

NETSTREIT

Investor Presentation

June 2024



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This presentation also includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) including, but not limited to, FFO, Core FFO, AFFO, EBITDA, EBITDAre, Adjusted EBITDAre, Annualized Adjusted EBITDAre, NOI, Cash NOI, Normalized Cash NOI, Net Debt, Adjusted Net Debt, and Pro forma Adjusted Net Debt. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the presentation of these measures may not be comparable to similarly-titled measures used by other companies. The Company believes these non-GAAP measures provide useful information to management and investors regarding certain financial and business trends relating to the Company’s financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing its financial results with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Certain other amounts that appear in this presentation may not sum due to rounding.

Investment Highlights & Business Update

High Credit Quality & Diverse Net Lease Portfolio

- ✓ Focused on growing portfolio with high quality tenants that offer strong credit profiles and provide consistent performance through various economic cycles
- ✓ Proactive asset management with successful track record of maintaining full occupancy and strong rent collections since inception
- ✓ Well diversified by tenant and retail industry across 45 states

84%
Investment Grade (IG) and Investment Grade Profile (IGP)[1]

87%
Necessity, Discount, and Service-Oriented Tenants

100%
Occupancy

100%
Rent Collections

88
Tenants

26
Retail Industries

Well Capitalized Balance Sheet

- ✓ Low leverage with no immediate-term debt maturities
- ✓ Strong liquidity supported by active ATM program; sold $30.8 million through April 2024
- ✓ Completed $198.7 million Forward Equity Offering in January 2024

2.9x
PF Adj. Net Debt[2] / Annualized Adj. EBITDAre

17%
Adj. Net Debt[2] / Undepreciated Gross Assets

$666.8 million
Total PF Liquidity[2]

2027
First Debt Maturity[4]

Proven Ability to Source Attractive Investment Opportunities

- ✓ Strong investment pace since 2020 with a strong pipeline of investment opportunities at attractive cash yields
- ✓ $129.2 million of gross investments completed in 1Q'24, which are 84.8% leased to IG tenants

$116.5 million
Avg. Quarterly Investments Since 3Q'20

6.8%
Cash Yield on New Investments Since 3Q'20

$107.6 million
YTD Net Investments

7.5%
YTD Cash Yield

Source: Company data and balance sheet as of March 31, 2024, unless otherwise noted. Figures represent percentage of ABR unless otherwise noted.
1. Represents tenants 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.
2. Reflects 1,635,600 of unsettled forward equity shares sold from the ATM program during April 2024 at a net settlement price of $17.58 per share.
3. Assumes Company exercises its one-year extension option to further extend maturity to January 2027.

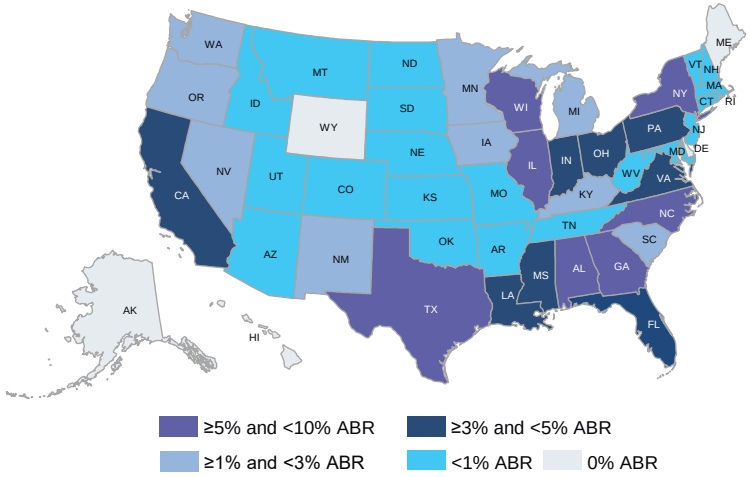
Portfolio Overview

High-Quality, Diversified Portfolio Consisting of 71.1% Investment Grade Tenants Across 45 States

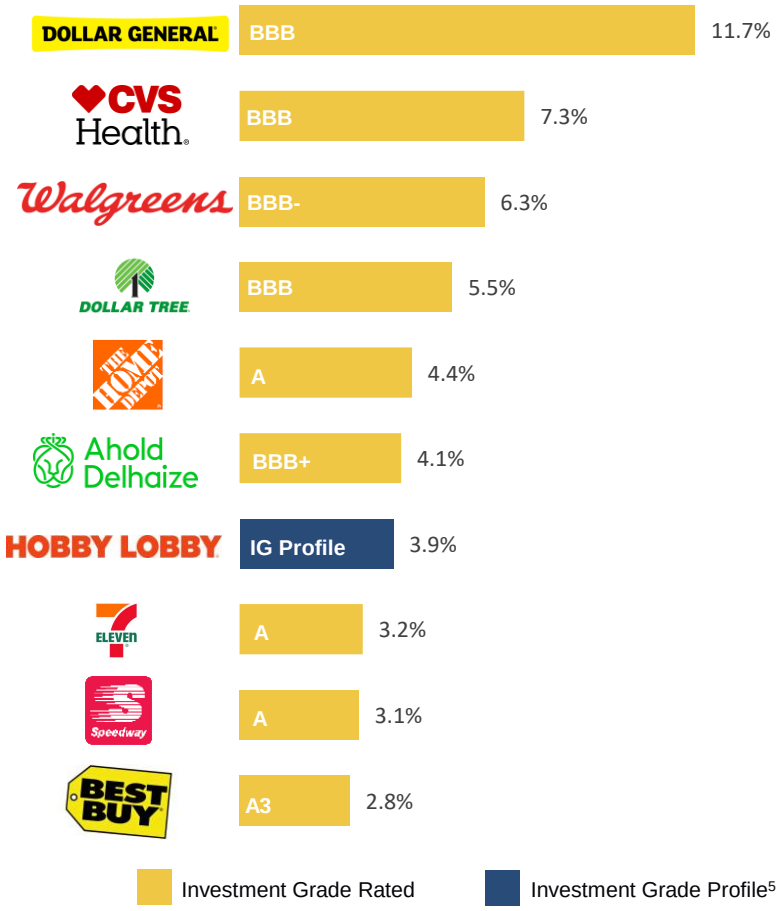
Key Portfolio Stats

Investments[1]	628
States	45
Portfolio Square Feet (in millions)	11.3
Tenants	88
Retail Sectors	26
% Occupancy[2]	100%
% Investment Grade Tenants (by ABR)[3]	71.1%
Weighted Average Lease Term Remaining (Years)[4]	9.2
Lease Turnover Through 2026 (by ABR)	3.8%

National Footprint in Attractive Markets



Top 10 Tenants by % of ABR



Source: Company data as of March 31, 2024.

