



NETSTREIT

First Quarter 2024

Supplemental Financial Information



Table of Contents

03	Corporate Overview
04	Quarterly Highlights
05	Consolidated Statements of Operations
06	Funds from Operations and Adjusted Funds from Operations
07	EBITDAre and Adjusted EBITDAre
08	Net Operating Income
09	Consolidated Balance Sheets
10	Debt, Capitalization and Financial Ratios
12	Investment Activity
13	Portfolio Information
17	Lease Expiration Schedule
18	Non-GAAP Measures and Definitions
22	Forward Looking and Cautionary Statements

Corporate Overview

Corporate Profile

NETSTREIT Corp. (NYSE: NTST) is an internally managed real estate investment trust (REIT) based in Dallas, Texas that specializes in acquiring single-tenant net lease retail properties nationwide. The growing portfolio consists of high-quality properties leased to e-commerce resistant tenants with healthy balance sheets. Led by a management team of seasoned commercial real estate executives, NETSTREIT's strategy is to create the highest quality net lease retail portfolio in the country in order to generate consistent cash flows and dividends for its investors.

Management Team

Mark Manheimer

Chief Executive Officer and President

Daniel Donlan

Chief Financial Officer and Treasurer

Jeff Fuge

Senior Vice President of Acquisitions

Trish McBratney-Gibbs

Senior Vice President, Chief Accounting Officer

Chad Shafer

Senior Vice President of Real Estate and Underwriting

Board of Directors

Todd Minnis - Chair

Michael Christodolou

Heidi Everett

Mark Manheimer

Matthew Troxell

Lori Wittman

Robin Zeigler

Corporate Headquarters

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Quarterly Highlights

(unaudited, dollars in thousands, except per share data)

Three Months Ended

Financial Results	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net income	\$ 1,045	\$ 1,962	\$ 4,239	\$ (792)	\$ 1,481
Net income per common share outstanding - diluted	\$ 0.01	\$ 0.03	\$ 0.06	\$ (0.01)	\$ 0.03
Funds from Operations (FFO)	\$ 21,179	\$ 21,165	\$ 21,130	\$ 17,198	\$ 16,684
FFO per common share outstanding - diluted	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.28	\$ 0.28
Core Funds from Operations (Core FFO)	\$ 22,450	\$ 21,220	\$ 21,191	\$ 17,587	\$ 16,685
Core FFO per common share outstanding - diluted	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.29	\$ 0.28
Adjusted Funds from Operations (AFFO)	\$ 22,863	\$ 21,573	\$ 21,389	\$ 18,747	\$ 17,419
AFFO per common share outstanding - diluted	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.30	\$ 0.30
Dividends per share	\$ 0.205	\$ 0.205	\$ 0.205	\$ 0.200	\$ 0.200
Weighted average common shares outstanding - diluted	74,565,790	69,922,646	68,048,369	61,043,531	58,883,386

Portfolio Metrics⁽¹⁾

Number of leases	628	598	547	525	488
Square feet	11,322,746	10,624,183	9,971,909	9,440,349	8,769,431
Occupancy ⁽²⁾	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Weighted average lease term remaining (years) ⁽³⁾	9.2	9.2	9.3	9.4	9.4
Investment grade (rated) - % of ABR ⁽⁴⁾	71.1 %	70.5 %	68.6 %	67.8 %	67.1 %
Investment grade profile (unrated) - % of ABR ⁽⁵⁾	13.3 %	14.1 %	14.6 %	14.0 %	14.9 %
Combined Investment grade (rated) & Investment grade profile (unrated) - % of ABR	84.4 %	84.6 %	83.3 %	81.8 %	82.0 %

1. Includes acquisitions, mortgage loans receivable, and completed developments.

2. Excludes investment that secure mortgage loans receivable.

3. Weighted by ABR; excludes lease extension options and investments that secure mortgage loans receivable.

4. Investments, or investments that are subsidiaries of a parent entity, with a credit rating of BBB- (S&P/Fitch), Baa3 (Moody's) or NAIC2 (National Association of Insurance Commissioners) or higher.

5. Investments with investment grade credit metrics (more than \$1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Fitch, Moody's, or NAIC.

Consolidated Statements of Operations

(unaudited, dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
REVENUES		
Rental revenue (including reimbursable)	\$ 35,189	\$ 28,474
Interest income on loans receivable	2,484	978
Total revenues	37,673	29,452
OPERATING EXPENSES		
Property	4,102	3,936
General and administrative	5,707	4,909
Depreciation and amortization	17,541	14,949
Provisions for impairment	3,662	—
Transaction costs	129	109
Total operating expenses	31,141	23,903
OTHER INCOME (EXPENSE)		
Interest expense, net	(6,180)	(3,944)
Gain (loss) on sales of real estate, net	997	(319)
Other (expense) income, net ⁽¹⁾	(280)	152
Total other (expense) income, net	(5,463)	(4,111)
Net income before income taxes	1,069	1,438
Income tax (expense) benefit	(17)	43
Net income	1,052	1,481
Net income attributable to noncontrolling interests	7	9
Net income attributable to common stockholders	<u>\$ 1,045</u>	<u>\$ 1,472</u>
Amounts available to common stockholders per common share:		
Basic	\$ 0.01	\$ 0.03
Diluted	\$ 0.01	\$ 0.03
Weighted average common shares:		
Basic	73,248,804	58,155,738
Diluted	74,565,790	58,883,386

