

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

FORM 10 Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-56701



New Mountain Net Lease Trust

(Exact name of Registrant as specified in its Charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

1633 Broadway, 48th Floor
New York, New York

(Address of principal executive offices)

99-6897976

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

10019

(Zip Code)

Registrant's telephone number, including area code: (212) 720 0300

Securities registered pursuant to Section 12(b) of the Act: None.

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

Emerging growth company

☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 12, 2025, the issuer had the following shares outstanding: 9,159,016 shares of Class A common shares, 11,543,654 shares of Class F common shares, 4,168,495 shares of Class I common shares and 6,712,132 shares of Class E common shares.

Explanatory Note

This Quarterly Report on Form 10-Q of New Mountain Net Lease Trust, a Maryland statutory trust (the “Company”), includes the financial statements and other financial information of (i) the Company and (ii) the Company’s accounting predecessor, New Mountain Net Lease Partners Corporation, a Maryland corporation (the “Predecessor”), which owned a portfolio of stabilized, net leased industrial assets comprising nearly 15 million square feet (unaudited) and a weighted average remaining lease term (“WALT”) of 15 years (the “Seed Portfolio”) that was contributed to the Company on January 2, 2025, in connection with the completion of the Formation Transactions (as defined below).

On January 2, 2025, the Company completed a recapitalization transaction, which included the following transactions (collectively, referred to as, the “Formation Transactions”):

- New Mountain Finance Advisers, L.L.C., a Delaware limited liability company and affiliate of New Mountain (the “Adviser”), determined the net asset value (“NAV”) of the Seed Portfolio as of September 30, 2024 (the “Seed Portfolio Fair Value”), and our Board of Trustees engaged CBRE Capital Advisors, Inc. (“CBRE”) to provide a fairness opinion with respect to such valuation. CBRE’s fairness opinion was obtained on October 30, 2024, and delivered to our Board of Trustees.
- New Mountain Net Lease Partners, L.P., a Delaware limited partnership (“NM Fund I”), contributed 100% of the common stock of the Predecessor, which prior to such contribution indirectly owned the Seed Portfolio, to the Company in exchange for a number of the Company’s common shares based on the Seed Portfolio Fair Value, divided by \$20.00 (the “REIT Contribution”).
- Substantially concurrently with the REIT Contribution, the Predecessor filed articles of conversion to convert to a Delaware limited partnership (the “OP Conversion”);
- In connection with the OP Conversion, the Predecessor changed its name to NEWLEASE Operating Partnership LP (after such conversion and name change, referred to as, the “Operating Partnership”).
- NM Fund I then distributed in kind our common shares that it received in connection with the REIT Contribution to its existing partners in proportion to their ownership in NM Fund I immediately prior to the completion of the Formation Transactions, who had the opportunity to elect to have their common shares repurchased by us.

As used throughout this document, the terms the “Company,” “NEWLEASE,” “we,” “our,” and “us” mean:

- The Predecessor for periods on or prior to the completion of the Formation Transactions on January 2, 2025; and
- The combined operations of the Company and the Predecessor beginning January 2, 2025, following the completion of the Formation Transactions.

In addition to the financial statements contained herein, you should read and consider the audited financial statements and accompanying notes thereto of the Company for the year ended December 31, 2024 included in our Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 28, 2025.

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PART I – Financial Information
ITEM I: Financial Statements

New Mountain Net Lease Trust
Consolidated Balance Sheets (unaudited)
(Dollars in thousands, except per share data)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Investments in real estate, net	\$ 1,260,070	\$ 1,204,195
Intangible assets, net	41,603	36,854
Cash and cash equivalents	559	3,335
Restricted cash	13,696	263,135
Other assets	80,662	63,908
Total assets	<u>\$ 1,396,590</u>	<u>\$ 1,571,427</u>
Liabilities		
Mortgage notes and credit facility, net	\$ 863,519	\$ 903,523
Aggregation facility	51,875	—
Subscriptions received in advance	13,495	262,934
Accounts payable and accrued expenses	10,411	3,352
Affiliate line of credit	7,750	—
Due to affiliates	7,929	294
Distribution and redemption payable	4,292	—
Intangible liabilities, net	4,505	1,065
Other liabilities	4,710	2,972
Total liabilities	<u>968,486</u>	<u>1,174,140</u>
Commitments and contingencies (see Note 14)		
Equity		
Common shares – Class A; \$0.01 par value per share; 9,159,016 and 831,571 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	92	8
Common shares – Class F; \$0.01 par value per share; 11,409,040 and 6,287,642 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	114	63
Common shares – Class I; \$0.01 par value per share; 2,996,150 and 0 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	30	—
Common shares – Class E; \$0.01 par value per share; 6,712,132 and 20,188,521 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	67	202
Additional paid-in capital	495,557	441,319
Earnings less than distributions	(126,935)	(104,860)
Total shareholders' equity	<u>368,925</u>	<u>336,732</u>
Non-controlling interests	59,179	60,555
Total equity	<u>428,104</u>	<u>397,287</u>
Total liabilities and shareholders' equity	<u>\$ 1,396,590</u>	<u>\$ 1,571,427</u>

The accompanying notes are an integral part of the consolidated financial statements.

New Mountain Net Lease Trust
Consolidated Statements of Operations (unaudited)
(Dollars in thousands, except per share data)

	Three Month Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenues				
Rental revenue	\$ 27,611	\$ 26,181	\$ 81,723	\$ 80,931
Total revenues	<u>27,611</u>	<u>26,181</u>	<u>81,723</u>	<u>80,931</u>
Expenses				
Property operating expense	92	43	387	126
Depreciation and amortization	8,893	8,793	26,322	26,426
Management fee	1,181	—	3,295	—
Performance participation allocation	925	—	2,360	—
General and administrative	1,070	(437)	2,599	885
Organizational costs	(48)	—	103	—
Total expenses	<u>12,113</u>	<u>8,399</u>	<u>35,066</u>	<u>27,437</u>
Other (expense)/income				
Interest expense	(10,244)	(10,537)	(30,663)	(31,246)
Other income	—	181	2	431
Net change in unrealized appreciation/(depreciation) on investments related to foreign exchange fluctuations	201	(86)	(296)	252
Net change in unrealized depreciation on derivative swaps	(37)	(1,014)	(37)	(468)
Net realized loss on financial instruments	—	(79)	—	(82)
Net gain on sales of real estate	—	319	—	319
Total other (expense)/income	<u>(10,080)</u>	<u>(11,216)</u>	<u>(30,994)</u>	<u>(30,794)</u>
Net income before income tax expense	<u>5,418</u>	<u>6,566</u>	<u>15,663</u>	<u>22,700</u>
Income tax expense	(4)	(84)	(21)	(533)
Net income	<u>5,414</u>	<u>6,482</u>	<u>15,642</u>	<u>22,167</u>
Net income attributable to non-controlling interests	<u>(1,238)</u>	<u>(1,151)</u>	<u>(3,786)</u>	<u>(3,261)</u>
Net income attributable to the Company's shareholders	<u>\$ 4,176</u>	<u>\$ 5,331</u>	<u>\$ 11,856</u>	<u>\$ 18,906</u>
Class A weighted average shares outstanding – basic and diluted	9,159,016	831,571	9,116,035	831,571
Class F weighted average shares outstanding – basic and diluted	11,368,836	6,287,642	11,289,410	6,287,642
Class I weighted average shares outstanding – basic and diluted	2,280,852	—	1,086,055	—
Class E weighted average shares outstanding – basic	6,712,132	20,188,521	6,712,132	20,188,521
Class E weighted average shares outstanding – diluted	6,783,387	20,188,521	6,747,992	20,188,521
Earnings per Class A share - basic and diluted	\$ 0.14	\$ 0.20	\$ 0.40	\$ 0.69
Earnings per Class F share - basic and diluted	\$ 0.11	\$ 0.20	\$ 0.33	\$ 0.69
Earnings per Class I share - basic and diluted	\$ 0.09	\$ —	\$ 0.26	\$ —
Earnings per Class E share - basic and diluted	\$ 0.21	\$ 0.20	\$ 0.62	\$ 0.69

The accompanying notes are an integral part of the consolidated financial statements.