1. 74 properties that secure mortgage loans receivable are denoted as individual investments.
2. Excludes 74 investments that secure mortgage loans receivable.
3. 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.
4. Weighted by ABR; excludes lease extension options and 74 investments that secure mortgage loans receivable.
5. Represent 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, Fitch or NAIC.

Portfolio Diversification In Defensive Retail Sectors

Nationally Diversified Portfolio Primarily Comprised of Recession Resilient Retail Tenants

51.5%
Necessity

Walgreens, Walmart, The Home Depot, Whole Foods Market, Target, Floor & Decor, Lowe's, Kroger, Publix, CVS, Fresenius health care worldwide, Tractor Supply Co

23.0%
Discount

Dollar General, Ollie's Bargain Outlet, TJX The TJX Companies, Inc., Burlington, Dollar Tree, five BELOW

87.2%
ABR
Necessity
Discount
Service

12.7%
Service

Taco Bell, 7-Eleven, KFC, Wawa, Chick-fil-A, Starbucks Coffee, Caliber Collision, gerber COLLISION & GLASS, Firestone

12.8%
Other

REI, Best Buy, ULTA BEAUTY, DICK'S SPORTING GOODS, Sportsman's Warehouse, HOBBY LOBBY

Top Industries

1	Dollar Stores:	17.1%	
2	Grocery:	15.1%	
3	Drug Stores & Pharmacies:	13.6%	
4	Home Improvement:	10.9%	
5	Convenience Stores:	6.7%	

Source: Company data as of March 31, 2024. All figures represent percentage of ABR. Due to rounding, respective defensive retail sector exposure may not precisely reflect the absolute figures.

Consistent Investment Approach

Disciplined and Deliberate Portfolio Construction

Investment Philosophy	Portfolio Strategy	Current Metrics
Defensive Tenancy in Necessity-Based and E-commerce-Resistant Retail Industries[1]	Primarily	87.2%
Resilient, Cycle-Tested Investment Grade Credit Tenants with Durable Cash Flows[1]	>60%	84.4% (71.1% Investment Grade Credit and 13.3% Investment Grade Profile)
Granular Assets in Highly Fragmented, Undercapitalized Market Segment	$1 to $10 million Avg. Asset Size	$3.3 million Avg. Asset Size
Net Lease Retail Assets with Long Lease Term Benefiting From Contractual Rent Growth	~10 Year WALT	9.2 Year[2] WALT
Diversification by Industry, Tenant, State[1]	<15% Industry <50% Top 10 Tenants <15% State	17.1% Industry 52.3% Top 10 Tenants 8.6% State
Significant Focus on Fundamental Real Estate Underwriting	Attractive cost basis with durable valuation supported by market rents and demos, physical structure and location, and alternative use analyses	

Source: Company data as of March 31, 2024.

1. Portfolio statistics as a percentage of ABR.
2. Weighted by ABR; excludes lease extension options and 74 investments that secure mortgage loans receivable.

Acquisition Strategy – Bell Curve Investing

Acquisition Strategy is Focused on Inefficiently Priced Assets Where Risk Adjusted Returns are Higher

Efficiently Priced Assets

TYPICAL TRANSACTION

- Well marketed transaction
- Straight-forward transaction
- Ability to finance transaction
- Highly competitive, well capitalized investors

Inefficiently Priced Assets

TYPICAL TRANSACTION

- Not highly marketed
- May involve transaction structuring that limits buyer pool
- Limited financing options
- Less competitive



Stringent Three-Part Underwriting Process

Our Three-Pronged Approach Results in Superior Downside Protection

Level of Underwriting Emphasis

A



Tenant Credit Underwriting

- Evaluate corporate level financials
- Assess business risks
- Determine ownership/sponsorship
- Rigorous credit underwriting

B



Real Estate Valuation

- Review underlying key real estate metrics to maximize re-leasing potential
- Location analysis
- Alternative use analysis

C



Unit-Level Profitability

- Determine rent coverage (min. 2.0x) and cost variability
- Assess volatility and likelihood of cash flow weakness

Strong Tenant Credit Underwriting

Credit-Focused Underwriting Approach Drives Stable Revenue and Long-Term Return on Investment

	Investment Grade (rated)	Investment Grade Profile (unrated)	Sub-IG (rated) & Sub-IG Profile (unrated)

Description	• Validated financial strength and stability
	• Professional management with standardized operational practices
	• Focus on corporate guarantee credit
	• Lower relative yields
	• Higher competition for deals
		• IG-caliber balance sheets without explicit rating
		• Threshold metrics:
		  • At least $1B in sales
		  • Debt / adjusted EBITDA of less than 2.0x
			• Well-capitalized retailers
			• National footprint with strong brand equity
			• Focus on real estate quality / unit-level profitability
			• Higher relative yields
			• Lower competition for deals

Durability	***Defensive, consistent performance through economic cycles***		• Coverage and credit enhancements required given more susceptible to market disruptions
% Of ABR	**71.1%**	***84.4% IG and IG Profile*** **13.3%**	**15.6%**
Lease Terms (WALT, Rent Bumps, etc.)	**Less negotiating leverage**	**More negotiating leverage**	**Most negotiating leverage**
Representative Tenants	Walgreens, 7-Eleven, Walmart, TJX, Kroger, Lowe's, Firestone, Starbucks Coffee, Target, Whole Foods Market, Advance Auto Parts	Ollie's Bargain Outlet, Chick-fil-A, Publix, Hobby Lobby, gerber Collision & Glass, REI	KFC, DaVita, Wendy's, Jack's, Burlington, Bojangles', Schnucks

Source: Company data as of March 31, 2024.

