AUGUST 2021 | NYSE:NREF

INVESTOR PRESENTATION

NEXPOINT REAL ESTATE FINANCE

CAUTIONARY STATEMENTS

FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations, assumptions and beliefs. Forward-looking statements can often be identified by words such as "anticipate", "estimate", "expect," "intend," "may", "should" and similar expressions, and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding the Company's business and industry in general, the Company's near term investment pipeline and expected yields, unlevered IRR and expected term to maturity on recent investments. They are not guarantees of future results and forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement, including the ultimate geographic spread, duration and severity of the COVID-19 pandemic, and the effectiveness of actions taken, or actions that may be taken, by governmental authorities to contain the outbreak or treat its impact, as well as those described in greater detail in our filings with the Securities and Exchange Commission, particularly those specifically described in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Readers should not place undue reliance on any forward-looking statements and are encouraged to review the Company's Annual Report on Form 10-K and the Company's other filings with the SEC for a more complete discussion of risks and other factors that could affect any forward-looking statement. The statements made herein speak only as of the date of this presentation and except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This presentation contains non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flows of the Company. The non-GAAP financial measures used within this presentation are earnings available for distribution ("EAD") and cash available for distribution ("CAD"). EAD has replaced our prior presentation of Core Earnings. In addition, Core Earnings results from prior reporting periods have been relabeled EAD. In line with evolving industry practices, we believe EAD more accurately reflects the principal purpose of the measure than the term Core Earnings and will serve 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. 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. We also use EAD (although titled differently in the management agreement) as a component of the management fee paid to our Manager (as defined below). 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 calculate CAD by adjusting EAD by adding back amortization of premiums 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.

ADDITIONAL INFORMATION

For additional information, see our filings with the SEC. Our filings with the SEC are available on our website, nref.nexpoint.com, under the "Financials" tab.

COMPANY OVERVIEW

Company Overview

NexPoint Real Estate Finance is a publicly traded mortgage REIT with its shares listed on the New York Stock Exchange under the symbol “NREF.” The Company primarily concentrates on investments in real estate sectors where its senior management team has operating expertise, including in the **single-family rental (”SFR”)**, **multifamily**, and **self-storage** sectors, predominantly in the top 50 metropolitan statistical areas. The Company focuses on lending or investing in properties that are stabilized or have a “light-transitional” business plan.

NREF is externally managed by NexPoint Real Estate Advisors VII, L.P. (the “Manager”), a subsidiary of NexPoint Advisors, L.P., an SEC-registered investment advisor with extensive real estate and fixed income experience.

Current Portfolio

0% LAND	0% HEAVY TRANSITIONAL
0% CONSTRUCTION	0% FOR SALE

Target Investment Criteria

- Attractive Risk-Adjusted Returns
- Stabilized or Light Transitional Business Plan with **Positive DSCRs**
- Desirable and Resilient Property Types: **Single-Family Rental, Multifamily, and Self-Storage**
- Top 50 MSAs
- High-Quality Borrowers / Operators

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PORTFOLIO COMMENTARY

Defensive Portfolio Characteristics

The current portfolio consists of senior loans, mezzanine debt, preferred equity and common stock investments in short-duration lease-term assets (multifamily, SFR, self-storage) that are geographically diverse in the United States. The portfolio has no exposure to construction loans, no heavy transitional loans, no land loans and no for-sale loans. As of July 28, 2021, there are no loans currently in forbearance in our portfolio, unchanged from the end of the first quarter 2021.

MULTIFAMILY

- Historically low losses for Freddie Mac debt issuances secured by multifamily assets, including periods of market stress
- Aggregate losses in Freddie Mac's origination history have averaged 5 bps per year dating back to 1994[1]
- Since 2009 and through June 2021, there have been $30.2MM in losses on $449B of combined issuance[2]
- As of June 25, 2021, $5.4B of outstanding UPB, representing 1.5% of total securitized UPB, has entered forbearance[3]

SINGLE-FAMILY RENTAL

- Although this is a relatively new asset class that was institutionalized in the wake of the global financial crisis, we believe SFR will exhibit resiliency akin to multifamily
- Current portfolio of SFR loans is capitalized by a secured credit facility with Freddie Mac, is matched in both duration and structure of the underlying loans, has 7.0 years of average weighted term to maturity and a 250 bps interest rate spread[4]
- Subject to Freddie Mac forbearance program to help mitigate cash flow interruptions to the bondholders

SELF-STORAGE

- Limited human interaction and low costs should help the self-storage sector during current unprecedented times
- Historically, self-storage has outperformed other real estate asset types during economic downturns