New Mountain Net Lease Trust
Consolidated Statement of Changes in Equity (unaudited)
(Dollars in thousands, except per share data)

	Par Value				Additional	Earnings	Total	Non-controlling	Total
	Class A	Class F	Class I	Class E	Paid-in Capital	less than distributions	Shareholders' Equity	Interests	Equity
Balance at June 30, 2025	\$ 92	\$ 113	\$ 13	\$ 67	\$ 460,446	\$ (119,251)	\$ 341,480	\$ 59,447	\$ 400,927
Common shares issued	—	1	17	—	36,142	—	36,160	704	36,864
Offering costs	—	—	—	—	(1,314)	—	(1,314)	—	(1,314)
Distribution reinvestment	—	—	—	—	520	—	520	—	520
Common shares redeemed	—	—	—	—	(237)	—	(237)	—	(237)
Net Income	—	—	—	—	—	4,176	4,176	1,238	5,414
Distributions on common shares (\$0.401 gross per share)	—	—	—	—	—	(11,860)	(11,860)	—	(11,860)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(2,210)	(2,210)
Balance at September 30, 2025	<u>\$ 92</u>	<u>\$ 114</u>	<u>\$ 30</u>	<u>\$ 67</u>	<u>\$ 495,557</u>	<u>\$ (126,935)</u>	<u>\$ 368,925</u>	<u>\$ 59,179</u>	<u>\$ 428,104</u>

	Par Value				Additional	Earnings	Total	Non-controlling	Total
	Class A	Class F	Class I	Class E	Paid-in Capital	less than distributions	Shareholders' Equity	Interests	Equity
Balance at December 31, 2024	\$ 8	\$ 63	\$ 30	\$ 202	\$ 441,319	\$ (104,860)	\$ 336,732	\$ 60,555	\$ 397,287
Common shares issued	84	51	30	—	329,448	—	329,613	1,435	331,048
Offering costs	—	—	—	—	(5,046)	—	(5,046)	—	(5,046)
Distribution reinvestment	—	—	—	—	549	—	549	—	549
Common shares redeemed	—	—	—	(135)	(270,713)	—	(270,848)	—	(270,848)
Net income	—	—	—	—	—	11,856	11,856	3,786	15,642
Distributions on common shares (\$1.202 gross per share)	—	—	—	—	—	(33,931)	(33,931)	—	(33,931)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(6,597)	(6,597)
Balance at September 30, 2025	<u>\$ 92</u>	<u>\$ 114</u>	<u>\$ 30</u>	<u>\$ 67</u>	<u>\$ 495,557</u>	<u>\$ (126,935)</u>	<u>\$ 368,925</u>	<u>\$ 59,179</u>	<u>\$ 428,104</u>

	Par Value				Additional	Earnings	Total	Non-controlling	Total
	Class A	Class F	Class I	Class E	Paid-in Capital	less than distributions	Shareholders' Equity	Interests	Equity
Balance at June 30, 2024	\$ 8	\$ 63	\$ —	\$ 202	\$ 441,318	\$ (89,908)	\$ 351,683	\$ 63,960	\$ 415,643
Net Income	—	—	—	—	—	5,331	5,331	1,151	6,482
Distributions on common shares (\$0.463 gross per share)	—	—	—	—	—	(12,632)	(12,632)	—	(12,632)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(3,775)	(3,775)
Balance at September 30, 2024	<u>\$ 8</u>	<u>\$ 63</u>	<u>\$ —</u>	<u>\$ 202</u>	<u>\$ 441,318</u>	<u>\$ (97,209)</u>	<u>\$ 344,382</u>	<u>\$ 61,336</u>	<u>\$ 405,718</u>

	Par Value				Additional	Earnings	Total	Non-controlling	Total
	Class A	Class F	Class I	Class E	Paid-in Capital	less than distributions	Shareholders' Equity	Interests	Equity
Balance at December 31, 2023	\$ 8	\$ 63	\$ —	\$ 202	\$ 441,318	\$ (79,383)	\$ 362,208	\$ 65,856	\$ 428,064
Net Income	—	—	—	—	—	18,906	18,906	3,261	22,167
Distributions on common shares (\$1.345 gross per share)	—	—	—	—	—	(36,732)	(36,732)	—	(36,732)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(7,781)	(7,781)
Balance at September 30, 2024	<u>\$ 8</u>	<u>\$ 63</u>	<u>\$ —</u>	<u>\$ 202</u>	<u>\$ 441,318</u>	<u>\$ (97,209)</u>	<u>\$ 344,382</u>	<u>\$ 61,336</u>	<u>\$ 405,718</u>

The accompanying notes are an integral part of the consolidated financial statements.

New Mountain Net Lease Trust
Consolidated Statement of Cash Flows (unaudited)
(Dollars in thousands)

	Nine months ended	
	September 30, 2025	September 30, 2024
Cash flows from operating activities:		
Net income	\$ 15,642	\$ 22,167
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	26,322	26,426
Straight-line rent adjustment	(6,952)	(7,068)
Amortization of above / (below) market lease intangibles	(111)	(87)
Amortization of deferred financing costs	1,951	1,885
Performance participation allocation	1,435	—
Net gain on sales of real estate	—	(319)
Changes in assets and liabilities:		
(Increase)/decrease in other assets	(9,802)	350
Increase/(decrease) in due to affiliates	2,589	(57)
Increase (decrease) in accounts payable and accrued expenses	7,059	(233)
Increase/(decrease) in other liabilities	1,738	(1,050)
Net cash provided by operating activities	\$ 39,871	\$ 42,014
Cash flows from investing activities		
Proceeds from real estate sold	\$ 9	\$ 11,364
Acquisition of real estate	(83,402)	—
Net cash (used in)/provided by investing activities	\$ (83,393)	\$ 11,364
Cash flows from financing activities:		
Proceeds from issuance of common shares	\$ 66,679	\$ —
Redemptions of common stock	(270,611)	—
Subscriptions received in advance	13,495	—
Payment of distributions to common shares	(29,327)	(36,732)
Payment of distributions to non-controlling interests	(6,597)	(7,781)
Borrowings under affiliated line of credit	7,750	—
Borrowings under revolving credit facility	61,302	39,267
Repayment of revolving credit facility	(100,375)	(38,274)
Borrowings under aggregation facility	51,875	—
Repayment of mortgage notes	(1,413)	(9,333)
Deferred financing costs	(962)	(5)
Net cash used in financing activities	\$ (208,184)	\$ (52,858)
Net change in cash and cash equivalents and restricted cash	\$ (251,706)	\$ 520
Cash and cash equivalents and restricted cash, beginning of period	266,470	2,416
Effects of currency translation on cash and cash equivalents, and restricted cash	(509)	(266)
Cash and cash equivalents and restricted cash, end of period	\$ 14,255	\$ 2,670
Reconciliation of cash and cash equivalents and restricted cash to the consolidated balance sheets		
Cash and cash equivalents	\$ 559	\$ 2,469
Restricted cash	13,696	201
Total cash and cash equivalents and restricted cash	\$ 14,255	\$ 2,670
Supplemental disclosures:		
Interest paid	\$ 28,640	\$ 29,518
Cash paid for income taxes	2	—
Non-cash financing activities:		
Accrued distributions	\$ 4,055	\$ —
Accrued redemptions	237	—
Offering costs due to affiliate	4,419	—
Other offering costs payable	627	—
Distribution reinvestment	549	—
Class E OP units	1,435	—
Common shares issued with subscriptions received in advance	262,934	—

The accompanying notes are an integral part of the consolidated financial statements.