Real Estate Valuation

Real Estate Closely Follows Credit as a Top Priority: We Utilize a Ground-Up Framework Rooted in Real Estate Fundamentals to Underpin Valuation and Further Quantify the Upside Potential of an Investment

Market-Level Considerations

- Vacancy analysis
  - ***Marketability of the real estate without current tenant***
  - ***List of likely replacement tenants***
- Rent analysis
  - ***Market rent versus in-place rent***
- Demographic analysis
  - ***Current demographics plus trends and forecasts***
- Competitive analysis
  - ***Market position versus competing retail corridors***

Property-Level Considerations

- Fungibility of building for alternative uses
- Replacement cost
- Location analysis
  - ***Traffic counts***
  - ***Nearby uses and traffic drivers, complementary nature thereof***
- Accessibility and parking capacity
  - ***Ingress and egress***
  - ***Visibility / signage***



Unit-Level Profitability

Assess Unit-Level Financial Performance to Focus on Properties with Strong Rent Coverage and Higher Variability in Operating Costs



1 Obtain Financial Info

- ***Provides clarity into location-specific performance***
- Obtain unit-level financial information from parent company if possible
- If financials are not provided, utilize data provided by third party vendors to estimate sales by location
- Third party data includes:
  - Cell phone traffic
  - Point of sales (POS) data



2 Perform Financial Analysis

- ***Analyze store demand dynamics, cost structure and liquidity profile***
- Triangulate P&L based on available information
  - Foot traffic
  - Sales
  - EBITDAR margin
  - Rent
- Account for variability in business model cost structure
  - Higher proportion of fixed costs = more variability in rent coverage
- Determine store ranking within tenant's broader operating portfolio based on estimated sales



3 Assess Investment Merits

- ***Determine whether property meets investment criteria***

Key Unit-Level Investment Criteria

- **Minimum 2.0x Rent Coverage**
- **Higher Cost Variability**
- **Ranks in Top Half of Tenant's Store Portfolio**

History of Sourcing Investments at Attractive Yields

Consistently Invested at Above-Market Yields Despite Focus on High-Quality Tenants

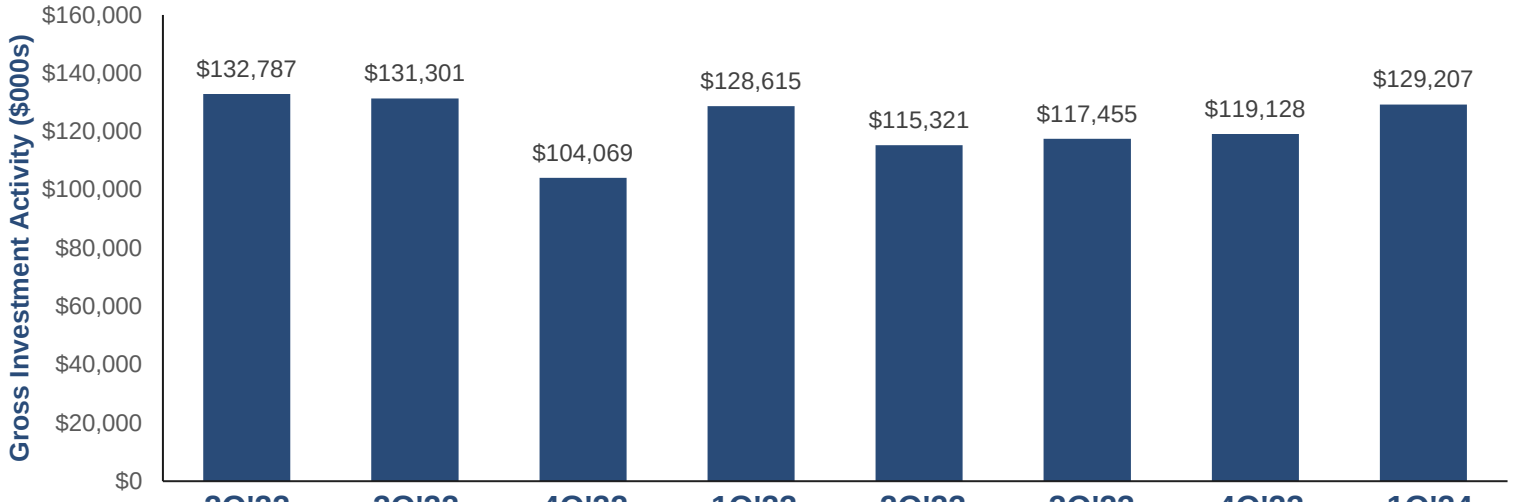
	Sourcing Volume Since 3Q'20				
	NETSTREIT	AGREE REALTY RETHINK RETAIL	NNN REIT NYSE:NNN	FCPT	ESSENTIAL PROPERTIES
Volume $(000)s	$1,747	$5,110	$2,453	$1,043	$3,566
Investment Grade %	68.9%	67.8%	NA	54.3%	NA
Investment Grade Profile[1] %	12.7%	NA	NA	NA	NA
IG + IG Profile %	81.5%	NA	NA	NA	NA
WALT[2]	9.9	9.5	10.4	10.3	14.3
Weighted Average Cash Yield	**6.8%**	**6.2%[3]**	**6.8%**	**6.6%**	**7.3%**

Source: Company filings from August 2020 through March 31, 2024.

1. 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.
2. Excludes lease extension options and investments that secure mortgage loans receivable.
3. Assumes cash cap rate is 30bps lower than reported GAAP cap rate.