1. Includes a non-recurring other loss of \$414,000.

Funds From Operations and Adjusted Funds From Operations

(unaudited, dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
GAAP Reconciliation:		
Net income	\$ 1,052	\$ 1,481
Depreciation and amortization of real estate	17,462	14,884
Provisions for impairment	3,662	—
(Gain) loss on sales of real estate, net	(997)	319
Funds from Operations (FFO)	\$ 21,179	\$ 16,684
Non-recurring executive transition costs, severance and related charges	857	13
Non-recurring other loss (gain), net	414	(12)
Core Funds from Operations (Core FFO)	\$ 22,450	\$ 16,685
Straight-line rent adjustments	(542)	(311)
Amortization of deferred financing costs	558	308
Amortization of above/below-market assumed debt	29	29
Amortization of loan origination costs and discounts	39	28
Amortization of lease-related intangibles	(95)	(213)
Earned development interest	332	—
Capitalized interest expense	(353)	(134)
Non-cash interest expense	(979)	—
Non-cash compensation expense	1,424	1,027
Adjusted Funds from Operations (AFFO)	\$ 22,863	\$ 17,419
FFO per common share, diluted	\$ 0.28	\$ 0.28
Core FFO per common share, diluted	\$ 0.30	\$ 0.28
AFFO per common share, diluted	\$ 0.31	\$ 0.30
Dividends per share	\$ 0.205	\$ 0.200
Dividends per share as a percent of AFFO	66 %	67 %
Weighted average common shares outstanding, basic	73,248,804	58,155,738
Operating partnership units outstanding	478,524	511,402
Unvested restricted stock units	168,556	175,859
Unsettled shares under open forward equity contracts	669,906	40,387
Weighted average common shares outstanding, diluted	74,565,790	58,883,386

EBITDAre and Adjusted EBITDAre

(unaudited, dollars in thousands)

	Three Months Ended March 31,	
	2024	2023
GAAP Reconciliation:		
Net income	\$ 1,052	\$ 1,481
Depreciation and amortization of real estate	17,462	14,884
Amortization of lease-related intangibles	(95)	(213)
Non-real estate depreciation and amortization	79	65
Interest expense, net	6,180	3,944
Income tax expense (benefit)	17	(43)
Amortization of loan origination costs	39	28
EBITDA	24,734	20,146
Adjustments:		
Provisions for impairments	3,662	—
(Gain) loss on sales of real estate, net	(997)	319
EBITDAre	27,399	20,465
Adjustments:		
Straight-line rent adjustments	(542)	(311)
Non-recurring executive transition costs, severance and related charges	857	13
Non-recurring other loss (gain), net	414	(12)
Other non-recurring expenses, net	158	—
Non-cash compensation expense	1,424	1,027
Adjustment for construction in process ⁽¹⁾	497	157
Adjustment for intraquarter investment activities ⁽²⁾	1,469	1,862
Adjusted EBITDAre	\$ 31,676	\$ 23,201
Annualized Adjusted EBITDAre ⁽³⁾	\$ 126,704	

Net Debt	As of March 31, 2024
Principal amount of total debt	\$ 708,322
Less: Cash, cash equivalents and restricted cash	(22,334)
Net debt	\$ 685,988
Less: Net value of unsettled forward equity ⁽⁴⁾	(290,908)
Adjusted net debt	\$ 395,080
Less: Net value of unsettled April 2024 ATM activity ⁽⁵⁾	(28,746)
Proforma adjusted net debt	\$ 366,334

Leverage	
Net debt / Annualized Adjusted EBITDAre	5.4 x
Adjusted Net Debt / Annualized Adjusted EBITDAre	3.1 x
Proforma Adjusted Net Debt / Annualized Adjusted EBITDAre	2.9 x

1. Adjustment reflects the estimated cash yield on developments in process as of March 31, 2024.

2. Adjustment assumes all re-leasing activity, investments in and dispositions of real estate, including developments and interest earning loan activity completed during the three months ended March 31, 2024 and 2023, had occurred on January 1, 2024 and 2023, respectively.

3. We calculate Annualized Adjusted EBITDAre by multiplying Adjusted EBITDAre by four.

4. Reflects 17,131,211 of unsettled forward equity shares at the March 31, 2024 available weighted average net settlement price of \$16.98 per share.

5. Reflects 1,635,600 of unsettled forward equity shares sold from the ATM during April 2024 at a net settlement price of \$17.58 per share.

