
	February	March	April	June	Total
2025	—	—	—	—	—
2026	—	234,527	397,608	164,797	796,932
2027	355,614	234,527	130,974	—	721,115
2028	355,614	234,527	—	—	590,141
2029	355,614	—	—	—	355,614
Total	1,066,842	703,581	528,582	164,797	2,463,802

For the three months ended September 30, 2025 and 2024, the Company recognized approximately \$1.1 million and \$0.8 million, respectively of equity-based compensation expense related to grants of restricted share units. For the nine months ended September 30, 2025 and 2024, the Company recognized approximately \$2.9 million and \$2.2 million, respectively, of equity-based compensation expense related to grants of restricted share units. As of September 30, 2025, the Company had recognized a liability of approximately \$1.4 million related to distributions earned on restricted share units that are payable in cash upon vesting. As of September 30, 2025, total unrecognized compensation expense on restricted share units was approximately \$10.5 million, and the expense is expected to be recognized over a weighted average vesting period of 1.7 years. As of December 31, 2024, total unrecognized compensation expense on restricted share units was approximately \$8.0 million, and the expense is expected to be recognized over a weighted average vesting period of 1.5 years.

12. Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common shareholders by the weighted average number of the Company's common shares outstanding and excludes any unvested restricted share units issued pursuant to the LTIP.

Diluted earnings (loss) per share is computed by adjusting basic earnings per share for the dilutive effect of the assumed vesting of restricted share units. During periods of net loss, the assumed vesting of restricted share units is anti-dilutive and is not included in the calculation of earnings (loss) per share.

The following table sets forth the computation of basic and diluted earnings (loss) per share (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator for loss per share:				
Net income (loss) attributable to common shareholders	\$ (13,687)	\$ (10,037)	\$ (93,256)	\$ (42,523)
Denominator for loss per share:				
Weighted average common shares outstanding	47,436	40,786	45,324	39,662
Denominator for basic loss per share	47,436	40,786	45,324	39,662
Weighted average unvested restricted share units	2,464	1,435	1,950	1,210
Weighted average number of common shares from assumed conversion of Series B Preferred Shares	1,480	—	129	—
Denominator for diluted loss per share (1)	47,436	40,786	45,324	39,662
Loss per weighted average common share:				
Basic	\$ (0.29)	\$ (0.25)	\$ (2.06)	\$ (1.07)
Diluted	\$ (0.29)	\$ (0.25)	\$ (2.06)	\$ (1.07)

(1) If the Company sustains a net loss for the period presented, unvested restricted share units and convertible Series B Preferred Shares are not included in the diluted earnings per share calculation.

13. Related Party Transactions

Advisory and Administrative Fees, NXDT

Pursuant to the Advisory Agreement, subject to the overall supervision of our Board, the Adviser manages the day-to-day operations of the Company and provides investment management services.

As of September 30, 2025 and 2024, as consideration for the Adviser's services under the Advisory Agreement, we pay our Adviser an annual fee (the "Advisory Fee") of 1.00% of Managed Assets (defined below) and an annual fee (the "Administrative Fee" and, together with the Advisory Fee, the "Fees") of 0.20% of the Company's Managed Assets.

On July 22, 2024, we entered into an amendment to the Advisory Agreement whereby the monthly installment of the Administrative Fee shall be paid in cash and the monthly installment of the Advisory Fee shall be paid in one-half in cash and one-half in common shares of the Company, subject to certain restrictions including that in no event shall the common shares issued to the Adviser under the Advisory Agreement exceed five percent of the number of common shares or five percent of the voting power of the Company outstanding prior to the first such issuance (the "Share Cap") and that in no event shall the common shares issued to the Adviser under the Advisory Agreement exceed 6,000,000 common shares; provided, however, that the Share Cap will not apply if the Company's shareholders have approved issuances in excess of the Share Cap. At the Company's 2025 annual meeting of shareholders, the Company's shareholders approved issuances in excess of the Share Cap. During the nine months ended September 30, 2025, we issued 937,026.44 common shares to the Adviser in payment of the Fees in an amount of \$4.32 million.

On September 19, 2025, we entered into an amendment to the Advisory Agreement whereby the monthly installments of the Fees accruing after September 19, 2025, will be paid entirely in cash unless the Adviser elects, in its sole discretion, to receive all or a portion of the monthly installment of the Fees in common shares of the Company, subject to certain

restrictions, including that in no event shall the number of common shares issued to the Adviser under the Advisory Agreement exceed 6,000,000 common shares.

Under the Advisory Agreement, “Managed Assets” means an amount equal to the total assets of the Company, including any form of leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing to purchase or develop real estate or other investments, borrowing through a credit facility, or the issuance of debt securities), (ii) the issuance of preferred shares or other preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Company’s investment objectives and policies, and/or (iv) any other means. In the event the Company holds collateralized mortgage-backed securities (“CMBS”) where the Company holds the controlling tranche of the securitization and is required to consolidate under U.S. generally accepted accounting principles (“GAAP”) all assets and liabilities of a specific CMBS trust, the consolidated assets and liabilities of the consolidated trust will be netted to calculate the allowable amount to be included as Managed Assets. In addition, in the event the Company consolidates another entity it does not wholly own as a result of owning a controlling interest in such entity or otherwise, Managed Assets will be calculated without giving effect to such consolidation and instead such entity’s assets, leverage, expenses, liabilities and obligations will, on a pro rata basis consistent with the Company’s percentage ownership, be considered those of the Company for purposes of calculation of Managed Assets. The Adviser computes Managed Assets as of the end of each fiscal quarter and then computes each installment of the Fees as promptly as possible after the end of the month with respect to which such installment is payable.

Advisory Fees, NHT

Prior to the closing of the NHT Merger on April 17, 2025, NHT was externally managed by the NHT Adviser. In accordance with the agreement entered into with the NHT Adviser (the “NHT Advisory Agreement”), the Company paid the NHT Adviser an advisory fee equal to 1.00% of the REIT Asset Value (as defined below). Under the direct supervision of the REIT, the duties performed by NHT’s Adviser under the terms of the NHT Advisory Agreement include, but are not limited to: providing daily management for NHT, selecting and working with third party service providers, overseeing the third party manager, formulating an investment strategy for NHT and selecting suitable properties and investments, managing NHT’s outstanding debt and its interest rate exposure through derivative instruments, determining when to sell assets, and managing the renovation program or overseeing a third party vendor that implements the renovation program. REIT Asset Value means the value of NHT’s total assets, as determined in accordance with International Financial Reporting Standards (IFRS) except that such value shall only consolidate NHT’s and NHT Holdings, LLC assets plus NHT’s pro rata share of leverage at NHT OP. Pursuant to the terms of the NHT Advisory Agreement, NHT will reimburse the NHT Adviser for all documented Operating Expenses and offering expenses it incurs on behalf of NHT. “Operating Expenses” include legal, accounting, financial and due diligence services performed by the NHT Adviser that outside professionals or outside consultants would otherwise perform and NHT’s pro rata share of rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the NHT Adviser required for NHT’s operations. Operating Expenses do not include expenses for the advisory services described in the NHT Advisory Agreement. Certain Operating Expenses, such as NHT’s ratable share of rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses incurred by the NHT Adviser or its affiliates that relate to the operations of NHT, may be billed monthly to NHT under a shared services agreement.

As of April 19, 2024, the date of the NHT Acquisition, NHT had a payable balance of advisory fees of \$6.5 million. As of September 30, 2025 there is a remaining payable of advisory fees of \$11.3 million. The NHT Advisory Agreement was terminated in connection with the closing of the NHT Merger on April 17, 2025, and the Company assumed the remaining outstanding advisory fees under the NHT Advisory Agreement, and the termination of the NHT Advisory Agreement incurred a termination fee of \$3.5 million.

Reimbursement of Expenses

We also generally reimburse our Adviser for operating or offering expenses it incurs on our behalf or in connection with the services it performs for us. The Adviser may, at its discretion and at any time, waive its right to reimbursement for eligible out-of-pocket expenses paid on the Company’s behalf. Once waived, those expenses are considered permanently waived and become non-recoupable.

The Advisory Agreement has a term that will expire on July 1, 2026, and successive additional one-year terms thereafter unless earlier terminated. We have the right to terminate the Advisory Agreement on 30 days’ written notice upon the occurrence of a cause event (as defined in the Advisory Agreement). The Advisory Agreement can be terminated

by us or the Adviser without cause upon the expiration of the then-current term with at least 180 days' written notice to the other party prior to the expiration of such term. The Adviser may also terminate the agreement with 30 days' written notice if we have materially breached the agreement and such breach has continued for 30 days before we are given such notice. In addition, the Advisory Agreement will automatically terminate in the event of an Advisers Act Assignment (as defined in the Advisory Agreement) unless we provide written consent. A termination fee will be payable to the Adviser by us upon termination of the Advisory Agreement for any reason, including non-renewal, other than a termination by us upon the occurrence of a cause event or due to an Advisers Act Assignment. The termination fee will be equal to three times the Fees earned by the Adviser during the twelve month period immediately preceding the most recently completed calendar quarter prior to the effective termination date.

For the three months ended September 30, 2025 and 2024, the Company incurred Administrative Fees and Advisory Fees of \$3.2 million and \$3.6 million, respectively. For the nine months ended September 30, 2025 and 2024, the Company incurred Administrative Fees and Advisory Fees of \$10.0 million and \$10.1 million, respectively.

Expense Cap, NHT

Prior to the closing of the NHT Merger on April 17, 2025, the terms of the NHT Advisory Agreement, expenses paid or incurred by NHT for advisory fees payable to the NHT Adviser, Operating Expenses incurred by the NHT Adviser or its affiliates in connection with the services it provides to NHT and its subsidiaries and compensation expenses relating to equity awards granted under a long-term incentive plan of NHT will not exceed 1.5% of REIT Asset Value for the calendar year (or part thereof) that the NHT Advisory Agreement is in effect (the "NHT Expense Cap"). The NHT Expense Cap does not apply to legal, accounting, financial, due diligence and other service fees incurred in connection with mergers and acquisitions, extraordinary litigation, or other events outside NHT's ordinary course of business or any out-of-pocket acquisition or due diligence expenses incurred in connection with the acquisition or disposition of real estate assets. From the date of the NHT Acquisition to the period ended September 30, 2025, NHT incurred expenses subject to the NHT Expense Cap of \$3.2 million. The NHT Advisory Agreement was terminated in connection with the closing of the NHT Merger on April 17, 2025, and the Company assumed the remaining expense reimbursement obligations under the NHT Advisory Agreement.

Loans from Affiliates

As of September 30, 2025, a subsidiary of the Company assumed several convertible notes issued by NHT to certain affiliates of the NHT Adviser in connection with the NHT Merger totaling \$51.5 million (see Note 6 to our consolidated financial statements). The proceeds of the notes were primarily used for general corporate and working capital purposes and have been consolidated into one account on the Consolidated Balance Sheets.

Revolving Credit Facility, NXDT

On May 22, 2023, the Company entered into the NexBank Revolver in the initial principal amount of \$20.0 million, with the option for the Company to receive additional disbursements thereunder up to a maximum amount of \$50.0 million and bears interest at one-month SOFR plus 3.50%. On May 21, 2024, the Company elected to extend the maturity by six months to November 21, 2024. On November 21, 2024, the Company elected to extend the maturity by six months to May 21, 2025. On May 15, 2025, the Company amended the NexBank Revolver agreement to extend the maturity date to November 21, 2025, and to provide for three additional six-month extension options. As of September 30, 2025, the NexBank Revolver had an outstanding balance of \$13.5 million.

Guaranties of NexPoint Storage Partners, Inc. Debt.

On October 4, 2024, the Company entered into a Guaranty Agreement (Recourse Obligations), dated October 4, 2024 (the "Citi Guaranty") for the benefit of JPM and Citi Real Estate Funding, Inc. (collectively, the "Citi Lender") under a loan agreement (the "Citi Loan Agreement"), by and among the borrowers thereunder (collectively, "Citi Borrower") and the Citi Lender. The Company is the owner of an indirect interest in Citi Borrower and entered into the Citi Guaranty as a condition of the Citi Lender lending to Citi Borrower under the Citi Loan Agreement. Pursuant to the Citi Guaranty, the Company guarantees the Guaranteed Obligations (as defined in the Citi Loan Agreement). The Guaranteed Obligations consist of liability for losses suffered by the Citi Lender arising out of certain bad acts, such as if the Citi Borrower takes actions that are fraudulent or improper or upon certain violations of the Citi Loan Agreement. The Guaranteed Obligations also include the full payment of the debt upon the occurrence of certain events including borrower voluntarily filing for bankruptcy or similar liquidation or reorganization action or upon certain other violations of the Citi Loan Agreement. The

Citi Loan Agreement provides for a loan of \$750.0 million to Citi Borrower. The Citi Loan Agreement is set to mature on November 1, 2029. Borrowings outstanding under the Citi Loan Agreement are secured by mortgages on real property owned by one or more of the borrowers comprising Citi Borrower.

On December 8, 2022 and in connection with a restructuring of NSP, the Company, together with NexPoint Real Estate Finance, Inc. ("NREF"), Highland Opportunities and Income Fund and NexPoint Real Estate Strategies Fund (collectively, the "NSP Co-Guarantors"), as guarantors, entered into a Sponsor Guaranty Agreement in favor of Extra Space Storage, LP ("Extra Space") pursuant to which the Company and the NSP Co-Guarantors guaranteed obligations of NSP with respect to accrued dividends on NSP's newly created Series D Preferred Stock and two promissory notes in an aggregate principal amount of approximately \$64.2 million issued to Extra Space. The guaranties by the Company and the NSP Co-Guarantors were capped at \$97.6 million, and each of the Company and the NSP Co-Guarantors generally guaranteed the foregoing obligations of NSP up to the cap amount on a pro rata basis with respect to its percentage ownership of NSP's common stock. On February 15, 2023, NSP paid down approximately \$15.0 million of these promissory notes, resulting in an aggregate principal amount of approximately \$49.2 million. On December 8, 2023, NSP paid down the remaining principal balance of \$49.2 million. The Series D Preferred Stock remains outstanding as of September 30, 2025. As of September 30, 2025, the outstanding NSP Series D Preferred Stock accrued dividends were \$14.1 million, and the Company and NREF OP IV REIT Sub, LLC are jointly and severally liable for 85.90% of the guaranteed amount.

NexBank Guaranty

The Company is a guarantor and an indemnitor on the NexBank Revolver. As of September 30, 2025, the NexBank Revolver had an outstanding balance of \$13.5 million. The Company guarantees the borrowers' obligations under the loan agreement and the guaranty is a guaranty of payment and performance, not of collection, which is generally applicable without the need for the lender to make any demand upon or pursue any rights or remedies against the borrower or any other loan party. The guarantor's liability is immediate and not contingent on prior actions taken by the lender against other parties. As an indemnitor, the Company is responsible for indemnifying the lender against losses, claims, damages, and costs (including attorneys' fees) arising from the borrowers' or any other loan party's breach of its warranties, representations, and agreements under the loan agreement. The Company has not recorded a contingent liability with respect to this guaranty as the borrowers are current on all debt payments and in compliance with all debt compliance provisions.

NREF OP Promissory Note

On April 19, 2024, the Company, through the OP, loaned \$6.5 million to NREF OP IV, L.P. ("NREF OP IV"). In connection with the loan, NREF OP IV issued a promissory note to the OP in the principal amount of \$6.5 million bearing interest at 7.535%, which is payable in kind, interest only during the term and matures on April 19, 2029. NREF OP IV is a subsidiary of NREF, which is managed by an affiliate of the Adviser. On September 11, 2024, NREF OP IV extinguished the note and paid down the remaining principal balance and accrued interest.

NFRO SFR REIT Promissory Notes

On December 14, 2023, the Company, through the OP, loaned approximately \$3.6 million to NFRO SFR REIT, LLC ("NFRO SFR REIT"). In connection with the loan, NFRO SFR REIT issued a promissory note to the OP in the principal amount of approximately \$3.6 million bearing interest at 7.535% per annum, which is payable in kind, interest only during the term and was to mature on June 14, 2025. On April 9, 2025, NFRO SFR REIT extinguished the note and paid down the remaining principal balance and accrued interest.

On February 15, 2024, the Company, through the OP, loaned approximately \$3.2 million to NFRO SFR REIT. In connection with the loan, NFRO SFR REIT issued a promissory note to the OP in the principal amount of approximately \$3.2 million bearing interest at 7.535% per annum, which is payable in kind, interest only during the term and was to mature on August 15, 2025. NFRO SFR REIT is a subsidiary of an entity that is advised by an affiliate of the Adviser. On May 16, 2025, NFRO SFR REIT extinguished the note and paid down the remaining principal balance and accrued interest.

Investments in DSTs

On July 26, 2024, the Company, through NREO, acquired \$4.6 million worth of Class 1 in NexPoint Life Sciences II DST ("Life Sciences DST"), a Delaware statutory trust. Life Sciences DST is managed by an affiliate of the Adviser. Life Sciences DST owns a manufacturing and production facility in Philadelphia, PA that is under a triple net lease.

On July 26, 2024, the Company, through NREO, acquired \$14.9 million worth of Class 1 in NexPoint Semiconductor DST ("Semiconductor DST"), a Delaware statutory trust. Semiconductor DST is managed by an affiliate of the Adviser. Semiconductor DST owns a semiconductor manufacturing property in Temecula, CA that is under a triple net lease. On September 11, 2024, the Company acquired an additional \$6.1 million worth of Class 1 in Semiconductor DST. On January 2, 2025, the Company acquired an additional \$3.0 million worth of Class 1 in Semiconductor DST.

Capital Acquisitions Partners, LLC

The Company owns approximately 20.9% of the total outstanding membership interests of Capital Acquisitions Partners, LLC, an entity that invests in multifamily housing. The remaining membership interests are held by NexPoint Real Estate Finance Operating Partnership, L.P. ("NREF OP"). See Notes 7 and 8 for additional information.

IQHQ Transactions

On December 31, 2024, the Company, through certain subsidiaries, along with certain entities advised by affiliates of our Adviser or that may be deemed an affiliate of the Adviser through common beneficial ownership, entered into a participation rights agreement with NexPoint Bridge Investor I, LLC ("Bridge Investor I") pursuant to which the Company has a right to fund up to specified amounts of a Subscription Agreement (the "IQHQ Subscription Agreement") entered into by Bridge Investor I, whereby Bridge Investor I committed to purchase \$160.1 million of Series E preferred stock of IQHQ, Inc. ("IQHQ") and the corresponding warrant to purchase Class A-3 Units of IQHQ Holdings, LP ("IQHQ Holdings") issued to Bridge Investor I (as amended, the "IQHQ Series E Warrant").

Series B Preferred Shares Offering

On January 30, 2025, the Company announced the launch of the Series B Preferred Offering. NexPoint Securities, Inc., an affiliate of the Adviser, serves as the Company's dealer manager (the "Dealer Manager") in connection with the Series B Preferred Offering. The Dealer Manager uses its reasonable best efforts to sell the Series B Preferred Shares offered in the Series B Preferred Offering, and the Company pays the Dealer Manager, subject to the discounts and other special circumstances described or referenced therein, (i) selling commissions of 7.0% of the aggregate gross proceeds from sales of Series B Preferred Shares in the offering ("Selling Commissions") and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series B Preferred Shares in the offering (the "Dealer Manager Fee"). The Dealer Manager, subject to federal and state securities laws, will reallocate all or any portion of the Selling Commissions and may reallocate a portion of the Dealer Manager Fee to other securities dealers that the Dealer Manager may retain who sold the Series B Preferred Shares as is described more fully in the agreements between such dealers and the Dealer Manager. The Company expects that the offering will terminate on the earlier of the date the Company sells all 16,000,000 Series B Preferred Shares in the offering or August 1, 2027 (which is the third anniversary of the effective date of the Company's registration statement), which may be extended by the Board in its sole discretion. The Board may elect to terminate this offering at any time. As of September 30, 2025, the Company has sold 485,608 shares of the Series B Preferred Shares for total gross proceeds of \$12.1 million.

Ground Lease

The Company has a ground lease situated in Durham County, North Carolina, with a subsidiary of OSL, an entity that may be deemed an affiliate of the Adviser through common beneficial ownership. See Note 15 for additional information.

Other Related Party Transactions

The Company has in the past, and may in the future, utilize the services of affiliated parties. The Company holds multiple operating accounts at NexBank. The Company's operating properties, other than undeveloped land, are managed by NexVest Realty Advisors, LLC ("NexVest"), an affiliate of the Adviser. For the nine months ended September 30, 2025 and 2024 the Company through its subsidiaries has paid approximately \$0.5 million and \$0.6 million, respectively, in property management fees to NexVest. The property management agreement with NexVest for the retail property in Lubbock, Texas is dated January 1, 2014 and had a fixed fee of \$750 per month. Effective January 1, 2023, the property management agreement was amended and the property management fee was increased to \$1,200 per month. The property

management agreement with NexVest for the White Rock Center is dated June 1, 2013, and the management fee is calculated on 4% of gross receipts, payable monthly. The property management agreement with NexVest for the undeveloped property in Plano, Texas is dated September 1, 2024, and the management fee is calculated on 3% of gross receipts, with a minimum fee of \$750 per month. The property management agreement with NexVest for Cityplace Tower is dated August 15, 2018, and the management fee is calculated on 3% of gross revenues, with a minimum fee of \$20,000 per month. The property management agreement with NexVest for Cityplace Tower also allows for the manager, as the agent of CP Tower Owner, LLC (“Owner”), to draw on the operating account when required in connection with the operation or maintenance of the property, the payment of certain expenses defined in the agreement, or as expressly approved in writing by Owner. For the three and nine months ended September 30, 2025, the SPE holding Cityplace Tower reimbursed \$0.3 million and \$1.1 million, respectively, to NexVest for these expenses. For the three and nine months ended September 30, 2024, the SPE holding Cityplace Tower reimbursed \$0.4 million and \$1.3 million, respectively, to NexVest for these expenses.

A trustee and officer of the Company also (i) is the beneficiary of a trust that indirectly owns 100% of the limited partnership interests in the parent of the Adviser and directly owns 100% of the general partnership interests in the parent of the Adviser and (ii) is a director of NexBank Capital, the holding company of NexBank, directly owns a minority of the common stock of NexBank, and is the beneficiary of a trust that directly owns a substantial portion of the common stock of NexBank.

The Company is a guarantor and an indemnitor on a loan from OSL, an entity that may be deemed an affiliate of the Adviser through common beneficial ownership, taken by Freedom LHV which owns White Rock Center, with an aggregate principal amount of \$10.0 million as of September 30, 2025. The obligations include a continuing guarantee, which is generally applicable to all current and future liabilities or obligations of the borrower, whether directly or indirectly incurred, including through an agreement with an affiliate, joint venture partner or other third party. This guarantee remains in effect until all such obligations have been satisfied in full, unless terminated in accordance with the terms of the guarantee agreement. The loan is secured by certain real property held by Freedom LHV.