New Mountain Net Lease Trust
Notes to Consolidated Financial Statements
(Dollars in thousands, except per share data)

Note 1. Organization and Business Purpose

New Mountain Net Lease Trust (“we,” “our,” “us,” the “Company” or “NEWLEASE”) is a Maryland statutory trust formed in August 2024 to acquire, own, finance and lease a diversified portfolio of operationally critical, single-tenant, commercial net lease real estate assets primarily located in the United States. The Company is externally managed by our investment adviser, New Mountain Finance Advisers, L.L.C. (the “Adviser”), a Delaware limited liability company and an affiliate of our sponsor, New Mountain Capital, L.L.C. (the “Sponsor”).

We are structured as a non-listed, perpetual-life real estate investment trust (“REIT”), and therefore our securities are not listed on a national securities exchange and, as of the date of this report, there is no plan to list our securities on a national securities exchange. As a perpetual-life REIT, our common shares are intended to be sold monthly on a continuous basis at a price generally equal to our prior month’s net asset value (“NAV”) per share. We have elected and intend to qualify to be taxed as a REIT under the U.S. Internal Revenue Code of 1986, as amended (the “Code”), for U.S. federal income tax purposes and generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our REIT taxable income to shareholders and maintain our qualification as a REIT.

Our structure as a perpetual-life REIT allows us to originate, acquire, finance and manage our investment portfolio in an active and flexible manner. We believe the structure is advantageous to shareholders, as we are not limited by a pre-determined operational period and the need to liquidate assets, potentially in an unfavorable market, to satisfy a liquidity event at the end of a pre-specified period.

The Company is conducting a continuous, blind pool private offering of its common shares in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), to investors that are accredited investors (as defined in Regulation D under the Securities Act). The initial closing of our private offering occurred on January 2, 2025. The Company is authorized to issue four classes of its common shares (Class A shares, Class F shares, Class I shares, and Class E shares), each with a par value of \$0.01 per common share. The share classes have different management fees and performance participation allocation. Subscriptions to purchase our common shares may be made on an ongoing basis as of the first business day of each month. Common shares will generally be sold at the then-current transaction price, which will generally be the prior month’s NAV per share of the class of share being purchased. NAV is not a measure used under accounting principles generally accepted in the United States (“GAAP”) and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP.

On January 2, 2025, NEWLEASE completed a recapitalization transaction, which included the following transactions (collectively, referred to as, the “Formation Transactions”):

- The Adviser determined the NAV of the New Mountain Net Lease Partners Corporation, a Maryland Corporation (the “Predecessor”), as of September 30, 2024 (the “Seed Portfolio Fair Value”), and our Board of Trustees engaged CBRE Capital Advisors, Inc. (“CBRE”) to provide a fairness opinion with respect to such valuation. CBRE’s fairness opinion was obtained on October 30, 2024, and delivered to our Board of Trustees.
- New Mountain Net Lease Partners, L.P., a Delaware limited partnership (“NM Fund I”), contributed 100% of the common stock of the Predecessor in exchange for 27,307,734 shares the Company’s common shares based on the Seed Portfolio Fair Value, divided by \$20.00 (the “REIT Contribution”).
- Substantially concurrently with the REIT Contribution, the Predecessor filed articles of conversion to convert to a Delaware limited partnership (the “OP Conversion”);
- In connection with the OP Conversion, the Predecessor changed its name to NEWLEASE Operating Partnership LP (after such conversion and name change, referred to as, the “Operating Partnership”).

New Mountain Net Lease Trust
Notes to Consolidated Financial Statements
(Dollars in thousands, except per share data)

- NM Fund I then distributed in kind the 27,307,734 common shares that it received in connection with the REIT Contribution to its existing partners in proportion to their ownership in NM Fund I immediately prior to the completion of the Formation Transactions, who had the opportunity to elect to have their common shares repurchased by us.

As used throughout this document, the terms the “Company”, “we”, “our”, and “us” mean:

- The Predecessor for periods on or prior to the closing of the Formation Transactions on January 2, 2025; and
- The combined operations of the Company and the Predecessor beginning January 2, 2025, following the completion of the Formation Transactions.

As of September 30, 2025, the Company owned 169 properties leased to 34 tenants.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X.

In connection with the Formation Transactions, NM Fund I contributed 100% of the outstanding common stock of the Predecessor, which prior to such contribution indirectly owned the Seed Portfolio. As the contribution of 100% of NM Fund I's interest in the Seed Portfolio to the Company qualifies as a transaction between parties under a common control in accordance with ASC 805-50, the unaudited consolidated Balance Sheets of Seed Portfolio and the Company as of December 31, 2024, have been presented on a combined basis. The Company concluded that the Predecessor and the Seed Portfolio's financial statements are to be reflected at historical carryover basis in the unaudited consolidated financial statements for the three and nine months ended September 30, 2025 and 2024.

All intercompany balances and transactions have been eliminated in consolidation. The accompanying statements of operations for the three and nine months ended September 30, 2025 include our consolidated accounts. The accompanying financial statements for the three and nine months ended September 30, 2024 include the consolidated accounts of the Predecessor. Therefore, our results of operations, cash flows and financial condition set forth in this report are not necessarily indicative of our future results of operations, cash flows or financial condition as an independent company.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries and any single member limited liability companies or other entities which are consolidated in accordance with GAAP. The Company consolidates variable interest entities (“VIEs”) when it is the primary beneficiary and voting interest entities that are generally majority owned or otherwise controlled by the Company. Generally, a VIE is an entity with one or more of the following characteristics: (1) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (2) as a group, the holders of the equity investment at risk (a) lack the power through voting or similar rights to make decisions about the entity's activities that significantly impact the entity's performance, (b) have no obligation to absorb the expected losses of the entity, or (c) have no right to receive the expected residual returns of the entity, or (3) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately fewer voting rights. A VIE is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE has (1) the power to direct the activities that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

The Company has consolidated all VIEs for the periods presented because we are the primary beneficiary and have the power to direct the activities that impact the entity's economic performance and the obligation to absorb losses or receive benefits from the VIE.

New Mountain Net Lease Trust
Notes to Consolidated Financial Statements
(Dollars in thousands, except per share data)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's most significant assumptions and estimates relate to the useful lives of real estate assets, lease accounting, real estate impairment assessments and allocation of fair value of purchase consideration. These estimates are based on historical experience and other assumptions which management believes are reasonable. The Company evaluates its estimates on an ongoing basis and revises these estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from those estimates.

Investment in Real Estate

Real estate assets are stated at cost, less accumulated depreciation and amortization. The Company evaluates each acquisition transaction to determine whether the acquired asset meets the definition of a business and therefore accounted for as a business combination or if the acquisition transaction should be accounted for as an asset acquisition. Under Accounting Standards Update ("ASU") 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"), an acquisition does not qualify as a business when substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets or the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay. Transaction costs related to acquisitions that qualify as asset acquisitions are capitalized as part of the cost basis of the acquired assets, while transaction costs for acquisitions that are deemed to be acquisitions of a business are expensed as incurred.

The Company allocates the purchase price of acquired properties accounted for as asset acquisitions to tangible and identifiable intangible assets or liabilities based on their relative fair values. Tangible assets may include land, buildings, site improvements and tenant improvements. Intangible assets include the value of in-place leases and above-market leases, and intangible liabilities include below-market leases. The fair value of the tangible assets of an acquired property with an in-place operating lease is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to the tangible assets based on the relative fair value of the tangible assets. The fair value of in-place leases is determined by considering estimates of carrying costs during the expected lease-up periods, current market conditions as well as costs to execute similar leases based on the specific characteristics of each tenant's lease. The Company estimates the cost to execute leases with terms similar to the remaining lease terms of the in-place leases, including tenant improvements, leasing commissions, legal and other related expenses.