Investment Activity

Summary Details



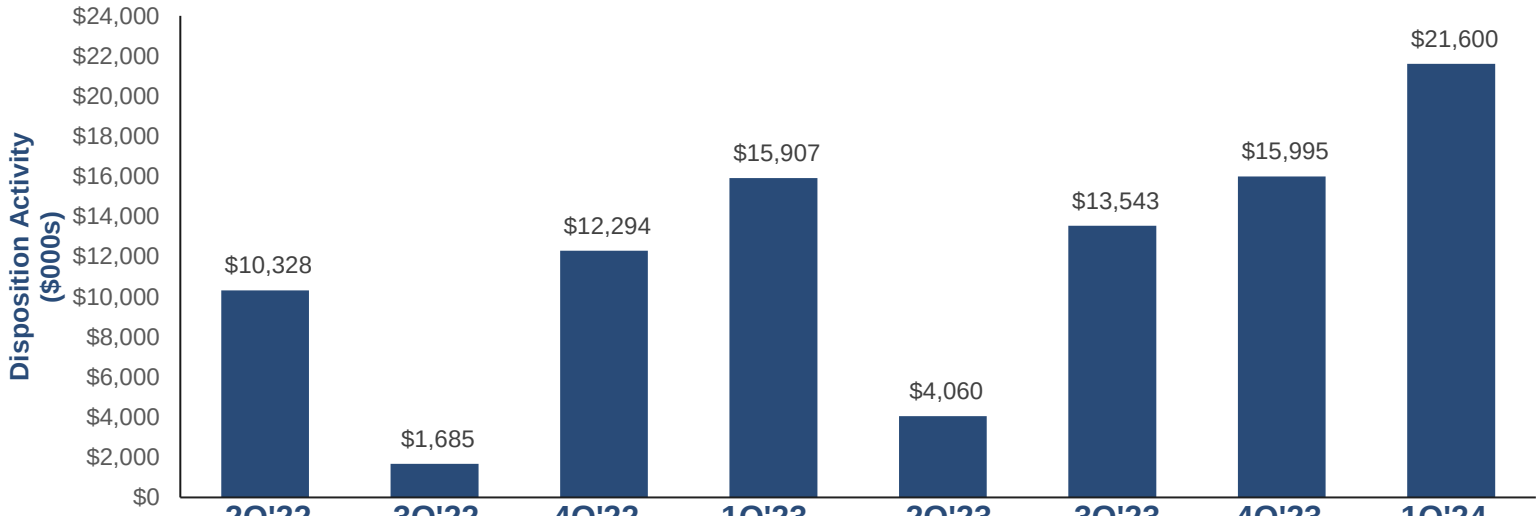
Investments[1]	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Number of Investments	27	26	24	71	39	29	57	42
Average Investment	$4,918	$5,050	$4,336	$1,811	$2,957	$4,050	$2,090	$3,076
Cash Cap Rates	6.6%	6.6%	6.9%	7.7%	6.8%	7.0%	7.2%	7.5%
IG + IGP %	88.1%	83.3%	97.7%	94.9%	80.7%	97.2%	98.7%	84.8%
Weighted Average Lease Term[2]	11.0	11.8	11.1	10.3	11.5	10.0	10.9	11.5

Source: Company data as of March 31, 2024.

1. Includes acquisitions, mortgage loans receivable, and completed developments.
2. Excludes lease extension options and investments that secure mortgage loans receivable.

Disposition Activity

Summary Details



Dispositions	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Cash Cap Rates[1]	6.0%	5.5%	6.7%	6.8%	6.7%	6.9%	7.2%	6.8%
Number of Investments	2	1	3	8	2	6	6	12
Weighted Average Lease Term[2]	9.8	0.4	10.8	5.6	4.2	7.1	11.2	10.3

Source: Company data as of March 31, 2024.

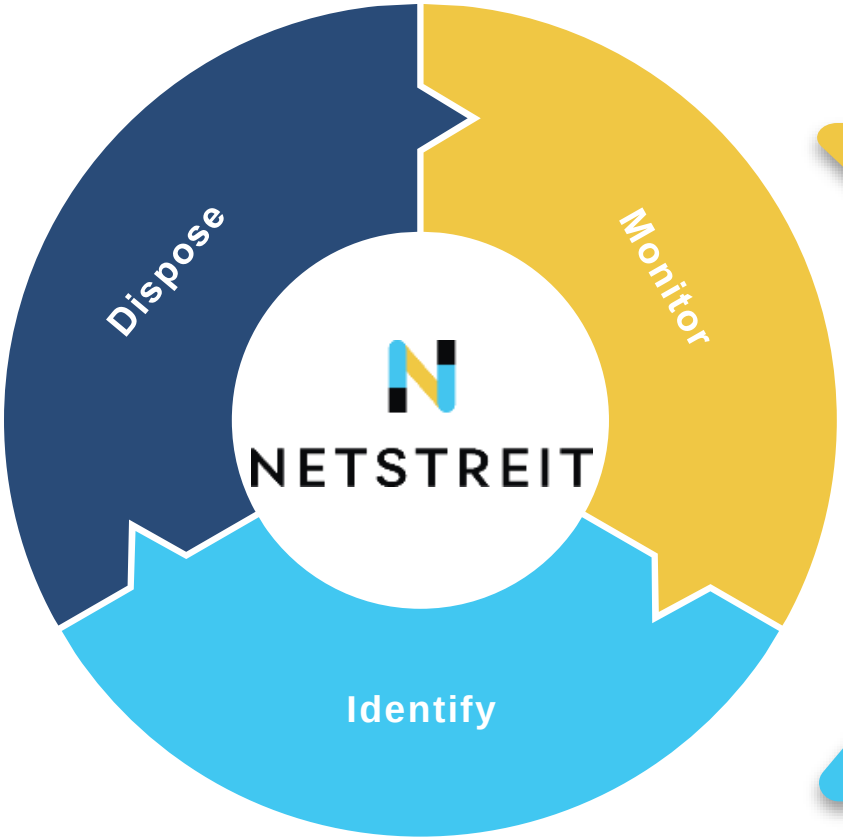
1. Excludes vacant properties.

Active Asset Management

Continuously Track Property Performance to Stratify Portfolio and Ensure a Secure Rental Stream

Strategic Recycling

Leverage 1031 exchange transfers where possible to access deep, non-institutional market for portfolio optimization



Active Monitoring

Periodically review all properties for changes in performance, credit, and local conditions

Perpetual Stratification

Identify properties not meeting strategy and/or risk management criteria (i.e. rent coverage)

Since inception, the Company has disposed of 99 properties totaling $261 million, which has materially improved portfolio performance metrics such as tenant quality, WALT, and geographic diversity

Source: Company data as of March 31, 2024.

