

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 March 31, 2026

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 001-39210

NexPoint Real Estate Finance, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or other Jurisdiction of
Incorporation or Organization)

300 Crescent Court, Suite 700, Dallas, Texas

(Address of Principal Executive Offices)

(214) 276-6300

(Telephone Number, Including Area Code)

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

84-2178264

(I.R.S. Employer
Identification No.)

75201

(Zip Code)

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	NREF	New York Stock Exchange; NYSE Texas
8.50% Series A Cumulative Redeemable Preferred Stock, par value 0.01 per share	NREF-PRA	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	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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 May 14, 2026, the registrant had 18,848,029 shares of its common stock, par value \$0.01 per share, outstanding.

NEXPOINT REAL ESTATE FINANCE, INC.

Form 10-Q

Quarter Ended March 31, 2026

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Cautionary Statement Regarding Forward-Looking Statements

This quarterly report ("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 liquidity and capital resources, our performance and results of operations and management's plan to make partial loan pay downs and utilize extension options contractually available under the 2026 OP Notes (as defined below) 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 then-current beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "could," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "would," "result," 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:

- Our loans and investments expose us to risks similar to and associated with debt-oriented real estate investments generally;
- Macroeconomic trends including inflation and high interest rates may continue to, and other trends such as tariffs may, adversely affect our financial condition and results of operations;
- 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;
- Fluctuations in interest rate and credit spreads could reduce our ability to generate income on our loans and other investments, including our ability to estimate allowances for credit losses, which could lead to a significant decrease in our results of operations, cash flows and the market value of our investments;
- Risks associated with the ownership of real estate;
- Our loans and investments are concentrated in terms of type of interest, geography, asset types 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 may not replicate the historical results achieved by other entities managed or sponsored by affiliates of NexPoint Advisors, L.P. (our "Sponsor"), members of the management team of NexPoint Real Estate Advisors VII, L.P. (our "Manager") or their affiliates;
- We are dependent upon our Manager 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 Manager and its affiliates face conflicts of interest, including significant conflicts created by our Manager's compensation arrangements with us, including compensation which may be required to be paid to our Manager if our management agreement is terminated, which could result in decisions that are not in the best interests of our stockholders;
- We pay substantial fees and expenses to our Manager and its affiliates, which payments increase the risk that you will not earn a profit on your investment;
- If we fail to qualify as a real estate investment trust (a "REIT") for U.S. federal income tax purposes, cash available for distributions ("CAD") to be paid to our stockholders could decrease materially, which would limit our ability to make distributions to our stockholders;

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- Risks associated with pandemics, including unpredictable variants and the future outbreak of other highly infectious or contagious diseases;
- Risks associated with the Highland Capital Management, L.P. bankruptcy, including related litigation and potential conflicts of interest; 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 ("SEC") on March 31, 2026 (our "Annual Report").

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.

PART I

Item 1. Financial Statements

NEXPOINT REAL ESTATE FINANCE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	<u>March 31, 2026</u>	<u>December 31,</u>
	<u>(Unaudited)</u>	<u>2025</u>
ASSETS		
Cash and cash equivalents	\$ 22,643	\$ 31,114
Restricted cash	2,604	3,240
Net Operating Real Estate Investments	112,939	113,879
Loans, held-for-investment, net (\$23,801 and \$23,797, with related parties, respectively) (1)	679,376	619,560
Common stock investments, at fair value (\$24,892 and \$24,761 with related parties, respectively)	52,860	49,104
Equity method investments (\$1,768 and \$1,714 with related parties, respectively)	1,768	1,714
Mortgage loans, held-for-investment, net (2)	108,903	121,239
Preferred stock investments, at fair value (\$3,269 and \$3,161 with related parties, respectively)	157,966	157,893
Accrued interest and dividends, net (3)	47,305	54,009
Mortgage loans held in variable interest entities, at fair value	3,873,034	3,987,281
CMBS structured pass-through certificates, at fair value	38,176	40,427
Stock warrant investments, at fair value	136,739	141,186
Accounts receivable and other assets	332	551
TOTAL ASSETS	<u>\$ 5,234,645</u>	<u>\$ 5,321,197</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Secured financing agreements, net	\$ 163,600	\$ 176,141
Master repurchase agreements	164,614	258,038
Unsecured notes, net	230,618	229,112
Mortgages payable, net	106,151	106,151
Accounts payable and other accrued liabilities	14,518	13,699
Accrued interest payable	16,971	13,795
Bonds payable held in variable interest entities, at fair value	3,688,881	3,692,390
Total Liabilities	4,385,353	4,489,326
Redeemable Series B Preferred stock, \$0.01 par value: 17,200,000 and 16,000,000 shares authorized; 16,186,525 and 16,186,525 shares issued and 16,053,575, and 16,099,443 shares outstanding, respectively		
	358,767	359,783
Redeemable Series C Preferred stock, \$0.01 par value: 8,000,000 and 8,000,000 shares authorized; 894,673 and 80,412 shares issued and outstanding, respectively		
	19,265	1,868
Redeemable noncontrolling interests in the OP		
	82,508	82,235
Stockholders' Equity:		
Noncontrolling interest in subsidiary	95	95
Series A Preferred stock, \$0.01 par value: 100,000,000 shares authorized; 1,645,000 and 1,645,000 shares issued and outstanding, respectively		
	16	16
Common stock, \$0.01 par value: 500,000,000 shares authorized; 18,686,983 and 18,574,101 shares issued and outstanding, respectively		
	187	186
Additional paid-in capital	404,733	404,207
Retained earnings (accumulated deficit)	(16,279)	(16,519)
Total Stockholders' Equity	388,752	387,985
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 5,234,645</u>	<u>\$ 5,321,197</u>

(1) Includes credit allowance of \$23.5 million and \$26.5 million as of March 31, 2026 and December 31, 2025, respectively

(2) Includes credit allowance of \$0.1 million and \$0.1 million as of March 31, 2026 and December 31, 2025, respectively

(3) Includes credit allowance of \$8.1 million as of March 31, 2026 and \$8.1 million as of December 31, 2025

See Notes to Consolidated Financial Statements

NEXPOINT REAL ESTATE FINANCE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended March 31,	
	2026	2025
Net interest income		
Interest income	\$ 24,454	\$ 22,043
Interest expense	(9,155)	(10,534)
Total net interest income	15,299	11,509
Other income (loss)		
Change in net assets related to consolidated CMBS variable interest entities	4,872	7,084
Change in unrealized gain (loss) on CMBS structured pass-through certificates	473	1,172
Change in unrealized gain (loss) on common stock investments	3,756	(1,414)
Change in unrealized gain (loss) on preferred stock and stock warrant investments	(4,482)	15,173
Reversal of (provision for) credit losses	2,983	(3,625)
Dividend income	7,164	1,999
Other income (loss)	338	(70)
Realized loss	(4)	—
Loss on extinguishment of debt	—	(45)
Equity in income (losses) of equity method investments	54	53
Loss on sale from real estate owned	(1)	—
Revenues from consolidated real estate owned	2,180	2,409
Total other income	17,333	22,736
Operating expenses		
General and administrative expenses	3,268	2,512
Loan servicing fees	300	321
Management fees	2,213	1,411
Expenses from consolidated real estate owned	4,218	4,039
Total operating expenses	9,999	8,283
Net income	22,633	25,962
Net (income) loss attributable to Series A preferred stockholders	(874)	(874)
Net (income) loss attributable to Series B preferred stockholders	(9,055)	(4,407)
Net (income) loss attributable to Series C preferred stockholders	(298)	—
Net (income) loss attributable to redeemable noncontrolling interests	(2,366)	(4,163)
Net income attributable to common stockholders	\$ 10,040	\$ 16,518
Weighted-average common shares outstanding - basic	18,605	17,516
Weighted-average common shares outstanding - diluted	51,456	36,049
Earnings per share outstanding - basic	\$ 0.54	\$ 0.94
Earnings per share outstanding - diluted	\$ 0.42	\$ 0.70
Dividends declared per common share	\$ 0.5000	\$ 0.5000

See Notes to Consolidated Financial Statements

NEXPOINT REAL ESTATE FINANCE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(dollars in thousands)
(Unaudited)

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Noncontrolling interest in Subsidiary	Total
	Number of Shares	Par Value	Number of Shares	Par Value				
Three Months Ended March 31, 2026								
Balances, December 31, 2025	1,645,000	\$ 16	18,574,101	\$ 186	\$ 404,207	\$ (16,519)	\$ 95	\$ 387,985
Vesting of stock-based compensation	—	—	112,882	1	526	—	—	527
Net income attributable to Series A preferred stockholders	—	—	—	—	—	874	—	874
Net income attributable to common stockholders	—	—	—	—	—	10,040	—	10,040
Series A preferred stock dividends declared (\$0.5313 per share)	—	—	—	—	—	(874)	—	(874)
Common stock dividends declared (\$0.5000 per share)	—	—	—	—	—	(9,800)	—	(9,800)
Balances, March 31, 2026	<u>1,645,000</u>	<u>\$ 16</u>	<u>18,686,983</u>	<u>\$ 187</u>	<u>\$ 404,733</u>	<u>\$ (16,279)</u>	<u>\$ 95</u>	<u>\$ 388,752</u>

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Noncontrollin g interest in CMBS VIEs	Noncontrollin g interest in Subsidiary	Total
	Number of Shares	Par Value	Number of Shares	Par Value					
Three Months Ended March 31, 2025									
Balances, December 31, 2024	1,645,000	\$ 16	17,461,129	\$ 174	\$ 387,892	\$ (54,948)	\$ 3,255	\$ 95	\$ 336,484
Vesting of stock-based compensation	—	—	182,397	2	(209)	—	—	—	(207)
Noncontrolling interest in CMBS variable interest entities	—	—	—	—	—	—	18	—	18
Net income attributable to Series A preferred stockholders	—	—	—	—	—	874	—	—	874
Net income attributable to common stockholders	—	—	—	—	—	16,518	—	—	16,518
Series A preferred stock dividends declared (\$0.5313 per share)	—	—	—	—	—	(874)	—	—	(874)
Common stock dividends declared (\$0.5000 per share)	—	—	—	—	—	(9,106)	—	—	(9,106)
Balances, March 31, 2025	<u>1,645,000</u>	<u>\$ 16</u>	<u>17,643,526</u>	<u>\$ 176</u>	<u>\$ 387,683</u>	<u>\$ (47,536)</u>	<u>\$ 3,273</u>	<u>\$ 95</u>	<u>\$ 343,707</u>

See Notes to Consolidated Financial Statements

NEXPOINT REAL ESTATE FINANCE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	For the Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities		
Net income	22,633	25,962
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of premiums	3,920	2,262
Accretion of discounts	(1,883)	(2,540)
Depreciation and amortization of real estate investments	1,426	1,079
Amortization of deferred financing costs	—	12
Provision for (reversal of) credit losses	(2,983)	3,625
Net change in unrealized (gain) loss on investments held at fair value	(746)	(15,861)
Equity in (income) losses of unconsolidated equity method ventures	(54)	(53)
Net realized (gain) loss	1,102	(46)
Stock-based compensation expense	1,405	1,283
Payment in kind income	(25,701)	(3,242)
Loss on extinguishment of debt	—	45
Changes in operating assets and liabilities:		
Accrued interest and dividends receivable	6,704	892
Accounts receivable and other assets	219	674
Accrued interest payable	3,176	3,016
Accounts payable, accrued expenses and other liabilities	182	(1,069)
Net cash provided by operating activities	9,400	16,039
Cash flows from investing activities		
Proceeds from payments received on mortgage loans held in variable interest entities	103,535	134,424
Proceeds from payments received on mortgage loans held for investment	42,814	20,665
Originations of mortgage loans, held-for-investment, net	—	(18,480)
Originations of loans, held-for-investment, net	(61,169)	(4,066)
Purchases of preferred stock and stock warrants	—	(55,013)
Purchases of CMBS securitizations held in variable interest entities, at fair value	—	(5,894)
Additions to real estate investments	(486)	(355)
Net cash provided by investing activities	84,694	71,281
Cash flows from financing activities		
Borrowings under secured financing agreements	—	23,359
Proceeds from secured borrowings of CMBS securitizations held in variable interest entities, at fair value	19,769	—
Principal repayments on borrowings under secured financing agreements	(12,545)	(6,500)
Distributions to bondholders of variable interest entities	(85,915)	(124,695)
Borrowings under master repurchase agreements	4,386	21,760
Principal repayments on borrowings under master repurchase agreements	(22,915)	(6,616)
Proceeds from the issuance of Series B preferred stock through public offering, net of offering costs	—	39,954
Proceeds from the issuance of Series C preferred stock through public offering, net of offering costs	16,381	—
Principal repayments on mortgages payable	—	(86)
Payments for taxes related to net share settlement of stock-based compensation	(878)	(1,490)
Dividends paid to common stockholders	(12,323)	(8,771)
Dividends paid to Series A preferred stockholders	(874)	(874)
Dividends paid to Series B preferred stockholders	(6,044)	(4,407)
Dividends paid to Series C preferred stockholders	(150)	—
Distributions to redeemable noncontrolling interests in the OP	(2,093)	(2,519)
Net cash used in financing activities	(103,201)	(70,885)

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Net increase (decrease) in cash, cash equivalents, and restricted cash	(9,107)	16,435
Cash, cash equivalents and restricted cash, beginning of period	34,354	7,053
Cash, cash equivalents and restricted cash, end of period	25,247	23,488

Supplemental Disclosure of Cash Flow Information

Interest paid	5,979	7,518
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Supplemental Disclosure of Noncash Investing and Financing Activities

Increase (decrease) in dividends payable upon vesting of restricted stock units	(2,523)	335
Consolidation of noncontrolling interest in CMBS variable interest entities	—	18

See Notes to Consolidated Financial Statements

NEXPOINT REAL ESTATE FINANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Description of Business

NexPoint Real Estate Finance, Inc. (the “Company”, “we”, “our”, “NREF”) is a commercial mortgage real estate investment trust (a “REIT”) incorporated in Maryland on June 7, 2019. The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its taxable year ended December 31, 2020 and the Company believes the current organization and method of operation will enable it to maintain its status as a REIT. The Company is focused on originating, structuring and investing in first-lien mortgage loans, mezzanine loans, preferred equity, convertible notes, multifamily properties and common equity investments, as well as multifamily and single-family rental (“SFR”) commercial mortgage backed securities securitizations (“CMBS securitizations”), promissory notes, revolving credit facilities and stock warrants which are our target assets. We primarily focus on investments in real estate sectors where our senior management team has operating expertise, including in the multifamily, SFR, self-storage, industrial and life science sectors predominantly in the top 50 metropolitan statistical areas (“MSAs”). Substantially all of the Company’s business is conducted through NexPoint Real Estate Finance Operating Partnership, L.P. (the “OP”), the Company’s operating partnership. As of March 31, 2026, the Company held approximately 86.56% of the common limited partnership units in the OP (“OP Units”) which represents 100.00% of the Class A OP Units, and the OP owned all of the common limited partnership units (“SubOP Units”) of its subsidiary partnerships (collectively, the “Subsidiary OPs”) (see Note 13).

The OP also directly owns all of the membership interests of a limited liability company (the “Mezz LLC”) through which it owns a portfolio of mezzanine loans, as further discussed below. NexPoint Real Estate Finance OP GP, LLC (the “OP GP”) is the sole general partner of the OP.

The Company commenced operations on February 11, 2020 upon the closing of its initial public offering of shares of its common stock (the “IPO”). Prior to the closing of the IPO, the Company engaged in a series of transactions through which it acquired an initial portfolio consisting of senior pooled mortgage loans backed by SFR properties (the “SFR Loans”), the junior most bonds of multifamily CMBS securitizations (the “CMBS B-Pieces”), mezzanine loan and preferred equity investments in real estate companies and properties in other structured real estate investments within the multifamily, SFR and self-storage asset classes (the “Initial Portfolio”). The Initial Portfolio was acquired from affiliates (the “Contribution Group”) of NexPoint Advisors, L.P. (our “Sponsor”), pursuant to a contribution agreement with the Contribution Group through which the Contribution Group contributed their interest in the Initial Portfolio to special purpose entities (“SPEs”) owned by the Subsidiary OPs, in exchange for SubOP Units (the “Formation Transaction”). Subsequent to the Formation Transaction, the Company has continued to invest in asset types and real estate sectors within the Initial Portfolio and expanded to include additional asset types and real estate sectors.

The Company is externally managed by NexPoint Real Estate Advisors VII, L.P. (the “Manager”) through a management agreement dated February 6, 2020 and amended as of July 17, 2020 and November 3, 2021, that renewed on February 6, 2026 for a one-year term and is automatically renewed for successive one-year terms thereafter unless earlier terminated (as amended, the “Management Agreement”), by and between the Company and the Manager. The Manager conducts substantially all of the Company’s operations and provides asset management services for its real estate investments. The Company expects it will only have accounting employees while the Management Agreement is in effect. All of the Company’s investment decisions are made by the Manager, subject to general oversight by the Manager’s investment committee and the Company’s board of directors (the “Board”). The Manager is wholly owned by our Sponsor.

The Company's primary investment objective is to generate attractive, risk-adjusted returns for stockholders over the long term. The Company intends to achieve this objective primarily by originating, structuring and investing in our target assets. The Company concentrates on investments in real estate sectors where our senior management team has operating expertise, including in the multifamily, SFR, self-storage, industrial and life science sectors predominantly in the top 50 MSAs. Through active portfolio management the Company seeks to take advantage of market opportunities to achieve a superior portfolio risk-mix that delivers attractive total returns.

2. Summary of Significant Accounting Policies

Readers of this Quarterly Report should refer to the audited financial statements and notes to consolidated financial statements of the Company for the year ended December 31, 2025, which are included in our Annual Report, filed with the SEC and also available on our website (nref.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 2, Summary of Significant Accounting Policies, in the notes to consolidated financial statements in our 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.

General

In accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X as issued by the SEC, these Condensed Consolidated Financial Statements do not include all of the information and disclosures required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements. Readers of this Quarterly Report should refer to the Company's audited Consolidated Financial Statements, which are included in the Company's Annual Report. In the opinion of management, all normal recurring adjustments necessary for a fair presentation of the financial position, results of operations, comprehensive income, cash flows, and equity for the interim periods have been included. The results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026 and future fiscal years.

Basis of Accounting

The accompanying unaudited consolidated financial statements are presented in accordance with GAAP. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the amounts of revenues and expenses during the reporting periods. Actual amounts realized or paid could differ from those estimates. All significant intercompany accounts and transactions have been eliminated in consolidation. Other than described below pertaining to the adoption of the new accounting pronouncement, there have been no significant changes to the Company's significant accounting policies during the three months ended March 31, 2026.

The accompanying unaudited consolidated financial statements have been prepared according to the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted according to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. It is at least reasonably possible that these estimates could change in the near term. Estimates are inherently subjective in nature and actual results could differ from our estimates and the differences could be material.

Principles of Consolidation

The Company accounts for subsidiary partnerships in which it holds an ownership interest in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, *Consolidation*. The Company first evaluates whether each entity is a variable interest entity (“VIE”). Under the VIE model, the Company consolidates an entity when it has power to direct the activities of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Under the voting model, the Company consolidates an entity when it controls the entity through ownership of a majority voting interest. As of March 31, 2026, the Company has determined it must consolidate the OP and the Subsidiary OPs under the VIE model as it was determined the Company both controls the direct activities of the OP and Subsidiary OPs and possesses the right to receive benefits that could potentially be significant to the OP and Subsidiary OPs. The consolidated financial statements include the accounts of the Company and its subsidiaries, including the OP and its subsidiaries. The Company’s sole significant asset is its investment in the OP, and consequently, substantially all of the Company’s assets and liabilities represent those assets and liabilities of the OP. The Company evaluates all of its interests in VIEs for consolidation. When the Company’s interests are determined to be variable interests, the Company assesses whether it is deemed to be the primary beneficiary of the VIE. The primary beneficiary of a VIE is required to consolidate the VIE. FASB ASC Topic 810, *Consolidation*, defines the primary beneficiary as the party that has both (i) the power to direct the activities of the VIE that most significantly impact its economic performance, and (ii) the obligation to absorb losses and the right to receive benefits from the VIE which could be potentially significant. The Company considers its variable interests, as well as any variable interests of its related parties in making this determination. Where both of these factors are present, the Company is deemed to be the primary beneficiary, and it consolidates the VIE. Where either one of these factors is not present, the Company is not the primary beneficiary, and it does not consolidate the VIE (see Note 6).

CMBS Trusts

The Company consolidates the trusts that issue beneficial ownership interests in mortgage loans secured by commercial real estate (commonly known as CMBS) when the Company holds a variable interest in, and management considers the Company to be the primary beneficiary of, those trusts. Management believes the performance of the assets that underlie CMBS issuances most significantly impact the economic performance of the trust, and the primary beneficiary is generally the entity that conducts activities that most significantly impact the performance of the underlying assets. In particular, the most subordinate tranches of CMBS expose the holder to greater variability of economic performance when compared to more senior tranches since the subordinate tranches absorb a disproportionately higher amount of the credit risk related to the underlying assets. Generally, a trust designates the most junior subordinate tranche outstanding as the controlling class, which entitles the holder of the controlling class to unilaterally appoint, remove and replace the special servicer for the trust. For the nine CMBS that the Company consolidates, the Company owns 100% of the most subordinate tranche. The subordinate tranche includes the controlling class, and has the ability to remove and replace the special servicer. The portion of the controlling class not owned by the Company is classified as noncontrolling interest in CMBS variable interest entities. On March 5, 2026, the Company issued a re-REMIC of K62, which is reflected in the consolidated financial statements as a secured borrowing, resulting in cash proceeds of \$19.0 million. The re-REMIC did not result in the derecognition of assets or liabilities and did not give rise to a gain or loss. The Company continues to consolidate the principal balance for both K62 and the new NXPA re-REMIC trust.

On the Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025, the Company consolidated each of the nine Freddie Mac K-Series securitization entities (the “CMBS Entities”) that were determined to be VIEs and for which the Company is the primary beneficiary. The CMBS Entities are independent of the Company, and the assets and liabilities of the CMBS Entities are not owned by and are not legal obligations of ours. Our exposure to the CMBS Entities is through the subordinated tranches. For financial reporting purposes, the underlying mortgage loans held by the trusts are recorded as a separate line item on the balance sheet under “Mortgage loans held in variable interest entities, at fair value.” The liabilities of the trusts consist solely of obligations to the CMBS holders of the consolidated trusts, excluding the CMBS B-Piece investments held by the Company. The liabilities are presented as “Bonds payable held in variable interest entities, at fair value” on the Consolidated Balance Sheets. The CMBS B-Pieces held by the Company, and the interest earned thereon are eliminated in consolidation. Management has elected the measurement alternative in ASC 810 to report the fair value of

the assets and liabilities of the consolidated CMBS Entities in order to provide users of the financial statements with better information regarding the effects of credit risk and other market factors on the CMBS B-Pieces owned by the Company. Management has elected to show interest income and interest expense related to the CMBS Entities in aggregate with the change in fair value as “Change in net assets related to consolidated CMBS variable interest entities.” The residual difference between the fair value of the CMBS Entities’ assets and liabilities represents the Company’s investments in the CMBS B-Pieces at fair value.

Mortgage and Other Loans Held-For-Investment, net

Loans that are held-for-investment are carried at their aggregate outstanding face amount, net of applicable (i) unamortized origination or acquisition premium and discounts, (ii) unamortized deferred fees and other direct loan origination costs, (iii) valuation allowance for credit losses and (iv) write-downs of impaired loans. The effective interest method is used to amortize origination or acquisition premiums and discounts and deferred fees or other direct loan origination costs. In general, an increase in prepayment rates accelerates the amortization of purchase premiums, thereby reducing the interest income earned on the assets. Conversely, discounts on such assets are accreted into interest income. In general, an increase in prepayment rates accelerates the accretion of purchase discounts, thereby increasing the interest income earned on the assets.

Allowance for Credit Losses

We adopted ASU 2016-13, Financial Instruments - Credit Losses on Financial Instruments as of January 1, 2023. The implementation process included the utilization of loan loss forecasting models, updates to our loan credit loss policy documentation, changes to internal reporting processes and related internal controls, and overall operational readiness for our adoption of the new standard. We have implemented loan loss forecasting models for estimating expected life-time credit losses for the portfolio on a collective basis (“collective ACL”), for loans that share similar risk characteristics, at the individual loan level, for our loan portfolio. The calculation is applied at the loan level. These models are also utilized for estimating expected life-time credit losses for unfunded loan commitments for which the Company has a present contractual obligation to extend the credit and the obligation is not unconditionally cancellable. The forecasting methods used by the Company for determining the collective ACL include a probability of default and loss given default method utilizing a widely used third-party analytical model with historical loan loss data for CMBS/Commercial Real Estate (“CRE”) loans from 1998 to 2025. The Company expects to use this proxy data set, or variants of it, unless the Company develops its own sufficient history of realized losses. Within this dataset, we focused our historical loss information on the most relevant subset of available CRE data, which we determined based on loan metrics that are most comparable to our loan portfolio including asset type, spread to interest rate, unpaid principal balance, and origination loan-to-value, or LTV. We might use other acceptable alternative approaches in the future depending on, among other factors, the type of loan, underlying collateral, and availability of relevant historical market loan loss data. Significant inputs to our forecasting methods include (i) key loan-specific inputs such as loan-to-value, vintage year, loan-term, underlying property type, occupancy, geographic location, performance against the underwritten business plan, and our internal loan risk rating, and (ii) determination of relevant historical loan loss data sets over an observable period and (iii) selection and weighting of macroeconomic forecasts over the relevant time period. The Company determines its allowance for credit loss estimate based on the weighting of multiple macroeconomic forecast scenarios driven by macroeconomic variables such as gross domestic product, unemployment rate, federal funds target rate and core personal consumption expenditure among others, during the reasonable and supportable forecast period. The reasonable and supportable forecast period is determined based on the Company’s assessment of macroeconomic forecast scenarios and plausible outcomes for the U.S. economy, current portfolio composition, level of historical loss experience, material changes in growth and credit strategy and other factors that may affect its loss experience. The Company regularly evaluates the reasonable and supportable forecast period to determine if a change is needed. The Company has determined that economic forecasts used in our current expected credit loss (“CECL”) model can be reasonable and supportable over four quarters as it provides enough time to account for the expected changes of the economic conditions and the performance of the underlying assets. Beyond the Company’s reasonable and supportable forecast period, the Company immediately reverts to historical loss information derived from the CRE data set. The Company considers an immediate reversion period appropriate in the CECL model because it provides a suitable balance between the stability of historical data and the flexibility to account for changing market conditions.

Individual Allowance for Credit Losses

In certain circumstances, we may determine that a loan is no longer suited for the model because (i) it has unique risk characteristics, (ii) we have deemed the borrower/sponsor to be experiencing financial difficulty and the repayment of the loan's principal is collateral-dependent, (iii) we anticipate assuming legal title and/or physical possession of the underlying collateral property and the fair value of the collateral asset is determined to be below the carrying value of our loan, and/or (iv) recovery of our loan may occur at an amount below our loan's carrying value. We may instead elect to employ different methods to estimate an individual allowance for credit losses ("individual ACL") for collateral dependent assets by comparing the estimated fair value of the underlying collateral, less costs to sell, to the amortized cost of the respective loan in accordance with ASC 326, *Financial Instruments – Credit Losses* and related guidance and fair value the collateral associated with the loans. These valuations require significant judgments and actual losses, if any, could ultimately differ from estimated losses. The Company's collateral-dependent financial assets consist of CRE loans secured by mezzanine positions on the underlying properties. As of March 31, 2026, we individually evaluated three loans with multifamily collateral with an amortized cost of \$24.8 million. The increase in the amortized cost basis of collateral-dependent assets secured by multifamily properties was primarily due to the specific credit deterioration and subsequent downgrade of three loans during the period, rather than a general deterioration across the portfolio segment.

Nonaccrual and Past Due Loans

We cease accruing interest on loans if we deem the interest to be uncollectible with any previously accrued uncollected interest on the loan charged to CECL in the same period. The amortized cost basis, net of specific CECL allowance, for loans past due was \$0 of preferred equity as of March 31, 2026 and 2025, respectively. The amortized cost basis, net of individual CECL allowance, for loans on nonaccrual was \$33.2 million, consisting of \$22.1 million of mezzanine loans and \$11.1 million of preferred equity as of March 31, 2026 and 2025, respectively. For the three months ended March 31, 2026, interest income recognized on a cash basis for loans while they were on nonaccrual status was approximately \$0.2 million.

Loan Modifications Pursuant to ASC 326

During the three months ended March 31, 2026, the Company did not have any modifications on loans experiencing financial distress.

The following table summarizes our (provision for) reversal of credit losses as of March 31, 2026 and 2025 (dollars in thousands):

	March 31, 2026	March 31, 2025
Balances, January 1,	\$ (34,741)	\$ (1,377)
(Provision for) reversal of credit losses	2,983	(1,213)
Reversal of individual reserve of credit losses	—	(2,412)
Balances, March 31,	<u>\$ (31,758)</u>	<u>\$ (5,002)</u>

The following table summarizes our expected credit loss reserve as of March 31, 2026 and 2025 (dollars in thousands):

	March 31, 2026	March 31, 2025
Collective Reserve	\$ 8,678	\$ 2,590
Individual Reserve	23,080	2,412
Total Reserve	<u>\$ 31,758</u>	<u>\$ 5,002</u>

Significant judgment is required in determining impairment and in estimating the resulting loss allowance, and actual losses, if any, could materially differ from those estimates.

The Company performs a quarterly review of the portfolio. In conjunction with this review, the Company assesses the risk factors of each loan, including, without limitation, loan-to-value ratio, debt yield, property type, geographic and local market dynamics, physical condition, collateral, cash-flow volatility, leasing and tenant profile, loan structure, exit plan and

project sponsorship. Based on a 5-point scale, our loans are rated “1” through “5,” from least risk to greatest risk, respectively, which ratings are defined as follows:

- 1 – Outperform – Materially exceeds performance metrics (for example, technical milestones, occupancy, rents and net operating income) included in original or current credit underwriting and business plan;
- 2 – Exceeds Expectations – Collateral performance exceeds substantially all performance metrics included in original or current credit underwriting and business plan;
- 3 – Satisfactory – Collateral performance meets, or is on track to meet, underwriting; business plan is met or can reasonably be achieved;
- 4 – Underperformance – Collateral performance falls short of underwriting, material differences exist from business plan, or both; technical milestones have been missed; defaults may exist or may soon occur absent material improvement; and
- 5 – Risk of Impairment/Default – Collateral performance is significantly worse than underwriting; major variance from business plan; loan covenants or technical milestones have been breached; timely exit from loan via sale or refinancing is questionable.

The Company regularly evaluates the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral, as well as the financial and operating capability of the borrower. Specifically, the collateral’s operating results and any cash reserves are analyzed and used to assess (i) whether cash from operations is sufficient to cover the debt service requirements currently and into the future, (ii) the ability of the borrower to refinance the loan and/or (iii) the collateral’s liquidation value. The Company also evaluates the financial condition of any loan guarantors, as well as any changes in the borrower’s competency in managing and operating the collateral. In addition, the Company considers the overall economic environment, real estate or industry sector and geographic sub-market in which the borrower operates. Such impairment analyses are completed and reviewed by asset management and finance personnel who utilize various data sources, including (i) periodic financial data such as property operating statements, occupancy, tenant profile, rental rates, operating expenses, the borrower’s exit plan and capitalization and discount rates, (ii) site inspections and (iii) current credit spreads and discussions with market participants.

The Company considers loans to be past-due when a monthly payment is due and unpaid for 60 days or more. Loans will be placed on nonaccrual status and considered non-performing when full payment of principal and interest is in doubt, which generally occurs when they become 120 days or more past-due unless the loan is both well secured and in the process of collection. Accrual of interest on individual loans is discontinued when management believes that, after considering economic and business conditions and collection efforts, the borrower’s financial condition is such that collection of interest is doubtful. Our policy is to cease accruing interest when a loan’s delinquency exceeds 120 days. All interest accrued but not collected for loans that are placed on nonaccrual status or subsequently charged-off are reversed against interest income. Income is subsequently recognized on the cash basis until, in management’s judgment, the borrower’s ability to make periodic principal and interest payments returns and future payments are reasonably assured, in which case the loan is returned to accrual status.

A loan is written off when it is no longer realizable and/or it is legally discharged. There were no recoveries as of March 31, 2026 and December 31, 2025.

The Company estimates expected credit losses over the contractual period for its off-balance sheet credit exposures, which consist primarily of unfunded commitments on revolving lines of credit and term loans. A liability is recorded for the expected credit losses on these commitments when the commitment is not unconditionally cancelable by the Company. The methodology to estimate this liability is broadly consistent with that used for our funded loan portfolio.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses* (“ASU 2024-03”). ASU 2024-03 requires disclosures of disaggregated information about certain income statement expense line items on an annual and interim basis. The amendments are effective for fiscal years beginning after December 15, 2026, with early adoption permitted, and should be applied prospectively, with the option to apply retrospectively. The Company is currently evaluating the impact of adopting the amendments on its disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which introduces enhancements to income tax disclosures. The Company adopted this new standard beginning with our Annual Report for the year ended December 31, 2025 which did not have a material impact on its consolidated financial statements.