7.2
YEARS AVERAGE REMAINING TERM[5]

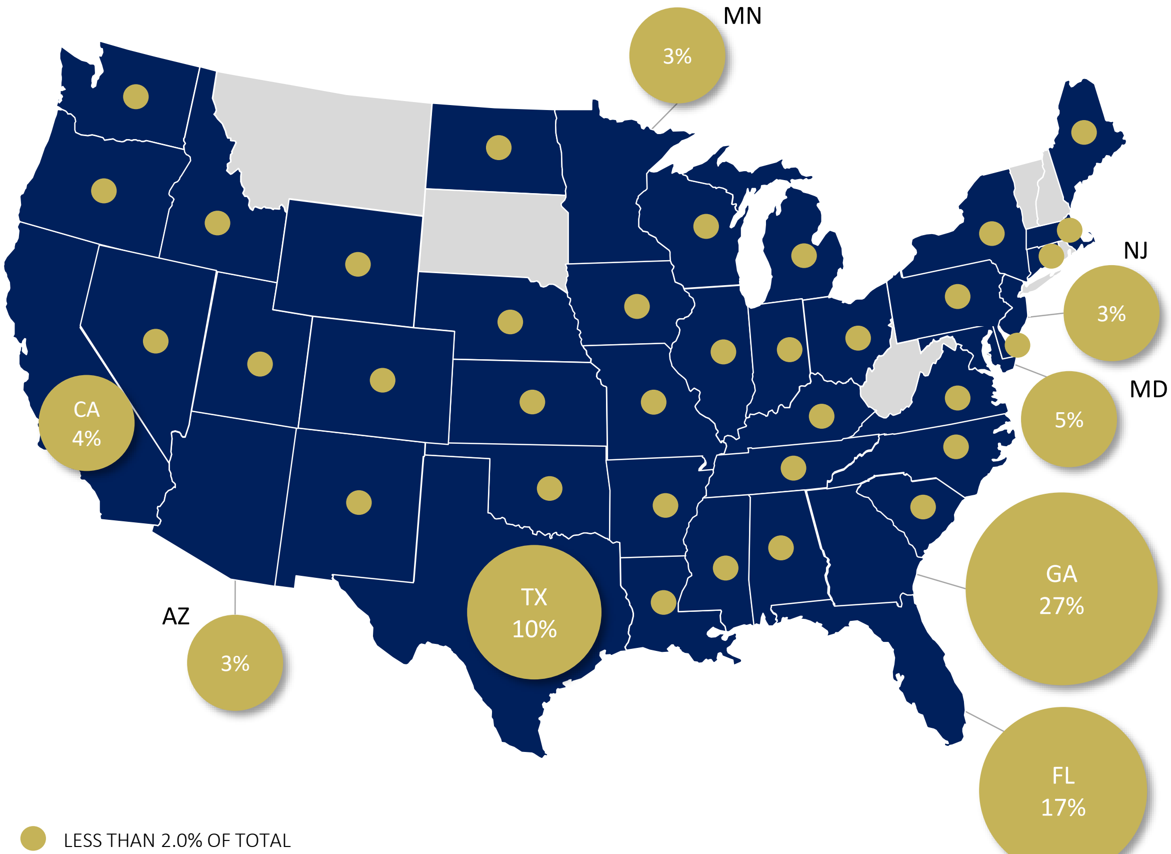
92.4%
OF PORTFOLIO STABILIZED[5]

66.9%
WEIGHTED AVG LOAN TO VALUE[5]

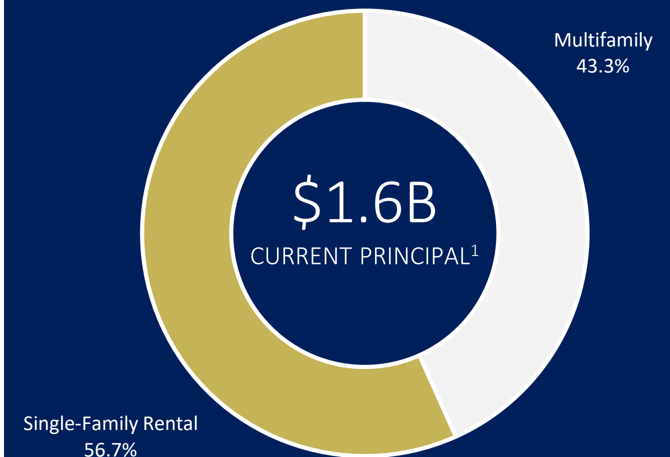
2.07x
WEIGHTED AVG DSCR[5]

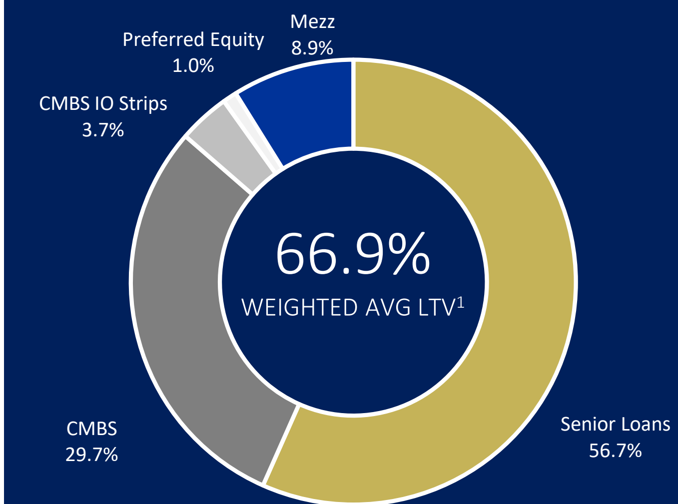
(1) FREDDIE MAC; 4Q 2020
(2) FREDDIE MAC; JUNE 2021
(3) JUNE(2021) SECURITIZATION FORBEARANCE REPORT – FREDDIE MAC
(4) AS OF JUNE 30, 2021
(5) AS OF JUNE 30, 2021, AND EXCLUDING THE NEXPOINT STORAGE PARTNERS, INC COMMON STOCK (FORMERLY, JCAP SERIES A PREFERRED)

PORTFOLIO COMMENTARY



Geographic and Asset Type Exposure[1]





(1) AS OF JUNE 30, 2021, AND EXCLUDING THE NEXPOINT STORAGE PARTNERS, INC COMMON STOCK (FORMERLY, JCAP SERIES A PREFERRED)