On March 14, 2025, the Company purchased 2,754.59 shares of NexPoint Storage Partners Operating Company, LLC (the “NSP OC Common Units”) for an aggregate amount of \$2.0 million, 4,638.07 shares for an aggregate amount of \$3.2 million on April 29, 2025, and 5,157.67 shares for an aggregate amount of \$3.6 million on June 16, 2025. As of September 30, 2025, the Company owns approximately 59,615 Class B Units, or 33.8%, of the outstanding NSP OC Common Units.

On September 1, 2023, the Company, through one of its wholly owned TRSs, entered into a contribution agreement to transfer the Structured Note in SFP and all its rights, title and interests to related party NHI and its wholly owned subsidiaries. The Company also transferred all of its ordinary shares in SFP to a separate share trustee. In exchange, the Company was issued 68,500 shares of Class A Preferred Stock in NHI and owns 74,173 and 68,254 shares, respectively, as of September 30, 2025 and 2024.

Related Party Investments

The Company, from time to time, may invest in entities managed by affiliates of the Adviser. For the nine months ended and as of September 30, 2025, the Company had the following investments in entities managed or advised by, or directly or indirectly owned by entities managed or advised by, affiliates of the Adviser (in thousands).

Related Party	Investment	Fair Value/Carrying Value	Change in Unrealized Gain/(Loss)	Realized Gain/(Loss)	Equity in income (loss)	Interest and Dividends	Total Income
NexPoint Real Estate Finance, Inc.	Common Stock	\$ 29,778	\$ (3,171)	\$ —	\$ —	\$ 3,150	\$ (21)
NexPoint Storage Partners, Inc.	Common Stock	53,536	(9,172)	—	—	—	(9,172)
NexPoint Residential Trust, Inc.	Common Stock	3,226	(941)	—	—	151	(790)
NexPoint SFR Operating Partnership, L.P.	Convertible Notes	11,963	311	—	—	946	1,257
NexPoint Storage Partners Operating Company, LLC	LLC Units	36,952	(6,057)	—	—	—	(6,057)
Claymore Holdings, LLC	LLC Units	—	—	—	—	—	—
Allenby, LLC	LLC Units	—	456	3,493	—	—	3,949
Haygood, LLC.	LLC Units	—	31	(31)	—	—	—
Vinebrook Homes Operating Partnership, L.P.	Partnership Units	128,800	(22,907)	—	—	4,476	(18,431)
NexPoint Real Estate Finance Operating Partnership, L.P.	Partnership Units	69,044	(7,352)	—	—	7,304	(48)
NexPoint SFR Operating Partnership, L.P.	Partnership Units	29,384	(10,548)	—	—	1,979	(8,569)
NexAnnuity Holdings, Inc.	Preferred Shares	74,173	—	—	—	4,278	4,278
NexPoint Storage Partners Operating Company, LLC	Promissory Note	1,858	(8)	—	—	100	92
NexPoint SFR Operating Partnership, L.P.	Promissory Note	—	—	—	—	7	7
NFRO SFR REIT, LLC	Promissory Note	—	—	—	—	88	88
NFRO SFR REIT, LLC	Promissory Note	—	—	—	—	82	82
Semiconductor DST	LLC Units	23,959	—	—	—	1,048	1,048
Life Science II DST	LLC Units	9,600	—	—	—	357	357
Capital Acquisitions Partners, LLC	LLC Units	633	—	—	226	—	226
Total		\$ 472,906	\$ (59,358)	\$ 3,462	\$ 226	\$23,966	\$ (31,704)

For the nine months ended and as of September 30, 2024, the Company had the following investments in entities managed or advised by, or directly or indirectly owned by entities managed or advised by, affiliates of the Adviser (in thousands).

Related Party	Investment	Fair Value/Carrying Value	Change in Unrealized Gain/(Loss)	Equity in income (loss)	Interest and Dividends	Total Income
NexPoint Real Estate Finance, Inc.	Common Stock	\$ 32,823	\$ (252)	\$ —	\$ 3,150	\$ 2,898
NexPoint Storage Partners, Inc.	Common Stock	73,442	5,256	—	—	5,256
NexPoint Residential Trust, Inc.	Common Stock	4,192	909	—	130	1,039
NexPoint SFR Operating Partnership, L.P.	Convertible Notes	21,060	247	—	1,225	1,472
NexPoint Hospitality Trust	Common Stock	—	2,088 (1)	—	—	2,088
NexPoint Storage Partners Operating Company, LLC	LLC Units	40,021	2,864	—	—	2,864
SFR WLIF III, LLC	LLC Units	6,842	—	523	—	523
Claymore Holdings, LLC	LLC Units	—	(454)	—	—	(454)
Allenby, LLC	LLC Units	—	(110)	—	—	(110)
Haygood, LLC.	LLC Units	—	—	—	—	—
VineBrook Homes Operating Partnership, L.P.	Partnership Units	148,892	(567)	—	4,434	3,867
NexPoint Real Estate Finance Operating Partnership, L.P.	Partnership Units	76,104	(584)	—	7,304	6,720
NexPoint SFR Operating Partnership, L.P.	Partnership Units	46,943	(4,315)	—	1,875	(2,440)
NexAnnuity Holdings, Inc.	Preferred Shares	68,524	—	—	3,956	3,956
NexPoint Hospitality Trust	Promissory Note	—	(308) (1)	—	—	(308)
NexPoint Storage Partners Operating Company, LLC	Promissory Note	2,763	(13)	—	174	161
NexPoint SFR Operating Partnership, L.P.	Promissory Note	500	—	—	33	33
NREF OP IV, L.P.	Promissory Note	—	—	—	188	188
Semiconductor DST	LLC Units	20,959	—	—	86	86
Life Science II DST	LLC Units	9,600	—	—	144	144
Capital Acquisitions Partners, LLC	LLC Units	1,797	—	80	—	80
Total		\$ 554,462	\$ 4,761	\$ 603	\$22,699	\$ 28,063

(1) Reflects the change in unrealized gain/(loss) prior to the NHT consolidation.

14. Commitments and Contingencies

Commitments

On December 8, 2022 and in connection with a restructuring of NSP, the Company, together with the NSP Co-Guarantors, as guarantors, entered into a Sponsor Guaranty Agreement in favor of Extra Space pursuant to which the Company and the NSP Co-Guarantors guaranteed obligations of NSP with respect to accrued dividends on NSP's newly created Series D Preferred Stock and two promissory notes in an aggregate principal amount of approximately \$64.2 million issued to Extra Space, which were paid in full on December 8, 2023. The NSP Series D Preferred Stock remains outstanding as of September 30, 2025. As of September 30, 2025, the outstanding NSP Series D Preferred Stock accrued dividends were \$14.1 million. See Note 13 to our consolidated financial statements for additional information.

On October 4, 2024, the Company entered into the Citi Guaranty for the benefit of the Citi Lender under the Citi Loan Agreement, by and among Citi Borrower and the Citi Lender. Pursuant to the Citi Guaranty, the Company guarantees the Guaranteed Obligations (as defined in the Citi Loan Agreement). See Note 13 to our consolidated financial statements for additional information.

The Company is a limited guarantor and an indemnitor on one of the subsidiaries of the Company's loans with an aggregate principal amount of \$41.6 million outstanding, as of September 30, 2025. The obligations include a customary environmental indemnity and a so-called "bad boy" guarantee, which is generally only applicable if and when the borrower directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper.

The Company is a limited guarantor and an indemnitor for a loan made to one of the subsidiaries of the Company, with an aggregate outstanding principal amount, as of September 30, 2025, of \$38.6 million. The obligations include a guaranty of completion, which does not extend to the full repayment of the loan, a customary environmental indemnity, and a so-called "bad boy" guarantee, which is generally only applicable if and when the borrower directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper.

The Company is a guarantor and an indemnitor on a loan taken by the SPE which owns Cityplace Tower with an aggregate principal amount of \$138.2 million as of September 30, 2025. The obligations include guarantees, which are generally only applicable if and when the borrower, which is a subsidiary of the Company, directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily terminates construction services prior to the completion of the project, files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper. As of September 30, 2025, management does not anticipate any material deviations from schedule or budget related to construction projects current in process, and Cityplace Tower is current on all debt payments and in compliance with all debt compliance provisions.

The Company is a guarantor and an indemnitor on a loan from OSL, an entity that may be deemed an affiliate of the Adviser through common beneficial ownership, taken by Freedom LHV which owns White Rock Center. See Note 13 to our consolidated financial statements for additional information.

The Company, together with Calida Holdings III, LP, is a guarantor and an indemnitor on a loan taken by the SPE that owns Tivoli. As of September 30, 2025, the loan had an outstanding balance of \$10.9 million. As a guarantor, it owes the obligations including a guaranty of payment, which is generally applicable without the need for the lender to make any demand upon or pursue any rights or remedies against the borrower or any other loan party. The guarantor's liability is immediate and not contingent on prior actions taken by the lender against other parties. As an indemnitor, it owes customary environmental indemnifications. The Company has not recorded a contingent liability as Tivoli is current on all debt payments and in compliance with all debt compliance provisions.

The Company is a guarantor and an indemnitor on a revolving credit facility entered into by the Company, and two wholly owned subsidiaries with NexBank. See Note 13 to our consolidated financial statements for additional information.

The Company is a limited guarantor and indemnitor of a loan held by the SPE that owns Marriott Uptown. As of September 30, 2025, the loan had an outstanding principal balance of \$87.5 million. The obligations include a customary environmental indemnity and a so-called "bad boy" guarantee, which is generally only applicable if and when the borrower

directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper.

AMS C-Store JV, LLC

On January 30, 2025, the Company, through one of its subsidiaries, committed to fund \$18.4 million of the preferred units of AMS C-Store JV, LLC with respect to convenience store property developments across Texas. The Company funded \$9.2 million on January 30, 2025, \$1.8 million on February 28, 2025, \$1.0 million on May 1, 2025, \$1.5 million on May 15, 2025, \$1.9 million on July 2, 2025 and \$0.9 million on September 18, 2025. The Company's expected maximum commitment under AMS C-Store JV, LLC is \$18.4 million, of which \$2.1 million was unfunded as of September 30, 2025.

The table below shows the Company's unfunded commitments by investment type as of September 30, 2025 and December 31, 2024 (in thousands):

Investment Type	September 30, 2025	December 31, 2024
	Unfunded Commitments	Unfunded Commitments
Preferred Equity	\$ 2,121	\$ —
Total	\$ 2,121	\$ —

Contingencies

In the normal course of business, the Company is subject to claims, lawsuits, and legal proceedings. While it is not possible to ascertain the ultimate outcome of all such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the Consolidated Balance Sheets or Consolidated Statements of Operations and Comprehensive Income (Loss) of the Company. The Company is not involved in any material litigation nor, to management's knowledge, is any material litigation currently threatened against the Company or its properties or subsidiaries.

Environmental liabilities could have a material adverse effect on the Company's business, assets, cash flows or results of operations. As of September 30, 2025, the Company was not aware of any environmental liabilities. There can be no assurance that material environmental liabilities do not exist.

Claymore is engaged in ongoing litigation that could result in a possible gain contingency to the Company. The probability, timing, and potential amount of recovery, if any, are unknown.

15. Leases

There are no tenants that make up greater than 10% of net rental income during the nine months ended September 30, 2025.

The following table lists the tenants where the rental revenue from the tenants represented 10% or more of total rental income in the Company's Consolidated Statements of Operations and Comprehensive Income (in thousands) for the nine months ended September 30, 2024:

Tenant	For the Nine Months Ended September 30, 2024	
	Rental Income	
Neiman Marcus Group, LLC	\$	1,579

Ground Lease

The Company has a ground lease situated in Durham County, North Carolina, with a subsidiary of OSL, an entity that may be deemed an affiliate of the Adviser through common beneficial ownership. The lease has a remaining term of 4 years and a discount rate of 4.6% and contains five one-year extension options. As of September 30, 2025, the carrying amount of the right-of-use asset is \$0.6 million, and the lease liability is \$(0.6) million.

For the nine months ended September 30, 2025, the Company recognized lease expense of \$0.2 million recorded on a straight-line basis over the lease term.

16. Segment Reporting

The Company has two reportable segments: Diversified and Hospitality. For a description of the types of products and services from which these reportable segments derive their revenues, see Notes 1, 2 and 3. The accounting policies of both segments are the same as those described in the Summary of Significant Accounting Policies. The chief operating decision maker primarily assesses performance for the segments and decides how to allocate resources based on segment net income (loss). The measures of segment assets are based on each segment's total assets. The chief operating decision maker uses segment net income (loss) to evaluate profitability in deciding whether to reinvest profits into new or existing investments or into other parts of the entity, such as for dividend amounts. The Company's two reportable segments serve different strategic purposes. The Diversified segment primarily consists of activities focused on investing in various commercial real estate property types and across the capital structure, including but not limited to equity, mortgage debt, mezzanine debt and preferred equity. The majority of NXDT's revenue is comprised of Rental income, Dividend income, and Interest income. The Hospitality segment is focused on operating and renovating its U.S. located hospitality assets that meet its investment objective and criteria. The majority of NHT's revenue is comprised of revenue from renting rooms and selling food and beverages ("F&B"). Therefore, the Company has identified Diversified and Hospitality as the two operating segments and the two reportable segments. The Company's chief operating decision maker is the president of the Company.

The following table presents measures of the reportable segment measures of profitability, along with significant segment expenses (in thousands):

	For the Nine Months Ended September 30, 2025			For the Nine Months Ended September 30, 2024		
	Diversified	Hospitality	Total	Diversified	Hospitality	Total
Total Revenues	\$ 42,947	\$ 24,620	\$ 67,567	\$ 39,171	\$ 18,124	\$ 57,295
Less:						
Property operating expense	4,996	13,077	18,073	4,928	9,744	14,672
Real estate taxes and insurance	3,222	1,506	4,728	3,479	1,174	4,653
Advisory and administrative fees	9,982	3,898	13,880	10,140	525	10,665
Property general and administrative expenses	1,703	3,212	4,915	2,046	2,903	4,949
Corporate general and administrative expenses	8,422	723	9,145	6,682	2,191	8,873
Depreciation and amortization	8,507	3,288	11,795	8,694	2,714	11,408
Impairment loss	—	1,752	1,752	—	6,134	6,134
Interest expense	11,226	9,590	20,816	13,312	7,358	20,670
Equity in (income) losses of unconsolidated equity method ventures	748	—	748	558	—	558
Change in unrealized (gains) losses from non-real estate investments	77,464	—	77,464	(2,251)	—	(2,251)
Realized (gains) losses from non-real estate investments	(4,987)	—	(4,987)	21,876	—	21,876
Gain on sales of real estate	—	(37)	(37)	—	—	—
Income tax expense (benefit)	331	(754)	(423)	1,583	(30)	1,553
Other segment items (1)	493	716	1,209	554	471	1,025
Net loss	\$ (79,160)	\$ (12,351)	\$ (91,511)	\$ (32,430)	\$ (15,060)	\$ (47,490)

The following table presents total assets for the reportable segments (in thousands):

	As of September 30, 2025			As of December 31, 2024		
	Diversified	Hospitality	Total	Diversified	Hospitality	Total
Total assets	\$ 957,081	\$ 149,588	\$ 1,106,669	\$ 1,039,392	\$ 185,447	\$ 1,224,839

(1) Other segment items includes: Property management fees.

17. Noncontrolling Interests

Redeemable Noncontrolling Interests in the OP

The following table sets forth the redeemable noncontrolling interests in the OP for the nine months ended September 30, 2025 and 2024 (in thousands):

	Nine Months Ended September 30,	
	2025	2024
Redeemable noncontrolling interest in the OP, January 1,	\$ —	\$ —
Redeemable noncontrolling interests from NHT Merger	359	—
Net loss attributable to redeemable noncontrolling interests in the OP	(25)	—
Distributions to redeemable noncontrolling interests in the OP	(6)	—
Redeemable noncontrolling interest in the OP, September 30,	\$ 328	\$ —

18. Subsequent Events

Distributions Declared

On October 27, 2025, the Board approved a quarterly distribution of \$0.15 per common share, payable on December 31, 2025 to shareholders of record on November 21, 2025. The distribution on the Company's common shares consists of a combination of cash and shares, with the cash component of the distribution (other than cash paid in lieu of fractional shares) not to exceed 20% in the aggregate, with the balance being paid in the Company's common shares. Also on October 27, 2025, the Board approved a quarterly distribution of \$0.34375 per Series A Preferred Share, payable on December 31, 2025 to shareholders of record on December 23, 2025.

Mortgages Paydown, Hospitality

On November 7, 2025, a subsidiary of the Company paid down approximately \$1.7 million and \$0.8 million on the Note A Loan and the Note B Loan, respectively.

Hospitality Debt Extension

On November 7, 2025, the Company executed a loan modification agreement related to the Note A Loan and the Note B Loan extending the maturity date of each to February 8, 2026.

Raymond James Credit Facility

On October 6, 2025, the Company repaid the remaining \$1.3 million principal balance and fully extinguished the debt under the Credit Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our financial condition and our historical results of operations. The following should be read in conjunction with our financial statements and accompanying notes included herein and with our 2024 Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those projected, forecasted, or expected in these forward-looking statements as a result of various factors, including, but not limited to, those discussed below and elsewhere in this Quarterly Report. See "Cautionary Statement Regarding Forward-Looking Statements" in this Quarterly Report and "Risk Factors" in Part I, Item 1A, "Risk Factors" of our 2024 Annual Report.

Overview

As of September 30, 2025, our Portfolio consisted primarily of debt and equity investments in the single-family rental, self-storage, office, hospitality, life science and multifamily sectors. The Company has two reportable segments, Diversified and Hospitality. Diversified represents the Company's primary reportable segment and represents a significant majority of the Company's consolidated portfolio. The Diversified reportable segment is the legacy reportable segment and is focused on investing in various commercial real estate property types and across the capital structure, including but not limited to, equity, mortgage, debt, mezzanine debt and preferred equity. The Hospitality segment is focused on operating and renovating its U.S. located hospitality assets that meet its investment objective and criteria. Substantially all of our business is conducted through the OP. The OP GP is the sole general partner of the OP and is owned 100% by the Company. As of September 30, 2025, there were 44,536,894.47 common units of the OP outstanding, of which 99.96% were owned by the Company, 3,359,593 Series A Preferred Units of the OP outstanding, of which 100.0% were owned by the Company, and 485,608 Series B Preferred Units of the OP, of which 100.0% were owned by the Company.

As a diversified REIT, the Company's primary investment objective is to provide both current income and capital appreciation. Target underlying property types primarily include, but are not limited to, single-family rentals, multifamily, self-storage, life science, office, industrial, hospitality, net lease, retail and small-bay industrial. The Company may, to a limited extent, hold, acquire or transact in certain non-real estate securities. We are externally managed by the Adviser through the Advisory Agreement, by and among the Company and the Adviser. The Advisory Agreement was dated July 1, 2022, and amended on October 25, 2022, April 11, 2023, July 22, 2024 and September 19, 2025, for a term that will expire on July 1, 2026 and successive one-year terms thereafter unless earlier terminated. The Adviser is wholly owned by our Sponsor.

We have elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ended December 31, 2021. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute at least 90% of our REIT taxable income to our shareholders. As a REIT, we will be subject to federal income tax on our undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our undistributed income from prior years. We believe we qualify for taxation as a REIT under the Code, and we intend to continue to operate in such a manner, but no assurance can be given that we will operate in a manner so as to qualify as a REIT. Taxable income from certain non-REIT activities is managed through one or more TRS entities and is subject to applicable U.S. federal, state, and local income and margin taxes.

On October 16, 2019, Highland, a former affiliate of our Sponsor, filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. On October 15, 2021, Marc S. Kirschner, as litigation trustee of a litigation subtrust formed pursuant to Highland's plan of reorganization and disclosure statement which became effective on August 11, 2021, filed a lawsuit (the "Bankruptcy Trust Lawsuit") against various persons and entities, including our Sponsor and James Dondero. On March 24, 2023, the litigation trustee filed a motion for leave to stay the Bankruptcy Trust Lawsuit, which was granted by the bankruptcy court on April 4, 2023. On June 30, 2025, the bankruptcy court approved a settlement agreement between Highland and Hunter Mountain Investment Trust ("HMIT") pursuant to which the claims asserted in the Bankruptcy Trust Lawsuit were assigned to HMIT. HMIT subsequently filed a motion to lift the stay of the Bankruptcy Trust Lawsuit, which was granted and became effective on October 3, 2025. As of the date of this filing, the bankruptcy court has requested briefing from the parties regarding whether the court continues to have jurisdiction over the Bankruptcy Trust Lawsuit given the assignment of claims from Highland to HMIT. Briefs on this matter are due on November 18, 2025. In addition, on February 8, 2023, UBS Securities LLC and UBS AG London (collectively "UBS") filed a lawsuit in the Supreme Court of the State of New York, County of New York related to a default that occurred in 2009 on a warehouse facility between UBS and funds affiliated with Highland. The lawsuit makes

claims against several persons and entities, seeking to collect on \$1.3 billion in judgments UBS obtained against entities that were managed indirectly by Highland (the "UBS Lawsuit"). On March 7, 2023, the matter was removed to the United States District Court for the Southern District of New York. On April 6, 2023, UBS moved to have the case remanded to New York state court. The federal court remanded the state law causes of action and retained and stayed the federal cause of action. On February 26, 2024, several of the respondents, including Mr. Dondero, filed motions in state court to dismiss the UBS Lawsuit on various grounds. A hearing was held on July 8, 2024. The court dismissed the claims against one respondent, CLO HoldCo, Ltd., for lack of personal jurisdiction in a July 12, 2024 order. On March 26, 2025, the court entered an order denying the remaining motions to dismiss and directed the respondents to file an answer to the UBS Lawsuit within 20 days, which they did. Mr. Dondero is appealing the denial of the motion to dismiss to the Appellate Division of the Supreme Court of the State of New York. Neither the Bankruptcy Trust Lawsuit nor the UBS Lawsuit include claims related to our business or our assets. Our Sponsor and Mr. Dondero have informed us they believe the Bankruptcy Trust Lawsuit has no merit and Mr. Dondero has informed us he believes the UBS Lawsuit has no merit; we have been advised that the defendants named in each of the lawsuits intend to vigorously defend against the claims. We do not expect the Bankruptcy Trust Lawsuit or the UBS Lawsuit will have a material effect on our business, results of operations or financial condition.