Conservative Balance Sheet with Improved Liquidity

Balance Sheet Positioned for Growth Given Strong Liquidity Profile and Low Leverage Position

Abundant Liquidity to Support Growth:

$666.8 million in total PF liquidity[1]

Access to Debt:

Drew remaining $100.0 million on the 2029 $250.0 million term loan[2] in March 2024

Well-Staggered Debt Maturity Profile:

No term loan maturities expected until 2027[2,3]

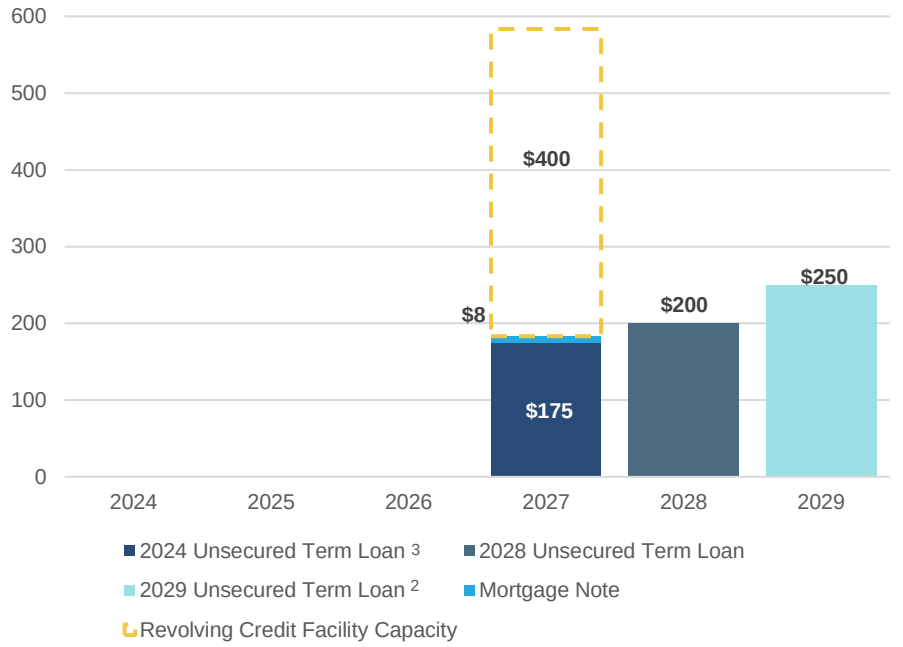
Unsecured Balance Sheet:

Asset base is over 99% unencumbered

Low Leverage:

PF Adjusted Net Debt[1] / Annualized Adjusted EBITDAre of 2.9x

Debt Maturity Schedule – Pro Forma[2,3]



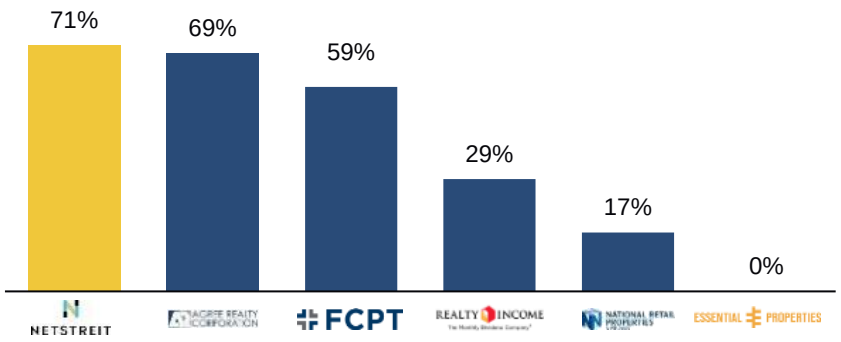
Source: Company data as March 31, 2024, unless otherwise noted.

1. 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.
2. The three-year $250.0 million senior unsecured delayed draw term loan includes two one-year extension options and one six-month to extend maturity to January 2029, at Company's discretion, totaling 5.5 year of available term.
3. Company extended the existing $175 million term loan maturity to January 2026 from December 2024, with a one-year extension option to further extend maturity to January 2027.

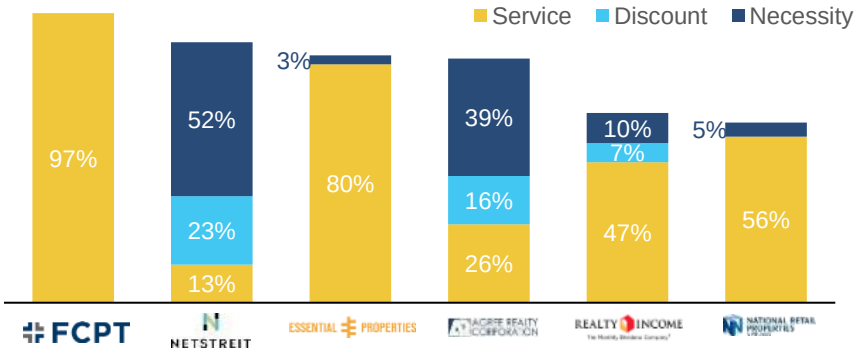
Portfolio Highlights Relative to Peers

NTST's Stable & Predictable Cash Flow Profile Drives Superior Risk-Adjusted Returns

Investment Grade %[1]

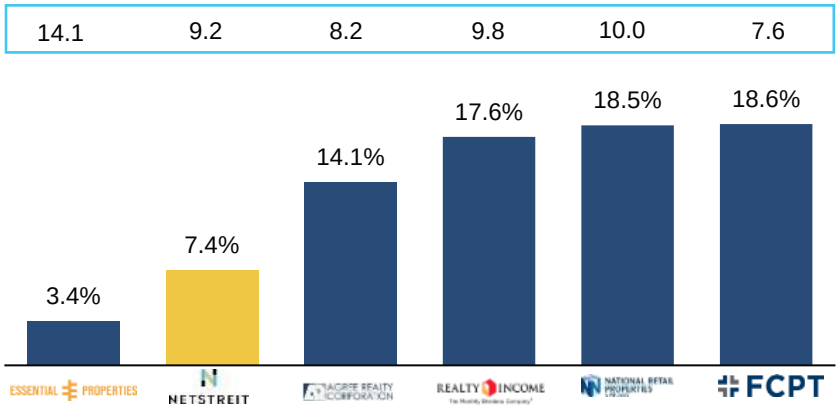


Portfolio Composition[2]