3. Loans Held for Investment, Net

The Company’s investments in mortgage loans, mezzanine loans, preferred equity, promissory notes and revolving credit facilities are accounted for as loans held for investment. The mortgage loans are presented as “Mortgage loans, held-for-investment, net” and the mezzanine loans, preferred equity, promissory notes and revolving credit facilities are presented as “Loans, held-for-investment, net” on the Consolidated Balance Sheets. The following tables summarize our loans held-for-investment as of March 31, 2026 and December 31, 2025, respectively (dollars in thousands):

Loan Type	Outstanding Face Amount	Carrying Value (1)	Loan Count	Weighted Average		
				Fixed Rate (2)	Coupon (3)	Life (years) (4)
March 31, 2026						
Mortgage loans, held-for-investment	\$ 106,844	\$ 108,903	8	100.00%	5.26%	1.6
Mezzanine loans, held-for-investment	235,292	226,547	21	41.14%	10.35%	2.3
Preferred equity, held-for-investment	261,731	247,872	19	53.03%	10.81%	2.0
Promissory notes, held-for-investment	48,990	48,477	4	100.00%	14.91%	1.2
Revolving credit facility, held-for-investment	165,344	156,480	1	100.00%	13.50%	1.8
	<u>\$ 818,201</u>	<u>\$ 788,279</u>	<u>53</u>	<u>68.05%</u>	<u>10.75%</u>	<u>1.9</u>
Loan Type	Outstanding Face Amount	Carrying Value (1)	Loan Count	Weighted Average		
				Fixed Rate (2)	Coupon (3)	Life (years) (4)
December 31, 2025						
Mortgage loans, held-for-investment	\$ 118,550	\$ 121,239	9	100.00%	5.31%	1.9
Mezzanine loans, held-for-investment	229,927	220,814	22	43.35%	10.18%	2.6
Preferred equity, held-for-investment	261,175	244,959	20	54.84%	10.92%	2.8
Promissory notes, held-for-investment	15,500	15,459	2	100.00%	13.65%	0.6
Revolving credit facility, held-for-investment	148,600	138,328	1	100.00%	13.50%	2.0
	<u>\$ 773,752</u>	<u>\$ 740,799</u>	<u>54</u>	<u>67.92%</u>	<u>10.40%</u>	<u>2.4</u>

- (1) Carrying value includes the outstanding face amount plus unamortized purchase premiums/discounts and any allowance for loan losses.
- (2) The weighted-average of loans paying a fixed rate is weighted on current principal balance.
- (3) The weighted-average coupon is weighted on outstanding face amount.
- (4) The weighted-average life is weighted on outstanding face amount and assumes no prepayments. The maturity date for preferred equity investments represents the maturity date of the senior mortgage, as the preferred equity investments require repayment upon the sale or refinancing of the asset.

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For the three months ended March 31, 2026 and 2025, the loans held for investment, net and preferred equity portfolio activity was as follows (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Balances, January 1,	\$ 740,799	\$ 760,939
Originations	61,169	22,546
Proceeds from principal repayments	(42,814)	(20,665)
PIK distribution reinvested in Preferred Units	25,592	3,242
Amortization of loan premium, net (1)	550	957
(Provision for) reversal of credit losses (2)	2,983	(3,625)
Balances, March 31,	\$ 788,279	\$ 763,394

(1) Includes net amortization of loan purchase premiums.

(2) The remaining provision of credit losses of \$8.1 million is related to accrued interest on individual reserves.

As of March 31, 2026 and December 31, 2025, there were \$6.3 million and \$6.3 million of unamortized premiums on loans, held-for-investment, net, respectively, on the Consolidated Balance Sheets.

As discussed in Note 2, the Company evaluates loans classified as held-for-investment on a loan-by-loan basis every quarter. In conjunction with the review of the portfolio, the Company assesses the risk factors of each loan and assigns a risk rating based on a variety of factors. Loans are rated “1” through “5,” from least risk to greatest risk, respectively. See Note 2 for a more detailed discussion of the risk factors and ratings. The following tables allocate the principal balance and net book value of the loan portfolio based on our internal risk ratings (dollars in thousands):

March 31, 2026			
Risk Rating	Number of Loans	Carrying Value	% of Loan Portfolio
1	—	\$ —	—
2	—	—	—
3	48	774,773	98.29%
4	2	3,628	0.46%
5	3	9,878	1.25%
	<u>53</u>	<u>\$ 788,279</u>	<u>100.00%</u>

December 31, 2025			
Risk Rating	Number of Loans	Carrying Value	% of Loan Portfolio
1	—	\$ —	—
2	—	—	—
3	50	729,529	98.48%
4	1	1,397	0.19%
5	3	9,873	1.33%
	<u>54</u>	<u>\$ 740,799</u>	<u>100.00%</u>

Our loan portfolio had a weighted-average risk rating of 3.0 as of March 31, 2026 and December 31, 2025, respectively.

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The following tables present the carrying value of the loan portfolio by the Company's internal risk rating and year of origination as of March 31, 2026 and December 31, 2025 (dollars in thousands):

Risk Rating	March 31, 2026								
	Number of Loans	Outstanding Face Amount	Carrying Value by Year of Origination (1)						Total
			2026	2025	2024	2023	2022	Prior	
1	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2	—	—	—	—	—	—	—	—	—
3	48	787,914	32,848	34,393	296,360	87,360	64,591	259,221	774,773
4	2	5,403	—	—	—	—	2,225	1,403	3,628
5	3	24,884	—	—	—	2,413	3,303	4,162	9,878
	<u>53</u>	<u>\$ 818,201</u>	<u>\$ 32,848</u>	<u>\$ 34,393</u>	<u>\$ 296,360</u>	<u>\$ 89,773</u>	<u>\$ 70,119</u>	<u>\$ 264,786</u>	<u>\$ 788,279</u>

Risk Rating	December 31, 2025								
	Number of Loans	Outstanding Face Amount	Carrying Value by Year of Origination (1)						Total
			2025	2024	2023	2022	2021	Prior	
1	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2	—	—	—	—	—	—	—	—	—
3	50	747,367	50,740	265,929	83,312	65,363	35,084	229,101	729,529
4	1	1,500	—	—	—	—	—	1,397	1,397
5	3	24,884	—	—	—	—	9,873	—	9,873.00
	<u>54</u>	<u>\$ 773,751</u>	<u>\$ 50,740</u>	<u>\$ 265,929</u>	<u>\$ 83,312</u>	<u>\$ 65,363</u>	<u>\$ 44,957</u>	<u>\$ 230,498</u>	<u>\$ 740,799</u>

(1) Represents the date a loan was originated or acquired.

The following tables present the geographies and property types of collateral underlying the Company's loans held-for-investment as a percentage of the loans' face amounts.

Geography	March 31, 2026	December 31, 2025
Massachusetts	21.97%	17.57%
Texas	14.85%	15.22%
Georgia	8.52%	10.41%
Florida	8.40%	8.19%
Maryland	7.54%	7.75%
California	5.86%	5.88%
Virginia	5.64%	5.67%
Other (22 and 22 states each at <4%)	27.22%	29.31%
	<u>100.00%</u>	<u>100.00%</u>

Collateral Property Type	March 31, 2026	December 31, 2025
Life Science	33.86%	28.07%
Multifamily	29.50%	30.94%
Single Family Rental	25.48%	27.92%
Self-Storage	4.92%	4.49%
Marina	2.68%	4.91%
Industrial	3.56%	3.67%
	<u>100.00%</u>	<u>100.00%</u>

4. CMBS Trusts

As of March 31, 2026, the Company consolidated nine of the CMBS Entities that it determined are VIEs and for which the Company is the primary beneficiary. The Company elected the fair-value measurement alternative in accordance with ASU 2014-13 for each of the trusts and carries the fair values of the trust's assets and liabilities at fair value in its Consolidated Balance Sheets, recognizes changes in the trust's net assets, including changes in fair-value adjustments and net interest earned, in its Consolidated Statements of Operations and records cash interest received from the trusts and cash interest paid to bondholders of the CMBS not beneficially owned by the Company as investing and financing cash flows, respectively.

The following table presents the Company's recognized Trust's Assets and Liabilities (in thousands):

Trust's Assets	March 31, 2026	December 31, 2025
Mortgage loans held in variable interest entities, at fair value	\$ 3,873,034	\$ 3,987,281
Accrued interest receivable	3,179	3,339
Trust's Liabilities		
Bonds payable held in variable interest entities, at fair value	(3,688,881)	(3,692,390)
Accrued interest payable	(2,550)	(2,699)

The following table presents "Change in net assets related to consolidated CMBS variable interest entities" (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Net interest earned	\$ 4,973	\$ 6,119
Realized gain (loss)	(1,097)	46
Unrealized gain (loss)	996	919
Change in net assets related to consolidated CMBS variable interest entities	<u>\$ 4,872</u>	<u>\$ 7,084</u>

The following tables present the geographies and property types of collateral underlying the CMBS trusts consolidated by the Company as a percentage of the collateral unpaid principal balance:

Geography	March 31, 2026	December 31, 2025
Texas	18.30%	17.92%
Colorado	9.35%	10.20%
California	7.52%	8.58%
Florida	8.50%	8.30%
Washington	7.70%	7.53%
Georgia	5.74%	5.60%
New York	5.40%	5.27%
North Carolina	5.26%	5.14%
Other (28 and 33 states each at <4%)	32.23%	31.46%
	<u>100.00%</u>	<u>100.00%</u>

5. Common and Preferred Stock Investments

Common Stock Investments, at fair value

The Company owns approximately 26.0% of the total outstanding shares of common stock of NSP and thus can exercise significant influence over NSP. NSP is a VIE and the Company has determined that it is not the primary beneficiary of NSP. The investment qualifies to be accounted for using the equity method. However, the Company elected the fair-value option in accordance with ASC 825-10-10 for NSP.

The investment in NSP is a Level 3 asset in the fair value hierarchy and was initially measured using the entry price of the asset. The Company's valuation policy for common stock is to use readily available market prices on the relevant

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valuation date to the extent they are available. On a quarterly basis, the Company determines the value using widely accepted valuation techniques. A bottom up approach was used by valuing the wholly-owned self-storage assets in aggregate and development loans individually. In this bottom up approach, the discounted cash flow methodology is applied to the self-storage assets owned by NSP. Additionally, the income approach is used to determine the fair value of the development loans owned by NSP whereby contractual cash flows are discounted at observable market discount rates. In addition, as a secondary check for reasonableness, a top-down approach was applied whereby observable market terminal capitalization rates and discount rates are applied to the consolidated NSP cash flows. The valuation relies primarily on the bottom up approach but uses the top-down approach to corroborate the bottom up conclusion with a reasonable precision.

The Company owns approximately 6.2% of the total outstanding shares of common stock of a private ground lease REIT (the "Private REIT") as of March 31, 2026. The Company elected the fair-value option in accordance with ASC 825-10-10 for the Private REIT.

The investment in the Private REIT is a Level 3 asset in the fair value hierarchy. As of March 31, 2026, the Company valued this investment based on the Private REIT's market approach price of \$20.06 per share.

The following table presents the common stock investments as of March 31, 2026 and December 31, 2025, respectively (in thousands, except share amounts):

Investment	Investment Date	Property Type	Shares		Fair Value	
			March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
Common Stock						
NexPoint Storage Partners	11/6/2020	Self-storage	42,824	42,824	\$ 24,892	\$ 24,761
Private REIT	4/14/2022	Ground Lease	1,394,213	1,394,213	\$ 27,968	\$ 24,343

Equity Method Investments

The Company owns approximately 98.0% of the total outstanding common equity of each of Resmark Forney Gateway Holdings, LLC ("RFGH") and Resmark The Brook Holdings, LLC ("RTB"). These investments are held in entities that are considered VIEs as the power to direct activities is not proportional to ownership interests.

The Company owns approximately 5.9% of the total outstanding common equity of Ridgeview Place. This investment is held in an entity that is considered a VIE as the power to direct activities is not proportional to ownership interests.

The Company owns approximately 79.1% of total outstanding membership interests of Capital Acquisitions Partners, LLC ("CAP"). The investment is held in an entity that is considered a VIE as the power to direct activities is not proportional to ownership interests.

Preferred Stock Investments, at fair value

On November 9, 2023, the Company invested in the Series D-1 preferred stock ("Series D-1") of IQHQ, Inc., a privately held life sciences real estate investment trust. The Series D-1 dividend accumulates quarterly at a 15.5% dividend rate per annum. The Series D-1 are not deemed to be in-substance common stock and are accounted for as investments in equity securities measured at fair value. The Company owns approximately 11.8% of the total outstanding shares of the Series D-1 as of March 31, 2026.

The investment in the Series D-1 is a Level 3 asset in the fair value hierarchy and was initially measured using the entry price of the asset. As of March 31, 2026, the Company valued this investment at fair value, which is supported by a discounted cash flow based on the present value of the expected future cash flows of the underlying investment.

On January 2, 2025, the Company invested in the Series E preferred stock ("Series E") of IQHQ, Inc. through the IQHQ Subscription Agreement (as defined in Note 15). The Series E dividend accumulates quarterly at a 16.5% dividend rate per annum. The Series E are not deemed to be in-substance common stock and are accounted for as investments in equity

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securities measured at fair value. The securities do not have a readily determinable fair value, and the Company does not elect the measurement alternative. The Company owns approximately 46.0% of the total outstanding shares of the Series E as of March 31, 2026. The Company valued this investment at fair value, which is supported by a discounted cash flow based on the present value of the expected future cash flows of the underlying investment.

On October 8, 2025, the Company invested in the Series G preferred stock ("Series G") of NSP through the NSP Subscription Agreement (as defined in Note 15). The Series G dividend accumulates quarterly at a 15.0% dividend rate per annum. The Series G are not deemed to be in-substance common stock and are accounted for as investments in equity securities measured at fair value. The securities do not have a readily determinable fair value, and the Company does not elect the measurement alternative. The Company owns approximately 95.4% of the total outstanding shares of the Series G as of March 31, 2026.

The investment in the Series G is a Level 3 asset in the fair value hierarchy and was initially measured using the entry price of the asset.

The warrant valuation is determined using widely accepted valuation techniques consistent with the principles of ASC 820. Specifically, these techniques include the net asset value-based approach that derives the underlying equity value of IQHQ by considering the estimated fair value of its real estate assets and liabilities under ASC 820. This value is then allocated through the capital structure to the warrant instruments. Since IQHQ's equity and warrants are not publicly traded, the valuation incorporates a discount for lack of marketability, which reflects the limited liquidity and transferability of the warrants. The necessary inputs for the warrant valuation include guideline publicly traded companies engaged in life science and specialized commercial real estate, which lead to the selection of multiples – adjusted for size, leverage, growth profile, and market conditions. As a result, the determination of fair value involves significant estimation uncertainty because it involves subjective judgments and estimates that are based on unobservable inputs.

The following table presents Preferred stock and warrant investments, at fair value as of March 31, 2026 and December 31, 2025, respectively (in thousands, except share amounts):

Investment	Investment Date	Property Type	Shares		Fair Value		Interest Rate	Maturity Date
			March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025		
Preferred Stock								
IQHQ Series D Preferred Stock	11/9/2023	Life Science	18,949	18,949	\$ 18,616	\$ 18,617	15.50%	N/A
IQHQ Series E Preferred Stock	1/2/2025	Life Science	137,013	137,013	136,081	136,115	16.50%	N/A
NSP Series G Preferred Stock	10/8/2025	Self - Storage	3,287	3,178	3,269	3,161	15.00%	N/A
Warrants								
IQHQ, Inc.	5/23/2024	Life Science	55,584,966	55,584,966	136,739	141,186	N/A	N/A

6. Unconsolidated Variable Interest Entities

Unconsolidated VIEs

The Company continually reassesses whether it remains the primary beneficiary for VIEs consolidated under the VIE model.

As of March 31, 2026, the Company has accounted for the following investments as unconsolidated VIEs:

Entities	Instrument	Asset Type	Percentage Ownership as of March 31, 2026
Unconsolidated Entities:			
NexPoint Storage Partners, Inc.	Common Stock	Self-storage	26.0%
Resmark Forney Gateway Holdings, LLC	Common Equity	Multifamily	98.0%
Resmark The Brook Holdings, LLC	Common Equity	Multifamily	98.0%
Private REIT	Common Stock	Ground Lease	6.2%
Ridgeview Place	Common Equity	Multifamily	5.9%
Capital Acquisitions Partners, LLC	Membership Interests	Multifamily	79.1%

As of December 31, 2025, the Company has accounted for the following investments as unconsolidated VIEs:

Entities	Instrument	Asset Type	Percentage Ownership as of December 31, 2025
Unconsolidated Entities:			
NexPoint Storage Partners, Inc.	Common Stock	Self-storage	26.0%
Resmark Forney Gateway Holdings, LLC	Common Equity	Multifamily	98.0%
Resmark The Brook Holdings, LLC	Common Equity	Multifamily	98.0%
Private REIT	Common Stock	Ground Lease	6.2%
SK Apartments	Common Equity	Multifamily	5.9%
Capital Acquisitions Partners, LLC	Membership Interests	Multifamily	79.1%

The Company's maximum exposure to loss of value for the NSP investment is the fair value of the Company's \$24.9 million NSP common stock investment. The Company's maximum exposure to loss of value for the CAP investment is the \$1.8 million carrying value. The Company's maximum exposure to loss of value for the Private REIT investment is the fair value of the Company's \$28.0 million Private REIT common stock investment. The combined maximum exposure of Resmark Gateway, Resmark Brook and Ridgeview Place is zero.

7. CMBS Structured Pass-Through Certificates

As of March 31, 2026, the Company held 14 CMBS interest only structured pass-through certificates ("CMBS I/O Strips") at fair value. The CMBS I/O Strips consist of interest only tranches of Freddie Mac structured pass-through certificates with underlying portfolios of fixed-rate mortgage loans secured primarily by stabilized multifamily properties.

The following table presents the CMBS I/O Strips as of March 31, 2026 (dollars in thousands):

Investment	Investment Date	Carrying Value (1)	Property Type	Interest Rate	Current Yield (2)	Maturity Date
CMBS I/O Strips						
CMBS I/O Strip	5/18/2020	\$ 1,071	Multifamily	2.09%	24.66%	1/25/2030
CMBS I/O Strip	8/6/2020	11,335	Multifamily	3.08%	27.08%	6/25/2030
CMBS I/O Strip	4/28/2021	3,253	Multifamily	1.70%	28.62%	1/25/2030
CMBS I/O Strip	5/27/2021	2,380	Multifamily	3.50%	27.17%	5/25/2030
CMBS I/O Strip	6/7/2021	233	Multifamily	2.39%	41.38%	11/25/2028
CMBS I/O Strip	6/11/2021	799	Multifamily	2.07%	35.88%	5/25/2029
CMBS I/O Strip	6/21/2021	526	Multifamily	— %	— %	5/25/2030
CMBS I/O Strip	8/10/2021	1,584	Multifamily	1.96%	27.76%	4/25/2030
CMBS I/O Strip	8/11/2021	953	Multifamily	3.20%	21.49%	7/25/2031
CMBS I/O Strip	8/24/2021	166	Multifamily	2.70%	23.60%	1/25/2031
CMBS I/O Strip	9/1/2021	2,397	Multifamily	2.04%	26.77%	6/25/2030
CMBS I/O Strip	9/11/2021	2,742	Multifamily	3.05%	21.12%	9/25/2031
CMBS I/O Strip	1/16/2025	5,418	Multifamily	5.86%	16.07%	11/25/2034
CMBS I/O Strip	4/24/2025	5,319	Multifamily	5.88%	16.95%	4/25/2034
Total		<u>\$ 38,176</u>		<u>3.57%</u>	<u>23.50%</u>	

(1) Carrying value of the CMBS I/O strips are measured at fair value. See Note 10.

(2) Current yield is the annualized income earned divided by the cost basis of the investment.

The following table presents the CMBS I/O Strips as of December 31, 2025 (dollars in thousands):

Investment	Investment Date	Carrying Value (1)	Property Type	Interest Rate	Current Yield (3)	Maturity Date
CMBS I/O Strips						
CMBS I/O Strip	5/18/2020	\$ 1,150	Multifamily	2.02%	22.00%	1/25/2030
CMBS I/O Strip	8/6/2020	11,994	Multifamily	2.98%	24.75%	6/25/2030
CMBS I/O Strip	4/28/2021	3,458	Multifamily	1.58%	24.88%	1/25/2030
CMBS I/O Strip	5/27/2021	2,502	Multifamily	3.38%	24.72%	5/25/2030
CMBS I/O Strip	6/7/2021	254	Multifamily	2.31%	36.17%	11/25/2028
CMBS I/O Strip	6/11/2021	1,239	Multifamily	2.01%	35.42%	5/25/2029
CMBS I/O Strip	6/21/2021	577	Multifamily	— %	— %	5/25/2030
CMBS I/O Strip	8/10/2021	1,603	Multifamily	1.89%	25.19%	4/25/2030
CMBS I/O Strip	8/11/2021	998	Multifamily	3.10%	19.91%	7/25/2031
CMBS I/O Strip	8/24/2021	174	Multifamily	2.61%	21.70%	1/25/2031
CMBS I/O Strip	9/1/2021	2,545	Multifamily	1.92%	23.73%	6/25/2030
CMBS I/O Strip	9/11/2021	2,872	Multifamily	2.95%	19.57%	9/25/2031
CMBS I/O Strip	1/16/2025	5,562	Multifamily	5.67%	15.22%	11/25/2034
CMBS I/O Strip	4/24/2025	5,499	Multifamily	5.69%	16.03%	4/25/2034
		<u>\$ 40,427</u>		<u>3.41%</u>	<u>21.68%</u>	

(1) Carrying value of the CMBS I/O strips are measured at fair value. See Note 10.

(2) Current yield is the annualized income earned divided by the cost basis of the investment.

The following table presents activity related to the Company's CMBS I/O Strips (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Net interest expense	\$ (317)	\$ (213)
Change in unrealized gain (loss) on CMBS structured pass-through certificates	473	1,172
Total	\$ 156	\$ 959

8. Real Estate Investments, net

On October 10, 2023, the Company exercised its right to terminate and replace the existing manager of SPG Alexander JV LLC, which owns a 280-unit multifamily property in Atlanta, Georgia (Alexander at the District).

On December 15, 2025, the Company exercised its right to terminate the manager of Mag & May, which owns a 240-unit multifamily property in Fort Worth, Texas. The Company, through its subsidiaries, holds both preferred and common equity investment in Mag & May. As such, the Company is the primary beneficiary of Mag & May and consolidates the property within our consolidated financial statements.

As of March 31, 2026, the components of the Company's investments in multifamily properties were as follows (in thousands):

Net Operating Real Estate Investments	Land	Buildings and Improvements	Intangible Lease Assets	Construction in Progress	Furniture, Fixtures and Equipment	Totals
Alexander at the District	\$ 7,806	\$ 60,700	\$ —	\$ 158	\$ 1,640	\$ 70,304
Mag & May	5,105	42,907	694	—	705	49,411
Accumulated depreciation and amortization	—	(5,399)	(363)	—	(1,014)	(6,776)
Net Operating Real Estate Investments	\$ 12,911	\$ 98,208	\$ 331	\$ 158	\$ 1,331	\$ 112,939

As of December 31, 2025, the components of the Company's investments in multifamily properties were as follows (in thousands):

Net Operating Real Estate Investments	Land	Buildings and Improvements	Intangible Lease Assets	Construction in Progress	Furniture, Fixtures and Equipment	Totals
Alexander at the District	\$ 7,806	\$ 59,854	\$ —	\$ 643	\$ 1,515	\$ 69,818
Mag & May	5,105	42,907	694	—	705	49,411
Accumulated depreciation and amortization	—	(4,524)	—	—	(826)	(5,350)
Net Operating Real Estate Investments	\$ 12,911	\$ 98,237	\$ 694	\$ 643	\$ 1,394	\$ 113,879

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The following table reflects the revenues and expenses for the three months ended March 31, 2026 and 2025, for our multifamily properties (in thousands).

	For the Three Months Ended March 31,	
	2026	2025
Revenues		
Rental income	\$ 2,137	\$ 2,378
Other income	43	31
Total revenues	<u>\$ 2,180</u>	<u>\$ 2,409</u>
Expenses		
Interest expense	1,135	1,820
Real estate taxes and insurance	276	389
Property operating expenses	382	567
Property general and administrative expenses	936	124
Property management fees	63	70
Depreciation and amortization	1,426	1,079
Rate cap (income) expense	—	(10)
Total expenses	<u>\$ 4,218</u>	<u>\$ 4,039</u>
Net income (loss) from consolidated real estate owned	<u>\$ (2,038)</u>	<u>\$ (1,630)</u>

9. Debt

The following table summarizes the Company's financing arrangements in place as of March 31, 2026 (dollars in thousands):

	March 31, 2026									
	Facility					Collateral				
	Date issued	Outstanding face amount	Carrying value	Final stated maturity	Weighted average interest rate (1)	Weighted average life (years) (2)	Outstanding face amount	Amortized cost basis	Carrying value (3)	Weighted average life (years) (2)
Master Repurchase Agreement										
CMBS										
Mizuho ⁽⁴⁾	4/15/2020	164,614	164,614	(5) N/A	5.38%	0.0	615,619	240,905	225,571	4.1
Asset Specific Financing										
Single Family Rental loans										
Freddie Mac	7/12/2019	97,438	97,437	7/12/2029	2.64%	1.6	106,844	108,903	108,903	1.6
Mezzanine loans										
Freddie Mac	10/20/2020	56,183	56,183	8/1/2031	0.30%	4.1	91,802	95,967	95,967	4.1
Multifamily properties										
Argentica	10/10/2023	63,500	63,500	(6) 11/6/2026	8.32%	1.6	N/A	64,310	64,310	1.6
Ullico	12/15/2025	42,000	42,000	10/1/2027	6.31%	2.5	N/A	48,631	48,631	2.5
Common stock investment										
NexBank, SSB	4/29/2024	10,000	9,980	(7) 4/26/2027	8.52%	1.1	N/A	N/A	27,968	N/A
Unsecured Financing										
Various	10/10/2025	45,000	44,181	10/10/2028 (8) 6)	7.88%	1.5	N/A	N/A	N/A	N/A
Various	4/20/2021	180,000	179,937	(9) 5/1/2026	5.75%	0.1	N/A	N/A	N/A	N/A
NFRO REIT Sub, LLC	10/18/2022	6,500	6,500	10/18/2027	7.50%	1.6	N/A	N/A	N/A	N/A
Total/weighted average		<u>\$ 665,235</u>	<u>\$ 664,983</u>		<u>5.23%</u>	<u>1.1</u>	<u>\$ 814,265</u>	<u>\$ 558,716</u>	<u>\$ 571,350</u>	<u>3.8</u>

(1) Weighted-average interest rate using unpaid principal balances.

(2) Weighted-average life is determined using the maximum maturity date of the corresponding loans, assuming all extension options are exercised by the borrower.

(3) CMBS are shown at fair value on an unconsolidated basis. SFR Loans and mezzanine loans are shown at amortized cost. Multifamily properties and Common stock are shown at fair value.

(4) On April 15, 2020, three of our subsidiaries entered into a master repurchase agreement with Mizuho Securities ("Mizuho"). Borrowings under these repurchase agreements are collateralized by portions of the CMBS B-Pieces and CMBS I/O Strips.

(5) The master repurchase agreement with Mizuho does not have a stated maturity date. The transactions in place have a one-month to two-month tenor and are expected to roll accordingly.

(6) Debt was assumed upon consolidation of this property and recorded at the outstanding principal amount. The Company extended the loan to November 6, 2026 and has the option to extend further to November 6, 2027.

(7) On February 9, 2026, the Company extended the debt to April 26, 2027.

- (8) On October 10, 2025, the OP issued an aggregate of \$45.0 million of 7.875% Senior Unsecured Notes (the "2026 OP Notes"). The OP used a portion of the proceeds to fully repay the OP 7.50% Senior Unsecured Notes. The Company has the option to extend the maturity date of the 2026 OP Notes to October 10, 2027.
- (9) Debt was repaid at stated maturity of May 1, 2026. See Note 17.

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The following table summarizes the Company's financing arrangements in place as of December 31, 2025 (dollars in thousands):

December 31, 2025										
	Facility				Collateral					
	Date issued	Outstanding face amount	Carrying value	Final stated maturity	Weighted average interest rate (1)	Weighted average life (years) (2)	Outstanding face amount	Amortized cost basis	Carrying value (3)	Weighted average life (years) (2)
Master Repurchase Agreements										
CMBS										
Mizuho(4)	4/15/2020	258,038	258,038	(5) N/A	5.53%	0.0	740,359	352,744	336,014	3.8
Asset Specific Financing										
Single Family Rental loans										
Freddie Mac	7/12/2019	108,220	108,220	7/12/2029	2.69%	1.9	118,550	121,239	121,239	1.9
Mezzanine loans										
Freddie Mac	10/20/202	57,945	57,945	8/1/2031	0.30%	4.3	94,682	98,709	98,709	4.3
Multifamily properties										
Argentica	10/10/2023	63,500	63,500	(6) 11/6/2026	8.32%	0.8	N/A	64,467	64,467	0.8
Ullico	12/15/2025	42,000	42,000	10/1/2027	6.31%	1.8	N/A	49,412	49,412	1.8
Common stock investment										
NexBank, SSB	4/29/2024	10,000	9,976	(7) 4/26/2027	8.26%	1.3	N/A	N/A	24,342	N/A
Unsecured Financing										
Various	10/10/2025	45,000	43,051	(8) 10/10/2026	7.88%	0.8	N/A	N/A	N/A	N/A
Various	4/20/2021	180,000	179,561	(9) 5/1/2026	5.75%	0.3	N/A	N/A	N/A	N/A
NFRO REIT Sub, LLC	10/18/2022	6,500	6,500	10/18/2027	7.50%	1.8	N/A	N/A	N/A	N/A
Total/weighted average		\$ 771,203	\$ 769,442		5.25%	0.9	\$ 953,591	\$ 686,571	\$ 694,183	3.6

(1) Weighted-average interest rate using unpaid principal balances.

(2) Weighted-average life is determined using the maximum maturity date of the corresponding loans, assuming all extension options are exercised by the borrower.

(3) CMBS are shown at fair value on an unconsolidated basis. SFR Loans and mezzanine loans are shown at amortized cost. Multifamily properties and Common stock are shown at fair value.

(4) On April 15, 2020, three of our subsidiaries entered into a master repurchase agreement with Mizuho Securities ("Mizuho"). Borrowings under these repurchase agreements are collateralized by portions of the CMBS B-Pieces and CMBS I/O Strips.

(5) The master repurchase agreement with Mizuho does not have a stated maturity date. The transactions in place have a one-month to two-month tenor and are expected to roll accordingly.

(6) Debt was assumed upon consolidation of this property and recorded at the outstanding principal amount. The loan was extended to November 6, 2026.

(7) On February 9, 2026, the Company extended the debt to April 26, 2027.

(8) On October 10, 2025, the OP issued an aggregate of \$45.0 million of the 2026 OP Notes. The OP used a portion of the proceeds to fully repay the OP 7.50% Senior Unsecured Notes.

(9) Debt was repaid at stated maturity of May 1, 2026. See Note 17

Prior to the Formation Transaction, two of our subsidiaries entered into a loan and security agreement dated July 12, 2019, with Freddie Mac (the “Credit Facility”). Under the Credit Facility, these entities borrowed approximately \$788.8 million in connection with their acquisition of senior pooled mortgage loans backed by SFR properties (the “Underlying Loans”). No additional borrowings can be made under the Credit Facility, and our obligations will be secured by the Underlying Loans. The Credit Facility is guaranteed by certain members of the Contribution Group and the OP. The guarantors are subject to minimum net worth and liquidity covenants. The Credit Facility continues to be guaranteed by members of the Contribution Group and the OP as of March 31, 2026. The Credit Facility was assumed by the Company as part of the Formation Transaction at carrying value which approximated fair value. As such, the remaining outstanding balance of \$788.8 million was contributed to the Company on February 11, 2020. Our borrowings under the Credit Facility will mature on July 12, 2029. However, if an Underlying Loan matures or is paid off prior to July 12, 2029, the Company will be required to repay the portion of the Credit Facility that is allocated to that loan. As of March 31, 2026 and December 31, 2025, the outstanding balance on the Credit Facility was \$97.4 million and \$108.2 million, respectively.

We, through the Subsidiary OPs, have borrowed approximately \$164.6 million under our repurchase agreements and posted \$615.6 million par value of our CMBS B-Piece and CMBS I/O Strip investments as collateral as of March 31, 2026. The CMBS B-Pieces and CMBS I/O Strips held as collateral are illiquid and irreplaceable in nature. These assets are restricted solely to satisfy the interest and principal balances owed to the lender.

Each reporting period, management evaluates the Company’s ability to continue as a going concern in accordance with ASC 205-40, Going Concern, by evaluating conditions and events, including assessing the liquidity needs to meet obligations as they become due within one year after the date the financial statements are issued. The Company has significant debt obligations of approximately \$298.5 million coming due within 12 months of the financial statement issuance date, primarily due to the 5.75% Notes, which mature on May 1, 2026, the 2026 OP Notes, which mature on October 10, 2026 and a mortgage loan which matures on November 6, 2026.

As of March 31, 2026, the Company did not have sufficient liquidity to satisfy these obligations. In order to satisfy obligations as they mature, management intends to evaluate its options and may seek to: (i) make partial loan pay downs, (ii) utilize extension options contractually available under the 2026 OP Notes and the mortgage loan and (iii) refinance the 5.75% Notes. The Company’s ability to meet its debt obligations as they come due is dependent upon its ability to meet debt covenants, which it currently projects to do, and its ability to refinance debt. Subsequent to March 31, 2026, the Company repaid in full its 5.75% Senior Notes due May 1, 2026 using proceeds from a senior secured term loan and total return swap transaction with Mizuho, which refinanced the related maturity and extended the Company’s debt profile. In evaluating its ability to meet remaining obligations as they come due, management considered the Company’s projected compliance with debt covenants, which it currently expects to achieve, available contractual extension options under the 2026 OP Notes and the mortgage loan, expected cash flows from operations, and overall liquidity position. Management believes these factors will be sufficient to satisfy the Company’s obligations as they become due. These financial statements have been prepared by management in accordance with GAAP and this basis assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These financial statements do not include any adjustments that may result from the outcome of this uncertainty.