Macroeconomic trends, including increases in or high inflation and rising or high interest rates, may adversely impact our business, financial condition and results of operations. Inflation could have an adverse impact on our operating expenses, as these costs could increase at a rate higher than our rental and other revenue. The high rate environment and ongoing economic uncertainty has limited credit availability to commercial real estate. Less available and more expensive debt capital has had pronounced effects on the capital markets, making property acquisitions and other investments harder to finance. Similar factors also impact the timing of and proceeds generated from asset sales and our ability to obtain debt capital. There is no guarantee we will be able to mitigate the impact of rising or high inflation. To the extent our exposure to increases in or high interest rates on any of our debt is not eliminated through interest rate swaps and interest rate protection agreements, such increases or elevated rates will result in higher debt service costs which will adversely affect our cash flows. We cannot make assurances that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. Such future constraints could increase our borrowing costs, which would make it more difficult or expensive to obtain additional financing or refinance existing obligations and commitments, which could slow or deter future growth.

The U.S. government announced a comprehensive set of tariffs in the second quarter of 2025. Following the pause of certain of these tariffs, the majority of the previously announced tariffs have been implemented. The U.S. government has indicated that it could impose additional tariffs on particular countries and could impose additional tariffs on certain goods. Such tariffs could impact our results of operations by increasing the costs of various goods, including construction materials. However, the impact of such tariffs is subject to uncertainties regarding the timing of their implementation, whether the U.S. government ultimately imposes additional tariffs, the magnitude of such tariffs and possible exemption for certain goods, among other unknowns.

Our website is located at nxdn.nextpoint.com. From time to time, we may use our website as a distribution channel for material company information.

Components of Our Revenues and Expenses

Revenues

Rental income. Our rental income is primarily attributable to the rental revenue from our investment in Cityplace Tower, a 42-story, 1.36 million-square-foot, trophy office building acquired in 2018 as well as rental income from two retail properties. Our rental income also includes utility reimbursements, late fees, common area maintenance reimbursements, and other rental fees charged to tenants.

Food and beverage revenue. F&B revenue includes revenue generated from the sale of food and/or beverage offerings. All F&B revenue is derived from the Hospitality segment.

Room revenue. Room revenue includes revenue from renting out rooms to customers. All rooms revenue is derived from the Hospitality segment.

Interest income. Interest income includes interest earned from our debt investments.

Dividend income. Dividend income includes dividends from our equity investments.

Other income. Other income includes ancillary income earned from tenants such as non-refundable fees, parking fees, and other miscellaneous fees charged to tenants and other income items.

Expenses

Property operating expenses. Property operating expenses include property maintenance costs, salary and employee benefit costs, utilities, casualty-related expenses and recoveries and other property operating costs of property owned directly or indirectly by us.

Property management fees. Property management fees include fees paid to NexVest, our property manager, for managing each property directly or indirectly owned by us (see Note 13 to our consolidated financial statements) and other property managers for managing the day-to-day operations of our hotels.

Real estate taxes and insurance. Real estate taxes include the property taxes assessed by local and state authorities depending on the location of each property owned directly or indirectly by us. Insurance includes the cost of commercial, general liability, and other needed insurance for each property owned directly or indirectly by us.

Advisory and administrative fees. Advisory and administrative fees include the fees paid to our Adviser pursuant to the Advisory Agreement and fees previously paid to NexPoint Real Estate Advisors VI, L.P. (the “NHT Adviser”) pursuant to the NHT Advisory Agreement (see Note 13 to our consolidated financial statements).

Property general and administrative expenses. Property general and administrative expenses include the costs of marketing, professional fees, general office supplies, and other administrative related costs of each property owned directly or indirectly by us.

Corporate general and administrative expenses. Corporate general and administrative expenses include, but are not limited to, audit fees, legal fees, listing fees, board of trustee fees, investor relations costs and payments of reimbursements to our Adviser for operating expenses.

Depreciation and amortization. Depreciation and amortization costs primarily include depreciation of our real properties and amortization of acquired in-place leases on property owned directly or indirectly by us.

Impairment loss. Impairment loss includes impairment charges recognized on real estate assets held and used and the loss recognized for real estate held for sale, which is reported at the lower of its carrying amount or its estimated fair value less estimated costs to sell.

Other Income and Expense

Interest Expense. Interest expense primarily includes the cost of interest expense on debt, the amortization of deferred financing costs, if any, and the related impact of interest rate derivatives, if any, used to manage our interest rate risk.

Equity in Earnings (Losses) of Unconsolidated Ventures. Equity in earnings (losses) of unconsolidated ventures represents the change in our basis in equity method investments resulting from our share of the investments’ income and expenses. Profit and loss from equity method investments for which we’ve elected the fair value option are classified in divided income, change in unrealized gains and realized gains as applicable.

Income Tax Expense. Income tax expense is primarily derived from taxable gains from asset sales and other income earned from investments held in NXDT's TRSs and former NHT's TRSs.

Unrealized Gain (Loss) on Investments. Unrealized gains and losses represent changes in fair value for equity method investments, CLO equity investments, bonds, common stock, convertible notes, LLC interests, LP interests, rights and warrants, and senior loans for which the fair value option has been elected.

Realized Gain (Loss) on Investments. The Company recognizes the excess, or deficiency, of net proceeds received, less the carrying value of such investments, as realized gains or losses, respectively. The Company reverses cumulative,

unrealized gains or losses previously reported in its Consolidated Statements of Operations and Comprehensive Income (Loss) with respect to the investment sold at the time of the sale.

Real Estate Investments Statistics

As of September 30, 2025, the Diversified segment was invested in two retail properties, and one office, multifamily and hospitality property (excluding investments in undeveloped land), and the Hospitality segment consisted of four hotel properties as listed below:

Diversified Segment:

Property Name	Rentable Square Footage (in thousands)	Property Type	Date Acquired	Average Effective Monthly Occupied Rent Per Square Foot		% Occupied (2) as of
				(1) as of	September 30, 2025	September 30, 2025
White Rock Center	82,793	Retail	6/13/2013	\$	1.60	81.4 %
5916 W Loop 289	30,140	Retail	7/23/2013	\$	—	— % (4)
Cityplace Tower	1,365,711	Office, Multifamily & Hospitality (3)	8/15/2018	\$	2.15	46.6 %
	<u>1,478,644</u>					

Hospitality Segment:

Brand	Location	Name	Chain Scale	Service Scale	Year Built/Last Renovation	Rooms
Hilton Garden Inn	Dallas, Texas	HGI Property	Upscale	Select-Service	1995/2016	240
Hyatt	Park City, Utah	Park City	Upscale	Full-Service	2016	122
Hampton Inn & Suites	Bradenton, Florida	Bradenton	Upscale	Select-Service	1926/2016	119
Marriott	St. Petersburg, Florida	St. Pete Property	Upper Upscale	Full-Service	2001/2021	209
Total Rooms:						690

- (1) Average effective monthly occupied rent per square foot is equal to the average of the contractual rent for commenced leases as of September 30, 2025, minus any tenant concessions over the term of the lease, divided by the occupied square footage of commenced leases as of September 30, 2025.
- (2) Percent occupied is calculated as the rentable square footage occupied as of September 30, 2025, divided by the total rentable square footage, expressed as a percentage.
- (3) Cityplace is currently under development and the Company is converting part of the property into a hotel, which was still under construction as of September 30, 2025.
- (4) The property's tenant vacated in the fourth quarter of 2023. The Company is currently looking into leasing out the property.

Consolidated Results of Operations for the Three and Nine Months Ended September 30, 2025 and 2024

The three months ended September 30, 2025 as compared to the three months ended September 30, 2024

The following tables set forth a summary of our operating results for the three months ended September 30, 2025 and 2024 (in thousands):

	For the Three Months Ended September 30,		\$ Change
	2025	2024	
Total revenues	\$ 17,459	\$ 22,216	\$ (4,757)
Total expenses	(20,788)	(28,162)	7,374
Operating income	(3,329)	(5,946)	2,617
Interest expense	(6,903)	(8,288)	1,385
Equity in income (losses) of unconsolidated ventures	(581)	400	(981)
Income tax (expense) benefit	995	(700)	1,695
Change in unrealized gains (losses)	(2,505)	(885)	(1,620)
Realized gains (losses)	6	(1)	7
Gains on sales of real estate	—	—	—
Net income (loss)	(12,317)	(15,420)	3,103
Net (income) attributable to Series A preferred shareholders	(1,155)	(1,155)	—
Net (income) attributable to Series B preferred shareholders	(220)	—	(220)
Net loss attributable to noncontrolling interests	—	6,538	(6,538)
Net loss attributable to redeemable noncontrolling interests in the OP	5	—	5
Net income (loss) attributable to common shareholders	\$ (13,687)	\$ (10,037)	\$ (3,650)

The net loss for the three months ended September 30, 2025 decreased by \$3.1 million as compared to the three months ended September 30, 2024. The decrease between periods primarily relates to a decrease in expenses.

Revenues

Rental income. Rental income was \$1.6 million for the three months ended September 30, 2025, compared to \$4.4 million for the three months ended September 30, 2024, which was a decrease of approximately \$2.8 million. Rental income decreased between the periods due to an increase in the allowance for bad debt related to certain tenants.

Rooms. Rooms revenue was \$4.8 million for the three months ended September 30, 2025, compared to \$7.3 million for the three months ended September 30, 2024, which was a decrease of approximately \$2.5 million. Rooms revenue decreased between the periods due to the disposition of Hospitality properties in 2025.

Food and beverage. F&B revenue was \$0.6 million for the three months ended September 30, 2025, compared to \$0.5 million for the three months ended September 30, 2024, which was an increase of approximately \$0.1 million. The increase between the periods was due to increased food sales.

Interest and dividends. Interest and dividends totaled \$10.2 million for the three months ended September 30, 2025, compared to \$9.1 million for the three months ended September 30, 2024, which was an increase of approximately \$1.1 million. The increase between the periods was primarily due to an increase in dividend income.

Other income. Other income was approximately \$0.4 million for the three months ended September 30, 2025, compared to \$0.9 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.5 million. The decrease between the periods due to a decrease in resort charges, due to the disposition of Hospitality properties in 2025.

Expenses

Property operating expenses. Property operating expenses were \$5.6 million for the three months ended September 30, 2025, compared to \$6.3 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.7 million. The decrease between the periods was primarily due to the disposition of Hospitality properties in 2025.

Property management fees. Property management fees were \$0.3 million for the three months ended September 30, 2025, compared to \$0.7 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.4 million. The decrease between the periods was primarily due to the disposition of Hospitality properties in 2025.

Real estate taxes and insurance. Real estate taxes and insurance costs were \$1.3 million for the three months ended September 30, 2025, compared to \$1.6 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.3 million. Real estate taxes and insurance expenses consist primarily of expenses from our investment in Cityplace Tower and our Hospitality properties. The decrease between the periods was primarily due to the disposition of Hospitality properties in 2025.

Advisory and administrative fees. For the three months ended September 30, 2025, the Company incurred administrative fees and advisory fees of \$3.2 million, compared to \$4.0 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.8 million. The decrease between the periods is primarily attributed to a decrease in fees paid to the NHT Adviser.

Property general and administrative expenses. Property general and administrative expenses were \$1.3 million for the three months ended September 30, 2025, compared to \$2.1 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.8 million. The decrease between the periods was primarily due to the disposition of Hospitality properties in 2025.

Corporate general and administrative expenses. Corporate general and administrative expenses were \$5.2 million for the three months ended September 30, 2025, compared to \$2.8 million for the three months ended September 30, 2024, which was an increase of approximately \$2.4 million. The increase between the periods was primarily due to an increase in professional fees.

Depreciation and amortization. Depreciation and amortization costs were \$3.9 million for the three months ended September 30, 2025, compared to \$4.5 million for the three months ended September 30, 2024, which was a decrease of approximately \$0.6 million. The decrease between the periods was primarily due to the disposition of Hospitality properties in 2025.

Impairment loss. Impairment loss was \$0.0 million for three months ended September 30, 2025, compared to \$6.1 million for the three months ended September 30, 2024, which was a decrease of approximately \$6.1 million. The decrease between the periods was due to a decrease in impairment charges recorded in 2025.

Other Income and Expense

Interest expense. Interest expense was \$6.9 million for the three months ended September 30, 2025, compared to \$8.3 million for the three months ended September 30, 2024, which was a decrease of approximately \$1.4 million. The decrease between the periods was primarily due a decrease in debt related to paydowns.

Equity in income (losses) of unconsolidated ventures. Equity in income (losses) of unconsolidated ventures was \$(0.6) million for the three months ended September 30, 2025, compared to \$0.4 million for the three months ended September 30, 2024, which was a decrease of approximately \$1.0 million. The decrease between the periods was primarily due to a decrease in net income at Marriott Uptown.

Income tax (expense) benefit. The Company has recorded income tax (expense) benefit of \$1.0 million associated with the TRSs for the three months ended September 30, 2025, and \$0.7 million associated with the TRSs for the three months ended September 30, 2024. The tax expense (benefit) for the three months ended September 30, 2025 is partially decreased by the annual change in valuation allowance on a deferred tax asset of \$0.2 million, an increase in income tax expense of \$0.3 million, offset by a return-to-provision adjustment of \$0.5 million and decrease of income tax estimate of \$1.0 million for a net benefit of \$1.0 million for the three months ended September 30, 2025, that is recorded on the

Consolidated Statements of Operations and Comprehensive Income (Loss). The tax expense for the three months ended September 30, 2024 is partially offset by the annual change in valuation allowance on a deferred tax asset of \$0.4 million for a net expense of \$0.7 million for the three months ended September 30, 2024, that is recorded on the Consolidated Statements of Operations and Comprehensive Income.

Change in unrealized gains (losses). Unrealized gains (losses) from our investments accounted for at fair value was \$(2.5) million for the three months ended September 30, 2025, compared to \$(0.9) million for the three months ended September 30, 2024, which was a decrease of approximately \$1.6 million. The losses for the three months ended September 30, 2025 were largely driven by mark-to-market losses on VineBrook Homes Operating Partnership, L.P. common units ("VB OP Units") of \$5.3 million and NexPoint SFR Operating Partnership, L.P. ("NexPoint SFR OP") partnership units of \$4.6 million, and offset by mark-to-market gains on MidWave Wireless Inc. common stock of \$6.2 million. The losses for the three months ended September 30, 2024 were largely driven by mark-to-market losses on VB OP Units of \$7.8 million, IQHQ LP interests of \$16.1 million, and offset by mark-to-market gains on common units of NREF OP ("NREF OP Units") of \$9.3 million, and NREF common stock of \$4.0 million.

The nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024

The following table sets forth a summary of our operating results for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 (in thousands):

	For the Nine Months Ended September 30,		
	2025	2024	\$ Change
Total revenues	\$ 67,567	\$ 57,295	\$ 10,272
Total expenses	(65,497)	(62,379)	(3,118)
Operating income	2,070	(5,084)	7,154
Interest expense	(20,816)	(20,670)	(146)
Equity in income (losses) of unconsolidated ventures	(748)	(558)	(190)
Income tax (expense) benefit	423	(1,553)	1,976
Change in unrealized gains (losses)	(77,464)	2,251	(79,715)
Realized gains (losses)	4,987	(21,876)	26,863
Gains on sales of real estate	37	—	37
Net loss	(91,511)	(47,490)	(44,021)
Net (income) attributable to Series A preferred shareholders	(3,465)	(3,465)	—
Net (income) attributable to Series B preferred shareholders	(250)	—	(250)
Net loss attributable to noncontrolling interests	1,945	8,432	(6,487)
Net loss attributable to redeemable noncontrolling interests in the OP	25	—	25
Net income (loss) attributable to common shareholders	\$ (93,256)	\$ (42,523)	\$ (50,733)

The net loss for the nine months ended September 30, 2025 increased by \$44.0 million as compared to the nine months ended September 30, 2024. The increase between periods primarily relates to mark-to-market losses on our investments accounted for at fair value.

Revenues

Rental income. Rental income was \$9.0 million for the nine months ended September 30, 2025, compared to \$12.5 million for the nine months ended September 30, 2024, which was a decrease of approximately \$3.5 million. Rental income decreased between the periods due to an increase in the allowance for bad debt related to certain tenants.

Rooms revenue. Rooms revenue was \$21.4 million for the nine months ended September 30, 2025, compared to \$15.5 million for the nine months ended September 30, 2024, which was an increase of approximately \$5.9 million. The increase between the periods is due to the Hospitality segment not being consolidated prior to April 19, 2024.

Food and beverage revenue. F&B revenue was \$2.2 million for the nine months ended September 30, 2025, compared to \$1.3 million for the nine months ended September 30, 2024, which was an increase of approximately \$0.9 million. The increase between the periods is due to the Hospitality segment not being consolidated prior to April 19, 2024.

Interest and dividends. Interest and dividends totaled \$34.1 million for the nine months ended September 30, 2025, compared to \$26.7 million for the nine months ended September 30, 2024, which was an increase of approximately \$7.4 million. The increase between the periods was attributed to an increase in dividends from equity investments.

Other income. Other income was approximately \$1.0 million for the nine months ended September 30, 2025, compared to \$1.3 million for the nine months ended September 30, 2024, which was a decrease of approximately \$0.3 million. The decrease between the periods was primarily due to a decrease in resort charges, associated with a decrease in Hospitality assets.

Expenses

Property operating expenses. Property operating expenses were \$18.1 million for the nine months ended September 30, 2025, compared to \$14.7 million for the nine months ended September 30, 2024, which was an increase of approximately \$3.4 million. The increase between the periods was primarily due to the NHT consolidation.

Property management fees. Property management fees were \$1.2 million for the nine months ended September 30, 2025, compared to \$1.0 million for the nine months ended September 30, 2024, which was an increase of approximately \$0.2 million. The increase between the periods was primarily due to the NHT consolidation.

Real estate taxes and insurance. Real estate taxes and insurance costs were \$4.7 million for the nine months ended September 30, 2025, compared to \$4.7 million for the nine months ended September 30, 2024, which was flat. Real estate taxes and insurance expenses consist primarily of expenses from our investment in Cityplace Tower and our Hospitality properties.

Advisory and administrative fees. For the nine months ended September 30, 2025, the Company incurred administrative fees and advisory fees of \$13.9 million. For the nine months ended September 30, 2024, the Company incurred administrative fees and advisory fees of \$10.7 million. The increase between the nine months ended September 30, 2025 and the nine months ended September 30, 2024, is primarily attributed to a one-time termination fee paid to the former NHT Adviser in connection with the termination of the NHT Advisory Agreement following the NHT Merger.

Property general and administrative expenses. Property general and administrative expenses were \$4.9 million for the nine months ended September 30, 2025, compared to \$4.9 million for the nine months ended September 30, 2024, which was flat.

Corporate general and administrative expenses. Corporate general and administrative expenses were \$9.1 million for the nine months ended September 30, 2025, compared to \$8.9 million for the nine months ended September 30, 2024, which was an increase of approximately \$0.2 million. The increase between periods was primarily due to an increase in professional fees.

Depreciation and amortization. Depreciation and amortization costs were \$11.8 million for the nine months ended September 30, 2025, compared to \$11.4 million for the nine months ended September 30, 2024, which was an increase of approximately \$0.4 million. The increase between the periods was primarily due to the NHT consolidation.

Impairment loss. Impairment loss was \$1.8 million for nine months ended September 30, 2025, compared to \$6.1 million for the nine months ended September 30, 2024, which was a decrease of approximately \$4.3 million. The decrease between the periods was due to a decrease in impairment charges recorded in 2025.

Other Income and Expense

Interest expense. Interest expense was \$20.8 million for the nine months ended September 30, 2025, compared to \$20.7 million for the nine months ended September 30, 2024, which was an increase of approximately \$0.1 million. The increase between the periods was primarily due to the NHT consolidation.

Equity in income (losses) of unconsolidated ventures. Equity in losses of unconsolidated ventures was \$(0.7) million for the nine months ended September 30, 2025, compared to \$(0.6) million for the nine months ended September 30, 2024, which was a decrease of approximately \$0.1 million. The decrease between periods was primarily due to a decrease in net loss at Marriott Uptown.

Income tax (expense) benefit. The Company has recorded income tax (expense) benefit of \$0.4 million associated with the TRSs for the nine months ended September 30, 2025 and \$(1.6) million associated with the TRSs for the nine months ended September 30, 2024. The tax expense for the nine months ended September 30, 2025 is comprised of an income tax expense of \$1.1 million, offset with a return-to-tax provision of \$0.5 million and a decrease of income tax estimate of \$1.0 million for a net benefit of \$0.4 million for the nine months ended September 30, 2025 that is recorded on the Consolidated Statements of Operations and Comprehensive Income (Loss). The tax expense for the nine months ended September 30, 2024 is partially offset by the annual change in valuation allowance on a deferred tax asset of \$0.2 million for a net expense of \$1.6 million for the nine months ended September 30, 2024, that is recorded on the Consolidated Statements of Operations and Comprehensive Income.

Change in unrealized gains (losses). Unrealized gains (losses) from our investments accounted for at fair value was \$(77.5) million for the nine months ended September 30, 2025, compared to \$2.3 million for the nine months ended September 30, 2024, which was a decrease of approximately \$(79.8) million. The losses for the nine months ended September 30, 2025 were largely driven by mark-to-market losses on VB OP Units of \$22.9 million, NexPoint SFR OP partnership units of \$13.4 million, IQHQ LP interests of \$15.1 million and NREF OP Units of \$7.4 million. The gains for the nine months ended September 30, 2024 were largely driven by redemptions of the legacy CLO positions, which generated realized losses and a positive change in unrealized, mark-to-market gains on VB OP Units of \$7.8 million, offset by NREF OP Units of \$9.3 million, and NREF common stock of \$4.0 million.

Realized gains (losses). Realized gains (losses) were \$5.0 million for the nine months ended September 30, 2025, compared to \$(21.9) million for the nine months ended September 30, 2024, which was an increase of approximately \$26.9 million. The gains for the nine months ended September 30, 2025 were primarily driven by realized gains on United Development Funding IV common equity. The losses for the nine months ended September 30, 2024 were primarily driven by realized losses on the legacy CLOs of \$22.8 million.

Non-GAAP Measurements

Consolidated Net Operating Income and Same Store Net Operating Income

Net Operating Income ("NOI") is a non-GAAP financial measure of performance. NOI is used by investors and our management to evaluate and compare the performance of our properties between segments and to other comparable properties, to determine trends in earnings and to compute the fair value of our properties as NOI is calculated by adjusting net income (loss) to add back (1) interest expense, (2) advisory fees and administrative fees, (3) the impact of depreciation and amortization, (4) corporate general and administrative expenses, (5) income tax expenses, (6) non-operating property investment revenue, (7) realized and change in unrealized gains (losses) generated from non-real estate investments, (8) equity in income (losses) of unconsolidated equity method ventures, and (9) impairment loss.

We believe that eliminating these items from net income (loss) is useful because the resulting measure captures the actual ongoing revenue generated and actual expenses incurred in operating our properties as well as trends in occupancy rates, rental rates and operating costs. However, the usefulness of NOI is limited because it excludes these items, all of which may be material values. NOI may fail to capture significant trends in these components of net income, which further limits its usefulness.