The values of acquired above-market and below-market leases are recorded based on the present values (using discount rates which reflect the risks associated with the leases acquired) of the differences between the contractual amounts to be received and management's estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of the acquisitions. Such valuations include consideration of the noncancelable terms of the respective leases as well as any applicable renewal periods whereby the Company is reasonably certain the tenant will utilize their extension option. The fair values associated with below-market rental renewal options are determined based on the Company's experience and the relevant facts and circumstances that existed at the time of the acquisitions. The values of the above-market and below-market leases are amortized over the term of the respective leases, including certain renewal options (as applicable), as an adjustment to rental revenue on the Company's Consolidated Statements of Operations. The value of other intangible assets (including leasing commissions, tenant improvements, etc.) is amortized to expense over the applicable terms of the respective leases. Tenant improvements are amortized on a straight-line basis over the lives of the related leases, which approximate the useful lives of the tenant improvements. If a lease were to be terminated prior to its stated expiration or not renewed, all unamortized amounts relating to that lease would be recognized in operations at that time. In making estimates of fair values for purposes of allocating purchase price, the Company utilizes a number of sources and also considers information and other factors including market conditions, the industry that the tenant operates in, characteristics of the real estate; e.g., location, size, demographics, value and comparative rental rates; tenant credit profile and the importance of the location of the real estate to the operations of the tenant's business. Additionally, the Company considers information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the relative fair value of the tangible and intangible assets and liabilities acquired. The Company's methodology for measuring and allocating the fair value of real estate acquisitions includes both

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observable market data (categorized as level 2 on the three-level valuation hierarchy of Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurement), and unobservable inputs that reflect the Company’s own internal assumptions (categorized as level 3 under ASC Topic 820). Given the significance of the unobservable inputs the Company believes the allocations of fair value of real estate acquisitions should be categorized as level 3 under ASC Topic 820.

Management reviews each real estate investment for impairment whenever events or circumstances indicate that the carrying value of a real estate investment may not be recoverable. The review of recoverability of real estate investments held for use is based on an estimate of the undiscounted future cash flows that are expected to result from the real estate investment’s use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, capital expenditures, competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair value. No impairments were recorded during the three and nine months ended September 30, 2025 and September 30, 2024.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. The Company considers the period of future benefit of each respective asset to determine its appropriate useful life. The estimated useful lives of the Company’s real estate assets by class are generally as follows:

Building and Intangibles	Depreciation or Amortization Basis	Depreciation or Amortization Range (in years)
Building	Useful life of building	19-46
Building improvements	Useful life of improvements	5-40
Tenant improvement allowance	Shorter of useful life or life of lease	11-22
Lease costs	Life of lease	11-22
Legal and marketing costs	Life of lease	11-22
Above or below market lease value	Life of lease	11-22
Lease in place value	Life of lease	11-22

Expenditures for improvements that substantially extend the useful lives of the assets are capitalized. Expenditures for maintenance, repairs and betterments that do not substantially prolong the normal useful life of an asset are charged to operations as incurred.

Sale-Leasebacks

All sale-leaseback transactions are evaluated in accordance with GAAP to determine if they meet the criteria for sale recognition.

The Company concluded that all sale-leaseback transactions qualified as sales under the applicable accounting standards, with control of the assets being effectively transferred to the buyers. The Company did not complete any sale-leaseback transactions for the three and nine months ended September 30, 2025 and September 30, 2024.

Real Estate Held for Sale and Discontinued Operations

The Company follows the guidance for reporting discontinued operations, whereby a disposal of an individual property or group of properties is required to be reported in “discontinued operations” only if the disposal represents a strategic shift that has, or will have, a major effect on the Company’s operations and financial results. The results of operations for those properties not meeting such criteria are reported in “continuing operations” in the Consolidated Statements of Operations. There were no discontinued operations in the current year.

The carrying values of the assets and liabilities of properties determined to be held for sale, principally the net book values of the real estate are reclassified as “held for sale” on the Company’s consolidated balance sheets at the time such determinations are made, on a prospective basis only.

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The Company classifies the assets and liabilities related to its real estate investments as held for sale in the period in which all of the following conditions are met: (i) the Company commits to a plan and has the authority to sell the asset; (ii) the asset is available for sale in its current condition; (iii) the Company has initiated an active marketing plan to locate a buyer for the asset; (iv) the sale of the asset is both probable and expected to qualify for full sales recognition within a period of 12 months; (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) the Company does not anticipate changes to its plan to sell the asset or that the plan will be withdrawn. The Company classifies held for sale assets and liabilities at the lower of depreciated cost or fair value less closing costs. There were no properties held for sale as of September 30, 2025 and December 31, 2024.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed the limits insured by the Federal Deposit Insurance Corporation. However, the Company deposits its cash and cash equivalents with high credit-quality institutions to minimize credit risk exposure.

Restricted Cash

As of September 30, 2025 and December 31, 2024, the restricted cash balance of \$13,696 and \$263,135, respectively, was related to a tenant improvement escrow, tenant security deposit, and subscriptions received in advance.

Subscriptions Received in Advance

Subscriptions received in advance represent amounts received from investors prior to the October 1, 2025 effective date of their investment in the Company. These amounts are recorded as a liability until the subscription is fully processed and the investor's capital is accepted by the Company. Upon acceptance, the liability is reclassified to equity.

Derivatives

The Company may enter into derivative financial instruments, such as interest rate swaps and caps, to manage interest rate exposure. The Company's derivative instruments may include instruments that do not qualify for cash flow hedge accounting treatment. To qualify for hedge accounting, the hedging relationship, both at inception of the hedge and on an ongoing basis, must be expected to be highly effective at offsetting the variability in hedged cash flows attributable to the hedged risk (e.g., a variable interest rate index).

All derivatives are recognized on the consolidated balance sheets at fair value and are generally reported gross, regardless of netting arrangements. Derivatives not designated as accounting hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the hedge accounting requirements or the Company has not elected to apply hedge accounting.

The fair value of the interest rate swaps and caps contracts are estimated at an amount the Company would receive or pay to terminate the agreement at the balance sheet date, taking into consideration current interest rates, foreign exchange rates, and creditworthiness of the counterparty.

Fair Value Measurements

The accounting guidance for fair value measurement establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical, unrestricted assets or liabilities in active markets.

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- Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly, valued using inputs other than quoted prices.
- Level 3 – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

Fair value is a market-based measurement, based on assumptions of prices and inputs considered from the perspective of a market participant as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The inputs used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level 3 fair value measurement may include inputs that are both observable and unobservable. Gains and losses for such assets categorized within Level 3 may include changes in fair value that are attributable to both observable inputs and unobservable inputs.

Revenue Recognition and Accounts Receivable

Pursuant to ASC 842, the Company does not separate the non-lease components, such as common area maintenance, from its leases. Management has determined that all of the Company's leases with its various tenants are operating leases. The Company recognizes minimum rent, including rental abatements, lease incentives and contractual fixed increases attributable to operating leases on a straight-line basis over the term of the related leases when collectability is probable and records amounts expected to be received in later years as straight-line rent receivable. Straight-line rent receivable was \$65,831 and \$58,878 as of September 30, 2025 and December 31, 2024, respectively, and represents rent earned in excess of rent received as a result of straight-lining rents over the terms of the leases, in accordance with the guidance and is included in other assets on the accompanying consolidated balance sheets. Straight-line rent liability represents rent received in excess of rent earned as a result of straight-lining rents over the terms of the leases. The Company records property operating expense reimbursements due from tenants for common area maintenance, real estate taxes and other recoverable costs in the period the related expenses are incurred.