Net Operating Income

(unaudited, dollars in thousands)

	Three Months Ended March 31,	
	2024	2023
GAAP Reconciliation:		
Net income	\$ 1,052	\$ 1,481
General and administrative	5,707	4,909
Depreciation and amortization	17,541	14,949
Provisions for impairment	3,662	—
Transaction costs	129	109
Interest expense, net	6,180	3,944
(Gain) loss on sales of real estate, net	(997)	319
Income tax expense (benefit)	17	(43)
Interest income on mortgage loans receivable	(2,484)	(978)
Other expense (income), net	280	(152)
Property-Level NOI	31,087	24,538
Straight-line rent adjustments	(542)	(311)
Amortization of lease-related intangibles	(95)	(213)
Property-Level Cash NOI	\$ 30,450	\$ 24,014
Adjustment for intraquarter acquisitions, dispositions and interest earning development ⁽¹⁾	1,358	
Property-Level Cash NOI Estimated Run Rate	\$ 31,808	
Interest income on mortgage loans receivable	2,484	
Adjustments for intraquarter mortgage loan activity ⁽²⁾	111	
Total Cash NOI - Estimated Run Rate	\$ 34,403	
Property Operating Expense Coverage		
Property operating expense reimbursement	\$ 3,649	\$ 3,610
Property operating expenses	(4,102)	(3,936)
Property operating expenses, net	\$ (453)	\$ (326)

1. Adjustment assumes all re-leasing activity, investments in and dispositions of real estate, including developments completed during the three months ended March 31, 2024, had occurred on January 1, 2024.
2. Adjustment assumes all loan activity completed during the three months ended March 31, 2024, had occurred on January 1, 2024.

Consolidated Balance Sheets

(unaudited, dollars in thousands, except per share data)

	March 31, 2024	December 31, 2023
ASSETS		
Real estate, at cost:		
Land	\$ 472,330	\$ 460,896
Buildings and improvements	1,209,333	1,149,809
Total real estate, at cost	1,681,663	1,610,705
Less accumulated depreciation	(110,632)	(101,210)
Property under development	21,800	29,198
Real estate held for investment, net	1,592,831	1,538,693
Assets held for sale	58,856	52,451
Mortgage loans receivable, net	124,617	114,472
Cash, cash equivalents and restricted cash	22,334	29,929
Lease intangible assets, net	165,507	161,354
Other assets, net	61,402	49,337
Total assets	\$ 2,025,547	\$ 1,946,236
LIABILITIES AND EQUITY		
Liabilities:		
Term loans, net	\$ 621,500	\$ 521,912
Revolving credit facility	75,000	80,000
Mortgage note payable, net	7,876	7,883
Lease intangible liabilities, net	24,639	25,353
Liabilities related to assets held for sale	1,110	1,158
Accounts payable, accrued expenses and other liabilities	26,265	36,498
Total liabilities	756,390	672,804
Equity:		
Stockholders' equity		
Common stock, \$0.01 par value, 400,000,000 shares authorized; 73,328,411 and 73,207,080 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	\$ 733	\$ 732
Additional paid-in capital	1,368,312	1,367,505
Distributions in excess of retained earnings	(126,270)	(112,276)
Accumulated other comprehensive income	18,020	8,943
Total stockholders' equity	1,260,795	1,264,904
Noncontrolling interests	8,362	8,528
Total equity	1,269,157	1,273,432
Total liabilities and equity	\$ 2,025,547	\$ 1,946,236

Debt, Capitalization, and Financial Ratios

(unaudited, dollars in thousands)

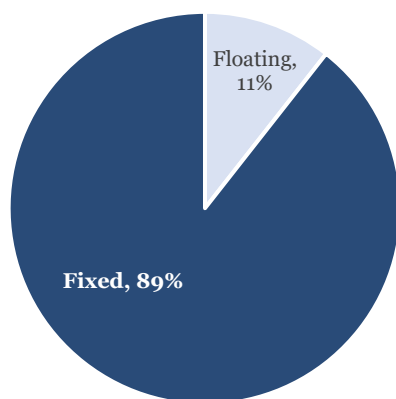
As of March 31, 2024

Debt Summary	Fully Extended Maturity	Principal Balance	Interest Rate ⁽¹⁾	Remaining Capacity	Available Term (years)
Unsecured revolver ⁽²⁾	August 11, 2027	\$ 75,000	6.42%	\$ 324,850	3.4
Unsecured term loan ⁽³⁾	January 15, 2027	175,000	3.12%	—	2.8
Unsecured term loan ⁽⁴⁾	February 11, 2028	200,000	3.88%	—	3.9
Unsecured term loan ⁽⁵⁾	January 3, 2029	250,000	4.99%	—	4.8
Mortgage note ⁽⁶⁾	November 1, 2027	8,322	4.53%	—	3.6
Total / Weighted Average		\$ 708,322	4.36%	\$ 324,850	3.9

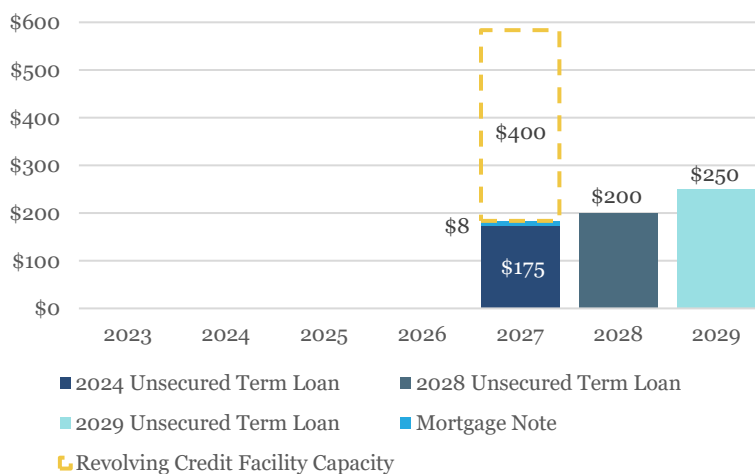
\$175 million Term Loan - Interest Rate Schedule