NOI is a measure of the operating performance of our properties but does not measure our performance as a whole. NOI is therefore not a substitute for net income (loss) as computed in accordance with GAAP. This measure should be analyzed in conjunction with net income (loss) computed in accordance with GAAP and discussions elsewhere in "—

Consolidated Results of Operations” regarding the components of net income (loss) that are eliminated in the calculation of NOI.

Other companies may use different methods for calculating NOI or similarly entitled measures and, accordingly, our NOI may not be comparable to similarly entitled measures reported by other companies that do not define the measure exactly as we do.

We define “Same Store NOI” as NOI for our properties that are comparable between periods, are stabilized and are not expected to cease being stabilized in the near future due to planned construction, renovation or similar activity that would materially impact operations. Please see below for a discussion of properties included as Same Store. We view Same Store NOI as an important measure of the operating performance of our properties because it allows us to compare operating results of properties owned for the entirety of the current and comparable periods and therefore eliminates variations caused by acquisitions or dispositions from the beginning of the compared period to the end of the current period.

There are three properties, White Rock Center, 5916 W Loop 289 and Park City, in our same store pool for the three months ended September 30, 2025 and 2024. Our Same Store properties exclude Cityplace Tower as of September 30, 2025 and 2024, because it was not yet stabilized, meaning construction or renovation was not completed. Our Same Store properties for the three months ended September 30, 2025 and 2024 also exclude the HGI Property, Bradenton and St. Pete Property, as the properties have planned renovation activity expected to commence in the near future that is anticipated to materially impact operations. Non-Same Store properties for the three months ended September 30, 2025 and 2024 include properties not yet stabilized and certain properties that have planned construction, renovation or similar activity expected to commence in the near future that will result in such properties not being stabilized. Non-Same Store properties for the nine months ended September 30, 2025 and 2024 include properties not yet stabilized or that were not held for the full comparable period.

There are two properties, White Rock Center and 5916 W Loop 289, that were considered our Same Store properties for the nine months ended September 30, 2025, and 2024. Our Same Store properties exclude Cityplace Tower as of September 30, 2025 and 2024, because it was not yet stabilized, meaning construction or renovation was not completed. For the nine months ended September 30, 2025, and 2024, our Same Store properties also exclude the Hospitality segment, as the properties in that segment were not held in the full comparable period. Non-Same Store properties for the nine months ended September 30, 2025, and 2024 include properties not yet stabilized or that were not held for the full comparable period.

Consolidated NOI and Same Store NOI for the Three and Nine Months Ended September 30, 2025 and 2024

The following table, which has not been adjusted for the effects of NCI, reconciles our consolidated NOI for the three and nine months ended September 30, 2025 and 2024 to net income (loss), the most directly comparable GAAP financial measure (in thousands):

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net loss	\$ (12,317)	\$ (15,420)	\$ (91,511)	\$ (47,490)
Adjustments to reconcile net loss to NOI:				
Advisory and administrative fees	3,218	3,976	13,880	10,665
Corporate general and administrative expenses	5,198	2,843	9,145	8,873
Income tax expense	(995)	700	(423)	1,553
Depreciation and amortization	3,858	4,510	11,795	11,408
Interest expense	6,903	8,288	20,816	20,670
Non-operating property investment revenue (1)	(10,166)	(9,050)	(34,129)	(26,685)
Realized (gains) losses from non-real estate investments	(6)	1	(4,987)	21,876
Change in unrealized (gains) losses from non-real estate investments	2,505	885	77,464	(2,251)
Equity in (income) losses of unconsolidated equity method ventures	581	(400)	748	558
Impairment loss	—	6,134	1,752	6,134
NOI	<u>\$ (1,221)</u>	<u>\$ 2,467</u>	<u>\$ 4,550</u>	<u>\$ 5,311</u>
Less Non-Same Store				
Revenues	\$ (5,491)	\$ (11,497)	\$ (32,145)	\$ (29,540)
Operating expenses	7,357	9,540	28,435	24,849
Operating income	<u>—</u>	<u>—</u>	<u>(37)</u>	<u>—</u>
Same Store NOI	<u>\$ 645</u>	<u>\$ 510</u>	<u>\$ 803</u>	<u>\$ 620</u>

(1) Non-operating property investment revenue is defined as revenue included in the consolidated financial statements that are from non-operating properties such as dividend income and interest income.

The following table, which has not been adjusted for the effects of NCI, reconciles our NOI for each of our segments for the three and nine months ended September 30, 2025 to net income (loss), the most directly comparable GAAP financial measure by reportable segment (in thousands):

	For the Three Months Ended September 30, 2025			For the Nine Months Ended September 30, 2025		
	Diversified	Hospitality	Total	Diversified	Hospitality	Total
Net loss	\$ (7,173)	\$ (5,144)	\$ (12,317)	\$ (78,569)	\$ (12,942)	\$ (91,511)
Adjustments to reconcile net loss to NOI:						
Non-operating property investment revenue (1)	(9,772)	(394)	(10,166)	(33,089)	(1,040)	(34,129)
Advisory and administrative fees	3,218	—	3,218	9,982	3,898	13,880
Corporate general and administrative expenses	2,845	2,353	5,198	8,422	723	9,145
Depreciation and amortization	2,786	1,072	3,858	8,507	3,288	11,795
Impairment loss	—	—	—	—	1,752	1,752
Interest expense	3,713	3,190	6,903	11,226	9,590	20,816
Equity in (income) losses of unconsolidated equity method ventures	581	—	581	748	—	748
Change in unrealized (gains) losses from non-real estate investments	2,505	—	2,505	77,464	—	77,464
Realized (gains) losses from non-real estate investments	(6)	—	(6)	(4,987)	—	(4,987)
Income tax expense	(153)	(842)	(995)	331	(754)	(423)
NOI	<u>\$ (1,456)</u>	<u>\$ 235</u>	<u>\$ (1,221)</u>	<u>\$ 35</u>	<u>\$ 4,515</u>	<u>\$ 4,550</u>
Less Non-Same Store						
Revenues	\$ (516)	\$ (4,975)	\$ (5,491)	\$ (8,564)	\$ (23,581)	\$ (32,145)
Operating expenses	2,282	5,075	7,357	9,332	19,103	28,435
Operating income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(37)</u>	<u>(37)</u>
Same Store NOI	<u>\$ 310</u>	<u>\$ 335</u>	<u>\$ 645</u>	<u>\$ 803</u>	<u>\$ —</u>	<u>\$ 803</u>

- (1) Non-operating property investment revenue is defined as revenue included in the consolidated financial statements that are from non-operating properties such as dividend income and interest income.

Consolidated NOI for Our Same Store and Non-Same Store Properties for the Three Months Ended September 30, 2025 and 2024

The following table reflects the revenues, property operating expenses and NOI for the three months ended September 30, 2025 and 2024 for our Same Store and Non-Same Store properties (dollars in thousands):

	For the Three Months Ended September 30			
	2025	2024	\$ Change	% Change
Revenues				
Same Store				
Rental income	\$ 484	\$ 364	\$ 120	33.0 %
Rooms	1,013	1,034	(21)	-2.0 %
Food and beverage	112	98	14	13.8 %
Other income	168	172	(4)	-2.2 %
Same Store revenues	1,777	1,668	99	6.5 %
Non-Same Store				
Rental income	1,132	4,083	(2,951)	N/M
Rooms	3,745	6,246	(2,501)	-40.0 %
Food and beverage	441	435	6	1.4 %
Other income	173	733	(560)	N/M
Non-Same Store revenues	5,491	11,497	(6,006)	N/M
Total revenues	7,268	13,165	(5,897)	-44.8 %
Operating expenses				
Same Store				
Property operating expenses	766	748	18	2.4 %
Real estate taxes and insurance	131	119	12	10.1 %
Property management fees	56	52	4	7.7 %
Property general and administrative expenses	179	240	(61)	-25.4 %
Same Store operating expenses	1,132	1,159	(27)	-2.3 %
Non-Same Store				
Property operating expenses	4,799	5,591	(792)	-14.2 %
Real estate taxes and insurance	1,183	1,520	(337)	-22.2 %
Property management fees	246	613	(367)	N/M
Property general and administrative expenses	1,129	1,817	(688)	-37.9 %
Non-Same Store operating expenses	7,357	9,541	(2,184)	-22.9 %
Total operating expenses	8,489	10,700	(2,211)	-20.7 %
NOI				
Same Store	645	510	135	26.5 %
Non-Same Store	(1,866)	1,956	(3,822)	N/M
Total NOI	\$ (1,221)	\$ 2,466	\$ (3,687)	N/M

Consolidated Same Store Results of Operations for the Three Months Ended September 30, 2025 and 2024

As of September 30, 2025, the properties in our Same Store pool for the three months ended September 30, 2025 and 2024 were approximately 59.7% leased with a weighted average monthly effective occupied rent per square foot of \$1.18, compared to 55.2% leased with a weighted average monthly effective occupied rent per square foot of \$1.16 as of September 30, 2024. As of September 30, 2025, the properties in our Same Store pool for the three months ended

September 30, 2025 and 2024 had an occupancy of 69.4%, compared to 65.3% as of September 30, 2024. As of September 30, 2025, the properties in our Same Store pool for the three months ended September 30, 2025 and 2024 had an Average Daily Rate (“ADR”) of \$129.56, compared to \$138.53 as of September 30, 2024. As of September 30, 2025, properties in our Same Store pool for the three months ended September 30, 2025 and 2024 had a Revenue per Available Room (“RevPAR”) of \$89.87, compared to \$90.52 as of September 30, 2024. For the properties in our Same Store pool for the three months ended September 30, 2025 and 2024, we recorded the following operating results for the three months ended September 30, 2025 and 2024.

Revenues

Rental Income. Rental income was \$484.0 thousand for the three months ended September 30, 2025, compared to \$364.1 thousand for the three months ended September 30, 2024, which was an increase of approximately \$120.0 thousand or 33.0%. The majority of the increase between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to an increase in occupancy at White Rock Center.

Rooms. Rooms income was \$1,013.3 thousand for the three months ended September 30, 2025, compared to \$1,034.4 thousand for the three months ended September 30, 2024, which was a decrease of approximately \$21.0 thousand or 2.0%. The majority of the decrease between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to a lower ADR and RevPAR.

Food and Beverage. Food and Beverage income was \$111.5 thousand for the three months ended September 30, 2025, compared to \$98.1 thousand for the three months ended September 30, 2024, which was an increase of approximately \$14.0 thousand or 13.8%. The majority of the increase between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to an increase in occupancy at Park City.

Other Income. Other income was \$168.2 thousand for the three months ended September 30, 2025, compared to \$172.2 thousand for the three months ended September 30, 2024, which was a decrease of approximately \$4.0 thousand or 2.2%. The majority of the decrease between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to a decrease in room damage revenue.

Expenses

Property operating expenses. Property operating expenses were \$766.0 thousand for the three months ended September 30, 2025, compared to \$747.6 thousand for the three months ended September 30, 2024, which was an increase of approximately \$18.0 thousand or 2.4%. The majority of the increase between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to an increase in repair and maintenance fees.

Real estate taxes and insurance. Real estate taxes and insurance costs were \$131.0 thousand for the three months ended September 30, 2025, compared to \$118.7 thousand for the three months ended September 30, 2024, which was an increase of approximately \$12.0 thousand or 10.1%. The majority of the increase between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to an increase in the property tax budget.

Property management fees. Property management fees were \$56.0 thousand for the three months ended September 30, 2025, compared to \$52.3 thousand for the three months ended September 30, 2024, which was an increase of approximately \$4.0 thousand, or 7.7%. The increase between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to an increase in rental revenue, which the management fee is calculated off of.

Property general and administrative expenses. Property general and administrative expenses were \$179.0 thousand for the three months ended September 30, 2025, compared to \$239.5 thousand for the three months ended September 30, 2024, which was a decrease of approximately \$61.0 thousand. The decrease between the three months ended September 30, 2025 and the three months ended September 30, 2024 is related to a decrease in professional fees.

Consolidated NOI for Our Same Store and Non-Same Store Properties for the Nine Months Ended September 30, 2025 and 2024

The following table reflects the revenues, property operating expenses and NOI for the nine months ended September 30, 2025 and 2024 for our Same Store and Non-Same Store properties (dollars in thousands):

	For the Nine Months Ended September 30			
	2025	2024	\$ Change	% Change
Revenues				
Same Store				
Rental income	\$ 1,292	\$ 1,071	\$ 221	20.6 %
Same Store revenues	1,292	1,071	221	20.6 %
Non-Same Store				
Rental income	7,682	11,408	(3,726)	-32.7 %
Other income	882	1,307	(425)	-32.5 % (1)
Rooms	21,389	15,480	5,909	38.2 %
Food and beverage	2,192	1,345	847	N/M
Non-Same Store revenues	32,145	29,540	2,605	8.8 % (1)
Total revenues	33,437	30,611	2,826	9.2 % (1)
Operating expenses				
Same Store				
Property operating expenses	189	126	63	50.0 %
Real estate taxes and insurance	216	211	5	2.4 %
Property management fees	65	58	7	12.1 %
Property general and administrative expenses	19	55	(36)	N/M
Same Store operating expenses	489	450	39	8.7 %
Non-Same Store				
Property operating expenses	17,884	14,546	3,338	22.9 % (1)
Real estate taxes and insurance	4,512	4,441	71	1.6 % (1)
Property management fees	1,143	969	174	18.0 % (1)
Property general and administrative expenses	4,896	4,893	3	0.1 % (1)
Non-Same Store operating expenses	28,435	24,849	3,586	14.4 % (1)
Total operating expenses	28,924	25,300	3,625	14.3 % (1)
Operating income				
Non-Same Store				
Realized gains (losses)	37	—	37	— %
Total operating income	37	—	37	— %
NOI				
Same Store	803	621	182	29.3 %
Non-Same Store	3,747	4,691	(944)	-20.1 % (1)
Total NOI	\$ 4,550	\$ 5,311	\$ (762)	-14.3 % (1)

(1) Denotes that the significant percentage change in the current period comparison is primarily attributed to the consolidation of NHT.

See reconciliation of net income (loss) to NOI above under “Consolidated NOI and Same Store NOI for the Nine Months Ended September 30, 2025 and 2024.”

Consolidated Same Store Results of Operations for the Nine Months Ended September 30, 2025 and 2024

As of September 30, 2025, the properties in our Same Store pool for the nine months ended September 30, 2025 and 2024 were approximately 59.7% leased with a weighted average monthly effective occupied rent per square foot of \$1.18, compared to 55.2% leased with a weighted average monthly effective occupied rent per square foot of \$1.16 as of September 30, 2024. For the properties in our Same Store pool for the nine months ended September 30, 2025 and 2024, we recorded the following operating results for the nine months ended September 30, 2025 and 2024.

Revenues

Rental Income. Rental income was \$1,292.0 thousand for the nine months ended September 30, 2025, compared to \$1,071.5 thousand for the nine months ended September 30, 2024, which is an increase of approximately \$221.0 thousand or 20.6%. The majority of the increase between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 is due to an increase in occupancy at White Rock Center.

Expenses

Property operating expenses. Property operating expenses were \$189.0 thousand for the nine months ended September 30, 2025, compared to \$126.2 thousand for the nine months ended September 30, 2024, which was an increase of approximately \$63.0 thousand or 50.0%. The majority of the increase between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 is related to an increase in repair and maintenance fees.

Real estate taxes and insurance. Real estate taxes and insurance costs were \$216.0 thousand for the nine months ended September 30, 2025, compared to \$211.3 thousand for the nine months ended September 30, 2024, which was an increase of approximately \$5.0 thousand or 2.4%. The majority of the increase between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 is related to an increase in the property tax budget.

Property management fees. Property management fees were \$65.0 thousand for the nine months ended September 30, 2025, compared to \$57.8 thousand for the nine months ended September 30, 2024, which was an increase of approximately \$7.0 thousand, or 12.1%. The increase between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 is related to an increase in rental revenue, which the management fee is calculated off of.

Property general and administrative expenses. Property general and administrative expenses were \$19.0 thousand for the nine months ended September 30, 2025, compared to \$55.0 thousand for the nine months ended September 30, 2024, which was a decrease of approximately \$36.0 thousand, which was not a material change. The majority of the decrease between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 is related to a decrease in professional fees.

Consolidated FFO and AFFO

We believe that net income (loss), as defined by GAAP, is the most appropriate earnings measure. We also believe that funds from operations (“FFO”), as defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and adjusted funds from operations (“AFFO”) are important non-GAAP supplemental measures of operating performance for a REIT.

Since the historical cost accounting convention used for real estate assets requires depreciation except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income (loss), as defined by GAAP. We compute FFO attributable to common shareholders as net income (loss), excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization,

plus impairment losses and realized gains (losses). Our calculation of FFO differs slightly from NAREIT's definition of FFO because we exclude realized gains (losses). We believe the exclusion of realized gains (losses) is appropriate because these realized gains (losses) are not related to our real estate properties. Our presentation differs slightly in that we begin with net income (loss) before adjusting for amounts attributable to redeemable non-controlling interests in NHT and redeemable non-controlling interests in the OP and we show the combined amounts attributable to such non-controlling interests as an adjustment to arrive at FFO attributable to common shareholders.

AFFO makes certain adjustments to FFO in order to arrive at a more refined measure of the operating performance of our Portfolio. There is no industry standard definition of AFFO and practice is divergent across the industry. AFFO adjusts FFO to remove items such as equity based compensation expense and the amortization of deferred financing costs incurred in connection with obtaining long-term debt financing, non-controlling interests (as described above) related to these items, change in unrealized gains (losses) and a one-time termination fee paid to the former NHT Adviser in connection with the termination of the NHT Advisory Agreement following the NHT Merger. We believe AFFO is useful to investors as a supplemental gauge of our operating performance and is useful in comparing our operating performance with other REITs that are not as involved in the aforementioned activities.

We believe that the use of FFO and AFFO, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and makes comparisons of operating results among such companies more meaningful. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income (loss) as defined by GAAP and should not be considered as an alternative or substitute to those measures in evaluating our liquidity or operating performance. FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. Further, our computation of FFO and AFFO may not be comparable to FFO and AFFO reported by other REITs that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define AFFO differently than we do.

The following table reconciles our calculations of FFO and AFFO to net income (loss), the most directly comparable GAAP financial measure, for the nine months ended September 30, 2025 and 2024 (in thousands, except per share amounts):

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30 2025	For the Nine Months Ended September 30 2024	% Change (1)
Net income (loss)	\$(12,317)	\$(15,420)	\$ (91,511)	\$ (47,490)	N/M
Depreciation and amortization	3,858	4,510	11,795	11,408	3.4 %
Realized (gains) losses	(6)	1	(4,987)	21,876	N/M
Gain on sales of real estate	—	—	(37)	—	— %
Impairment loss	—	6,134	1,752	6,134	N/M
Adjustment for noncontrolling interests	—	3,065	615	4,331	N/M
Adjustment for redeemable noncontrolling interests in the OP	5	—	25	—	— %
FFO	(8,460)	(1,710)	(82,348)	(3,741)	N/M
Distributions to Series A preferred shareholders	(1,155)	(1,155)	(3,465)	(3,465)	— %
Distributions to Series B preferred shareholders	(220)	—	(250)	—	— %
FFO attributable to common shareholders	(9,835)	(2,865)	(86,063)	(7,206)	N/M
FFO per share - basic	\$ (0.21)	\$ (0.07)	\$ (1.90)	\$ (0.18)	N/M
FFO per share - diluted	\$ (0.21)	\$ (0.07)	\$ (1.90)	\$ (0.18)	N/M
Equity-based compensation expense	1,138	414	3,605	2,193	N/M
Amortization of deferred financing costs - long term debt	575	(133)	914	(580)	N/M
Change in unrealized (gains) losses	2,505	885	77,464	(2,251)	N/M
Termination fee expense (2)	—	—	3,539	—	— %
AFFO attributable to common shareholders	(5,617)	(1,699)	(541)	(7,844)	N/M
AFFO per share - basic	\$ (0.12)	\$ (0.04)	\$ (0.01)	\$ (0.20)	N/M
AFFO per share - diluted	\$ (0.11)	\$ (0.04)	\$ (0.01)	\$ (0.19)	N/M
Weighted average common shares outstanding - basic	47,436	40,786	45,324	39,662	14.3 %
Weighted average common shares outstanding - diluted (3)	48,916	42,221	45,479	40,872	11.3 %
Distributions declared per common share	\$ 0.15	\$ 0.15	\$ 0.45	\$ 0.45	— %
Net income (loss) coverage (4)	-1.73x	-2.52x	-4.49x	-2.66x	N/M
FFO Coverage - diluted (4)	-1.4x	-0.44x	-4.22x	-0.40x	N/M
AFFO Coverage - diluted (4)	-0.77x	-0.27x	-0.02x	-0.43x	N/M

- (1) Represents the percentage change for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024.
- (2) Represents one-time termination fee paid to the former NHT Adviser in connection with the termination of the NHT Advisory Agreement following the NHT Merger. Management considers this not indicative of ongoing operating performance.
- (3) The Company uses actual diluted weighted average common shares outstanding when in a dilutive position for FFO and AFFO.
- (4) Indicates coverage ratio of net income (loss)/FFO/AFFO per common share (diluted) over distributions declared per common share during the period.

The three months ended September 30, 2025 as compared to the three months ended September 30, 2024

FFO was \$(8.5) million for the three months ended September 30, 2025, compared to \$(1.7) million for the three months ended September 30, 2024, which was a decrease of approximately \$6.7 million. The change in our FFO between the three months ended September 30, 2025 and the three months ended September 30, 2024 primarily relates to an increase in unrealized losses, primarily attributed to decreases in mark-to-market values of our investments at fair value.

AFFO was \$(5.6) million for the three months ended September 30, 2025, compared to \$(1.7) million for the three months ended September 30, 2024, which was a decrease of approximately \$3.9 million. The change in our AFFO between the three months ended September 30, 2025 and the three months ended September 30, 2024 primarily relates to a decrease in expenses.

The nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024

FFO was \$(82.3) million for the nine months ended September 30, 2025, compared to \$(3.7) million for the nine months ended September 30, 2024, which was a decrease of approximately \$78.6 million. The change in our FFO between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 primarily relates to an increase in unrealized losses, primarily attributed to decreases in mark-to-market values of our investments at fair value.

AFFO was \$(0.5) million for the nine months ended September 30, 2025, compared to \$(7.8) million for the nine months ended September 30, 2024, which was an increase of approximately \$7.3 million. The change in our AFFO between the nine months ended September 30, 2025 and the nine months ended September 30, 2024 primarily relates to an increase in total revenues, primarily attributed to an increase in rooms revenue.