Accounts receivables include unpaid amounts billed to tenants, disputed enforceable charges and accrued revenues for future billings to tenants for property expenses. We evaluate the collectability of amounts due from tenants and disputed enforceable charges on both a lease-by-lease and a portfolio-level, which result from the inability of tenants to make required payments under their operating lease agreements. We recognize changes in the collectability assessment of these operating leases as adjustments to rental revenue in accordance with ASC 842 Leases. Management exercises judgment in assessing collectability and considers payment history, current credit status and publicly available information about the financial condition of the tenant, among other factors. Accounts receivables, and straight-line rents receivable, are written-off directly when management deems the collectability of substantially all future lease payments from a specific lease is not probable, at which point, the Company will begin recognizing revenue from such leases prospectively, based on actual amounts received. This write-off effectively reduces cumulative non-cash rental income recognized from the straight lining of rents since lease commencement. If the Company subsequently determines that it is probable it will collect substantially all of the lessee's remaining lease payments under the lease term, the Company will reinstate the receivables balance, including those arising from the straight lining of rents.

Deferred Financing Costs

Financing costs related to the issuance of the Company's long-term debt are deferred and amortized as an increase to interest expense over the term of the related debt instrument using the straight-line method, which approximates the effective interest method. The carrying value of the deferred financing costs related to mortgage notes and credit facility was \$12,108 and \$13,098, respectively, which was net of accumulated amortization of \$9,538 and \$8,104, as of September 30, 2025 and December 31, 2024, respectively, and was recorded as a direct deduction to the related debt on the consolidated balance sheets. Amortization of deferred financing costs was \$701 and \$709 for the three months ended September 30, 2025 and September 30, 2024, respectively, and is included in interest expense on the accompanying Consolidated Statements of Operations. Amortization of deferred financing costs was \$1,951 and \$1,885 for the nine

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months ended September 30, 2025 and September 30, 2024, respectively, and is included in interest expense on the accompanying Consolidated Statements of Operations.

Earnings Per Share

The Company's earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. The Company uses the two-class method in calculating EPS when it issues securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the Company when, and if, the Company declares dividends on its common stock. Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period of computation. Diluted EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock assuming all potential shares had been issued, and its related net impact to net assets accounted for, and the additional shares of common stock were dilutive. Diluted EPS reflects the potential dilution, using the as-if-converted method for convertible debt, which could occur if all potentially dilutive securities were exercised. Dilutive securities include unvested restricted stock units ("RSUs"), and other share-based payment awards. RSUs are included in the calculation of diluted EPS under the treasury stock method when the effect is dilutive, based on the number of shares that would be issued if the end-of-period conditions were met, including the assumed satisfaction of any performance or service conditions. All classes of common stock are allocated net income/(loss) at the same rate per share, excluding management fees and performance participation allocation, and receive the same gross distribution per share. For comparability purposes for periods prior to the closing of the Formation Transaction on January 2, 2025, the Predecessor's shares are adjusted to reflect the retrospective impact of the formation transaction for the 27,307,734 shares NM Fund I distributed in kind to its existing partners.

The basic and diluted EPS for the three and nine months ended September 30, 2025 and September 30, 2024 are as follows:

	Three Months Ended			
	September 30, 2025		September 30, 2024	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Class A	\$ 0.14	\$ 0.14	\$ 0.20	\$ 0.20
Class F	\$ 0.11	\$ 0.11	\$ 0.20	\$ 0.20
Class I	\$ 0.09	\$ 0.09	\$ —	\$ —
Class E	\$ 0.21	\$ 0.21	\$ 0.20	\$ 0.20

	Nine Months Ended			
	September 30, 2025		September 30, 2024	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Class A	\$ 0.40	\$ 0.40	\$ 0.69	\$ 0.69
Class F	\$ 0.33	\$ 0.33	\$ 0.69	\$ 0.69
Class I	\$ 0.26	\$ 0.26	\$ —	\$ —
Class E	\$ 0.62	\$ 0.62	\$ 0.69	\$ 0.69

Segment Information

The Company leases its net-lease properties primarily to middle market industrial tenants and reports its business as a single reportable segment. The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") who allocates resources and assesses financial performance. The CODM reviews net income and assesses the performance of the Company's current portfolio of net-lease properties and makes operating decisions accordingly. Net income is used by the CODM in assessing the operating performance of the segment and to monitor budget versus actual results. The measure of segment assets is reported on the Consolidated Balance Sheets as total assets. As a result, the Company conducts its business as a single operating segment. Given the triple-net nature of the leases, all expenses categories presented on the Consolidated Statement of Operations are significant.

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Income Taxes

The Company has elected and is qualified to be taxed as a REIT, as it complies with the related provisions under the Code, as amended. Accordingly, the Company generally is not and will not be subject to U.S. federal income tax to the extent of its distributions to shareholders and as long as certain asset, income and share ownership tests are met. To qualify as a REIT, the Company must annually distribute at least 90% of its REIT taxable income to its shareholders and meet certain other requirements. Under certain circumstances, federal income and excise taxes may be due on its undistributed taxable income. The Company may also be subject to certain state, local and franchise taxes. If the Company fails to meet these requirements, it will be subject to U.S. federal income tax, which could have a material adverse impact on its results of operations and amounts available for distributions to its shareholders. Application of tax laws and regulations to various types of transactions is susceptible to varying interpretations. Therefore, amounts reported in the financial statements could be changed at a later date upon final determination by the taxing authorities. No such examinations by taxing authorities are presently in process.

The Company provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. Management is required to determine whether a tax position is more likely than not to be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Because assumptions are used in determining whether a tax benefit is more likely than not to be sustained upon examination by tax authorities, actual results may differ from the Company's estimates under different assumptions or conditions.

The Company recognizes uncertain tax positions and tax-related interest and penalties, if applicable, as a component of income tax expense. For the three months and nine months ended September 30, 2025 and September 30, 2024, no such amounts were recognized. The tax years ending on December 31, 2022 and forward remain subject to examination by the U.S. Federal, state and local tax authorities.

Foreign Exchange

The accounting records of the Company are maintained in U.S. dollars. Investments denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investments and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. Such fluctuations are included with "Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations" and "Net realized loss on financial instruments" in the Consolidated Statements of Operations.

Issued and Adopted Accounting Pronouncements

In August 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-05, "Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement" ("ASU 2023-05"). ASU 2023-05 addresses the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. Prior to the amendment, the FASB did not provide specific authoritative guidance on the initial measurement of assets and liabilities assumed by a joint venture upon its formation. ASU 2023-05 requires a joint venture to recognize and initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). ASU 2023-05 was adopted January 1, 2025, and did not have a material impact on the Company's consolidated financial statements.

In December 2023, FASB issued ASU 2023-09 Income Tax (Topic 740): Improvements to Income Tax Disclosures which provides for additional disclosures for rate reconciliations, disaggregation of income taxes paid, and other disclosures. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2024. The adoption of ASU 2023-09 did not have a material impact on the Company's consolidated financial statements.

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Recently Issued and Accounting Pronouncements Not Adopted

In November 2024, the FASB issued ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses which provides an update to improve the disclosures about a public business entity's expenses and provide more detailed information about the types of expenses, including purchase of inventory, employee compensation, depreciation and amortization in commonly presented expense captions such as cost of sales, selling, general and administrative expenses and research and development. ASU 2024-03 is effective on either a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026, for interim periods within fiscal years beginning after December 15, 2027, and early adoption is permitted. The Company did not early adopt ASU 2024-03 and is still evaluating the impact on its consolidated financial statements.

Note 3. Investments in Real Estate, Net

The Company owns and manages primarily single-tenant, sponsor backed net-leased industrial real estate properties. As of September 30, 2025, the Company owned 169 properties across 35 U.S. states and 2 Canadian provinces. The portfolio was fully leased, with 34 tenants occupying the properties. Additionally, the portfolio is well-diversified across tenant industries, building sub-types, geographic regions, and lease terms.