Start Date	End Date	Applicable Balance	Fixed Rate ⁽¹⁾
November 27, 2023	December 23, 2024	\$ 175,000	3.12 %
December 23, 2024	January 15, 2027	\$ 175,000	3.65 %

Fixed vs. Floating Debt



Debt Maturity Schedule



- Rates presented exclude the impact of capitalized loan fee amortization.
- Interest rate reflects the all-in borrowing rate as of March 31, 2024. Facility fees are charged at an annual rate of 0.15% of the total facility size of \$400 million, and are not included in the interest rate presented. The facility has a one year extension option. Remaining capacity reduced by \$0.15 million for outstanding letters of credit.
- Interest rate consists of the fixed rate SOFR swap of 1.87%, plus a credit spread adjustment of 0.10% and a borrowing spread of 1.15%. See the \$175 million Term Loan - Interest Rate Schedule table for additional detail on the fixed interest rate changes through the fully extended maturity.
- Interest rate consists of the fixed rate SOFR swap of 2.63%, plus a credit spread adjustment of 0.10% and a borrowing spread of 1.15%. The swap terminates on February 11, 2028.
- Interest rate consists of the fixed rate SOFR swap of 3.74%, plus a credit spread adjustment of 0.10% and a borrowing spread of 1.15%. The term loan matures on July 3, 2026 and includes two one-year extension options and one six-month extension option.
- The mortgage note was assumed as part of an asset acquisition during the third quarter of 2022.

Debt, Capitalization, and Financial Ratios

(unaudited, dollars in thousands, except per share data)

Net Debt	March 31, 2024
Principal amount of total debt	\$ 708,322
Less: Cash, cash equivalents and restricted cash	(22,334)
Net debt	\$ 685,988
Less: Net value of unsettled forward equity ⁽¹⁾	(290,908)
Adjusted net debt	\$ 395,080
Less: Net value of unsettled April ATM Activity ⁽²⁾	(28,746)
Proforma adjusted net debt	\$ 366,334
Net debt / Annualized Adjusted EBITDAre	5.4x
Adjusted net debt / Annualized Adjusted EBITDAre	3.1x
Proforma adjusted net debt / Annualized Adjusted EBITDAre	2.9x

Key Debt Covenant Information	Required	Actual
Consolidated total leverage ratio	≤ 60.0%	33.4%
Fixed charge coverage ratio	≥ 1.50x	4.71x
Maximum secured indebtedness	≤ 40.0%	0.4%
Maximum recourse indebtedness	≤ 10.0%	—%
Unencumbered leverage ratio	≤ 60.0%	36.3%
Unencumbered interest coverage ratio	≥ 1.75x	4.71x

Liquidity	As of March 31, 2024
Unused unsecured revolver capacity	\$ 324,850
Cash, cash equivalents and restricted cash	22,334
Net value of unsettled forward equity ⁽¹⁾	290,908
Total Liquidity	\$ 638,092
Net value of unsettled April ATM Activity ⁽²⁾	28,746
Total Proforma Liquidity	\$ 666,838

Equity	Ending Shares/ Units as of March 31, 2024	Equity Market Capitalization	% of Total
Common shares ⁽³⁾	73,328,411	\$ 1,347,043	99.4 %
OP units ⁽³⁾	472,179	8,674	0.6 %
Total	73,800,590	\$ 1,355,717	100.0 %

Enterprise Value	As of March 31, 2024	% of Total
Principal amount of total debt	\$ 708,322	99.8 %
Equity market capitalization ⁽³⁾	1,356	0.2 %
Total enterprise value	\$ 709,678	100.0 %

1. Reflects 17,131,211 of unsettled forward equity shares at the March 31, 2024 weighted average net settlement price of \$16.98 per share.

2. Reflects 1,635,600 of unsettled forward equity shares sold from the ATM during April 2024 at a net settlement price of \$17.58 per share.

3. Value is based on the March 28, 2024 closing share price of \$18.37 per share.

Investment Activity

(unaudited, dollars in thousands)

Three Months Ended

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Investments					
Number of Investments ⁽¹⁾	42	57	29	39	71
Gross Investment	\$ 129,207	\$ 119,128	\$ 117,455	\$ 115,321	\$ 128,615
Cash Yield ⁽²⁾	7.5 %	7.2 %	7.0 %	6.8 %	7.7 %
Weighted Average Lease Term (years) ⁽³⁾	11.5	10.9	10.0	11.5	10.3
Investment Grade and Investment Grade Profile %	84.8 %	98.7 %	97.2 %	80.7 %	94.9 %
Dispositions					
Number of Investments ⁽⁴⁾	12	6	6	2	8
Number of Vacant Properties	—	—	—	—	—
Gross Proceeds ⁽⁵⁾	\$ 21,600	\$ 15,995	\$ 13,543	\$ 4,060	\$ 15,907
Cash Yield ⁽⁶⁾	6.8 %	7.2 %	6.9 %	6.7 %	6.8 %
Weighted Average Lease Term (years) ⁽³⁾	10.3	11.2	7.1	4.2	5.6