Net Asset Value

The SEC does not provide rules on the methodology we must use to determine our NAV or NAV per common share. The determination of NAV involves a number of subjective assumptions, estimates and judgments that may not be accurate or complete. We believe there is no established practice among REITs for calculating NAV. Different firms using different property-specific, general real estate, capital markets, economic and other assumptions, estimates and judgments could derive a NAV that could be significantly different from our NAV. Thus, other public REITs methodologies used to calculate NAV may differ materially from ours. Additionally, our NAV differs from the values of our real estate assets as calculated in accordance with GAAP, in that we calculate NAV based on the Consolidated Balance Sheets as total assets minus total liabilities, less any equity attributable to preferred shareholders (such as the Series A Preferred Shares and the Series B Preferred Shares) and noncontrolling interests. Our NAV per common share is calculated by dividing our NAV by our diluted common shares outstanding, which represents the aggregate of our common shares outstanding plus any unvested restricted share units as of the last day of the reporting period, and common shares assumed to be issued upon redemption of any outstanding and applicable Series B Preferred Shares. We calculate NAV per common share on a quarterly basis beginning with the quarter ended December 31, 2024.

The presentation of NAV and NAV per common share below is intended to be the Applicable NAV (as defined in the statement of preferences of the Series B Preferred Shares) for purposes of the offering of the Series B Preferred Shares. The below table presents the NAV calculation (in thousands, except per common share amounts):

As Of	Total Assets	Total Liabilities	Series A Preferred Shares (1)	Series B Preferred Shares (2)	NCI	NAV	Diluted Common Shares Outstanding	NAV Per Common Share
September 30, 2025	1,106,669	(356,542)	(83,252)	(10,834)	(328)	655,713	53,863	\$ 12.17

(1) Represents the liquidation preference, net of approximately \$0.7 million issuance costs, from the issuance of the Company's Series A Preferred Shares.

(2) Represents the liquidation preference, net of approximately \$1.1 million issuance costs, from the issuance of the Company's Series B Preferred Shares.

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of funds necessary to pay for debt maturities, operating expenses and other expenditures including:

- capital expenditures to continue the ongoing development of Cityplace Tower;
- capital expenditures necessary to maintain the Hospitality hotel properties;
- interest expense and scheduled principal payments on outstanding indebtedness (see “—Obligations and Commitments” below);
- recurring maintenance necessary to maintain our properties;
- distributions necessary to qualify for taxation as a REIT;
- income taxes for taxable income generated by TRS entities;
- acquisition of additional properties or investments;
- advisory and administrative fees payable to our Adviser;
- general and administrative expenses;
- reimbursements to our Adviser; and
- property management fees.

We expect to meet our short-term liquidity requirements generally through our investment income, existing cash balance, the Series B Preferred Offering and, if necessary, future debt or equity issuances. As of September 30, 2025, we had \$5.3 million of cash available to meet our short-term liquidity requirements. As of September 30, 2025, we also had \$32.5 million of restricted cash held in reserve by the lender on the Cityplace Tower debt. These reserves include escrows for property taxes and insurance, reserves for tenant improvements as well as required excess collateral. As of September 30, 2025, we also had \$0.6 million of restricted cash held in reserve by the lender on the NexBank Revolver. These reserves are to be used for future interest payments on the debt facility. As of September 30, 2025, we also had \$11.8 million of restricted cash reserves associated with the Hospitality segment for brand-mandated performance improvement plans and furniture, fixtures and equipment upgrades arising from the execution of the Company’s franchise agreement and future insurance and property tax expenses.

Our long-term liquidity requirements consist primarily of funds necessary to pay for the costs of acquiring additional properties, make additional accretive investments pursuant to our investment strategy, renovations and other capital expenditures to improve our properties and scheduled debt payments and distributions. We expect to meet our long-term liquidity requirements through various sources of capital, including the Series B Preferred Offering, and which may also include a revolving credit facility and future debt or equity issuances, existing working capital, net cash provided by operations, long-term mortgage indebtedness and other secured and unsecured borrowings, and property and non-real estate asset dispositions. However, there are a number of factors that may have a material adverse effect on our ability to access these capital sources, including the state of overall equity and credit markets, our degree of leverage, our unencumbered asset base and borrowing restrictions imposed by lenders (including as a result of any failure to comply with financial covenants in our existing and future indebtedness), general market conditions for REITs, our operating performance and liquidity, market perceptions about us and restrictions on sales of properties under the Code. The success of our business strategy will depend, in part, on our ability to access these various capital sources.

In addition to our ongoing renovation of Cityplace Tower, our other properties will require periodic capital expenditures and renovation to remain competitive. We estimate an additional \$250 million to \$270 million of capital expenditures to complete the Cityplace Tower renovation. Also, acquisitions, redevelopments, or expansions of our properties will require significant capital outlays. Long-term, we may not be able to fund such capital improvements solely from net cash provided by operations because we must distribute annually at least 90% of our REIT taxable income, determined without regard to the deductions for distributions paid and excluding net capital gains, to qualify and maintain our qualification as a REIT, and we are subject to tax on any retained income and gains. As a result, our ability to fund capital expenditures, acquisitions, or redevelopment through retained earnings long-term is limited. Consequently, we expect to rely heavily upon the availability of debt or equity capital for these purposes. If we are unable to obtain the

necessary capital on favorable terms, or at all, our financial condition, liquidity, results of operations, and prospects could be materially and adversely affected.

NXDT is focused on reallocating its asset allocation across sectors in which our Sponsor has extensive experience and expertise. This re-focusing will involve selling legacy assets that do not fall within our core investment strategy or recycling assets at attractive prices. A more favorable capital market environment, with lower interest rates and increased liquidity, is expected to facilitate this process. The Company's objective is to opportunistically sell \$100 million to \$150 million in assets to free up capital for reinvestment (through debt or equity) in target asset classes such as residential, hospitality, self-storage, and life sciences, or to repurchase NXDT's common stock. As part of this process, NXDT remains in contact with entities in which it is invested and has received information about ongoing discussions that could result in the monetization, in either or both of the first and second quarters of 2026, of one or more of NXDT's investments.

We believe that our available cash, expected operating cash flows, and potential debt or equity financings will provide sufficient funds for our operations, anticipated scheduled debt service payments and distribution requirements for the twelve-month period following September 30, 2025. See "—Debt" for additional details regarding our indebtedness and related liquidity requirements.

Recent Tax Law Update

On July 4, 2025, President Trump signed into law the legislation known as the One Big Beautiful Bill Act ("the OBBBA"). The OBBBA made significant changes to the U.S. federal income tax laws in various areas. Among the notable changes, the OBBBA permanently extended certain provisions that were enacted in the Tax Cuts and Jobs Act of 2017, most of which were set to expire after December 31, 2025. These include the permanent extension of (i) the reduced marginal U.S. federal income tax rates and (ii) the 20% deduction on "qualified REIT dividends" for individuals and other non-corporate taxpayers and (iii) the limitation on non-corporate taxpayers using "excess business losses" to offset other income. The OBBBA also increased the percentage limit under the REIT asset test applicable to TRSs from 20% to 25% for taxable years beginning after December 31, 2025. As a result, for taxable years beginning after December 31, 2025, the aggregate value of all securities of TRSs held by a REIT may not exceed 25% of the value of its gross assets.

Series B Preferred Shares Offering

On January 30, 2025, the Company announced the launch of a continuous public offering of up to 16,000,000 shares of its newly designated Series B Preferred Shares at a price to the public of \$25.00 per share, for gross proceeds of up to \$400.0 million. The Series B Preferred Shares are convertible at the option of the holder thereof into our common shares beginning on the first day of the month following the third anniversary of the date of original issuance of the shares to be converted if the 5-day volume weighted average price of our common shares on the NYSE ending on the trading day immediately preceding the date the holder delivers a duly completed conversion notice to the Company (such 5-day VWAP, the "Market Price") represents a 15.0% premium to the estimated fair market NAV of the Company per common share as most recently published by the Company at the time of issuance of the applicable Series B Preferred Share (the "Minimum Market Price Trigger"). If the Minimum Market Price Trigger is satisfied, the Series B Preferred Shares will be convertible at a 6%, 10% or 12% discount to the Market Price beginning on the first day of the month following the third, fourth and fifth anniversary of the date of original issuance of the shares to be converted, respectively. Beginning on the first day of the calendar month following the date of original issuance, the Series B Preferred Shares are redeemable at the option of the holder at a redemption price per share equal to the stated value of \$25.00 per share, plus all accrued but unpaid cash distributions and less certain redemption fees. After the first day of the first quarter following the second anniversary of the date of original issuance, the Company also has the option to redeem, in whole or in part, subject to certain restrictions in the Company's agreement and declaration of trust and the statement of preferences setting forth the terms of the Series B Preferred Shares, at a redemption price per share equal to the stated value of \$25.00 per share, plus any accrued but unpaid cash distributions. In all optional redemptions, the Company has the right, in its sole discretion, to pay the redemption in cash or in equal value of the Company's common shares for so long as the common shares are listed or admitted to trading on the NYSE or another national securities exchange or automated quotation system. NexPoint Securities, Inc., an affiliate of the Adviser, serves as the Company's dealer manager (the "Dealer Manager") in connection with the offering. The Dealer Manager uses its reasonable best efforts to sell the Series B Preferred Shares offered in the offering, and the Company pays the Dealer Manager, subject to the discounts and other special circumstances described or referenced therein, (i) selling commissions of 7.0% of the aggregate gross proceeds from sales of Series B Preferred Shares in the offering ("Selling Commissions") and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series B Preferred Shares in the offering (the "Dealer Manager Fee"). The Dealer Manager, subject to federal and state securities laws, will reallocate all or any portion of the Selling Commissions and may reallocate a portion of the Dealer Manager Fee to other securities dealers that the Dealer Manager may retain who sold the Series B Preferred Shares as is described more

fully in the agreements between such dealers and the Dealer Manager. The Company expects that the offering will terminate on the earlier of the date the Company sells all 16,000,000 Series B Preferred Shares in the offering or August 1, 2027 (which is the third anniversary of the effective date of the Company's registration statement), which may be extended by the Board in its sole discretion. The Board may elect to terminate this offering at any time. As of September 30, 2025, the Company has sold 485,608 shares of the Series B Preferred Shares for total gross proceeds of \$12.1 million.

Cash Flows

The following table presents selected data from our consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024 (in thousands):

	For the Nine Months Ended September 30	
	2025	2024
Net cash provided by (used in) operating activities	\$7,986	\$(7,550)
Net cash provided by investing activities	34,617	18,460
Net cash used in financing activities	(41,344)	(10,839)
Net decrease in cash, cash equivalents and restricted cash	1,259	71
Cash, cash equivalents and restricted cash, beginning of period	48,901	53,169
Cash, cash equivalents and restricted cash, end of period	\$50,160	\$53,240

Cash flows from operating activities. During the nine months ended September 30, 2025, net cash provided by (used in) operating activities was \$8.0 million, compared to net cash provided by (used in) operating activities of \$(7.6) million for the nine months ended September 30, 2024. The change in cash flows from operating activities was mainly due to an increase in dividend income from equity securities and rooms revenue.

Cash flows from investing activities. During the nine months ended September 30, 2025, net cash provided by investing activities was \$34.6 million, compared to net cash provided by investing activities of \$18.5 million for the nine months ended September 30, 2024. The change in cash flows from investing activities was attributed to proceeds of properties sold of \$8.3 million and a return of capital from the Marriott Uptown equity method investment of \$15.1 million.

Cash flows from financing activities. During the nine months ended September 30, 2025, net cash used in financing activities was \$41.3 million, compared to net cash used in financing activities of \$10.8 million for the nine months ended September 30, 2024. The change in cash flows from financing activities was due to paydowns on the mortgage debt with proceeds from the properties sold.

Debt

Mortgage Debt

As of September 30, 2025, our consolidated subsidiaries had aggregate mortgage debt outstanding to third parties of approximately \$218.3 million at a weighted average interest rate of 7.90%. See Note 6 to our consolidated financial statements for additional information.

We intend to invest in additional real estate investments as suitable opportunities arise and adequate sources of equity and debt financing are available. We expect that future investments in properties, including any improvements or renovations of current or newly acquired properties, will depend on and will be financed by, in whole or in part, our existing cash, future borrowings and the proceeds from additional issuances of common shares, Series B Preferred Shares or other securities or investment and property dispositions.

Although we expect to be subject to restrictions on our ability to incur indebtedness, we expect that we will be able to refinance existing indebtedness or incur additional indebtedness for acquisitions or other purposes, if needed. However, there can be no assurance that we will be able to refinance our indebtedness, incur additional indebtedness or access additional sources of capital, such as by issuing common shares or other debt or equity securities, on terms that are acceptable to us or at all.

Furthermore, following the completion of our renovation and development programs and depending on the interest rate environment at the applicable time, we may seek to refinance our floating rate debt into longer-term fixed rate debt at lower leverage levels.

Cityplace Tower Debt

Effective March 8, 2025, the lender agreed to defer the maturity of the Cityplace Tower debt by twelve months to March 8, 2026. The purpose of the deferral was to allow for continued discussions around refinancing the debt. Management recognizes that finding an alternative source of funding is necessary to repay the debt by the maturity date. Management believes that there is sufficient time before the maturity date and that the Company has sufficient access to capital to ensure the Company is able to meet its obligations as they become due.

Credit Facility

On January 8, 2021, the Company entered into a \$30.0 million credit facility ("Credit Facility") with Raymond James Bank, N.A. and drew the full balance. Prior to October 20, 2023, the Company paid down the outstanding amount under the Credit Facility to \$1.0 million. Amounts repaid by the Company under the Credit Facility could not be reborrowed. On October 20, 2023, Raymond James Bank, N.A. agreed to amend the terms of the Credit Facility, which, among other things, extended the maturity date to October 6, 2025 and increased the credit limit to \$20 million. On October 23, 2023, the Company drew \$6.0 million of the available balance. On November 20, 2023, the Company drew the remaining \$13.0 million of the available balance. As of September 30, 2025, the Credit Facility bore interest at the one-month SOFR plus 4.25%. During the nine months ended September 30, 2025, the Company paid down \$9.8 million on the Credit Facility. As of September 30, 2025, the Credit Facility had an outstanding balance of \$1.3 million. For additional information regarding our Credit Facility, see Note 6 to our consolidated financial statements.

The Credit Facility was paid off on October 6, 2025.

Revolving Credit Facility

On May 22, 2023, the Company entered into a revolving credit facility with NexBank (the "NexBank Revolver"), with the option for the Company to receive additional disbursements thereunder up to a maximum amount of \$50.0 million, and with the option to extend the maturity two times by six months. The NexBank Revolver bears interest at one-month SOFR plus 3.50% and had an initial maturity date of May 21, 2024. On May 21, 2024, the Company elected to use one of the two extension options to extend the maturity by six months to November 21, 2024. On October 22, 2024, the Company amended the NexBank Revolver agreement to allow for the Lubbock property to be used as collateral for the debt. On November 21, 2024, the Company elected to use the second extension option to extend the maturity by six months to May 21, 2025. On May 15, 2025, the Company amended the NexBank Revolver agreement to extend the maturity date to November 21, 2025, and to provide for three additional six-month extension options. As of September 30, 2025, the NexBank Revolver had an outstanding balance of \$13.5 million. As of September 30, 2025, the Company held \$0.6 million in restricted cash in the interest reserve account.

Notes Payable, Freedom LHV

On August 2, 2024, the Company, through Freedom LHV, LLC ("Freedom LHV"), an indirect subsidiary of the Company, borrowed approximately \$10.0 million from The Ohio State Life Insurance Company ("OSL"), an entity that may be deemed an affiliate of the Adviser through common beneficial ownership. Due to the recently transacted nature of the note, the fair value of the note is approximately the outstanding balance. The note bears interest at an annual fixed rate of 10.0% and matures on August 2, 2029. The debt is secured by certain real property held by Freedom LHV and is guaranteed by the Company.

Mortgages Payable, Hospitality

On February 28, 2019, NHT entered into a borrowing arrangement for a \$59.4 million Note A loan (the "Note A Loan") and a \$28.6 million Note B loan (the "Note B Loan") with ACORE. The Note A Loan bears interest at a variable rate equal to the 30-day SOFR plus 2.00% and matures on November 8, 2025. The Note B Loan bears interest at a variable rate equal to the 30-day SOFR plus 6.46% and matures on November 8, 2025. On September 8, 2025, the lender agreed to defer the maturity date to October 8, 2025. On October 8, 2025, the lender agreed to defer the maturity date to November 8, 2025. As of September 30, 2025, the Note A Loan and Note B Loan had an outstanding balance of \$28.1 million and \$13.5 million and effective interest rates of 6.32% and 10.79%, respectively.

Subsequent to September 30, 2025, on November 7, 2025, the Company executed a loan modification agreement related to the Note A Loan and Note B Loan extending the maturity date of each to February 8, 2026.

On February 15, 2022, in connection with the acquisition of the Park City and Bradenton properties, NHT entered into the PC & B Loan with an original maturity date of February 5, 2025. See Note 14 for a discussion of the extension of the maturity date of the PC & B Loan. The outstanding balance on the PC & B Loan at September 30, 2025 was \$38.6 million, with \$0.7 million available to draw on for renovation purposes as of September 30, 2025.

The loan documents, including the guaranty, for the PC & B Loan and the Note A Loan and Note B Loan contain customary representations, warranties, and events of default, which require a subsidiary of the Company to comply with affirmative and negative covenants.

Convertible Notes, NHT

A subsidiary of the Company also entered into several convertible notes with affiliates of the NHT Adviser prior to the closing of the NHT Merger since January 8, 2019. The fixed rate notes have rates ranging from 2.25% to 7.50% (which were market interest rates at the time of their issuance) while outstanding and mature in 20 years from their date of issuance. As of September 30, 2025, the net carrying amount of the convertible notes due to affiliates of the former NHT Adviser was \$51.5 million.

Promissory Notes Due to Affiliates

In connection with the NHT Merger, on April 17, 2025, several promissory notes with affiliates of the Company were issued due to a limitation on common shares issued to affiliates of the issuer by the New York Stock Exchange. The aggregate principal amount of such promissory notes was \$0.8 million, each with an interest rate of 7.334% and maturing on April 15, 2027, with two one-year extension options. As of September 30, 2025, the carrying amount of the promissory notes due to affiliates was \$0.8 million.

Obligations, Commitments and Investment Opportunities

The following table summarizes our contractual obligations and commitments as of September 30, 2025 for the next five calendar years subsequent to September 30, 2025.

	Payments Due by Period (in thousands)						
	Total	2025	2026	2027	2028	2029	Thereafter
Property Level Debt							
Principal payments	\$ 241,579	\$ 41,583	\$ 189,996	\$ —	\$ —	\$ 10,000	\$ —
Interest expense	10,661	4,230	3,842	1,000	1,000	589	—
Total	\$ 252,240	\$ 45,813	\$ 193,838	\$ 1,000	\$ 1,000	\$ 10,589	\$ —
Prime Brokerage Borrowing							
Principal payments	\$ 5,952	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,952 (1)
Interest expense	1,161	68	273	273	273	273	— (1)
Total	\$ 7,113	\$ 68	\$ 273	\$ 273	\$ 273	\$ 273	\$ 5,952
Series A Preferred Shares							
Distribution payments	N/A (2)	\$ 1,155	\$ 4,620	\$ 4,620	\$ 4,620	\$ 4,620	N/A (2)
Series B Preferred Shares							
Distribution payments	N/A (2)	\$ 273	\$ 1,093	\$ 1,093	\$ 1,093	\$ 1,093	N/A (2)
Credit Facility							
Principal payments	\$ 73,481	\$ 14,720	\$ —	\$ 21,275	\$ —	\$ —	\$ 37,486
Interest expense	24,856	799	2,597	1,591	1,413	1,413	17,043
Total	\$ 98,337	\$ 15,519	\$ 2,597	\$ 22,866	\$ 1,413	\$ 1,413	\$ 54,529
Total contractual obligations and commitments	<u>\$ 381,970</u>	<u>\$ 62,828</u>	<u>\$ 202,421</u>	<u>\$ 29,852</u>	<u>\$ 8,399</u>	<u>\$ 17,988</u>	<u>\$ 60,481</u>

(1) Assumes no additional borrowings or repayments. The Prime Brokerage (as defined below) balance has no stated maturity date.

(2) The Series A & B Preferred Shares are perpetual.

NXDT Advisory Agreement

As consideration for the Adviser's services under the Advisory Agreement, we pay our Adviser the Fees, which includes the Advisory Fee equal to 1.00% of Managed Assets and the Administrative Fee equal to 0.20% of the Company's Managed Assets. The Advisory Agreement provides that, for the Fees that accrued prior to September 19, 2025, the Administrative Fees shall be paid in cash and the monthly installment of the Advisory Fees shall be paid one-half in cash and one-half in common shares of the Company, subject to certain restrictions, and that for the Fees accruing after September 19, 2025, the Fees shall be paid entirely in cash unless the Adviser elects, in its sole discretion, to receive a portion of the Fees in common shares of the Company, subject to certain restrictions. For additional information, see Note 13 to our consolidated financial statements.

We also generally reimburse our Adviser for operating or offering expenses it incurs on our behalf or in connection with the services it performs for us. The Adviser may, at its discretion and at any time, waive its right to reimbursement for eligible out-of-pocket expenses paid on the Company's behalf. Once waived, those expenses are considered permanently waived and became non-recoupable.

For the three and nine months ended September 30, 2025, the Company expensed \$3.2 million and \$10.0 million, respectively, related to the Fees. Of this \$3.2 million for the three months ended September 30, 2025, \$1.4 million is related to shares that were issued in lieu of cash. Of the \$10.0 million for the nine months ended September 30, 2025, \$4.3 million is related to shares that were issued in lieu of cash.

NHT Advisory Agreement

Prior to the closing of the NHT Merger on April 17, 2025, as consideration for the NHT Adviser's services under the NHT Advisory Agreement, we paid the NHT Adviser an advisory fee equal to 1.00% of the REIT Asset Value. Pursuant to the terms of the NHT Advisory Agreement, NHT reimbursed the NHT Adviser for all documented Operating Expenses and offering expenses it incurred on behalf of NHT. Expenses paid or incurred by NHT for advisory fees payable to the NHT Adviser, Operating Expenses incurred by the NHT Adviser or its affiliates in connection with the services it provides to NHT and its subsidiaries and compensation expenses relating to equity awards granted under a long-term incentive plan of NHT will not exceed 1.5% of the REIT Asset Value for the calendar year (or part thereof). The NHT Expense Cap did not apply to legal, accounting, financial, due diligence and other service fees incurred in connection with extraordinary litigation and mergers and acquisitions and other events outside NHT's ordinary course of business or any out-of-pocket acquisition or due diligence expenses incurred in connection with the acquisition or disposition of real estate assets. From April 19, 2024 to September 30, 2025, NHT incurred expenses subject to the NHT Expense Cap of \$4.1 million. The NHT Advisory Agreement was terminated in connection with the closing of the NHT Merger on April 17, 2025, and the Company assumed the remaining expense reimbursement obligations under the NHT Advisory Agreement.

