# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**PURSUANT TO SECTION 13 OR 15(D) OF THE**
**SECURITIES EXCHANGE ACT OF 1934**
**Date of report (Date of earliest event reported): February 24, 2022**

# NETSTREIT Corp.
**(Exact Name of Registrant as Specified in its Charter)**

| Maryland | 001-39443 | 84-3356606 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|---|
| **2021 McKinney Avenue**<br>**Suite 1150**<br>**Dallas, Texas** | **75201** |
| (Address of Principal Executive Offices) | (Zip Code) |

**972-200-7100**
(Registrant's telephone number, including area code)
Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value per share | NTST | The New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

**Item 2.02. Results of Operations and Financial Condition.**

On February 24, 2022, NETSTREIT Corp. (the "Company") issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

*The information contained in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended ("Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.*

**Item 7.01. Regulation FD Disclosure.**

On February 24, 2022, the Company furnished supplemental financial information for the fourth quarter and full year ended December 31, 2021. Also on February 24, 2022, the Company furnished an updated investor presentation. The supplemental financial information and investor presentation are attached hereto as Exhibits 99.2 and 99.3, respectively, and incorporated by reference herein. The supplemental information and investor presentation also are available on the "Investors / Events & Presentations" page of the Company's website at www.netstreit.com. The information found on, or otherwise accessible through, the Company's website is not incorporated by reference herein.

*The information contained in Exhibits 99.2 and 99.3 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.*

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release dated February 24, 2022 |
| 99.2 | Fourth quarter 2021 supplemental financial information |
| 99.3 | Fourth quarter 2021 investor presentation |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

**SIGNATURE**

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 hereunto duly authorized.

**NETSTREIT Corp.**

| | |
|---|---|
| February 24, 2022 | /s/ ANDREW BLOCHER |
| Date | Andrew Blocher<br>Chief Financial Officer, Treasurer and Secretary<br>(Principal Executive Officer) |

**NETSTREIT REPORTS FOURTH QUARTER AND FULL YEAR 2021 FINANCIAL AND OPERATING RESULTS**

**– Reports Net Income of $0.05 and $0.08 and Adjusted Funds from Operations ("AFFO") of $0.27 and $0.94 per diluted share, for the Fourth Quarter and Full Year 2021, respectively –**

**– Completed $413.7 Million of Net Acquisitions in 2021 –**

**– Subsequent to Year End, Completed Forward Common Stock Offering of 10,350,000 Shares –**

**Dallas TX – February 24, 2022 – NETSTREIT** (NYSE: NTST) (the "Company"), today announced financial and operating results for the fourth quarter and full year ended December 31, 2021.

"We are extremely proud of our accomplishments in 2021. We grew our portfolio to 327 properties, increased our annual base rent by more than 70% from the previous year, to $71.2 million, and increased our combined investment grade and investment grade profile to 81.6% of the portfolio," said Mark Manheimer, Chief Executive Officer of NETSTREIT. "Further, over the past 12 months, we have completed over $500 million of equity issuances to both maintain our strong balance sheet and fuel accretive growth. We continue to see vast opportunities in the market and are optimistic for continued expansion in 2022."

FOURTH QUARTER AND FULL YEAR 2021 HIGHLIGHTS

- Reported net income per diluted share of $0.05, Core Funds from Operations ("Core FFO")[1] per diluted share of $0.25[2] and AFFO per diluted share of $0.27[2] for the fourth quarter of 2021
- Reported net income per diluted share of $0.08, Core FFO per diluted share of $0.87[3] and AFFO per diluted share of $0.94[3] for the full year 2021

PORTFOLIO UPDATE

As of December 31, 2021, the NETSTREIT portfolio was comprised of 327 leases with 67 total tenants, contributing $71.2 million of annualized base rent[4], with a weighted-average remaining lease term of 9.9 years, of which 65.2% were leased to investment grade rated tenants and 16.4% were leased to tenants with investment grade profiles[5]. The portfolio was 100.0% occupied as of December 31, 2021. During the year, the Company increased its ABR over 70% from $41.8 million to $71.2 million, and increased its combined investment grade and investment grade profile percentage from 78.0% to 81.6%. The Company added 15 new tenants and three new states to its portfolio during the year.

INVESTMENT ACTIVITY

During the quarter ended December 31, 2021, the Company had total net investment activity of $159.8 million, which includes acquisitions of $150.5 million and ongoing development funding of $9.3 million. The Company completed $150.5 million of acquisitions in 32 properties at an initial cash capitalization rate of 6.5%. Acquisitions completed during the quarter had a weighted-average remaining lease term of 10.4 years, with 39.5% occupied by investment grade rated tenants and 18.4% occupied by tenants with investment grade profiles. The Company provided $9.3 million of ongoing development funding including funding to support five new developments for two investment grade tenants and three tenants with investment grade profiles, with estimated total project costs of $23.0 million. The Company had no dispositions in the fourth quarter.

During the year ended December 31, 2021, the Company completed $445.6 million of acquisitions in 124 properties at an initial cash capitalization rate, including acquisitions costs, of 6.5%. Acquisitions completed during the year had a weighted-average remaining lease term of 10.3 years, with 60.4% of properties occupied by investment grade rated tenants and 21.6% occupied by tenants with investment grade profiles. The Company provided $18.8 million of total development funding in 2021 for 10 projects during the year, with nine of the projects for investment grade tenants or tenants with investment grade profiles. During the same period, the Company sold nine properties for total proceeds of $31.9 million, at a cash capitalization rate of 6.5%.

BALANCE SHEET AND LIQUIDITY

During the year ended 2021, the Company completed the following equity issuances:

- In April, the Company issued 10,915,688 shares of common stock in a public offering at a price of $18.65 per share, resulting in gross proceeds of approximately $203.6 million
- In November, the Company issued 3,852,436 of common stock at a weighted average price of $23.36 per share for gross proceeds of approximately $90.0 million. Almost all of the ATM activity was the result of a reverse inquiry by a REIT dedicated investor.

At quarter end, total debt outstanding was $239.0 million, with a weighted average term of 2.7 years and a contractual interest rate, including the impact of the fixed rate swap, of 1.35% (excluding the impact of deferred fee amortization). The Company's net debt to annualized adjusted EBITDA ratio was 4.2x, and the ending cash balance was $7.6 million.

SUBSEQUENT ACTIVITY

In January, the Company completed its forward offering of 10,350,000 shares of common stock, which includes the full exercise of underwriters' option to purchase additional shares, at a price to the public of $22.25 per share. The Company will have until January 10, 2023 to settle its forward sales agreement. As of the date of this press release, the Company has not settled on any shares from the forward offering.

DIVIDEND

On February 22, 2022, the Company's Board of Directors declared a quarterly cash dividend of $0.20 per share for the first quarter of 2022, which will be paid on March 30, 2022 to shareholders of record on March 15, 2022.

2022 OUTLOOK

On January 5, 2022, the Company announced its full year 2022 AFFO per share guidance in the range of $1.13 to $1.17 per share. This AFFO guidance is based on the following assumptions:

- The Company expects acquisition activity, including completed developments and net of dispositions, to be at least $480.0 million in 2022
- The Company expects cash G&A to be in the range of $14.5 million to $15.0 million (inclusive of transaction costs), and expects non-cash compensation expense to be in the range of $5.0 million to $5.5 million
- The Company expects cash interest expense to be in the range of $5.0 million to $5.5 million, with approximately $0.6 million of additional non-cash deferred financing fee amortization
- Full year 2022 diluted weighted average shares outstanding, which includes the impact of OP units, are expected to be in the range of 52.0 million to 54.0 million shares

EARNINGS WEBCAST AND CONFERENCE CALL

A conference call will be held on Friday, February 25, 2022 at 10:00 AM ET. During the conference call the Company's officers will review fourth quarter performance, discuss recent events, and conduct a question and answer period.

The webcast will be accessible on the "Investor Relations" section of the Company's website at www.NETSTREIT.com. To listen to the live webcast, please go to the site at least fifteen minutes prior to the scheduled start time to register, as well as download and install any necessary audio software. A replay of the webcast will be available for 90 days on the Company's website shortly after the call.

The conference call can also be accessed by dialing 1-877-451-6152 for domestic callers or 1-201-389-0879 for international callers. A dial-in replay will be available starting shortly after the call until March 4, 2022, which can be accessed by dialing 1-844-512-2921 for domestic callers or 1-412-317-6671 for international callers. The passcode for this dial-in replay is 13725918.

SUPPLEMENTAL PACKAGE

The Company's supplemental package will be available prior to the conference call in the Investor Relations section of the Company's website at www.investors.netstreit.com.

**About NETSTREIT**

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

**Investor Relations**
ir@netstreit.com
972-597-4825

(1) Non-GAAP financial measure. See "Non-GAAP Financial Measures".

(2) Per share amounts include weighted average common shares of 41,859,168 and weighted average operating partnership units of 1,125,712 for the three-months ended December 31, 2021.

(3) Per share amounts include weighted average common shares of 36,999,459 and weighted average operating partnership units of 1,377,335 for the twelve-months ended December 31, 2021.

(4) Annualized base rent, or ABR, is calculated by multiplying (i) cash rental payments (a) for the month ended December 31, 2021 (or, if applicable, the next full month's cash rent contractually due in the case of rent abatements, rent deferrals, recently acquired properties and properties with contractual rent increases, other than properties under development) for leases in place as of December 31, 2021, plus (b) for properties under development, the first full month's permanent cash rent contractually due after the development period by (ii) 12).

(5) Unrated tenants with more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x.

NON-GAAP FINANCIAL MEASURES

This press release contains non-GAAP financial measures, including FFO, Core FFO, AFFO, EBITDA, EBITDAre, Adjusted EBITDAre, NOI, and Cash NOI. A reconciliation from net income available to common shareholders to each non-GAAP financial measure, and definitions of each non-GAAP measure, are included below.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements concerning our business and growth strategies, investment, financing and leasing activities and trends in our business, including trends in the market for single-tenant, retail commercial real estate. Words such as “expects,” “anticipates,” “intends,” “plans,” “likely,” “will,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this press release may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. For a further discussion of these and other factors that could impact future results, performance or transactions, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the “SEC”) on March 4, 2021 and other reports filed with the SEC from time to time. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release. New risks and uncertainties may arise over time and it is not possible for us to predict those events or how they may affect us. Many of the risks identified herein and in our periodic reports have been and will continue to be heightened as a result of the ongoing and numerous adverse effects arising from the novel coronavirus (COVID-19). We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.

**NETSTREIT CORP. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share data)
(Unaudited)

| | December 31, | |
|---|---|---|
| | 2021 | 2020 |
| **Assets** | | |
| Real estate, at cost: | | |
| Land | $ 299,935 | $ 189,373 |
| Buildings and improvements | 626,457 | 358,360 |
| Total real estate, at cost | 926,392 | 547,733 |
| Less accumulated depreciation | (30,669) | (10,111) |
| Property under development | 17,896 | — |
| Real estate held for investment, net | 913,619 | 537,622 |
| Assets held for sale | 2,096 | 14,802 |
| Cash, cash equivalents and restricted cash | 7,603 | 92,643 |
| Lease intangible assets, net | 124,772 | 75,024 |
| Other assets, net | 20,351 | 5,724 |
| Total assets | $ 1,068,441 | $ 725,815 |
| **Liabilities and equity** | | |
| Liabilities: | | |
| Term loan, net | $ 174,330 | $ 174,105 |
| Revolving credit facility | 64,000 | — |
| Lease intangible liabilities, net | 23,316 | 16,930 |
| Liabilities related to assets held for sale | — | 399 |
| Accounts payable, accrued expenses and other liabilities | 16,980 | 6,308 |
| Total liabilities | 278,626 | 197,742 |
| Commitments and contingencies | | |
| Equity: | | |
| Stockholders' equity | | |
| Common stock, $0.01 par value, 400,000,000 shares authorized; 44,223,050 and 28,203,545 shares issued and outstanding as of December 31, 2021 and 2020, respectively | 442 | 282 |
| Additional paid-in capital | 809,724 | 501,045 |
| Distributions in excess of retained earnings | (35,119) | (7,464) |
| Accumulated other comprehensive income | 4,123 | 235 |
| Total stockholders' equity | 779,170 | 494,098 |
| Noncontrolling interests | 10,645 | 33,975 |
| Total equity | 789,815 | 528,073 |
| Total liabilities and equity | $ 1,068,441 | $ 725,815 |