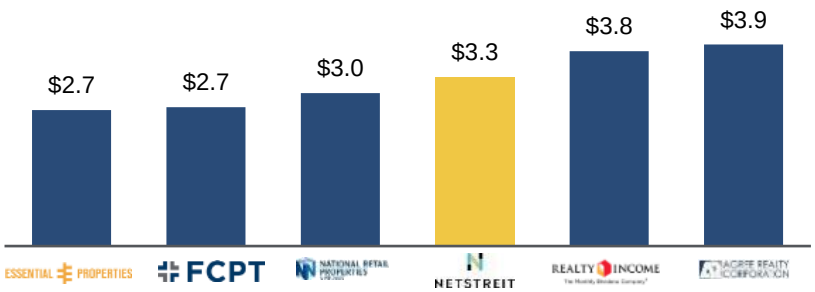


Lease Rollover Through 2027

Weighted-Average Lease Term



Average Investment Size per Property



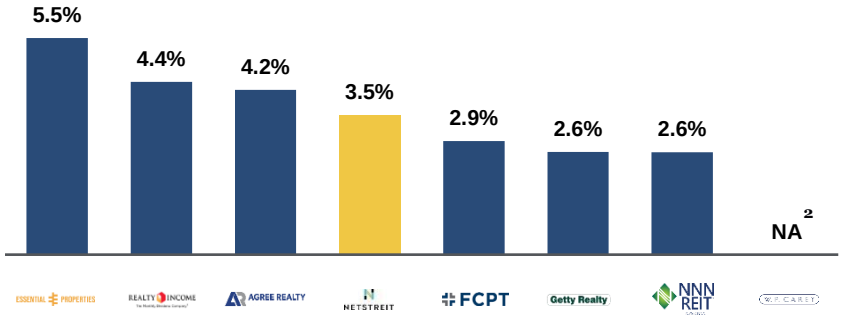
Source: Public filings as of March 31, 2024.

1. EPRT investment grade concentration assumed to be 0%, although it is not disclosed by the company.
2. Examples of service includes convenience stores, quick service restaurants, automotive service, and health and fitness. Examples of discount include dollar store and discount retail. Examples of necessity include, drug stores & pharmacy, home improvement, auto parts, and banking.

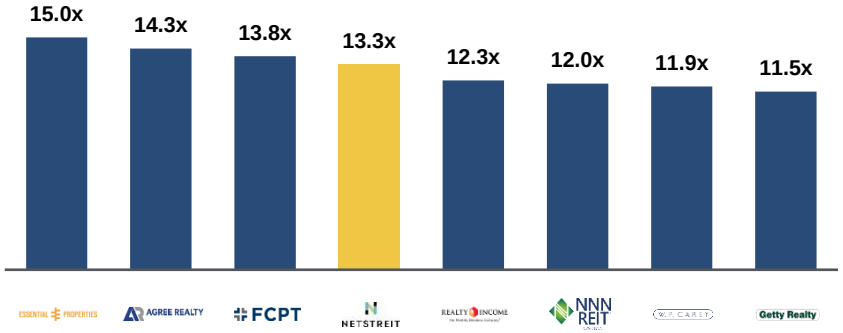
Multiple and Earnings Growth Comparison

Relative Valuation and Growth Remains Stable

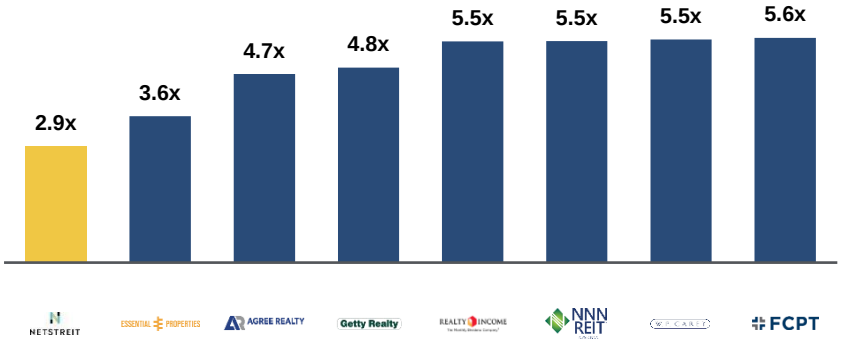
2024E AFFO per Share Growth[1]



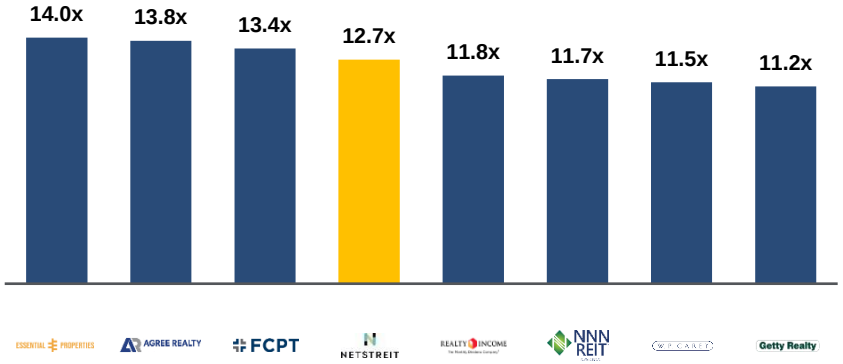
2024E AFFO per Share Multiple[3]



Net Debt + Pref. / EBITDA[4]



2025E AFFO per Share Multiple[5]



Source: Public filings, FactSet and S&P Capital IQ.
Note: Market data as of May 29, 2024. Capitalization data as of March 31, 2024. NTST capitalization data adjusted for forward equity offering in 1Q'24.

1. 2024E AFFO per share growth is calculated using FactSet mean 2024E AFFO per share estimates and 2023A AFFO per share.
2. During 2023, WPC spun-off NLOP. Year-over-year growth not comparable. Consensus WPC RemainCo 2023A AFFO not available.
3. 2024E AFFO per share multiple calculated using current price per share and FactSet mean 2024E AFFO per share estimates.
4. Net Debt plus Preferred is adjusted for forward equity.
5. 2025E AFFO per share multiple calculated using current price per share and FactSet mean 2025E AFFO per share estimates.