Alewife Holdings Loan

On May 10, 2024, the Company, through the OP, NREF OP IV, a subsidiary of NREF, an entity that is managed by an affiliate of the Adviser, and OSL, an entity that may be deemed an affiliate of the Adviser through common beneficial ownership, entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which NREF OP IV assigned the right to fund up to 9% of a loan (the "Alewife Loan") to be made to IQHQ-Alewife Holdings, LLC ("Alewife Holdings") to the OP and allocated the right to fund up to 9% of the Alewife Loan to OSL. Effective January 2, 2025, NREF OP IV and OSL entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which NREF OP IV assigned \$7.5 million of interest in the Alewife Loan to OSL for cash and increased OSL's allocation of the right to fund up to 10.32% of the Alewife Loan. In addition, at any time and from time to time, NREF may purchase up to all of the amounts funded by OSL in the Alewife Loan from OSL. Upon receipt of a draw request, the OP and OSL have the right to elect to fund an amount equal or greater than zero and up to (i) 9% or 10.32%, respectively, of the total amount of all advances previously made under the Alewife Loan plus the amount of the then current borrowing, (ii) less the total amount of advances previously made by the OP and OSL, respectively. NREF OP IV is required to fund any amounts not funded by OSL and the OP. At any time that the OP and OSL have funded less than their respective percentages of all advances made under the Alewife Loan, the OP and OSL have the option upon notice to NREF OP IV to pay to NREF OP IV any amount of such unfunded amount. Upon such payment, the OP or OSL would become entitled to all interest and fees accrued on the amount paid to NREF OP IV on and after the date of such payment.

IQHQ Subscription Agreement and Warrant

On December 31, 2024, Bridge Investor I entered into a Subscription Agreement ("IQHQ Subscription Agreement") whereby Bridge Investor I committed to purchase \$160.1 million of Series E preferred stock of IQHQ, Inc. In connection with the IQHQ Subscription Agreement, on December 31, 2024, Bridge Investor I also entered into a Warrant Purchase Agreement (the "IQHQ Warrant Purchase Agreement") whereby IQHQ Holdings issued and sold a corresponding warrant to Bridge Investor I to purchase Class A-3 Units of IQHQ Holdings (as amended, the "IQHQ Series E Warrant"). The IQHQ Series E Warrant entitles the holder to purchase, at an exercise price of \$0.01, Class A-3 Units of IQHQ Holdings initially intended to represent up to 10.25% of the fully diluted and outstanding common equity of IQHQ Holdings. The IQHQ Series E Warrant is exercisable, in whole or in part, at any time for ten years unless there is an earlier change of control, initial public offering or liquidation.

In connection with the IQHQ Subscription Agreement and IQHQ Warrant Purchase Agreement, the OP, along with NREF, through certain subsidiaries, and certain entities advised by affiliates of our Adviser (the “IQHQ Participating Purchasers”) entered into a participation rights agreement with Bridge Investor I pursuant to which the OP and the IQHQ Participating Purchasers have a right to fund up to specified amounts of the IQHQ Subscription Agreement and the IQHQ Series E Warrant. Upon receipt of a draw request, each IQHQ Participating Purchaser has the right to elect to fund an amount equal or greater than zero up to their respective preemptive right under the IQHQ Holdings or IQHQ, L.P. organizational documents less the total amount of advances previously made by such IQHQ Participating Purchaser. Upon receipt of a draw request, the OP will also have the right to elect to fund an amount equal or greater than zero up to 50% of the total requested amount that is not funded by the IQHQ Participating Purchasers. NREF would be required to fund any amounts not funded by the IQHQ Participating Purchasers and the OP. At any time that the IQHQ Participating Purchasers have funded less than their respective participation amounts, the IQHQ Participating Purchasers have the option to pay NREF or the OP (to the extent it has funded) any amount of such unfunded amount. Upon such payment, the IQHQ Participating Purchaser would become entitled to all interest accrued on the amounts paid to NREF or the OP, if applicable, on and after the date of such payment. Bridge Investor I can allocate all or any portion of the IQHQ Bridge Warrant to any parties to the participation rights agreement.

As of September 30, 2025, the OP has not funded any amounts.

Income Taxes

I. *U.S. REIT Status*

We anticipate that we will continue to qualify to be taxed as a REIT for U.S. federal income tax purposes, and we intend to continue to be organized and to operate in a manner that will permit us to qualify as a REIT. However, we can give no assurance that we will maintain REIT qualification. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our annual “REIT taxable income”, as defined by the Code, to shareholders. As a REIT, we will be subject to federal income tax on our undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our undistributed income from prior years. Taxable income from certain non-REIT activities is managed through a TRS and is subject to applicable federal, state, and local income and margin taxes. The Company has recorded a current income tax expense of \$0.6 million associated with the TRSs for the nine months ended September 30, 2025, which is largely driven by income from the Company’s preferred stock investments and investments in debt instruments not secured by mortgages on real property. The tax expense is increased by income tax expense of \$1.1 million, offset by a return-to-provision adjustment of \$0.5 million for a net expense of \$0.6 million for the nine months ended September 30, 2025, that is recorded on the Consolidated Statements of Operations and Comprehensive Income (Loss).

If we fail to qualify as a REIT in any taxable year, we could be subject to U.S. federal income tax on our taxable income at regular corporate income tax rates, and distributions paid to our shareholders would not be deductible by us in computing taxable income. Any resulting corporate liability could be substantial and could materially and adversely affect our net income (loss) and net cash available for distribution to shareholders. Unless we were entitled to relief under certain Code provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify to be taxed as a REIT. As of September 30, 2025, we believe we are in compliance with all applicable REIT requirements.

We evaluate the accounting and disclosure of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are “more-likely-than-not” (greater than 50% probability) of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Our management is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which include federal and certain states. As of September 30, 2025 and to our knowledge, we have no examinations in progress and none are expected at this time.

We recognize our tax positions and evaluate them using a two-step process. First, we determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Second, we will determine the amount of benefit to recognize and record the amount that is more likely than not to be realized upon ultimate settlement.

We had no material unrecognized tax benefit or expense, accrued interest or penalties as of September 30, 2025. We and our subsidiaries are subject to federal income tax as well as income tax of various state and local jurisdictions. The 2024, 2023, 2022 and 2021 tax years remain open to examination by tax jurisdictions to which our subsidiaries and we are subject. When applicable, we recognize interest and/or penalties related to uncertain tax positions on our Consolidated Statements of Operations and Comprehensive Income (Loss).

II. *Canadian mutual fund status*

Prior to the closing of the NHT Merger, NHT was a mutual fund trust pursuant to the Tax Act. Under the then-current tax legislation, a mutual fund trust that was not a SIFT pursuant to the Tax Act is entitled to deduct distributions of taxable income such that it was not liable to pay Canadian income taxes provided that its taxable income was fully distributed to unitholders.

Distributions

We intend to make regular quarterly distribution payments to holders of our common shares. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for distributions paid and excluding net capital gains. As a REIT, we will be subject to federal income tax on our undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our undistributed income from prior years. We intend to make regular quarterly distribution payments of all or substantially all of our taxable income to holders of our common shares out of assets legally available for this purpose, if and to the extent authorized by our Board. Before we make any distribution payments, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service on our debt payable. If our cash available for distribution is less than our taxable income, we could be required to sell assets, borrow funds or raise additional capital to make cash distributions or we may make a portion of the required distribution in the form of a taxable distribution of shares or debt securities.

We will make distribution payments based on our estimate of taxable earnings per common share, but not earnings calculated pursuant to GAAP. Our distributions and taxable income and GAAP earnings will typically differ due to items such as depreciation and amortization, fair value adjustments, differences in premium amortization and discount accretion, investments held through our TRSs, book/tax differences on income derived from partnerships, and non-deductible general and administrative expenses. Our quarterly dividends per share may be substantially different than our quarterly taxable earnings and GAAP earnings per share. Our Board declared a distribution on our common shares of \$0.15 per share which was paid on September 30, 2025 to shareholders of record on August 14, 2025. The distribution on the Company's common shares consists of a combination of cash and shares, with the cash component of the distribution (other than cash paid in lieu of fractional shares) not to exceed 20% in the aggregate, with the balance being paid in the Company's common shares. Our Board declared a distribution on our Series A Preferred Shares of \$0.34375 per share which was paid on September 30, 2025, to shareholders of record on September 23, 2025. Our Board declared three distributions on our Series B Preferred Shares of \$0.1875 per share, one of which was paid to holders of Series B Preferred Shares on July 7, 2025 to holders of record on June 25, 2025 and two of which will be paid to holders of Series B Preferred Shares on October 6, 2025 and September 5, 2025 to holders of record on September 25, 2025 and August 25, 2025, respectively. We expect that distributions on our common shares, when, if and as declared by our Board, will be declared on a quarterly basis.

The purpose of paying the elective share distribution partially in shares and partially in cash is to conserve cash for additional investments at the Company. The Company may revert to paying the distribution solely in cash at some point in the future when cash flow from operations supports such a cash distribution. However, there can be no assurance that cash flow from operations will be able to support a cash distribution in the future.

Off-Balance Sheet Arrangements

As of September 30, 2025, we had the following off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Commitments

The Company is a guarantor on dividend payments with respect to Series D Preferred Stock of NSP, an affiliate of the Adviser. As of September 30, 2025, the outstanding NSP Series D Preferred Stock accrued dividends were \$14.1 million, and the Company and NREF OP IV REIT Sub, LLC are jointly and severally liable for 85.90% of the guaranteed amount. See Note 13 to our consolidated financial statements for additional information.

The Company is a guarantor on one of NSP's loans, with an aggregate principal amount of \$750.0 million outstanding as of September 30, 2025. The obligations consist of liability for losses suffered by the lender arising out of certain bad acts, such as if the borrower takes actions that are fraudulent or improper or upon certain violations of the related loan agreement. See Note 13 to our consolidated financial statements for additional information.

The Company is a limited guarantor and an indemnitor on one of our subsidiary's loans with an aggregate principal amount of \$41.6 million as of September 30, 2025. The obligations include a customary environmental indemnity and a so-called "bad boy" guarantee, which is generally only applicable if and when the borrower directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper. The Company is current on all debt payments and in compliance with all debt compliance provisions.

The Company is a guarantor and an indemnitor on one of Cityplace Tower's loans with an aggregate principal amount of \$138.2 million as of September 30, 2025. The obligations include guarantees, which are generally only applicable if and when the borrower, which is a subsidiary of the Company, directly, or indirectly through an agreement with an affiliate, joint venture partner or other third party, voluntarily terminates construction services prior to the completion of the project, files a bankruptcy or similar liquidation or reorganization action or takes other actions that are fraudulent or improper. As of September 30, 2025, management does not anticipate any material deviations from schedule or budget related to construction projects current in process, and Cityplace Tower is current on all debt payments and in compliance with all debt compliance provisions.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our unaudited consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires our management to make judgments, assumptions and estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate these judgments, assumptions and estimates for changes that would affect the reported amounts. These estimates are based on management's historical industry experience and on various other judgments and assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these judgments, assumptions and estimates. Below is a discussion of the accounting policies that we consider critical to understanding our financial condition or results of operations where there is uncertainty or where significant judgment is required.

See Note 3 to our consolidated financial statements, "Summary of Significant Accounting Policies", for further discussion of our accounting estimates and policies.

Valuation of Level 3 Fair Valued Investments

As of September 30, 2025, approximately 43.3% of the total assets owned by the Company are comprised of fair valued level 3 investments. The Company elected the fair-value option in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825-10-10. On an annual basis, the Company hires independent third-party valuation firms to provide updated fair values for subsequent measurement absent a readily available market price. The valuation is determined using widely accepted valuation techniques. See Note 9 to our consolidated financial statements, "Fair Value Financial Instruments", for further discussion of our valuation techniques of level 3 investments. The necessary inputs for these valuations includes a variety of valuation techniques and unobservable inputs. These inputs are subject to assumptions and estimates. As a result, the determination of fair value is uncertain because it involves subjective judgments and estimates that are unobservable. For the nine months ended September 30, 2025, the unrealized gains (loss) related to the change in fair value of level 3 investments is \$(62.4) million. See Note 9 to our consolidated financial statements for additional disclosures regarding the valuation of level 3 fair valued investments.

Purchase Price Allocation

Upon acquisition of a property considered to be an asset acquisition, the purchase price and related acquisition costs (“total consideration”) are allocated to land, buildings, improvements, furniture, fixtures, and equipment, and intangible lease assets based on relative fair value in accordance with FASB ASC 805, *Business Combinations*. Acquisition costs related to asset acquisitions are capitalized in accordance with FASB ASC 805.

The allocation of total consideration, which is determined using inputs that are classified within Level 3 of the fair value hierarchy established by FASB ASC 820 (see Note 9 to our consolidated financial statements), is based on management’s estimate of the property’s “as-if” vacant fair value and is calculated by using all available information such as the replacement cost of such asset, appraisals, property condition reports, market data and other related information. If any debt is assumed in an acquisition, the difference between the fair value, which is estimated using inputs that are classified within Level 2 of the fair value hierarchy, and the face value of debt is recorded as a premium or discount and amortized as interest expense over the life of the debt assumed.

Impairment

Real estate assets held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The key inputs into our impairment analysis include, but are not limited to, the holding period, net operating income, and capitalization rates. In such cases, we will evaluate the recoverability of such real estate assets based on estimated future cash flows and the estimated liquidation value of such real estate assets, and provide for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the real estate asset. If impaired, the real estate asset will be written down to its estimated fair value. The Company’s impairment analysis identifies and evaluates events or changes in circumstances that indicate the carrying amount of a real estate investment may not be recoverable, including determining the period the Company will hold the rental property, net operating income, and the estimated capitalization rate for each respective real estate investment. The Company did not record any impairment charges for the three and nine months ended September 30, 2025. For the three and nine months ended September 30, 2024, the Company recorded approximately \$1.0 million of impairment charges on real estate assets held and used, which are included in Impairment loss on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Held for Sale

The Company periodically classifies real estate assets as held for sale when certain criteria are met in accordance with U.S. GAAP. At that time, the Company presents the net real estate assets and the liabilities associated with the real estate held for sale separately in its Consolidated Balance Sheets, and the Company ceases recording depreciation and amortization expense related to that property. Real estate held for sale is reported at the lower of its carrying amount or its estimated fair value less estimated costs to sell. As of September 30, 2025 and December 31, 2024, there were zero and one properties classified as held for sale, respectively. In addition to the net real estate assets, the Consolidated Balance Sheets also includes approximately \$0.0 million and \$0.1 million of accounts receivable and prepaid and other assets, and approximately \$0.0 million and \$0.8 million of accounts payable, real estate taxes payable, security deposits, prepaid rents, and other accrued liabilities related to assets held for sale as of September 30, 2025 and December 31, 2024, respectively. For the three and nine months ended September 30, 2025 the Company recorded approximately \$0.0 million and \$1.8 million of losses on real estate held for sale, respectively, which are included in impairment loss on the Consolidated Statements of Operations and Comprehensive Income (Loss). For the three and nine months ended September 30, 2024, the Company recorded approximately \$5.1 million of losses on real estate held for sale, which are included in Impairment loss on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Inflation

The real estate market has not been directly affected by inflation in the past several years due to increases in rents nationwide. Our lease terms are generally for a period of one year or more and rental rates reset to market if renewed. The majority of our leases also contain protection provisions applicable to reimbursement billings for utilities.

Inflation may also affect the overall cost of debt, as the implied cost of capital increases. We intend to mitigate these risks through long-term fixed interest rate loans and interest rate hedges.

Inflation has had a significant impact in the regions in which the Hospitality segment holds properties, causing a decrease in the willingness of the general population to travel and reduced occupancy, the effect of which may continue to impact NHT's operations.

Implications of being a Smaller Reporting Company

We are a "smaller reporting company" as defined in the Exchange Act and may elect to take advantage of certain of the scaled disclosures available to smaller reporting companies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Exchange Act, our management, including our President and Chief Financial Officer, evaluated, as of September 30, 2025, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on that evaluation, our President and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2025, to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Exchange Act and is accumulated and communicated to management, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

We believe, however, that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are party to legal proceedings that arise in the ordinary course of our business. Management is not aware of any legal proceedings of which the outcome is reasonably likely to have a material adverse effect on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by government agencies.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed under Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K filed with the SEC on March 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Repurchase of Shares

On October 28, 2024, the Board authorized a share repurchase program (the “Share Repurchase Program”) through which the Company may repurchase an indeterminate number of common shares and Series A Preferred Shares, at an aggregate market value of up to \$20.0 million during a two-year period that is set to expire on October 28, 2026. We may utilize various methods to affect the repurchases, and the timing and extent of the repurchases will depend upon several factors, including market and business conditions, regulatory requirements and other corporate considerations, including whether our common shares or Series A Preferred Shares are trading at a significant discount to net asset value (“NAV”) per share. Repurchases under this program may be discontinued at any time. During the nine months ended September 30, 2025, the company repurchased 185,477 of its common shares, par value of \$0.01 per share, at a total cost of approximately \$0.8 million. Since the inception of the Share Repurchase Program through September 30, 2025, the Company had repurchased 185,477 of its common shares, par value \$0.01 per share, at a total cost of approximately \$0.8 million, or \$4.28 per share.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may yet be Purchased under the Plans or Programs (in millions)
Beginning Total	—	\$ —	—	\$ 20.0
July 1 – July 31	72,988	4.68	72,988	19.7
August 1 – August 31	112,489	4.03	112,489	19.2
September 1 – September 30	—	—	—	19.2
Total as of September 30, 2025	185,477	\$ 4.28	185,477	\$ 19.2

On September 2, 2025, the Company issued a total of 380,590.54 common shares of the Company to the Adviser as payment of a portion of the monthly Advisory Fees pursuant to the Advisory Agreement. These shares were issued in a private placement and the proceeds were used to support the ongoing operations of the Company. The Company issued the common shares to the Adviser in reliance upon Section 4(a)(2) of the Securities Act.

Item 3. Defaults Upon Senior Securities

Not required for smaller reporting companies.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits
EXHIBIT INDEX

Exhibit Number	Description
10.1	Fourth Amendment to Advisory Agreement of NexPoint Diversified Real Estate Trust (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on September 19, 2025).
10.2*	Fifth Amendment to Loan Agreement, executed on November 7, 2025, but dated and effective as of September 8, 2025, by and among NHT SP TRS, LLC, NHT SP, LLC, 2325 Stemmons TRS, Inc., 2325 Stemmons Hotel Partners, LLC, NexPoint Real Estate Advisors, L.P., the Company, NexPoint Real Estate Advisors X, L.P., Delphi CRE Funding LLC, and ACORE Capital Mortgage, LP.
10.3*	Letter Agreement, dated October 8, 2025, by and among Delphi CRE Funding LLC, 2325 Stemmons TRS, Inc., 2325 Stemmons Hotel Partners, LLC, ACORE Capital Mortgage, LP, NHT SP, LLC, NHT SP TRS, LLC, the Company, NexPoint Real Estate Advisors, L.P. and NexPoint Real Estate Advisors X, L.P.
10.4*	Letter Agreement, dated September 30, 2025, by and among Delphi CRE Funding LLC, 2325 Stemmons TRS, Inc., 2325 Stemmons Hotel Partners, LLC, ACORE Capital Mortgage, LP, NHT SP, LLC, NHT SP TRS, LLC, HCRE Addison, LLC, HCRE Addison TRS, LLC, the Company, NexPoint Real Estate Advisors, L.P. and NexPoint Real Estate Advisors X, L.P.
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document (The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

+ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEXPOINT DIVERSIFIED REAL ESTATE TRUST

Signature	Title	Date
<div>/s/ Jim Dondero</div> <div>Jim Dondero</div>	President (Principal Executive Officer)	November 13, 2025
<div>/s/ Paul Richards</div> <div>Paul Richards</div>	Chief Financial Officer, Executive VP-Finance, Treasurer, and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer)	November 13, 2025

LETTER AGREEMENT

Dated September 30, 2025, but effective as of September 8, 2025

300 Crescent Court, Suite 700
Dallas, Texas 75201 Attention: Matt McGraner
Email: mmcgraner@highlandcapital.com

c/o Highland Capital Management, L.P. 300 Crescent Court, Suite 700
Dallas, Texas 75201 Attention: General Counsel

Wick Phillips Gould & Martin, LLP 3131 McKinney Avenue
Suite 100
Dallas, Texas 75204 Attention: Rachel Sam, Esq.
Email: rachel.sam@wickphillips.com

Re: Highland 5 Pack Portfolio – Extension Letter Agreement Ladies and Gentlemen:

Reference is made to: (i) that certain mortgage loan (the “**Loan**”) in the original principal amount of up to \$88,000,000.00 made by **DELPHI CRE FUNDING LLC**, a Delaware limited liability company (together with the other Lenders from time to time party to the Loan Agreement (as defined below), collectively, the “**Lender**”), to (i) **2325 STEMMONS TRS, INC.**, a Delaware corporation, **2325 STEMMONS HOTEL PARTNERS, LLC**, a Delaware limited liability company, **HCRE ADDISON, LLC**, a Delaware limited liability company, (ii) **NHT SP, LLC**, a Delaware limited liability company, and **NHT SP TRS, LLC**, a Delaware limited liability company (individually and/or collectively as the context requires, jointly and severally, together with their respective permitted successors and assigns, “**Borrower**” or “**You**”), and (ii) **HCRE ADDISON TRS, LLC**, a Delaware limited liability company, **HCRE PLANO, LLC**, a Delaware limited liability company, **HCRE PLANO TRS, LLC**, a Delaware limited liability company, **HCRE LAS COLINAS, LLC**, a Delaware limited liability company, **HCRE LAS COLINAS TRS, LLC**, a Delaware limited liability company (collectively, “**Plano and Las Colinas Borrowers**”), with **ACORE CAPITAL MORTGAGE, LP**, a Delaware limited partnership, as Administrative Agent for the Lender (the “**Administrative Agent**”), pursuant to that certain Loan Agreement dated as of February 28, 2019 (the “**Original Loan Agreement**”), as further modified by that certain Joinder Agreement of New Indemnitor and Release of Prior Indemnitor dated May 1, 2019 (the “**Joinder and Release**”) by Prior Indemnitor (as defined therein), **NEXPOINT REAL ESTATE ADVISORS, L.P.**, a Delaware limited partnership (“**NexPoint Real Estate Advisors**”), and **NEXPOINT HOSPITALITY TRUST**, a real estate investment trust formed under the laws of the Province of Ontario (“**Nexpoint**”

Hospitality Trust"), as further amended by that certain Consent and Omnibus Amendment Agreement dated May 13, 2020 by and among the

same parties (the "**Limited Consent and Omnibus Amendment**"), as further amended by that certain Second Limited Consent and Omnibus Amendment Agreement October 6, 2021 by and among the same parties (the "**Second Limited Consent and Omnibus Amendment**"), as further amended by that certain Omnibus Amendment Agreement dated March 8, 2022 by and among the same parties (the "**Omnibus Amendment**"), as further modified by that certain Joinder Agreement of New Indemnitor dated March 8, 2022 (the "**Joinder**") by NexPoint Hospitality Trust, NextPoint Real Estate Advisors, and **NEXPOINT DIVERSIFIED REAL ESTATE TRUST**, a Delaware statutory trust ("**NXDT**", and collectively with NexPoint Hospitality Trust and NextPoint Real Estate Advisors, the "**Guarantor**"), as further amended by that certain Conversion of Loan to Term SOFR Letter dated June 1, 2023 (the "**SOFR Letter**"), as further amended by that certain Third Omnibus Amendment Agreement dated April 8, 2024 (the "**Third Omnibus Amendment**"), as further amended by that certain Fourth Amendment to Loan Agreement dated April 15, 2025, by and among Borrower, Administrative Agent and Lender, and acknowledged and agreed to by Guarantor (prior to which, Plano and Las Colinas Borrowers were released from the lien of the Loan) (the "**Fourth Amendment**," and together with the Joinder and Release, the Limited Consent and Omnibus Amendment, the Second Limited Consent and Omnibus Amendment, the Omnibus Amendment, the Joinder, the SOFR Letter, the Third Amendment, and the Original Loan Agreement, as the same has been and may be further amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the "**Loan Agreement**") and (ii) the other documents executed and/or delivered by Borrower and/or Guarantor evidencing and/or securing the Loan (collectively, the "**Loan Documents**"). Capitalized terms used and not defined in this Letter Agreement (this "**Letter**") shall have the meanings ascribed to such terms in the Loan Agreement.