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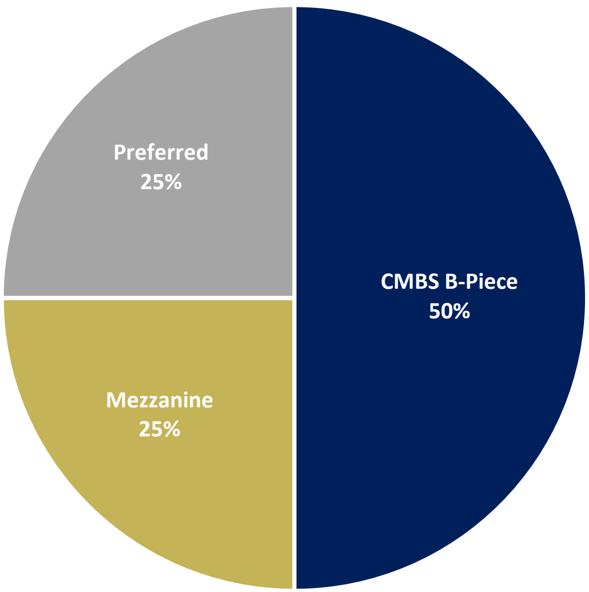
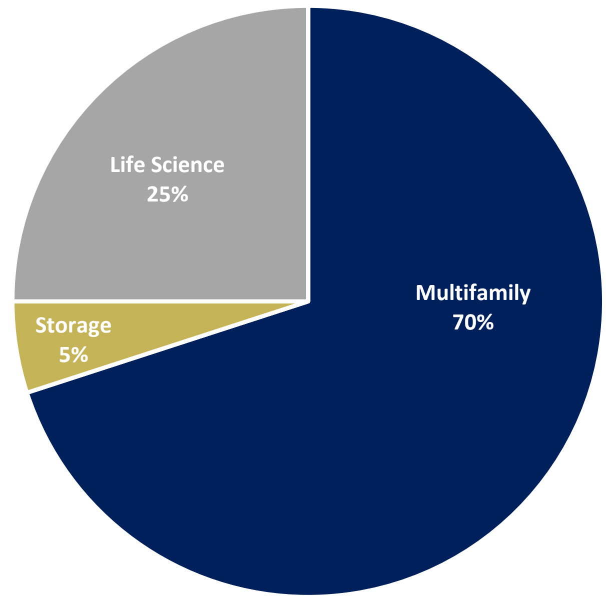
NEAR-TERM PIPELINE

BY SECURITY TYPE



BY ASSET CLASS



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CAPITALIZATION

$1.11B
TOTAL DEBT[1]

8.2 YEARS
WEIGHTED AVERAGE TERM OF DEBT

$177.6MM
REPO FINANCING AT LIBOR + 176 BPS[1]

$59.9MM
SELLER LOAN FINANCING AT 30 BPS[1,2]

$765.4MM
SENIOR CREDIT FACILITY AT 2.43%[1]

$111.5MM
UNSECURED NOTES[1]

$37.5MM
SERIES A PREFERRED

$37.5MM
BOOK VALUE OF 8.5% SERIES A PREFERRED[1]
PERPETUAL AND CALLABLE AFTER YEAR 5

$393.1M
TOTAL BOOK VALUE OF EQUITY[1]

$107.6MM
BOOK VALUE OF COMMON EQUITY[1]

$285.5MM
BOOK VALUE OF REDEEMABLE NONCONTROLLING INTERESTS IN THE OPERATING PARTNERSHIP[1]

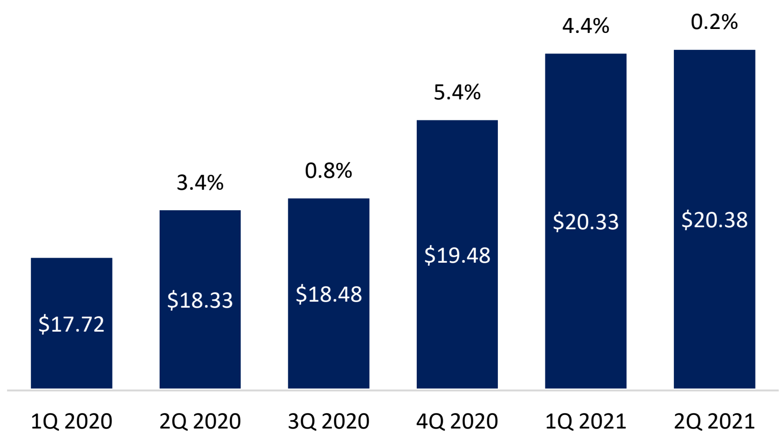
2.62%
WEIGHTED AVERAGE COST OF DEBT[1]

2.54x
DEBT TO BOOK VALUE OF EQUITY[1,3]

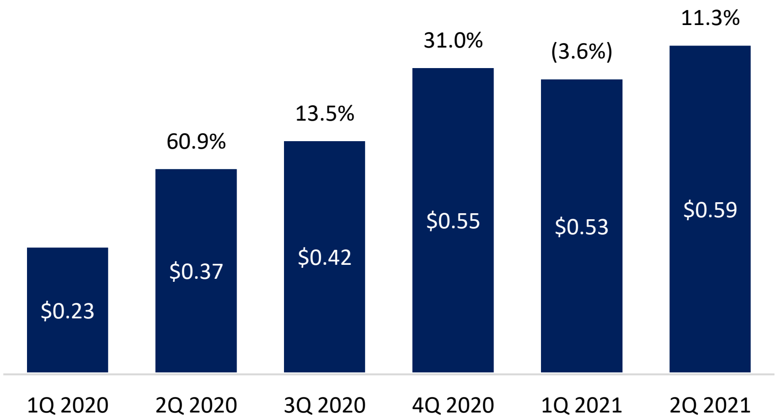
(1) AS OF JUNE 30, 2021. EXCLUDES REPURCHASE AGREEMENT FINANCING SUBSEQUENT TO QUARTER END.
(2) UNDERLYING COLLATERAL FOR SELLER FINANCING IS A POOL OF MEZZANINE LOANS.
(3) DEBT TO BOOK VALUE OF EQUITY IS CALCULATED AS TOTAL DEBT DIVIDED BY THE SUM OF THE BOOK VALUE OF EQUITY AND OUTSTANDING PREFERRED EQUITY.