## NETSTREIT CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands, except share and per share data)
(Unaudited)

| | Successor | | | Predecessor |
|---|---|---|---|---|
| | Year Ended December 31, | | For the Period from December 23 to December 31, | For the Period from January 1 to December 22, |
| | 2021 | 2020 | 2019 | |
| **Revenues** | | | | |
| Rental revenue (including reimbursable) | $ 59,140 | $ 33,727 | $ 513 | $ 19,805 |
| **Operating expenses** | | | | |
| Property | 5,803 | 2,569 | 52 | 1,113 |
| General and administrative | 14,810 | 11,340 | 49 | 3,555 |
| Depreciation and amortization | 30,807 | 15,459 | 195 | 10,422 |
| Provisions for impairment | 3,539 | 2,690 | — | 7,186 |
| Transaction costs | 700 | 3,169 | 2 | 535 |
| Total operating expenses | 55,659 | 35,227 | 298 | 22,811 |
| **Other income (expense)** | | | | |
| Interest expense, net | (3,700) | (4,741) | (173) | (10,712) |
| Gain on sales of real estate, net | 2,997 | 6,213 | — | 5,646 |
| Gain on forfeited earnest money deposit | — | 250 | — | — |
| Other income (expense), net | 431 | (10) | — | — |
| Total other income (expense), net | (272) | 1,712 | (173) | (5,066) |
| Net income (loss) before income tax expense | 3,209 | 212 | 42 | (8,072) |
| Income tax expense | (59) | — | — | — |
| **Net income (loss)** | 3,150 | 212 | 42 | (8,072) |
| Net income (loss) attributable to noncontrolling interests | 104 | (518) | 14 | — |
| Preferred stock dividends | — | 42 | — | — |
| **Net income (loss) attributable to common stockholders** | $ 3,046 | $ 688 | $ 28 | $ (8,072) |
| Amounts available to common stockholders per common share: | | | | |
| Basic | $ 0.08 | $ 0.04 | $ — | N/A |
| Diluted | $ 0.08 | $ 0.01 | $ — | N/A |
| Weighted average common shares: | | | | |
| Basic | 36,999,459 | 17,322,182 | 8,860,760 | N/A |
| Diluted | 38,672,565 | 21,157,996 | 8,860,760 | N/A |
| Other comprehensive income (loss): | | | | |
| Net income (loss) | $ 3,150 | $ 212 | $ 42 | $ (8,072) |
| Change in value on derivatives, net | 4,057 | 253 | — | 55 |
| Total comprehensive income (loss) | $ 7,207 | $ 465 | $ 42 | $ (8,017) |
| Comprehensive income (loss) attributable to noncontrolling interests | 273 | (500) | 14 | — |
| **Comprehensive income (loss) attributable to common stockholders** | $ 6,934 | $ 965 | $ 28 | $ (8,017) |

## NETSTREIT CORP. AND SUBSIDIARIES

## RECONCILIATION OF NET INCOME TO FFO, CORE FFO AND ADJUSTED FFO

(in thousands, except share and per share data)
(Unaudited)

| | Successor | |
|---|---|---|
| | Year Ended December 31, | |
| | 2021 | 2020 |
| Net income | $ 3,150 | $ 212 |
| Depreciation and amortization of real estate | 30,491 | 15,154 |
| Provisions for impairment | 3,539 | 2,690 |
| Gain on sales of real estate, net | (2,997) | (6,213) |
| FFO | 34,183 | 11,843 |
| Adjustments: | | |
| Gain on forfeited earnest money deposit | — | (250) |
| 144A and IPO transaction costs (1) | — | 2,170 |
| Gain on insurance proceeds | (438) | — |
| Core FFO | 33,745 | 13,763 |
| Adjustments: | | |
| Straight-line rental revenue | (1,082) | (1,688) |
| Amortization of deferred financing costs | 627 | 621 |
| Amortization of above/below market lease intangibles | (808) | (504) |
| Amortization of lease incentives | 122 | — |
| Capitalized interest expense | (78) | — |
| Non-cash compensation expense | 3,703 | 2,452 |
| AFFO | $ 36,229 | $ 14,644 |
| | | |
| Weighted average common shares outstanding, basic | 36,999,459 | 17,322,182 |
| Weighted average operating partnership units outstanding | 1,377,335 | 3,807,022 |
| Weighted average dilutive securities | 295,771 | 28,792 |
| Weighted average common shares outstanding, diluted | 38,672,565 | 21,157,996 |
| | | |
| FFO per common share, diluted | $ 0.88 | $ 0.56 |
| Core FFO per common share, diluted | $ 0.87 | $ 0.65 |
| AFFO per common share, diluted | $ 0.94 | $ 0.69 |

## NETSTREIT CORP. AND SUBSIDIARIES

## RECONCILIATION OF NET INCOME TO EBITDA, EBITDA*re* AND ADJUSTED EBITDA*re*

(in thousands, except share and per share data)
(Unaudited)

| | Successor | |
|---|---|---|
| | Year Ended December 31, | |
| | 2021 | 2020 |
| Net income | $ 3,150 | $ 212 |
| Depreciation and amortization of real estate | 30,491 | 15,154 |
| Amortization of above/below market lease intangibles | (808) | (504) |
| Amortization of lease incentives | 122 | — |
| Non-real estate depreciation and amortization | 316 | 305 |
| Interest expense, net | 3,700 | 4,741 |
| Income tax expense | 59 | — |
| EBITDA | 37,030 | 19,908 |
| Adjustments: | | |
| Provisions for impairment | 3,539 | 2,690 |
| Gain on sales of real estate, net | (2,997) | (6,213) |
| EBITDAre | 37,572 | 16,385 |
| Adjustments: | | |
| Straight-line rental revenue | (1,082) | (1,688) |
| Gain on forfeited earnest money deposit | — | (250) |
| 144A and IPO transaction costs [1] | — | 2,170 |
| Gain on insurance proceeds | (438) | — |
| Non-cash compensation expense | 3,703 | 2,452 |
| Adjusted EBITDAre | $ 39,755 | $ 19,069 |

**NETSTREIT CORP. AND SUBSIDIARIES**

**RECONCILIATION OF NET INCOME TO NOI AND CASH NOI**

(in thousands, except share and per share data)
(Unaudited)

| | Successor | |
|---|---|---|
| | Year Ended December 31, | |
| | 2021 | 2020 |
| Net income | $ 3,150 | $ 212 |
| General and administrative | 14,810 | 11,340 |
| Depreciation and amortization | 30,807 | 15,459 |
| Provisions for impairment | 3,539 | 2,690 |
| Transaction costs | 700 | 3,169 |
| Interest expense, net | 3,700 | 4,741 |
| Gain on sales of real estate, net | (2,997) | (6,213) |
| Gain on forfeited earnest money deposit | — | (250) |
| Income tax expense | 59 | — |
| Other income (expense), net | (431) | 10 |
| NOI | 53,337 | 31,158 |
| Straight-line rental revenue | (1,082) | (1,688) |
| Amortization of above/below market lease intangibles | (808) | (504) |
| Amortization of lease incentives | 122 | — |
| Cash NOI | $ 51,569 | $ 28,966 |

NON-GAAP FINANCIAL MEASURES

FFO, Core FFO and AFFO

FFO is a non-GAAP financial measure defined by NAREIT as net income (computed in accordance with GAAP), excluding real estate-related expenses including, but not limited to, gains (losses) from sales, impairment adjustments, and depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Our calculation of FFO is consistent with FFO as defined by NAREIT.

Core FFO is a non-GAAP financial measure defined as FFO adjusted for gains from forfeited earnest money deposits, non-recurring public company costs, and gains on insurance proceeds. We believe the presentation of Core FFO provides investors with a metric to assist in their evaluation of our operating performance across multiple periods because it removes the effect of unusual and non-recurring items that are not expected to impact our operating performance on an ongoing basis.

AFFO is a non-GAAP financial measure defined as Core FFO adjusted for GAAP net income related to non-cash revenues and expenses, such as straight-line rent, amortization of above- and below-market lease-related intangibles, amortization of lease incentives, capitalized interest expense, non-cash compensation expense, and amortization of deferred financing costs.

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. In fact, real estate values historically have risen or fallen with market conditions. FFO is intended to be a standard supplemental measure of operating performance that excludes historical cost depreciation and valuation adjustments from net income. We consider FFO to be useful in evaluating potential property acquisitions and measuring operating performance. We further consider Core FFO and AFFO to be useful in determining funds available for payment of distributions. FFO, Core FFO and AFFO do not represent net income or cash flows from operations as defined by GAAP. You should not consider FFO, Core FFO and AFFO to be alternatives to net income as a reliable measure of our operating performance; nor should you consider FFO, Core FFO and AFFO to be alternatives to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity.

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

EBITDA, EBITDAre and Adjusted EBITDAre

We compute EBITDA as earnings before interest, income taxes and depreciation and amortization. In 2017, NAREIT issued a white paper recommending that companies that report EBITDA also report EBITDAre. We compute EBITDAre in accordance with the definition adopted by NAREIT. NAREIT defines EBITDAre as EBITDA (as defined above) excluding gains (or losses) from the sales of depreciable property and real estate impairment losses.

Adjusted EBITDAre is a non-GAAP financial measure defined as EBITDAre further adjusted to exclude straight-line rent, gains from forfeited earnest money deposits, non-recurring public company costs, representing consulting fees that we incurred in preparing to become a public company, gains on insurance proceeds, and non-cash compensation expense.

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

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

NOI and Cash NOI

NOI and Cash NOI are non-GAAP financial measures which we use to assess our operating results. We compute NOI as net income (loss) (computed in accordance with GAAP), excluding general and administrative expenses, interest expense (or income), income tax expense, depreciation and amortization, gains (or losses) on sales of depreciable property, gain from forfeited earnest money deposits, real estate impairment losses, and other income (or expense). We further adjust NOI for non-cash revenue components of straight-line rent and amortization of lease intangibles and lease incentives to derive Cash NOI. We believe NOI and Cash NOI provide useful and relevant information because they reflect only those income and expense items that are incurred at the property level and present such items on an unlevered basis.

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

(1) These expenses represent a subset of transaction costs as presented on the consolidated statements of operations and comprehensive income (loss).


# NETSTREIT

Fourth Quarter and Full Year 2021
**Supplemental Financial Information**

# Table of Contents

# Corporate Overview

## Corporate Profile

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

## Management Team

**Mark Manheimer**, Chief Executive Officer
**Andy Blocher**, Chief Financial Officer
**Jeff Fuge**, Senior Vice President of Acquisitions
**Randy Haugh**, Senior Vice President of Finance
**Kirk Klatt**, Senior Vice President of Real Estate
**Trish McBratney**, SVP, Chief Accounting Officer
**Chad Shafer**, Senior Vice President of Underwriting

## Board of Directors

**Todd Minnis** – Chair
**Matthew Troxell** – Lead Independent
**Michael Christodolou**
**Heidi Everett**
**Mark Manheimer**
**Lori Wittman**
**Robin Zeigler**

## Corporate Headquarters

2021 McKinney Avenue
Suite 1150
Dallas, Texas, 75201
Phone: (972) 579 – 4825
Website: www.netstreit.com

## Transfer Agent

Computershare
PO Box 505000
Louisville, Kentucky 40233
Phone: (866) 637 – 9460
Website: www.computershare.com

**NETSTREIT REPORTS FOURTH QUARTER AND FULL YEAR 2021 FINANCIAL AND OPERATING RESULTS**

**– Reports Net Income of $0.05 and $0.08 and Adjusted Funds from Operations ("AFFO") of $0.27 and $0.94 per diluted share, for the Fourth Quarter and Full Year 2021, respectively –**

**– Completed $413.7 Million of Net Acquisitions in 2021 –**

**– Subsequent to Year End, Completed Forward Common Stock Offering of 10,350,000 Shares –**

**Dallas TX – February 24, 2022 – NETSTREIT** (NYSE: NTST) (the "Company"), today announced financial and operating results for the fourth quarter and full year ended December 31, 2021.

"We are extremely proud of our accomplishments in 2021. We grew our portfolio to 327 properties, increased our annual base rent by more than 70% from the previous year, to $71.2 million, and increased our combined investment grade and investment grade profile to 81.6% of the portfolio," said Mark Manheimer, Chief Executive Officer of NETSTREIT. "Further, over the past 12 months, we have completed over $500 million of equity issuances to both maintain our strong balance sheet and fuel accretive growth. We continue to see vast opportunities in the market and are optimistic for continued expansion in 2022."

**FOURTH QUARTER AND FULL YEAR 2021 HIGHLIGHTS**

- Reported net income per diluted share of $0.05, Core Funds from Operations ("Core FFO")[1] per diluted share of $0.25[2] and AFFO per diluted share of $0.27[2] for the fourth quarter of 2021
- Reported net income per diluted share of $0.08, Core FFO per diluted share of $0.87[3] and AFFO per diluted share of $0.94[3] for the full year 2021

**PORTFOLIO UPDATE**

As of December 31, 2021, the NETSTREIT portfolio was comprised of 327 leases with 67 total tenants, contributing $71.2 million of annualized base rent[4], with a weighted-average remaining lease term of 9.9 years, of which 65.2% were leased to investment grade rated tenants and 16.4% were leased to tenants with investment grade profiles[5]. The portfolio was 100.0% occupied as of December 31, 2021. During the year, the Company increased its ABR over 70% from $41.8 million to $71.2 million, and increased its combined investment grade and investment grade profile percentage from 78.0% to 81.6%. The Company added 15 new tenants and three new states to its portfolio during the year.

**INVESTMENT ACTIVITY**

During the quarter ended December 31, 2021, the Company had total net investment activity of $159.8 million, which includes acquisitions of $150.5 million and ongoing development funding of $9.3 million. The Company completed $150.5 million of acquisitions in 32 properties at an initial cash capitalization rate of 6.5%. Acquisitions completed during the quarter had a weighted-average remaining lease term of 10.4 years, with 39.5% occupied by investment grade rated tenants and 18.4% occupied by tenants with investment grade profiles. The Company provided $9.3 million of ongoing development funding including funding to support five new developments for two investment grade tenants and three tenants with investment grade profiles, with estimated total project costs of $23.0 million. The Company had no dispositions in the fourth quarter.

During the year ended December 31, 2021, the Company completed $445.6 million of acquisitions in 124 properties at an initial cash capitalization rate, including acquisitions costs, of 6.5%. Acquisitions completed during the year had a weighted-average remaining lease term of 10.3 years, with 60.4% of properties occupied by investment grade rated tenants and 21.6% occupied by tenants with investment grade profiles. The Company provided $18.8 million of total development funding for 10 projects during the year, with nine of the projects for investment grade tenants or tenants with investment grade profiles. During the same period, the Company sold nine properties for total proceeds of $31.9 million, at a cash capitalization rate of 6.5%.