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As of March 31, 2026, the outstanding principal balances related to the levered senior and mezzanine loans consisted of the following (dollars in thousands):

Investment	Investment Date	Outstanding Principal Balance (1)	Location	Property Type	Interest Type	Interest Rate	Maturity Date
Senior Loans							
1 Senior loan	2/11/2020	\$ 27,136	Various	Single-family	Fixed	2.14%	5/1/2026
2 Senior loan	2/11/2020	32,399	Various	Single-family	Fixed	2.70%	11/1/2028
3 Senior loan	2/11/2020	8,820	Various	Single-family	Fixed	2.45%	5/1/2026
4 Senior loan	2/11/2020	6,397	Various	Single-family	Fixed	3.51%	2/1/2028
5 Senior loan	2/11/2020	7,568	Various	Single-family	Fixed	3.14%	1/1/2029
6 Senior loan	2/11/2020	5,606	Various	Single-family	Fixed	2.99%	3/1/2029
7 Senior loan	2/11/2020	4,917	Various	Single-family	Fixed	3.14%	12/1/2028
8 Senior loan	2/11/2020	4,594	Various	Single-family	Fixed	2.64%	10/1/2028
Total		<u>\$ 97,437</u>				<u>2.64%</u>	
Mezzanine Loans							
1 Mezzanine loan	10/20/2020	\$ 8,723	Wilmington, DE	Multifamily	Fixed	0.30%	6/1/2029
2 Mezzanine loan	10/20/2020	7,344	White Marsh, MD	Multifamily	Fixed	0.30%	4/1/2031
3 Mezzanine loan	10/20/2020	6,353	Philadelphia, PA	Multifamily	Fixed	0.30%	7/1/2031
4 Mezzanine loan	10/20/2020	5,881	Daytona Beach, FL	Multifamily	Fixed	0.30%	7/1/2031
5 Mezzanine loan	10/20/2020	4,523	Laurel, MD	Multifamily	Fixed	0.30%	7/1/2031
6 Mezzanine loan	10/20/2020	4,179	Temple Hills, MD	Multifamily	Fixed	0.30%	1/1/2029
7 Mezzanine loan	10/20/2020	3,390	Temple Hills, MD	Multifamily	Fixed	0.30%	5/1/2029
8 Mezzanine loan	10/20/2020	3,348	Lakewood, NJ	Multifamily	Fixed	0.30%	5/1/2029
9 Mezzanine loan	10/20/2020	2,454	North Aurora, IL	Multifamily	Fixed	0.30%	11/1/2028
10 Mezzanine loan	10/20/2020	2,264	Rosedale, MD	Multifamily	Fixed	0.30%	10/1/2028
11 Mezzanine loan	10/20/2020	2,215	Cockeysville, MD	Multifamily	Fixed	0.30%	7/1/2031
12 Mezzanine loan	10/20/2020	2,026	Laurel, MD	Multifamily	Fixed	0.30%	7/1/2029
13 Mezzanine loan	10/20/2020	1,836	Vancouver, WA	Multifamily	Fixed	0.30%	8/1/2031
14 Mezzanine loan	10/20/2020	918	Atlanta, GA	Multifamily	Fixed	0.30%	8/1/2031
15 Mezzanine loan	10/20/2020	728	Des Moines, IA	Multifamily	Fixed	0.30%	3/1/2029
Total		<u>\$ 56,183</u>				<u>0.30%</u>	

(1) Outstanding principal balance represents the total repurchase agreement balance outstanding as of March 31, 2026

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As of December 31, 2025, the outstanding principal balances related to the levered senior and mezzanine loans consisted of the following(dollars in thousands):

Investment	Investment Date	Outstanding Principal Balance (1)	Location	Property Type	Interest Type	Interest Rate	Maturity Date
Senior Loans							
Senior loan	2/11/2020	\$ 28,564	Various	Single-family	Fixed	2.14%	4/1/2026
Senior loan	2/11/2020	32,563	Various	Single-family	Fixed	2.70%	11/1/2028
Senior loan	2/11/2020	9,284	Various	Single-family	Fixed	2.45%	3/1/2026
Senior loan	2/11/2020	6,460	Various	Single-family	Fixed	3.51%	2/1/2028
Senior loan	2/11/2020	8,554	Various	Single-family	Fixed	3.30%	10/1/2028
Senior loan	2/11/2020	7,606	Various	Single-family	Fixed	3.14%	1/1/2029
Senior loan	2/11/2020	5,635	Various	Single-family	Fixed	2.99%	3/1/2029
Senior loan	2/11/2020	4,934	Various	Single-family	Fixed	3.14%	12/1/2028
Senior loan	2/11/2020	4,620	Various	Single-family	Fixed	2.64%	10/1/2028
Total		<u>\$ 108,220</u>				<u>2.69%</u>	
Mezzanine Loans							
Mezzanine loan	10/20/2020	\$ 8,723	Wilmington, DE	Multifamily	Fixed	0.30%	6/1/2029
Mezzanine loan	10/20/2020	7,344	White Marsh, MD	Multifamily	Fixed	0.30%	4/1/2031
Mezzanine loan	10/20/2020	6,353	Philadelphia, PA	Multifamily	Fixed	0.30%	7/1/2031
Mezzanine loan	10/20/2020	5,881	Daytona Beach, FL	Multifamily	Fixed	0.30%	7/1/2031
Mezzanine loan	10/20/2020	4,523	Laurel, MD	Multifamily	Fixed	0.30%	7/1/2031
Mezzanine loan	10/20/2020	4,179	Temple Hills, MD	Multifamily	Fixed	0.30%	1/1/2029
Mezzanine loan	10/20/2020	3,390	Temple Hills, MD	Multifamily	Fixed	0.30%	5/1/2029
Mezzanine loan	10/20/2020	3,348	Lakewood, NJ	Multifamily	Fixed	0.30%	5/1/2029
Mezzanine loan	10/20/2020	2,454	North Aurora, IL	Multifamily	Fixed	0.30%	11/1/2028
Mezzanine loan	10/20/2020	2,264	Rosedale, MD	Multifamily	Fixed	0.30%	10/1/2028
Mezzanine loan	10/20/2020	2,215	Cockeysville, MD	Multifamily	Fixed	0.30%	7/1/2031
Mezzanine loan	10/20/2020	2,026	Laurel, MD	Multifamily	Fixed	0.30%	7/1/2029
Mezzanine loan	10/20/2020	1,836	Vancouver, WA	Multifamily	Fixed	0.30%	8/1/2031
Mezzanine loan	10/20/2020	1,763	Tyler, TX	Multifamily	Fixed	0.30%	11/1/2028
Mezzanine loan	10/20/2020	918	Atlanta, GA	Multifamily	Fixed	0.30%	8/1/2031
Mezzanine loan	10/20/2020	728	Des Moines, IA	Multifamily	Fixed	0.30%	3/1/2029
Total		<u>\$ 57,945</u>				<u>0.30%</u>	

(1) Outstanding principal balance represents the total repurchase agreement balance outstanding as of December 31, 2025.

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For the three months ended March 31, 2026 and 2025, the activity related to the carrying value of the master repurchase agreements, secured financing agreements, mortgages payable and unsecured financing were as follows (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Balances as of, January 1,	769,4	
	\$ 42	\$ 795,688
Principal borrowings	4,386	45,119
	(35,46	
Principal repayments	0)	(13,116)
Principal repayments on mortgages payable	—	(86)
Loss on extinguishment of debt	—	45
Accretion of discounts	1,510	411
Amortization of deferred financing costs	—	12
	739,8	
Balances as of March 31,	\$ 78	\$ 828,073

Schedule of Debt Maturities

The aggregate scheduled maturities, including amortizing principal payments, of total debt for the next five calendar years subsequent to March 31, 2026 are as follows (in thousands):

Year	Recourse	Non- recourse	Total
2026 (1)	\$ 180,000	\$ 200,571	\$ 380,571
2027	125,000	—	125,000
2028	42,000	53,026	95,026
2029	—	35,568	35,568
2030	—	—	—
Thereafter	—	29,070	29,070
	<u>\$ 347,000</u>	<u>\$ 318,235</u>	<u>\$ 665,235</u>

(1) The transactions in place in the master repurchase agreement with Mizuho have a one-month to two-month tenor and are expected to roll accordingly.

10. Fair Value of Financial Instruments

Derivative Financial Instruments and Hedging Activities

In the normal course of business, our operations are exposed to market risks, including the effect of changes in interest rates. We may enter into derivative financial instruments to offset this underlying market risk. There have been no significant changes in our policy and strategy from what was disclosed in the financial statements included in our Annual Report.

Financial Instruments Carried at Fair Value

See Notes 2, 4, 5, and 7 for additional information.

Financial Instruments Not Carried at Fair Value

The fair values of cash and cash equivalents, accrued interest and dividends, accounts payable and other accrued liabilities and accrued interest payable 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 creditworthiness and market conditions available for the issuance of long-term debt with similar terms and remaining maturities. These financial instruments utilize Level 2 inputs.

Amounts borrowed under master repurchase agreements are based on their contractual amounts that reasonably approximate their fair value given the short to moderate term and floating rate nature.

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The carrying values and fair values of the Company's financial assets and liabilities recorded at fair value on a recurring basis, as well as other financial instruments not carried at fair value as of March 31, 2026 (in thousands):

		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	\$ 22,643	\$ 22,643	\$ —	\$ —	\$ 22,643
Restricted cash	2,604	2,604	—	—	2,604
Loans, held-for-investment, net	679,376	—	—	673,985	673,985
Preferred stock investments, at fair value	157,966			157,966	157,966
Common stock investments, at fair value	52,860	—	—	52,860	52,860
Equity method investments	1,768	—	—	1,768	1,768
Mortgage loans, held-for-investment, net	108,903	—	—	107,827	107,827
Accrued interest	47,305	47,305	—	—	47,305
Mortgage loans held in variable interest entities, at fair value	3,873,034	—	3,869,278	3,756	3,873,034
CMBS structured pass-through certificates, at fair value	38,176	—	38,176	—	38,176
Stock warrant investments, at fair value	136,739	—	—	136,739	136,739
Accounts receivable and other assets	332	332	—	—	332
	<u>\$ 5,121,706</u>	<u>\$ 72,884</u>	<u>\$ 3,907,454</u>	<u>\$ 1,134,901</u>	<u>\$ 5,115,239</u>
Liabilities					
Secured financing agreements, net	\$ 163,600	\$ —	\$ —	\$ 145,366	\$ 145,366
Master repurchase agreements	164,614	—	—	164,614	164,614
Unsecured notes, net	230,618	—	228,614	—	228,614
Mortgages payable, net	106,151	—	—	102,862	102,862
Accounts payable and other accrued liabilities	14,518	14,518	—	—	14,518
Accrued interest payable	16,971	16,971	—	—	16,971
Bonds payable held in variable interest entities, at fair value	3,688,881	—	3,688,881	—	3,688,881
	<u>\$ 4,385,353</u>	<u>\$ 31,489</u>	<u>\$ 3,917,495</u>	<u>\$ 412,842</u>	<u>\$ 4,361,826</u>

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The carrying values and fair values of the Company's financial assets and liabilities recorded at fair value on a recurring basis, as well as other financial instruments not carried at fair value as of December 31, 2025 (in thousands):

		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	\$ 31,114	\$ 31,114	\$ —	\$ —	\$ 31,114
Restricted cash	3,240	3,240	—	—	3,240
Loans, held-for-investment, net	619,560	—	—	651,395	651,395
Preferred stock investments, at fair value	157,893			157,893	157,893
Common stock investments, at fair value	49,104	—	—	49,104	49,104
Equity method investments	1,714	—	—	1,714	1,714
Mortgage loans, held-for-investment, net	121,239	—	—	119,991	119,991
Accrued interest	54,009	54,009	—	—	54,009
Mortgage loans held in variable interest entities, at fair value	3,987,281	—	3,983,276	4,005	3,987,281
CMBS structured pass-through certificates, at fair value	40,427	—	40,427	—	40,427
Stock warrant investments	141,186	—	—	141,186	141,186
Accounts receivable and other assets	551	551	—	—	551
	<u>\$ 5,207,318</u>	<u>\$ 88,914</u>	<u>\$ 4,023,703</u>	<u>\$ 1,125,288</u>	<u>\$ 5,237,905</u>
Liabilities					
Secured financing agreements, net	\$ 176,141	\$ —	\$ —	\$ 156,743	\$ 156,743
Master repurchase agreements	258,038	—	—	258,038	258,038
Unsecured notes, net	229,112	—	226,731	—	226,731
Mortgages payable, net	106,151	—	—	103,472	103,472
Accounts payable and other accrued liabilities	13,699	13,699	—	—	13,699
Accrued interest payable	13,795	13,795	—	—	13,795
Bonds payable held in variable interest entities, at fair value	3,692,390	—	3,692,390	—	3,692,390
	<u>\$ 4,489,326</u>	<u>\$ 27,494</u>	<u>\$ 3,919,121</u>	<u>\$ 518,253</u>	<u>\$ 4,464,868</u>

The significant unobservable inputs used in the fair value measurement of the Company's investments are the discount rate and terminal capitalization rate. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

Management elected the fair value option to account for the Company's Level 3 assets as of March 31, 2026 (dollars in thousands):

	Carrying Value	Valuation Technique	Unobservable Inputs	Range	Weighted Average (1)
NexPoint Storage Partners	\$ 24,892	Discounted cash flow	Terminal cap rate	5.13% - 5.63%	5.38%
			Discount rate	7.00% - 9.00%	8.00%
NSP Series G Preferred Stock	\$ 3,269	Transaction Indication of Value	Recent transaction		
IQHQ Series D Preferred Stock	\$ 18,616	Discounted cash flow	Discount rate	15.50% - 17.00%	16.25%
IQHQ Series E Preferred Stock	\$ 136,081	Discounted cash flow	Discount rate	16.01% - 17.51%	16.76%
Private REIT	\$ 27,968	Market approach	NAV per share multiple	0.85 - 1.05x	0.95x
FREMF 2020-KF81 C	\$ 3,756,225	Market approach	Fair value of the collateral/appraisals		155,370
IQHQ Warrants	\$ 136,739	Market approach	Marketability discount	20.00% - 41.00%	30.50%

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(1) Averages are weighted based on the fair value of the related instrument.

The following is a summary of significant unobservable inputs used in the fair valuation of the Company's Level 3 assets carried at fair value on the Consolidated Balance Sheets as of December 31, 2025 (dollars in thousands):

	Carrying Value	Valuation Technique	Unobservable Inputs	Range	Weighted Average (1)
NexPoint Storage Partners	\$ 24,761	Discounted cash flow	Terminal cap rate	5.00% - 5.50%	5.25%
			Discount rate	7.00% - 9.00%	8.00%
NSP Series G Preferred Stock	\$ 3,161	Transaction Indication of Value	Recent transaction		
IQHQ Series D Preferred Stock	\$ 18,616	Discounted cash flow	Discount rate	15.50% - 17.50%	16.00%
IQHQ Series E Preferred Stock	\$ 136,115	Discounted cash flow	Discount rate	16.01% - 17.51%	16.76%
Private REIT	\$ 24,343	Market approach	NAV per share multiple	0.85 - 1.05x	0.95x
FREMF 2020-KF81 C	\$ 4,005,397	Market approach	Fair value of the collateral/appraisals		187,000
IQHQ Warrants	\$ 141,186	Market approach	Marketability discount	27.50% - 48.50%	38.00%

(1) Averages are weighted based on the fair value of the related instrument.

The table below reflects a summary of changes for the Company's Level 3 common and preferred stock assets carried at fair value on the Consolidated Balance Sheets for the three months ended March 31, 2026:

	Balances as of December 31, 2025	Additions	Change in Unrealized Gains/(Losses)	Balances as of March 31, 2026
NexPoint Storage Partners	\$ 24,761	—	\$ 131	\$ 24,892
Private REIT	24,343	—	3,625	27,968
IQHQ Series D Preferred Stock	18,617	—	(1)	18,616
IQHQ Series E Preferred Stock	136,115	—	(34)	136,081
NSP Series G Preferred Stock	3,161	108	—	3,269
FREMF 2020-KF81 C	4,005,397	—	(249,172)	3,756,225
IQHQ Warrants	141,186	—	(4,447)	136,739

Other Financial Instruments Carried at Fair Value

Redeemable noncontrolling interests in the OP, the 9.00% Series B Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series B Preferred Stock") and the 8.00% Series C Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series C Preferred Stock") have redemption features and are marked to their redemption value if such value exceeds the carrying value. The redemption values are based on the fair value of the Company's common stock at the redemption date, and therefore, are calculated based on the fair value of the Company's common stock at the balance sheet date. 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, the Series B Preferred Stock and the Series C Preferred Stock are classified as Level 2 if they are adjusted to their redemption value. As of March 31, 2026, the redeemable noncontrolling interests in the OP, the Series B Preferred Stock and the Series C Preferred Stock are valued at their carrying value on the Consolidated Balance Sheets.

11. Stockholders' Equity

Common Stock

During the three months ended March 31, 2026, the Company issued 112,882 shares of common stock, par value of \$0.01 per share (the "common stock") pursuant to the Amended and Restated NexPoint Real Estate Finance, Inc. 2020 Long Term Incentive Plan (the "Amended and Restated LTIP" or the "LTIP").

As of March 31, 2026, the Company had 18,686,983 shares of common stock issued and outstanding.

Preferred Stock

On July 24, 2020, the Company issued 2,000,000 shares of its 8.50% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock") at a price to the public of \$24.00 per share, for gross proceeds of \$48.0 million before deducting underwriting discounts and commissions of approximately \$1.2 million and other offering expenses of approximately \$0.8 million. The Series A Preferred Stock has a \$25.00 per share liquidation preference.

On November 2, 2023, the Company announced the launch of a continuous public offering (the "Series B Preferred Offering") of up to 16,000,000 shares of its Series B Preferred Stock at a price to the public of \$25.00 per share. On October 1, 2025, the Company increased the number of authorized and offered shares of its Series B Preferred Stock by 1,200,000 for a total of 17,200,000 shares of Series B Preferred Stock authorized for issuance. As of March 31, 2026, the Company has issued 16,186,525 shares of Series B Preferred Stock for gross proceeds of \$395.6 million before deducting selling commissions and dealer manager fees of approximately \$31.5 million. The Series B Preferred Stock has a \$25.00 per share liquidation preference. The Company completed the final close for Series B Preferred Offering on December 5, 2025, prior to selling all of the authorized shares. During the three months ended March 31, 2026, Series B Preferred stockholders redeemed 45,868 shares of Series B Preferred Stock.

On November 4, 2025, the Company announced the launch of a continuous public offering (the "Series C Preferred Offering") of up to 8,000,000 shares of its Series C Preferred Stock at a price to the public of \$25.00 per share. As of March 31, 2026, the Company has issued 894,673 shares of Series C Preferred Stock for gross proceeds of \$22.1 million before deducting selling commissions and dealer manager fees of approximately \$2.0 million. The Series C Preferred Stock has a \$25.00 per share liquidation preference. The Company expects that the Series C Preferred Offering will terminate on the earlier of the date the Company sells all 8,000,000 shares of the Series C Preferred Stock in the Series C Preferred Offering or December 29, 2026 (which is the third anniversary of the effective date of the Company's registration statement), which may be extended or terminated by the Board in its sole discretion. The Board may elect to terminate the Series C Preferred Offering at any time. As of March 31, 2026, zero shares of Series C Preferred Stock have been redeemed.

On February 22, 2023, the Board authorized a share repurchase program (the "Share Repurchase Program") through which the Company may repurchase an indeterminate number of shares of our common stock and Series A Preferred Stock at an aggregate market value of up to \$20.0 million in shares of its common stock, during a two-year period set to expire on February 22, 2025. The Board extended the Share Repurchase Program for an additional two-year period set to expire on February 24, 2027. The Company 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 the Company's common stock is trading at a significant discount to NAV per share. Repurchases under this program may be discontinued at any time. The Company has not made any purchases under the Share Repurchase Program as of March 31, 2026.

Long Term Incentive Plan

On January 31, 2020, the NexPoint Real Estate Finance 2020 Long Term Incentive Plan (the “Original LTIP”) was approved and on May 7, 2020, the Company filed a registration statement on Form S-8 registering 1,319,734 shares of common stock, which the Company may issue pursuant to the Original LTIP.

On January 26, 2024, the Amended and Restated LTIP was approved and on January 30, 2024, the Company filed a registration statement on Form S-8 registering an additional 2,308,000 shares of common stock, which the Company may issue pursuant to the Amended and Restated LTIP. The LTIP authorizes the compensation committee of the Board to provide equity-based compensation in the form of stock options, appreciation rights, restricted shares, restricted stock units, performance shares, performance units and certain other awards denominated or payable in, or otherwise based on, the Company’s common stock or factors that may influence the value of the Company’s common stock, plus cash incentive awards, for the purpose of providing the Company’s directors, officers and other key employees (and those of the Manager and the Company’s subsidiaries) and potentially certain non-employees who perform employee-type functions, incentives and rewards for performance.

Restricted Stock Units

Under the LTIP, restricted stock units may be granted to the Company’s directors, officers and other key employees (and those of the Manager and the Company’s subsidiaries) and typically vest over a three to five-year period for officers, employees and certain key employees of the Manager and annually for directors. The most recent grant of restricted stock units to officers, employees and certain key employees of the Manager will vest over a four-year period. Beginning on the date of grant, restricted stock units earn dividends that are payable in cash on the vesting date. On February 22, 2021, the Company granted 220,352 restricted stock units to its officers and other employees of the Manager and 11,832 restricted stock units to its directors, on November 8, 2021, the Company granted 1,201 restricted stock units to the sole member of the general partner of one of the Company’s subsidiaries, on February 21, 2022, the Company granted 264,476 restricted stock units to its officers and other employees of the Manager and 12,464 restricted stock units to its directors, on April 4, 2023, the Company granted 418,685 restricted stock units to its officers and other employees of the Manager and 21,370 restricted stock units to its directors, on March 13, 2024, the Company granted 442,666 restricted stock units to its officers and other employees of the Manager and 22,650 restricted stock units to its directors, and on April 3, 2025, the Company granted 449,664 restricted stock units to its officers and other employees of the Manager and 33,108 restricted stock units to its directors. 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 stock units granted, vested, forfeited and outstanding as of March 31, 2026:

	2026	
	Number of Units	Weighted Average Grant Date Fair Value
Outstanding December 31, 2025	1,025,606	\$ 15.15
Granted	—	14.93
Vested	(157,619) (1)	16.52
Forfeited	(2,761)	14.63
Outstanding March 31, 2026	865,226	\$ 14.91

- (1) Certain key employees of the Manager elected to net the taxes owed upon vesting against the shares issued resulting in 112,882 shares being issued as shown on the consolidated statements of stockholders’ equity.

The vesting schedule for restricted stock units as of March 31, 2026, is as follows:

	Shares Vesting			Total
	February	March	April	
2026	—	—	231,888	231,888
2027	111,833	105,457	86,945	304,235
2028	111,828	105,456	—	217,284
2029	111,821	—	—	111,821
Total	335,482	210,913	318,833	865,228

As of March 31, 2026, total unrecognized compensation expense on restricted stock unit awards was approximately \$9.3 million, and the expense is expected to be recognized over a weighted average vesting period of 1.2 years.

At-The-Market-Offering

On March 15, 2022, the Company, the OP and the Manager entered into separate equity distribution agreements (the “Equity Distribution Agreements”) with each of Raymond James & Associates, Inc., Keefe, Bruyette & Woods, Inc., Robert W. Baird & Co. Incorporated and Virtu Americas LLC (collectively, the “Sales Agents”), pursuant to which the Company could issue and sell from time to time shares of the Company's common stock and Series A Preferred Stock having an aggregate sales price of up to \$100.0 million (the “ATM Program”). The Equity Distribution Agreements provided for the issuance and sale of common stock or Series A Preferred Stock by the Company through a sales agent acting as a sales agent or directly to the sales agent acting as principal for its own account at a price agreed upon at the time of sale.

Sales of shares of common stock or Series A Preferred Stock under the ATM Program, if any, may be made in transactions that are deemed to be “at the market” offerings, as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”) including, without limitation, sales made by means of ordinary brokers' transactions on the New York Stock Exchange (“NYSE”), to or through a market maker at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices based on prevailing market prices.

The following table contains summary information of the ATM Program since its inception through March 31, 2026:

Gross Proceeds	\$	12,575,493
Shares of Common Stock Issued		531,728
Gross Average Sale Price per Share of Common Stock	\$	23.65
Sales Commissions	\$	188,655
Offering Costs		888,249
Net Proceeds		11,498,589
Average Price Per Share, net	\$	21.62

OP Unit Redemptions

At the 2021 annual meeting of the Company, the Company's stockholders approved the potential issuance of 13,758,906 shares of the Company's common stock to related parties in connection with the redemption of their OP Units or SubOP Units that may be redeemed for OP Units. As of March 31, 2026, the Company had issued 9,601,008 shares of the Company's common stock to redeeming unitholders.

12. Earnings Per Share

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

Diluted earnings per share is computed by adjusting basic earnings per share for the dilutive effect of the assumed vesting of restricted stock units. Additionally, the Company includes the dilutive effect of the potential redemption of OP Units for common shares in accordance with the third amended and restated limited partnership agreement of the OP (as amended, the "OP LPA"). The Company also includes the assumed conversion of the Series B Preferred Stock and Series C Preferred Stock using the if-converted method. During periods of net loss, the assumed vesting of restricted stock 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 per share for the periods presented (in thousands, except per share amounts):

	For the Three Months Ended March 31,	
	2026	2025
Net income (loss) attributable to common stockholders	\$ 10,040	\$ 16,518
Earnings for basic computations		
Net income attributable to redeemable noncontrolling interests	2,366	4,163
Net income attributable to Series B preferred stockholders	9,055	4,407
Net income attributable to Series C preferred stockholders	298	—
Net income (loss) for diluted computations	\$ 21,759	\$ 25,088
Weighted-average common shares outstanding		
Average number of common shares outstanding - basic	18,605	17,516
Average number of common shares from assumed vesting of unvested restricted stock units	341	843
Average number of common shares from assumed conversion of OP Units	4,186	5,038
Average number of common shares from assumed conversion of Series B Preferred Stock	27,518	12,652
Average number of common shares from assumed conversion of Series C Preferred Stock	806	—
Average number of common shares outstanding - diluted	51,456	36,049
Earnings per weighted average common share:		
Basic	\$ 0.54	\$ 0.94
Diluted	\$ 0.42	\$ 0.70

13. Noncontrolling Interests

Redeemable Noncontrolling Interests in the OP

The following table sets forth the redeemable noncontrolling interests in the OP (reflecting the OP's consolidation of the Subsidiary OPs) for the three months ended March 31, 2026 and 2025 (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Redeemable noncontrolling interests in the OP, January 1,	\$ 82,235	\$ 86,164
Net income attributable to redeemable noncontrolling interests in the OP	2,366	4,163
Distributions to redeemable noncontrolling interests in the OP	(2,093)	(2,519)
Redeemable noncontrolling interests in the OP, March 31,	\$ 82,508	\$ 87,808

The table below presents the common shares and OP Units outstanding held by the noncontrolling interests (“NCI”) and excludes the OP Units held by the Company as they are eliminated in consolidation:

Period End	Common Shares Outstanding	OP Units Held by NCI	Combined Outstanding
March 31, 2026	18,686,983	4,186,109	22,873,092

14. Related Party Transactions

Management Fee

In accordance with the Management Agreement, the Company pays the Manager an annual management fee equal to 1.5% of Equity (as defined below), paid monthly, in cash or shares of Company common stock at the election of our Manager (the “Annual Fee”). The duties performed by the Company’s Manager under the terms of the Management Agreement include, but are not limited to: providing daily management for the Company, selecting and working with third-party service providers, formulating an investment strategy for the Company and selecting suitable investments, managing the Company’s outstanding debt and its interest rate exposure and determining when to sell assets.

“Equity” means (a) the sum of (1) total stockholders’ equity immediately prior to the closing of the IPO, plus (2) the net proceeds received by the Company from all issuances of the Company’s equity securities in and after the IPO, plus (3) the Company’s cumulative Earnings Available for Distribution (“EAD”) (as defined below) from and after the IPO to the end of the most recently completed calendar quarter, (b) less (1) any distributions to the holders of the Company’s common stock from and after the IPO to the end of the most recently completed calendar quarter and (2) all amounts that the Company or any of its subsidiaries has paid to repurchase for cash the shares of the Company’s equity securities from and after the IPO to the end of the most recently completed calendar quarter. In the Company’s calculation of Equity, the Company will adjust its calculation of EAD to remove the compensation expense relating to awards granted under one or more of its long-term incentive plans that is added back in the calculation of EAD. Additionally, for the avoidance of doubt, Equity does not include the assets contributed to the Company in the Formation Transaction.

“EAD” means the net income (loss) attributable to the common stockholders of the Company, computed in accordance with GAAP, including realized gains and losses not otherwise included in net income (loss), excluding any unrealized gains or losses or other similar non-cash items that are included in net income (loss) for the applicable reporting period, regardless of whether such items are included in other comprehensive income (loss), or in net income (loss) and adding back amortization of stock-based compensation. For the purpose of calculating EAD for the Annual Fee, net income (loss) attributable to common stockholders may also be adjusted for the effects of certain GAAP adjustments and transactions that may not be indicative of the Company’s current operations, in each case after discussions between the Manager and the independent directors of the Board and approved by a majority of the independent directors of the Board.

Pursuant to the terms of the Management Agreement, the Company is required to pay directly or reimburse the Manager for all documented Operating Expenses and Offering Expenses it incurs on behalf of the Company. “Operating Expenses” include legal, accounting, financial and due diligence services performed by the Manager that outside professionals or outside consultants would otherwise perform, the Company’s pro rata share of rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the Manager required for the Company’s operations and compensation expenses under the LTIP. “Offering Expenses” include all expenses (other than underwriters’ discounts) in connection with an offering of securities, including, without limitation, legal, accounting, printing, mailing and filing fees and other documented offering expenses. For the three months ended March 31, 2026 and 2025, there were no Offering Expenses that were paid on the Company’s behalf for which the Company reimbursed the Manager.

Connections at Buffalo Pointe Contribution

On May 29, 2020, the OP entered into a contribution agreement (the “Buffalo Pointe Contribution Agreement”) with entities affiliated with executive officers of the Company and the Manager (the “BP Contributors”) whereby the BP Contributors contributed their respective preferred membership interests in NexPoint Buffalo Pointe Holdings, LLC (“Buffalo Pointe”), to the OP for total consideration of \$10.0 million paid in OP Units. A total of 564,334 OP Units were issued to the BP Contributors, which was calculated by dividing the total consideration of \$10.0 million by the combined book value of the Company’s common stock and the SubOP Units, on a per share or unit basis, as of March 31, 2023, or \$17.72 per OP Unit. The Company additionally contributed an aggregate of approximately \$2.7 million in 2024 for an aggregate of \$12.7 million of contributions as of March 31, 2026. Buffalo Pointe owns a stabilized multifamily property located in Houston, Texas with 95.5% occupancy as of March 31, 2026. The preferred equity investment pays current interest at a rate of 6.5%, deferred interest at a rate of 4.5% and has a maturity date of May 1, 2030.

Pursuant to the OP LPA and the Buffalo Pointe Contribution Agreement, the BP Contributors have the right to cause our OP to redeem their OP Units for cash or, at our election, shares of our common stock on a one-for-one basis, subject to adjustment, as provided and subject to the limitations in our OP LPA, provided the OP Units have been outstanding for at least one year and our stockholders have approved the issuance of shares of common stock to the BP Contributors. On May 11, 2021, our stockholders approved the issuance of such shares upon the exercise of the BP Contributors' redemption rights.

RSU Issuance

For a discussion of the Company's restricted stock units issued in accordance with the LTIP, see Note 11.

OP Unit Redemptions

As of March 31, 2026, the Company had issued 9,601,008 shares of the Company's common stock to redeeming unitholders. See Note 11.

Expense Cap

Pursuant to the terms of the Management Agreement, direct payment of operating expenses by the Company, which includes compensation expense relating to equity awards granted under the LTIP, together with reimbursement of operating expenses of the Manager, plus the Annual Fee, may not exceed 2.50% of equity book value (the “Expense Cap”) for any calendar year or portion thereof; provided, however, that this limitation will not apply to Offering Expenses, legal, accounting, financial, due diligence and other service fees incurred in connection with extraordinary litigation and mergers and acquisitions and other events outside the ordinary course of business or any out-of-pocket acquisition or due diligence expenses incurred in connection with the acquisition or disposition of certain real estate-related investments. For the three months ended March 31, 2026 and 2025, operating expenses did not exceed the Expense Cap.

For the three months ended March 31, 2026 and 2025, the Company incurred management fees of \$2.2 million and \$1.4 million, respectively.

NSP Guaranty

On December 8, 2022 and in connection with a restructuring of NSP, the Company, through NREF OP IV REIT Sub, LLC (“REIT Sub”) together with NexPoint Diversified Real Estate Trust (“NXDT”), Highland Income and Opportunities Fund (“HFRO”) and NexPoint Real Estate Strategies Fund (collectively, the “Co-Guarantors”), as guarantors, entered into a sponsor guaranty agreement in favor of Extra Space Storage, LP (“Extra Space”) pursuant to which REIT Sub and the 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 REIT Sub and the Co-Guarantors are capped at \$97.6 million, and each of REIT Sub and the 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 NSP Series D preferred stock remains outstanding as of March 31, 2026. As of March 31, 2026, the outstanding NSP Series D Preferred Stock accrued dividends was \$15.1 million and the Company and NXDT are jointly and severally liable for 85.90% of the guaranteed amount equal to \$13.0 million.

NexPoint Storage Series G Preferred Stock

On October 8, 2025, the Company, through the OP, purchased 3,178,286 shares of Series G of NSP for an aggregate purchase price of approximately \$3.2 million.

NSP Promissory Note

On January 16, 2026, the Company loaned \$16.7 million to NexPoint Storage Partners Operating Company, LLC ("NSP OC"), a subsidiary of NSP and certain subsidiaries of NSP OC and of our Sponsor, as co-borrowers. In connection with the loan, NSP OC issued a promissory note (as amended the "NSP Note") pursuant to which NSP OC may borrow up to an aggregate principal amount of \$40.0 million. The NSP Note bears interest at 14% per annum, payable in kind, is interest-only during its term, and matures on January 16, 2031. Borrowings under the NSP Note are secured by a first-priority lien on certain income streams and related deposit accounts of the co-borrowers and are subordinated in right and time of payment to NSP's outstanding Series D Preferred Stock. On March 25, 2026, OSL purchased \$7.5 million aggregate principal amount of the NSP Note and has the right, but not the obligation, to participate in any future advances up to its then-current pro rata share. On March 30, 2026, affiliated entities of the Company funded \$4.8 million and the Company also funded an additional \$1.3 million. The Company's maximum commitment under the NSP Note is \$40.0 million, of which \$17.3 million was unfunded as of March 31, 2026.

Convertible Promissory Note

On October 18, 2022, the Company, through a subsidiary, borrowed \$6.5 million from NFRO REIT Sub, LLC (the "Holder") and issued \$6.5 million aggregate amount of a 7.50% note to the Holder maturing on October 18, 2027. Beginning on January 1, 2023 through June 30, 2027, the Holder may elect to convert all or any part of the outstanding principal and accrued but unpaid interest due, and all other amounts due and payable to the Holder thereunder or in connection therewith, into equity interests of an affiliate of the borrower.

Unsecured Notes Issuance

On October 10, 2025, the OP issued an aggregate of \$45.0 million of the 2026 OP Notes, pursuant to a note purchase agreement by and among the OP, the Company, the Manager, OSL and Bluerock Total Income + Real Estate Fund ("Bluerock"). The 2026 OP Notes are due October 10, 2026, with two six-month extension options in the sole discretion of the OP, subject to an extension fee.

Elysian at Hughes Center

As of March 31, 2026, \$54.0 million of the Company's preferred investment in Elysian at Hughes Center had been redeemed, resulting in a remaining principal balance of \$11.4 million.