Developments

Industry	Location	Lease Term (years)	Amount Funded to Date	Actual/ Anticipated Rent Commencement
Dollar Stores (multiple programs)	Various (9 completed)	10 to 15	\$ 17,929	Commenced 1Q'24
Farm Supplies	Malakoff, TX	20	\$ 6,345	Commenced 1Q'24
Dollar Stores (multiple programs)	Various (8 in progress)	10 to 15	\$ 10,648	2Q'24 to 3Q'24
Automotive Service (multiple locations)	Various (6 in progress)	15	\$ 11,545	2Q'24 to 4Q'24
Home Improvement	Butte, MT	15	\$ 4,301	3Q'24
Pet Supplies	Sumter, SC	10	\$ 1,286	4Q'24

1. Includes acquisitions, mortgage loans receivable, and completed developments.

2. ABR divided by the Gross Investment.

3. Weighted by ABR; excludes lease extension options and investments that secure mortgage loans receivable.

4. Includes investments associated with mortgage loans receivable.

5. Excludes transaction costs.

6. ABR divided by Gross Proceeds; excludes vacant properties.

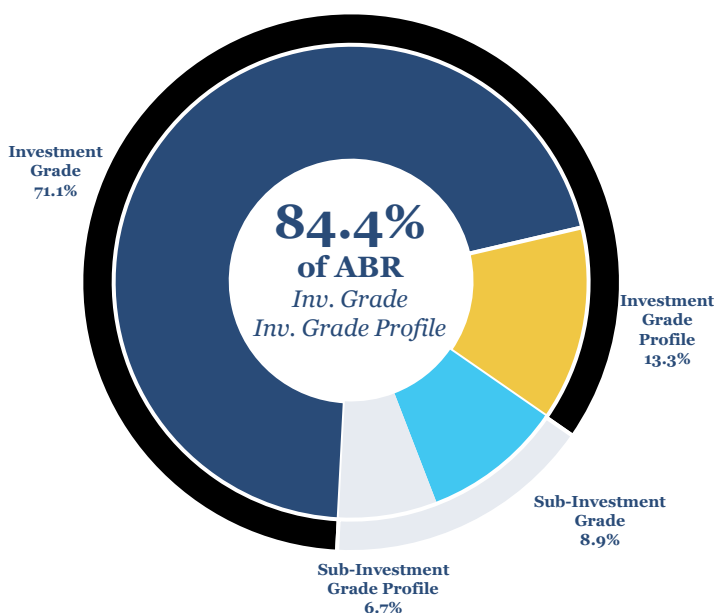
Portfolio Information

(unaudited, dollars in thousands)

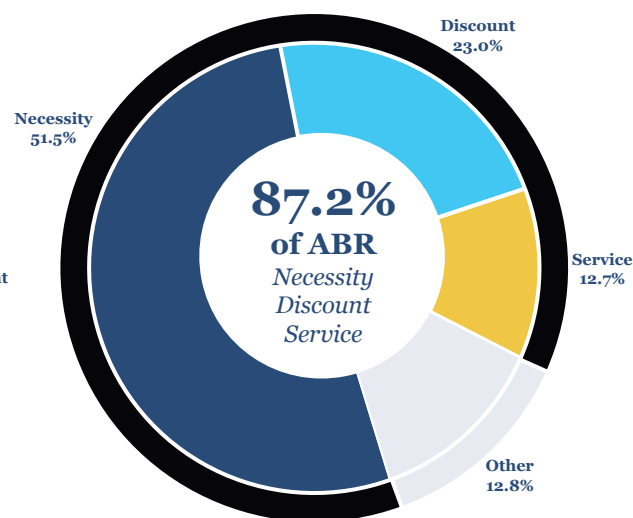
Portfolio Metrics	March 31, 2024
Number of Investments ⁽¹⁾	628
Number of states	45
Square feet	11,322,746
Tenants	88
Industries	26
Occupancy ⁽²⁾	100.0 %
Weighted average lease term remaining (years) ⁽³⁾	9.2

Tenant Quality	Number of Investments	ABR	% of ABR
Investment grade (rated) ⁽⁴⁾	499	\$ 99,783	71.1%
Investment grade profile (unrated) ⁽⁵⁾	49	18,641	13.3%
Sub-investment grade (rated) ⁽⁶⁾	30	12,466	8.9%
Sub-investment grade profile (unrated)	50	9,425	6.7%
Total	628	\$ 140,314	100.0%

Tenant Quality



Defensive Category



1. Includes acquisitions, mortgage loans receivable, and completed developments.
2. Excludes 74 investments that secure mortgage loans receivable.
3. Weighted by ABR; excludes lease extension options and 74 investments that secure mortgage loans receivable.
4. Investments, or investments that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BBB- (S&P), Baa3 (Moody's) or NAIC2 (National Association of Insurance Commissioners) or higher.
5. Investments with investment grade credit metrics (more than \$1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Moody's, or NAIC.
6. Investments, or investments that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BB+ (S&P), Ba1 (Moody's) or NAIC3 (National Association of Insurance Commissioners) or lower.