HISTORICAL PERFORMANCE

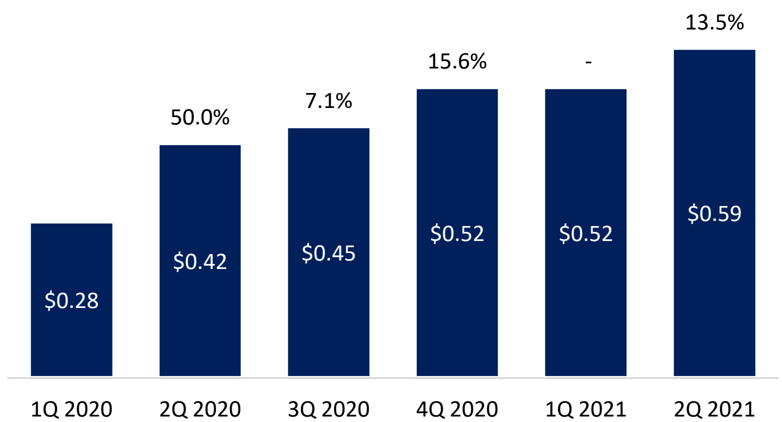
BOOK VALUE PER COMMON SHARE GROWTH



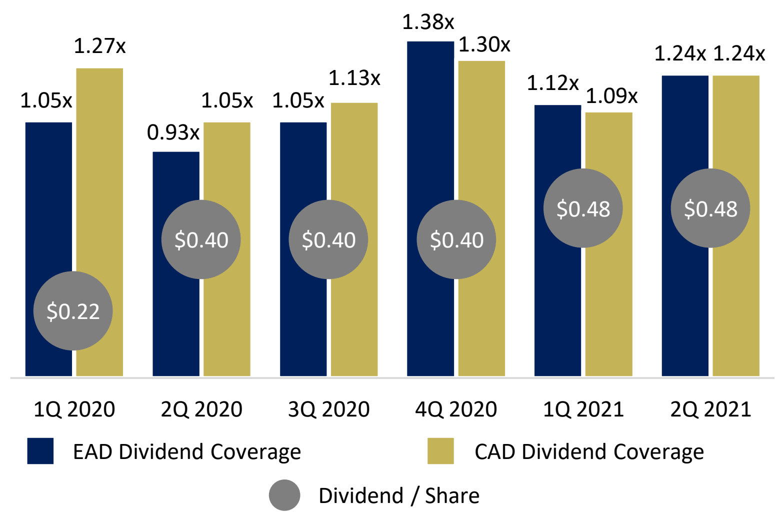
EAD[1] PER DILUTED COMMON SHARE



CAD PER COMMON SHARE GROWTH



EAD[1] & CAD DIVIDEND COVERAGE



(1) EAD SIGNIFIES EARNINGS AVAILABLE FOR DISTRIBUTION

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APPENDIX

SFR PORTFOLIO

SFR UNDERLYING PORTFOLIO INFORMATION

Total SFR Portfolio Information	
Number of Homes	9,242
Occupancy[1]	93.5%
Avg. Monthly Rent / Home[1]	$1,110
Total Appraised Value	$1.3 billion

Total NREF SFR Investment	
Current Principal	$837.1 million
Weighted Average All-In Rate[1]	4.89%
Weighted Average LTV[1]	66.8%
Weighted Average DSCR[1]	1.7x

SENIOR LOAN 1 UNDERLYING PORTFOLIO INFORMATION

- The SFR investment portfolio includes a $508mm investment in a pool of assets with 4,800+ homes originally held by SFR company Front Yard Residential, which was acquired by SFR company Pretium and sponsor Ares in early 2021
- The acquisition transition was seamless; Pretium / Ares is a strong operator and well-suited borrower / guarantor
- Prepayment on the Front Yard portfolio investment is not economic or likely and would require over 20% yield maintenance premium on average for the portfolio

Senior Loan 1 Portfolio Information	
Number of Homes	4,823
Occupancy	93.0%
Avg. Monthly Rent / Home	$1,292
Total Appraised Value	$746.8 million

NREF Senior Loan 1 Investment	
Current Principal	$508.7 million
All-In Rate	4.65%
LTV	68.1%
DSCR	1.8x

NOTE: DATA AS OF JUNE 30, 2021
(1) WEIGHTED AVERAGE BASED ON CARRYING VALUE.

K-SERIES PORTFOLIO

CMBS UNDERLYING PORTFOLIO INFORMATION

- All seven outstanding CMBS-B Piece investments are part of Freddie Mac K-Deal securitizations, which are secured by assets with some of the industry's lowest delinquency and vacancy rates along with other strong portfolio fundamentals
- NREF also has nine outstanding CMBS I/O Strips that consist of interest-only tranches of Freddie Mac structured pass through certificates with underlying portfolios of fixed-rate mortgage loans secured by stabilized multifamily properties

Portfolio Information	
Number of Properties	308
Occupancy[1]	94%
Total Appraised Value	$10.9 billion
Weighted Average LTV[1]	66.7%
Weighted Average DSCR[1]	2.88x
NREF K-Series Investment	
Carrying Value	$429.0 million
Net Equity	$245.0 million
All-In Rate[1]	4.46%

NOTE: DATA AS OF JUNE 30, 2021
(1) WEIGHTED AVERAGE BASED ON CARRYING VALUE

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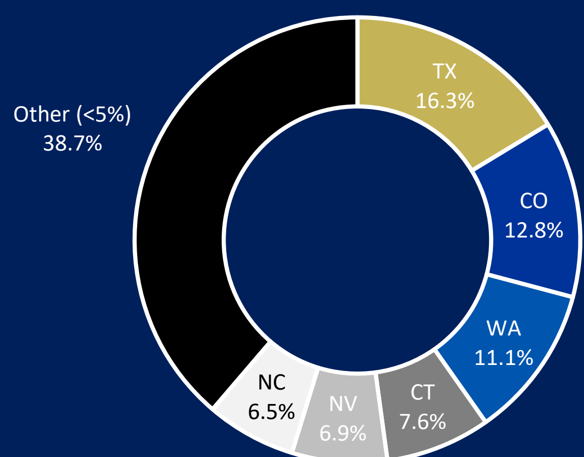
RECENT TRANSACTION