Applied Cap Rate and NAV Analysis

Strong Upside Potential Given Relative Valuation

Applied Nominal Cap Rate – Sensitivity Analysis

(unaudited, in thousands)	Three Months Ended, March 31, 2024				
NOI – Property	**$31.1**				
Straight-line Rental Adjustments	(0.5)				
Amort. of Lease-Related Intangibles	(0.1)				
Cash NOI – Property	30.5				
Intraquarter Net Investment Activity	1.4				
Normalized Cash NOI – Property	31.8				
Annualized Normalized Cash NOI – Property	**$127.2**				
Applied Cap Rate	7.50%	7.00%	6.50%	6.00%	5.50%
Implied Real Estate Value	**$1,696**	**$1,818**	**$1,957**	**$2,121**	**$2,313**
Mortgage Loan Receivable	124.6				
Property Under Development	21.8				
Other Tangible Assets	61.4				
Net Debt[1]	(395.1)				
Other Tangible Liabilities	(26.3)				
Net Proceeds from April 2024 ATM Activity[1]	28.7				
Implied Equity Value	**$1,512**	**$1,633**	**$1,773**	**$1,936**	**$2,128**
Fully Diluted Shares Outstanding	73.8				
Unsettled Forward Shares[1,2]	18.8				
Implied Equity Value per Share	**$16.33**	**$17.64**	**$19.15**	**$20.91**	**$22.99**

Peer Benchmarking

	Implied Cap Rate[3]	G&A Adjusted Implied Cap Rate[4]	2024E AFFO Multiple
ESSENTIAL PROPERTIES	6.1%	5.6%	15.0x
AGREE REALTY CORPORATION	6.5%	6.1%	14.3x
FCPT	6.6%	5.9%	13.8x
REALTY INCOME The Monthly Dividend Company®	6.8%	6.6%	12.3x
NNN REIT	7.2%	6.8%	12.0x
NETSTREIT	7.3%	6.1%	13.3x
Average	**6.8%**	**6.2%**	**13.5x**

Source: Public filings, FactSet and S&P Capital IQ.

Note: Peer capitalization data as of March 31, 2024. NTST capitalization data adjusted for forward equity offering in 1Q'24. Market data as of May 29, 2024; closing price per share of $16.84. Companies may define adjusted cash NOI differently. Accordingly, such data for these companies and NTST may not be comparable.

1. Assumes 17.1 million of unsettled forward equity shares were settled for cash on March 31, 2024 at a weighted average net settlement price of $16.98 per share.
2. Assumes 1.6 million of unsettled forward equity shares sold through the ATM Program during April 2024 at a net settlement price of $17.58 per share.
3. Implied cap rate as of May 29, 2024.
4. (NOI – TTM G&A) / Implied Real Estate Value.

Case Studies

Case Study: Loan Strategy



Investment Stats:

Close Date:
March 2023

Loan Amount:
$46.1 million

Interest Rate:
9.3%

Location:
Multiple – Southeast

Term at Close:
3 years

Parent Credit Rating:
A / Baa2

Investment Highlights

- Loan provided the borrower funding to acquire a 49 property Speedway portfolio
- Loan-to-value of ~60%, with first lien senior secured priority with no capital ahead of NETSTREIT's loan
- Yield maintenance provides protection from refinancing
- Valuation excludes pending uncapped CPI rent escalations

Case Study: Breakup Strategy



Investment Stats:

Close Date:
July 2020

Purchase Price:
$17.0 million

Cash Cap Rate:
6.6%

Location:
Tupelo, MS

Term at Close:
12 years

Credit Rating:
AA / Aa2

Investment Highlights

- Acquisition of one Walmart Supercenter and one Sam's Club by partnering and concurrently closing with a shopping center acquirer who purchased the remainder of the center
- Significantly higher cap rate achieved through creative structuring
- Strong retail corridor in Tupelo, MS

Case Study: Blend & Extend



Investment Stats:

Close Date:
March 2021

Purchase Price:
$6.2 million

Post-B&E Cash Cap Rate:
6.9%

Location:
Olympia, WA

Term at Close of B&E:
10.5 Years

Credit Rating:
BBB / Baa1

Investment Highlights

- NTST negotiated a new 10-year lease with only a 7.4% rent reduction to increase lease term by six years
- Cash cap rate of 6.9% compares favorably to other 10-year Tractor Supply transactions in the market
- Exceptional real estate that tenant is committed to long term

Corporate Responsibility

Governance

We are committed to acting with honesty and integrity and conducting all corporate opportunities in an ethical manner.

Governance Highlights	
Annual Director Elections	*No poison pill or differential voting stock structure to chill shareholder participation*
Majority Voting Standard For Election of Directors	*Shareholders' right to amend the charter and bylaws by simple majority vote*
Director Resignation Policy	*Separate non-executive Chair and CEO roles and Lead Independent Director with strong role and significant governance duties*
Annual Director and Committee Assessments	

Board Independence and Diversity

86%
Independent Directors

50%
Diverse Independent Directors[1]

43%
Female Directors

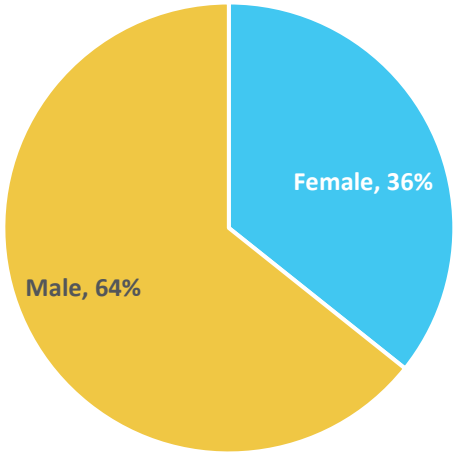
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Fully Independent Committees

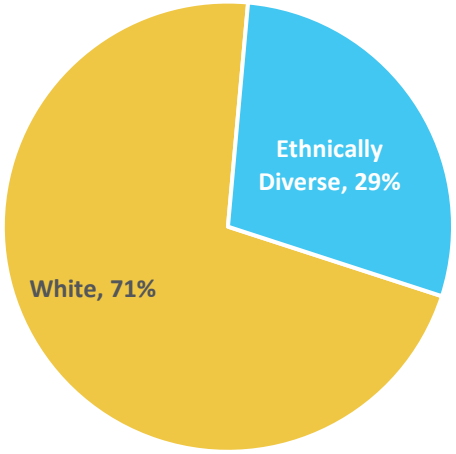
Source: Company data.
1. Reflects gender and racial / ethnic diversity.