**BALANCE SHEET AND LIQUIDITY**

During the year ended 2021, the Company completed the following equity issuances:

- In April, the Company issued 10,915,688 shares of common stock in a public offering at a price of $18.65 per share, resulting in gross proceeds of approximately $203.6 million
- In November, the Company issued 3,852,436 of common stock at a weighted average price of $23.36 per share for gross proceeds of approximately $90.0 million. Almost all of the ATM activity was the result of a reverse inquiry by a REIT dedicated investor.

At quarter end, total debt outstanding was $239.0 million, with a weighted average term of 2.7 years and a contractual interest rate, including the impact of the fixed rate swap, of 1.35% (excluding the impact of deferred fee amortization). The Company's net debt to annualized adjusted EBITDA ratio was 4.2x, and the ending cash balance was $7.6 million.

**SUBSEQUENT ACTIVITY**

In January, the Company completed its forward offering of 10,350,000 shares of common stock, which includes the full exercise of underwriters' option to purchase additional shares, at a price to the public of $22.25 per share. The Company will have until January 10, 2023 to settle its forward sales agreement. As of the date of this press release, the Company has not settled on any shares from the forward offering.

**DIVIDEND**

On February 22, 2022, the Company's Board of Directors declared a quarterly cash dividend of $0.20 per share for the first quarter of 2022, which will be paid on March 30, 2022 to shareholders of record on March 15, 2022.

**2022 OUTLOOK**

On January 5, 2022, the Company announced its full year 2022 AFFO per share guidance in the range of $1.13 to $1.17 per share. This AFFO guidance is based on the following assumptions:

- The Company expects acquisition activity, including completed developments and net of dispositions, to be at least $480.0 million in 2022
- The Company expects cash G&A to be in the range of $14.5 million to $15.0 million (inclusive of transaction costs), and expects non-cash compensation expense to be in the range of $5.0 million to $5.5 million
- The Company expects cash interest expense to be in the range of $5.0 million to $5.5 million, with approximately $0.6 million of additional non-cash deferred financing fee amortization
- Full year 2022 diluted weighted average shares outstanding, which includes the impact of OP units, are expected to be in the range of 52.0 million to 54.0 million shares

**EARNINGS WEBCAST AND CONFERENCE CALL**

A conference call will be held on Friday, February 25, 2022 at 10:00 AM ET. During the conference call the Company's officers will review fourth quarter performance, discuss recent events, and conduct a question and answer period.

The webcast will be accessible on the "Investor Relations" section of the Company's website at www.NETSTREIT.com. To listen to the live webcast, please go to the site at least fifteen minutes prior to the scheduled start time to register, as well as download and install any necessary audio software. A replay of the webcast will be available for 90 days on the Company's website shortly after the call.

The conference call can also be accessed by dialing 1-877-451-6152 for domestic callers or 1-201-389-0879 for international callers. A dial-in replay will be available starting shortly after the call until March 4, 2022, which can be accessed by dialing 1-844-512-2921 for domestic callers or 1-412-317-6671 for international callers. The passcode for this dial-in replay is 13725918.

**SUPPLEMENTAL PACKAGE**

The Company's supplemental package will be available prior to the conference call in the Investor Relations section of the Company's website at www.investors.netstreit.com.

**About NETSTREIT**

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

**Investor Relations**
ir@netstreit.com
972-597-4825

(1) Non-GAAP financial measure. See "Non-GAAP Financial Measures".

(2) Per share amounts include weighted average common shares of 41,859,168 and weighted average operating partnership units of 1,125,712 for the three-months ended December 31, 2021.

(3) Per share amounts include weighted average common shares of 36,999,459 and weighted average operating partnership units of 1,377,335 for the twelve-months ended December 31, 2021.

(4) Annualized base rent, or ABR, is calculated by multiplying (i) cash rental payments (a) for the month ended December 31, 2021 (or, if applicable, the next full month's cash rent contractually due in the case of rent abatements, rent deferrals, recently acquired properties and properties with contractual rent increases, other than properties under development) for leases in place as of December 31, 2021, plus (b) for properties under development, the first full month's permanent cash rent contractually due after the development period by (ii) 12).

(5) Unrated tenants with more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x.

**NON-GAAP FINANCIAL MEASURES**

This press release contains non-GAAP financial measures, including FFO, Core FFO, AFFO, EBITDA, EBITDAre, Adjusted EBITDAre, NOI, and Cash NOI. A reconciliation from net income available to common shareholders to each non-GAAP financial measure, and definitions of each non-GAAP measure, are included below.

**FORWARD LOOKING STATEMENTS**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements concerning our business and growth strategies, investment, financing and leasing activities and trends in our business, including trends in the market for single-tenant, retail commercial real estate. Words such as “expects,” “anticipates,” “intends,” “plans,” “likely,” “will,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this press release may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. For a further discussion of these and other factors that could impact future results, performance or transactions, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the “SEC”) on March 4, 2021 and other reports filed with the SEC from time to time. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release. New risks and uncertainties may arise over time and it is not possible for us to predict those events or how they may affect us. Many of the risks identified herein and in our periodic reports have been and will continue to be heightened as a result of the ongoing and numerous adverse effects arising from the novel coronavirus (COVID-19). We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.

# Quarterly Highlights

(unaudited, in thousands, except share, per share data and square feet)

| | Three Months Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Results** | December 31, 2021 | | September 30, 2021 | | June 30, 2021 | | March 31, 2021 | | December 31, 2020 | |
| Net income (loss) | $ | 2,095 | $ | 2,944 | $ | (2,630) | $ | 741 | $ | 4,510 |
| Net income (loss) per common share outstanding - diluted | $ | 0.05 | $ | 0.07 | $ | (0.07) | $ | 0.02 | $ | 0.15 |
| Funds from Operations (FFO) | $ | 11,197 | $ | 8,983 | $ | 7,339 | $ | 6,662 | $ | 5,513 |
| FFO per common share outstanding - diluted | $ | 0.26 | $ | 0.22 | $ | 0.18 | $ | 0.22 | $ | 0.18 |
| Core Funds from Operations (Core FFO) | $ | 10,759 | $ | 8,983 | $ | 7,339 | $ | 6,662 | $ | 5,513 |
| Core FFO per common share outstanding - diluted | $ | 0.25 | $ | 0.22 | $ | 0.18 | $ | 0.22 | $ | 0.18 |
| Adjusted Funds from Operations (AFFO) | $ | 11,477 | $ | 9,738 | $ | 8,066 | $ | 6,946 | $ | 5,934 |
| AFFO per common share outstanding - diluted | $ | 0.27 | $ | 0.24 | $ | 0.20 | $ | 0.23 | $ | 0.20 |
| Dividends per share | $ | 0.20 | $ | 0.20 | $ | 0.20 | $ | 0.20 | $ | 0.20 |
| Weighted average common shares outstanding - diluted | | 43,308,598 | | 41,333,579 | | 39,790,338 | | 30,052,940 | | 30,021,750 |

| **Portfolio Metrics** | | | | | |
|---|---|---|---|---|---|
| Number of leases | 327 | 290 | 267 | 235 | 203 |
| Square feet | 6,420,246 | 5,452,608 | 5,154,701 | 4,438,591 | 3,733,062 |
| Occupancy | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Weighted average lease term remaining (years)(1) | 9.9 | 10.0 | 9.9 | 10.1 | 10.5 |
| Investment grade (rated) - % of ABR(2) | 65.2 % | 70.5 % | 69.9 % | 69.6 % | 70.0 % |
| Investment grade profile (unrated) - % of ABR(3) | 16.4 % | 14.5 % | 13.5 % | 11.2 % | 8.0 % |
| Combined Investment grade (rated) & Investment grade profile (unrated) - % of ABR | 81.6 % | 85.0 % | 83.4 % | 80.8 % | 78.0 % |

(1) Weighted by ABR; excludes lease extension options.
(2) Tenants, or tenants that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BBB- (S&P), Baa3 (Moody's) or NAIC2 (National Association of Insurance Commissioners) or higher.
(3) Tenants with investment grade credit metrics (more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Moody's, or NAIC.

# Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

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

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **REVENUES** | | | | |
| Rental revenue (including reimbursable) | $ 17,807 | $ 11,450 | $ 59,140 | $ 33,727 |
| **OPERATING EXPENSES** | | | | |
| Property | 1,800 | 1,225 | 5,803 | 2,569 |
| General and administrative | 3,906 | 3,500 | 14,810 | 11,340 |
| Depreciation and amortization | 9,729 | 5,306 | 30,807 | 15,459 |
| Provisions for impairment | — | 917 | 3,539 | 2,690 |
| Transaction costs[1] | 236 | 199 | 700 | 3,169 |
| Total operating expenses | 15,671 | 11,147 | 55,659 | 35,227 |
| **OTHER INCOME (EXPENSE)** | | | | |
| Interest expense, net[2] | (1,007) | (926) | (3,700) | (4,741) |
| Gain on sales of real estate, net | 545 | 5,143 | 2,997 | 6,213 |
| Gain on forfeited earnest money deposit | — | — | — | 250 |
| Other income (expense), net | 431 | (10) | 431 | (10) |
| Total other (expense) income, net | (31) | 4,207 | (272) | 1,712 |
| Net income before income tax expense | 2,105 | 4,510 | 3,209 | 212 |
| Income tax expense | (10) | — | (59) | — |
| Net income | 2,095 | 4,510 | 3,150 | 212 |
| Net income attributable to noncontrolling interests | 62 | 281 | 104 | (518) |
| Preferred stock dividends | — | — | — | 42 |
| Net income attributable to common shareholders | $ 2,033 | $ 4,229 | $ 3,046 | $ 688 |
| Amounts available to common shareholders per common share: | | | | |
| Basic | $ 0.05 | $ 0.15 | $ 0.08 | $ 0.04 |
| Diluted | $ 0.05 | $ 0.15 | $ 0.08 | $ 0.01 |
| Weighted average common shares: | | | | |
| Basic | 41,859,168 | 27,897,168 | 36,999,459 | 17,322,182 |
| Diluted | 43,308,598 | 30,021,750 | 38,672,565 | 21,157,996 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | |
| Net income | $ 2,095 | $ 4,510 | $ 3,150 | $ 212 |
| Change in value on derivatives, net | 1,994 | 381 | 4,057 | 253 |
| Total comprehensive income | 4,089 | 4,891 | 7,207 | 465 |
| Comprehensive income (loss) attributable to noncontrolling interests | 120 | 35 | 273 | (500) |
| Comprehensive income attributable to common shareholders | $ 3,969 | $ 4,575 | $ 6,934 | $ 965 |

(1) Represents the costs incurred by the Company to facilitate the private offering, formation transactions and the initial public offering, as well as costs associated with abandoned acquisitions and other acquisition related expenses.
(2) Interest expense is net of interest income from interest bearing accounts.

# Funds From Operations and Adjusted Funds From Operations

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

| | Three Months Ended December 31, 2021 | Three Months Ended December 31, 2020 | Twelve Months Ended December 31, 2021 | Twelve Months Ended December 31, 2020 |
|---|---|---|---|---|
| **GAAP Reconciliation:** | | | | |
| Net income | $ 2,095 | $ 4,510 | $ 3,150 | $ 212 |
| Depreciation and amortization of real estate | 9,647 | 5,229 | 30,491 | 15,154 |
| Provisions for impairment | — | 917 | 3,539 | 2,690 |
| Gain on sales of real estate, net | (545) | (5,143) | (2,997) | (6,213) |
| **Funds from Operations (FFO)** | 11,197 | 5,513 | 34,183 | 11,843 |
| Adjustments: | | | | |
| Gain on forfeited earnest money deposit | — | — | — | (250) |
| 144A and IPO transaction costs[1] | — | — | — | 2,170 |
| Gain on insurance proceeds | (438) | — | (438) | — |
| **Core Funds from Operations (Core FFO)** | 10,759 | 5,513 | 33,745 | 13,763 |
| Adjustments: | | | | |
| Straight-line rental revenue | (376) | (271) | (1,082) | (1,688) |
| Amortization of deferred financing costs | 157 | 157 | 627 | 621 |
| Amortization of above/below market lease intangibles | (199) | (164) | (808) | (504) |
| Amortization of lease incentives | 96 | — | 122 | — |
| Capitalized interest expense | (40) | — | (78) | — |
| Non-cash compensation expense | 1,080 | 699 | 3,703 | 2,452 |
| **Adjusted Funds from Operations (AFFO)** | $ 11,477 | $ 5,934 | $ 36,229 | $ 14,644 |
| | | | | |
| **FFO per common share outstanding - diluted** | $ 0.26 | $ 0.18 | $ 0.88 | $ 0.56 |
| **Core FFO per common share outstanding - diluted** | $ 0.25 | $ 0.18 | $ 0.87 | $ 0.65 |
| **AFFO per common share outstanding - diluted** | $ 0.27 | $ 0.20 | $ 0.94 | $ 0.69 |
| | | | | |
| Dividends per share | $ 0.20 | $ 0.20 | $ 0.80 | $ 0.30 |
| Dividends per share as a percent of AFFO | 74 % | 100 % | 85 % | 43 % |
| | | | | |
| Weighted average common shares outstanding, basic | 41,859,168 | 27,897,168 | 36,999,459 | 17,322,182 |
| Weighted average operating partnership units outstanding | 1,125,712 | 2,033,718 | 1,377,335 | 3,807,022 |
| Weighted average dilutive securities | 323,718 | 90,864 | 295,771 | 28,792 |
| Weighted average common shares outstanding, diluted | 43,308,598 | 30,021,750 | 38,672,565 | 21,157,996 |
| | | | | |
| Series A preferred stock balance[2] | $ — | $ — | $ — | $ — |
| Series A perferred stock dividends and redemption premium | $ — | $ — | $ — | $ 42 |
| | | | | |
| **Supplemental Information** | | | | |
| Deferred rent, net[3] | $ 6 | $ 3 | $ 35 | $ (199) |
| Recurring capital expenditures | $ 122 | $ — | $ 508 | $ — |

(1) These expenses represent a subset of Transaction Costs as presented on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).
(2) The 125 shares of 12% Series A Preferred Stock were fully redeemed on August 18, 2020.
(3) Reflects the net amount of base rent that was deferred (negative amount) or collected (positive amount) as a result of COVID related rent relief provided by NETSTREIT.