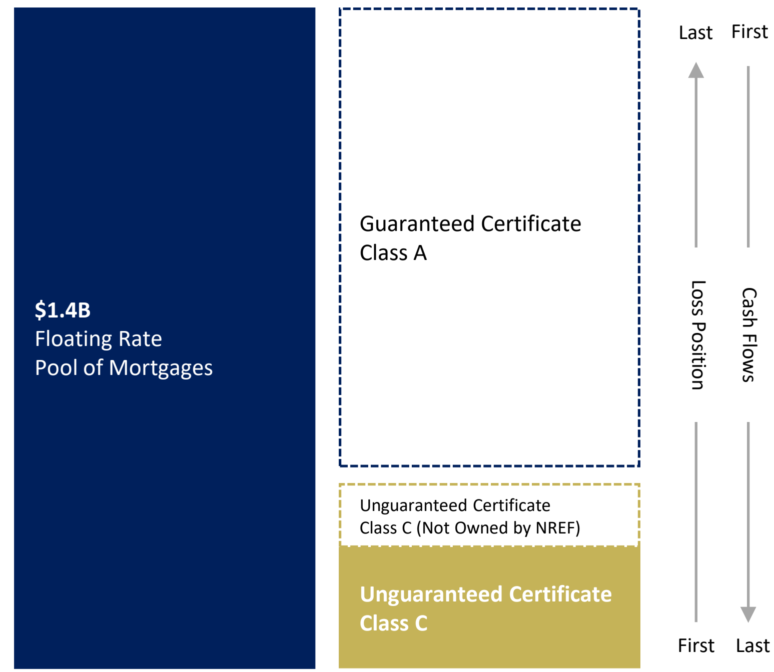
Collateral Pool Summary[1]

Underlying Pool Balance:	$1.4 billion
Weighted Avg Mortgage Interest Rate:	3.87%
Interest Only DSCR[2]:	1.98x
Average Loan to Value:	67.3%
Number of Properties:	37
Number of Units:	16,763
Weighted Avg Occupancy:	93.8%
Total Appraised Value:	$2.1 billion
Geographic Distribution:	



(1) BASED ON JUNE 30, 2021
(2) CALCULATED USING UNDERWRITTEN NET CASH FLOW
(3) INVESTMENT HAS A 0% FLOOR
(4) CALCULATED USING PROJECTED CASH FLOWS

SAMPLE FREMF K- SERIES SECURITIZATION – PRO RATA PAY



B-Piece Summary[1]

Payment Structure:	Fixed rate, principal only
Purchase Price/Par Value:	$67MM / $67MM
% of Securitization:	6.8%
Current Yield[3]:	0.0%
Unlevered IRR[4]:	6.88%
Expected Term to Maturity:	5.4 years

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PORTFOLIO

$s IN 0,000s EXCEPT PER SHARE DATA

#	Investment[1]	Location	Property Type	Investment Date	Current Principal	Net Equity[2]	Coupon[3]	Remaining Term[4]	Loan to Value	DSCR
1	Senior Loan	Various	SFR	2/11/2020	$508,700	$80,248	4.65%	7.2	68.1%	
2	Senior Loan	Various	SFR	2/11/2020	62,023	9,807	4.95%	7.7	65.0%	
3	Senior Loan	Various	SFR	2/11/2020	51,304	7,798	4.74%	4.3	54.1%	
4	Senior Loan	Various	SFR	2/11/2020	37,898	5,996	5.55%	7.3	72.4%	
5	Senior Loan	Various	SFR	2/11/2020	17,092	2,719	5.61%	7.6	63.9%	
6	Senior Loan	Various	SFR	2/11/2020	12,158	1,923	5.54%	7.3	66.1%	
7	Senior Loan	Various	SFR	2/11/2020	10,523	1,667	4.72%	7.4	72.6%	
8	Senior Loan	Various	SFR	2/11/2020	10,432	1,644	5.60%	7.2	69.0%	
9	Senior Loan	Various	SFR	2/11/2020	10,113	1,610	5.35%	7.4	64.8%	
10	Senior Loan	Various	SFR	2/11/2020	10,486	1,647	5.30%	6.6	71.1%	
11	Senior Loan	Various	SFR	2/11/2020	10,523	1,624	5.72%	4.7	63.2%	
12	Senior Loan	Various	SFR	2/11/2020	9,583	1,521	6.10%	7.3	72.1%	
13	Senior Loan	Various	SFR	2/11/2020	8,970	1,431	5.88%	7.5	54.9%	
14	Senior Loan	Various	SFR	2/11/2020	8,173	1,300	5.85%	7.3	71.1%	
15	Senior Loan	Various	SFR	2/11/2020	7,785	1,240	5.47%	7.6	55.6%	
16	Senior Loan	Various	SFR	2/11/2020	7,659	1,216	5.34%	7.6	72.6%	
17	Senior Loan	Various	SFR	2/11/2020	7,500	1,184	5.08%	7.0	55.8%	
18	Senior Loan	Various	SFR	2/11/2020	6,734	1,067	5.46%	7.7	70.7%	
19	Senior Loan	Various	SFR	2/11/2020	6,213	983	4.83%	7.3	71.6%	
20	Senior Loan	Various	SFR	2/11/2020	6,596	991	5.47%	2.6	67.5%	
21	Senior Loan	Various	SFR	2/11/2020	5,760	914	5.99%	7.4	70.0%	
22	Senior Loan	Various	SFR	2/11/2020	5,594	884	5.24%	7.3	56.6%	
23	Senior Loan	Various	SFR	2/11/2020	5,530	802	5.33%	2.1	66.0%	
24	Senior Loan	Various	SFR	2/11/2020	5,299	840	5.46%	7.5	72.6%	
25	Senior Loan	Various	SFR	2/11/2020	4,715	747	5.35%	7.6	73.7%	
	Total SFR				**837,362**	**131,801**	**4.89%**	**7.0**	**66.9%**	