Series B Preferred Stock Offering

On November 2, 2023, the Company announced the launch of the Series B Preferred Offering. NexPoint Securities, Inc., an affiliate of the Manager, serves as the Company's dealer manager (the "Dealer Manager") in connection with the Series B Preferred Offering. The Dealer Manager used its reasonable best efforts to sell the shares of Series B Preferred Stock offered in the Series B Preferred Offering, and the Company paid 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 Stock in the Series B Preferred Offering ("Series B Selling Commissions") and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series B Preferred Stock in the Series B Preferred Offering (the "Series B Dealer Manager Fee"). On October 1, 2025, the Company increased the size of the Series B Preferred Stock offering to 17,200,000 shares for gross proceeds of \$430.0 million. The Company completed the last close for the Series B Preferred

Stock offering on December 5, 2025. As of March 31, 2026, the Company has issued 16,186,525 shares of Series B Preferred Stock for gross proceeds of \$395.6 million and paid the Dealer Manager \$19.4 million Series B Selling Commissions and \$9.5 million Series B Dealer Manager Fees. During the three months ended March 31, 2026, Series B Preferred stockholders redeemed 45,868 shares of Series B Preferred Stock. See Note 11.

Series C Preferred Stock Offering

On November 4, 2025, the Company announced the launch of the Series C Preferred Offering. The Dealer Manager serves as the Company's dealer manager in connection with the Series C Preferred Offering. The Dealer Manager uses its reasonable best efforts to sell the shares of Series C Preferred Stock offered in the Series C 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 C Preferred Stock in the Series C Preferred Offering ("Series C Selling Commissions") and (ii) a dealer manager fee of 3.0% of the gross proceeds from sales of Series C Preferred Stock in the Series C Preferred Offering (the "Series C Dealer Manager Fee"). The Dealer Manager, subject to federal and state securities laws, will reallocate all or any portion of the Series C Selling Commissions and may reallocate a portion of the Series C Dealer Manager Fee to other securities dealers that the Dealer Manager may retain who sold the shares of Series C Preferred Stock 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 8,000,000 shares of the Series C Preferred Stock in the offering or December 29, 2026 (which is the third anniversary of the effective date of the Company's registration statement), which may be extended or terminated by the Company's Board in its sole discretion. The Board may elect to terminate this offering at any time. As of March 31, 2026, the Company has issued 894,673 shares of Series C Preferred Stock for gross proceeds of \$22.1 million and paid the Dealer Manager \$1.3 million Series C Selling Commissions and less than \$0.5 million Series C Dealer Manager Fees.

SFR OP Promissory Notes

On March 28, 2024, the Company loaned \$0.5 million to NexPoint SFR Operating Partnership, L.P. (the "SFR OP"), the operating partnership of NexPoint Homes Trust, Inc., an entity that is advised by an affiliate of the Manager. In connection with the loan, SFR OP issued a \$0.5 million 12.50% note (the "SFR OP Note") to the Company on March 31, 2024. The SFR OP Note bears interest at 12.50%, which is payable in kind, is interest only during the term of the SFR OP Note and matured on March 31, 2025. On March 12, 2025, the SFR OP extinguished the note and paid down the remaining outstanding principal balance of \$0.5 million plus accrued interest.

SFR OP issued a note (the "SFR OP Note II") to the Company on July 10, 2024 with a maximum commitment of \$5.0 million. The SFR OP Note II bears interest at 15%, which is payable in kind, is interest only during the term of the SFR OP Note II and initially matured on July 10, 2025. On August 25, 2025, the Company, through the REIT Sub, extended the maturity date to July 10, 2026. The Company funded \$3.5 million through December 31, 2024. SFR OP paid down \$1.9 million of principal on April 29, 2025. The Company funded \$3.4 million, \$5.0 million and \$2.5 million on July 31, 2025, August 24, 2025 and September 24, 2025, respectively. The Company's maximum commitment under the loan is \$15.0 million, of which \$2.5 million was unfunded as of March 31, 2026.

IQHQ Transactions

On May 10, 2024, the Company, through NREF OP IV, L.P. ("OP IV") along with entities advised by affiliates of our Manager or that may be deemed an affiliate of the Manager through common beneficial ownership, entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned the right to fund up to specified amounts in the Alewife Loan (as defined in Note 15). Effective January 2, 2025, the Company, through OP IV, along with an entity that may be deemed an affiliate of the Manager through common beneficial ownership, entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned a portion of its interest in the Alewife Loan

for cash and increased the specified amounts such entity had the right to fund in the Alewife Loan. See Note 15 for additional information.

On May 23, 2024, the Company, through certain subsidiaries, along with certain entities advised by affiliates of our Manager, or that may be deemed an affiliate of the Manager through common beneficial ownership, entered into a participation rights agreement with NexPoint Bridge Investor I, LLC ("Bridge Investor I"), an entity owned by an affiliate of the Manager, pursuant to which the Company had a right to fund up to specified amounts of the IQHQ Promissory Note (as defined in Note 15) and the IQHQ Bridge Warrant (as defined in Note 15). See Note 15 for additional information.

On December 31, 2024, the Company, through certain subsidiaries, along with certain entities advised by affiliates of our Manager or that may be deemed an affiliate of the Manager through common beneficial ownership, entered into a participation rights agreement with Bridge Investor I pursuant to which the Company has a right to fund up to specified amounts of the IQHQ Subscription Agreement (as defined in Note 15) and the IQHQ Series E Warrant (as defined in Note 15). See Note 15 for additional information.

NexBank Loan

On April 29, 2024, the Company, through the OP, entered into a loan agreement with NexBank, as lender, providing for a loan in the aggregate principal amount of \$10.0 million (the "NexBank Loan"). The NexBank Loan bears interest at the rate which is the higher of (i) One Month Term Secured Overnight Financing Rate plus 4.25% per annum or (ii) 8.25% per annum, which is interest only during the term of the NexBank Loan and had an initial maturity date of April 28, 2025, with the OP having two 364-day extension options, which may be exercised at the OP's sole discretion. On February 9, 2026, the OP exercised its second extension option bringing the maturity date to April 27, 2027. As of March 31, 2026, the outstanding balance of the loan is \$10.0 million.

The NexBank Loan is secured by certain equity interests held by the OP and is guaranteed by the Company. The loan agreement contains customary events of default, including defaults in the payment of principal or interest, defaults in compliance with the covenants contained therein, defaults in payments under any other security instrument, and bankruptcy or other insolvency events. A director and executive officer of the Company is a director of 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.

Capital Acquisitions Partners, LLC

The Company owns approximately 79.1% of total outstanding membership interests of CAP. The remaining ownership is held by NexPoint Real Estate Opportunities, LLC, a wholly owned subsidiary of NXDT, an entity advised by an affiliate of the Manager. See Note 5 for additional information.

15. Commitments and Contingencies

Except as otherwise disclosed below, the Company is not aware of any contractual obligations, legal proceedings or any other contingent obligations incurred in the normal course of business that would have a material adverse effect on our consolidated financial statements.

Mercado Commitments

On March 14, 2023, the Company, through one of the Subsidiary OPs, committed to fund \$24.0 million of preferred equity with respect to a ground up construction horizontal single-family property located in Phoenix, Arizona, of which \$1.4 million was unfunded as of March 31, 2026. The preferred equity investment provides a floating annual return that is the greater of prime rate plus 5.0% or 11.25%, compounded monthly with a MOIC of 1.30x and 1.0% placement fee. The Company was also issued a common interest at the time of its first funding of preferred equity on May 16, 2023. The common interest allows the Company to receive a 10% profit share once aggregate distributions exceed the 20% internal rate of return ("IRR") hurdle as shown below. There was no value ascribed to the common interest as of March 31, 2026. Further, once

the Company's preferred equity and accrued interest has been repaid, any additional cash flow and net sale proceeds shall be distributed as follows:

- 0% to the Company and 100% to issuer up to a 20% IRR; and
- 10% to the Company and 90% to issuer thereafter,

Resmark Commitments

On February 10, 2023, the Company, through one of the Subsidiary OPs, through a unit purchase agreement, committed to purchase \$30.3 million of the preferred units with respect to a multifamily property development located in Forney, Texas, which was fully funded as of March 31, 2026. Further, the Company committed to purchase \$4.3 million of common equity with respect to the same property, of which \$0.8 million was unfunded as of March 31, 2026.

On February 10, 2023, the Company, through one of the Subsidiary OPs, through a unit purchase agreement, committed to purchase \$30.3 million of the preferred units with respect to a multifamily property development located in Richmond, Virginia, which was fully funded as of March 31, 2026. Further, the Company committed to purchase \$4.3 million of common equity with respect to the same property, of which \$0.8 million was unfunded as of March 31, 2026.

NSP Promissory Note Commitments

On January 16, 2026, the Company loaned \$16.7 million to NSP OC and certain subsidiaries of NSP OC and of our Sponsor, as co-borrowers. In connection with the loan, NSP OC issued the NSP Note pursuant to which NSP OC may borrow up to a maximum commitment of \$40.0 million. The NSP Note bears interest at 14% per annum, which is payable in kind, is interest only during the term of the NSP Note and matures on January 16, 2031. Borrowings under the NSP Note are secured by a first priority lien on certain income streams and related deposit accounts of the co-borrowers and are subordinated in right and time of payment to NSP's outstanding Series D Preferred Stock. On March 25, 2026, OSL purchased \$7.5 million aggregate principal amount of the NSP Note and obtained the right, but not the obligation, to participate in any future advances up to its then-current pro rata share. Effective on March 30, 2026, HFRO, NXDT, HGLB and NRES purchased aggregate principal amounts of \$2.5 million, \$1.0 million, \$1.3 million and \$0.1 million, respectively, and each has the right, but not the obligation, to participate in any future advances up to its then-current pro rata share. The Company also funded an additional \$1.3 million and the NSP note has \$17.3 million outstanding as of March 31, 2026.

SFR OP Promissory Note II Commitments

SFR OP issued the SFR OP Note II to the Company on July 10, 2024. The SFR OP Note II bears interest at 15%, which is payable in kind, is interest only during the term of the SFR OP Note II and initially matured on July 10, 2025. On August 25, 2025, the Company, through REIT Sub, extended the maturity date to July 10, 2026 and increased the maximum amount available under the SFR OP Note II to \$15.0 million. The Company funded \$3.5 million through December 31, 2024. SFR OP paid down \$1.9 million of principal on April 29, 2025. The Company funded \$3.4 million, \$5.0 million and \$2.5 million on July 31, 2025, August 24, 2025 and September 24, 2025, respectively. The Company's maximum commitment under the loan is \$15.0 million, of which \$2.5 million was unfunded as of March 31, 2026.

Beacon - Self Storage Commitments

On August 1, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$10.0 million for a storage facility in Wappinger, NY pursuant to a mezzanine loan agreement. The loan bears interest at 9%, which is payable in kind, with a maturity date of August 1, 2026. As of March 31, 2026, the Company has an unfunded commitment balance of \$6.2 million.

Rockville - Self Storage Commitments

On October 23, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$9.0 million for a storage facility in Rockville, NY pursuant to a mezzanine loan agreement. The loan bears interest at 9%, which is payable in kind,

with a maturity date of October 23, 2030. As of March 31, 2026, the Company has an unfunded commitment balance of \$6.2 million.

Hialeah - Small Bay Commitments

On December 10, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$28.0 million for an industrial facility in Hialeah, FL pursuant to a preferred equity agreement. The loan bears interest at 11%, with a maturity date of December 10, 2030. As of March 31, 2026, the Company has an unfunded commitment balance of \$5.5 million.

Park Phase - Preferred Commitments

On December 30, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$17.4 million for a multifamily property in Chapel Hill, NC pursuant to a preferred equity agreement. The loan bears interest at 14%, with a maturity date of December 30, 2029. As of March 31, 2026, the Company has an unfunded commitment balance of \$17.4 million.

Alewife Holdings Loan Commitments

On January 26, 2024, the Company, through OP IV, along with OSL, an entity that may be deemed an affiliate of the Manager through common beneficial ownership, entered into a Mezzanine Loan and Security Agreement (the "Alewife Loan") whereby it made a loan in the maximum principal amount of up to \$218.0 million to IQHQ-Alewife Holdings, LLC ("Alewife Holdings"), which is solely owned by IQHQ, L.P. The loan was initially secured by a first mortgage with a first lien position and other security interests. IQHQ Holdings is the sole common stockholder of IQHQ, Inc., and the IQHQ Participating Purchasers own common equity and stock warrants to purchase common equity in IQHQ Holdings and/or IQHQ, L.P. The Company has stock warrants to purchase common equity in IQHQ Holdings and has an ownership interest in the Series D-1 preferred stock and the Series E in IQHQ, Inc., which is the limited partner in IQHQ, L.P.; however, the Company has no controlling financial interest nor significant influence in IQHQ, L.P.

On May 10, 2024, OP IV, NexPoint Diversified Real Estate Trust Operating Partnership, L.P. ("NXDT OP"), the operating partnership of NXDT, and OSL entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned the right to fund up to 9% of the Alewife Loan to NXDT OP and allocated the right to fund up to 9% of the Alewife Loan to OSL. Effective January 2, 2025, OP IV and OSL entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned \$7.5 million 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, under the Assignment Agreement, 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, NXDT 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 NXDT OP and OSL, respectively. OP IV is required to fund any amounts not funded by OSL and NXDT OP. At any time that NXDT OP and OSL have funded less than their respective percentages of all advances made under the Alewife Loan, NXDT OP and OSL have the option upon notice to OP IV to pay to OP IV any amount of such unfunded amount. Upon such payment, NXDT OP or OSL would become entitled to all interest and fees accrued on the amount paid to OP IV on and after the date of such payment.

On September 30, 2025, the Alewife Loan was bifurcated into a (i) a senior mortgage loan in the maximum principal sum of \$85.0 million (the "Alewife Senior Loan") and (ii) a mezzanine loan in the maximum principal sum of \$133.0 million (the "Alewife Mezzanine Loan"). The Alewife Senior Loan was deemed fully funded, with the Company holding 73.5% of the Alewife Senior Loan based on prior fundings of the Alewife Loan of \$62.5 million, and OSL holding 26.5% of the Alewife Senior Loan based on prior fundings of the Alewife Loan of \$22.5 million. On September 30, 2025 the Company and OSL sold the Alewife Senior Loan. The Company's prior fundings of \$102.0 million of the Alewife Loan were deemed fundings of the Alewife Mezzanine Loan, with the Company holding 100% of the Alewife Mezzanine Loan at closing. The Alewife Mezzanine Loan is secured by an equity pledge by Alewife Holdings of its equity interest in Alewife Member and an equity pledge by Alewife Member of its equity interest in Alewife. The Company's expected maximum commitment under the Alewife Mezzanine Loan is \$133.0 million, of which \$17.5 million was unfunded as of March 31, 2026.

IQHQ Revolving Credit Facility, Series E and Warrant

On May 23, 2024, NexPoint Bridge Investor I, LLC ("Bridge Investor I"), an entity owned by an affiliate of the Manager, entered into a Secured Convertible Promissory Note and Warrant Purchase Agreement ("Bridge Purchase Agreement") whereby IQHQ, L.P. issued and sold to Bridge Investor I a Secured Convertible Promissory Note ("IQHQ Promissory Note") with a purchase commitment of \$150.0 million. The IQHQ Promissory Note bore interest at 16.5%, which was payable in kind, and matured on May 23, 2025. The IQHQ Promissory Note would automatically convert into Series E of IQHQ, Inc. upon a Qualified Equity Financing (as defined in the IQHQ Promissory Note). In accordance with the Bridge Purchase Agreement, IQHQ Holdings, L.P. ("IQHQ Holdings") also issued and sold a corresponding warrant to Bridge Investor I to purchase Class A-3 Units of IQHQ Holdings (as amended, the "IQHQ Bridge Warrant"). The IQHQ Bridge Warrant entitles the holder to purchase, at an exercise price of \$0.01, Class A-3 Units of IQHQ Holdings initially intended to represent 6.25% of the fully diluted and outstanding common equity of IQHQ Holdings. The IQHQ Bridge Warrant is exercisable, in whole or in part, at any time, and expires on May 23, 2034, unless there is an earlier change of control, initial public offering or liquidation.

In connection with the Bridge Purchase Agreement, the Company, through certain subsidiaries, along with certain entities advised by affiliates of our Manager or that may be deemed an affiliate of the Manager through common beneficial ownership (the "IQHQ Participating Purchasers"), entered into a participation rights agreement with Bridge Investor I pursuant to which the Company and the IQHQ Participating Purchasers had a right to fund up to specified amounts of the IQHQ Promissory Note and the IQHQ Bridge Warrant. Upon receipt of a draw request, each IQHQ Participating Purchaser had 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 and NXDT OP had 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. The Company, through certain subsidiaries, was required to fund any amounts not funded by the IQHQ Participating Purchasers and NXDT OP. Bridge Investor I can allocate all or any portion of the IQHQ Warrant to any parties to the participation rights agreement. On December 2, 2024, the IQHQ Promissory Note was fully funded. The Company funded \$148.6 million and the IQHQ Participating Purchasers funded \$1.4 million.

On December 31, 2024, the Company, through OP IV and the OP, along with the IQHQ Participating Purchasers that funded the IQHQ Promissory Note and Bluerock entered into a Revolving Credit Agreement (the "IQHQ Revolving Loan") whereby it made a loan in the maximum principal amount of up to \$300.0 million to IQHQ, L.P. In connection with the IQHQ Revolving Loan, the full \$150 million of the principal amount of the IQHQ Promissory Note and the full \$150 million of the principal amount of a promissory note held by Bluerock was substituted and exchanged for deemed borrowings under the IQHQ Revolving Loan, and the IQHQ Revolving Loan was fully funded on December 31, 2024. On September 30, 2025, the IQHQ Revolving Loan was amended and restated to, among other things, add a new lender and increase the aggregate amount of the loan to \$440.0 million, with the new lender funding \$100.0 million at closing and each of the Company and Bluerock committing to fund an additional \$20.0 million during the commitment period subject to certain terms and conditions. The IQHQ Revolving Loan accrues interest at a rate per annum equal to 13.5% per annum, which, prior to September 30, 2025, was fully payable in kind and, on and after September 30, 2025 is payable 1.5% per annum in kind and 12% per annum in cash. The revolving period during which IQHQ, L.P. is permitted to borrow, repay and re-borrow loans, subject to satisfaction of certain conditions and payment of certain fees, will terminate on September 30, 2028, the maturity date of the IQHQ Revolving Loan. As of March 31, 2026, the Company holds 38.32% of the revolving commitment under the IQHQ Revolving Loan, with an unfunded commitment balance of \$20.0 million.

In connection with the IQHQ Revolving Loan, 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 of IQHQ, Inc. Pursuant to the IQHQ Subscription Agreement, the full \$10.1 million of the interest accrued on the IQHQ Promissory Note was substituted and exchanged for a deemed funding of \$10.1 million under the IQHQ Subscription Agreement. In connection with the IQHQ Subscription Agreement, on March 31, 2026, 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

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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 Company, through certain subsidiaries, along with the IQHQ Participating Purchasers entered into a participation rights agreement with Bridge Investor I pursuant to which the Company and the IQHQ Participating Purchasers have a right to fund up to specified amounts of the Series E of IQHQ, Inc. commitment 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, NXDT 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. The Company, through certain subsidiaries, would be required to fund any amounts not funded by the IQHQ Participating Purchasers and NXDT 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 the Company or NXDT 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 the Company or NXDT OP, if applicable, on and after the date of such payment. Bridge Investor I can allocate all or any portion of the IQHQ Warrant to any parties to the participation rights agreement.

IQHQ Holdings is the sole common stockholder of IQHQ, Inc., and the IQHQ Participating Purchasers own common equity and stock warrants to purchase common equity in IQHQ Holdings and/or IQHQ, L.P. The Company has stock warrants to purchase common equity in IQHQ Holdings and has an ownership interest in the Series D-1 preferred stock and the Series E in IQHQ, Inc., which is the limited partner in IQHQ, L.P.; however, the Company has no controlling financial interest nor significant influence in IQHQ, L.P.

The loan participation was considered a transfer of the IQHQ Promissory Note and the IQHQ Bridge Warrant and is considered a transfer of the Series E preferred stock of IQHQ, Inc. and the IQHQ Series E Warrant qualified as a sale under ASC 860, *Transfers and Servicing*, as (1) the transfer legally isolated the transferred assets from the transferor, (2) the transferee has the right to pledge or exchange the transferred assets and no condition both constrains the transferee's right to pledge or exchange the assets and provides more than a trivial benefit to the transferor, and (3) the transferor does not maintain effective control over the transferred assets. The IQHQ Promissory Note was classified as Loans, held-for-investment, net, the Series E preferred stock of IQHQ, Inc. is classified as preferred stock and the IQHQ Bridge Warrant is classified as Stock warrant investments. The IQHQ Bridge Warrant is accounted for as investments in equity securities under ASC 321, Investments – Equity Securities, and the Company elected to use the fair value option. As a result, the IQHQ Bridge Warrant is being fair valued using a NAV approach. The model incorporates economic and control rights, marketability of the Units, and other market-derived metrics, applying discounts for lack of marketability and control due to the minority stake and absence of public trading options.

As of March 31, 2026, the Company has an unfunded commitment balance of \$23.0 million under the IQHQ Subscription Agreement.

The table below shows the Company's unfunded commitments by investment type as of March 31, 2026 and December 31, 2025 (in thousands):

Investment Type	March 31, 2026	December 31, 2025
Loans	\$ 69,656	\$ 60,639
Preferred Equity	24,270	24,840
Common Equity	1,536	1,536
Preferred Stock	23,000	23,000
	<u>\$ 118,462</u>	<u>\$ 110,015</u>

16. Segment Reporting

We have one reportable segment: NREF. For a description of the types of products and services from which this single reportable segment derives its revenues, see Notes 1 and 2. The accounting policies of the NREF segment are the same as those described in the Summary of Significant Accounting Policies. The chief operating decision maker assesses performance for the NREF segment and decides how to allocate resources based on net income that also is reported on the Consolidated Statements of Operations. The measure of segment assets is reported on the Consolidated Balance Sheets as Total Assets. The chief operating decision maker uses net income to evaluate profitability generated from the segment's portfolio in deciding whether to reinvest profits into new or existing investments or into other parts of the entity, such as for acquisitions or dividend amounts. The chief operating decision maker manages the business on a consolidated basis, and therefore the Company has identified NREF as the one operating segment and the reportable segment. As of March 31, 2026 the Company's chief operating decision maker was the Chief Financial Officer, Executive VP-Finance, Assistant Secretary and Treasurer of the Company.

The significant segment expenses are computed in accordance with GAAP and are consistent with the financial information presented in the Consolidated Statements of Operations.

17. Subsequent Events

Dividends Declared

The Board declared the second regular quarterly dividend of 2026 to common stockholders of \$0.50 per share on April 28, 2026, to be paid on June 30, 2026, to common stockholders of record on June 15, 2026.

Series C Preferred

As of May 7, 2026, since March 31, 2026, the Company has issued an additional 286,289 shares of Series C Preferred Stock for net proceeds of \$6.4 million.

Series B Preferred Redemptions

Subsequent to March 31, 2026, the Company redeemed an aggregate of 12,906 shares of the Series B Preferred Stock for \$0.3 million.

5.75% Senior Note Payoff and Mizuho Facility

On April 29, 2026, the Company entered into a loan agreement for a \$375 million senior secured term loan and total return swap with Mizuho Capital Markets LLC with a maturity date of May 1, 2029, with extension options to May 1, 2030. The proceeds from the transaction were used to repay in full the Company's 5.75% Senior Notes due May 1, 2026.

VineBrook Revolving Credit Agreement

On May 7, 2026, the OP entered into a secured revolving credit agreement with VineBrook Homes Operating Partnership, LP., providing for borrowings of up to \$20.0 million, with the ability to increase commitments to \$30.0 million, subject to OP approval. Borrowings bear interest at 9.75% per annum, are secured by real estate properties acquired with loan proceeds, and mature on May 7, 2028, with two one-year extension options subject to customary conditions and fees. The facility includes a 1.00% origination fee on each advance and permits prepayment at any time without penalty.

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 results of operations. The following should be read in conjunction with our financial statements and accompanying notes included herein and in our 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 Part I, Item 1A, and "Risk Factors" in our Annual Report. Our management believes the assumptions underlying the Company's financial statements and accompanying notes are reasonable. However, the Company's financial statements and accompanying notes may not be an indication of our financial condition and results of operations in the future.

Overview

We are a commercial mortgage REIT incorporated in Maryland on June 7, 2019. Our strategy is to originate, structure and invest in first-lien mortgage loans, mezzanine loans, preferred equity, convertible notes, multifamily properties and common equity investments, as well as multifamily and SFR CMBS securitizations, promissory notes, revolving credit facilities and stock warrants, or our target assets. We primarily focus on investments in real estate sectors where our senior management team has operating expertise, including in the multifamily, SFR, self-storage, industrial and life science sectors predominantly in the top 50 MSAs. In addition, we target lending or investing in properties that are stabilized.

Our investment objective is to generate attractive, risk-adjusted returns for stockholders over the long term. We seek to employ a flexible and relative-value focused investment strategy and expect to re-allocate capital periodically among our target investment classes. We believe this flexibility will enable us to efficiently manage risk and deliver attractive risk-adjusted returns under a variety of market conditions and economic cycles.

We are externally managed by our Manager, a subsidiary of our Sponsor, an SEC-registered investment advisor, which has extensive real estate experience, having completed as of March 31, 2026 approximately \$22.2 billion of gross real estate transactions since the beginning of 2012. In addition, our Sponsor, together with its affiliates, including NexBank, is one of the most experienced global alternative credit managers managing approximately \$13.9 billion of loans and debt or credit related investments as of March 31, 2026 and has managed credit investments for over 25 years. We believe our relationship with our Sponsor benefits us by providing access to resources including research capabilities, an extensive relationship network, other proprietary information, scalability, and a vast wealth of knowledge of information on real estate in our target assets and sectors.

We elected to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2020. We also intend to operate our business in a manner that will permit us to maintain one or more exclusions or exemptions from registration under the Investment Company Act.

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 (the "Highland Bankruptcy"), which was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"). 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 and was subsequently amended, filed a lawsuit (the "Bankruptcy Trust Lawsuit") against various persons and entities, including our Sponsor and James Dondero. The Bankruptcy Trust Lawsuit does not include claims related to our business or our assets or operations. On March 24, 2023, the litigation trustee filed a motion seeking to voluntarily 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. Parties in interest have filed a motion to vacate the HMIT settlement, and the Bankruptcy Trust Lawsuit has been stayed pending a ruling on that motion.

In addition, on February 8, 2023, UBS Securities LLC and its affiliate (collectively, “UBS”) filed a lawsuit in the Supreme Court of the State of New York, County of New York against Mr. Dondero and a number of other 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 February 26, 2024, the respondents, including Mr. Dondero, filed motions to dismiss the UBS Lawsuit. 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 August 24, 2024, UBS filed a notice of appeal for that dismissal order, but withdrew its appeal on December 31, 2025. 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 and the other remaining respondents are appealing the denial of the motion to dismiss to the Appellate Division of the Supreme Court of the State of New York. The appeal was argued on April 8, 2026. The Supreme Court rescheduled a status conference in the UBS Lawsuit previously set for April 14, 2026 to July 14, 2026. Neither the Bankruptcy Trust Lawsuit nor the UBS Lawsuit include claims related to our business or our assets or operations. 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.

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

Purchases and Dispositions in the Quarter

Acquisitions and Originations

The Company acquired or originated the following investments through the Subsidiary OPs in the three months ended March 31, 2026. The amounts in the table below are as of the purchase or investment date.

Investment	Property Type	Investment Date	Outstanding Principal Amount	Cost (% of Par Value)	Coupon (1)	Current Yield (1)	Maturity Date	Interest Rate Type
Mezzanine	Self-Storage	1/9/2026	\$ 293,929	100.0%	11.5%	11.5%	10/23/2030	Floating
Mezzanine	Self-Storage	1/9/2026	101,420	100.0%	10.7%	10.7%	8/1/2026	Floating
Preferred Equity	Marina	1/15/2026	4,500,000	99.5%	13.0%	13.1%	10/30/2028	Fixed
Preferred Equity	Self-Storage	2/25/2026	3,000,000	100.0%	11.0%	11.0%	7/1/2027	Fixed
CMBS B-Piece	Multifamily	3/5/2026	6,283,147	85.4%	-%	-(2)	12/31/2026	Floating
Mezzanine	Life Science	3/9/2026	7,771,553	100.0%	14.0%	14.0%	2/9/2027	Floating
Preferred Equity	Single-family	3/9/2026	570,000	71.0%	13.5%	19.0%	4/28/2027	Fixed
Preferred Equity	Multifamily	3/24/2026	1,283,567	88.9%	14.0%	15.7%	6/19/2029	Fixed
Preferred Equity	Life Science	3/26/2026	9,045,226	99.5%	10.0%	10.1%	9/29/2026	Fixed
Promissory Note	Self-Storage	3/30/2026	17,990,184	100.0%	14.0%	14.0%	1/16/2031	Fixed
Promissory Note	Life Science	3/31/2026	23,000,000	99.0%	16.2%	16.3%	4/17/2026	Fixed
			<u>\$ 73,839,026</u>					

(1) Current yield and coupon as of March 31, 2026.

(2) This CMBS B-Piece is part of the Re-REMIC on K62, and has been re-securitized into a new security.

Redemptions and Sales

The following investments were redeemed or sold during the three months ended March 31, 2026:

Investment	Property Type	Investment Date	Disposition Date	Amortized Cost Basis	Redemption/Sales Proceeds	Prepayment Penalties	Net Gain (Loss) on Repayment
Preferred Equity	Life Science	10/19/2022	3/25/2026	\$ 2,956,898	\$ 2,956,898	\$ —	\$ —
Senior Loan	Single-family	2/11/2020	1/25/2026	670,160	670,160	—	—
Mezzanine	Multifamily	10/20/2020	1/25/2026	1,117,440	1,117,440	—	—
Preferred Equity	Marina	12/4/2025	1/9/2026	9,055,203	9,055,203	—	—
Preferred Equity	Marina	12/12/2025	1/9/2026	8,292,500	8,292,500	—	—
Preferred Equity	Marina	3/19/2025	1/20/2026	403,985	403,985	—	—
Preferred Equity	Multifamily	1/31/2025	3/16/2026	19,026	19,026	—	—
Promissory Note	Self-Storage	1/16/2026	3/31/2026	7,500,000	7,500,000	—	—
				<u>\$ 30,015,212</u>	<u>\$ 30,015,212</u>	<u>\$ —</u>	<u>\$ —</u>

Components of Our Revenues and Expenses

Net Interest Income

Interest income. Our earnings are primarily attributable to the interest income from mortgage loans, mezzanine loan and preferred equity investments. Loan premium/discount amortization and prepayment penalties are also included as components of interest income.

Interest expense. Interest expense represents interest accrued on our various financing obligations used to fund our investments and is shown as a deduction to arrive at net interest income.

Other Income (Loss)

Change in net assets related to consolidated CMBS variable interest entities. Includes unrealized gain (loss) based on changes in the fair value of the assets and liabilities of the CMBS trusts and net interest earned on the consolidated CMBS trusts. See Note 4 to our consolidated financial statements for additional information.

Change in unrealized gain (loss) on CMBS structured pass-through certificates. Includes unrealized gain (loss) based on changes in the fair value of the CMBS I/O Strips. See Note 7 to our consolidated financial statements for additional information.

Change in unrealized gain on common stock investments. Includes unrealized gain (loss) based on changes in the fair value of our common stock investments in NSP and the Private REIT. See Note 5 to our consolidated financial statements for additional information.

Provision for (reversal of) credit losses, net. Provision for (reversal of) credit losses, net represents the change in our allowance for loan losses. See Note 2 to our consolidated financial statements for additional information.

Realized losses. Realized losses include the excess, or deficiency, of net proceeds received, less the carrying value of such investments, as realized losses. The Company reverses cumulative unrealized gains or losses previously reported in its Consolidated Statements of Operations with respect to the investment sold at the time of the sale.

Revenues from consolidated real estate owned (Note 8). Reflects the total revenues for our multifamily properties. Revenues include rental income from the multifamily properties.

Equity in Income (Losses) of Equity Method Investments. 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.

Other income. Includes exit fees, placement fees and other miscellaneous income items.

Operating Expenses

G&A expenses. G&A expenses include, but are not limited to, audit fees, legal fees, listing fees, Board fees, equity-based and other compensation expenses, investor-relations costs and payments of reimbursements to our Manager. The Manager will be reimbursed for expenses it incurs on behalf of the Company. However, our Manager is responsible, and we will not reimburse our Manager or its affiliates, for the salaries or benefits to be paid to personnel of our Manager or its affiliates who serve as our officers, and we may grant equity awards to our officers under the Amended and Restated LTIP. Direct payment of operating expenses by us, which includes compensation expense relating to equity awards granted under the LTIP, together with reimbursement of operating expenses to our Manager, plus the Annual Fee, may not exceed 2.5% of equity book value determined in accordance with GAAP, for any calendar year or portion thereof, provided, however, that this limitation will not apply to Offering Expenses, legal, accounting, financial, due diligence and other service fees incurred in connection with extraordinary litigation and mergers and acquisitions and other events outside the ordinary course of our business or any out-of-pocket acquisition or due diligence expenses incurred in connection with the acquisition or disposition of certain real estate related investments. To the extent total corporate G&A expenses would otherwise exceed 2.5% of equity book value, our Manager will waive all or a portion of its Annual Fee to keep our total corporate G&A expenses at or below 2.5% of equity book value.

Loan servicing fees. We pay various service providers fees for loan servicing of our SFR Loans, mezzanine loans and consolidated CMBS trusts. We classify the expenses related to the administration of the SFR Loans and mezzanine loans as servicing fees while the fees associated with the CMBS trusts are included as a component of the change in net assets related to consolidated CMBS VIEs.

Management fees. Management fees include fees paid to our Manager pursuant to the Management Agreement.

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Expenses from consolidated real estate owned (Note 8). Reflects the total expenses for our multifamily properties. Expenses include interest, real estate taxes and insurance, operating, general and administrative, management fees, depreciation and amortization, rate cap (income) expense, and debt service bridge expenses of the multifamily properties.