Real estate activity, is composed of the following:

	September 30, 2025	December 31, 2024
Buildings and improvements	\$ 1,234,529	\$ 1,167,389
Land and land improvements	189,040	176,349
Total	1,423,569	1,343,738
Accumulated depreciation	(163,499)	(139,543)
Investments in real estate, net	\$ 1,260,070	\$ 1,204,195

Acquisitions

On September 4, 2025, the Company acquired a biorepository portfolio for an aggregate purchase price of approximately \$83.4 million, including closing costs. The acquisition expands the Company's portfolio by four properties and 316,268 square feet. This acquisition is classified as an asset acquisition under ASC 805-50. The purchase price was allocated on a relative fair value basis as follows: approximately \$12.7 million to land, \$67.1 million to buildings, \$7.1 million to intangible assets, and (\$3.5) million to intangible liabilities. The acquisition marks the first acquisition since the completion of the Formation Transactions. The Company did not acquire any properties during the three and nine months ended September 30, 2024.

Dispositions

Dispositions during the periods set forth below are as follows:

	Nine Months Ended					
	September 30, 2025			September 30, 2024		
	Number of properties	Net proceeds	Net gain	Number of properties	Net proceeds	Net gain
Industrial properties	—	\$ —	\$ —	1	\$ 11,234	\$ 319

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Note 4. Intangible Assets and Liabilities

Intangible assets and liabilities consisted of the following:

	September 30, 2025			
	Gross carrying amount	Accumulated amortization	Net carrying amount	Weighted average amortization period (years)
Intangible assets				
In-place lease intangibles	\$ 54,690	\$ (14,248)	\$ 40,442	16.2
Above-market lease	121	(25)	96	22.3
Other lease intangibles	1,356	(291)	1,065	19.3
Total intangible assets	<u>\$ 56,167</u>	<u>\$ (14,564)</u>	<u>\$ 41,603</u>	<u>16.3</u>
Intangible liabilities				
Below-market leases	\$ 5,169	\$ (664)	\$ 4,505	12.6
Total intangible liabilities	<u>\$ 5,169</u>	<u>\$ (664)</u>	<u>\$ 4,505</u>	<u>12.6</u>
	December 31, 2024			
	Gross carrying amount	Accumulated amortization	Net carrying amount	Weighted average amortization period (years)
Intangible assets				
In-place lease intangibles	\$ 47,572	\$ (11,936)	\$ 35,636	16.8
Above-market lease	121	(21)	100	22.3
Other lease intangibles	1,432	(314)	1,118	19.1
Total intangible assets	<u>\$ 49,125</u>	<u>\$ (12,271)</u>	<u>\$ 36,854</u>	<u>16.9</u>
Intangible liabilities				
Below-market leases	\$ 1,613	\$ (548)	\$ 1,065	13.1
Total intangible liabilities	<u>\$ 1,613</u>	<u>\$ (548)</u>	<u>\$ 1,065</u>	<u>13.1</u>

The Company records amortization of in-place lease assets to amortization expense and records net amortization of above-market and below-market lease intangibles to rental revenue. Amortization expense for the three months ended September 30, 2025 and September 30, 2024 was \$750 and \$726, of which \$803 and \$755 was included in depreciation and amortization and (\$53) and (\$29) was included in rental revenue, respectively. Amortization expense for the nine months ended September 30, 2025 and September 30, 2024 was \$2,201 and \$2,177, of which \$2,312 and \$2,264 was included in depreciation and amortization and (\$111) and (\$87) was included in rental revenue, respectively.

The estimated future amortization of in-place lease assets and other lease intangibles are as follows:

	In-place lease assets	Above-market lease asset	Other lease intangible assets	Below-market lease liabilities
2025 (Remaining)	\$ 900	\$ 2	\$ 18	\$ 103
2026	3,600	6	71	413
2027	3,600	6	71	413
2028	3,600	6	71	413
2029	3,600	6	71	413
Thereafter	25,142	70	763	2,750
Total	<u>\$ 40,442</u>	<u>\$ 96</u>	<u>\$ 1,065</u>	<u>\$ 4,505</u>

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Note 5. Variable Interest Entities

The Company owns equity interests through joint ventures that are considered variable interest entities (“VIE”). We are the primary beneficiary of the VIEs and consolidate them as we have the power to direct the activities that most significantly impact the entity’s economic performance. The assets of the consolidated VIEs may only be used to settle the obligations of the entities and such obligations are secured only by the assets of the entities and are non-recourse to us. The following table summarizes the assets and liabilities of consolidated VIEs. Based on consolidation guidance, the Company has concluded that the equity interest through a joint venture as VIEs as the minority interest holder in the joint venture do not possess kick-out rights or substantive participating rights. Accordingly, the Company consolidates its equity interest in the joint venture. The portions of a consolidated entity not owned by the Company are presented as non-controlling interests as of and during the periods presented.

	September 30, 2025	December 31, 2024
Assets		
Investments in real estate, net	\$ 656,735	\$ 670,211
Intangible assets, net	28,021	29,760
Cash and cash equivalents	318	1,515
Other assets	51,716	36,613
Total assets	<u>\$ 736,790</u>	<u>\$ 738,099</u>
Liabilities		
Mortgages payable, net	\$ 496,967	\$ 496,907
Accounts payable and accrued expenses	13,002	1,543
Intangibles liabilities	485	536
Due (from)/to affiliates	11	65
Other liabilities	1,449	1,432
Total liabilities	<u>\$ 511,914</u>	<u>\$ 500,483</u>

Note 6. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis in accordance with ASC 820 - Fair Value Measurement. This includes the use of quoted prices in active markets, observable inputs, and unobservable inputs to determine the fair value of financial assets and liabilities. The accounting guidance for fair value measurement establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical, unrestricted assets or liabilities in active markets.
- Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly, valued using inputs other than quoted prices.
- Level 3 – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

The fair value of the Company’s financial instruments and non-financial assets has been estimated using available market information and accepted valuation methods. Given the inherent judgment and subjectivity involved, these estimates may differ from the values that could be realized in a sale or transaction.

Financial Assets and Liabilities Measured at Fair Value

Derivative contracts held by the Company are valued on a quarterly basis by obtaining third party valuations from the Royal Bank of Canada and are classified as level II in the fair value hierarchy. The valuation of these contracts is determined using a discounted cash

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flow analysis based on the terms of the contract and the forward interest rate curve adjusted for the Company's nonperformance risk. The following table details the Company's assets measured at fair value on a recurring basis:

	September 30, 2025		December 31, 2024	
	Level 2	Level 3	Level 2	Level 3
Interest rate swap contracts	\$ (37)	\$ —	\$ —	\$ —

Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company had no financial assets or liabilities measured at fair value on a non-recurring basis as of September 30, 2025 and December 31, 2024.

Financial Assets and Liabilities not Measured at Fair Value

The carrying amounts of cash and cash equivalents, restricted cash, receivables, certain other assets, accounts payable, accrued expenses and other liabilities approximate their fair value due to their terms and/or short-term nature. Financial liabilities not measured at fair value on our consolidated balance sheets consist of notes and mortgages payable and the revolving credit facility. The following table summarizes the carrying amounts and fair value of these financial instruments as of the dates set forth below.