*SEE FOOTNOTES ON FOLLOWING PAGE

PORTFOLIO

$s IN 0,000s EXCEPT PER SHARE DATA

#	Investment[1]	Location	Property Type	Investment Date	Current Principal	Net Equity[2]	Coupon[3]	Remaining Term[4]	Loan to Value	DSCR
1	CMBS B-Piece	Various	Multifamily	2/11/2020	$61,246[5]	$30,317	6.10%[6]	4.7	64.6%	
2	CMBS B-Piece	Various	Multifamily	2/11/2020	49,759[5]	24,808	6.10%[6]	5.4	65.1%	
3	CMBS B-Piece	Various	Multifamily	4/23/2020	81,999[5]	32,049	3.62%[7]	8.7	63.8%	
4	CMBS B-Piece	Various	Multifamily	7/30/2020	64,093[5]	31,255	9.10%[8]	6.0	65.2%	
5	CMBS B-Piece	Various	Multifamily	8/6/2020	108,641[5]	26,633	11.43%[9]	9.0	69.0%	
6	CMBS B-Piece	Various	Multifamily	4/20/2021	76,047[5]	34,221	6.30%[10]	9.7	70.3%	
7	CMBS B-Piece	Various	Multifamily	6/30/2021	98,305[5]	65,683	6.88%[11]	5.5	67.3%	
	Total CMBS B-Pieces				**540,089[5]**	**244,966**	**7.30%**	**7.2**	**66.8%**	
1	CMBS IO Strip	Various	Multifamily	5/18/2020	$2,456[12]	$896	2.09%	25.2	66.2%	
2	CMBS IO Strip	Various	Multifamily	8/6/2020	8,416[12]	2,799	0.10%	9.0	69.0%	
3	CMBS IO Strip	Various	Multifamily	8/6/2020	23,392[12]	8,452	3.09%	9.0	69.0%	
4	CMBS IO Strip	Various	Multifamily	4/28/2021	7,810[12]	1,937	1.71%	8.6	63.8%	
5	CMBS IO Strip	Various	Multifamily	5/27/2021	5,006[12]	1,501	3.50%	8.9	67.8%	
6	CMBS IO Strip	Various	Multifamily	6/7/2021	632[12]	208	2.39%	7.4	64.0%	
7	CMBS IO Strip	Various	Multifamily	6/11/2021	5,571[12]	2,023	1.25%	7.4	64.1%	
8	CMBS IO Strip	Various	Multifamily	6/21/2021	2,085[12]	740	1.31%	7.4	64.6%	
	Total CMBS IO Strip				**55,367**	**18,555**	**2.17%**	**9.4**	**67.3%**	
1	Mezzanine	Houston, TX	Multifamily	6/12/2020	$7,500	$7,500	11.00%[13]	2.0	79.3	
2	Mezzanine	Philadelphia, PA	Multifamily	10/20/2020	14,253	5,997	7.59%	7.9	89.4	
3	Mezzanine	Laurel, MD	Multifamily	10/20/2020	12,000	5,035	7.71%	9.8	84.9	
4	Mezzanine	White Marsh, MD	Multifamily	10/20/2020	10,380	4,355	7.42%	10.0	84.8	
5	Mezzanine	Cockeysville, MD	Multifamily	10/20/2020	9,610	4,032	7.42%	10.0	84.3	
6	Mezzanine	Laurel, MD	Multifamily	10/20/2020	7,390	3,101	7.42%	10.0	80.3	
7	Mezzanine	North Aurora, IL	Multifamily	10/20/2020	6,829	2,861	7.53%	7.5	71.0	
8	Mezzanine	Lakewood, NJ	Multifamily	10/20/2020	5,540	2,321	7.33%	7.8	81.1	
9	Mezzanine	Wilmington, DE	Multifamily	10/20/2020	5,470	2,292	7.50%	7.8	89.3	
10	Mezzanine	Urbandale, IA	Multifamily	10/20/2020	4,010	1,680	7.89%	7.4	83.8	

*SEE FOOTNOTES ON FOLLOWING PAGE

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PORTFOLIO

$s IN 0,000s EXCEPT PER SHARE DATA

#	Investment[1]	Location	Property Type	Investment Date	Current Principal	Net Equity[2]	Coupon[3]	Remaining Term[4]	Loan to Value	DSCR
11	Mezzanine	Daytona Beach, FL	Multifamily	10/20/2020	3,700	1,550	7.83%	7.3	81.5%	
12	Mezzanine	Rosedale, MD	Multifamily	10/20/2020	3,620	1,519	7.42%	10.0	83.3%	
13	Mezzanine	Atlanta, GA	Multifamily	10/20/2020	3,310	1,387	6.91%	8.0	80.3%	
14	Mezzanine	Temple Hills, MD	Multifamily	10/20/2020	3,000	1,259	7.32%	10.1	83.1%	
15	Mezzanine	Des Moines, IA	Multifamily	10/20/2020	2,880	1,207	7.89%	7.4	81.6%	
16	Mezzanine	Tyler, TX	Multifamily	10/20/2020	2,135	894	7.74%	7.3	83.1%	
17	Mezzanine	Temple Hills, MD	Multifamily	10/20/2020	1,500	629	7.22%	10.1	78.6%	
18	Mezzanine	Las Vegas, NV	Multifamily	10/20/2020	1,190	499	7.71%	7.7	75.5%	
19	Mezzanine	Vancouver, WA	Multifamily	10/20/2020	1,082	454	8.70%	9.3	84.3%	
20	Mezzanine	Los Angeles, CA	Multifamily	1/21/2021	24,844	24,414	13.25%[14]	2.6	N/A	
21	Mezzanine	Los Angeles, CA	Multifamily	1/21/2021	1,541	1,514	13.25%[14]	0.6	N/A	
	Total Mezzanine				**131,784**	**74,501**	**8.88%**	**7.1**	**83.1%**	
1	Preferred Equity	Jackson, MS	Multifamily	2/11/2020	$5,056	$5,267	12.50%	6.4	75.6%	
2	Preferred Equity	Houston, TX	Multifamily	5/29/2020	10,000	10,000	11.00%	8.8	82.9%	
	Total Preferred Equity				**15,056**	**15,267**	**11.50%**	**8.0**	**80.4%**	
1	Common Stock	N/A	Self-Storage	11/6/2020	N/A	$47,959	N/A	N/A	N/A	
	Portfolio Total				**$1,579,657**	**$533,049**	**6.01%**	**7.2**	**66.9%**	**2.07x**