# EBITDAre, Adjusted EBITDAre, NOI and Cash NOI

(unaudited, in thousands)

| | Three Months Ended December 31, 2021 | Three Months Ended December 31, 2020 | Twelve Months Ended December 31, 2021 | Twelve Months Ended December 31, 2020 |
|---|---|---|---|---|
| **GAAP Reconciliation:** | | | | |
| Net income | $ 2,095 | $ 4,510 | $ 3,150 | $ 212 |
| Depreciation and amortization of real estate | 9,647 | 5,229 | 30,491 | 15,154 |
| Amortization of above/below market lease intangibles | (199) | (164) | (808) | (504) |
| Amortization of lease incentives | 96 | — | 122 | — |
| Non-real estate depreciation and amortization | 82 | 77 | 316 | 305 |
| Interest expense, net | 1,007 | 926 | 3,700 | 4,741 |
| Income tax expense | 10 | — | 59 | — |
| EBITDA | 12,738 | 10,578 | 37,030 | 19,908 |
| Provisions for impairment | — | 917 | 3,539 | 2,690 |
| Gain on sales of real estate, net | (545) | (5,143) | (2,997) | (6,213) |
| EBITDAre | 12,193 | 6,352 | 37,572 | 16,385 |
| Straight-line rental revenue | (376) | (271) | (1,082) | (1,688) |
| Gain on forfeited earnest money deposit | — | — | — | (250) |
| 144A and IPO transaction costs(1) | — | — | — | 2,170 |
| Gain on insurance proceeds | (438) | — | (438) | — |
| Non-cash compensation expense | 1,080 | 699 | 3,703 | 2,452 |
| Adjusted EBITDAre | $ 12,459 | $ 6,780 | $ 39,755 | $ 19,069 |

| | |
|---|---|
| Adjusted EBITDAre | 12,459 |
| Adjustments for intraquarter acquisitions and dispositions(2) | 1,334 |
| **Annualized Adjusted EBITDAre** | **$ 55,172** |
| Net debt / Annualized Adjusted EBITDAre | 4.2x |

| | Three Months Ended December 31, 2021 | Three Months Ended December 31, 2020 | Twelve Months Ended December 31, 2021 | Twelve Months Ended December 31, 2020 |
|---|---|---|---|---|
| **GAAP Reconciliation:** | | | | |
| Net income | $ 2,095 | $ 4,510 | $ 3,150 | $ 212 |
| General and administrative | 3,906 | 3,500 | 14,810 | 11,340 |
| Depreciation and amortization | 9,729 | 5,306 | 30,807 | 15,459 |
| Provisions for impairment | — | 917 | 3,539 | 2,690 |
| Transaction costs | 236 | 199 | 700 | 3,169 |
| Interest expense, net | 1,007 | 926 | 3,700 | 4,741 |
| Gain on sales of real estate, net | (545) | (5,143) | (2,997) | (6,213) |
| Gain on forfeited earnest money deposit | — | — | — | (250) |
| Income tax expense | 10 | — | 59 | — |
| Other income (expense), net | (431) | 10 | (431) | 10 |
| **NOI** | 16,007 | 10,225 | 53,337 | 31,158 |
| Straight-line rental revenue | (376) | (271) | (1,082) | (1,688) |
| Amortization of above/below market lease intangibles | (199) | (164) | (808) | (504) |
| Amortization of lease incentives | 96 | — | 122 | — |
| **Cash NOI** | $ 15,528 | $ 9,790 | $ 51,569 | $ 28,966 |
| Adjustments for Intraquarter acquisitions and dispositions(2) | $ 1,334 | | | |
| **Normalized Cash NOI** | $ 16,862 | | | |
| **Property Operating Expense Coverage** | | | | |
| Property operating expense reimbursement | $ 1,502 | $ 1,157 | $ 5,019 | $ 2,219 |
| Property operating expenses | (1,800) | (1,225) | (5,803) | (2,569) |
| Property operating expenses, net | $ (298) | $ (68) | $ (784) | $ (350) |

(1) These expenses represent a subset of Transaction Costs as presented on the Consolidated Statements of Operations and Comprehensive Income (Loss).
(2) The adjustment removes base rent for properties acquired during the period shown and replaces the removed amount with an estimated equivalent ABR for the full period. The adjustment also removes base rent for properties disposed of during the period shown.

# Consolidated Balance Sheets

(unaudited, in thousands, except share data)

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| Real estate, at cost: | | |
| Land | $ 299,935 | $ 189,373 |
| Buildings and improvements | 626,457 | 358,360 |
| Total real estate, at cost | 926,392 | 547,733 |
| Less accumulated depreciation | (30,669) | (10,111) |
| Property under development | 17,896 | — |
| Real estate held for investment, net | 913,619 | 537,622 |
| Assets held for sale | 2,096 | 14,802 |
| Cash, cash equivalents and restricted cash | 7,603 | 92,643 |
| Lease intangible assets, net | 124,772 | 75,024 |
| Other assets, net | 20,351 | 5,724 |
| **Total assets** | $ 1,068,441 | $ 725,815 |
| **LIABILITIES AND EQUITY** | | |
| **Liabilities:** | | |
| Term loan, net | $ 174,330 | $ 174,105 |
| Revolving credit facility | 64,000 | — |
| Lease intangible liabilities, net | 23,316 | 16,930 |
| Liabilities related to assets held for sale | — | 399 |
| Accounts payable, accrued expenses and other liabilities | 16,980 | 6,308 |
| **Total liabilities** | $ 278,626 | $ 197,742 |
| **Equity:** | | |
| Stockholders' equity | | |
| Common stock, $0.01 par value, 400,000,000 shares authorized; 44,223,050 and 28,203,545 shares issued and outstanding as of December 31, 2021 and 2020, respectively | $ 442 | $ 282 |
| Additional paid-in capital | 809,724 | 501,045 |
| Distributions in excess of retained earnings | (35,119) | (7,464) |
| Accumulated other comprehensive income | 4,123 | 235 |
| **Total stockholders' equity** | 779,170 | 494,098 |
| Noncontrolling interests | 10,645 | 33,975 |
| **Total equity** | 789,815 | 528,073 |
| **Total liabilities and equity** | $ 1,068,441 | $ 725,815 |

# Debt, Capitalization, and Financial Ratios

(unaudited, in thousands, except share data)

| | As of December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| **Debt Summary** | **Maturity Date** | **Principal Balance** | **Interest Rate[(1)]** | **Rate Type** | **Weighted Average Years to Maturity** |
| Unsecured revolver[(2)(3)] | December 23, 2023 | $ 64,000 | 1.31% | Floating | 2.0 years |
| Unsecured term loan[(4)] | December 23, 2024 | 175,000 | 1.36% | Fixed | 3.0 years |
| Principal amount of total debt | | 239,000 | | | |
| Deferred financing costs, net[(5)] | | (1,466) | | | |
| Carrying value of total debt | | $ 237,534 | | | |

| **Net Debt** | **Balance** |
|---|---|
| Principal amount of total debt | $ 239,000 |
| Less: Cash, cash equivalents and restricted cash[(6)] | (7,603) |
| Net Debt | $ 231,397 |
| Series A preferred stock balance[(7)] | — |
| Net Debt + Preferred Stock | $ 231,397 |

| **Key Debt Covenant Information** | **Required** | **Actual** |
|---|---|---|
| Consolidated total leverage ratio | ≤ 60.0% | 23.7% |
| Fixed charge coverage ratio | ≥ 1.50x | 12.4x |
| Maximum secured indebtedness | ≤ 40.0% | 0.0% |
| Maximum recourse indebtedness | ≤ 10.0% | 0.0% |
| Unencumbered leverage ratio | ≤ 60.0% | 24.2% |
| Unencumbered debt yield | ≥ 12.0% | 22.0% |
| Unencumbered interest coverage ratio | ≥ 2.00x | 15.7x |

| **Liquidity** | **Balance** |
|---|---|
| Unused unsecured revolver capacity | $186,000 |
| Cash, cash equivalents and restricted cash[(6)] | 7,603 |
| Total Liquidity | $ 193,603 |

| **Equity** | **Ending Shares/Units** | **Equity Market Capitalization** | **% of Total** |
|---|---|---|---|
| Common shares[(8)] | 44,223,050 | $ 1,012,708 | 98.7% |
| OP units[(8)] | 562,784 | 12,888 | 1.3% |
| Preferred stock | — | — | 0.0% |
| Total | 44,785,834 | $ 1,025,596 | 100.0% |

| **Enterprise Value** | **Balance** | **% of Total** |
|---|---|---|
| Principal amount of total debt | $ 239,000 | 18.9% |
| Equity market capitalization[(8)] | 1,025,596 | 81.1% |
| Total enterprise value | $ 1,264,596 | 100.0% |

(1) Interest rate for floating rate debt, if applicable, is based on the last day of the quarter presented. Rates presented exclude the impact of capitalized loan fee amortization.
(2) Unused facility fees are charged at an annual rate of 0.15% of the unused capacity if usage exceeds 50% of the total facility size, or 0.25% of the unused facility if usage does not exceed 50%. The total facility size is $250.0 million.
(3) The revolver has a one-year extension option.
(4) Effective September 28, 2020 the floating rate underlying the term loan was swapped to an effective fixed rate of 0.21%. The swap terminates on December 23, 2024.
(5) Amount reflects a net asset balance of $0.8 million related to the revolver, and a net liability balance of $0.7 million related to the term loan.
(6) There was no restricted cash held as of December 31, 2021.
(7) The 125 shares of 12% Series A Preferred Stock were fully redeemed on August 18, 2020.
(8) Value is based on the December 31, 2021 closing price of $22.90 per share.

# Investment Activity

(unaudited, dollars in thousands)

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| **Acquisitions[1]:** | | | | | |
| Number of Properties | 32 | 26 | 35 | 31 | 26 |
| Gross Investment[2] | $ 150,538 | $ 90,128 | $ 116,725 | $ 88,225 | $ 81,246 |
| Cash Capitalization Rate[3] | 6.5 % | 6.2 % | 6.5 % | 6.7 % | 6.8 % |
| **Dispositions:** | | | | | |
| Number of Occupied Properties | — | 4 | 5 | — | 12 |
| Number of Vacant Properties | — | — | — | — | — |
| Net Book Value[4] | $ — | $ 16,160 | $ 11,821 | $ — | $ 31,144 |
| Proceeds[5] | $ — | $ 18,835 | $ 13,060 | $ — | $ 37,362 |
| Cash Capitalization Rate (on occupied properties only)[6] | N/A | 6.3 % | 6.7 % | N/A | 6.6 % |

**Developments:**

| Industry | Location | Lease Term | Amount Funded to Date[7] | Anticipated Rent Commencement |
|---|---|---|---|---|
| Discount Retail | Fond Du Lac, WI | 10 Years | $ 1,812 | 1Q'2022 |
| Home Improvement | Sioux Falls, SD | 12 Years | $ 3,416 | 1Q'2022 |
| Arts & Craft | Fond Du Lac, WI | 10 Years | $ 2,503 | 2Q'2022 |
| Discount Retail | Yuma, AZ | 10 Years | $ 3,207 | 2Q'2022 |
| Dollar Stores | Woodland, AL | 10 Years | $ 495 | 2Q'2022 |
| Arts & Craft | D'Iberville, MS | 15 Years | $ 1,027 | 3Q'2022 |
| Arts & Craft | Winder, GA | 15 Years | $ 1,201 | 3Q'2022 |
| Arts & Craft | Sheboygan, WI | 10 Years | $ 2,888 | 4Q'2022 |
| Discount Retail | Sheboygan, WI | 10 Years | $ 1,082 | 4Q'2022 |
| TBD | Sumter, SC | TBD | $ 1,123 | TBD |
| Total | | | $ 18,754 | |

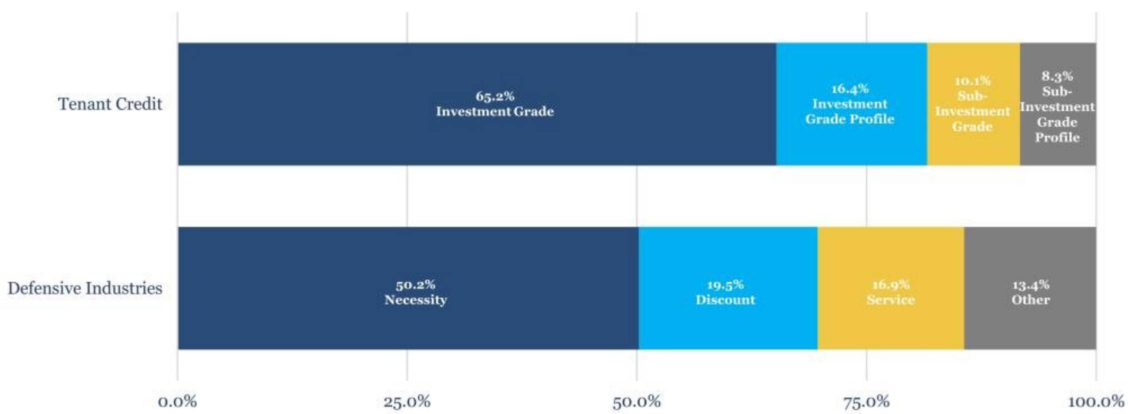
(1) Excludes development related transactions.
(2) Reflects all expenditures that were capitalized as part of the transaction, including acquisition costs, and any incentives provided to the seller and/or tenant at closing.
(3) Calculated by dividing in-place ABR at the time of acquisition by the Gross Investment.
(4) Represents all capitalized costs associated with the property, less impairment charges and net of accumulated depreciation.
(5) Reflects contractual sales price.
(6) The rate only applies to properties that were occupied at the time of the disposition. It is calculated by dividing the in-place ABR at the time of disposition by the contractual sales price.
(7) Represents cash paid at close as well as incremental funding to date.