Results of Operations for the Three Months Ended March 31, 2026 and 2025

The following table sets forth a summary of our operating results for the three months ended March 31, 2026 and 2025 (in thousands):

	For the Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Net interest income	\$ 15,299	\$ 11,509	\$ 3,790	32.9%
Other income	17,333	22,736	(5,403)	-23.8%
Operating expenses	(9,999)	(8,283)	(1,716)	20.7%
Net income	22,633	25,962	(3,329)	-12.8%
Net (income) loss attributable to Series A Preferred stockholders	(874)	(874)	—	-%
Net (income) loss attributable to Series B Preferred stockholders	(9,055)	(4,407)	(4,648)	105.5%
Net (income) loss attributable to Series C Preferred stockholders	(298)	—	(298)	N/A
Net (income) loss attributable to redeemable noncontrolling interests	(2,366)	(4,163)	1,797	-43.2%
Net income attributable to common stockholders	<u>\$ 10,040</u>	<u>\$ 16,518</u>	<u>\$ (6,478)</u>	<u>-39.2%</u>

The change in our net income for the three months ended March 31, 2026 as compared to the net income for the three months ended March 31, 2025 primarily relates to an increase in other income including changes in net assets related to consolidated CMBS VIEs, preferred stock and warrants, and a lower unrealized loss on common stock investments. Our net income attributable to common stockholders for the three months ended March 31, 2026 was approximately \$10.0 million. We earned approximately \$15.3 million in net interest income, generated income of \$17.3 million in other income, incurred operating expenses of \$10.0 million, allocated \$0.9 million of income to Series A Preferred stockholders, allocated \$9.1 million of income to Series B Preferred stockholders, allocated \$0.3 million of income to Series C Preferred stockholders and allocated \$2.4 million of income to redeemable non-controlling interests for the three months ended March 31, 2026.

Revenues

Net interest income. Net interest income was \$15.3 million for the three months ended March 31, 2026 compared to \$11.5 million for the three months ended March 31, 2025 which was an increase of approximately \$3.8 million. The increase between the periods is primarily due to additional investments in preferred equity, revolving credit facilities, senior loans and mezzanine loans in the portfolio compared to the prior period. As of March 31, 2026 we own 90 discrete investments compared to 85 as of March 31, 2025.

Other income. Other income was \$17.3 million for the three months ended March 31, 2026 compared to \$22.7 million for the three months ended March 31, 2025 which was a decrease of approximately \$5.4 million. This was primarily due to a decrease in unrealized gains related to preferred stock and stock warrant investments as well as an increase in dividend income.

Expenses

G&A expenses. G&A expenses were \$3.3 million for the three months ended March 31, 2026 compared to \$2.5 million for the three months ended March 31, 2025 which was an increase of approximately \$0.8 million. The increase between the periods was primarily due to a \$0.1 million increase in legal fees and a \$0.7 million increase in accounting fees compared to the prior period.

Loan servicing fees. Loan servicing fees were \$0.3 million for the three months ended March 31, 2026 and March 31, 2025 which remained flat period over period.

Management fees. Management fees were \$2.2 million for the three months ended March 31, 2026 compared to \$1.4 million for the three months ended March 31, 2025 which was an increase of approximately \$0.8 million. The increase between the periods was primarily due to an increase in Equity as defined by the Management Agreement.

Key Financial Measures and Indicators

As a real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared, EAD, CAD and book value per share.

Earnings Per Share and Dividends Declared

The following table sets forth the calculation of basic and diluted net income per share and dividends declared per share (in thousands, except per share data):

	For the Three Months Ended March 31,		% Change
	2026	2025	
Net income attributable to common stockholders	\$ 10,040	\$ 16,518	-39.2%
Net income attributable to redeemable noncontrolling interests	2,366	4,163	-43.2%
Net income attributable to Series B Preferred stockholders	9,055	4,407	105.5%
Net income attributable to Series C Preferred stockholders	298	—	N/A
Weighted-average number of shares of common stock outstanding			
Basic	18,605	17,516	6.2%
Diluted	51,456	36,049	42.7%
Net income per share, basic	\$ 0.54	\$ 0.94	-42.6%
Net income per share, diluted	\$ 0.42	\$ 0.70	-40.0%
Dividends declared per share	\$ 0.5000	\$ 0.5000	-%

Earnings Available for Distribution, Cash Available for Distribution and Adjusted Weighted Average Common Shares Outstanding - Diluted

EAD is a non-GAAP financial measure. We believe EAD serves as a useful indicator for investors in evaluating our performance and our long-term ability to pay distributions. EAD is defined as the net income (loss) attributable to our common stockholders computed in accordance with GAAP, including realized gains and losses not otherwise included in net income (loss), excluding any unrealized gains or losses or other similar non-cash items that are included in net income (loss) for the applicable reporting period, regardless of whether such items are included in other comprehensive income (loss), or in net income (loss) and adding back amortization of stock-based compensation. Net income (loss) attributable to common stockholders may also be adjusted for the effects of certain GAAP adjustments and transactions that may not be indicative of our current operations.

We use EAD to evaluate our performance which excludes the effects of certain GAAP adjustments and transactions that we believe are not indicative of our current operations and to assess our long-term ability to pay distributions. We believe providing EAD as a supplement to GAAP net income (loss) to our investors is helpful to their assessment of our performance and our long term ability to pay distributions. EAD does not represent net income or cash flows from operating activities and should not be considered as an alternative to GAAP net income, an indication of our GAAP cash flows from operating activities, a measure of our liquidity or an indication of funds available for our cash needs. Our computation of EAD may not be comparable to EAD reported by other REITs.

We also use EAD as a component of the management fee paid to our Manager. As consideration for the Manager's services, we will pay our Manager an annual management fee of 1.5% of Equity, paid monthly, in cash or shares of our common stock at the election of our Manager. "Equity" means (a) the sum of (1) total stockholders' equity immediately prior to the closing of our IPO, plus (2) the net proceeds received by us from all issuances of our equity securities in and after the IPO, plus (3) our cumulative EAD from and after the IPO to the end of the most recently completed calendar quarter, (b) less (1) any distributions to our holders of common stock from and after the IPO to the end of the most recently completed calendar quarter and (2) all amounts that we have paid to repurchase for cash the shares of our equity securities from and after the IPO to the end of the most recently completed calendar quarter. In our calculation of Equity, we will adjust our calculation of EAD to remove the compensation expense relating to awards granted under one or more of our long-term incentive plans that is added back in our calculation of EAD. Additionally, for the avoidance of doubt, Equity does not include the assets contributed to us in the Formation Transaction. For the purpose of calculating EAD for the management fee, net income (loss) attributable to common stockholders may be adjusted for the effects of certain GAAP adjustments and transactions that may not be indicative of our current operations, in each case after discussions between the Manager and the independent directors of our Board and approved by a majority of the independent directors of our Board.

CAD is a non-GAAP financial measure. We calculate CAD by adjusting EAD by adding back amortization of premiums, depreciation and amortization of real estate investments, amortization of deferred financing costs and by removing accretion of discounts and non-cash items, such as stock dividends. We use CAD to evaluate our performance and our current ability to pay distributions. We also believe that providing CAD as a supplement to GAAP net income (loss) to our investors is helpful to their assessment of our performance and our current ability to pay distributions. CAD does not represent net income or cash flows from operating activities and should not be considered as an alternative to GAAP net income, an indication of our GAAP cash flows from operating activities, a measure of our liquidity or an indication of funds available for our cash needs. Our computation of CAD may not be comparable to CAD reported by other REITs.

EAD per diluted common share and CAD per diluted common share are based on adjusted weighted average common shares outstanding – diluted. Adjusted weighted average common shares outstanding - diluted is a non-GAAP measure calculated by subtracting the dilutive effect of potential redemptions of Series B Preferred shares for shares of our common stock from weighted average common shares outstanding - diluted. Beginning in the fourth quarter of 2025, adjusted weighted average common shares outstanding – diluted also subtracts the dilutive effect of potential redemptions of Series C Preferred shares for shares of our common stock from weighted average common shares outstanding – diluted. We believe providing adjusted weighted average common shares outstanding - diluted and EAD per diluted common share and CAD per diluted common share based on adjusted weighted average common shares outstanding - diluted is helpful to our investors in their assessment of our performance without the potential dilutive effect of the Series B Preferred and Series C Preferred shares. We have the right to redeem the Series B Preferred and Series C Preferred shares for cash or shares of our common stock (collectively, the "Series B and C Preferred Redemptions"). Additionally, the Series B Preferred and Series C Preferred Redemptions are capped at 2% of the outstanding Series B Preferred and outstanding Series C Preferred shares, as applicable, per month, 5% per quarter and 20% per year, respectively. The Company maintains sufficient liquidity to pay cash to cover any redemptions up to the quarterly redemption cap. Further, it is the Company's intent to not settle the Series B and C Preferred Redemptions in shares of common stock when the Company's common stock price is below book value.

Adjusted weighted average common shares outstanding - diluted should not be considered as an alternative to the GAAP measures. Our computation of adjusted weighted average common shares outstanding - diluted may not be comparable to adjusted weighted average common shares outstanding - diluted reported by other companies.

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The following table provides a reconciliation of EAD and CAD to GAAP net income including the dilutive effect of noncontrolling interests and adjusted weighted average common shares outstanding - diluted to weighted average common shares outstanding - diluted for the three months ended March 31, 2026 and 2025 (in thousands, except per share amounts):

	For the Three Months Ended March 31,		% Change
	2026	2025	
Net income attributable to common stockholders	\$ 10,040	\$ 16,518	(39.2)%
Net income attributable to redeemable noncontrolling interests	2,366	4,163	(43.2)%
Adjustments			
Amortization of stock-based compensation	1,405	1,283	9.5 %
Provision for (reversal of) credit losses	(2,983)	3,625	182.3 %
Equity in (income) losses of equity method investments	(54)	(53)	1.9 %
Unrealized (gains) or losses (1)	(746)	(15,861)	(95.3)%
EAD	<u>\$ 10,028</u>	<u>\$ 9,675</u>	<u>3.6 %</u>
EAD per Diluted Common Share	<u>\$ 0.43</u>	<u>\$ 0.41</u>	<u>4.9 %</u>
Adjustments			
Amortization of premiums	3,920	2,262	73.3 %
Accretion of discounts	(1,883)	(2,540)	25.9 %
Depreciation and amortization of real estate investments	1,426	1,079	32.2 %
Amortization of deferred financing costs	—	12	(100.0)%
CAD	<u>\$ 13,491</u>	<u>\$ 10,488</u>	<u>28.6 %</u>
CAD per Diluted Common Share	<u>\$ 0.58</u>	<u>\$ 0.45</u>	<u>28.9 %</u>
Weighted-average common shares outstanding - basic	18,605	17,516	6.2 %
Weighted-average common shares outstanding - diluted	51,456	36,049	42.7 %
Shares attributable to potential redemption of Series B Preferred	(27,518)	(12,652)	(117.5)%
Shares attributable to potential redemption of Series C Preferred	(806)	—	N/A
Adjusted weighted-average common shares outstanding - diluted (2)	<u>23,132</u>	<u>23,397</u>	<u>(1.1)%</u>

(1) Unrealized gains are the net change in unrealized loss on investments held at fair value applicable to common stockholders.

(2) Adjusted weighted average common shares outstanding – diluted does not include the dilutive effect of the potential redemption of Series B or Series C Preferred Stock for our common shares.

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Book Value per Share / Unit

The following table calculates our book value per share (in thousands, except per share data):

	March 31, 2026	December 31, 2025
Common stockholders' equity	\$ 351,147	\$ 350,380
Shares of common stock outstanding at period end	18,687	18,574
Book value per share of common stock	<u>\$ 18.79</u>	<u>\$ 18.86</u>

Due to the large noncontrolling interest in the OP (see Note 13 to our consolidated financial statements for more information), we believe it is useful to also look at book value on a combined basis as shown in the table below (in thousands, except per share data):

	March 31, 2026	December 31, 2025
Common stockholders' equity	\$ 351,147	\$ 350,380
Redeemable noncontrolling interests in the OP	82,508	82,235
Total equity	<u>\$ 433,655</u>	<u>\$ 432,615</u>
Redeemable OP Units at period end	4,186	4,186
Shares of common stock outstanding at period end	18,687	18,574
Combined shares of common stock and redeemable OP Units	<u>22,873</u>	<u>22,760</u>
Combined book value per share / unit	<u>\$ 18.96</u>	<u>\$ 19.01</u>

Our Portfolio

Our portfolio consists of senior loans, CMBS B-Pieces, CMBS I/O Strips, mezzanine loans, preferred equity investments, common equity investments, preferred stock, multifamily properties, promissory notes, revolving credit facilities and stock warrants with a combined unpaid principal balance of \$1.4 billion as of March 31, 2026 and assumes the CMBS Entities' assets and liabilities are not consolidated. The following table sets forth additional information relating to our portfolio as of March 31, 2026 (dollars in thousands):

Investment (1)	Investment Date	Current Principal Amount	Net Equity (2)	Location	Property Type	Coupon	Current Yield (3)	Remaining Term (4) (years)
Senior Loans								
1 Senior Loan	2/11/2020	\$ 7,350	\$ 1,018	Various	Single-family	5.35 %	5.30 %	1.84
2 Senior Loan	2/11/2020	5,000	555	Various	Single-family	5.24 %	5.09 %	2.51
3 Senior Loan	2/11/2020	30,203	3,076	Various	Single-family	4.74 %	4.74 %	0.08
4 Senior Loan	2/11/2020	34,495	3,421	Various	Single-family	5.55 %	5.34 %	2.59
5 Senior Loan	2/11/2020	5,297	568	Various	Single-family	5.99 %	5.79 %	2.67
6 Senior Loan	2/11/2020	8,298	978	Various	Single-family	5.88 %	5.71 %	2.76
7 Senior Loan	2/11/2020	6,204	764	Various	Single-family	5.46 %	5.32 %	2.92
8 Senior Loan	2/11/2020	9,997	1,179	Various	Single-family	4.72 %	4.72 %	0.08
Total		106,844	11,559			5.26 %	5.15 %	1.63
CMBS B-Pieces								
1 CMBS B-Piece	2/11/2020	10,276	(5) 10,132	Various	Multifamily	9.78 %	9.78 %	—
2 CMBS B-Piece	2/11/2020	15,134	(5) 3,756	Various	Multifamily	5.44 %	5.44 %	0.65
3 CMBS B-Piece	7/30/2020	14,923	(5) (5,000)	Various	Multifamily	12.78 %	12.78 %	1.24
4 CMBS B-Piece	4/20/2021	13,026	(5) 3,231	Various	Multifamily	9.92 %	9.92 %	4.91
5 CMBS B-Piece	5/2/2022	23,124	(5) 5,144	Various	Multifamily	5.25 %	5.59 %	12.66
6 CMBS B-Piece	7/28/2022	53,219	(5) 13,369	Various	Multifamily	8.92 %	8.92 %	3.32
7 CMBS B-Piece	2/22/2024	32,869	(5) 7,080	Various	Multifamily	6.10 %	6.71 %	2.82
8 CMBS B-Piece	4/24/2024	33,611	(5) 7,964	Various	Multifamily	5.78 %	6.41 %	2.99

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9	CMBS B-Piece	3/5/2026	6,283	(5)	2,682	Various	Multifamily	— %	23.49 %	0.75
	Total		196,182		45,676			7.61 %	7.86 %	3.90
CMBS I/O Strips										
1	CMBS I/O Strip	5/18/2020	17,590	(6)	244	Various	Multifamily	2.09 %	24.66 %	3.82
2	CMBS I/O Strip	8/6/2020	108,643	(6)	2,673	Various	Multifamily	3.08 %	27.08 %	4.24
3	CMBS I/O Strip	4/28/2021	62,787	(6)	817	Various	Multifamily	1.70 %	28.62 %	3.82
4	CMBS I/O Strip	5/27/2021	20,000	(6)	555	Various	Multifamily	3.50 %	27.17 %	4.15
5	CMBS I/O Strip	6/7/2021	4,266	(6)	53	Various	Multifamily	2.39 %	41.38 %	2.66
6	CMBS I/O Strip	6/11/2021	77,650	(6)	343	Various	Multifamily	2.07 %	35.88 %	3.15
7	CMBS I/O Strip	6/24/2021	18,006	(6)	137	Various	Multifamily	— %	— %	4.15
8	CMBS I/O Strip	8/10/2021	25,000	(6)	388	Various	Multifamily	1.96 %	27.76 %	4.07
9	CMBS I/O Strip	8/11/2021	6,942	(6)	238	Various	Multifamily	3.20 %	21.49 %	5.32
1										
0	CMBS I/O Strip	8/24/2021	1,625	(6)	39	Various	Multifamily	2.70 %	23.60 %	4.82
1										
1	CMBS I/O Strip	9/1/2021	34,625	(6)	564	Various	Multifamily	2.04 %	26.77 %	4.24
1										
2	CMBS I/O Strip	9/11/2021	20,902	(6)	684	Various	Multifamily	3.05 %	21.12 %	5.49
1										
3	CMBS I/O Strip	1/16/2025	15,000	(6)	1,325	Various	Multifamily	5.86 %	16.07 %	8.66
1										
4	CMBS I/O Strip	4/15/2025	15,327	(6)	1,297	Various	Multifamily	5.88 %	16.95 %	8.07
	Total		428,363		9,357			2.58 %	26.68 %	4.30
Mezzanine Loans										
1	Mezzanine	6/12/2020	5,000		5,000	Houston, TX	Multifamily	11.00 %	11.00 %	1.19
2	Mezzanine	10/20/2020	5,470		2,202	Wilmington, DE	Multifamily	7.50 %	7.39 %	3.09
3	Mezzanine	10/20/2020	10,380		4,230	White Marsh, MD	Multifamily	7.42 %	7.28 %	5.25
4	Mezzanine	10/20/2020	14,253		5,754	Philadelphia, PA	Multifamily	7.59 %	7.47 %	3.17
5	Mezzanine	10/20/2020	3,700		1,483	Daytona Beach, FL	Multifamily	7.83 %	7.73 %	2.51
6	Mezzanine	10/20/2020	12,000		4,886	Laurel, MD	Multifamily	7.71 %	7.56 %	5.01
7	Mezzanine	10/20/2020	3,000		1,223	Temple Hills, MD	Multifamily	7.32 %	7.18 %	5.34
8	Mezzanine	10/20/2020	1,500		611	Temple Hills, MD	Multifamily	7.22 %	7.08 %	5.34
9	Mezzanine	10/20/2020	5,540		2,230	Lakewood, NJ	Multifamily	7.33 %	7.22 %	3.09
1										
0	Mezzanine	10/20/2020	6,829		2,743	North Aurora, IL	Multifamily	7.53 %	7.43 %	2.76
1										
1	Mezzanine	10/20/2020	3,620		1,475	Rosedale, MD	Multifamily	7.42 %	7.28 %	5.25
1										
2	Mezzanine	10/20/2020	9,610		3,916	Cockeysville, MD	Multifamily	7.42 %	7.28 %	5.25
1										
3	Mezzanine	10/20/2020	7,390		3,011	Laurel, MD	Multifamily	7.42 %	7.28 %	5.25
1										
4	Mezzanine	10/20/2020	1,190		479	Las Vegas, NV	Multifamily	7.71 %	7.60 %	2.92
1										
5	Mezzanine	10/20/2020	3,310		1,333	Atlanta, GA	Multifamily	6.91 %	6.81 %	3.25
1										
6	Mezzanine	10/20/2020	4,010		1,609	Urbandale, IA	Multifamily	7.89 %	7.79 %	2.59
1										
7	Mezzanine	11/18/2021	12,600		12,546	Irving, TX	Multifamily	— %	— %	2.67
1										
8	Mezzanine	6/9/2022	3,784	(7)	3,783	Rogers, AR	Multifamily	— %	— %	(0.39)
1										
9	Mezzanine	1/26/2024	115,504	(8)	115,505	Cambridge, MA	Life Science	14.00 %	14.00 %	0.86
2										
0	Mezzanine	8/1/2025	3,813		3,651	Wappinger, NY	Self-Storage	10.73 %	11.21 %	0.34
2										
1	Mezzanine	10/23/2025	2,789		2,572	Rockville, NY	Self-Storage	11.46 %	12.43 %	4.57
	Total		235,292		180,242			10.35 %	10.32 %	2.25
Preferred Equity										
1	Preferred Equity	5/29/2020	12,735		12,735	Houston, TX	Multifamily	11.00 %	11.00 %	4.09
2	Preferred Equity	9/29/2021	33,756		33,691	Holly Springs, NC	Life Science	10.00 %	10.02 %	0.50
3	Preferred Equity	12/28/2021	11,377		11,377	Las Vegas, NV	Multifamily	10.50 %	10.50 %	5.92
4	Preferred Equity	1/14/2022	36,957		36,950	Vacaville, CA	Life Science	10.00 %	10.00 %	0.50
5	Preferred Equity	4/7/2022	3,903		3,881	Beaumont, TX	Self-Storage	13.82 %	13.90 %	4.42
6	Preferred Equity	6/8/2022	4,480		4,457	Temple, TX	Self-Storage	13.10 %	13.17 %	4.42
7	Preferred Equity	7/1/2022	16,000		15,975	Medley, FL	Self-Storage	11.00 %	11.02 %	1.25
8	Preferred Equity	8/10/2022	8,500		8,500	Plano, TX	Multifamily	— %	— %	(0.35)

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9	Preferred Equity	10/5/2022	1,484	1,479	Kirkland, WA	Multifamily	9.00 %	9.03 %	1.76
1									
0	Preferred Equity	10/19/2022	2,120	2,162	Woodbury, MN	Life Science	10.00 %	9.81 %	0.50
1									
1	Preferred Equity	2/10/2023	31,169	31,196	Forney, TX	Multifamily	11.00 %	10.99 %	2.00
1									
2	Preferred Equity	2/24/2023	30,582	30,611	Richmond, VA	Multifamily	11.00 %	10.99 %	0.98
1									
3	Preferred Equity	5/16/2023	22,630	22,475	Phoenix, AZ	Single-family	13.50 %	13.59 %	1.08
1									
4	Preferred Equity	5/17/2023	4,192	4,154	Houston, TX	Life Science	13.00 %	13.12 %	0.75
1									
5	Preferred Equity	6/28/2024	12,000	11,955	Knoxville, TN	Marina	13.00 %	13.05 %	2.59
1									
6	Preferred Equity	3/19/2025	4,881	4,881	Kuttawa, KY	Marina	13.00 %	13.00 %	9.38
1									
7	Preferred Equity	1/31/2025	1,181	1,181	Houston, TX	Multifamily	14.00 %	14.00 %	2.01
1									
8	Preferred Equity	12/10/2025	22,500	22,233	Miami, FL	Industrial	11.00 %	11.13 %	4.70
1									
9	Preferred Equity	12/19/2025	1,284	1,141	Charlotte, NC	Multifamily	14.00 %	15.75 %	3.22
	Total		261,731	261,034			10.81 %	10.85 %	1.99
Common Equity									
1	Common Stock	11/6/2020	N/A	24,892	N/A	Self-Storage	N/A	N/A	N/A
2	Common Stock	4/14/2022	N/A	27,968	N/A	Ground Lease	N/A	N/A	N/A
3	Common Equity	2/10/2023	N/A	—	Forney, TX	Multifamily	N/A	N/A	N/A
4	Common Equity	2/24/2023	N/A	—	Richmond, VA	Multifamily	N/A	N/A	N/A
5	Common Equity	9/8/2023	N/A	—	Atlanta, GA	Multifamily	N/A	N/A	N/A
6	Common Equity	7/8/2025	N/A	—	Irving, TX	Multifamily	N/A	N/A	N/A
7	Membership Interest	4/9/2024	N/A	1,768	Various	Multifamily	N/A	N/A	N/A
	Total			54,628					
Preferred Stock									
1	Preferred Stock	11/9/2023	N/A	18,616	Various	Life Science	15.50 %	N/A	N/A
2	Preferred Stock	1/2/2025	N/A	136,081	Various	Life Science	16.50 %	N/A	N/A
3	Preferred Stock	10/6/2025	N/A	3,269	Various	Self-Storage	15.00 %	N/A	N/A
	Total			157,966			16.35 %		
Real Estate									
1	Real Estate	10/10/2023 (9)	N/A	(3,366)	Atlanta, GA	Multifamily	N/A	N/A	N/A
2	Real Estate	10/1/2025 (10)	N/A	5,670	Ft Worth, TX	Multifamily	N/A	N/A	N/A
	Total			2,304					
Promissory Notes									
1	Promissory Note	7/10/2024	12,500	12,500	Various	Single-family	15.00 %	15.00 %	0.28
2	Promissory Note	9/30/2025	3,000	3,000	Las Vegas, NV	Multifamily	8.00 %	8.00 %	0.50
3	Promissory Note	1/16/2026	10,490	10,490	Various	Self-Storage	14.00 %	14.00 %	4.80
4	Promissory Note	3/31/2026	23,000	22,770	Cambridge, MA	Life Science	16.17 %	16.33 %	0.05
	Total		48,990	48,760			14.91 %	14.98 %	1.15
Revolving Credit Facility									
1	Revolving Credit Facility	12/31/2024	165,344	156,694	Various	Life Science	13.50 %	14.25 %	1.75
	Total		165,344	156,694			13.50 %	14.25 %	1.75
Stock Warrants									
1	Stock Warrant	5/23/2024	N/A	136,739	Various	Life Science	N/A	N/A	N/A
	Total			136,739					

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- (1) Our total portfolio represents the current principal amount of the consolidated senior loans, CMBS I/O Strips, mezzanine loans, preferred equity, multifamily properties, promissory notes, revolving credit facilities and stock warrants as well as the net equity of our CMBS B-Piece investments.
- (2) Net equity represents the carrying value less borrowings collateralized by the investment.
- (3) Current yield is the annualized income earned divided by the cost basis of the investment.
- (4) The weighted-average life is weighted on current principal balance and assumes no prepayments. The maturity date for preferred equity investments represents the maturity date of the senior mortgage, as the preferred equity investments require repayment upon the sale or refinancing of the asset.
- (5) The CMBS B-Pieces are shown on an unconsolidated basis reflecting the value of our investments.
- (6) The number shown represents the notional value on which interest is calculated for the CMBS I/O Strips. CMBS I/O Strips receive no principal payments and the notional value decreases as the underlying loans are paid off.
- (7) The mezzanine loan term was extended effective April 9, 2025 to May 16, 2025, and extended further to November 10, 2025. The associated property has been sold, with a remaining equity balance owed to the Company that must be included in the financial statements pursuant to applicable accounting standards.
- (8) Effective April 1, 2024, the Company reclassified this investment from a mezzanine loan to senior loan because there was no senior mortgage on the property collateralized by the loan. Effective September 30, 2025, the Company reclassified this investment back to a mezzanine loan because as of September 30, 2025 there is a senior mortgage on the property collateralized by the loan.
- (9) Real Estate is a 280-unit multifamily property. As of March 31, 2026, the property was 93.6% occupied with effective rent per occupied unit of \$1,491 per month.
- (10) Real Estate is a 240-unit multifamily property. As of March 31, 2026, the property was 77.1% occupied with effective rent per occupied unit of \$1,362 per month.

The following table details overall statistics for our portfolio as of March 31, 2026 (dollars in thousands):

	Total Portfolio	Floating Rate Investments	Fixed Rate Investments	Common Stock Investments	Real Estate Investments	Stock Warrant Investments
Number of investments	90	20	60	7	2	1
Principal balance (1)	\$ 1,065,366	\$ 374,292	\$ 691,074	N/A	N/A	N/A
Carrying value	\$ 1,633,248	\$ 361,318	\$ 967,624	\$ 54,628	\$ 112,939	\$ 136,739
Weighted-average cash coupon	5.51%	5.03%	5.77%	N/A	N/A	N/A
Weighted-average all-in yield	8.57%	11.09%	7.63%	N/A	N/A	N/A

- (1) Cost is used in lieu of principal balance for CMBS I/O Strips.

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of funds necessary to pay for our ongoing commitments to repay borrowings, maintain our investments, make distributions to our stockholders and other general business needs. Our investments generate liquidity on an ongoing basis through principal and interest payments, prepayments and dividends. 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 payments, any potential obligations to fulfill unfunded commitments and dividend requirements for the twelve-month period following March 31, 2026.

Our long-term liquidity requirements consist primarily of acquiring additional investments, scheduled debt payments and distributions. We expect to meet our long-term liquidity requirements through various sources of capital, which may include future debt or equity issuances, net cash provided by operations and other secured and unsecured borrowings. Our leverage is matched in term and structure to provide stable contractual spreads which will protect us from fluctuations in market interest rates over the long-term. 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,

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borrowing restrictions imposed by lenders, general market conditions for REITs and our operating performance and liquidity. We believe that our various sources of capital, which may include future debt or equity issuances, net cash provided by operations and other secured and unsecured borrowings, will provide sufficient funds for our operations, anticipated debt service payments, potential obligations to purchase investments under the Company's commitments noted in Note 15 to our consolidated financial statements and dividend requirements for the long-term.

Investment	Asset Metrics			Debt Metrics			Net Spread
	Fixed/Floating Rate	Interest Rate	Maturity Date	Fixed/Floating Rate	Interest Rate	Maturity Date	
Senior Loans							
Senior loan	Fixed	5.35%	2/1/2028	Fixed	3.51%	2/1/2028	1.84%
Senior loan	Fixed	5.24%	10/1/2028	Fixed	2.64%	10/1/2028	2.60%
Senior loan	Fixed	4.74%	4/1/2026	Fixed	2.14%	4/1/2026	2.60%
Senior loan	Fixed	5.55%	11/1/2028	Fixed	2.70%	11/1/2028	2.85%
Senior loan	Fixed	5.99%	12/1/2028	Fixed	3.14%	12/1/2028	2.85%
Senior loan	Fixed	5.88%	1/1/2029	Fixed	3.14%	1/1/2029	2.74%
Senior loan	Fixed	5.46%	3/1/2029	Fixed	2.99%	3/1/2029	2.47%
Senior loan	Fixed	4.72%	4/1/2026	Fixed	2.45%	4/1/2026	2.27%
Mezzanine Loans							
Mezzanine	Fixed	7.50%	5/1/2029	Fixed	0.30%	5/1/2029	7.20%
Mezzanine	Fixed	7.42%	7/1/2031	Fixed	0.30%	7/1/2031	7.12%
Mezzanine	Fixed	7.59%	6/1/2029	Fixed	0.30%	6/1/2029	7.29%
Mezzanine	Fixed	7.83%	10/1/2028	Fixed	0.30%	10/1/2028	7.53%
Mezzanine	Fixed	7.71%	4/1/2031	Fixed	0.30%	4/1/2031	7.41%
Mezzanine	Fixed	7.32%	8/1/2031	Fixed	0.30%	8/1/2031	7.02%
Mezzanine	Fixed	7.22%	8/1/2031	Fixed	0.30%	8/1/2031	6.92%
Mezzanine	Fixed	7.33%	5/1/2029	Fixed	0.30%	5/1/2029	7.03%
Mezzanine	Fixed	7.53%	7/1/2031	Fixed	0.30%	7/1/2031	7.23%
Mezzanine	Fixed	7.42%	1/1/2029	Fixed	0.30%	1/1/2029	7.12%
Mezzanine	Fixed	7.42%	7/1/2031	Fixed	0.30%	7/1/2031	7.12%
Mezzanine	Fixed	7.42%	4/1/2031	Fixed	0.30%	4/1/2031	7.12%
Mezzanine	Fixed	7.71%	3/1/2029	Fixed	0.30%	3/1/2029	7.41%
Mezzanine	Fixed	6.91%	7/1/2029	Fixed	0.30%	7/1/2029	6.61%
Mezzanine	Fixed	7.89%	11/1/2028	Fixed	0.30%	11/1/2028	7.59%

Our primary sources of liquidity and capital resources to date consist of cash generated from our operating results and the following:

Freddie Mac Credit Facilities

Prior to the Formation Transaction, two of our subsidiaries entered into the Credit Facility. Under the Credit Facility, these entities borrowed approximately \$788.8 million in connection with their acquisition of the Underlying Loans. No additional borrowings can be made under the Credit Facility, and our obligations will be secured by the Underlying Loans. The Credit Facility was assumed by the Company as part of the Formation Transaction. As such, the remaining outstanding balance of \$788.8 million was contributed to the Company on February 11, 2020. Our borrowings under the Credit Facility will mature on July 12, 2029; however, if an Underlying Loan matures prior to July 12, 2029, we will be required to repay the portion of the Credit Facility that is allocated to that loan. As of March 31, 2026, the outstanding balance on the Credit Facility was \$97.4 million.

Repurchase Agreements

From time to time, we may enter into repurchase agreements to finance the acquisition of our target assets. Repurchase agreements will effectively allow us to borrow against loans and securities that we own in an amount equal to (1) the market value of such loans and/or securities multiplied by (2) the applicable advance rate. Under these agreements, we will sell our loans and securities to a counterparty and agree to repurchase the same loans and securities from the counterparty at a price equal to the original sales price plus an interest factor. During the term of a repurchase agreement, we will receive the principal and interest on the related loans and securities and pay interest to the lender under the repurchase agreement. At any point in time, the amounts and the cost of our repurchase borrowings will be based on the assets being financed. For example, higher risk assets will result in lower advance rates (i.e., levels of leverage) at higher borrowing costs. In addition, these facilities may include various financial covenants and limited recourse guarantees.

As discussed in Note 9 to our consolidated financial statements, in connection with our CMBS acquisitions, we, through the OP and the Subsidiary OPs, have borrowed approximately \$164.6 million under our repurchase agreements and posted approximately \$615.6 million par value of our CMBS B-Piece and CMBS I/O Strip investments as collateral. The CMBS B-Pieces and CMBS I/O Strips held as collateral are illiquid and irreplaceable in nature. These assets are restricted solely to satisfy the interest and principal balances owed to the lender.

The table below provides additional details regarding activity under the master repurchase agreement (dollars in thousands):

March 31, 2026										
	Facility					Collateral				
	Date issued	Outstanding face amount	Carrying value	Final stated maturity	Weighted average interest rate (1)	Weighted average life (years) (2)	Outstanding face amount	Amortized cost basis	Carrying value (3)	Weighted average life (years) (2)
Master Repurchase Agreement										
CMBS										
Mizuho ⁽⁴⁾	4/15/2020	164,614	164,614	N/A(5)	5.38%	0.0	615,619	240,905	225,571	4.1

(1) Weighted-average interest rate using unpaid principal balances.

(2) Weighted-average life is determined using the maximum maturity date of the corresponding loans, assuming all extension options are exercised by the borrower.

(3) CMBS are shown at fair value on an unconsolidated basis.

(4) Borrowings under these repurchase agreements are collateralized by portions of the CMBS B-Pieces and CMBS I/O Strips.

(5) The master repurchase agreement with Mizuho does not have a stated maturity date. The transactions in place have a one-month to two-month tenor and are expected to roll accordingly.