	As of September 30, 2025		As of December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Mortgages payable, net	\$ 815,086	\$ 750,335	\$ 815,523	\$ 728,030
Revolving credit facility	48,433	48,433	88,000	88,000
Aggregation facility	51,875	51,875	—	—
Affiliate line of credit	7,750	7,750	—	—
Total	\$ 923,144	\$ 858,393	\$ 903,523	\$ 816,030

Note 7. Debt

Mortgage Loans Payable

Mortgage loans payable are secured by the properties on which the debt was placed and are considered nonrecourse debt. The Company was in compliance with all of its debt covenants related to its mortgage loans payable as of September 30, 2025 and December 31, 2024. Fixed-rate mortgage loans payable are composed of the following as of September 30, 2025 and December 31, 2024:

Indebtedness	Weighted average contractual interest rate	Weighted average maturity dates	Principal Balance Outstanding	
			September 30, 2025	December 31, 2024
Mortgages	3.96 %	1/21/2030	\$ 826,700	\$ 828,621
Deferred financing activities			(11,614)	(13,098)
Mortgages payable, net			\$ 815,086	\$ 815,523

Affiliated Lines of Credit

On January 2, 2025, the Operating Partnership entered into an uncommitted revolving loan agreement with NM Partners Manager Holdings, L.P., a Delaware limited partnership and affiliate of the Adviser, providing for a discretionary and uncommitted credit facility in a maximum aggregate principal amount of \$50,000 (the "Line of Credit"). The Line of Credit has a maturity date of December 31, 2027. Borrowings under the Line of Credit will bear interest at a rate equal to Daily SOFR plus 2.35%. The Line of Credit contains customary events of default. As is customary in such financings, if an event of default occurs under the Line of Credit, the lender may

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accelerate the repayment of amounts outstanding under the Line of Credit and exercise other remedies subject, in certain instances, to the expiration of an applicable cure period. The following table provides details as of September 30, 2025 and December 31, 2024:

Entity	Interest Rate	Total Amount Outstanding	
		September 30, 2025	December 31, 2024
NEWLEASE Operating Partnership LP	Variable ⁽¹⁾	\$ 7,750	\$ —

(1) The interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.35%. The weighted average interest rate for nine months ended September 30, 2025 was 6.68%.

On March 26, 2025, NEWLEASE entered into a committed revolving loan agreement with NM Partners Manager Holdings, L.P., a Delaware limited partnership and affiliate of the Adviser, providing for a committed credit facility in a maximum aggregate principal amount of \$95,000 (the “Committed Line of Credit”). The Committed Line of Credit had an effective date of May 2, 2025, and a maturity date of the earlier of (a) June 30, 2026 and (b) the refinancing by a third party of the existing City National Bank facility that matures in July 2025. Borrowings under the Committed Line of Credit bore interest at a rate equal to Daily SOFR plus 2.35%. The Committed Line of Credit contained customary events of default. With signing of the City National Bank facility refinancing, the Committed Line of Credit with NM Partners Manager Holdings, L.P. of \$95,000 matured on July 25, 2025.

Revolving Lines of Credit

The Company has a revolving loan with City National Bank. The original loan, dated November 22, 2022, was for \$86,000. The Company increased its available credit by \$2,000 on June 28, 2023. The Company amended the existing facility with City National Bank in May 2025 to extend the maturity date. On July 1, 2025 the Company signed the seventh amendment to the City National facility which decreased its available credit to \$65,000 and extended the maturity date to July 31, 2025. The extension was necessary to provide time to negotiate a longer-term facility. On July 25, 2025, the Company signed the eighth amendment to the City National facility, which reduced its available credit to \$55,000 and extended the maturity date to July 25, 2028. The following table provides details as of September 30, 2025 and December 31, 2024:

Indebtedness	Total Amount Outstanding	
	September 30, 2025	December 31, 2024
Revolving credit facility ⁽¹⁾	\$ 48,927	\$ 88,000
Deferred financing costs	(494)	—
Revolving credit facility, net	\$ 48,433	\$ 88,000

(1) The interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.75%. The weighted average interest rate for nine-month period ended September 30, 2025 was 7.08% and the weighted average interest rate for nine months ended September 30, 2024 was 7.65%.

Aggregation Facility

On August 5, 2025, the Company entered into a loan agreement (the “Loan Agreement”) with New Mountain Net Lease Partners II, L.P., a private fund advised by New Mountain (“NMNL II”), as co-borrower, and Goldman Sachs Bank USA, as lender, which provided for an uncommitted revolving aggregation facility with a maximum aggregate principal amount of \$300,000 (the “Aggregation Facility”). The Aggregation Facility includes an initial maturity date on August 30, 2026, and two one-year extensions. The Company intends to use the Aggregation Facility to acquire net lease properties. The Aggregation Facility is cross-collateralized by properties contributed by each NMNL II and the Company, but each of the Company and NMNL II retains independent ownership of the assets it contributes to the Aggregation Facility. In addition, the Company provided a limited guarantee, which may become full recourse to the Company upon the occurrence of certain events as described in the Loan Agreement. In connection with the Aggregation Facility, the Company and NMNL II entered into an intercreditor agreement that is intended to allocate liabilities relating to the Aggregation Facility in proportion to the assets each party finances using the Aggregation Facility, and provides for indemnification between each of NMNL II and the Company with respect to any liabilities arising from assets contributed by such party. As of September 30, 2025, the Aggregation Facility had an outstanding principal amount of \$139,654, of which \$87,779 related to properties contributed by NMNL II and the remaining related to properties contributed by the Company, as set forth below.

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Indebtedness	Total Amount Outstanding	
	September 30, 2025	December 31, 2024
Aggregation facility ⁽¹⁾	\$ 51,875	\$ —

(1) The interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.60%. The weighted average interest rate for nine-month period ended September 30, 2025 was 6.89%.

Scheduled Principal Payments

Scheduled principal payments on mortgage loans payable and revolving credit facilities are as follows:

2025 (Remaining)	\$ 1,100
2026	85,178
2027	64,751
2028	218,899
2029	200,565
2030	43,839
Thereafter	320,920
Unamortized deferred loan costs	(12,108)
	<u>\$ 923,144</u>

Note 8. Derivative Contracts

The Company uses interest rates swaps to minimize risk associated with floating rate debt. Derivative contracts held by the Company are valued on a quarterly basis by obtaining third party valuation models from the Royal Bank of Canada and are classified as level II in the fair value hierarchy. The fair value of the swaps is classified as other assets on the Company's Consolidated Balance Sheets. Changes in fair value are recognized on the Company's Consolidated Statements of Operations under net change in unrealized depreciation on derivative swaps. The following tables provide details related to derivatives:

	Notional Amount	Rate	Index	Expiration date	Fair value	
					September 30, 2025	December 31, 2024
Interest rate swap contracts	\$ 10,000	3.64 %	SOFR	8/1/2027	\$ (37)	\$ —

	Three Months Ended			
	Change in unrealized appreciation (depreciation)		Realized gain (loss)	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest rate swap contracts	\$ (37)	\$ (1,014)	\$ —	\$ (90)

	Nine Months Ended			
	Change in unrealized appreciation (depreciation)		Realized gain (loss)	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest rate swap contracts	\$ (37)	\$ (468)	\$ —	\$ (90)

Counterparty Credit Risk

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

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In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or a similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Company and a counterparty that governs OTC derivatives and forward contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Company may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted in order to create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Company's net asset value declines by a stated percentage or the Company fails to meet the terms of its ISDA Master Agreements, which would cause the Company to accelerate payment of any net liability owed to the counterparty.

Collateral Requirements

For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Company and the counterparty. The Company does not have any cash collateral that has been pledged to cover obligations or received from the counterparty.

Note 9. Leases

Substantially all of the Company's tenants are subject to master-lease agreements where the tenant is generally responsible for minimum monthly rent and actual property operating expenses incurred, including property taxes, insurance and maintenance. In addition, the Company's tenants are typically subject to future rent increases based on fixed amounts or, in limited cases, increases in the consumer price index. Certain of the Company's properties are subject to leases under which it retains responsibility for specific costs and expenses of the property. The Company's leases typically provide the tenant one or more multi-year renewal options to extend their leases, subject to generally the same terms and conditions, including rent increases, consistent with the initial lease term.