(1) OUR TOTAL PORTFOLIO REPRESENTS THE CURRENT PRINCIPAL AMOUNT OF THE CONSOLIDATED SFR LOANS, THE MEZZANINE LOAN, PREFERRED EQUITY, AND COMMON STOCK AS WELL AS THE NET EQUITY OF OUR CMBS B-PIECE INVESTMENTS.
(2) NET EQUITY REPREESENTS THE CARRYING VALUE LESS BORROWINGS.
(3) THE WEIGHTED AVERAGE COUPON IS WEIGHTED ON THE CURRENT PRINCIPAL BALANCE.
(4) THE WEIGHTED AVERAGE LIFE IS WEIGHTED ON THE CURRENT PRINCIPAL BALANCE AND ASSUMES NO PREPAYMENTS. THE MATURITY DATE USED FOR PREFERRED EQUITY INVESTMENTS REPRESENTS THE MATURITY DATE OF THE SENIOR MORTGAGE, AS THE PREFERRED EQUITY INVESTMENTS HAVE NO STATED MATURITY DATE AND 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) FLOATING RATE CMBS B-PIECE YIELDS 1M LIBOR PLUS 600 BPS. AS OF JUNE 30, 2021, 1M LIBOR WAS 0.1005%.
(7) FIXED RATE CMBS B-PIECE HAS A BOND EQUIVALENT YIELD OF APPROXIMATELY 10.75%, WAC OF 3.62% AND CURRENT YIELD OF 6.10%.
(8) FLOATING RATE CMBS B-PIECE YIELDS 1M LIBOR PLUS 900BPS. AS OF JUNE 30, 2021, 1M LIBOR WAS 0.1005%.
(9) REPRESENTS THE BOND EQUIVALENT YIELD FOR THE FIXED RATE CMBS B-PIECE.
(10) FLOATING RATE CMBS B-PIECE YIELDS 30-DAY AVERAGE SOFR PLUS 625BPS. AS OF JUNE 30, 2021, SOFR WAS 0.05%.
(11) REPRESENTS THE BOND EQUIVALENT YIELD FOR THE FIXED RATE CMBS B-PIECE.
(12) CURRENT PRINCIPAL FOR CMBS IO STRIPS ARE SHOWN AS CURRENT COST
(13) MEZZANINE INVESTMENT IS FIXED AND PAYS 6.5% CURRENT INTEREST, PAID MONTHLY, WITH THE REMAINING 4.50% ACCRUING AND DUE AT MATURITY
(14) MEZZANINE INVESTMENT YIELDS WSJ PRIME PLUS 1000 BPS. AS OF JUNE 30, 2021, WSJ PRIME WAS 3.25%

2Q 2021 HIGHLIGHTS

FINANCIAL

- 2Q 2021 net income of $12.3MM, with net income attributable to common stockholders of $5.5MM, or $0.58 per diluted common share; compared to net income of $25.1MM with net income attributable to common stockholders of $8.4MM, or $1.26 per diluted common share in 1Q 2021[1]
- 2Q 2021 earnings available for distribution of $3.4MM, or $0.59 per diluted common share compared to $2.9MM, or $0.53 per diluted common share in 1Q 2021[2]
- Book value of $393.1MM, or $20.38 per common share, including redeemable non-controlling interests in the Operating Partnership and excluding Series A Preferred Stock; a 0.2% increase over 1Q 2021 book value on a per share basis
- Paid a 2Q 2021 dividend of $0.475 per common share on June 30, 2021
- Announced 3Q 2021 dividend of $0.475 per common share to be paid on September 30, 2021

PORTFOLIO

- Outstanding total portfolio of $1.6B, comprised of 64 investments [3]
- SFR and multifamily represent 100% of our debt portfolio
- Weighted average loan to value ("LTV") [4] and debt service coverage ratio ("DSCR") on our SFR, CMBS, CMBS IO strips, preferred and mezz investments are 66.9% and 2.07x[3], respectively
- As of July 28, 2021, there are no loans currently in forbearance in our portfolio, unchanged from the end of the first quarter 2021
- During 2Q 2021 we purchased five CMBS IO strips with an aggregate notional amount of $199.3MM
- During 2Q 2021 we sold three CMBS IO strips generating total sales proceeds of $3.9MM
- On April 29, 2021, we closed a floating rate Freddie Mac K-Series B-Piece, with an estimated current yield of SOFR + 625bps
- On June 1, 2021, a $15.3MM single-family rental first mortgage loan was repaid in full
- On June 10, 2021, a preferred equity investment with a par value of $3.8MM was paid off in full. The realized IRR and MOIC was 15.25% and 2.12x, respectively
- On June 30, 2021, we purchased 90% of a fixed rate Freddie Mac K-Series B-Piece on the secondary market, with an estimated yield of 688bps

CAPITALIZATION

- As of June 30, 2021, the Company's debt to book value ratio was 2.54x
- Secured credit facility, matched in structure and term of the underlying SFR loans, with a weighted average remaining term of 7.0 years as of June 30, 2021
- On April 20, 2021, NREF issued $75.0MM of 5.75% Senior Unsecured Notes due 2026
- As of July 28, 2021, outstanding repo financing was $221.3MM, which equates to 53.5% advance rate on our CMBS B-Piece and IO Strip portfolio[5]
- As of July 28, 2021, NREF has issued 408,410 shares of its common stock through the Company's at-the-market (ATM) offering at an average gross price of $20.61 share, for approximately $7.7MM of cash proceeds

(1) DILUTED EPS INCLUDES THE DILUTIVE EFFECT OF THE REDEEMABLE NON-CONTROLLING INTERESTS
(2) EARNINGS AVAILABLE FOR DISTRIBUTION PER DILUTED SHARE DOES NOT INCLUDE THE DILUTIVE EFFECT OF THE REDEEMABLE NON-CONTROLLING INTERESTS. SEE "RECONCILIATIONS" SLIDE
(3) AS OF JUNE 30, 2021 AND CMBS B-PIECES REFLECTED ON AN UNCONSOLIDATED BASIS
(4) LOAN TO VALUE IS GENERALLY BASED ON THE INITIAL LOAN AMOUNT DIVIDED BY THE AS –IS APPRAISED VALUE AS OF THE DATE THE LOAN WAS ORIGINATED OR BY THE CURRENT PRINCIPAL AMOUNT AS OF THE DATE OF THE MOST RECENT AS-IS APPRAISED VALUE. FOR OUR CMBS B-PIECES, LTV IS BASED ON THE WEIGHTED AVERAGE LTV OF THE UNDERLYING LOAN POOL.
(5) BASED ON ACTUAL COLLATERAL POSTED