Borrower has requested a one-time, one (1) month extension of the Maturity Date of the Loan such that the Maturity Date shall be extended from the Payment Date in September, 2025 to the Payment Date in October, 2025 (the "**Maturity Date Extension**"). Notwithstanding the fact that Borrower has no further extensions of the Maturity Date of the Loan under the Loan Documents, Lender and Administrative Agent are willing to grant the one-time Maturity Date Extension on the terms and conditions set forth herein. Guarantor is copied on this Letter and by its respective execution hereof agrees to the foregoing.

1. Grant of Extension; No Offset; and Release of Claims.

a. You, as Borrower, have requested that Lender and Administrative Agent grant the Maturity Date Extension. Pursuant to your request, Lender and Administrative Agent hereby grant the Maturity Date Extension and extend the Maturity Date of the Loan to the Payment Date in October, 2025, such that the definition of "Maturity Date" in the Loan Agreement (as amended hereby) shall be amended and restated as follows:

"Maturity Date" means (a) the Payment Date in October, 2025, or (b) the date on which the Debt has been accelerated as herein provided.

b. This Letter shall be an amendment to, and shall become part of, the Loan Agreement for all purposes. Nothing herein contained shall impair the security now held for the Obligations, nor waive, annul, vary or affect any provision, condition, covenant or agreement

contained in the Loan Agreement except as herein amended, nor affect or impair any rights, powers or remedies under the Loan Agreement as hereby amended.

c. You, as Borrower, and Guarantor, hereby reaffirm all of your obligations under your respective Loan Documents. Borrower represents that as of the date of this Letter, no Event of Default has occurred and is continuing under the Loan Agreement.

d. You also acknowledge and recognize that, as of the date hereof, the Loan Documents to which Borrower and/or Guarantor are party, are in full force and effect and constitute the legal, valid, binding and enforceable obligations of such party except as may be limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditor's rights and that Borrower and Guarantor have no defense, offset or counterclaims with respect to the Loan Documents or the enforcement thereof. Without limiting the generality of the foregoing, you acknowledge and agree that, as of the date hereof, Borrower and Guarantor have no claims, defenses, set-offs, rights of recoupment, counterclaims, demands, causes of action or rights of any kind or nature (including, without limitation, "lender liability" claims) against Lender or Administrative Agent (unless neither Borrower nor Guarantor could have known about any such claim following proper due diligence and inquiry by Borrower and Guarantor), whether at law, in equity or otherwise and whether direct or indirect, matured or unmatured, accrued or contingent or non-contingent, arising out of, in connection with or on account of (i) any or all of the Loan Documents, (ii) the administration by the Lender or Administrative Agent of the Security Instrument and other Loan Documents, (iii) the enforcement or any other action of Lender or Administrative Agent taken in connection therewith or pursuant to the Loan Documents (including, without limitation, any action, proceeding or lawsuit which may be brought by Lender or Administrative Agent with respect to the Note or foreclosure of the Security Instrument, appointment of a receiver or otherwise) or (iv) any discussions or other communications between Lender or Administrative Agent and Borrower which may have occurred at any time prior to March 21, 2025. Further, you hereby expressly agree that you shall not assert any such claim or right based on any of the foregoing matters.

2. No Commitment or Waiver. This Letter does not represent (a) a commitment by Lender or Administrative Agent to make any new loans or grant or extend any financial accommodations to Borrower (except as specifically set forth herein), (b) a commitment by Lender or Administrative Agent to restructure the Loan, (c) an expression of any intention (or an intention) by Lender or Administrative Agent to waive, modify or forbear from exercising any rights or remedies under the Loan Documents with respect to any Event of Default which may occur under the Loan Documents, or (d) a modification, amendment or restatement of any of the terms and conditions of any of the Loan Documents, except as expressly set forth herein. Borrower, Lender and Administrative Agent acknowledge and confirm that no such commitment, waiver or modification has been offered, granted, extended or agreed to by either party (except as specifically set forth herein).

3. Intentionally Omitted.

4. Authorization. Each of Borrower, the Guarantor, Administrative Agent and Lender are qualified and authorized to execute this Letter.

5. Counterparts/Electronic Signatures. This Letter may be executed by electronic signatures and in any number of counterparts and by the different parties on separate

counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Letter. This Letter shall be deemed to have been executed and

delivered when the Administrative Agent has received electronic counterparts hereof executed by all parties listed on the signature pages hereto.

If the foregoing is satisfactory, please sign and date this Letter in the space provided below and return one copy to Administrative Agent at your earliest convenience.

Very truly yours,

LENDER:

DELPHI CRE FUNDING LLC,
a Delaware limited liability company

By: ACORE Capital Mortgage, LP, a Delaware limited partnership, its authorized agent

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ David Dancer

Name: David Dancer

Title: Authorized Signatory

ADMINISTRATIVE AGENT:

ACORE CAPJTAL MORTGAGE, LP,
a Delaware limited partnership, in its capacity as administrative agent for and on behalf of
the Lenders

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ David Dancer
Name: David Dancer
Title: Authorized Signatory

cc: Winstead PC
500 Winstead Building 2728 N. Harwood
Street Dallas, Texas 75201
Attention: John S. Bruzina, Esq. [Email:
jbruzina\(a\),winstead.com](mailto:jbruzina(a),winstead.com)

ACCEPTED AND AGREED: BORROWER:

2325 STEMMONS TRS, INC.,
a Delaware corporation

By:/s/ Matt McGraner
Name: Matt McGraner
Title: Authorized Signatory

**2325 STEMMONS HOTEL PARTNERS, LLC, HCRE ADDISON, LLC,
HCRE ADDISON TRS, LLC, NHT SP, LLC,
NHT SP TRS, LLC,**
each a Delaware limited liability company

By:/s/ Matt McGraner
Name: Matt McGraner
Title: Authorized Signatory

LETTER AGREEMENT – Signature Page

59940-244/Nexpoint Loan Modification (NHT 5-Pack)

The undersigned Guarantor hereby (a) consents to and acknowledges the terms of the foregoing Letter Agreement and the transactions contemplated hereby, (b) agrees that the liability of the undersigned under the Guaranty and the Environmental Indemnity shall not be affected as a result of the Letter Agreement or any of the transactions contemplated hereby, (c) confirms that the Guarantor is in good standing under the laws of the state of its formation, and (d) ratifies the Guaranty and the Environmental Indemnity and confirms that each such document is and shall continue to be in full force and effect in accordance with their respective terms.

ACCEPTED AND AGREED:

GUARANTOR:

**NEXPOINT DIVERSIFIED REAL ESTATE
TRUST**, a Delaware statutory trust

By: /s/ Matt McGraner

Name: Matt McGraner

Title: Chief Investment Officer [GUARANTOR SIGNATURE PAGES CONTINUE

ON THE FOLLOWING PAGE]

NEXPOINT REAL ESTATE ADVISORS, L.P.,
a Delaware limited partnership

By: /s/ Matt McGraner
Name: Matt McGraner

Title: Executive Vice President [GUARANTOR SIGNATURE PAGES CONTINUE

ON THE FOLLOWING PAGE]

LETTER AGREEMENT – Acknowledgement Page
59940-244/Nexpoint Loan Modification (NHT 5-Pack)

FIFTH AMENDMENT TO LOAN AGREEMENT

This Fifth Amendment to Loan Agreement (this "**Agreement**"), executed on November 7, 2025 (the "**Execution Date**"), but dated and effective as of September 8, 2025 (the "**Effective Date**"), is made and entered into by and among (i) **NHT SP TRS, LLC**, a Delaware limited liability company, and **NHT SP, LLC**, a Delaware limited liability company ("**Florida Borrower**"), (ii) **2325 STEMMONS TRS, INC.**, a Delaware corporation, and **2325 STEMMONS HOTEL PARTNERS, LLC**, a Delaware limited liability company ("**Dallas Borrower**," and together with Florida Borrower, collectively, the "**Borrower**"), (iii) **NEXPOINT REAL ESTATE ADVISORS, L.P.**, a Delaware limited partnership ("**NexPoint Advisors**"), **NEXPOINT DIVERSIFIED REAL ESTATE TRUST, INC.**, a Maryland corporation, successor-in-interest to Next Point Diversified Real Estate Trust, a Delaware statutory trust following the Conversion (defined below) ("**NXDT Real Estate Trust**"), and **NEXPOINT REAL INVESTMENT ADVISORS X, L.P.**, a Delaware limited partnership ("**Nexpoint Advisors X**," and together with NexPoint Advisors and NXDT Real Estate Trust, collectively, the "**Guarantor**," and together with Borrower, the "**Obligors**"), (iv) **DELPHI CRE FUNDING LLC**, a Delaware limited liability company (together with the other lenders from time to time party to the Loan Agreement, collectively, "**Lender**"), and (v) **ACORE CAPITAL MORTGAGE, LP**, a Delaware limited partnership, as administrative agent for and on behalf of Lender (in such capacity, together with its successors and assigns, the "**Administrative Agent**"). All capitalized terms that are used without being defined herein shall have the meanings given to such terms in the Loan Agreement (as defined herein).

BACKGROUND

A. Borrower, **HCRE ADDISON, LLC**, a Delaware limited liability company, and **HCRE ADDISON TRS, LLC**, a Delaware limited liability company ("**Addison Borrowers**"), and **HCRE LAS COLINAS, LLC**, **HCRE LAS COLINAS TRS, LLC** **HCRE PLANO, LLC** and **HCRE PLANO TRS, LLC**, each a Delaware limited liability company (collectively, the "**Plano and Las Colinas Borrowers**"), Administrative Agent, and Lender, entered into that certain Loan Agreement dated as of February 28, 2019 (the "**Original Loan Agreement**"), pursuant to which the Lender made a loan (the "**Loan**") to Borrower in the original principal amount of \$88,000,000.00, which Original Mortgage Loan Agreement was amended pursuant to that certain Limited Consent and Omnibus Agreement dated as of May 13, 2020, executed by and among Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, **NEXPOINT HOSPITALITY TRUST**, a real estate investment trust formed under the laws of the Province of Ontario ("**NexPoint Hospitality Trust**"), NexPoint Advisors, Administrative Agent, and Lender ("**First Amendment**"), which Original Mortgage Loan Agreement was further amended by that certain Second Limited Consent and Omnibus Amendment Agreement dated as of October 6, 2021, but effective as of June 9, 2021, by and among Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, NexPoint Hospitality Trust, NexPoint Advisors, Administrative Agent, and Lender (the "**Second Amendment**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Omnibus Amendment Agreement dated as of March 8, 2022, by and among Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, NexPoint Hospitality Trust, NexPoint Advisors, NXDT Real Estate Trust, Administrative Agent, and Lender (the "**Omnibus Amendment**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Conversion of Loan to Term

SOFR letter dated June 1, 2023, by and among Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, and Administrative Agent (the "**SOFR Letter**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Third Omnibus Amendment Agreement dated as of April 8, 2024, by and between Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, NexPoint Hospitality Trust, NexPoint Advisors, NXDT Real Estate Trust, Administrative Agent, and Lender (the "**Third Amendment**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Letter Agreement dated as of March 8, 2025, by and among Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, Guarantor, Lender and Administrative Agent (the "**Extension Letter Agreement**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Fourth Amendment to Loan Agreement Letter Agreement dated as of March 8, 2025, by and among Borrower, Addison Borrowers, Guarantor, Lender and Administrative Agent (the "**Fourth Amendment**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Extension Letter Amendment dated as of September 29, 2025, and effective as of September 8, 2025, by and among Borrower, Addison Borrowers, Guarantor, Lender and Administrative Agent (the "**September 2025 Extension Letter Agreement**"), which Original Mortgage Loan Agreement was thereafter further amended by that certain Extension Letter Amendment dated and effective as of October 8, 2025, by and among Borrower, Guarantor, Lender and Administrative Agent (the "**October 2025 Extension Letter Agreement**," and together with the Original Mortgage Loan Agreement, the First Amendment, the Second Amendment, the Omnibus Amendment, the SOFR Letter, the Third Amendment, and the Extension Letter Agreement, the Fourth Amendment, and the September 2025 Extension Letter Agreement, and together with this Agreement, as the same may be further amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the "**Loan Agreement**").

B. In connection with the Loan, (i) NexPoint Advisors and **NHT HOLDCO LLC**, a Delaware limited liability company ("**Holdco**"), executed and delivered that certain Guaranty of Recourse Obligations dated as of February 28, 2019 (the "**Guaranty of Recourse Obligations**"), (ii) Holdco executed and delivered that certain Completion Guaranty dated February 28, 2019 (the "**Completion Guaranty**", and together with the Guaranty of Recourse Obligations, collectively, the "**Guaranty**"), and (iii) Borrower, Addison Borrowers, Plano and Las Colinas Borrowers, Holdco, and NexPoint Advisors executed and delivered that certain Environmental Indemnity Agreement dated as of February 28, 2019 (the "**Environmental Indemnity**"), in each case in favor of Administrative Agent.

C. Pursuant to that certain Joinder Agreement of New Indemnitor and Release of Prior Indemnitor dated as of May 1, 2019, by and among Holdco, NexPoint Advisors and NexPoint Hospitality Trust in favor of Administrative Agent and the Lenders, Holdco was released from its obligations under the Guaranty and Environmental Indemnity and NexPoint Hospitality Trust assumed the obligations as a Guarantor under the Guaranty and the Environmental Indemnity.

D. Pursuant to that certain Joinder Agreement of New Indemnitor dated as of March 8, 2022, by and among NexPoint Hospitality Trust, NexPoint Advisors, and NXDT Real Estate

Trust, NXDT Real Estate Trust assumed the obligations as a Guarantor under the Guaranty and the Environmental Indemnity.

E. Pursuant to that certain Agreement and Plan of Merger dated as of November 22, 2024, Nexpoint Hospitality Trust was subsequently to have completed a reorganization transaction pursuant to which Nexpoint Hospitality Trust was merged into NXDT.

F. Borrower, Addison Borrowers, the Plano and Las Colinas Borrowers, Guarantor and Administrative Agent have executed a Reservation of Rights and Pre-Negotiation Letter, dated as of March 21, 2025 (the "**PNL**"), in connection with the Loan.

G. Borrower has requested Administrative Agent's consent to NXDT Real Estate Trust converting from a Delaware statutory trust into a Maryland corporation (the "**Conversion**") and Administrative Agent has agreed to such Conversion, which upon consummation of the Conversion shall be effective for all purposes under the Loan Documents including on the organizational chart attached as Schedule II to the Loan Agreement.

H. Prior to the execution of the Fourth Amendment, Plano and Las Colinas Borrowers (and the respective Property owned by Plano and Las Colinas Borrowers) were released from the lien of the Loan and the Loan Documents.

I. Subsequent to the execution of the Fourth Amendment, Addison Borrowers (and the respective Property owned by Addison Borrowers) were released from the lien of the Loan and the Loan Documents.

J. Pursuant to that certain Joinder Agreement of New Indemnitor dated as of April 15, 2025, by and among NexPoint Hospitality Trust, NexPoint Advisors, NXDT Real Estate Trust, and NexPoint Advisors X in favor of Administrative Agent and the Lenders, NexPoint Advisors X assumed obligations as a Guarantor under the Guaranty and the Environmental Indemnity.

K. Borrower has additionally requested, and Administrative Agent is willing to agree to extend the Loan from the Effective Date through the Payment Date in February, 2026, notwithstanding that Borrower has no further extensions of the Maturity Date of the Loan under the Loan Documents.

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained and incorporating the above Background by reference herein, Obligors, Administrative Agent, and Lender, intending to be legally bound hereby, agree as follows:

ARTICLE I AMENDMENTS TO LOAN AGREEMENT

1.1 Intentionally Omitted.

1.2 Definitions.

(a) Obligors acknowledge and agree that the following definitions in Section 1.1 of the Loan Agreement are hereby amended and restated in its entirety as follows:

"Clearing Account Agreement" means, until the execution and delivery of the DACA described in this definition, that certain Blocked Account Control Agreement dated as of February 28, 2019, by and among Clearing Bank, Borrower and Administrative Agent, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time; provided that, from and after Borrower's delivery of a deposit account control agreement to be executed by and among Clearing Bank, Borrower and Administrative Agent, as required by Administrative Agent, in form and content acceptable to Administrative Agent (the "DACA"), "Clearing Account Agreement" for all purposes in this Agreement shall mean the DACA.

"Clearing Bank" means Wells Fargo Bank, N.A., or such other bank or banks selected by Administrative Agent, or any successor or permitted assigns thereof permitted hereunder.

"Guarantor" means, collectively, NexPoint Advisors, NXDT Real Estate Trust, and NexPoint Advisors X.

"Maturity Date" means (a) the Payment Date in February, 2026, or (b) the date on which the Debt has been accelerated as herein provided.

"NXDT Real Estate Trust" means, until its conversion from a Delaware statutory trust to a Maryland corporation under and in accordance with applicable Legal Requirements (the "NXDT Conversion"), Nexpoint Diversified Real Estate Trust, a Delaware statutory trust; provided that, from and after the NXDT Conversion, "NXDT Real Estate Trust" for all purposes in this Agreement and the Loan Documents shall mean, Nexpoint Diversified Real Estate Trust, Inc., a Maryland corporation, successor- in-interest to Nexpoint Diversified Real Estate Trust, a Delaware statutory trust.

1.3 **Project Expenditure Reserve Account.** The following is hereby added following the last sentence of Section 3.2(c) of the Loan Agreement:

In the event that Administrative Agent reasonably determines that the funds in the Project Expenditure Reserve Account are insufficient, as of the date by which the work is required to be completed under the relevant Franchise Agreement, to cover the cost of the remaining work comprising the St. Petersburg Capital Plan and HGI Dallas Capital Plan (including hard and soft costs related thereto), then within five (5) Business Days of the Administrative Agent's written demand therefor, Borrower will deposit into the Project Expenditure Reserve the amount necessary to cover the insufficiency.

ARTICLE II - CONDITIONS PRECEDENT

The effectiveness of this Agreement and Administrative Agent's obligations hereunder are conditioned upon the fulfillment by Obligors of all of the following conditions precedent on or before the Execution Date, in addition to Obligors' compliance with all other obligations set forth in this Agreement:

1.1 **Documents to be Delivered to Administrative Agent.** Obligors shall deliver, or cause to be delivered to Administrative Agent, all of the following:

(a) this Agreement in form and substance satisfactory to Administrative Agent, duly executed by all of Obligors; and

(b) such other Obligor-related or Property-related information and/or documentation as may be required by Administrative Agent in its sole discretion.

1.2 Liability for Payment of Fees and Expenses; Indemnification for Losses. Borrower must pay Administrative Agent on the Execution Date all out-of-pocket costs and expenses, including, without limitation, all costs and expenses of outside legal counsel, incurred by Administrative Agent in conjunction with the preparation, negotiation, and closing of this Agreement. Additionally, Borrower shall pay all fees, costs, expenses and penalties, if any, to the extent charged by and third parties.

1.3 Administrative Agent Processing Fee. Obligors shall pay to Administrative Agent by the Execution Date a processing fee in the amount of \$2,500.00 in connection with the negotiation and execution of this Agreement.

1.4 Extension Fee. Obligors shall pay to Administrative Agent by the Execution Date an extension fee in connection with the extension of the Maturity Date in accordance with this Agreement in the amount of \$103,957.93.

1.5 Loan Paydown. Notwithstanding anything to the contrary in the Loan Agreement prohibiting the partial prepayment of the Debt, (i) on or prior to the Execution Date, Borrower shall pay to Agent the sum of \$2,500,000, which prepayment shall be applied by Administrative Agent to the reduction of the Debt in accordance with the terms and conditions of the Loan Agreement.

1.6 Post-Closing Matters.

(a) Deposit Account Control Agreement. No later than December 5, 2025, Borrower shall have executed and delivered to Administrative Agent a deposit account control agreement in form and content reasonably acceptable to Administrative Agent, to be executed by and among Clearing Bank, Administrative Agent and Borrower, in connection with the Clearing Account.

(b) Modification Endorsement; Title Insurance Policy. No later than November 21, 2025, Borrower, at no cost to Administrative Agent or Lender, shall deliver to Administrative Agent a modification endorsement in form and content acceptable to Administrative Agent with respect to Policy Number 132550-1- NEX190001-20 (File No. 10012-410638-RTT) issued to Administrative Agent by Fidelity National Title Insurance and cause the recordation of that certain Second Modification Agreement dated as of the Effective Date by and between Dallas Borrower and Administrative Agent in the Official Public Records of Dallas County, Texas and Collin County, Texas.

ARTICLE III - REPRESENTATIONS AND WARRANTIES

To induce Administrative Agent, for and on behalf of Lender, to enter into this Agreement and as consideration for the terms and conditions contained herein, Obligors make the following representations and warranties, each and all of which shall survive the execution and delivery of this Agreement and all of the other documents executed in connection herewith:

1.1 **Approvals and Authority from Third Parties.** Obligors have obtained the necessary approvals and authorizations from all applicable third-parties to execute this Agreement, including, without limitation, any and all franchisors, management companies, governmental authorities, ground lessors, and labor unions, as and to the extent applicable to Obligors and the Property.