# Portfolio Information

(unaudited, dollars in thousands)

| Portfolio Metrics | December 31, 2021 |
|---|---|
| Number of leases | 327 |
| Number of states | 41 |
| Square feet | 6,420,246 |
| Tenants | 67 |
| Industries | 23 |
| Occupancy | 100.0% |
| Weighted average lease term remaining (years)[1] | 9.9 |

| Tenant Quality | Number of Leases | | ABR | % of ABR |
|---|---|---|---|---|
| Investment grade (rated)[2] | 233 | $ | 46,443 | 65.2% |
| Investment grade profile (unrated)[3] | 43 | | 11,655 | 16.4% |
| Sub-investment grade (rated)[4] | 17 | | 7,218 | 10.1% |
| Sub-investment grade profile (unrated) | 34 | | 5,895 | 8.3% |
| Total | 327 | $ | 71,212 | 100.0% |




(1) Weighted by ABR; excludes lease extension options.

(2) Tenants, or tenants that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BBB- (S&P), Baa3 (Moody's) or NAIC2 (National Association of Insurance Commissioners) or higher.

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

(4) Tenants, or tenants that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BB+ (S&P), Ba1 (Moody's) or NAIC3 (National Association of Insurance Commissioners) or lower.

# Portfolio Information (cont'd)

(unaudited, dollars in thousands)

| Top 20 Tenants | Number of Leases | | ABR | % of ABR | Credit rating |
|---|---|---|---|---|---|
| Walgreens | 18 | $ | 5,200 | 7.3% | BBB / Baa2 |
| 7-Eleven | 21 | | 4,879 | 6.9% | A / Baa2 |
| Hobby Lobby | 12 | | 4,689 | 6.6% | IG Profile |
| Advance Auto Parts | 39 | | 3,882 | 5.5% | BBB- / Baa2 |
| Dollar General | 37 | | 3,701 | 5.2% | BBB / Baa2 |
| CVS pharmacy | 18 | | 3,666 | 5.1% | BBB / Baa2 |
| Lowe's | 4 | | 3,578 | 5.0% | BBB+ / Baa1 |
| Walmart | 5 | | 3,288 | 4.6% | AA / Aa2 |
| Best Buy | 6 | | 3,150 | 4.4% | BBB+ / A3 |
| Floor & Decor | 2 | | 2,615 | 3.7% | BB- / Ba3 |
| Big Lots! | 9 | | 2,382 | 3.3% | IG Profile |
| Ollie's Good Stuff Cheap | 9 | | 2,282 | 3.2% | IG Profile |
| Dollar Tree / Family Dollar | 20 | | 2,010 | 2.8% | BBB / Baa2 |
| The Home Depot | 2 | | 1,944 | 2.7% | A / A2 |
| Tractor Supply Co | 6 | | 1,407 | 2.0% | BBB / Baa1 |
| Ahold Delhaize | 2 | | 1,268 | 1.8% | BBB / Baa1 |
| Burlington | 3 | | 1,205 | 1.7% | BB+ / Ba2 |
| Kroger | 3 | | 1,198 | 1.7% | BBB / Baa1 |
| Fresenius health care worldwide | 4 | | 1,027 | 1.4% | BBB / Baa3 |
| Kohl's | 2 | | 1,006 | 1.4% | BBB- / Baa2 |
| Total | 222 | $ | 54,378 | 76.4% | |

# Portfolio Information (cont'd)

(unaudited, dollars in thousands)

| State | Number of Leases | | ABR | % of ABR |
|---|---|---|---|---|
| Texas | 33 | $ | 7,756 | 10.9% |
| Illinois | 19 | | 7,690 | 10.8% |
| Ohio | 28 | | 4,739 | 6.7% |
| Georgia | 18 | | 4,289 | 6.0% |
| Wisconsin | 16 | | 3,466 | 4.9% |
| New York | 13 | | 3,143 | 4.4% |
| California | 10 | | 2,876 | 4.0% |
| Mississippi | 13 | | 2,787 | 3.9% |
| Indiana | 13 | | 2,691 | 3.8% |
| Virginia | 5 | | 2,655 | 3.7% |
| Pennsylvania | 15 | | 2,421 | 3.4% |
| Florida | 15 | | 2,280 | 3.2% |
| Michigan | 7 | | 1,966 | 2.8% |
| Arizona | 5 | | 1,837 | 2.6% |
| Alabama | 13 | | 1,801 | 2.5% |
| Louisiana | 6 | | 1,730 | 2.4% |
| Washington | 3 | | 1,399 | 2.0% |
| South Carolina | 9 | | 1,373 | 1.9% |
| Kentucky | 4 | | 1,366 | 1.9% |
| New Mexico | 4 | | 1,232 | 1.7% |
| Arkansas | 7 | | 1,182 | 1.7% |
| Tennessee | 5 | | 1,165 | 1.6% |
| Missouri | 5 | | 960 | 1.3% |
| Oklahoma | 7 | | 871 | 1.2% |
| Maryland | 4 | | 829 | 1.2% |
| North Carolina | 4 | | 773 | 1.1% |
| Massachusetts | 4 | | 751 | 1.1% |
| Connecticut | 3 | | 680 | 1.0% |
| Iowa | 6 | | 623 | 0.9% |
| New Jersey | 4 | | 574 | 0.8% |
| Vermont | 9 | | 548 | 0.8% |
| Minnesota | 3 | | 451 | 0.6% |
| West Virginia | 3 | | 418 | 0.6% |
| Kansas | 3 | | 410 | 0.6% |
| Colorado | 3 | | 375 | 0.5% |
| South Dakota | 1 | | 331 | 0.5% |
| Utah | 1 | | 234 | 0.3% |
| Nebraska | 1 | | 194 | 0.3% |
| New Hampshire | 3 | | 157 | 0.2% |
| Idaho | 1 | | 99 | 0.1% |
| North Dakota | 1 | | 92 | 0.1% |
| Total | 327 | $ | 71,212 | 100.0% |

# Portfolio Information (cont'd)

(unaudited, dollars in thousands)

| Industry | Defensive Category | Number of Leases | | ABR | % of ABR |
|---|---|---|---|---|---|
| Home Improvement | Necessity | 23 | $ | 10,325 | 14.5% |
| Drug Stores & Pharmacies | Necessity | 36 | | 8,866 | 12.5% |
| Discount Retail(1) | Discount | 29 | | 8,141 | 11.4% |
| Dollar Stores | Discount | 57 | | 5,711 | 8.0% |
| Convenience Stores | Service | 25 | | 5,621 | 7.9% |
| Auto Parts | Necessity | 58 | | 5,174 | 7.3% |
| Arts & Crafts | Other | 12 | | 4,689 | 6.6% |
| Grocery | Necessity | 10 | | 4,206 | 5.9% |
| General Retail | Necessity | 5 | | 3,226 | 4.5% |
| Consumer Electronics | Other | 6 | | 3,150 | 4.4% |
| Quick Service Restaurants | Service | 17 | | 2,777 | 3.9% |
| Healthcare | Necessity | 8 | | 1,685 | 2.4% |
| Farm Supplies | Necessity | 6 | | 1,407 | 2.0% |
| Automotive Service | Service | 13 | | 1,222 | 1.7% |
| Health and Fitness(1) | Service | 1 | | 985 | 1.4% |
| Furniture Stores | Other | 2 | | 878 | 1.2% |
| Casual Dining(1) | Service | 4 | | 755 | 1.1% |
| Equipment Rental and Leasing | Service | 5 | | 679 | 1.0% |
| Apparel | Other | 4 | | 506 | 0.7% |
| Banking | Necessity | 3 | | 457 | 0.6% |
| Wholesale Warehouse Club | Necessity | 1 | | 417 | 0.6% |
| Gift, Novelty, and Souvenir Shops | Other | 1 | | 200 | 0.3% |
| Home Furnishings | Other | 1 | | 134 | 0.2% |
| Total | | 327 | $ | 71,212 | 100.0% |

| Defensive Category | Number of Leases | | ABR | % of ABR |
|---|---|---|---|---|
| Necessity | 150 | $ | 35,764 | 50.2% |
| Discount | 86 | | 13,853 | 19.5% |
| Service | 65 | | 12,038 | 16.9% |
| Other | 26 | | 9,557 | 13.4% |
| Total | 327 | $ | 71,212 | 100.0% |

(1) Discount Retail, Health and Fitness, and Casual Dining industries have one, one, and two properties, respectively, that reside in NETSTREIT's Taxable REIT Subsidiary entity ("TRS"), representing 0.39%, 1.38%, and 0.48% of ABR, respectively.

# Lease Expiration Schedule

(unaudited, dollars in thousands)

| Year of Expiration | Number of Leases Expiring | ABR Expiring | ABR Expiring as a % of Total Portfolio |
|---|---|---|---|
| 2022 | — | — | 0.0% |
| 2023 | 4 | 1,004 | 1.4% |
| 2024 | 3 | 442 | 0.6% |
| 2025 | 7 | 2,365 | 3.3% |
| 2026 | 12 | 2,665 | 3.7% |
| 2027 | 14 | 4,070 | 5.7% |
| 2028 | 30 | 4,667 | 6.6% |
| 2029 | 38 | 6,339 | 8.9% |
| 2030 | 39 | 8,815 | 12.4% |
| 2031 | 62 | 11,456 | 16.1% |
| 2032 | 21 | 5,780 | 8.1% |
| 2033 | 22 | 2,807 | 3.9% |
| 2034 | 12 | 3,444 | 4.8% |
| 2035 | 22 | 7,499 | 10.5% |
| 2036 | 23 | 5,436 | 7.6% |
| 2037 | 3 | 549 | 0.8% |
| 2038 | 1 | 255 | 0.4% |
| 2039 | 7 | 1,110 | 1.6% |
| 2040 | 2 | 425 | 0.6% |
| 2041 | 3 | 846 | 1.2% |
| 2042 | 1 | 985 | 1.4% |
| 2043 | 1 | 254 | 0.4% |
| **TOTAL** | **327** | **$ 71,212** | **100.0%** |

# Non-GAAP Measures and Definitions

**FFO, Core FFO, and AFFO**

**FFO** means funds from operations. It is a non-GAAP measure defined by NAREIT as net income (computed in accordance with GAAP), excluding real estate-related expenses including, but not limited to, gains (losses) from sales, impairment adjustments, and depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Our calculation of FFO is consistent with FFO as defined by NAREIT.

**Core FFO** means core funds from operations. It is a non-GAAP financial measure defined as FFO adjusted for gains from forfeited earnest money deposits, non-recurring public company costs, and gains from insurance proceeds. We believe the presentation of Core FFO provides investors with a metric to assist in their evaluation of our operating performance across multiple periods because it removes the effect of unusual and non-recurring items that are not expected to impact our operating performance on an ongoing basis.

**AFFO** means adjusted funds from operations. It is a non-GAAP financial measure defined as Core FFO adjusted for GAAP net income related to non-cash revenues and expenses, such as straight-line rental revenue, amortization of above and below-market lease-related intangibles, amortization of lease incentives, capitalized interest expense, non-cash compensation expense, and amortization of deferred financing costs.

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

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

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

# Non-GAAP Measures and Definitions (cont'd)

**EBITDA, EBITDAre and Adjusted EBITDAre**

**EBITDA** is computed by us as earnings before interest, income taxes and depreciation and amortization.

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

**Adjusted EBITDAre**, as computed by us, is EBITDAre adjusted to exclude straight-line rental revenue, gains from forfeited earnest money deposits, non-recurring public company costs, representing consulting fees that we incurred in preparing to become a public company, gains on insurance proceeds, and non-cash compensation expense.

**Annualized Adjusted EBITDAre** is Adjusted EBITDAre multiplied by four.

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

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

**NOI, Cash NOI, and Normalized Cash NOI**

**NOI** means net operating income, and it is computed in accordance with GAAP. It is calculated as net income (loss), excluding general and administrative expenses, interest expense (or income), income tax expense, depreciation and amortization, gains (or losses) on sales of depreciable property, gain from forfeited earnest money deposits, real estate impairment losses, and other income (or expense).