Social Responsibility

Human capital management is the cornerstone of our ESG and corporate strategy. We believe in the value of a diverse workforce and inclusive culture.

Workforce Diversity





Benefits

401K Plan

100% company match of up to a 3% contribution, and 50% of up to the next 2%

Leave

Ten weeks of paid maternity leave at 100% salary as well as four weeks of paid family bonding; Company also provides jury duty, witness leave, and military leave

Insurance

Health, dental, and vision insurance costs covered at 90% for employees and 60% for dependents

Paid Time Off

A minimum of twenty-three PTO days

Continuing Education

Reimbursement for certifications, tuition, courses, and seminars for continuing professional education

Paid Holidays

Twelve days of paid holidays

Employee Assistance

24/7 toll-free hotline to access confidential counseling on various physical and mental health needs

Source: Company data.

Environmental Responsibility

We are committed to fulfilling our responsibility as an outstanding corporate citizen.

Corporate Sustainability Initiatives from Tenants

- ✓ 18 of our top 20 tenants have corporate sustainability initiatives in place
- ✓ 70% of ABR represents tenants with ESG initiatives

Greenhouse Gas Emissions

- ✓ We completed scope 1 and 2 greenhouse gas emissions inventory for our corporate headquarters

Green Lease Clauses

- ✓ We incorporated green lease clauses in our standard lease form and as part of our corporate guidelines
- ✓ We received Silver Level recognition from Green Lease Leaders for our efforts

Sustainable Practices

- ✓ Corporate headquarters is LEED v4 O+M: EB Gold Certified, meeting strict guidelines set forth by the Environmental Protection Agency
- ✓ Implementation of conservation practices in office

Science Based Target initiatives ("SBTi")

- ✓ We incorporated sustainability-linked loan feature, based on SBTi, to our unsecured term loans and credit facility[1]

GRESB Public Disclosure

- ✓ We participated in our first GRESB Public Disclosure

SCIENCE BASED TARGETS

GREEN LEASE LEADERS

GRESB

Source: Tenants within our portfolio that have public environmental, social, or governance initiatives as of March 31, 2024.

1. Includes the $200 million unsecured term loan which matures in February 2028, the $250 million unsecured term loan which matures in January 2029, and the $400 million revolver which matures in August 2027.

Financial Information and Non-GAAP Reconciliations

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	$ 1,045	$ 1,472
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 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)	319,000
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

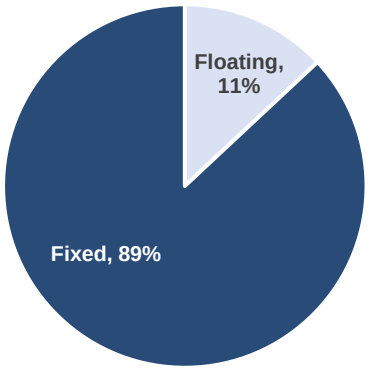
Debt, Capitalization, and Financial Ratios
(unaudited, dollars in thousands)

	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 01, 2027	8,322	4.53%	—	3.6
Total / Weighted Average		$ 708,322	4.36%	$ 324,850	3.9

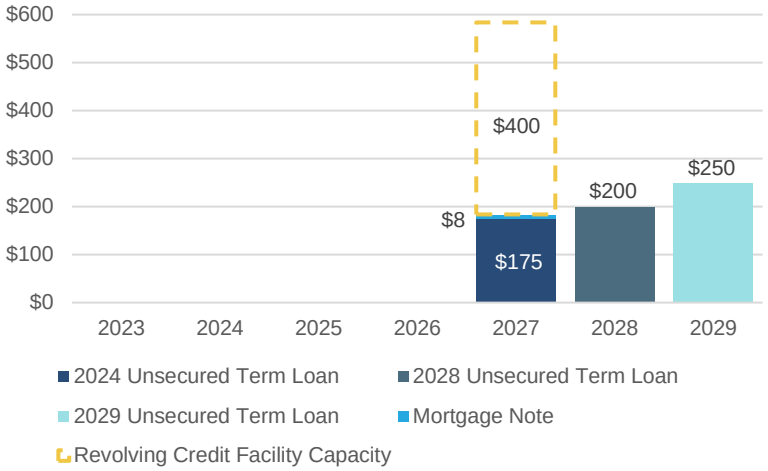
$175 million Term Loan - Interest Rate Schedule

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



1. Rates presented exclude the impact of capitalized loan fee amortization.
2. 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.
3. 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.
4. 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 of February 11, 2028.
5. 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.
6. The mortgage note was assumed as part of an asset acquisition during the third quarter of 2022.

Debt, Capitalization, and Financial Ratios (cont'd)

(unaudited, dollars in thousands)

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	5.4 x
Adjusted net debt / Annualized Adjusted EBITDAre	3.1 x
Proforma adjusted net debt / Annualized Adjusted EBITDAre	2.9 x

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.

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, EBITDA*re*, Adjusted EBITDA*re*, and Annualized Adjusted EBITDA*re*

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

EBITDA*re* 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 EBITDA*re*. We compute EBITDA*re* in accordance with the definition adopted by NAREIT. NAREIT defines EBITDA*re* as EBITDA (as defined above) excluding gains (or losses) from sales of depreciable property and impairment charges on depreciable real property.

Adjusted EBITDA*re* is a non-GAAP financial measure defined as EBITDA*re* 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 EBITDA*re* to include adjustments for construction in process and intraquarter investment activities. Prior periods have been recast to reflect this new definition.

Annualized Adjusted EBITDA*re* is a non-GAAP financial measure defined as Adjusted EBITDA*re* multiplied by four.

We present EBITDA, EBITDA*re*, Adjusted EBITDA*re*, and Annualized Adjusted EBITDA*re* 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, EBITDA*re*, Adjusted EBITDA*re* and Annualized Adjusted EBITDA*re* as measures of our operating performance and not as measures of liquidity.

EBITDA, EBITDA*re,* Adjusted EBITDA*re* and Annualized Adjusted EBITDA*re* 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, EBITDA*re*, Adjusted EBITDA*re* and Annualized Adjusted EBITDA*re* 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 deb, 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 analysis.

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.