At-The-Market Offering

On March 15, 2022, the Company, the OP and the Manager separately entered into separate Equity Distribution Agreements with each of the Sales Agents, pursuant to which the Company may issue and sell from time to time under its ATM Program. The Equity Distribution Agreements provide for the issuance and sale of common stock or Series A Preferred Stock by the Company through a sales agent acting as a sales agent or directly to the sales agent acting as principal for its own account at a price agreed upon at the time of sale. As of March 31, 2026, pursuant to the Equity Distribution Agreements, the Company has sold 531,728 shares of its common stock and zero shares of Series A Preferred Stock for total gross sales of \$12.6 million. For additional information about the ATM Program, see Note 11 to our consolidated financial statements.

Series B Preferred Stock Offering

On November 2, 2023, the Company announced the launch of a continuous public offering of up to 16,000,000 shares of its Series B Preferred Stock at a price to the public of \$25.00 per share, for gross proceeds of \$400.0 million. On October 1, 2025, the Company increased the size of its Series B Preferred Stock offering to 17,200,000 shares for gross proceeds of

\$430.0 million. Beginning on the first day of the calendar month following the date of original issuance, the Series B Preferred Stock are redeemable at the option of the holder at a redemption price per share equal to the liquidation preference of \$25.00 per share, plus all accrued but unpaid cash dividends and less certain redemption fees. After the first day of the calendar month following the second anniversary of the original issue date, the Company also has the option to redeem, in whole or in part, subject to certain restrictions in the Company's charter and the articles supplementary setting forth the terms of the Series B Preferred Stock, at a redemption price per share equal to the liquidation preference of \$25.00 per share, plus any accrued but unpaid cash dividends. In all optional redemptions, the Company has the right, in its sole discretion, to pay the redemption in cash or in equal value of shares of the Company's common stock for so long as the common stock is listed or admitted to trading on the NYSE or another national securities exchange or automated quotation system. The Dealer Manager served as the Company's dealer manager in connection with the offering. The Dealer Manager used its reasonable best efforts to sell the shares of Series B Preferred Stock offered in the offering, and the Company paid the Dealer Manager, subject to the discounts and other special circumstances described or referenced therein, (i) the Series B Selling Commissions and (ii) the Series B Dealer Manager Fee. The Company completed the last close on December 5, 2025 and terminated the Series B Preferred offering. As of March 31, 2026, the Company has sold 16,186,525 shares of Series B Preferred Stock for total gross proceeds of \$395.6 million.

Series C Preferred Stock Offering

On November 4, 2025, the Company announced the launch of a continuous public offering of up to 8,000,000 shares of its Series C Preferred Stock at a price to the public of \$25.00 per share, for gross proceeds of \$200.0 million. Beginning on the first day of the calendar month following the date of original issuance, the Series C Preferred Stock are redeemable at the option of the holder at a redemption price per share equal to the liquidation preference of \$25.00 per share, plus all accrued but unpaid cash dividends and less certain redemption fees. After the first day of the calendar month following the second anniversary of the original issue date, the Company also has the option to redeem, in whole or in part, subject to certain restrictions in the Company's charter and the articles supplementary setting forth the terms of the Series C Preferred Stock, at a redemption price per share equal to the liquidation preference of \$25.00 per share, plus any accrued but unpaid cash dividends. In all optional redemptions, the Company has the right, in its sole discretion, to pay the redemption in cash or in equal value of shares of the Company's common stock for so long as the common stock is listed or admitted to trading on the NYSE, NYSE Texas or another national securities exchange or automated quotation system. The Dealer Manager serves as the Company's dealer manager in connection with the offering. The Dealer Manager uses its reasonable best efforts to sell the shares of Series C Preferred Stock offered in the offering, and the Company pays the Dealer Manager, subject to the discounts and other special circumstances described or referenced therein, (i) the Series C Selling Commissions and (ii) the Series C Dealer Manager Fee. The Dealer Manager, subject to federal and state securities laws, will reallocate all or any portion of the Series C Selling Commissions and may reallocate a portion of the Series C Dealer Manager Fee to other securities dealers that the Dealer Manager may retain who sold the shares of Series C Preferred Stock 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 8,000,000 shares of the Series C Preferred Stock in the offering or December 29, 2026 (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 March 31, 2026, the Company has sold 894,673 shares of Series C Preferred Stock for total gross proceeds of \$22.1 million.

5.75% Notes Offering

The Company has an aggregate principal amount of \$180.0 million of its 5.75% Notes outstanding as of March 31, 2026. The Company repaid the 5.75% Notes at maturity on May 1, 2026.

OP Notes Offering

In 2025, the OP issued a \$45.0 million aggregate principal amount of its 2026 OP Notes for proceeds of approximately \$42.6 million, after original issue discount, which were used to repay the 7.50% OP Notes at maturity.

Other Potential Sources of Financing

We may seek additional sources of liquidity from further repurchase facilities, other borrowings and future offerings of common and preferred equity and debt securities and contributions from existing holders of the OP or Subsidiary OPs. In addition, we may apply our existing cash and cash equivalents and cash flows from operations to any liquidity needs. As of March 31, 2026, our cash and cash equivalents were \$22.6 million.

Cash Flows

The following table presents selected data from our Consolidated Statements of Cash Flows for the three months ended March 31, 2026 and 2025 (in thousands):

	For the Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 9,400	\$ 16,039
Net cash provided by investing activities	84,694	71,281
Net cash (used in) financing activities	(103,201)	(70,885)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(9,107)	16,435
Cash, cash equivalents and restricted cash, beginning of period	34,354	7,053
Cash, cash equivalents and restricted cash, end of period	\$ 25,247	\$ 23,488

The three months ended March 31, 2026 as compared to the three months ended March 31, 2025

Cash flows from operating activities. During the three months ended March 31, 2026, net cash provided by operating activities was \$9.4 million, compared to net cash provided by operating activities of \$16.0 million for the three months ended March 31, 2025. This decrease primarily relates to the changes in provision for credit loss and paid in kind income.

Cash flows from investing activities. During the three months ended March 31, 2026, net cash provided by investing activities was \$84.7 million, compared to net cash provided by investing activities of \$71.3 million for the three months ended March 31, 2025. The increase primarily relates to an increase in proceeds from payments received on mortgage loans held for investment

Cash flows from financing activities. During the three months ended March 31, 2026, net cash used in financing activities was \$103.2 million, compared to net cash used in financing activities of \$70.9 million for the three months ended March 31, 2025. The increase primarily relates to an increase in the principal repayments on borrowings under secured financing agreements and a decrease in the borrowing under secured financing agreements, as well as the increase of the Re-REMIC of the CMBS held in variable interest entities.

Smaller Reporting Company Status

We are also 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.

Dividends

We intend to make regular quarterly dividend payments to holders of our common stock. We also intend to make the accrued dividend payments on the Series A Preferred Stock, which are payable quarterly in arrears as provided in the articles supplementary setting forth the terms of the Series A Preferred Stock, the Series B Preferred Stock, which are payable monthly as provided in the articles supplementary setting forth the terms of the Series B Preferred Stock and the Series C Preferred Stock, which are payable monthly as provided in the articles supplementary setting forth the terms of the Series C Preferred Stock. 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 dividends paid and excluding net capital gains. As a REIT, we will be subject to U.S. 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 dividend payments of all or substantially all of our taxable income, which is not used to pay dividends on the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, to holders of our common stock out of assets legally available for this purpose, if and to the extent authorized by our Board. Before we make any dividend 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 dividends or we may make a portion of the required dividend in the form of a taxable distribution of stock or debt securities.

We will make dividend payments to holders of our common stock based on our estimate of taxable earnings per share of common stock, but not earnings calculated pursuant to GAAP. Our dividends 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 and non-deductible G&A expenses. Our quarterly dividends per share of our common stock may be substantially different than our quarterly taxable earnings and GAAP earnings per share.

Off-Balance Sheet Arrangements

As of March 31, 2026, we had one off balance sheet arrangement that has or is 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.

On December 8, 2022 and in connection with a restructuring of NSP, the Company, through REIT Sub, together with NXDT, an entity that is advised by an affiliate of the Manager, the Co-Guarantors, as guarantors, entered into the NSP Sponsor Guaranty Agreement in favor of Extra Space pursuant to which REIT Sub and the 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 REIT Sub and the Co-Guarantors are capped at \$97.6 million, and each of REIT Sub and the 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 NSP Series D preferred stock remains outstanding as of March 31, 2026. As of March 31, 2026, the outstanding NSP Series D Preferred Stock accrued dividends was \$15.1 million and the Company and NexPoint Diversified Real Estate Trust are jointly and severally liable for 85.9% of the guaranteed amount equal to \$13.0 million.

Commitments and Contingencies

Except as otherwise disclosed below, the Company is not aware of any contractual obligations, legal proceedings or any other contingent obligations incurred in the normal course of business that would have a material adverse effect on our consolidated financial statements.

The Company provides certain guarantees in connection with the NSP Sponsor Guaranty Agreement. See Off-Balance Sheet Arrangements above for further details.

Mercado Commitments

On March 14, 2023, the Company, through one of the Subsidiary OPs, committed to fund \$24.0 million of preferred equity with respect to a ground up construction horizontal single-family property located in Phoenix, Arizona, of which \$1.4 million was unfunded as of March 31, 2026. The preferred equity investment provides a floating annual return that is the greater of prime rate plus 5.0% or 11.25%, compounded monthly with a MOIC of 1.30x and 1.0% placement fee. The Company was also issued a common interest at the time of its first funding of preferred equity on May 16, 2023. The common interest allows the Company to receive a 10% profit share once aggregate distributions exceed the 20% IRR hurdle as shown

below. There was no value ascribed to the common interest as of March 31, 2026. Further, once the Company's preferred equity and accrued interest has been repaid, any additional cash flow and net sale proceeds shall be distributed as follows:

- 0% to the Company and 100% to issuer up to a 20.0% IRR; and
- 10% to the Company and 90% to issuer thereafter.

Resmark Commitments

On February 10, 2023, the Company, through one of the Subsidiary OPs, through a unit purchase agreement, committed to purchase \$30.3 million of the preferred units with respect to a multifamily property development located in Forney, Texas, which has been fully funded as of March 31, 2026. Further, the Company committed to purchase \$4.3 million of common equity with respect to the same property, of which \$0.8 million was unfunded as of March 31, 2026.

On February 10, 2023, the Company, through one of the Subsidiary OPs, through a unit purchase agreement, committed to purchase \$30.3 million of the preferred units with respect to a multifamily property development located in Richmond, Virginia, which has been fully funded as of March 31, 2026. Further, the Company committed to purchase \$4.3 million of common equity with respect to the same property, of which \$0.8 million was unfunded as of March 31, 2026.

NSP Promissory Note Commitments

On January 16, 2026, the Company loaned \$16.7 million to NSP OC and certain subsidiaries of NSP OC and of our Sponsor, as co-borrowers. In connection with the loan, NSP OC issued the NSP Note pursuant to which NSP OC may borrow up to a maximum commitment of \$40.0 million. The NSP Note bears interest at 14% per annum, which is payable in kind, is interest only during the term of the NSP Note and matures on January 16, 2031. Borrowings under the NSP Note are secured by a first-priority lien on certain income streams and related deposit accounts of the co-borrowers and are subordinated in right and time of payment to NSP's outstanding Series D Preferred Stock. On March 25, 2026, OSL purchased \$7.5 million aggregate principal amount of the NSP Note and obtained the right, but not the obligation, to participate in any future advances up to its then-current pro rata share. Effective on March 30, 2026, HFRO, HGLB, NXDT, and NRES purchased aggregate principal amounts of \$2.5 million, \$1.0 million, \$1.3 million and \$0.1 million, respectively, and each has the right, but not the obligation to participate in any future advances up to its then-current pro rata share. The Company also funded an additional \$1.3 million and the NSP Note has \$17.3 million outstanding as of March 31, 2026.

SFR OP Promissory Note II Commitments

SFR OP issued the SFR OP Note II to the Company on July 10, 2024. The SFR OP Note II bears interest at 15%, which is payable in kind, is interest only during the term of the SFR OP Note II and initially matured on July 10, 2025. On August 25, 2025, the Company, through REIT Sub, extended the maturity date to July 10, 2026, and increased the maximum amount available under the SFR OP Note II to \$15.0 million. The Company funded \$3.5 million through December 31, 2024. SFR OP paid down \$1.9 million of principal on April 29, 2025. The Company funded \$3.4 million, \$5.0 million, \$2.5 million on July 31, 2025, August 24, 2025, and September 24, 2025, respectively. The Company's maximum commitment under the loan is \$15.0 million, of which \$2.5 million was unfunded as of March 31, 2026.

Beacon - Self Storage Commitments

On August 1, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$10.0 million for a storage facility in Wappinger, NY pursuant to a mezzanine loan agreement. The loan bears interest at 9%, which is payable in kind,

with a maturity date of August 1, 2026. As of March 31, 2026, the Company has an unfunded commitment balance of \$6.2 million.

Rockville - Self Storage Commitments

On October 23, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$9.0 million for a storage facility in Rockville, NY pursuant to a mezzanine loan agreement. The loan bears interest at 9%, which is payable in kind, with a maturity date of October 23, 2030. As of March 31, 2026, the Company has an unfunded commitment balance of \$6.2 million.

Hialeah - Small Bay Commitments

On December 10, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$28.0 million for an industrial facility in Hialeah, FL pursuant to a preferred equity agreement. The loan bears interest at 11%, with a maturity date of December 10, 2030. As of March 31, 2026, the Company has an unfunded commitment balance of \$5.5 million.

Park Phase - Preferred Commitments

On December 30, 2025, the Company, through one of the Subsidiary OPs, committed to fund \$17.4 million for a multifamily property in Chapel Hill, NC pursuant to a preferred equity agreement. The loan bears interest at 14%, with a maturity date of December 30, 2029. As of March 31, 2026, the Company has an unfunded commitment balance of \$17.4 million.

Alewife Holdings Loan Commitments

On January 26, 2024, the Company, through OP IV, along with OSL, an entity that may be deemed an affiliate of the Manager through common beneficial ownership, entered into the Alewife Loan whereby it made a loan in the maximum principal amount of up to \$218.0 million to Alewife Holdings which is solely owned by IQHQ, L.P. Alewife Holdings is the sole member of Alewife Member and Alewife Member is the sole member of Alewife. The Company has an ownership interest in the Series D-1 preferred stock in IQHQ, Inc., who is the limited partner in IQHQ, L.P.; however, the Company has no controlling financial interest nor significant influence in IQHQ, L.P.

On May 10, 2024, OP IV, NXDT OP and OSL entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned the right to fund up to 9% of the Alewife Loan to NXDT OP and allocated the right to fund up to 9% of the Alewife Loan to OSL. Effective January 2, 2025, OP IV and OSL entered into an Assignment and Assumption and Co-Lender Agreement, pursuant to which OP IV assigned \$7.5 million 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, under the Assignment Agreement, 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, NXDT 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 NXDT OP and OSL, respectively. OP IV is required to fund any amounts not funded by OSL and NXDT OP. At any time that NXDT OP and OSL have funded less than their respective percentages of all advances made under the Alewife Loan, NXDT OP and OSL have the option upon notice to OP IV to pay to OP IV any amount of such unfunded amount. Upon such payment, NXDT OP or OSL would become entitled to all interest and fees accrued on the amount paid to OP IV on and after the date of such payment.

On September 30, 2025, the Alewife Loan was bifurcated into (i) the Alewife Senior Loan and (ii) the Alewife Mezzanine Loan. The Alewife Senior Loan was deemed fully funded, with the Company holding 73.5% of the Alewife Senior Loan based on prior fundings of the Alewife Loan of \$62.5 million, and OSL holding 26.5% of the Alewife Senior Loan based on prior fundings of the Alewife Loan of \$22.5 million. On September 30, 2025 the Company and OSL sold the Alewife Senior Loan. The Company's prior fundings of \$102.0 million of the Alewife Loan were deemed fundings of the

Alewife Mezzanine Loan, with the Company holding 100% of the Alewife Mezzanine Loan at closing. The Alewife Mezzanine Loan is secured by an equity pledge by Alewife Holdings of its equity interest in Alewife Member and an equity pledge by Alewife Member of its equity interest in Alewife. The Company's expected maximum commitment under the Alewife Mezzanine Loan is \$133.0 million, of which \$17.5 million was unfunded as of March 31, 2026.

IQHQ Revolving Credit Facility, Series E and Warrant

On May 23, 2024, Bridge Investor I, an entity owned by an affiliate of the Manager, entered into the Bridge Purchase Agreement whereby IQHQ, L.P. issued and sold to Bridge Investor I the IQHQ Promissory Note with a purchase commitment of \$150.0 million. The IQHQ Promissory Note bore interest at 16.5%, which was payable in kind, and matured on May 23, 2025. The IQHQ Promissory Note would automatically convert into Series E preferred stock of IQHQ, Inc. upon a Qualified Equity Financing (as defined in the IQHQ Promissory Note). In accordance with the Bridge Purchase Agreement, IQHQ Holdings also issued and sold the IQHQ Bridge Warrant. The IQHQ Bridge Warrant entitles the holder to purchase, at an exercise price of \$0.01, Class A-3 Units of IQHQ Holdings initially intended to represent 6.25% of the fully diluted and outstanding common equity of IQHQ Holdings. The IQHQ Bridge Warrant is exercisable, in whole or in part, at any time, and expires on May 23, 2034, unless there is an earlier change of control, initial public offering or liquidation.

In connection with the Bridge Purchase Agreement, the Company, through certain subsidiaries, along with the IQHQ Participating Purchasers, entered into a participation rights agreement with Bridge Investor I pursuant to which the Company and the IQHQ Participating Purchasers had a right to fund up to specified amounts of the IQHQ Promissory Note and the IQHQ Bridge Warrant. Upon receipt of a draw request, each IQHQ Participating Purchaser had 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 and NXDT OP had 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. The Company, through certain subsidiaries, was required to fund any amounts not funded by the IQHQ Participating Purchasers and NXDT OP. Bridge Investor I can allocate all or any portion of the IQHQ Warrant to any parties to the participation rights agreement. On December 2, 2024, the IQHQ Promissory Note was fully funded. The Company funded \$148.6 million and the IQHQ Participating Purchasers funded \$1.4 million.

On December 31, 2024, the Company, through OP IV and the OP, along with the IQHQ Participating Purchasers that funded the IQHQ Promissory Note and Bluerock entered into the IQHQ Revolving Loan whereby it made a loan in the maximum principal amount of up to \$300.0 million to IQHQ, L.P. In connection with the IQHQ Revolving Loan, the full \$150.0 million of the principal amount of the IQHQ Promissory Note and the full \$150.0 million of the principal amount of a promissory note held by Bluerock was substituted and exchanged for deemed borrowings under the IQHQ Revolving Loan, and the IQHQ Revolving Loan was fully funded on December 31, 2024. On September 30, 2025, the IQHQ Revolving Loan was amended and restated to, among other things, add a new lender and increase the aggregate amount of the loan to \$440.0 million, with the new lender funding \$100.0 million at closing and each of the Company and Bluerock committing to fund an additional \$20.0 million during the commitment period subject to certain terms and conditions. The IQHQ Revolving Loan accrues interest at a rate per annum equal to 13.5% per annum, which, prior to September 30, 2025, was fully payable in kind and, on and after September 30, 2025, is payable 1.5% per annum in kind and 12% per annum in cash. The revolving period during which IQHQ, L.P. is permitted to borrow, repay and re-borrow loans, subject to satisfaction of certain conditions and payment of certain fees, will terminate on September 30, 2028, the maturity date of the IQHQ Revolving Loan. As of March 31, 2026, the Company holds 38.32% of the revolving commitment under the IQHQ Revolving Loan, with an unfunded commitment balance of \$20.0 million.

In connection with the IQHQ Revolving Loan, on December 31, 2024, Bridge Investor I entered into the IQHQ Subscription Agreement whereby Bridge Investor I committed to purchase \$160.1 million of Series E preferred stock of IQHQ, Inc. Pursuant to the IQHQ Subscription Agreement, the full \$10.1 million of the interest accrued on the IQHQ Promissory Note was substituted and exchanged for a deemed funding of \$10.1 million under the IQHQ Subscription Agreement. In connection with the IQHQ Subscription Agreement, on December 31, 2024, Bridge Investor I also entered into the IQHQ Warrant Purchase Agreement whereby IQHQ Holdings issued and sold 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

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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 Company, through certain subsidiaries, along with the IQHQ Participating Purchasers entered into a participation rights agreement with Bridge Investor I pursuant to which the Company and the IQHQ Participating Purchasers have a right to fund up to specified amounts of the Series E preferred stock of IQHQ, Inc. commitment 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, NXDT 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. The Company, through certain subsidiaries, would be required to fund any amounts not funded by the IQHQ Participating Purchasers and NXDT 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 the Company or NXDT 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 the Company or NXDT OP, if applicable, on and after the date of such payment. Bridge Investor I can allocate all or any portion of the IQHQ Warrant to any parties to the participation rights agreement.

IQHQ Holdings is the sole common stockholder of IQHQ, Inc., and the IQHQ Participating Purchasers own common equity and stock warrants to purchase common equity in IQHQ Holdings and/or IQHQ, L.P. The Company has stock warrants to purchase common equity in IQHQ Holdings and has an ownership interest in the Series D-1 preferred stock and the Series E preferred stock in IQHQ, Inc., which is the limited partner in IQHQ, L.P.; however, the Company has no controlling financial interest nor significant influence in IQHQ, L.P.

The loan participation was considered a transfer of the IQHQ Promissory Note and the IQHQ Bridge Warrant and is considered a transfer of the Series E preferred stock of IQHQ, Inc. and the IQHQ Series E Warrant qualified as a sale under ASC 860, *Transfers and Servicing*, as (1) the transfer legally isolated the transferred assets from the transferor, (2) the transferee has the right to pledge or exchange the transferred assets and no condition both constrains the transferee's right to pledge or exchange the assets and provides more than a trivial benefit to the transferor, and (3) the transferor does not maintain effective control over the transferred assets. The IQHQ Promissory Note was classified as Loans, held-for-investment, net, the Series E preferred stock of IQHQ, Inc. is classified as preferred stock and the IQHQ Bridge Warrant is classified as Stock warrant investments. The IQHQ Bridge Warrant is accounted for as investments in equity securities under ASC 321, Investments – Equity Securities, and the Company elected to use the fair value option. As a result, the IQHQ Bridge Warrant is being fair valued using a NAV approach. The model incorporates economic and control rights, marketability of the Units, and other market-derived metrics, applying discounts for lack of marketability and control due to the minority stake and absence of public trading options.

As of March 31, 2026, the Company funded \$137.0 million under the IQHQ Subscription Agreement with an unfunded commitment amount of \$23.0 million.

The table below shows the Company's unfunded commitments by investment type as of March 31, 2026 and December 31, 2025 (in thousands):

Investment Type	March 31, 2026	December 31, 2025
Loans	\$ 69,656	\$ 60,639
Preferred Equity	24,270	24,840
Common Equity	1,536	1,536
Preferred Stock	23,000	23,000
	<u>\$ 118,462</u>	<u>\$ 110,015</u>

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our 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 and estimates that involve significant estimation uncertainty that have or are reasonably likely to have a material impact on our financial condition or results of operations. A discussion of recent accounting pronouncements and our significant accounting policies, including further discussion of the accounting policies described below, can be found in Note 2 to our consolidated financial statements.

Allowance for Credit Losses

In periods ending on or prior to December 31, 2022, the Company, with the assistance of an independent valuations firm, performed a quarterly evaluation of loans classified as held for investment for impairment on a loan-by-loan basis in accordance with ASC 310-10-35, *Receivables, Subsequent Measurement* ("ASC 310-10-35"). If the Company determined that it was probable that it would be unable to collect all amounts owed according to the contractual terms of a loan, impairment of that loan was indicated. If a loan was considered to be impaired, the Company would establish an allowance for loan losses, through a valuation provision in earnings that reduced carrying value of the loan to the present value of expected future cash flows discounted at the loan's contractual effective rate or the fair value of the collateral, if repayment was expected solely from the collateral. For non-impaired loans with no specific allowance the Company determined an allowance for loan losses in accordance with ASC 450-20, *Loss Contingencies* ("ASC 450-20"), which represented management's best estimate of incurred losses inherent in the portfolio at the balance sheet date, excluding impaired loans and loans carried at fair value. Management considered quantitative factors likely to cause estimated credit losses, including default rate and loss severity rates. The Company also evaluated qualitative factors such as macroeconomic conditions, evaluations of underlying collateral, trends in delinquencies and non-performing assets. Increases to (or reversals of) the allowance for loan loss for the fiscal year ended December 31, 2022 and prior years are included in "Loan loss (provision)" on the accompanying Consolidated Statements of Operations.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses on Financial Instruments* ("ASU 2016-13"), which establishes credit losses on certain types of financial instruments. The new approach changes the impairment model for most financial assets and requires the use of a CECL model for financial instruments measured at amortized cost and certain other instruments. This model applies to trade and other receivables, loans, debt securities, net investments in leases and off-balance sheet credit exposures (such as loan commitments, standby letters of credit and financial guarantees not accounted for as insurance) and requires entities to estimate the lifetime expected credit loss on such instruments and record an allowance that represents the portion of the amortized cost basis that the entity does not expect to collect.

We adopted ASU 2016-13 as of January 1, 2023. The implementation process included the utilization of loan loss forecasting models, updates to our loan credit loss policy documentation, changes to internal reporting processes and related internal controls, and overall operational readiness for our adoption of the new standard. We have implemented loan loss forecasting models for estimating expected life-time credit losses for the portfolio on a collective basis, for loans that share similar risk characteristics, at the individual loan level, for our loan portfolio. The calculation is applied at the loan level. These models are also utilized for estimating expected life-time credit losses for unfunded loan commitments for which the Company has a present contractual obligation to extend the credit and the obligation is not unconditionally cancellable. The CECL forecasting methods used by the Company include a probability of default and loss given default method using underlying third-party CMBS/Commercial Real Estate loan database with historical loan losses from 1998 to 2025. We might use other acceptable alternative approaches in the future depending on, among other factors, the type of loan, underlying collateral, and availability of relevant historical market loan loss data. Significant inputs to our forecasting methods include (i) key loan-specific inputs such as loan-to-value, vintage year, loan-term, underlying property type, occupancy, geographic location, performance against the underwritten business plan, and our internal loan risk rating, and (ii) a macro-economic environment forecast. The cumulative effect of adoption of ASU 2016-13 as of January 1, 2023 was a \$1.6 million reduction in retained earnings. The beginning allowance for credit loss as of January 1, 2026 was \$34.7 million. The reversal of credit losses of \$3.0 million for the three months ended March 31, 2026 is included in reversal of (provision for) credit losses on the accompanying Consolidated Statements of Operations, resulting in an ending allowance for credit loss of \$31.8 million as of March 31, 2026.

Significant judgment is required in determining impairment and in estimating the resulting loss allowance, and actual losses, if any, could materially differ from those estimates.

Valuation of Common and Preferred Equity

As of March 31, 2026, the Company owns approximately 26.0% of the total outstanding shares of NSP and thus can exercise significant influence over NSP. The Company elected the fair-value option in accordance with ASC 825-10-10. On a quarterly basis, the Company, with the assistance of an independent third-party valuation firm, determines the fair value for subsequent measurement absent a readily available market price. The valuation is determined using widely accepted valuation techniques consistent with the principles of ASC 820. Specifically, these techniques include the discounted cash flow methodology whereby observable market terminal capitalization rates and discount rates are applied to projected cash flows generated by self-storage assets owned by NSP. The necessary inputs for the valuation include projected cash flows of NSP, terminal capitalization rates and discount rates. These inputs are reflective of public company comparables, but are assumptions and estimates. As a result, the determination of fair value involves significant estimation uncertainty because it involves subjective judgments and estimates that are based on unobservable inputs. For the three months ended March 31, 2026, the unrealized gain related to the change in fair value estimate is \$0.1 million. See Notes 5 and 10 to our consolidated financial statements for additional disclosures regarding the valuation of NSP.

As of March 31, 2026, the Company owns approximately 6.2% of the total outstanding common equity of the Private REIT. The Company records the Private REIT at fair value in accordance with ASC 321. The valuation is determined using a market approach. The necessary input for the valuation includes the yield of the Private REIT. As a result, the determination of fair value is uncertain because it involves subjective judgments and estimates that are unobservable. For the three months ended March 31, 2026, the unrealized gain related to the change in fair value estimate is \$3.6 million. See Notes 5 and 10 to our consolidated financial statements for additional disclosures regarding the valuation of the Private REIT.

As of March 31, 2026, the Company owns approximately 98.0% of the total outstanding common equity of each of RFGH and RTB. The Company holds RFGH and RTB based on the Company's proportionate share of income (losses) for the three months ended March 31, 2026. See Notes 5 and 6 to our consolidated financial statements for additional disclosures regarding the equity method investments RFGH and RTB.

As of March 31, 2026, the Company owns 11.8% of the total outstanding shares of the Series D-1 preferred, 46.0% of the Series E preferred, and 55.6 million warrants of IQHQ, Inc. The Company elected the fair-value option in accordance with ASC 825-10-10. On a quarterly basis the Company, with the assistance of an independent third-party valuation firm,

determines the fair value for subsequent measurement absent a readily available market price. The preferred equity valuations use a discounted cash flow methodology with observable inputs for cash and paid-in-kind interest rates. The unobservable input is the discount rate which is supported by market conditions. The warrant valuation is determined using widely accepted valuation techniques consistent with the principles of ASC 820. Specifically, these techniques include the net asset value-based approach that derives the underlying equity value of IQHQ Inc. by considering the estimated fair value of its real estate assets and liabilities under ASC 820. This value is then allocated through the capital structure to the warrant instruments. Since IQHQ Inc.'s equity and warrants are not publicly traded, the valuation incorporates a discount for lack of marketability, which reflects the limited liquidity and transferability of the warrants. The necessary inputs for the warrant valuation include guideline publicly traded companies engaged in life science and specialized commercial real estate, which lead to the selection of multiples – adjusted for size, leverage, growth profile, and market conditions. As a result, the determination of fair value involves significant estimation uncertainty because it involves subjective judgments and estimates that are based on unobservable inputs. See Notes 5 and 10 to our consolidated financial statements for additional disclosures regarding the equity security investment in IQHQ, Inc.

Considerations Related to Tightening Monetary Policy

The macroeconomic environment remains challenging as central banks have held interest rates high to combat inflation. 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.

REIT Tax Election and Income Taxes

We elected to be treated as a REIT for U.S. federal income tax purposes, beginning with our taxable year ended December 31, 2020. We believe that our organization and proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT. 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 to stockholders. As a REIT, we will be subject to U.S. 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. We had no significant taxes associated with our TRS for the three months ended March 31, 2026.

If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax on our taxable income at regular corporate income tax rates, and dividends paid to our stockholders 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 and net cash available for distribution to stockholders. 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.

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 percent 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. 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 March 31, 2026.

We and our subsidiaries are subject to U.S. 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 may recognize interest and/or penalties related to uncertain tax positions on our consolidated statements of operations and comprehensive income (loss).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

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 March 31, 2026, 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 March 31, 2026, 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 March 31, 2026 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, 2026.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On May 7, 2026, the OP, as administrative agent, sole lead arranger, sole bookrunner and lender, entered into a secured \$20.0 million revolving credit agreement (the “Credit Agreement”) with VineBrook Homes Operating Partnership, L.P., as borrower (the “Borrower”), the operating partnership of VineBrook Homes Trust, Inc. (“VineBrook”), an entity that is managed by an affiliate of our Manager.

The Credit Agreement bears interest at 9.75% per annum and is secured by properties that subsidiaries of the Borrower acquire with the proceeds of the loan. The Credit Agreement matures on May 7, 2028, subject to two one-year extension options at the election of the Borrower, subject to customary conditions, including the payment of an extension fee equal to 0.50% of the aggregate revolving commitment. The Credit Agreement includes an origination fee at a rate of 1.00% of each advance, funded from the loan proceeds. The Borrower may request, subject to the approval of the OP, to increase the revolving commitment up to \$30.0 million. Amounts owed under the Credit Agreement may be prepaid at any time without premium or penalty.

The Credit Agreement also contains representations and warranties, affirmative and negative covenants and events of default that the Company considers customary for an agreement of this type, including covenants setting a maximum debt to capital ratio, a minimum net asset value and a minimum net operating income level. If an event of default occurs, and is not cured after customary notice and cure periods, the OP may require the immediate repayment of all outstanding borrowings and accrued and unpaid interest thereon.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
10.1*	Secured Promissory Note, dated January 16, 2026, by and between NexPoint Real Estate Finance Operating Partnership, L.P. and NexPoint Storage Partners Operating Company, LLC
10.2*	First Amendment to Secured Promissory Note and Joinder Agreement, dated March 25, 2026, by and among NexPoint Real Estate Finance Operating Partnership, L.P., NexPoint Storage Partners Operating Company and the joining borrowers party thereto
10.3*	Participation Agreement, dated March 25, 2026, by and between NexPoint Real Estate Finance Operating Partnership, L.P. and The Ohio State Life Insurance Company
10.4*	Participation Side Agreement, effective as of March 30, 2026, by and among NexPoint Real Estate Finance Operating Partnership, L.P., Highland Opportunities and Income Fund, NexPoint Diversified Real Estate Trust Operating Partnership, L.P., Highland Global Allocation Fund and NRESF REIT Sub II, LLC
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification of Chief Executive Officer and Chief 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
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
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 REAL ESTATE FINANCE INC.

Signature	Title	Date
<u>/s/ Jim Dondero</u> Jim Dondero	President (Principal Executive Officer)	May 15, 2026
<u>/s/ Paul Richards</u> Paul Richards	Chief Financial Officer, Executive VP-Finance, Assistant Secretary and Treasurer (Principal Financial Officer and Principal Accounting Officer)	May 15, 2026

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND LAWS.

THIS PROMISSORY NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE TO THE RIGHTS AND OBLIGATIONS OF THE SERIES D PREFERRED STOCK AS MORE PARTICULARLY SET FORTH IN SECTION 7 HEREOF; AND LENDER, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO A POSITION SUBORDINATE TO THE SERIES D PREFERRED STOCK.