**Cash NOI** is computed by us as GAAP NOI excluding straight-line rental revenue and amortization of above/below-market leases intangibles and lease incentives.

**Normalized Cash NOI** is computed by us as Cash NOI adjusted to remove Cash NOI for properties acquired during the period shown, and then replace the removed amount with an estimated equivalent ABR for the full period. It is further adjusted to remove Cash NOI for properties disposed of during the period shown.

# Non-GAAP Measures and Definitions (cont'd)

**Other Definitions**

**ABR** means annualized base rent. ABR is calculated by multiplying (i) cash rental payments (a) for the month ended December 31, 2021 (or, if applicable, the next full month's cash rent contractually due in the case of rent abatements, rent deferrals, recently acquired properties and properties with contractual rent increases, other than properties under development) for leases in place as of December 31, 2021, plus (b) for properties under development, the first full month's permanent cash rent contractually due after the development period by (ii) 12.

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

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

**Leases** are individual properties with a distinct lease agreement in place, development activities where a lease is expected at a future date, or in the case of master lease arrangements each property under the master lease is counted as a separate lease.

**Net Debt** is computed by us as the principal amount of total debt outstanding less cash, cash equivalents, and restricted cash.

**Occupancy** is expressed as a percentage, and it is the number of economically occupied properties divided by the total number of properties owned. Properties under development are excluded from the calculation.

**OP units** means operating partnership units not held by NETSTREIT.

# Forward Looking and Cautionary Statements

This supplemental report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements concerning our business and growth strategies, investment, financing and leasing activities and trends in our business, including trends in the market for single-tenant, retail commercial real estate, and our financial outlook. Words such as "expects," "anticipates," "intends," "plans," "likely," "will," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this supplemental report may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. For a further discussion of these and other factors that could impact future results, performance or transactions, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 4, 2021 and other reports filed with the SEC from time to time. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this supplemental report. New risks and uncertainties may arise over time and it is not possible for us to predict those events or how they may affect us. Many of the risks identified herein and in our periodic reports have been and will continue to be heightened as a result of the ongoing and numerous adverse effects arising from the novel coronavirus (COVID-19). We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.


# NETSTREIT

Investor Presentation
**February 2022**

# Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements concerning our business and growth strategies, investment, financing and leasing activities and trends in our business, including trends in the market for single-tenant, retail commercial real estate, and our financial outlook. Words such as "expects," "anticipates," "intends," "plans," "likely," "will," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this presentation may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. For a further discussion of these and other factors that could impact future results, performance or transactions, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, subsequent Quarterly Reports on Form 10-Q and other reports filed with the SEC from time to time. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation. New risks and uncertainties may arise over time and it is not possible for us to predict those events or how they may affect us. Many of the risks identified herein and in our periodic reports have been and will continue to be heightened as a result of the ongoing and numerous adverse effects arising from the novel coronavirus (COVID-19). We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.

# Company & Investment Highlights

**NETSTREIT Is Built on a Foundation of Strength on Both Sides of the Balance Sheet, Led by a Seasoned Leadership Team with an Exceptional Track Record**

1. Durable and Defensive Cash Flows with Demonstrated Resiliency
2. Active Asset Management to Achieve Optimal Portfolio Performance
3. Disciplined Underwriters with Dual Focus on Credit AND Real Estate
4. Multifaceted Investment Strategy Leveraging Deep Industry Relationships
5. Platform Positioned for Scale

High-Quality, Diversified, and Defensive Net Lease Retail Portfolio

NETSTREIT

Conservative Capitalization to Support Accretive Growth

# 1 Durable and Defensive Cash Flows with Demonstrated Resiliency

### Investment grade tenancy provides defensive, consistent performance through economic cycles

- High-quality tenancy creates bond-like leases with high rent collections during times of disruption
- 81.6% of portfolio consisted of investment grade tenants, or tenants with an investment grade profile

### Defensive nature of NETSTREIT portfolio strategy

- Focused on defensive industries such as necessity, discount, and service-oriented retailers, with e-commerce resistant strategies

### Healthy portfolio with strong external growth opportunities

- Maintained 100% occupancy through all of 2020 and 2021
- Average quarterly investment activity of $109.1 million since the beginning of 2020
- Continued focus on blend & extend opportunities and development projects

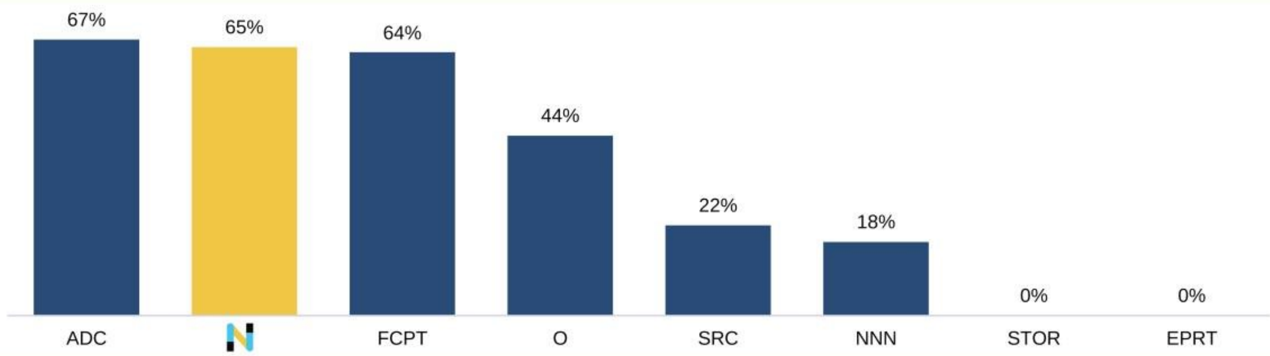
NETSTREIT STRATEGY BY THE NUMBERS[1]

| | |
|---|---|
| Investment Grade Tenancy | 65.2% |
| Investment Grade Profile Tenancy[2] | 16.4% |
| Defensive Retail Tenancy[3] | 85.6% |
| Occupancy | 100.0% |

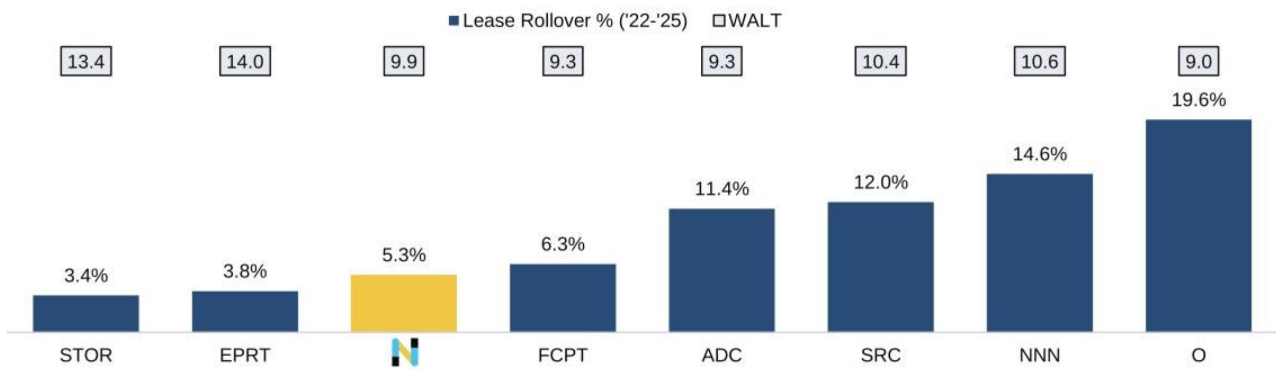
Source: Company data. Portfolio data represents portfolio as of 12/31/2021 unless otherwise noted. 1. Figures represent percentage of ABR unless otherwise noted. 2. Represents tenants with investment grade credit metrics (more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Moody's, or NAIC. 3. Defensive retail tenancy based on rent from tenants in necessity, discount, or service-oriented industries.

# NTST's Stable, Defensive Cash Flow Profile Drives Superior Risk-Adjusted Returns

## Investment Grade %[1]




## Lease Rollover




Source: Company Filings as of 12/31/2021. 1. NNN, FCPT, SRC, EPRT, STOR, and O as of 12/31/2021. EPRT and STOR investment grade concentration assumed to be 0%, although it is not disclosed by either company.

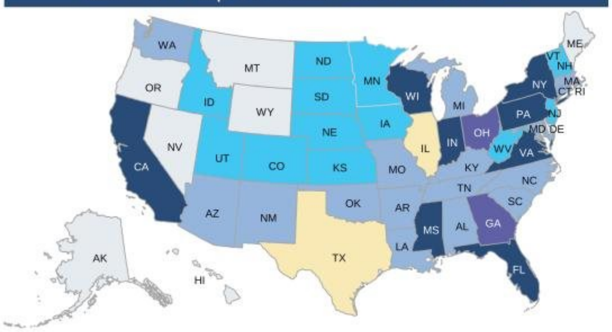
# 2 Portfolio Overview

## High-quality, diversified portfolio consisting of 65.2% investment grade tenants across 41 states

### Key Portfolio Stats

| | |
|---|---|
| Properties | 327 |
| States | 41 |
| Portfolio Square Feet (in millions) | 6.4 |
| Tenants | 67 |
| Retail Sectors | 23 |
| % Occupancy | 100% |
| % Investment Grade Tenants (by ABR) | 65.2% |
| % Defensive Industry Exposure (by ABR) | 86.6% |
| Weighted Average Lease Term Remaining (Years) | 9.9 |
| Lease Turnover Through 2025 (by ABR) | 5.4% |

### National Footprint Across Attractive Markets




>10% ABR | >5% and <10% ABR | >3% and <5% ABR | >1% and <3% ABR | <1% ABR | 0% ABR

### Top 10 Tenants by % of ABR


Investment Grade Rated | Investment Grade Profile[1] | Sub-Investment Grade Rated

Sources: Company data. Portfolio data represents portfolio as of 12/31/2021. 1. Represents tenants with investment grade credit metrics (more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Moody's, or NAIC.

# 2 Portfolio Diversification In Defensive Retail Sectors

NETSTREIT offers a national diversified portfolio comprised primarily of defensive retail tenants

**50.2% Necessity**

Walgreens, Walmart, The Home Depot, Advance Auto Parts, Target, Floor & Decor, Lowe's, Kroger, OSF OnCall Urgent Care, CVS, Fresenius, Tractor Supply Co

**19.5% Discount**

Family Dollar, TJX The TJX Companies, Inc., Ollie's Bargain Outlet, Big Lots!, Burlington, Dollar Tree, Dollar General, five BELOW, Kohl's

**86.6% of ABR**
Necessity
Discount
Service

**16.9% Service**

Taco Bell, 7-Eleven, Chick-fil-A, KFC, Wawa, Take 5, Caliber Collision, Starbucks Coffee, Firestone

**13.4% Other**

Best Buy, La-Z-Boy, Hobby Lobby, Ashley Homestore

**Top Industries**

| | | | |
|---|---|---|---|
| 1 | Home Improvement: | 14.5% |  |
| 2 | Drug Stores & Pharmacies: | 12.5% |  |
| 3 | Discount Retail: | 11.4% |  |
| 4 | Dollar Stores: | 8.0% |  |
| 5 | Convenience Stores: | 7.9% |  |

Source: Company data. Portfolio data represents portfolio as of 12/31/2021. All figures represent percentage of portfolio ABR. Note: Due to rounding, respective defensive retail sector exposure may not precisely reflect the absolute figures.

# 2 NTST Portfolio Transformation

NETSTREIT has prudently allocated offering proceeds and recycled capital to grow the scale of its asset base while also improving portfolio quality through further diversification and increased exposure to defensive credit tenancy