INCOME STATEMENT AND BALANCE SHEET

$s IN 0,000s EXCEPT PER SHARE DATA OR AS OTHERWISE INDICATED

Income Statement

For the three months ended	June 30, 2021	March 31, 2021
Interest income	$12,879	$12,649
Interest expense	(7,589)	(6,497)
Net interest income	5,290	6,152
Other income (loss)	10,576	22,290
Total operating expenses	(3,613)	(3,372)
Net income	**12,253**	**25,070**
Preferred stock dividends	(878)	(874)
Net income attributable to redeemable NCI	(5,833)	(15,829)
Net income attributable to common stockholders	**$5,542**	**$8,367**
Weighted average common shares outstanding, diluted[1]	19,603	19,199
Net income per share, diluted	**$0.58**	**$1.26**

Balance Sheet

	June 30, 2021	December 31, 2020
Cash and cash equivalents	$29,988	$30,241
Restricted cash	690	3,230
Loans, held-for-investment, net	149,683	127,777
Common stock, at fair value	47,959	44,626
Mortgage loans, held-for-investment, net	896,746	918,114
Accrued interest and dividends	5,722	5,078
Mortgage loans held in variable interest entities, at fair value	7,348,132	5,007,515
CMBS structured pass-through certificates, at fair value	55,758	38,984
Other Assets	1,453	745
Total Assets	**$8,536,131**	**$6,176,310**
Secured financing agreements, net	$825,286	$840,453
Master repurchase agreements	177,625	161,465
Unsecured Notes, net	107,861	34,960
Accounts payable and other accrued liabilities	4,547	1,779
Accrued interest payable	3,312	2,311
Due to brokers for securities purchased, not yet settled	67,523	-
Bonds payable held in variable interest entities, at fair value	6,912,442	4,731,429
Total Liabilities	**8,098,596**	**5,772,397**
Redeemable NCI in the Operating Partnership	285,509	275,670
Total Stockholders Equity	152,026	128,243
Total Liabilities and Stockholders' Equity	**$8,536,131**	**$6,176,310**
Common shares outstanding	5,499	5,023
Redeemable Sub OP units	13,787	13,787
Combined book value per share	**$20.38**	**$19.48**

(1) JUNE 30, 2021, DILUTED EPS INCLUDES THE DILUTIVE EFFECT OF THE REDEEMABLE NON-CONTROLLING INTERESTS

RECONCILIATIONS

$s IN 0,000s EXCEPT PER SHARE DATA OR AS OTHERWISE INDICATED

Reconciliation of Net Income (Loss) to Earnings Available for Distribution

	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Net income attributable to common stockholders	$5,542	$8,367	$9,320	$2,862	$5,270	$(6,353)
Adjustments:						
Amortization of stock-based compensation	557	391	256	252	39	-
Loan loss provision, net	-	38	25	(12)	23	59
One-time non-cash items[1]	-	-	(1,053)	-	-	-
Unrealized (gains) or losses	(2,659)	(5,927)	(5,571)	(777)	(3,387)	7,473
Earnings Available for Distribution	**$3,440**	**$2,869**	**$2,977**	**$2,325**	**$1,944**	**$1,179**
Weighted average common shares outstanding, basic	5,306	5,023	5,087	5,261	5,263	5,223
Weighted average common shares outstanding, diluted[2]	5,815	5,411	5,377	5,550	5,292	5,223
EAD per diluted weighted average share	**$0.59**	**$0.53**	**$0.55**	**$0.42**	**$0.37**	**$0.23**
Dividend per common share	**$0.475**	**$0.475**	**$0.40**	**$0.40**	**$0.40**	**$0.22**
EAD dividend coverage ratio	**1.24x**	**1.12x**	**1.38x**	**1.05x**	**0.93x**	**1.05x**

(1) ONE-TIME NON-CASH ITEM IS MAKE-WHOLE PREMIUM APPLICABLE TO COMMON SHAREHOLDERS IN THE PREFERRED STOCK INVESTMENT CONVERSION TO COMMON STOCK.
(2) WEIGHTED AVERAGE DILUTED SHARES OUTSTANDING DOES NOT INCLUDE DILUTIVE EFFECT OF REDEEMABLE NON-CONTROLLING INTERESTS

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RECONCILIATIONS

$s IN 0,000s EXCEPT PER SHARE DATA OR AS OTHERWISE INDICATED

Reconciliation of Earnings Available for Distribution to CAD

	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Earnings Available for Distribution	$3,440	$2,869	$2,977	$2,325	$1,944	$1,179
Adjustments:						
Amortization of premiums	866	618	681	628	555	294
Accretion of discounts	(895)	(676)	(646)	(282)	(113)	-
Stock dividends received	-	-	(193)	(155)	(171)	-
Cash Available for Distribution	**$3,411**	**$2,811**	**$2,819**	**$2,515**	**$2,215**	**$1,473**
Weighted average common shares outstanding, basic	5,306	5,023	5,087	5,261	5,263	5,223
Weighted average common shares outstanding, diluted[1]	5,815	5,411	5,377	5,550	5,292	5,223
CAD per diluted weighted average share	**$0.59**	**$0.52**	**$0.52**	**$0.45**	**$0.42**	**$0.28**
Dividend per common share	**$0.475**	**$0.475**	**$0.40**	**$0.40**	**$0.40**	**$0.22**
CAD dividend coverage ratio	**1.24x**	**1.09x**	**1.30x**	**1.13x**	**1.05x**	**1.27x**

(1) WEIGHTED AVERAGE DILUTED SHARES OUTSTANDING DOES NOT INCLUDE DILUTIVE EFFECT OF REDEEMABLE NON-CONTROLLING INTERESTS

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