SECURED PROMISSORY NOTE

January 16, 2026

\$16,740,183.60

FOR VALUE RECEIVED, NexPoint Storage Partners Operating Company, LLC, a Delaware limited liability company, having an address at 300 Crescent Court, Suite 700, Dallas, Texas 75201 (“Borrower”), hereby promises to pay to the order of NexPoint Real Estate Finance Operating Partnership, L.P., a Delaware limited partnership, with an address at 300 Crescent Court, Suite 700, Dallas, Texas 75201 (together with its successors and assigns, “Lender”), the aggregate principal sum of FORTY MILLION DOLLARS (\$40,000,000.00), or such amount as has been advanced, up to the Maximum Principal Amount (as defined below and with such Advances (as defined below) reflected on Schedule A hereto), and is then outstanding under this secured promissory note (this “Note”) (the “Principal Amount”), together with interest thereon calculated as provided for below from January 16, 2026 (the “Effective Date”) or the date of such Advance on the balance of the Principal Amount from time to time outstanding until the date that the Principal Amount and any such accrued but unpaid interest is paid in full, according to the following terms and conditions on January 16, 2031 (the “Maturity Date”), or such earlier date upon which the Principal Amount shall become due and payable in accordance with the terms hereof, whether by acceleration or otherwise.

1. Interest.

a. Amount of Interest. The outstanding balance of the Principal Amount shall accrue interest daily (calculated for actual days elapsed on the basis of a 360-day year) from and excluding the Effective Date to and including the date on which the Principal Amount is paid in full at a rate per annum equal to fourteen percent (14%).

b. Payment of Interest. Accrued but unpaid interest on the outstanding unpaid Principal Amount shall be due and payable by Borrower in arrears on January 1, April 1, July 1 and October 1 of each year, commencing April 1, 2026, during the term of this Note (each such scheduled interest payment date, an “Interest Payment Date”); provided, however that such interest

shall be paid in-kind and such paid-in-kind interest shall be applied to the then outstanding Principal Amount on each Interest Payment Date for all purposes hereunder and shall thereafter constitute outstanding principal subject to all of the terms hereof and shall accrue interest at the rate set forth in Section 1(a). Accrued and unpaid interest on the Principal Amount shall also be payable on any date on which the Principal Amount is prepaid or repaid in whole or in part, whether by acceleration or otherwise, and on the Maturity Date. Notwithstanding the foregoing, paid-in-kind is the only method of payment of interest until the full redemption of the Series D Preferred Stock (as defined below) or upon the prior written consent of the holder of the Series D Preferred Stock.

2. Payments.

a. Payment of the Principal Amount and any accrued but unpaid interest shall be made on the Maturity Date, or such earlier date upon which the Principal Amount shall become due and payable in accordance with the terms hereof, whether by acceleration or otherwise.

b. On the Maturity Date and after application of all other payments received from Borrower, any remaining unpaid principal and accrued interest shall be satisfied with the Collateral (as defined in the Pledge Agreement) that is pledged pursuant to the Pledge Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") by and among the Borrower, the other pledgors party thereto and the Lender.

c. Interest under this Note will continue to accrue until payment is actually received. Payments shall be applied first to accrued and unpaid interest, then to the Principal Amount. For purposes hereof, the term "Business Day," shall mean any day that is not a Saturday, Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Texas. If any payment to be made hereunder (principal, interest or otherwise) becomes due and payable on a day other than a Business Day, the due date shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable interest rate provided for herein during such extension.

3. Optional Prepayments. Prepayment of this Note by Borrower, in part or in whole, is permitted without penalty at any time upon written notice to Lender.

4. Advances. Lender and Borrower acknowledge that, as of the date of this Note, Lender has made an initial advance hereunder in the amount of SIXTEEN MILLION SEVEN HUNDRED FORTY THOUSAND ONE HUNDRED EIGHTY-THREE DOLLARS AND SIXTY CENTS (\$16,740,183.60). Borrower may, from time to time after the date hereof, request additional advances (together with the initial advance, each, an "Advance") by Lender to Borrower up to an aggregate outstanding Principal Amount not to exceed FORTY MILLION DOLLARS (\$40,000,000.00) (the "Maximum Principal Amount"), which additional Advances may be made at the discretion of the Lender and shall be subject to the following conditions: (i) Borrower shall deliver each such request in writing to Lender at least one (1) Business Day prior to the proposed effective date of the requested Advance (or such shorter period as agreed to by Lender in its sole discretion) and (ii) after giving effect to the requested Advance, the aggregate unpaid principal amount outstanding under this Note shall not exceed the Maximum Principal Amount. Borrower

may, from time to time, repay any Advance and re-request any previously repaid Advances. The amount and funding of each Advance and the amount and repayment thereof shall be noted on Schedule A, which shall be conclusive evidence of the foregoing, absent manifest error; provided, the failure to make a notation of any Advance or repayment on Schedule A shall not limit or otherwise affect the obligations of Borrower to repay the outstanding Principal Amount and all accrued interest in accordance with this Note.

5. Place and Manner of Payment. Payments under this Note are to be made in United States currency in immediately available funds at the offices of Lender set forth in this Note or at such other location designated in writing by the Lender.

6. Collateral; Non-Recourse. Payment of this Note shall be secured by a first priority security interest in the Collateral (as defined in the Pledge Agreement). The Collateral shall be pledged pursuant to the Pledge Agreement, all the terms of which are incorporated herein by this reference. Notwithstanding anything to the contrary stated herein, the Lender agrees that for payment of this Note, it will look solely to the Collateral for recovery of amounts owing under this Note, the Borrower shall have no liability for the obligations under this Note beyond what is recoverable by the Lender from the Collateral, and no other assets or property of the Borrower shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of the Lender, or for any payment required to be made under this Note.

7. Subordination. Notwithstanding anything to the contrary, the obligations of Borrower in respect of the payments due under this Note and any other amounts due under this Note shall be and are fully subordinate and junior in right and time of payment to NexPoint Storage Partners, Inc.'s Series D Preferred Stock, par value \$0.01 per share (the "Series D Preferred Stock"). No payments or prepayments under this Note shall be made except in compliance with the provisions of this Section 7. If any payment is made to Lender in violation of this provision, then Lender will deliver such payment to NexPoint Storage Partners, Inc. for distribution to the holder of Series D Preferred Stock if and when amounts are due and owed under the Series D Preferred Stock. Notwithstanding the foregoing, Lender shall be entitled to be paid the amounts due under Section 1(b) of this Note. Subject to the rights of the holder of Series D Preferred Stock under this Section 7 to receive cash otherwise payable to Lender, nothing contained in this Section 7 shall impair, as between Borrower and Lender, the obligation of Borrower, subject to the terms and conditions hereof, to pay to Lender the principal hereof and interest thereon as and when the same become due and payable, or shall prevent Lender, upon an event of default hereunder, from exercising all right, powers and remedies otherwise provided herein or by applicable law; provided that no principal or interest shall be repaid to Lender without the prior written consent of the holder of Series D Preferred Stock or until the Series D Preferred Stock has been redeemed in full. Borrower and Lender agree that the holder of Series D Preferred Stock is a third-party beneficiary to the provisions of this Section 7 and may enforce the terms thereof against either Borrower or Lender.

8. Representations and Warranties; Covenants. Borrower represents, warrants and covenants to, and agrees with, Lender that, as of the date hereof, and until such time as the obligations hereunder have been repaid in full:

a. Authorization; Execution and Delivery; Enforceability. This Note has been duly authorized and validly executed and delivered by Borrower and constitutes the valid, legal and binding obligation of Borrower, and is enforceable against Borrower in accordance with the terms hereof except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of the rights of creditors and (ii) general principles of equity and public policy that restrict the availability of certain remedies. Borrower has full legal capacity and authority to execute, deliver and perform this Note and to consummate the transactions contemplated hereby. This Note and any other agreements or instruments executed by it in connection herewith have been duly executed and delivered by Borrower and constitute valid and binding agreements of Borrower, enforceable against Borrower in accordance with their terms.

b. Legality. The execution, issuance, delivery to Lender and performance by Borrower of this Note do not (1) violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator or (2) constitute a default under any agreement binding on Borrower, or result in a lien or encumbrance on any assets of Borrower (other than liens and encumbrances granted to Lender pursuant to the Pledge Agreement).

c. Judgments and Litigation. There is no pending or threatened claim or other legal proceeding or judgment, order or award of any court, agency or other governmental authority or arbitrator (each an “Action”) which threaten the validity of this Note or Borrower’s right, title and interest in the Collateral. Borrower will immediately notify the Lender in writing upon acquiring knowledge of any such Action.

d. Borrower Information; Notice of Change of Address and of Default. Borrower will notify the Lender in writing immediately of the occurrence of any Event of Default. Borrower shall take all actions necessary or reasonably requested by the Lender to protect and continue its first-priority (subject to liens expressly permitted hereunder) perfected security interest in the Collateral, prior to Borrower consummating any such action referred to in the immediately preceding sentence.

e. Solvency. After giving effect to the transactions contemplated hereby, Borrower is not, and will not become, insolvent, or unable to pay Borrower’s debts as such debts become due.

f. Use of Proceeds. Borrower shall (i) use the initial Advance on the date hereof to repay the unpaid balance under that certain Operating Expense Agreement, dated as of October 2, 2025, between certain subsidiaries of the Borrower set forth on Schedule I thereto and Extra Space Storage Management, Inc. and (ii) use any Advance, other than the initial Advance on the date hereof, solely for payment of accrued and unpaid dividends on Borrower’s outstanding Series D Preferred Units, which will be used by NexPoint Storage Partners, Inc. solely for payment of amounts then due and owed on its outstanding Series D Preferred Stock so long as any Series D Preferred Stock is outstanding.

9. Events of Default; Remedies.

a. Events of Default. Any of the following shall constitute an event of default (“Event of Default”) under this Note: (i) Borrower fails to pay when due and payable, or when declared due and payable, all or any portion of the Principal Amount, interest or other amount payable under this Note, (ii) Borrower fails in any material respect in the performance of any other covenant or other provision with respect to this Note, or any representation or warranty made hereunder is inaccurate or misleading in any material respect that has not been cured within thirty (30) days after notice of such breach is given to the Borrower; (iii) the service or filing of any valid and enforceable senior or pari passu lien, judgment, garnishment, order or award against Borrower’s interest in the Collateral (or any portion thereof) (other than a lien created hereunder or permitted in writing by the Lender); (iv) Borrower becomes insolvent or is generally not paying Borrower’s debts as such debts become due; (v) the making of any general assignment by Borrower for the benefit of creditors; the appointment of a receiver or similar trustee for Borrower or his assets; or the making of any, or sending notice of any intended, bulk sale; (vi) Borrower commences, or has commenced against it, any proceeding or request for relief under any bankruptcy, insolvency or similar laws now or hereafter in effect in the United States of America or any state or territory thereof or any foreign jurisdiction or any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Borrower; or (vii) any Loan Document (as defined below) ceases to be enforceable, except as caused by Lender, or is disaffirmed by Borrower or Lender’s security interest in any portion of the Collateral shall become invalid, unenforceable or unperfected, except as caused by Lender, or shall become subordinated to any other lien, claim or encumbrance, except as caused by Lender. “Loan Documents” as used in the Note shall mean this Note, the Pledge Agreement and any other agreement or documents executed by Borrower for the benefit of Lender in connection therewith.

b. Remedies Upon Event of Default.

i. Default Other Than Insolvency. Upon the happening of one or more Events of Default (except a default under Section 9(a)(v)-(vi)), the Lender may declare any obligations it may have hereunder to be cancelled and declare the outstanding principal of the Note to be immediately due and payable, together with all interest thereon and fees accruing under this Note. Upon such declaration, the outstanding Principal Amount of the Note and all other amounts due under this Note shall become immediately due and payable without presentation, demand or further notice of any kind to Borrower and Lender may exercise any and all other rights, remedies, and privileges that Lender may have under this Note, the Pledge Agreement or any applicable law, including the rights of a secured party under the UCC, in each case, subject to Section 6 above.

ii. Default - Insolvency. Borrower agrees that upon the happening of one or more Events of Default under Section 9(a)(v)-(vi), this Note shall become immediately due and payable without presentation, demand or notice of any kind and Lender may exercise any and all other rights, remedies, and privileges that Lender may have under this Note, the Pledge Agreement or any applicable law, including the rights of a secured party under the UCC, in each case, subject to Section 6 above.

iii. Defaults and Remedies. All of the foregoing rights and remedies of Lender are cumulative, and Lender shall also have upon the occurrence of any Event of Default

all other rights and remedies provided under the Other Loan Documents or otherwise available at law or in equity or by statute.

10. Maximum Lawful Rate. It is the intent of Borrower and Lender to conform to and contract in strict compliance with applicable usury law from time to time in effect. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the rate of interest taken, reserved, contracted for, charged or received under this Note exceed the highest lawful interest rate permitted under applicable law. If Lender shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the highest lawful interest rate permitted under applicable law, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Note in the inverse order of its maturity and not to the payment of interest, or refunded to the Borrower or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal. All interest paid or agreed to be paid to the Borrower hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of the Note so that the amount of interest on account of such obligation does not exceed the maximum permitted by applicable law. As used in this Section 10, the term “applicable law” shall mean the laws of the State of Texas or the federal laws of the United States, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

11. Notices. Any demand, notice or other communication to be given hereunder shall be in writing and shall be sent by delivery in person, by courier service, by telecopy, by e-mail, by registered or certified mail (postage prepaid, return receipt requested), if to Borrower, at its address as indicated in the recital of parties to this Note; and if to Lender, at its principal executive offices; or, as to each party, at such other address and to such other individual as shall be designated by such party in a written notice to the other party. Any notice given hereunder shall be deemed to have been given upon the earliest of: (a) receipt, (b) three (3) days after being deposited in the U.S. mail, postage prepaid, registered or certified mail, return receipt requested and (c) one (1) day after being sent by recognized overnight delivery service, return receipt requested.

12. No Waiver. Failure of Lender to avail itself of any terms, covenants or conditions of this Note for any period of time or for any reason shall not constitute a waiver thereof.

13. Amendments. Any change, amendment, modification, abridgment, cancellation or discharge of this Agreement or any term or provision hereof shall be in writing signed by Lender and Borrower.

14. Successors and Assigns. The Borrower shall not be permitted to assign any of its obligations hereunder without first obtaining the Lender’s prior written consent thereto. The Lender may in its sole discretion sell, transfer, pledge and/or encumber all or any portion of this Note, the Pledge Agreement or any other Loan Document and its rights and obligations hereunder and thereunder. Upon an assignment of this Note or any portion therein by the Lender, the assignee shall be deemed to be a lender and, to the extent that rights and obligations hereunder have been assigned to it, have the rights and obligations of the Lender, as the case may be, hereunder and such assignee shall be deemed to have assumed such rights and obligations, and the assignor shall,

to the extent that rights and obligations hereunder have been assigned by it, relinquish such rights and be released from such obligations under this Note, the Pledge Agreement and any other Loan Document accruing from and after the effective date of the assignment.

15. Severability. If any provision hereof is deemed to be illegal or unenforceable for any reason, the remaining provisions hereof shall not be affected thereby.

16. Governing Law; Jurisdiction. Irrespective of the place of execution and/or deliver, this Note shall be governed by, and shall be construed in accordance with the laws of the State of Texas.

17. Waiver of Trial by Jury. BORROWER AND LENDER EACH WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS NOTE OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS RELATED TO ANY OF THE LOAN DOCUMENTS. THIS WAIVER IS KOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY BORROWER AND LENDER AND EACH ACKNOWLEDGES THAT NEITHER THE OTHER NOR ANY PERSON ACTING ON BEHALF OF THE OTHER HAS OR HAVE MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. BORROWER AND LENDER EACH FURTHER ACKNOWLEDGE THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. BORROWER AND LENDER EACH FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING OF THIS WAIVER PROVISION.

18. Counterparts. This Agreement may be executed by different parties hereto on any number of separate counterparts, each of which, when so executed and delivered, shall be an original, and all such counterparts shall together constitute one and the same instrument.

19. Borrower Waiver; Expenses; Indemnity.

(a) Each party hereto shall be responsible for its own fees and expenses incurred in connection with this Note; provided, however, that Borrower shall reimburse Lender for any and all out- of-pocket costs and expenses, including attorneys' fees and expenses, incurred by Lender in connection with the taking of any action to collect or otherwise enforce, and/or exercise remedies under or with respect to, this Note against Borrower or any other person who is or may become liable thereunder. All such costs and expenses that are documented in reasonable detail shall be repayable to Lender on demand within a reasonable period of time but in any event not later than ten (10) Business Days from the date of demand thereof.

(b) Borrower agrees to indemnify and hold harmless Lender and its affiliates from any and all damages, losses, claims and reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lender or its affiliates may incur by reason of Borrower's failure promptly to pay when due the indebtedness evidenced by this Note, any breach or inaccuracy of any of Borrower's representations and warranties under this Note, any

breach of Borrower's covenants and agreements under this Note and/or otherwise in connection with the transactions contemplated by this Note, including the reasonable cost of preparing and defending any investigation or proceeding arising out of the foregoing, whether commenced by the Borrower, any of its affiliates or any other person.

[Signature page follows]

IN WITNESS WHEREOF, Borrower has executed this Note on the date first written above.

BORROWER:

NEXPOINT STORAGE PARTNERS OPERATING COMPANY, LLC

By: NexPoint Storage Partners, Inc., its Managing Member

By: /s/ John Good

Name: John Good

Title: Chief Executive Officer

Acknowledged and Agreed:

LENDER:

NEXPOINT REAL ESTATE FINANCE OPERATING
PARTNERSHIP, L.P.

By: /s/ Paul Richards

Name: Paul Richards

Title: Chief Financial Officer, Executive Vice President
Finance, Assistant Secretary and Treasurer

Solely as a third-party beneficiary under Section 7:

EXTRA SPACE STORAGE LP

By: /s/ Gwyn McNeal

Name: Gwyn McNeal

Title: Trustee

[Signature page to Secured Promissory Note]

SCHEDULE A

Advances

The initial principal amount of this Note is SIXTEEN MILLION SEVEN HUNDRED FORTY THOUSAND ONE HUNDRED EIGHTY-THREE DOLLARS AND SIXTY CENTS (\$16,740,183.60). The following increases or decreases in the principal balance outstanding under this Note have been made:

Date of increase/decrease	Amount of decrease in principal amount of this Note	Amount of increase in principal amount of this Note	Principal amount outstanding under this Note following such decrease or increase	Signature of authorized signatory of Lender
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[Signature page to Secured Promissory Note]

FIRST AMENDMENT TO SECURED PROMISSORY NOTE AND JOINDER AGREEMENT

This First Amendment to Secured Promissory Note and Joinder Agreement (this “Amendment and Joinder”) is dated as of March 25, 2026, and relates to that certain Secured Promissory Note, dated as of January 16, 2026 (as amended, restated, extended, supplemented or otherwise modified from time to time, the “Note”), by and between NexPoint Storage Partners Operating Company, LLC, a Delaware limited liability company (“Existing Borrower”), and NexPoint Real Estate Finance Operating Partnership, L.P. (“Lender”). Capitalized terms used but not defined herein have the meanings given in the Note.

Pursuant to the request of the parties, the entities listed on Schedule 1 hereto (each, a “Joining Borrower” and collectively, the “Joining Borrowers”) desire to become co-borrowers under the Note, and Lender and Existing Borrower desire to amend the Note to reflect the foregoing. The Joining Borrowers are all entities listed as ‘Pledgors’ on the signature pages of that certain Pledge and Security Agreement, dated as of January 16, 2026 (the “Pledge Agreement”), by and among the Existing Borrower, the other pledgors party thereto and the Lender.

1. Amendment to Note; Borrower Group. Effective as of the date hereof, each Joining Borrower is hereby added as a Borrower under the Note with the same force and effect as if originally named therein as a Borrower. All references in the Note and the other Loan Documents to “Borrower” shall be deemed to refer collectively to the Existing Borrower and the Joining Borrowers (together, the “Borrowers”), and the obligations of the Borrowers under the Note shall be joint and several. Notwithstanding the foregoing, the Borrowers’ joint and several obligations are limited by Section 6 of the Note such that no Borrower shall have personal liability beyond the Collateral. Except as expressly provided herein, the text of the Note is unmodified and shall continue in full force and effect.

2. Joinder of Joining Borrowers. Each Joining Borrower hereby agrees it is a “Borrower” under the Note and agrees to perform all obligations, and be subject to all restrictions, of a Borrower thereunder as if originally a party thereto.

3. Ratification; No Novation; Preservation of Certain Provisions. Except as expressly amended hereby, the Note remains unmodified and in full force and effect and is hereby ratified and confirmed, and this Amendment and Joinder does not constitute a novation. Without limiting the foregoing, nothing herein modifies (a) Section 6 (Collateral; Non-Recourse) of the Note, including that Lender shall look solely to the Collateral for recovery as provided therein, or (b) Section 7 (Subordination), including the subordination to the Series D Preferred Stock and the rights of Extra Space Storage LP as a third-party beneficiary thereof. Each Borrower acknowledges and agrees that it has no defenses, counterclaims, offsets, or deductions to the payment and performance of its obligations under the Note as amended hereby

4. Security Documents. Nothing herein shall impair or otherwise adversely affect any Liens granted pursuant to the Pledge Agreement, which remain in full force and effect in accordance with their terms.

5. Representations and Warranties of Joining Borrowers. Each Joining Borrower represents and warrants to Lender that: (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (b) it has the power and authority, and has taken all necessary action, to execute, deliver and perform this Amendment and Joinder and to become a Borrower under the Note; (c) this Amendment and Joinder has been duly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy and equity principles; and (d) the execution, delivery and performance of this Amendment and Joinder do not violate applicable law or any material agreement binding on it.

6. Notices. Notices to any Joining Borrower shall be delivered in accordance with Section 11 of the Note to the following address unless otherwise notified in writing: c/o NexPoint Storage Partners Operating Company, LLC, 300 Crescent Court, Suite 700, Dallas, Texas 75201.

7. Governing Law; Counterparts; Electronic Signatures. This Amendment and Joinder shall be governed by, and construed in accordance with, the laws of the State of Texas. This Amendment and Joinder may be executed in counterparts and by electronic signatures, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

8. Further Assurances; Expenses. Each Joining Borrower agrees to execute such further instruments and take such further actions as Lender may reasonably request to carry out the intent of this Amendment and Joinder. Costs and expenses shall be addressed in accordance with Section 19 of the Note.

9. Severability; Entire Agreement. If any provision of this Amendment and Joinder is held invalid or unenforceable, the remaining provisions shall remain in full force and effect. This Amendment and Joinder constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements relating thereto

[Signature Pages Follow.]

IN WITNESS WHEREOF, the undersigned have caused this Amendment and Joinder to be executed as of the date set forth above.

LENDER:

**NEXPOINT REAL ESTATE FINANCE
OPERATING PARTNERSHIP, L.P.**

By: /s/ Paul Richards

Name: Paul Richards

Title: Chief Financial Officer, Executive
VP-Finance, Assistant Secretary and
Treasurer

[Signature Page to First Amendment to Secured Promissory Note and Joinder Agreement]

EXISTING BORROWER:

**NEXPOINT STORAGE PARTNERS
OPERATING COMPANY, LLC**

By: NexPoint Storage Partners, Inc.,
its Managing Member

By: /s/ John Good
Name: John Good
Title: Chief Executive Officer

[Signature Page to First Amendment to Secured Promissory Note and Joinder Agreement]

JOINING BORROWERS:

NSP ALPHARETTA LEASECO, LLC
NSP BRICKELL LEASECO, LLC
NSP COCONUT GROVE LEASECO, LLC
NSP FLEMING ISLAND LEASECO, LLC
NSP MARIETTA LEASECO, LLC
NSP OCOEE LEASECO, LLC
NSP WEST DORAL LEASECO, LLC
NSP II ATLANTA LEASECO, LLC
NSP II MIAMI LEASECO, LLC
NSP II ST PETE LEASECO, LLC
NSP II STAMFORD LEASECO, LLC
NSP III FT LAUDERDALE LEASECO, LLC
NSP III DAVIE LEASECO, LLC
NSP III PEMBROKE PARK LEASECO, LLC
NSP III 79TH LEASECO, LLC
NSP III 36TH LEASECO, LLC
NSP III COCONUT GROVE LEASECO, LLC
NSP IV AHWATUKEE LEASECO, LLC
NSP IV CAVE CREEK LEASECO, LLC
NSP IV 7TH LEASECO, LLC
NSP ASSET MANAGER, LLC
NSP ALPHARETTA MANAGER, LLC
NSP BRICKELL MANAGER, LLC
NSP COCONUT GROVE MANAGER, LLC
NSP FLEMING ISLAND MANAGER, LLC
NSP MARIETTA MANAGER, LLC
NSP OCOEE MANAGER, LLC
NSP WEST DORAL MANAGER, LLC
NSP II ATLANTA MANAGER, LLC
NSP II MIAMI MANAGER, LLC
NSP II ST PETE MANAGER, LLC
NSP II STAMFORD MANAGER, LLC
NSP III FT LAUDERDALE MANAGER, LLC
NSP III DAVIE MANAGER, LLC
NSP III PEMBROKE PARK MANAGER, LLC
NSP III 79TH MANAGER, LLC
NSP III 36TH MANAGER, LLC
NSP III COCONUT GROVE MANAGER, LLC

By: NexPoint Storage Partners Operating
Company, LLC, the managing member of
each of the foregoing entities

By: NexPoint Storage Partners, Inc.,
its managing member

By: /s/ John Good
Name: John Good
Title: Chief Executive Officer

[Signature Page to First Amendment to Secured Promissory Note and Joinder Agreement]

Schedule 1

Joining Borrowers

1. NSP Alpharetta Leaseco, LLC
 2. NSP Brickell Leaseco, LLC
 3. NSP Coconut Grove Leaseco, LLC
 4. NSP Fleming Island Leaseco, LLC
 5. NSP Marietta Leaseco, LLC
 6. NSP Ocoee Leaseco, LLC
 7. NSP West Doral Leaseco, LLC
 8. NSP II Atlanta Leaseco, LLC
 9. NSP II Miami Leaseco, LLC
 10. NSP II St Pete Leaseco, LLC
 11. NSP II Stamford Leaseco, LLC
 12. NSP III FT Lauderdale Leaseco, LLC
 13. NSP III Davie Leaseco, LLC
 14. NSP III Pembroke Park Leaseco, LLC
 15. NSP III 79th Leaseco, LLC
 16. NSP III 36th Leaseco, LLC
 17. NSP III Coconut Grove Leaseco, LLC
 18. NSP IV Ahwatukee Leaseco, LLC
 19. NSP IV Cave Creek Leaseco, LLC
 20. NSP IV 7th Leaseco, LLC
 21. NSP Asset Manager, LLC
 22. NSP Alpharetta Manager, LLC
 23. NSP Brickell Manager, LLC
 24. NSP Coconut Grove Manager, LLC
 25. NSP Fleming Island Manager, LLC
 26. NSP Marietta Manager, LLC
 27. NSP Ocoee Manager, LLC
 28. NSP West Doral Manager, LLC
 29. NSP II Atlanta Manager, LLC
 30. NSP II Miami Manager, LLC
 31. NSP II St Pete Manager, LLC
 32. NSP II Stamford Manager, LLC
 33. NSP III Ft Lauderdale Manager, LLC
 34. NSP III Davie Manager, LLC
 35. NSP III Pembroke Park Manager, LLC
 36. NSP III 79th Manager, LLC
 37. NSP III 36th Manager, LLC
 38. NSP III Coconut Grove Manager, LLC
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PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT (the “Agreement”) is made as of March 25, 2026, by and between NEXPOINT REAL ESTATE FINANCE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (“Seller”), and THE OHIO STATE LIFE INSURANCE COMPANY (“Buyer”).

WHEREAS, on January 16, 2026, Seller, as “Lender”, made a secured loan (the “Loan”) to NexPoint Storage Partners Operating Company, LLC, a Delaware limited liability company (together with the additional co-borrowers joined pursuant to a separate First Amendment to Secured Promissory Note and Joinder Agreement, the “Borrowers”), evidenced by that certain Secured Promissory Note, dated as of January 16, 2026 (as amended, restated, extended, supplemented or otherwise modified from time to time, the “Note”), and secured by that certain Pledge and Security Agreement, dated as of January 16, 2026, by and among NexPoint Storage Partners Operating Company, LLC, the other pledgors party thereto and Seller (as amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement” and, together with the Note, the “Loan Documents”);

WHEREAS, Seller desires to sell, and Buyer desires to purchase, an undivided participation interest in the Note and the Loan Documents, subject to the terms and conditions set forth herein; and

WHEREAS, the parties acknowledge that the participation contemplated hereby does not require Borrowers’ consent and does not modify Borrowers’ obligations under the Loan Documents.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and provisions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Definitions.

For purposes of this Agreement, all capitalized terms not expressly defined herein have the meanings ascribed thereto in the Note or the Loan Documents. The meanings of all capitalized terms apply equally to the singular and plural of the terms defined.

“Affiliate”: means, with respect to any specified Person, any other Person controlling, controlled by or under common control with such specified Person or any entity, fund or account managed or advised by NexPoint Advisors, L.P. or any of its Affiliates. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Borrowers”: has the meaning provided in the Preamble.

“Business Day”: means any day other than a Saturday, Sunday or legal holiday in Dallas, Texas on which commercial banks are open for business.

“Buyer”: has the meaning provided in the Preamble.

“Buyer Participation Interest”: means an undivided participating interest in the Loan and the Loan Documents equal to (a) on the date hereof, the Initial Participation Amount, and (b) thereafter, the Initial Participation Amount as increased by Buyer's Pro Rata Share of any interest that is paid in kind and capitalized to the outstanding Principal Amount of the Note pursuant to Section 1(b) thereof, and as decreased by any amounts received by Buyer as a return of principal pursuant to Section 5(c) of this Agreement.

“Collateral”: means the “Collateral” as defined in the Pledge Agreement

“Embargoed Person”: means any Person that is (i) subject to trade restrictions under U.S. law, including the International Emergency Economic Powers Act and the Trading with the Enemy Act, and any Executive Orders or regulations thereunder; (ii) listed on any OFAC list, including the Specially Designated Nationals and Blocked Persons List; (iii) otherwise the subject of sanctions administered by OFAC or any other relevant sanctions authority; or (iv) owned or controlled by any such Person.

“Initial Participation Amount”: means Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000.00).

“Losses”: has the meaning provided in Section 13.

“Maximum Principal Amount” means Forty Million Dollars (\$40,000,000.00).

“Participants”: means Seller, Buyer and the successors and assigns of each.

“Participation Interest”: means the Buyer Participation Interest or the Seller Participation Interest, as the context requires, and “Participation Interests” means both collectively.

“Person”: shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pro Rata Share” means, at any time, the ratio of the then-outstanding Buyer Participation Interest to the then-outstanding aggregate Principal Amount of the Note (after giving effect to all capitalized PIK interest and Advances).

“Purchase Price”: has the meaning provided in Section 2(a).

“Seller”: has the meaning provided in the Preamble.

“Seller Participation Interest”: means an undivided participating interest in the Loan and the Loan Documents equal to the then-outstanding aggregate Principal Amount of the Note minus the then-outstanding Buyer Participation Interest.

“Transfer”: means any assignment, pledge, conveyance, sale, transfer, mortgage, encumbrance, grant of a security interest, issuance of a participation interest, or other disposition, either directly or indirectly, by operation of law or otherwise.

“Unanimous Decision”: has the meaning provided in Section 6(b).

2. Purchase of Participation Interest.

(a) Buyer hereby purchases from Seller, and Seller hereby sells and assigns to Buyer, the Buyer Participation Interest in accordance with the schedule annexed hereto as Exhibit A, including the payments made thereon and any recoveries or distributions in connection therewith, notwithstanding the fact that the Loan Documents identify Seller as the “Lender,” for the amount of Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000.00) (the “Purchase Price”). The Purchase Price shall be paid by wire transfer of immediately available funds to the account set forth on Exhibit B.

(b) Seller hereby retains the Seller Participation Interest, in accordance with the schedule annexed hereto as Exhibit A. The rights and obligations of the Participants hereunder shall be subject to the terms and provisions of this Agreement.

(c) Seller and Buyer intend that the purchase and sale of the Buyer Participation Interest be a sale and not a loan.

(d) Seller shall remain the lender of record under the Loan Documents. Buyer shall not have any right to declare an event of default under, or to enforce, the Loan Documents, except as expressly provided in Section 7. For administrative convenience only, the parties agree that amounts permitted to be paid in cash under the Loan Documents may be remitted by the Borrowers directly to Buyer to the extent provided in Section 5(b), and any such amounts shall be deemed received by Seller for all purposes under the Loan Documents.

(e) For the avoidance of doubt, Buyer shall have the right, but not the obligation, to participate in any future Advance funded by Seller under the Note by purchasing from Seller an additional participation in such future Advance in an amount up to its then-current Pro Rata Share; provided that nothing herein gives Buyer the right to make any Advance directly to Borrowers. If Seller intends to fund a future Advance under the Note, Seller shall provide Buyer with at least five (5) Business Days' prior written notice specifying the amount and anticipated funding date of such Advance, and Buyer shall notify Seller in writing within three (3) Business Days of receipt of such notice whether it elects to participate and, if so, in what amount (not to exceed its then-current Pro Rata Share). If Buyer does not respond within such period, Buyer shall be deemed to have declined to participate in such Advance. Buyer shall have no obligation to fund any future Advances under the Note or any additional amounts after payment of the Purchase Price, and no capital call or other funding demand shall be made upon Buyer; provided that, if Buyer elects to

participate in a future Advance pursuant to this Section 2(e), Buyer shall fund its elected amount to Seller in immediately available funds in accordance with the terms herein.

3. Conditions Precedent.

(a) Seller's receipt of the Purchase Price in immediately available funds.

(b) As of the date hereof, no Event of Default shall have occurred and be continuing under the Loan Documents.

(c) Seller and the Borrowers shall have executed and delivered the First Amendment to Secured Promissory Note and Joinder Agreement, dated as of the date hereof.

(d) Seller shall have delivered written payment instructions to the Borrowers consistent with Section 5(b) and including Buyer's then-current wiring instructions.

4. Custody of Loan Documents; Participation Records

Prior to an Event of Default by Borrowers, custody of the Loan Documents shall be held exclusively by Seller (or, at Seller's election, a servicer or a third-party custodian) for the benefit of all Participants. Seller shall maintain records of all payments received from the Borrowers and all payments made by the Seller to the Buyer hereunder. Seller will furnish an accounting with respect thereto to the Buyer as promptly as practicable following the Buyer's request therefor. Upon the occurrence of an Event of Default under the Loan Documents and the circumstances described in Section 7(d), Seller shall provide the Loan Documents, in original form where applicable, to Buyer. Seller acknowledges and agrees that time is of the essence with respect to the delivery of the Loan Documents.