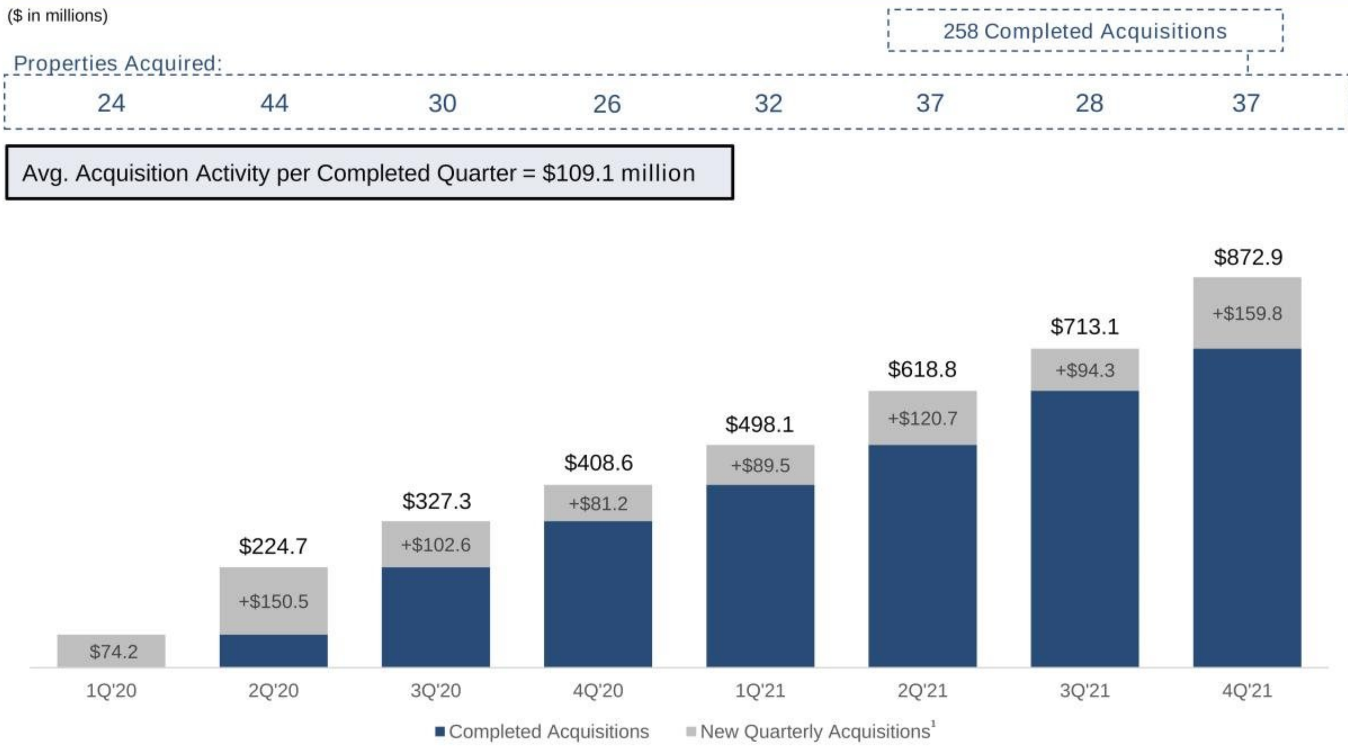
| | Pre-144A (12/23/19) | 144A to IPO | IPO (8/13/20) | Since IPO | Current (12/31/21) |
|---|---|---|---|---|---|
| Properties | 93 | 70 | 163 | 164 | 327 |
| States | 28 | 6 | 34 | 7 | 41 |
| Portfolio Size | 1.4M SF | 1.6M SF | 3.0M SF | 2.4M SF | 6.4M SF |
| ABR | $17.8M | $16.7M | $34.5M | $36.7M | $71.2M |
| Acquisition Volume | – | ~$264M | – | ~$593M | – |
| Acquisition Cap Rate | – | 6.6% | – | 6.5% | – |
| Disposition Volume | – | ~$10M | – | ~$71M | – |
| Disposition Cap Rate | – | 5.8% | – | 6.6% | – |
| Gross Asset Value | ~$247M | ~$262M | ~$509M | ~$553M | ~$1.06B |
| IG Concentration[1] | 64% | 0% | 64% | +1% | 65% |
| IG & IG Profile Concentration[1] | 64% | +8% | 72% | +10% | 82% |
| Top 10 Tenant Concentration[1] | 62% | (5%) | 57% | (3%) | 54% |
| Top Five Tenants[1] | CVS Baa2 / BBB 11.9%<br>Dollar General Baa2 / BBB 8.9%<br>Lowe's Baa1 / BBB+ 7.9%<br>Walgreens Baa2 / BBB 7.5%<br>Kohl's Baa2 / BBB- 6.4% | | 7-Eleven Baa1 / AA- 12.7%<br>Walmart Aa2 / AA 7.9%<br>CVS Baa2 / BBB 6.1%<br>Ollie's Bargain Outlet IG Profile 5.2%<br>Lowe's Baa1 / BBB+ 4.9% | | Walgreens Baa2 / BBB 7.3%<br>7-Eleven Baa2 / A 6.9%<br>Hobby Lobby IG Profile 6.6%<br>Advance Auto Parts Baa2 / BBB- 5.5%<br>Dollar General Baa2 / BBB 5.2% |

Source: Company Filings and Company-provided data. 1. Calculated as % of ABR.

# Strong External Growth Profile

Cumulative Acquisitions Since 2019[1]

($ in millions)




Source: Company data. 1. Includes funding for development projects.

# 2 Active Asset Management

NETSTREIT continuously tracks property performance and stratifies the portfolio to achieve consistent cash flows and balanced growth for its investors

### Disciplined Acquisitions

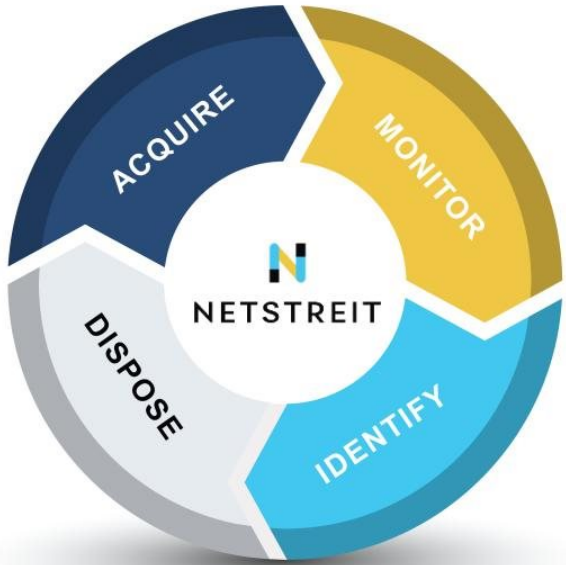
Pursue opportunities that align with objectives

Practice disciplined underwriting strategy

Existing portfolio has been carefully curated

### Strategic Recycling

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




### Active Monitoring

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

### Perpetual Stratification

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

Since inception, the Company has disposed of 57 properties totaling approximately $171.2 million, while also acquiring high-quality assets that have enhanced scale and materially improved portfolio performance metrics such as tenant quality, WALT, and geographic diversity

Source: Company data. Portfolio data represents portfolio as of 12/31/2021.

# 3 Three-Part Underwriting Philosophy

NETSTREIT leverages a disciplined, three-pronged approach to underwriting potential acquisitions which positions the Company to benefit from superior downside protection on its investments

Level of Underwriting Emphasis

## A — TENANT CREDIT UNDERWRITING

- Evaluate corporate level financials
- Assess business risks
- Determine ownership/sponsorship
- For Non-IG tenants, establish NETSTREIT implied credit rating

## B — REAL ESTATE VALUATION

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

## C — UNIT-LEVEL PROFITABILITY

- Determine rent coverage (min. 2.0x) and cost variability
- Assess relative to corporate stability / real estate merits

# ③ Ⓐ Tenant Credit Underwriting

NETSTREIT employs a credit-focused underwriting strategy for all tenants – the MOST IMPORTANT element **of the Company's underwriting process that drives stable revenue and long**-term return on investment

| | Investment Grade (rated) | Investment Grade Profile (unrated) | Sub-IG (rated) & Sub-IG Profile (unrated)[1] |
|---|---|---|---|
| Description | • Validated financial strength and stability<br>• Professional management with standardized operational practices<br>• Focus on corporate guarantee credit<br>• Lower relative yields<br>• Higher competition for deals | • IG-caliber balance sheets without explicit rating<br>• Threshold metrics:<br>  • >$1B in Sales<br>  • Debt / adjusted EBITDA of 2.0x | • Well-capitalized retailers<br>• National footprint with strong brand equity<br>• Focus on real estate quality / unit-level profitability<br>• Higher relative yields<br>• Lower competition for deals |
| Durability | ***Defensive, consistent performance through economic cycles*** | | • Coverage and credit enhancements required given more susceptible to market disruptions |
| % Of ABR | 65.2% | ***81.6% Total*** 16.4% | 18.4% |
| Lease Terms (WALT, Rent Bumps, etc.) | Less negotiating leverage | More negotiating leverage | Most negotiating leverage |
| Representative Tenants | Walgreens, 7-Eleven, Walmart, TJX The TJX Companies, Inc., Kroger, Lowe's, Firestone, Starbucks Coffee, Target, Advance Auto Parts | Ollie's Bargain Outlet "Good Stuff Cheap", Chick-fil-A, Hobby Lobby, Northern Tool + Equipment, Five Below | KFC, Chili's, DaVita, Spec's Wines-Spirits-Finer Foods, Caribou Coffee, Wendy's, Bojangles, Jack's, Burlington |

Source: Company data. Portfolio data represents portfolio as of 12/31/2021. 1. IG stands for investment grade.

# 3 (A) Focus on Investment Grade Tenants

Investment grade tenants have outperformed during economic downturns and largely avoided bankruptcy

| Major Net Lease Retail Tenant Bankruptcies (2009 – 2020) | | | |
|---|---|---|---|
| Retail Tenant | Bankruptcy Filing Date | Best Credit Rating Prior to Filing **(S&P / Moody's)**[1] | Investment Grade? |
| Ruby Tuesday | Oct-20 | B (Jul-12) / B2 (May-12) | ✕ |
| Art Van | Mar-20 | NR / NR | ✕ |
| GQT Goodrich Quality Theaters | Feb-20 | NR / NR | ✕ |
| Shopko | Jan-19 | BB- (May-01) / B2 (Apr-01) | ✕ |
| sears | Oct-18 | BB+ (Mar-05) / Ba1 (Mar-05) | ✕ |
| Mattress Firm | Oct-18 | B+ (Sep-15) / B1 (July-15) | ✕ |
| Toys R Us | Sep-17 | BB (Mar-04) / B1 (Aug-10) | ✕ |
| Gander Mtn. | Mar-17 | NR / NR | ✕ |
| Sports Authority | Mar-16 | B (Mar-06) / B2 (Mar-06) | ✕ |
| Buffets, Inc. | Jan-12 | B (Nov-04) / NR | ✕ |
| Borders Group | Feb-11 | NR / NR | ✕ |
| Sportsman's Warehouse | Mar-09 | NR / NR | ✕ |

Sources: Capital IQ, Company data, The Deal Pipeline, Bloomberg, SNL Financial 1. Indicates best credit rating held after 1/1/2005 and date when the respective credit rating was assigned. Some credit ratings are pre-2005.

# ③ Ⓑ Real Estate Valuation

Real Estate closely follows Credit as a top priority: NETSTREIT utilizes a ground-up framework rooted in real estate fundamentals to underpin its valuation and further quantify the upside potential for a transaction

**Market-Level Considerations**

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

**Property-Level Considerations**

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

# 3 C Unit-Level Profitability

In assessing unit-level financial performance, NETSTREIT focuses on mission-critical properties with strong rent coverage and higher variability in operating costs

## 1 Obtain Financial Information

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

## 2 Perform Financial Analysis

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

## 3 Assess Investment Merits

- Determine whether property meets investment criteria

Key Unit-Level Investment Criteria

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

# 4 Portfolio Strategy / Investment Philosophy

| Investment Philosophy | Portfolio Strategy | Current Metrics |
|---|---|---|
| Defensive Tenancy in Necessity-Based and E-commerce-Resistant Retail Sectors[1] | Primarily | 86.6% |
| Resilient, Cycle-Tested Investment Grade Credit Tenants with Durable Cash Flows[1] | >60% | 81.6% (65.2% Investment Grade Credit and 16.4% Investment Grade Profile) |
| Granular Assets in Highly Fragmented, Undercapitalized Market Segment | $1 to $10M Avg. Asset Size | $3.2M Avg. Asset Size |
| Net Lease Retail Assets with Long Lease Term Benefiting From Contractual Rent Growth | >10 Year WALT | 9.9 Year WALT |
| Diversification by Sector, Tenant, State[1] | <15% Sector<br><50% Top 10 Tenants<br><15% State | 14.5% Sector<br>54.3% Top 10 Tenants<br>10.9% State |
| Significant Focus on Fundamental Real Estate Underwriting | Attractive cost basis with durable valuation supported by market rents and demos, physical structure and location, and alternative use analyses | |

Source: Company data. Portfolio data represents portfolio as of 12/31/2021. 1. Portfolio statistics by percentage of ABR.

# 4 Growth Strategy: Generating Both Quality & Quantity

The Company utilizes a multi-faceted growth strategy to deploy capital in a variety of investment structures in the Net Lease Retail sector, allowing it greater flexibility to build its portfolio from a larger opportunity set

| Investment Type | Description | Investment Source | | | | |
|---|---|---|---|---|---|---|
| | Commentary | Current Owners | Brokerage Network | Development Partners | Tenant Relationships | Private Equity |
| Existing Stabilized | Acquire operating properties on the open market<br>• Deepest and most liquid opportunity set<br>• Actively monitored | ✓ | ✓ | ✓ | | |
| Blend & Extend | Acquire single-tenant property with short-term lease<br>• Blend existing rent rate with new rate to extend lease term to at least 10 years | ✓ | | | ✓ | ✓ |
| Build-to-Suit ("BTS") | Fund construction for single-tenant property with long-term lease<br>• Key driver of higher risk-adjusted returns<br>• Collaborate in design and construction of property | | ✓ | ✓ | ✓ | |
| Reverse Build-to-Suit | Acquire a BTS property upon completion<br>• Strong tenant relationship upon acquisition<br>• Long lease terms, higher cap rates, comparable risk | | ✓ | ✓ | ✓ | |
| Sale-Leaseback | Acquire single-tenant property with a simultaneous long-term lease back to the seller<br>• Capitalize on likelihood of increased corporate real estate monetization in light of current disruption | | ✓ | | ✓ | ✓ |

# 4 Bell Curve Investing – Focusing on the Right Side

TYPICAL TRANSACTION

- Large portfolio ($0.2b to $1.0b+) or outsized buyer pool
- Well marketed transaction
- Straight-froward transaction
- Ability to finance transaction with high loan-to-value debt
- Highly competitive, with sophisticated and well capitalized investors

TYPICAL TRANSACTION

- Smaller deal size ($1m to $20m) or limited buyer pool
- Not highly marketed
- May involve transaction structuring that limits buyer pool
- Limited financing options
- Less competitive, 1031 exchangers, family offices, and unsophisticated investors

# 5 Senior Leadership

Seasoned leadership team with significant net lease retail and public company experience

High-Quality Real Estate Portfolio | NETSTREIT | Conservative Capitalization

## Mark Manheimer

President, CEO & Director

Mr. Manheimer leads the overall strategy, acquisitions, underwriting, and asset management for the company

Prior experience includes:

- EB Arrow; CIO of the Single-Tenant Net Lease Group
- Spirit Realty Capital (NYSE: SRC); EVP, Head of Asset Management from 2012 through 2016
  - Member of Investment Committee
  - Led restructuring and extension of the largest tenant's master lease, as well as subsequent sales of the assets leased to the tenant
  - Led due diligence in merger that doubled company size
- Cole Real Estate Investments; Head of Sale-Leaseback Acquisitions from 2009 through 2012
- Realty Income Corporation (NYSE: O); Director of Underwriting from 2005 through 2009

## Andy Blocher

CFO, Treasurer & Secretary

Mr. Blocher manages liabilities, capital raising, investor relations and financial reporting for the company

Prior experience includes:

- First Potomac Realty Trust (NYSE: FPO)[1]; EVP, CFO and Treasurer from 2012 through 2017
  - Leading role in FPO's $1.4 billion sale to Government Properties Income Trust (now Office Properties Income Trust, NASDAQ: OPI)
  - Provided valuable public company expertise in evaluating and recommending changes to corporate governance initiatives; active role in evaluating Board candidates
  - Successfully remediated a pre-existing material weakness with respect to financial controls
- Federal Realty Investment Trust (NYSE: FRT); SVP, CFO and Treasurer from 2008 through 2012

Source: Company data. 1. First Potomac Realty Trust was publicly traded on the NYSE until October 2017.