Portfolio Information (cont'd)

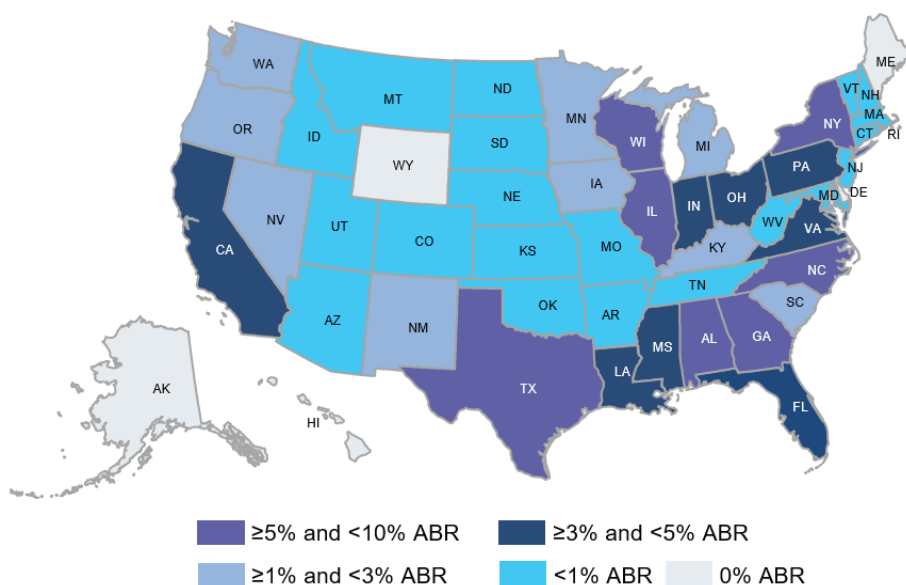
(unaudited, dollars in thousands)

Top 20 Tenants	Number of Leases	ABR	% of ABR	Credit rating ⁽¹⁾
	143	\$ 16,385	11.7%	BBB
	33	10,246	7.3%	BBB
	27	8,812	6.3%	BBB-
	68	7,654	5.5%	BBB
	4	6,197	4.4%	A
	7	5,808	4.1%	BBB+
	15	5,531	3.9%	IG Profile
	19	4,431	3.2%	A
	49	4,288	3.1%	A
	7	3,969	2.8%	A3
	3	3,955	2.8%	IG Profile
	40	3,900	2.8%	Baa3
	6	3,770	2.7%	AA
	14	3,710	2.6%	Baa1
	4	3,578	2.6%	BBB+
	7	3,407	2.4%	Baa1
	5	2,946	2.1%	NA
	2	2,615	1.9%	BB
	10	2,435	1.7%	IG Profile
	2	2,211	1.6%	BBB
Total	465	\$ 105,849	75.4%	

1. If rated by a credit rating agency, reflects highest rating from S&P, Fitch, Moody's or National Association of Insurance Commissioners.

(unaudited, dollars in thousands)

State	Number of Investments		ABR	% of ABR
Illinois	27	\$	12,084	8.6%
Texas	46		11,077	7.9%
Wisconsin	24		9,524	6.8%
New York	26		8,989	6.4%
North Carolina	72		7,991	5.7%
Alabama	49		7,177	5.1%
Georgia	35		6,992	5.0%
Ohio	42		6,705	4.8%
Pennsylvania	29		5,959	4.2%
Virginia	11		5,892	4.2%
Other	267		57,926	41.7%
Total	628	\$	140,314	100.4%



Portfolio Information (cont'd)

(unaudited, dollars in thousands)

Industry	Defensive Category	Number of Investments	ABR	% of ABR
Dollar Stores	Discount	211	\$ 24,039	17.1%
Grocery	Necessity	33	21,161	15.1%
Drug Stores & Pharmacies	Necessity	60	19,058	13.6%
Home Improvement	Necessity	29	15,269	10.9%
Convenience Stores	Service	72	9,461	6.7%
Discount Retail	Discount	32	8,184	5.8%
Auto Parts	Necessity	61	5,526	3.9%
Arts & Crafts	Other	14	5,475	3.9%
Farm Supplies	Necessity	15	4,282	3.1%
Consumer Electronics	Other	7	3,969	2.8%
Sporting Goods	Other	4	3,866	2.8%
General Retail	Necessity	6	3,753	2.7%
Quick Service Restaurants	Service	22	3,194	2.3%
Automotive Service	Service	20	2,476	1.8%
Healthcare	Necessity	12	2,383	1.7%
Specialty	Other	2	1,719	1.2%
Apparel	Other	5	1,279	0.9%
Casual Dining	Service	7	1,067	0.8%
Health and Fitness	Service	1	985	0.7%
Furniture Stores	Other	2	939	0.7%
Equipment Rental and Leasing	Service	5	687	0.5%
Banking	Necessity	3	476	0.3%
Wholesale Warehouse Club	Necessity	1	417	0.3%
Telecommunications	Other	2	314	0.2%
Gift, Novelty, and Souvenir Shops	Other	1	200	0.1%
Home Furnishings	Other	1	134	0.1%
Total		628	\$ 140,314	100.0%