5. Priority of Participation Interests; Payments.

(a) The Participants acknowledge and agree that, pursuant to Section 1(b) of the Note, all interest due under the Note shall be paid in kind and added to the Principal Amount of the Note until the full redemption of the Series D Preferred Stock or with the prior written consent of the holder of the Series D Preferred Stock. On each Interest Payment Date under the Note, all accrued interest shall be capitalized and increase the outstanding Principal Amount of the Note, and such increase shall be allocated between the Participants in accordance with their respective Participation Interests as of such date.

(b) Any amounts received by Seller as payments on the Loan from the date of this Agreement shall be distributed to the Participants one (1) Business Day after receipt thereof (or, if received after 1:00 p.m. Central Time, within two (2) Business Days after receipt thereof), pursuant to the instructions provided by Buyer to Seller prior to the date thereof. Subject to compliance with Section 7 of the Note, Seller shall instruct the Borrowers to remit directly to Buyer an amount equal to Buyer's Pro Rata Share of any amounts then payable in cash under the Loan Documents, with the balance remitted to Seller, and any amounts so remitted to Buyer shall

be deemed received by Seller under the Loan Documents to the extent of such amount. To the extent any amounts are paid by the Borrowers to Seller (rather than directly to Buyer), Seller shall distribute such amounts to the Participants one (1) Business Day after receipt thereof (or, if received after 1:00 p.m. Central Time, within two (2) Business Days after receipt thereof), pursuant to the wiring instructions provided by Buyer to Seller and as updated from time to time. Seller may from time to time update written split-payment instructions to the Borrowers to reflect changes in the Participants' then-current Participation Interests, with a copy to Buyer. If Seller fails to distribute such amounts to Buyer within the timeframe provided, such amount shall bear interest for each day until it is paid by Seller at the Federal Funds Rate (as defined herein), but never in excess of the maximum nonusurious rate permitted by applicable law. If Seller fails to distribute such amounts to Buyer within the timeframe provided, such amount shall bear interest for each day until it is paid by Seller at the Federal Funds Rate (as defined herein), but never in excess of the maximum nonusurious rate permitted by applicable law. Seller shall not be deemed to have received any payments on the Loan until such time as it receives immediately available funds reflecting such payment. As used in this Agreement, the term "Federal Funds Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a business day, for the next preceding business day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a business day, the average of the quotations for such day on such transactions received by Seller from three Federal funds brokers of recognized standing selected by Seller, all as conclusively determined by Seller, such sum to be rounded upward, if necessary, in the discretion of Seller, to the nearest whole multiple of 1/100th of 1%.

(c) Subject to compliance with Section 7 of the Note, all amounts received by Seller on account of the Note shall be applied and paid as follows:

- i. first, to Seller for documented, third-party costs and expenses reasonably incurred by Seller in administering the Loan or the Collateral, including reasonable legal fees and enforcement expenses;
- ii. second, to Buyer and Seller, *pari passu*, in respect of interest capitalized and added to the Principal Amount pursuant to Section 1(b) of the Note, allocated in accordance with their respective Participation Interests; and
- iii. third, to Buyer and Seller, *pari passu*, in respect of payments of principal (including at maturity or upon acceleration), allocated in accordance with their respective Participation Interests.

(d) All distributions hereunder shall be made in a manner consistent with Section 7 of the Note, including any requirement to remit amounts to the holder of the Series D Preferred Stock; provided that nothing herein shall impair, as between Seller and Buyer, their rights to allocate and receive payments and recoveries in accordance with this Agreement. In administering the Loan, Seller shall not accept or apply any payment in a manner inconsistent with Section 7 of the Note without Buyer's prior written consent.

6. Servicing of the Loan.

(a) Prior to an Event of Default by Borrowers, Seller shall have the exclusive authority to administer the Loan and to exercise the rights of “Lender” under the Loan Documents. Seller shall not be obligated to obtain the consent or approval of Buyer prior to taking any action or granting (or withholding) any consent or otherwise making any decision or determination pertaining to a matter that is not a Unanimous Decision. Nothing contained in this Agreement is intended to create an agency or fiduciary relationship, it being acknowledged that Seller’s obligations are primarily administrative in nature. Neither Seller nor any of its shareholders, directors, officers or employees, nor any other Person assisting them in their duties or any agent, or employee thereof shall owe any fiduciary duty to any of the other Participants. Neither Seller nor any of its respective shareholders, directors, officers or employees, nor any other Person assisting them in their duties or any agent, or employee thereof shall be required to take any action which violates the terms of this Agreement or the Loan Documents, or which violates any laws, rules, court orders or decisions, ordinances, regulations, statutes, requirements, codes or executive orders, now existing or hereafter created.

(b) Without the prior written consent of Buyer, Seller shall not (each, a “Unanimous Decision”): (i) amend, modify or waive any economic term of the Note, including the interest rate, payment mechanics, or the Maturity Date; (ii) amend, modify or waive Section 6 or Section 7 of the Note, or consent to any action inconsistent therewith; (iii) release, subordinate or otherwise impair any material portion of the Collateral under the Pledge Agreement (other than releases expressly permitted by the Loan Documents); (iv) add or remove any borrower or pledgor, or release any borrower, under the Loan Documents; (v) accelerate, commence or settle any exercise of remedies under the Loan Documents, including any enforcement or UCC disposition of Collateral; (vi) enter into any forbearance, waiver of default, or settlement with any Borrower; (vii) assign or transfer the Loan (other than participations permitted under Section 8); (viii) take any action reasonably likely to materially and adversely affect Buyer's economic interests under this Agreement; or (ix) dilute or otherwise reduce Buyer’s Participation Interest in proportion to Seller’s Participation Interest, other than changes resulting from capitalized PIK interest, principal payments, or Advances funded in accordance with this Agreement.

(c) Seller will exercise the same care as it normally exercises with respect to loans in which no participations are sold, and shall have no further responsibility to Buyer except as expressly provided herein and except for its own gross negligence or willful misconduct.

(d) Within ten (10) days after the date hereof, Seller may, but is not obligated to, inform Borrowers that Buyer has purchased a participation interest in the Loan; provided that no consent of any Borrower is required for such participation under the Loan Documents.

(e) If prior to repayment in full of Buyer’s Participation Interest, title to any property (other than cash) then serving as security for the Loan is acquired by Seller, by foreclosure or otherwise, (i) Buyer shall have an undivided interest therein, allocated in accordance with its respective Participation Interest, and (ii) Seller may in its discretion hold record title to Buyer’s Participation Interest therein in the name of Seller or in the name of a nominee designated by Seller

or may convey or cause to be conveyed to Buyer record title to an undivided interest therein, allocated in accordance with its respective Participation Interest.

7. Event of Default; Enforcement.

(a) Seller will promptly notify Buyer in writing of any default or Event of Default under any Loan Document of which Seller has knowledge.

(b) Upon an Event of Default by any Borrower, Seller shall, subject to Section 6(b), direct enforcement under the Loan Documents, including the Pledge Agreement and the Uniform Commercial Code, in its sole discretion; provided that Seller shall not agree to any resolution that fails to pay Buyer all amounts then due and owing hereunder without Buyer's prior written consent.

(c) Notwithstanding anything to the contrary, without the express consent of Buyer, Seller may not:

- i. compromise the principal balance of the Loan;
- ii. decrease the Note interest rate;
- iii. extend the Maturity Date;
- iv. release or exchange material Collateral;
- v. release any obligor;
- vi. enter into any insolvency resolution;
- vii. settle any insurance or condemnation claim, except to apply proceeds to pay the Loan or restore Collateral; or
- viii. take any action described in Section 6(b).

(d) If, during the continuance of an Event of Default, Seller breaches this Section 7 or allows a material delay in exercising remedies, as determined by Buyer in its reasonable discretion, then Seller shall cease acting as “Lender” for enforcement purposes and Buyer shall step in as “Lender” solely to direct enforcement under the Loan Documents. Seller hereby appoints Buyer as Seller's attorney-in-fact solely for such enforcement, coupled with an interest, to exercise remedies in Seller's name for the benefit of the Participants.

8. Transfer.

(a) No Participant may from time to time Transfer its Participation Interest or any interest therein, except as expressly permitted in Section 8(b) below and other than the transfer of an indirect interest in a Participant which results from death.

(b) Any Participant may transfer all or any portion of its Participation Interest, or may cause or permit the transfer of any indirect ownership interest in its Participation, to one or more of its Affiliates.

(c) Seller shall be prohibited from transferring its interest to any entity controlled by or affiliated with any Borrower or to any direct competitor of, or anyone whose interest is adverse to Buyer.

9. Financing Right of First Refusal. Seller acknowledges and agrees that if it provides a loan offer for a refinancing of the Loan under the Note, then Buyer shall have the right but not the obligation to participate in such loan offer to the same percentage as is represented by the Buyer Participation Interest, on substantially the same terms as are set forth in this Agreement.

10. Representations and Warranties.

(a) Each Participant represents and warrants to the other Participants that:

i. the execution, delivery and performance of this Agreement is within its corporate powers, has been duly authorized by all necessary corporate action, and does not contravene in any material respect its organizational documents or any law or contractual restriction binding upon it;

ii. this Agreement is the legal, valid and binding obligation of such Participant enforceable against it in accordance with the terms hereof except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and except that the enforcement of rights with respect to indemnification and contribution obligations may be limited by applicable law;

iii. the individual or individuals executing this Agreement and any and all documents contemplated hereby on behalf of such Participant has or have the legal and actual authority to bind such Participant to the terms and conditions contained in this Assignment and in such documents;

iv. the execution and delivery of this Agreement by such Participant, and performance of, and compliance with, the terms of this Agreement by such Participant, will not violate such Participant's organizational documents or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material agreement or other instrument to which it is a party or that is applicable to it or any of its assets;

v. such Participant is not an Embargoed Person; and

vi. such Participant has not dealt with any broker, investment banker, agent or other Person that may be entitled to any commission or compensation in connection with the consummation of any of the transactions contemplated hereby.

(b) Seller represents and warrants to Buyer that:

i. the execution, delivery, and performance by Seller of this Agreement is within its power and authority, has been duly authorized, does not contravene its organizational documents, and will not violate any material contractual obligation;

ii. this Agreement has been duly executed and delivered by Seller and constitutes Seller's legal, valid, and binding obligation, enforceable against Seller in accordance with its terms, subject to applicable bankruptcy and equity principles;

iii. no governmental approval or third-party consent is required in connection with the execution, delivery, or performance by Seller of this Agreement;

iv. the Loan Documents set forth on Schedule I represent all Loan Documents entered into in connection with the Loan;

v. as of the date hereof, no Event of Default has occurred and is continuing under the Loan Documents, and no circumstance exists which, with notice or the passing of time or both, would constitute an Event of Default;

vi. as of the date hereof, the outstanding Principal Amount of the Note is \$ \$16,740,183.60 (inclusive of all capitalized PIK interest through the date hereof); and

vii. the participation contemplated hereby is permitted under the Loan Documents without the consent of any Borrower.

11. Independent Analysis; Audit Right; Status of the Parties.

(a) Each Participant acknowledges that it has entered into this Agreement independently and without reliance upon representations made by any other Participant (except to the extent expressly set forth herein), and each Participant acknowledges and agrees that any information provided to such Participant and based on such documents and information as such Participant has deemed appropriate, made its own credit analysis and decision to purchase or retain its Participation Interest. Each Participant assumes all risk of loss in connection with its Participation Interest.

(b) Notwithstanding the foregoing, Buyer shall, until the Loan has been fully satisfied and Buyer has received all amounts owing to it under this Agreement and for a period of one (1) year thereafter, have the right to audit, from time to time, Seller's books and records concerning the Loan.

(c) Seller and Buyer are not partners, and this Agreement and the transactions contemplated hereby do not create a joint venture between Seller and Buyer.

12. Limited Liability; Indemnity.

No Participant, its Affiliates, or any of the directors, officers, employees or agents thereof shall be under any liability to any other Participant or any third party for taking or refraining from taking any action, in good faith pursuant to or in connection with this Agreement, or for errors in judgment; provided, however, that this provision shall not protect Seller against any liability by reason of Seller's bad faith or gross negligence in the performance of its express duties hereunder or any actions taken by Seller contrary to the terms of this Agreement. Seller shall indemnify Buyer and its respective members, principals and agents, on demand, in proportion to their extent of the Buyer Participation Interest, for and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including fees and disbursements of counsel) of any kind or nature whatsoever (collectively, "Losses") which may be imposed on, incurred by, or asserted against Buyer and/or its respective members, principals and agents in any way relating to or arising under (i) this Agreement and/or the Loan Documents, (ii) any action taken or omitted by Buyer hereunder or thereunder, including with respect to the financing or collection of the Loan, the monitoring of the Loan and the exercise of rights under the Loan Documents, and (iii) the breach of any representation or warranty made by Seller. However, Seller shall not be liable for any portion of such Losses to the extent, but only to the extent, resulting from the Buyer's gross negligence, willful misconduct, fraud or breach or default under this Agreement. The provisions of this Section shall survive any termination of this Agreement. Notwithstanding the foregoing, Borrowers' obligation to reimburse Seller's enforcement costs remains as set forth in Section 19 of the Note.

13. Acknowledgement by Parties Hereto.

The agreement to and acceptance of this Agreement by the parties hereto, indicated by the execution of this Agreement, shall evidence each party's acceptance of all the terms and conditions of this Agreement.

14. Notices.

Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, and shall be deemed to have been duly given or made when delivered by hand, or, in the case of a nationally recognized overnight courier service, one Business Day after delivery to such courier service, addressed at the address specified on Exhibit A hereto as updated and distributed to all parties hereto from time to time.

15. Entire Agreement.

This Agreement supersedes all previous agreements, oral or written, among the parties hereto with respect to the subject matter hereof.

16. Modifications and Amendments.

This Agreement may not be modified or amended orally or waived or modified in any manner except as expressly set forth herein. All modifications or amendments shall be by an agreement in writing signed by the party against whom enforcement is sought.

17. Miscellaneous.

(a) This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with and be governed by the laws of the State of Texas.

(b) Any legal action or proceeding with respect to this Agreement and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of Texas, City of Dallas, or of the United States of America for the Northern District of Texas and, by execution and delivery of this Agreement, each party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts for any such action or proceeding. Each party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to above and hereby further irrevocably waives the right, and agrees not, to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of any Participant or any holder of the Loan to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

(c) It is the intent of the parties hereto that the Participation Interests are participating beneficial ownership interests of the type and nature contemplated by 11 U.S.C. Section 541(d) of the United States Bankruptcy Code.

(d) This Agreement may be executed in any number of duplicates and counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(e) In case any provision in or obligation under this Agreement or the Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(f) Each party shall keep confidential the terms of this Agreement and all non-public information regarding the Loan and Borrowers, except disclosures to its Affiliates, prospective transferees, financing sources, regulators, auditors and advisors who are subject to customary confidentiality obligations, or as required by law or the rules of any stock exchange.

[Signature page follows.]

EXECUTED as of the date first set forth above.

SELLER:

**NEXPOINT REAL ESTATE FINANCE
OPERATING PARTNERSHIP, L.P.,**
a Delaware limited partnership

By: /s/ Paul Richards
Name: Paul Richards
Title: Chief Financial Officer, Executive
VP-Finance, Assistant Secretary and Treasurer

BUYER:

THE OHIO STATE LIFE INSURANCE COMPANY

By: /s/ Brad Heiss
Name: Brad Heiss
Title: EVP/CIO

[Signature Page to Participation Agreement – NREF-NSP]

EXHIBIT A

Participation Interests¹

Participant	Amount of Participation Interest	Address
THE OHIO STATE LIFE INSURANCE COMPANY	\$7,500,000.00	The Ohio State Life Insurance Company
NEXPOINT REAL ESTATE FINANCE OPERATING PARTNERSHIP, L.P.	Balance of Principal Amount outstanding from time to time	NexPoint Real Estate Finance Operating Partnership, L.P.

¹ Initial amount of participation interest shown is as of the date hereof. Actual allocations and distributions adjust automatically with changes in outstanding principal, capitalized PIK interest, and future Advances in accordance with the definitions of Buyer Participation Interest, Seller Participation Interest, and Pro Rata Share.

[Exhibit A]

EXHIBIT B

Seller Wire Instructions

(Intentionally Omitted.)

[Exhibit B]

SCHEDULE I

Borrower Loan Documents

1. Secured Promissory Note, dated as of January 16, 2026, by NexPoint Storage Partners Operating Company, LLC in favor of NexPoint Real Estate Finance Operating Partnership, L.P. (as amended by that certain First Amendment to Secured Promissory Note and Joinder Agreement, dated as of March 25, 2026);
2. Pledge and Security Agreement, dated as of January 16, 2026, by and among NexPoint Storage Partners Operating Company, LLC, the other pledgors party thereto and NexPoint Real Estate Finance Operating Partnership, L.P.; and
3. Any other Loan Documents (as defined in the Note).

[Schedule I]

April 3, 2026

Highland Opportunities and Income Fund
NexPoint Diversified Real Estate Trust OP, L.P.
Highland Global Allocation Fund
NRESF REIT Sub II, LLC

Re: Participation Side Agreement – NSP Secured Promissory Note

Ladies and Gentlemen:

Reference is hereby made to (a) that certain Secured Promissory Note, dated as of January 16, 2026, as amended by that certain First Amendment to Secured Promissory Note and Joinder Agreement, dated as of March 25, 2026 (collectively, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Note**”), made by NexPoint Storage Partners Operating Company, LLC, a Delaware limited liability company (together with the additional co-borrowers joined pursuant to the First Amendment, the “**Borrowers**”), in favor of NexPoint Real Estate Finance Operating Partnership, L.P., a Delaware limited partnership (“**NREF**”), in the original maximum principal amount of \$40,000,000 (the “**Maximum Principal Amount**”), and (b) that certain Participation Agreement, dated as of March 25, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “**Participation Agreement**”), by and between NREF, as Seller, and The Ohio State Life Insurance Company (“**OSL**”), as Buyer. Capitalized terms used but not otherwise defined in this letter agreement (this “**Letter Agreement**”) shall have the meanings ascribed to such terms in the Note or the Participation Agreement, as the context requires. The parties to this Letter Agreement are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

Pursuant to the Participation Agreement, NREF sold to OSL an undivided participation interest in the Loan evidenced by the Note and retained the balance as the Seller Participation Interest. NREF now desires to sell, and each of Highland Opportunities and Income Fund (“**HFRO**”), NexPoint Diversified Real Estate Trust OP, L.P. (“**NXDT**”), Highland Global Allocation Fund (“**HGLB**”), and NRESF REIT Sub II, LLC (“**NRES**”), and together with HFRO, NXDT and HGLB, each a “**Fund**” and collectively, the “**Funds**”), each managed or advised by NexPoint Advisors, L.P. or one of its Affiliates, desires to purchase, additional undivided participation interests carved from NREF’s Seller Participation Interest, and the Parties desire to memorialize the terms of such purchases and a standing administrative allocation framework for future Advances funded by NREF under the Note, as more particularly set forth herein.

In furtherance of the foregoing and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Current Purchases; Effective Date.

(a) Effective as of March 30, 2026 (the “**Effective Date**”), NREF hereby sells, and each Fund hereby purchases from NREF, an undivided participation interest in the Loan and the Loan Documents in the respective amounts set forth on Schedule 1 attached hereto (each, a “**Participation Interest**”). Each such sale constitutes a permitted Transfer under Section 8(b) of the Participation Agreement, and each Fund hereby accedes to the Participation Agreement as a “Participant” thereunder and agrees to be bound by all terms and provisions thereof applicable to a Participant as though an original signatory thereto. Purchase price for each sale shall be par in cash by wire transfer of immediately available funds on the Effective Date or promptly thereafter as the parties may mutually agree. For the avoidance of doubt, from and after the Effective Date, each Participation Interest shall be treated for all purposes as outstanding under the

Participation Agreement, including allocations of capitalized paid-in-kind interest and entitlement to distributions, in each case in accordance with Section 5 thereof.

(b) Each Fund represents and warrants to NREF that: (i) it qualifies for a permitted Transfer under Section 8(b) of the Participation Agreement; (ii) it is not an “Embargoed Person” as defined in the Participation Agreement; and (iii) this Letter Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy and equity principles.

(c) NREF will maintain and update, from time to time, an internal register of Participants and distribution records for the Loan (including each Fund’s notice and wire instructions) and will circulate to OSL updated administrative schedules for convenience as Participants and their wire instructions change. Consistent with Section 5(b) of the Participation Agreement, NREF will continue to instruct the Borrowers in writing to remit directly to OSL an amount equal to OSL’s then-current Pro Rata Share of any amounts then payable in cash under the Loan Documents, with the balance remitted to NREF, and may from time to time update such written split-payment instructions to the Borrowers solely to reflect OSL’s then-current Pro Rata Share and the balance to NREF, with a copy to OSL. Amounts, if any, paid by the Borrowers to NREF (rather than directly to OSL) will be distributed by NREF to the Participants in accordance with the Participation Agreement.

(d) Each sale described in this Section 1 will be effected as a permitted Transfer under Section 8(b) of the Participation Agreement and documented by an Assignment and Joinder (each, a “**Joinder**”) in the form attached hereto as Exhibit A, executed by NREF and the purchasing Fund and effective as of March 30, 2026. Each Joinder will (i) accede the purchasing Fund as a “Participant” under the Participation Agreement and (ii) set forth such Fund’s notice and wire instructions.

2. Standing Future-Advance Right; Initial Reference Shares; NREF Backstop.

(a) For so long as this Letter Agreement remains in effect, each Fund shall have the right, but not the obligation, to purchase from NREF up to its then-current pro rata share of any future Advance funded by NREF under the Note (as if Section 2(e) of the Participation Agreement applied to such Fund *mutatis mutandis*). For purposes of this Section 2(a), a Fund’s “then-current pro rata share” means a fraction equal to such Fund’s then-current Participation Interest divided by the Maximum Principal Amount, in each case as such amounts adjust automatically pursuant to the Participation Agreement. NREF shall fund all Advances to the Borrowers under the Note in its sole discretion as the lender of record, and no Fund shall have any right to make any Advance directly to any Borrower. NREF will retain any portion of any Advance not purchased by a Fund pursuant to this Section 2.

(b) NREF will provide at least five (5) Business Days’ prior written notice to the Funds of any intended future Advance, specifying the amount and anticipated funding date thereof, and each Fund shall have three (3) Business Days from receipt of such notice to elect whether to participate and, if so, in what amount (not to exceed its then-current pro rata share). If a Fund does not respond within such three (3) Business Day period, such Fund shall be deemed to have declined to participate in such Advance. Each Fund may elect to purchase up to its then-current pro rata share of such Advance by written notice (including email) to NREF at any time before NREF finalizes allocations for that Advance; any portion not so elected shall be retained by NREF. Purchase price for any such sale shall be par in cash by wire transfer of immediately available funds on the agreed allocation date or promptly thereafter as the parties may mutually agree.

3. Miscellaneous.

(a) This Letter Agreement is an administrative arrangement among NREF and the Funds and does not amend, supplement or modify the Participation Agreement or the Loan Documents, and creates no rights, claims or defenses in favor of, or against, OSL or any Borrower. As among NREF and the Funds, the Participation Agreement controls in any conflict with this Letter Agreement. For the avoidance of doubt, OSL's rights under the Participation Agreement, including the Buyer's elective right to participate in future Advances under Section 2(e) thereof, the Unanimous Decision protections under Section 6(b) thereof, and the payment waterfall mechanics under Section 5 thereof, remain in full force and effect and are not modified hereby. For administrative clarity, the notice and election mechanics afforded to Buyer under Section 2(e) of the Participation Agreement are, as between NREF and the Funds, applied on the same Business Day cadence to each Fund pursuant to Section 2 of this Letter Agreement. Nothing herein is intended to create a partnership, joint venture, agency or other relationship creating fiduciary or quasi-fiduciary duties or similar duties and obligations or subject any Party to joint and several or vicarious liability or to impose any duty, obligation or liability that would arise therefrom with respect to any or all of the Parties or any of their respective Affiliates.

(b) Counterparts. This Letter Agreement may be executed in one or more counterparts (including by attachment to electronic mail), all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties hereto and delivered (including by electronic transmission) to the other Parties.

(c) Governing Law. This Letter Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of such state or any other jurisdiction) that would cause the application of Applicable Law of any jurisdiction other than those of the State of Texas.

(d) WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LETTER AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING DIRECTLY OR INDIRECTLY OUT OF OR RELATING TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS LETTER AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3(D).

(e) Remedies; Specific Performance. Each Party acknowledges and agrees that an award of monetary damages for failure to comply with this Letter Agreement may not be an adequate remedy for the Party attempting to enforce such provisions and the non-breaching Party may have no adequate remedy at law. Accordingly, each Party agrees that the non-breaching Party will have the right, in addition to any other rights and remedies available at law or in equity, to enforce its rights and each other Party's obligations under this Letter Agreement by an action or actions for specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach, without the requirement of posting bond or other security. The non-breaching Party shall be entitled to recover its costs and expenses,

including attorneys' fees, incurred in connection with any successful action brought by it to enforce the breaching Party's obligations to comply with such provisions.

(f) Entire Agreement. This Letter Agreement, together with the Participation Agreement, constitutes the entire agreement of the Parties with respect to the subject matter hereof and there are no agreements, understandings, representations or warranties between the Parties other than those set forth or referred to herein or therein. Each of the Parties has made, in consultation with its legal, financial and tax advisors, its own independent inquiry and investigation into, and based thereon has formed an independent judgment concerning the transactions contemplated by this Letter Agreement.

(g) Third-Party Beneficiaries. This Letter Agreement is made solely and specifically between and for the benefit of the Parties hereto and their respective successors and assigns. Nothing in this Letter Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties, any rights or remedies under or by reason of this Letter Agreement or result in their being deemed a third-party beneficiary of this Letter Agreement.

(h) Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service or three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid and shall be directed to the address or email address set forth below (or at such other address or email address as such Party shall designate by like notice) or on the date sent by email (with confirmation of transmission) if sent during normal business hours of the recipient.

If to NREF:

NexPoint Real Estate Finance Operating Partnership, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Attention: DC Sauter and Rob Harris

With a copy (which shall not constitute notice) to:

Winston & Strawn LLP
2121 N. McKinney Ave., Suite 900
Dallas, TX 75201
Attention: Charlie Haag; Justin Reinus

If to the Funds:

c/o NexPoint Advisors, L.P.
300 Crescent Court, Suite 700
Dallas, Texas 75201
Attention: DC Sauter and Rob Harris

(i) Successors and Assigns. This Letter Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; *provided* that no Party hereto shall assign, by operation of law or otherwise, any or all of its rights or delegate any or all of its obligations under this Letter Agreement without the express written consent of the other Parties to this Letter Agreement, except in connection with a permitted Transfer of its Participation Interest under Section 8(b) of the Participation Agreement.

(j) Amendments. All amendments to this Letter Agreement must be in writing and signed by all Parties.

(k) Waivers. Any Party may, only by an instrument in writing, waive compliance by another Party with any term or provision of this Letter Agreement. The waiver by any Party of a breach of any term or provision of this Letter Agreement shall not be construed as a waiver of any subsequent breach. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising or single or partial exercise of any right, power or remedy by any Party, and no course of dealing between the Parties, shall constitute a waiver of any such right, power or remedy.

(l) Severability. If any provision of this Letter Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions of this Letter Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

(m) Interpretation. In the event an ambiguity or question of intent or interpretation arises with respect to this Letter Agreement, this Letter Agreement shall be construed as if it were drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Letter Agreement.

(n) Further Assurances. The Parties agree that, from time to time, each of them will execute and deliver, or cause to be executed and delivered, such further agreements and instruments and take such other action as may be necessary to effectuate the provisions, purposes and intents of this Letter Agreement.

(o) Limited Recourse. Notwithstanding anything that may be expressed or implied in this Letter Agreement, or any document or instrument delivered in connection herewith, by their acceptance of the benefits of this Letter Agreement, the Parties covenant, agree and acknowledge that no Person other than the Parties hereto has any liabilities, obligations or commitments of any nature (whether known or unknown, whether due or to become due, absolute, contingent or otherwise) hereunder (in each case subject to the limitations provided herein) or in connection with the transactions contemplated hereby and that, notwithstanding that each Party or its general partner (and any assignee permitted under Section 3(i)) may be a limited partnership, limited liability company or any other entity, no Party has any right of recovery under this Letter Agreement or under any document or instrument delivered in connection herewith, against, or any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, this Letter Agreement, the transactions contemplated hereby or in respect of any oral representation made or alleged to be made in connection herewith, against, and no personal liability whatsoever shall attach to, be imposed upon or otherwise be incurred by the former, current or future direct or indirect equity holders, controlling Persons, directors, officers, employees, agents, Affiliates (other than any assignee permitted under Section 3(i)), members, managers or general or limited partners of any of the Parties or any former, current or future stockholder, controlling Person, director, officer, employee, general or limited partner, member, manager, Affiliate (other than any assignee permitted under Section 3(i)) or agent of any of the foregoing, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or Applicable Law, or otherwise.

(p) Termination. Notwithstanding anything in this Letter Agreement to the contrary, this Letter Agreement shall automatically terminate and be of no further force or effect (i) upon the unanimous written agreement of the Parties, (ii) on the date on which any Fund ceases to be managed or advised by NexPoint Advisors, L.P. or one of its Affiliates (solely as to such Fund), or (iii) upon the repayment in full of the Loan and the termination of the Participation Agreement; provided, that (A) accrued rights and obligations arising from completed purchases shall survive any such termination as necessary to give effect

thereto, and (B) any breach of this Letter Agreement prior to such termination and the rights and remedies with respect to such breach will survive termination of this Letter Agreement.

(q) Construction. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular. References to money refer to legal currency of the United States of America. Section titles or headings are for convenience only and neither limit nor amplify the provisions of this Letter Agreement itself, and all references herein to Sections or subdivisions thereof shall refer to the corresponding article, section or subdivision thereof of this Letter Agreement unless specific reference is made to such articles, sections or subdivisions of another document or instrument. Unless the context of this Letter Agreement clearly requires otherwise, the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation,” and the words “hereof,” “herein,” “hereunder” and similar terms in this Letter Agreement shall refer to this Letter Agreement as a whole and not any particular Section in which such words appear.

[Signature Pages Follow]

In acknowledgement that the foregoing correctly sets forth the understanding among the Parties, please sign in the space provided below, whereupon this Letter Agreement shall constitute a binding agreement as of the date indicated above.

Very truly yours,

NEXPOINT REAL ESTATE FINANCE OPERATING PARTNERSHIP, L.P.

By: /s/ Paul Richards _____
Name: Paul Richards
Title: Chief Financial Officer

[Signature Page to Participation Letter Agreement]

Agreed to and accepted as of the date first written above:

HIGHLAND OPPORTUNITIES AND INCOME FUND

By: /s/ Will Mabry
Name: Will Mabry
Title: Assistant Treasurer

NEXPOINT DIVERSIFIED REAL ESTATE TRUST OP, L.P.

By: /s/ Paul Richards
Name: Paul Richards
Title: Chief Financial Officer

HIGHLAND GLOBAL ALLOCATION FUND

By: /s/ Will Mabry
Name: Will Mabry
Title: Assistant Treasurer

NRESF REIT SUB II, LLC

By: /s/ Will Mabry
Name: Will Mabry
Title: Assistant Treasurer

[Signature Page to Participation Letter Agreement]

EXHIBIT A

FORM OF ASSIGNMENT AND JOINDER (PARTICIPATION AGREEMENT)

This Assignment and Joinder (this “**Joinder**”) is entered into as of April 3, 2026 by and between NexPoint Real Estate Finance Operating Partnership, L.P. (“**Seller**”) and [Purchaser] (“**Purchaser**”).

Reference is made to that certain Participation Agreement, dated as of March 25, 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “**Participation Agreement**”), by and between Seller and The Ohio State Life Insurance Company (“**Buyer**”). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Participation Agreement.

1. Assignment and Sale. Effective as of March 30, 2026, Seller hereby sells, assigns, transfers and conveys to Purchaser, and Purchaser hereby purchases and accepts from Seller, an undivided participation interest in the Loan and the Loan Documents in the principal amount of \$___ (the “**Assigned Participation**”), together with a corresponding undivided interest in all payments, proceeds, recoveries and distributions attributable thereto from and after March 30, 2026, in each case subject to and in accordance with the Participation Agreement.
2. Joinder; Succession. Purchaser hereby accedes to the Participation Agreement as a Participant, agrees to be bound by all terms and provisions thereof applicable to a Participant, and shall have the rights and obligations of a Participant with respect to the Assigned Participation as though an original signatory thereto. Purchaser acknowledges that Seller remains the lender of record under the Loan Documents.
3. Purchaser Representations. Purchaser represents and warrants to Seller that: (a) Purchaser qualifies for a permitted Transfer under Section 8(b) of the Participation Agreement; and (b) Purchaser is not an Embargoed Person (as defined in the Participation Agreement).
4. Notices; Wires. Purchaser’s notice information and wire instructions are set forth on Schedule 1 attached hereto.
5. Miscellaneous. This Joinder may be executed in counterparts (including PDF or other electronic signatures) and is governed by the laws of the State of Texas.

SELLER:

NexPoint Real Estate Finance Operating Partnership, L.P.

By: _____

Name:

Title:

PURCHASER:

[Purchaser]

By: _____

Name:

Title:

SCHEDULE 1 TO JOINDER

PURCHASER NOTICE AND WIRE INSTRUCTIONS

Legal name:

Address: 300 Crescent Court, Suite 700, Dallas, TX 75201, Attn: DC Sauter and Rob Harris

Wire instructions:

SCHEDULE 1

PARTICIPATION INTERESTS

1. HFRO: \$2,500,000
 2. NXDT: \$962,000
 3. HGLB: \$1,250,000
 4. NRES: \$38,000
-

SCHEDULE 2

INITIAL REFERENCE SHARES¹

1. HFRO: 6.25%
 2. NXDT: 2.405%
 3. HGLB: 3.125%
 4. NRES: 0.095%
-

¹ Percentages shown are initial reference shares as of the Effective Date; each Fund's participation right adjusts to its then-current pro rata share under Section 2.

**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 Real Estate Finance, Inc.;
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: May 15, 2026

/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 Real Estate Finance, Inc.;
 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: May 15, 2026

/s/ Paul Richards

Paul Richards
Chief Financial Officer, Executive VP-Finance, Assistant
Secretary and Treasurer
(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 Real Estate Finance, Inc. (the “Company”) for the period ending March 31, 2026, 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 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: May 15, 2026

/s/ Jim Dondero

Jim Dondero
President
(Principal Executive Officer)

Dated: May 15, 2026

/s/ Paul Richards

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