# 5 Key Personnel

Experienced team of professionals **drive NETSTREIT's day to day operations**

High-Quality Real Estate Portfolio | NETSTREIT | Conservative Capitalization

### Jeff Fuge

Senior Vice President, Acquisitions

- Joined in December 2019
- Prior experience includes:
  - Director of Capital Markets at EB Arrow
  - Senior Vice President at Compass Point Research & Trading
  - Client Relations Director at Aegis Financial
- B.A. in History and minor in Business Administration from the College of Charleston; M.B.A. from George Washington University

### Trish McBratney

Senior Vice President and Chief Accounting Officer

- Joined in May 2020
- Prior experience includes:
  - Chief Accounting Officer of American Bath Group
  - Chief Accounting and Administrative Officer of Mill Creek Residential Trust
  - Vice President and Controller of CyrusOne (NASDAQ: CONE)
- B.S. in Accounting from Oklahoma State University; Certified Public Accountant

### Chad Shafer

Senior Vice President, Credit and Underwriting

- Joined in May 2020
- Prior experience includes:
  - Various roles at JPMorgan Chase & Co., most recently as Executive Director – Wholesale Credit Risk
  - Other roles include Head of Real Estate Banking Portfolio Management, Head of Key Relationship Group – Credit Risk, Commercial Term Lending, and Credit Manager
- B.S. in Finance from Butler University

### Randy Haugh

Senior Vice President, Finance

- Joined in February 2020
- Prior experience includes:
  - U.S. Real Estate fund management group at The Carlyle Group (NASDAQ:CG)
  - Vice President of Finance and Director of Finance at First Potomac Realty Trust (NYSE: FPO)[1]
- B.S. in Economics and Certificate of Accounting from University of Virginia

### Kirk Klatt

Senior Vice President, Real Estate

- Joined in December 2019
- Prior experience includes:
  - Chief Acquisitions Officer, Single-Tenant Net-Lease at EB Arrow
  - Development Services Manager for Duke Realty Corporation (NYSE: DRE)
- B.S. in Civil Engineering from Texas Tech University; M.B.A. from University of Texas at Dallas; licensed real estate salesperson in Texas

### Amy An

Investor Relations Manager

- Joined in December 2019
- Prior experience includes:
  - Investor Relations Manager at EB Arrow
  - Investor Relations Associate and Real Estate Analyst at Capview Partners
- B.S. in Business Administration from the University of Texas at Dallas – Naveen Jindal School of Management

Source: Company data. 1. First Potomac Realty Trust was publicly traded on the NYSE until October 2017.

# 5 Corporate Responsibility

NETSTREIT is committed to fulfilling its responsibility as an outstanding corporate citizen

**The Company's mission is to be the leader in the net lease industry by practicing and implementing** innovative, impactful Environmental, Social and Governance policies with the highest ethical standards

| | Areas of Focus |
|---|---|
| **E** Environmental Responsibility | ▪ Dedication to reducing the Company's ecological footprint<br>▪ Endorsement of renewable resources and encouragement of tenants to practice leading sustainability initiatives<br>▪ Implementation of energy conservation practices in the office |
| **S** Social Responsibility | ▪ Emphasis on creating a culture driven by diversity & inclusion<br>▪ Commitment to employee well-being & satisfaction in the workplace<br>▪ Creation of leading employee training and development programs to promote growth |
| **G** Corporate Governance | ▪ Diverse management team & board of directors<br>▪ Enactment of ideal board features to enhance the Company's fiduciary responsibility to shareholders<br>▪ Rigorous risk management procedures to protect shareholder interests |

# 5 Corporate Responsibility

NETSTREIT aligns its corporate responsibility efforts to support that of the United Nations Sustainable Development Goals (SDGs).

| | |
|---|---|
| 3 GOOD HEALTH AND WELL-BEING | Promote health and well-being in our offices. Company provides insurance benefits to our employees and family. Company provides employees with fitness memberships. |
| 4 QUALITY EDUCATION | Ensure inclusive and equitable quality education and promote lifelong learnings opportunities for all. Company provides continuing education for employees and offers paid internship to college students. |
| 5 GENDER EQUALITY | Ensure women's full and effective participation and equal opportunities at all levels of decision-making. Over 40% of the board members and employee base are female. |
| 8 DECENT WORK AND ECONOMIC GROWTH | Promote sustained, inclusive, full and decent productive employment. Company culture promotes inclusivity and growth. |
| 10 REDUCED INEQUALITIES | Reduced inequality and empower and promote inclusion of all, irrespective of age, sex, race, religion, or economic status. Company culture promotes and empower inclusivity of all. Company has efforts to recruit in underserved communities. |

SUSTAINABLE DEVELOPMENT GOALS

# 5 Environmental Responsibility

We encourage sustainable practices among our employees and remain committed to make environmentally friendly decisions in our daily operations

The new corporate headquarters is LEED v4 O+M: EB Gold Certified, meeting strict guidelines set forth by the Environmental Protection Agency

The certification is the most rigorous of the green building program designations. The building achieved LEED certification for implementing practical and measurable strategies and solutions to achieve high performance in sustainable site development, water savings, and energy efficiency, materials selection, and indoor environmental quality

The new headquarters also received the National Air Filtration Association Clean Air Award

The building management partners with an urban beekeeping company to address declining bee populations and to create ecological awareness of bees

# 5 Environmental Responsibility

Our top tenants have corporate sustainability programs that govern their business operations. 18 of our top 20 tenants in our portfolio have ESG commitments

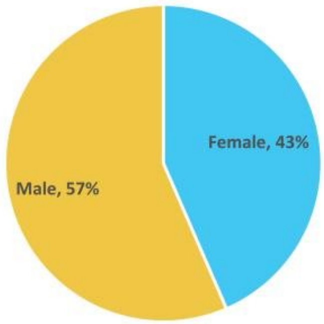
| | ENVIRONMENTAL | | | | | | | SOCIAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GHG/CO2 Emission | Plastic Usage/ Sustainable Packaging | Renewable Energy/Energy Conservation | Water Conservation/ Clean Water | Eco-Friendly Products/ Sustainably/ Ethically Sourced Products | Waste Reduction/ Recycling | Agriculture/ Deforestration | Community Engagement/ Philanthropy | Diversity, Equity and Inclusion | Responsible Supply Chain | Product Safety & Quality |
| Walgreens | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| 7-Eleven | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ | | |
| Advance Auto Parts | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | | |
| Dollar General | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| CVS | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Lowe's | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sams/Wal-Mart | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Best Buy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Floor & Décor | ✓ | | | | ✓ | | | | ✓ | ✓ | ✓ |
| Big Lots* | | | ✓ | | ✓ | ✓ | | ✓ | | ✓ | |
| Dollar Tree/ Family Dollar | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Home Depot | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Tractor Supply | ✓ | | ✓ | | ✓ | | | ✓ | ✓ | ✓ | |
| Ahold Delhaize (Food Lion and Stop & Shop) | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Burlington | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Kroger / Pick 'n Save | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fresenius | ✓ | | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Kohl's | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |

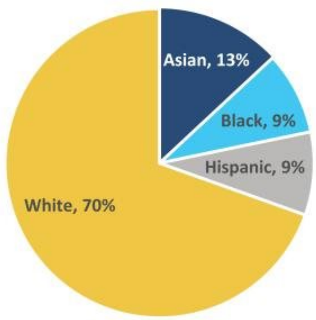
Source: Company data. Portfolio data represents portfolio as of 12/31/2021. Corporate sustainability programs for each tenant is published on their website.

# 5 Social Responsibility

Human Capital Management is the Cornerstone of our ESG and Corporate Strategy. We believe in the value of a diverse workforce and inclusive culture

## Workforce Diversity




## Benefits

### 401K Plan

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

### Leave

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

### Insurance

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

### Paid Time Off

A minimum of twenty-three PTO days

### Continuing Education

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

### Paid Holidays

Twelve days of paid holidays

### Employee Assistance

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

Source: Company data.

# 5 Corporate Governance

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

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

**Board Independence and Diversity**

**71%**
Independent Directors

**60%**
Diverse Independent Directors

**43%**
Female Directors

**4**
Fully Independent Committees

Source: Company data.

# 5 Board of Directors

**In addition to Mr. Manheimer, the Company's board is comprised of six additional directors, five of whom** are independent, each possessing diverse backgrounds in industry, public company and investment experience

### Todd Minnis

Chairman of the Board

Background
- EB Arrow, CEO: Commercial real estate developer & owner
- Formerly Cypress Equities Real Estate Investment Management, CIO
- Formerly with The Staubach Company

### Matt Troxell, CFA

Lead Independent Director

- Compensation Committee Chair
- Investment Committee Chair
- Audit Committee Member

Background
- Formerly AEW Capital Management, Head of AEW Real Estate Securities
- Formerly Landmark Land Company, VP

### Lori Wittman

Independent Director

- Audit Committee Chair
- Nominating & Corporate Governance Committee Member

Background
- Big Rock Partners, CFO
- Global Medical REIT (NYSE: GMRE) Independent Director and Audit Committee Chair
- Formerly Care Capital Properties (NYSE: CCP), CFO
- Formerly Ventas (NYSE: VTR), SVP – Capital Markets & Investor Relations

### Robin Zeigler

Independent Director

- Nominating & Corporate Governance Committee Chair
- Compensation Committee Member
- Investment Committee Member

Background
- Cedar Realty Trust (NYSE: CDR), EVP and COO
- Formerly Federal Realty Investment Trust (NYSE: FRT), COO, Mid-Atlantic

### Heidi Everett

Independent Director

- Compensation Committee Member
- Nominating & Corporate Governance Committee Member

Background
- Star Cypress Partners, President and CEO
- Formerly The Wentworth Group and Stafford Family Foundation, Vice President
- Veteran of the United States Air Force

### Michael Christodolou

Independent Director

- Audit Committee Member
- Investment Committee Member

Background
- Inwood Capital Management, Manager
- Lindsay Corporation (NYSE: LNN), Director, serves on Audit Committee, and Corporate Governance and Nominating Committee
- Formerly with Bass Brothers / Taylor & Company

# Company & Investment Highlights

**NETSTREIT Is A Growth Company With A Defensive Net Lease Retail Strategy**

- Durable and Defensive Cash Flows with Demonstrated Resiliency
- Seasoned Leadership Team with Extensive Track Record
- Active Asset Management to Achieve Optimal Portfolio Performance
- Disciplined Underwriters with Dual Focus on Credit AND Real Estate
- Multifaceted Investment Strategy Leveraging Deep Industry Relationships
- Platform Positioned for Scale

High-Quality, Diversified, and Defensive Net Lease Retail Portfolio

NETSTREIT

Conservative Capitalization to Support Accretive Growth

# Definitions

**ABR** means annualized base rent. ABR is calculated by multiplying (i) cash rental payments (a) for the month ended December 31, 2021 (or, if applicable, the next full month's cash rent contractually due in the case of rent abatements, rent deferrals, recently acquired properties and properties with contractual rent increases, other than properties under development) for leases in place as of December 31, 2021, plus (b) for properties under development, the first full month's permanent cash rent contractually due after the development period by (ii) 12.

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

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

**Investment Grade (rated)** represents tenants, or tenants that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BBB- (S&P), Baa3 (Moody's) or NAIC2 (National Association of Insurance Commissioners) or higher.

**Investment Grade Profile (unrated)** represents tenants with investment grade credit metrics (more than $1.0 billion in annual sales and a debt to adjusted EBITDA ratio of less than 2.0x), but do not carry a published rating from S&P, Moody's, or NAIC.

**Sub-investment grade (rated)** represents tenants or tenants that are subsidiaries of a parent entity (with such subsidiary making up at least 50% of the parent company total revenue), with a credit rating of BB+ (S&P), Ba1 (Moody's) or NAIC3 (National Association of Insurance Commissioners) or lower.

NETSTREIT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