Defensive Category	Number of Investments	ABR	% of ABR
Necessity	220	72,326	51.5%
Discount	243	32,223	23.0%
Service	127	17,870	12.7%
Other	38	17,895	12.8%
Total	628	\$ 140,314	100.0%

Lease Expiration Schedule⁽¹⁾

(unaudited, dollars in thousands)

Year of Expiration	Number of Investments Expiring	ABR Expiring	ABR Expiring as a % of Total Portfolio
2024	1	\$ 84	0.1%
2025	7	2,300	1.8%
2026	10	2,563	2.0%
2027	16	4,498	3.5%
2028	28	11,009	8.5%
2029	42	9,856	7.6%
2030	37	9,675	7.5%
2031	62	11,998	9.2%
2032	37	10,146	7.8%
2033	56	12,044	9.3%
2034	53	13,961	10.8%
2035	21	8,085	6.2%
2036	20	4,743	3.7%
2037	23	7,584	5.8%
2038	87	11,176	8.6%
2039	24	3,269	2.5%
2040	2	425	0.3%
2041	4	1,246	1.0%
2042	1	985	0.8%
2043	2	1,500	1.2%
2044	14	2,040	1.6%
2045	—	—	—%
2046	—	—	—%
2047	—	—	—%
2048	—	—	—%
2049	7	666	0.5%
2050	—	—	—%
TOTAL	554	\$ 129,853	100.0%

1. Excludes 74 investments that secure mortgage loans receivable.

Non-GAAP Measures and Definitions

FFO, Core FFO, and AFFO

FFO means funds from operations. It is a non-GAAP measure defined by NAREIT as net income (computed in accordance with GAAP). Our FFO is net income in accordance with GAAP, excluding gains (or losses) resulting from dispositions of properties, plus depreciation and amortization and impairment charges on depreciable real property.

Core FFO means core funds from operations. Core FFO is a non-GAAP financial measure defined as FFO adjusted to remove the effect of unusual and non-recurring items that are not expected to impact our operating performance or operations on an ongoing basis. These include non-recurring executive transition costs, severance and related charges, other loss (gain), net, and loss on debt extinguishments and other related costs.

AFFO means adjusted funds from operations. AFFO is a non-GAAP financial measure defined as Core FFO adjusted for GAAP net income related to non-cash revenues and expenses, such as straight-line rent, amortization of above- and below-market lease-related intangibles, amortization of lease incentives, capitalized interest expense, earned development interest, non-cash interest expense, non-cash compensation expense, amortization of deferred financing costs, amortization of above/below-market assumed debt, and amortization of loan origination costs.

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. In fact, real estate values historically have risen or fallen with market conditions. FFO is intended to be a standard supplemental measure of operating performance that excludes historical cost depreciation and valuation adjustments from net income. We consider FFO to be useful in evaluating potential property acquisitions and measuring operating performance.

We further consider FFO, Core FFO and AFFO to be useful in determining funds available for payment of distributions. FFO, Core FFO and AFFO do not represent net income or cash flows from operations as defined by GAAP. You should not consider FFO, Core FFO and AFFO to be alternatives to net income as a reliable measure of our operating performance nor should you consider FFO, Core FFO and AFFO to be alternatives to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity.

FFO, Core FFO and AFFO do not measure whether cash flow is sufficient to fund our cash needs, including principal amortization, capital improvements and distributions to stockholders. FFO, Core FFO and AFFO do not represent cash flows from operating, investing or financing activities as defined by GAAP. Further, FFO, Core FFO and AFFO as disclosed by other REITs might not be comparable to our calculations of FFO, Core FFO and AFFO.

Non-GAAP Measures and Definitions (cont'd)

EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre

EBITDA is defined as earnings before interest expense, income tax expense, and depreciation and amortization.

EBITDAre is the NAREIT definition of EBITDA (as defined above), but it is further adjusted to follow the definition included in a white paper issued in 2017 by NAREIT, which recommended that companies that report EBITDA also report EBITDAre. We compute EBITDAre in accordance with the definition adopted by NAREIT. NAREIT defines EBITDAre as EBITDA (as defined above) excluding gains (or losses) from sales of depreciable property and impairment charges on depreciable real property.

Adjusted EBITDAre is a non-GAAP financial measure defined as EBITDAre further adjusted to exclude straight-line rent, non-cash compensation expense, non-recurring executive transition costs, severance and related charges, loss on debt extinguishment and other related costs, other loss (gain), net, other non-recurring expenses (income), lease termination fees, adjustment for construction in process, and adjustment for intraquarter activities. Beginning in the quarter ended June 30, 2023, we modified our definition of Adjusted EBITDAre to include adjustments for construction in process and intraquarter investment activities. Prior periods have been recast to reflect this new definition.

Annualized Adjusted EBITDAre is a non-GAAP financial measure defined as Adjusted EBITDAre multiplied by four.

We present EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre as they are measures commonly used in our industry. We believe that these measures are useful to investors and analysts because they provide supplemental information concerning our operating performance, exclusive of certain non-cash items and other costs. We use EBITDA, EBITDAre, Adjusted EBITDAre and Annualized Adjusted EBITDAre as measures of our operating performance and not as measures of liquidity.