1.2 **Exclusive and First Priority Perfected Lien.** Administrative Agent has, as of the Effective Date, and shall continue to have, until all of the Obligations are paid and satisfied in full, first priority, valid perfected liens upon and security interests in all of the collateral under the Loan Documents to secure the payment and performance of all of the Obligations.

1.3 **No Untrue or Misleading Statements.** Neither this Agreement nor any other document executed in connection herewith contains any untrue statement of a material fact or omits any material fact necessary in order to make the statement made, in light of the circumstances under which it was made, accurate in all material respects.

1.4 **Guarantor Reaffirmation; No Release.** Guarantor (i) has reviewed, and consents to, the terms of this Agreement, (ii) unconditionally ratifies and confirms, renews and reaffirms all of its respective obligations under the Guaranty and the Environmental Indemnity, and (iii) acknowledges and agrees that such obligations remain in full force and effect, binding on and enforceable against Guarantor in accordance with their respective terms, covenants and conditions without impairment. For the avoidance of doubt, notwithstanding the completion of the Conversion, Guarantor acknowledges and agrees that (i) NXDT Real Estate Trust has not been and is not being released at any time from any obligations under the Guaranty and the Environmental Indemnity whatsoever in connection with or as a result of the Conversion, and (ii) the obligations NXDT Real Estate Trust under the Guaranty and the Environmental Indemnity remain continuing obligations under and in accordance with the terms thereof.

ARTICLE IV - RELEASE BY OBLIGORS

EACH OBLIGOR, FOR AND ON BEHALF OF SUCH OBLIGOR AND ALL PERSONS AND/OR ENTITIES CLAIMING BY, THROUGH AND/OR UNDER SUCH OBLIGOR INCLUDING, BUT NOT LIMITED TO, ALL OF SUCH OBLIGOR'S PAST AND PRESENT PARTNERS, DIRECTORS, SHAREHOLDERS, OFFICERS, EMPLOYEES, ATTORNEYS, ACCOUNTANTS, ADMINISTRATORS, AGENTS, SUBSIDIARIES, AFFILIATES, REPRESENTATIVES, PREDECESSORS, SUCCESSORS AND ASSIGNS (COLLECTIVELY REFERRED TO HEREIN, JOINTLY AND SEVERALLY, AS THE "OBLIGOR GROUP RELEASORS") HEREBY

**UNCONDITIONALLY REMISES, RELEASES, ACQUITS AND FOREVER DISCHARGES THE ADMINISTRATIVE
AGENT AND LENDER AND ALL OF THEIR**

RESPECTIVE PAST AND PRESENT PARTNERS, DIRECTORS, SHAREHOLDERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, ATTORNEYS, ACCOUNTANTS, ADMINISTRATORS, AGENTS, PARENT CORPORATIONS, SUBSIDIARIES, AFFILIATES, REPRESENTATIVES, PREDECESSORS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY REFERRED TO HEREIN AS THE "LENDER GROUP RELEASEES") OF, FROM AND WITH RESPECT TO ANY AND ALL GRIEVANCES, DISPUTES, MANNER OF ACTIONS, CAUSES OF ACTION, SUITS, OBLIGATIONS, LIABILITIES, LOSSES, DEBTS, DAMAGES, DUES, SUMS OF MONEY, ACCOUNTS, RECKONINGS, CONTROVERSIES, AGREEMENTS, CLAIMS, DEMANDS, COUNTERCLAIMS AND CROSSCLAIMS, INCLUDING, BUT NOT LIMITED TO ALL CLAIMS AND CAUSES OF ACTION ARISING OUT OF OR RELATED TO THIS AGREEMENT AND THE LOAN DOCUMENTS AND/OR ALL TRANSACTIONS RELATED THERETO, WHETHER KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, DIRECT, INDIRECT OR CONTINGENT, ARISING IN LAW OR EQUITY, WHICH OBLIGOR GROUP RELEASORS (OR ANY OF THEM) EVER HAD, NOW HAVE, OR MAY EVER HAVE AGAINST ANY ONE OR MORE OF LENDER GROUP RELEASEES, FROM THE BEGINNING OF TIME THROUGH THE EFFECTIVE DATE.

ARTICLE V - MISCELLANEOUS

1.1 **Integration.** This Agreement supersedes all oral negotiations and prior and other writings with respect to the subject matter hereof, and is intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Agreement, except that the Loan Agreement and the other Loan Documents remain valid and enforceable. Except as expressly modified pursuant hereto, no other changes or modifications to the Loan Agreement or any other Loan Document are intended or implied by this Agreement, and in all other respects the Loan Agreement and the other Loan Documents hereby are ratified, reaffirmed and confirmed by all parties hereto as of the Effective Date. To the extent of any conflict between the terms of this Agreement, the Loan Agreement, and other Loan Documents, the terms of this Agreement shall govern and control. This Agreement shall constitute a Loan Document for purposes of the Loan Agreement. NOTWITHSTANDING ADMINISTRATIVE AGENT AND LENDER CONSENTING TO ANY PRIOR AMENDMENT TO THE LOAN AGREEMENT, NEITHER ADMINISTRATIVE AGENT NOR ANY LENDER IS MAKING ANY COMMITMENT, EXPRESS OR IMPLIED, AND HAS NO OBLIGATION TO ENTER INTO ANY FURTHER AGREEMENT, PROVIDE ANY OTHER CONSENT, WAIVER OR ACCOMMODATION IN FAVOR OF OBLIGORS.

1.2 **Cooperation; Other Documents.** At all times following the execution of this Agreement, Obligors shall execute and deliver to the Administrative Agent, or shall cause to be executed and delivered to Administrative Agent and shall do or cause to be done all such other acts and things as the Administrative Agent deems to be necessary or desirable to assure the Administrative Agent of the benefit of this Agreement and the documents comprising or relating to this Agreement.

1.3 **Written Agreement Contemplated by PNL**. This Agreement is a written agreement as contemplated by the PNL.

1.4 **Amendment and Waiver.** No amendment of this Agreement, and no waiver, discharge or termination of any one or more of the provisions thereof, shall be effective unless set forth in writing and signed by all of the parties hereto. Notwithstanding anything to the contrary in the Loan Documents, Borrower shall not otherwise be required as of the Effective Date to either (i) extend or maintain an Interest Rate Cap Agreement or (ii) achieve a Debt Yield threshold, in each case, as a condition to the modification and extension of the Maturity Date.

1.5 **Intentionally Omitted.**

1.6 **Severability.** If any provision of this Agreement shall be held invalid under any applicable law, such invalidity shall not affect any other provision of this Agreement that can be given effect without such invalid provision.

1.7 **Successors and Assigns.** This Agreement (a) shall be binding upon the parties hereto, thereto and upon their respective successors or assigns, and (b) shall inure to the benefit of the parties hereto, thereto and their respective successors or assigns; provided, however, that Obligors may not assign or delegate any rights hereunder or thereunder or any interest herein or therein without obtaining the prior written consent of the Administrative Agent, as applicable, and any such assignment or attempted assignment shall be void and of no effect.

1.8 **Counterparts; Effectiveness.** This Agreement may be executed by electronic signatures and in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. This Agreement shall be deemed to have been executed and delivered when the Administrative Agent has received electronic counterparts hereof executed by all parties listed on the signature pages hereto.

1.9 **Notices.** Any notices or other communications sent or transmitted pursuant to this Agreement by any of Obligors to Administrative Agent shall be by electronic email sent to notices@acorecapital.com and to Kimberly May at kmay@acorecapital.com.

5.9 **Singular/Plural.** Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN **WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the Execution Date, to be effective as of the Effective Date.

BORROWER:

2325 STEMMONS TRS, INC.,
a Delaware corporation

By: /s/Matt McGraner

Name: Matt McGraner

Title: Authorized Signatory

2325 STEMMONS HOTEL PARTNERS, LLC, NHT SP, LLC,
NHT SP TRS, LLC,
each a Delaware limited liability company

By: /s/Matt McGraner

Name: Matt McGraner

Title: Authorized Signatory

[Signatures Continued on Next Page]

GUARANTOR:

NEXPOINT DIVERSIFIED REAL ESTATE TRUST, INC.,

a Maryland corporation, as successor-in-interest to Nexpoint Diversified Real Estate Trust, a Delaware statutory trust

By: /s/Matt McGraner

Name: Matt McGraner

Title: Executive Vice President and Chief Investment Officer

[Signatures Continued on Next Page]

FIFTH AMENDMENT TO LOAN AGREEMENT - Signature Page

59940-244/NexPoint Loan Modification (NHT 5-Pack)

NEXPOINT REAL ESTATE ADVISORS, L.P.,
a Delaware limited partnership

By: /s/Matt McGraner

Name: Matt McGraner

Title: Executive Vice President

[Signatures Continued on Next Page]

FIFTH AMENDMENT TO LOAN AGREEMENT - Signature Page

59940-244/NexPoint Loan Modification (NHT 5-Pack)

NEXPOINT REAL ESTATE ADVISORS X, L.P.,
a Delaware limited partnership

By: /s/Matt McGraner_____

Name: Matt McGraner

Title: Executive Vice President

[Signatures Continued on Next Page]

FIFTH AMENDMENT TO LOAN AGREEMENT - Signature Page

59940-244/NexPoint Loan Modification (NHT 5-Pack)

ADMINISTRATIVE AGENT:

ACORE CAPITAL MORTGAGE, LP,

a Delaware limited partnership, in its capacity as administrative agent for and on behalf of the Lenders

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company, its general partner

By: /s/ David Dancer

Name: David Dancer

Title: Authorized Signatory [Signatures Continued on Next Page]

—————**LENDER:**

DELPHI CRE FUNDING LLC,
a Delaware limited liability company

By ACORE Capital Mortgage, LP, a Delaware limited partnership, its
authorized agent

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company,
its general partner

By: /s/ David Dancer

Name: David Dancer
Title: Authorized Signatory

[End of Signatures]

LETTER AGREEMENT

Dated and effective October 8, 2025

300 Crescent Court, Suite 700
Dallas, Texas 75201 Attention: Matt McGraner
Email: mmcgraner@highlandcapital.com

c/o Highland Capital Management, L.P. 300 Crescent Court, Suite 700
Dallas, Texas 75201 Attention: General Counsel

Wick Phillips Gould & Martin, LLP 3131 McKinney Avenue
Suite 100
Dallas, Texas 75204 Attention: Rachel Sam, Esq.
Email: rachel.sam@wickphillips.com

Re: Highland 5 Pack Portfolio – Extension Letter Agreement Ladies and Gentlemen:

Reference is made to: (i) that certain mortgage loan (the “**Loan**”) in the original principal amount of up to \$88,000,000.00 made by **DELPHI CRE FUNDING LLC**, a Delaware limited liability company (together with the other Lenders from time to time party to the Loan Agreement (as defined below), collectively, the “**Lender**”), to (i) **2325 STEMMONS TRS, INC.**, a Delaware corporation, **2325 STEMMONS HOTEL PARTNERS, LLC**, a Delaware limited liability company, **NHT SP, LLC**, a Delaware limited liability company, and **NHT SP TRS, LLC**, a Delaware limited liability company (individually and/or collectively as the context requires, jointly and severally, together with their respective permitted successors and assigns, “**Borrower**” or “**You**”), (ii) **HCRE PLANO, LLC**, a Delaware limited liability company, **HCRE PLANO TRS, LLC**, a Delaware limited liability company, **HCRE LAS COLINAS, LLC**, a Delaware limited liability company, **HCRE LAS COLINAS TRS, LLC**, a Delaware limited liability company (collectively, “**Plano and Las Colinas Borrowers**”), and (iii) **HCRE ADDISON, LLC**, a Delaware limited liability company, and **HCRE ADDISON TRS, LLC**, a Delaware limited liability company (collectively, “**Addison Borrowers**”), with **ACORE CAPITAL MORTGAGE, LP**, a Delaware limited partnership, as Administrative Agent for the Lender (the “**Administrative Agent**”), pursuant to that certain Loan Agreement dated as of February 28, 2019 (the “**Original Loan Agreement**”), as further modified by that certain Joinder Agreement of New Indemnitor and Release of Prior Indemnitor dated May 1, 2019 (the “**Joinder and Release**”) by Prior Indemnitor (as defined therein), **NEXPOINT REAL ESTATE ADVISORS, L.P.**, a Delaware limited partnership (“**NexPoint Real Estate Advisors**”), and **NEXPOINT HOSPITALITY TRUST**, a real estate investment trust formed under the laws of the Province of Ontario (“**Nexpoint Hospitality Trust**”), as further amended by that certain

Consent and Omnibus Amendment Agreement dated May 13, 2020 by and among the same parties (the "**Limited**

Consent and Omnibus Amendment"), as further amended by that certain Second Limited Consent and Omnibus Amendment Agreement October 6, 2021 by and among the same parties (the "**Second Limited Consent and Omnibus Amendment**"), as further amended by that certain Omnibus Amendment Agreement dated March 8, 2022 by and among the same parties (the "**Omnibus Amendment**"), as further modified by that certain Joinder Agreement of New Indemnitor dated March 8, 2022 (the "**Joinder**") by NexPoint Hospitality Trust, NextPoint Real Estate Advisors, and **NEXPOINT DIVERSIFIED REAL ESTATE TRUST**, a Delaware statutory trust ("**NXDT**", and collectively with NexPoint Hospitality Trust and NextPoint Real Estate Advisors, the "**Original Guarantor**"), as further amended by that certain Conversion of Loan to Term SOFR Letter dated June 1, 2023 (the "**SOFR Letter**"), as further amended by that certain Third Omnibus Amendment Agreement dated April 8, 2024 (the "**Third Omnibus Amendment**"), as further amended by that certain Fourth Amendment to Loan Agreement dated April 15, 2025, by and among Borrower, Administrative Agent and Lender, and acknowledged and agreed to by Original Guarantor and by **NEXPOINT REAL INVESTMENT ADVISORS X, L.P.**, a Delaware limited partnership ("**Nexpoint Advisors X**," as guarantor, and together with Original Guarantor, collectively, "**Prior Guarantor**") (prior to which, Plano and Las Colinas Borrowers were released from the lien of the Loan and after which, Addison Borrowers were released from the lien of the Loan) (the "**Fourth Amendment**," and together with the Joinder and Release, the Limited Consent and Omnibus Amendment, the Second Limited Consent and Omnibus Amendment, the Omnibus Amendment, the Joinder, the SOFR Letter, the Third Amendment, and the Original Loan Agreement, and this Extension Letter Agreement (this "**Letter**"), as the same has been and may be further amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the "**Loan Agreement**") and (ii) the other documents executed and/or delivered by Borrower and/or Guarantor evidencing and/or securing the Loan (collectively, the "**Loan Documents**"). Capitalized terms used and not defined in this Letter shall have the meanings ascribed to such terms in the Loan Agreement.

Pursuant to that certain Agreement and Plan of Merger dated as of November 22, 2024, Nexpoint Hospitality Trust was subsequently to have completed a reorganization transaction pursuant to which Nexpoint Hospitality Trust was merged into NXDT, after which NXDT, together with Nexpoint Advisors X and Nexpoint Advisors, for all purposes under the Loan Document and with respect to the Loan, shall mean, collectively, "**Guarantor**".

Borrower has requested a one-time, one (1) month extension of the Maturity Date of the Loan such that the Maturity Date shall be extended from the Payment Date in October, 2025 to the Payment Date in November, 2025 (the "**Maturity Date Extension**"). Notwithstanding the fact that Borrower has no further extensions of the Maturity Date of the Loan under the Loan Documents, Lender and Administrative Agent are willing to grant the one-time Maturity Date Extension on the terms and conditions set forth herein. Guarantor is copied on this Letter and by its respective execution hereof agrees to the foregoing.

1. Grant of Extension; No Offset; and Release of Claims.

a. You, as Borrower, have requested that Lender and Administrative Agent grant the Maturity Date Extension. Pursuant to your request, Lender and Administrative Agent hereby grant the Maturity Date Extension and extend the Maturity Date of the Loan to the Payment Date

in November, 2025, such that the definition of "Maturity Date" in the Loan Agreement (as amended hereby) shall be amended and restated as follows:

"Maturity Date" means (a) the Payment Date in November, 2025, or (b) the date on which the Debt has been accelerated as herein provided.

b. This Letter shall be an amendment to, and shall become part of, the Loan Agreement for all purposes. Nothing herein contained shall impair the security now held for the Obligations, nor waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Loan Agreement except as herein amended, nor affect or impair any rights, powers or remedies under the Loan Agreement as hereby amended.

c. You, as Borrower, and Guarantor, hereby reaffirm all of your obligations under your respective Loan Documents. Borrower represents that as of the date of this Letter, no Event of Default has occurred and is continuing under the Loan Agreement.

d. You also acknowledge and recognize that, as of the date hereof, the Loan Documents to which Borrower and/or Guarantor are party, are in full force and effect and constitute the legal, valid, binding and enforceable obligations of such party except as may be limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditor's rights and that Borrower and Guarantor have no defense, offset or counterclaims with respect to the Loan Documents or the enforcement thereof. Without limiting the generality of the foregoing, you acknowledge and agree that, as of the date hereof, Borrower and Guarantor have no claims, defenses, set-offs, rights of recoupment, counterclaims, demands, causes of action or rights of any kind or nature (including, without limitation, "lender liability" claims) against Lender or Administrative Agent (unless neither Borrower nor Guarantor could have known about any such claim following proper due diligence and inquiry by Borrower and Guarantor), whether at law, in equity or otherwise and whether direct or indirect, matured or unmatured, accrued or contingent or non-contingent, arising out of, in connection with or on account of (i) any or all of the Loan Documents, (ii) the administration by the Lender or Administrative Agent of the Security Instrument and other Loan Documents, (iii) the enforcement or any other action of Lender or Administrative Agent taken in connection therewith or pursuant to the Loan Documents (including, without limitation, any action, proceeding or lawsuit which may be brought by Lender or Administrative Agent with respect to the Note or foreclosure of the Security Instrument, appointment of a receiver or otherwise) or (iv) any discussions or other communications between Lender or Administrative Agent and Borrower which may have occurred at any time prior to March 21, 2025. Further, you hereby expressly agree that you shall not assert any such claim or right based on any of the foregoing matters.

2. No Commitment or Waiver. This Letter does not represent (a) a commitment by Lender or Administrative Agent to make any new loans or grant or extend any financial accommodations to Borrower (except as specifically set forth herein), (b) a commitment by Lender or Administrative Agent to restructure the Loan, (c) an expression of any intention (or an intention) by Lender or Administrative Agent to waive, modify or forbear from exercising any rights or remedies under the Loan Documents with respect to any Event of Default which may occur under the Loan Documents, or (d) a modification, amendment or restatement of any of the terms and conditions of any of the Loan Documents, except as expressly set forth herein. Borrower, Lender and Administrative Agent acknowledge and confirm that no such

commitment, waiver or modification has been offered, granted, extended or agreed to by either party (except as specifically set forth herein).

3. Intentionally Omitted.

4. Authorization. Each of Borrower, the Guarantor, Administrative Agent and Lender are qualified and authorized to execute this Letter.

5. Counterparts/Electronic Signatures. This Letter may be executed by electronic signatures and in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Letter. This Letter shall be deemed to have been executed and delivered when the Administrative Agent has received electronic counterparts hereof executed by all parties listed on the signature pages hereto.

If the foregoing is satisfactory, please sign and date this Letter in the space provided below and return one copy to Administrative Agent at your earliest convenience.

Very truly yours,

LENDER:

DELPHI CRE FUNDING LLC,
a Delaware limited liability company

By: ACORE Capital Mortgage, LP, a Delaware limited partnership, its authorized agent

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ David Dancer
Name: David Dancer
Title: Authorized Signatory

ADMINISTRATIVE AGENT:

ACORE CAPITAL MORTGAGE, LP,
a Delaware limited partnership, in its capacity as administrative agent for and on behalf of
the Lenders

By: ACORE Capital Mortgage GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ David Dancer
Name: David Dancer
Title: Authorized Signatory

cc: Winstead PC
500 Winstead Building 2728 N. Harwood Street Dallas, Texas
75201
Attention: John S. Bruzina, Esq. [Email: jbruzina@winstead.com](mailto:jbruzina@winstead.com)

ACCEPTED AND AGREED: BORROWER:

2325 STEMMONS TRS, INC.,
a Delaware corporation

By: /s/ Matt McGraner
Name: Matt McGraner
Title: Authorized Signatory

**2325 STEMMONS HOTEL PARTNERS, LLC, NHT SP, LLC,
NHT SP TRS, LLC,**
each a Delaware limited liability company

By: ___/s/ Matt McGraner
Name: Matt McGraner
Title: Authorized Signatory

LETTER AGREEMENT – Signature Page

59940-244/Nexpoint Loan Modification (NHT 5-Pack)

The undersigned Guarantor hereby (a) consents to and acknowledges the terms of the foregoing Letter Agreement and the transactions contemplated hereby, (b) agrees that the liability of the undersigned under the Guaranty and the Environmental Indemnity shall not be affected as a result of the Letter Agreement or any of the transactions contemplated hereby, (c) confirms that the Guarantor is in good standing under the laws of the state of its formation, and (d) ratifies the Guaranty and the Environmental Indemnity and confirms that each such document is and shall continue to be in full force and effect in accordance with their respective terms.

ACCEPTED AND AGREED:

GUARANTOR:

**NEXPOINT DIVERSIFIED REAL ESTATE
TRUST**, a Delaware statutory trust

By: /s/ Matt McGraner
Name: Matt McGraner

Title: Chief Investment Officer [GUARANTOR SIGNATURE PAGES]

CONTINUE ON THE FOLLOWING PAGE]

NEXPOINT REAL ESTATE ADVISORS, L.P.,
a Delaware limited partnership

By: /s/ Matt McGraner
Name: Matt McGraner

Title: Executive Vice President [GUARANTOR SIGNATURE PAGES]

CONTINUE ON THE FOLLOWING PAGE]

**NEXPOINT REAL ESTATE ADVISORS X,
L.P.**, a Delaware limited partnership

By: /s/ Matt McGraner
Name: Matt McGraner

Title: Executive Vice President [END OF GUARANTOR SIGNATURE

PAGES]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jim Dondero, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NexPoint Diversified Real Estate Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

/s/ Jim Dondero

Jim Dondero

President

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul Richards, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NexPoint Diversified Real Estate Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

/s/ Paul Richards

Paul Richards

Chief Financial Officer, Executive VP-
Finance, Treasurer and Assistant Secretary
(Principal Financial Officer)

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of NexPoint Diversified Real Estate Trust (the “Company”) for the period ending September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Jim Dondero, President of the Company, and Paul Richards, Chief Financial Officer, Executive VP-Finance, Treasurer and Assistant Secretary of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 13, 2025

/s/ Jim Dondero

Jim Dondero
President
(Principal Executive Officer)

Dated: November 13, 2025

/s/ Paul Richards

Paul Richards
Chief Financial Officer, Executive VP-
Finance, Treasurer and Assistant Secretary
(Principal Financial Officer)