EBITDA, EBITDAre, Adjusted EBITDAre and Annualized Adjusted EBITDAre do not include all items of revenue and expense included in net income, they do not represent cash generated from operating activities and they are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or cash flows from operations as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. Additionally, our computation of EBITDA, EBITDAre, Adjusted EBITDAre and Annualized Adjusted EBITDAre may differ from the methodology for calculating these metrics used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Net Debt, Adjusted Net Debt, and Proforma Adjusted Net Debt

Net Debt is calculated as our principal amount of total debt outstanding excluding deferred financing costs, net discounts and debt issuance costs less cash, cash equivalents and restricted cash available for future investment. We believe excluding cash, cash equivalents and restricted cash available for future investment from our principal amount, all of which could be used to repay debt, provides an estimate of the net contractual amount of borrowed capital to be repaid. We believe these adjustments are additional beneficial disclosures to investors and analysts.

Adjusted Net Debt is Net Debt adjusted by the net value of unsettled forward equity as of period end.

Proforma Adjusted Net Debt is Adjusted Net Debt shown on a proforma basis to include the net value of proforma equity issued after the period end as if it was outstanding as of period end.

Non-GAAP Measures and Definitions (cont'd)

Property-Level NOI, Property-Level Cash NOI, Property-Level Cash NOI - Estimated Run Rate, and Total Cash NOI - Estimated Run Rate

Property-Level NOI, Property-Level Cash NOI, Property-Level Cash NOI - Estimated Run Rate, and Total Cash NOI - Estimated Run Rate are non-GAAP financial measures which we use to assess our operating results. We compute Property-Level NOI as net income (computed in accordance with GAAP), excluding general and administrative expenses, interest expense (or income), income tax expense, transaction costs, depreciation and amortization, gains (or losses) on sales of depreciable property, real estate impairment losses, interest income on mortgage loans receivable, loss on debt extinguishment, lease termination fees, and other expense (income), net.

We further adjust Property-Level NOI for non-cash revenue components of straight-line rent and amortization of lease-intangibles to derive Property-Level Cash NOI.

We further adjust Property-Level Cash NOI for intraquarter acquisitions, dispositions and completed developments to derive Property-Level Cash NOI - Estimated Run Rate.

We further adjust Property-Level Cash NOI - Estimated Run Rate for interest income on mortgage loans receivable and intraquarter mortgage loan activity to derive Total Cash NOI - Estimated Run Rate. We believe Property-Level NOI, Property-Level Cash NOI, Property-Level Cash NOI - Estimated Run Rate, and Total Cash NOI - Estimated Run Rate provide useful and relevant information because they reflect only those income and expense items that are incurred at the property level and present such items on an unlevered basis.

Property-Level NOI, Property-Level Cash NOI, Property-Level Cash NOI - Estimated Run Rate, and Total Cash NOI - Estimated Run Rate are not measurements of financial performance under GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider our measures as alternatives to net income or cash flows from operating activities determined in accordance with GAAP.

Other Definitions

ABR is annualized base rent as of March 31, 2024, for all leases that commenced and annualized cash interest on mortgage loans receivable in place as of that date.

Cash Yield is the annualized base rent contractually due from acquired properties, interest income from mortgage loans receivable, and completed developments, divided by the gross investment amount, or gross proceeds in the case of dispositions.

Defensive Category is considered by us to represent tenants that focus on necessity goods and essential services in the retail sector, including discount stores, grocers, drug stores and pharmacies, home improvement, automotive service and quick-service restaurants, which we refer to as defensive retail industries.

The defensive sub-categories as we define them are as follows: (1) Necessity, which are retailers that are considered essential by consumers and include sectors such as drug stores, grocers and home improvement, (2) Discount, which are retailers that offer a low price point and consist of off-price and dollar stores, (3) Service, which consist of retailers that provide services rather than goods, including, tire and auto services and quick service restaurants, and (4) Other, which are retailers that are not considered defensive in terms of being considered necessity, discount or service, as defined by us.

Non-GAAP Measures and Definitions (cont'd)

Investments are lease agreements in place at owned properties, properties that have leases associated with mortgage loans receivable, developments where rent commenced, or in the case of master lease arrangements each property under the master lease is counted as a separate lease.

Occupancy is expressed as a percentage, and it is the number of economically occupied properties divided by the total number of properties owned, excluding mortgage loans receivable and properties under development.

OP Units means operating partnership units not held by NETSTREIT.

Weighted Average Lease Term is weighted by the annualized base rent, excluding lease extension options and investments associated with mortgage loans receivable.

Forward Looking and Cautionary Statements

This supplemental report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements concerning our business and growth strategies, investment, financing and leasing activities, including estimated development costs, and trends in our business, including trends in the market for single-tenant, retail commercial real estate. Words such as “expects,” “anticipates,” “intends,” “plans,” “likely,” “will,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this supplemental report may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. For a further discussion of these and other factors that could impact future results, performance or transactions, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 14, 2024 and other reports filed with the SEC from time to time. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this supplemental report. New risks and uncertainties may arise over time and it is not possible for us to predict those events or how they may affect us. Many of the risks identified herein and in our periodic reports have been and will continue to be heightened as a result of the ongoing and numerous adverse effects arising from macroeconomic conditions, including inflation, interest rates and instability in the banking system. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.