All lease-related income is reported as a single line item, Rental revenue, in the Consolidated Statements of Operations. Rental revenue is comprised of the following:

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Base rent ⁽¹⁾	\$ 24,891	\$ 24,378	\$ 73,609	\$ 72,987
Straight-line rent	2,293	1,475	6,952	7,068
Variable lease payments ⁽²⁾	375	299	1,051	789
Amortization of (above) / below market lease value	52	29	111	87
	<u>\$ 27,611</u>	<u>\$ 26,181</u>	<u>\$ 81,723</u>	<u>\$ 80,931</u>

(1) Base rent consists of fixed lease payments.

(2) Variable lease payments consist of property tax and insurance reimbursements, property management fees, and rental income with CPI adjustments.

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Annual future contractual base rents due to be received under non-cancelable operating leases in effect at September 30, 2025 are as follows:

2025 (Remaining)	\$ 26,227
2026	106,113
2027	108,131
2028	110,192
2029	112,351
2030	114,506
Thereafter	1,095,278
	<u>\$ 1,672,798</u>

Concentration of Credit Risk

As of September 30, 2025, the Company's portfolio is occupied by 34 tenants, and is additionally diversified by tenant industry, building sub-type, geographic region and lease term. The following tenant contributed more than 10% of contractual base rents during the three and nine months ended September 30, 2025 and September 30, 2024:

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
PCI Pharma Services	\$ 2,934	\$ 2,877	\$ 8,802	\$ 8,630

Note 10. Income Taxes

The Company intends to elect to be a REIT under the applicable provisions of the Code, commencing with the filing of its initial year 2025 tax return for its tax year ending December 31, 2025. The Predecessor elected and qualified to be taxed as a REIT under the applicable provisions of the Code for every year beginning with the year ended December 31, 2018, through the year ended December 31, 2024. The Company pays state income tax, related to income apportioned to the state, and income tax to foreign governments related to income derived from assets in foreign countries. For the three months ended September 30, 2025, the Company incurred current income tax expense of \$4 related to state income tax. For the nine months ended September 30, 2025, the Company incurred current income tax expense of \$37 related to state income tax and current income tax benefit of \$(16) related to the reduction of income taxes expected to be paid to the Mexican government related to a property sold in 2024. The Company has no deferred tax benefit.

Note 11. Related and Affiliated Party Transactions

The following table details the components of due to affiliates:

	September 30, 2025	December 31, 2024
Accrued management fee	\$ 801	\$ —
Performance participation allocation	925	—
Advanced organization and offering costs	4,522	—
Accrued interest – affiliated line of credit	391	—
Fees for services provided by the Adviser	557	—
Other advanced expenses	733	294
Total	<u>\$ 7,929</u>	<u>\$ 294</u>

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Accrued management fee

The Company pays the Adviser a management fee equal to (1) 1.25% of NAV for Class I shares and (2) 1.00% of NAV for the Class A shares and Class F shares, in each case, per annum payable monthly. Additionally, to the extent that the Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay the Adviser a management fee equal to (1) 1.25% of the NAV of the Operating Partnership attributable to Class I units not held by us and (2) 1.00% of NAV of the Operating Partnership attributable to Class A and Class F units not held by us, in each case per annum payable monthly. Notwithstanding the foregoing, we will not pay the Adviser a management fee on Class E shares or Class E units, and as a result, it is a class specific expense.

The management fee may be paid in cash, Class E shares, or Class E OP Units, at the Adviser's sole election. The Adviser has elected to receive management fees in cash and Class E OP units. During the three months ended September 30, 2025 and September 30, 2024, the Company incurred management fee expenses of \$1,181 in cash and zero in Class E OP units. During the nine months ended September 30, 2025 and September 30, 2024, the Company incurred management fees of \$3,220 in cash and \$75 in Class E OP units and zero, respectively. Management fees paid in OP units are considered a non-cash expense.

During the three months ended September 30, 2025 and September 30, 2024, the Company issued zero units to the Adviser as payment for management fees. During the nine months ended September 30, 2025 and September 30, 2024, the Company has issued \$75 and zero units to the Adviser as payment for management fees. The portion of management fees paid in Class E OP units issued on April 1, 2025 were subsequently repurchased. Management fees of \$801 and zero were accrued and unpaid as of September 30, 2025 and December 31, 2024, respectively. During the three and nine months ended September 30, 2025, the Adviser submitted zero and \$75 shares for repurchase, respectively.

Performance participation allocation

So long as the Advisory Agreement has not been terminated, NEWLEASE Special Limited Partner LP, (the "Special Limited Partner") holds a performance participation interest in the Operating Partnership that entitles it to receive in the aggregate an allocation from our Operating Partnership equal to, (1) with respect to Class I units, 12.5% of the total return, (2) with respect to Class F units, 10% of the total return and (3) with respect to Class A units, 5% of the total return, in each case, subject to a 5% hurdle amount and a high water mark with respect to such class of units, with a catch-up. Such allocation will be made quarterly and accrue monthly.

Performance participation allocation is measured on a calendar year basis and is paid quarterly in cash, Class E shares, or Class E OP Units, at the Adviser's sole election. The Adviser has elected to receive performance participation allocation in Class E OP units. During the three months ended September 30, 2025 and September 30, 2024, the Company incurred performance participation allocation of \$925 and zero, respectively. During the nine months ended September 30, 2025 and September 30, 2024, the Company incurred performance participation allocation of \$2,360 and zero, respectively. Performance participation allocation paid in OP units are considered a non-cash expense.

As of September 30, 2025, the Company accrued \$925 for performance participation allocation expense, which was paid in the form of 45,469 Class E OP units effective as of October 1, 2025 using the September 30, 2025 NAV. As of September 30, 2025, 71,255 Class E OP units were issued for performance participation allocation expenses. The Company did not have any performance participation allocation accrued as of December 31, 2024. During the three and nine months ended September 30, 2025, the Adviser submitted zero shares for repurchase.

Advanced organization and offering costs

The Adviser has agreed to advance organization and offering costs (including legal, accounting and other expenses attributable to the organization), excluding certain investment-related expenses and financing expenses, on behalf of the Company through the first anniversary of the initial closing of the Company's private offering (the "Anniversary Date"). The Company will reimburse the Adviser for all such advanced expenses ratably over the 60-month period following January 2, 2026. After the Anniversary Date, the Company

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will reimburse the Adviser for any organization and offering costs associated with the private offering that it incurs on the Company's behalf when incurred.

Accrued interest – affiliated line of credit

The amount represents the interest accrued as of September 30, 2025 on an interest-bearing line of credit entered into with an affiliate of the Sponsor. Refer to Note 7 – Debt.

Fees for services provided by the Adviser

We retain certain affiliates of the Adviser, from time to time, for administrative purposes. The Company reimburses the affiliates for the allocable portion of overhead and other expenses incurred by it in performing its obligations to the Company, which includes the fees and expenses associated with performing administrative, finance, asset management, investor relations, and compliance functions.

Other advanced expenses

The Company leverages the broader infrastructure of the Sponsor including utilizing the Sponsor's accounts payable team to pay all expenses on behalf of the Company, and the Company subsequently reimburses the Sponsor for these expenses.

Note 12. Equity and Noncontrolling Interests

Formation transactions

On January 2, 2025, NEWLEASE completed a recapitalization transaction, pursuant to which NM Fund I completed the REIT Contribution, whereby it contributed 100% of the common stock of the Predecessor in exchange for 27,307,734 of the Company's common shares based on the Seed Portfolio Fair Value, divided by \$20.00. NM Fund I then distributed in kind the 27,307,734 common shares that it received in connection with the REIT Contribution to its existing partners in proportion to their ownership in NM Fund I immediately prior to the completion of the Formation Transactions, who had the opportunity to elect to have their common shares repurchased by us.

For comparability purposes for periods prior to the closing of the Formation Transaction on January 2, 2025, the Predecessor's shares are adjusted to reflect the retrospective impact of the Formation Transactions for the 27,307,734 shares NM Fund I received in exchange for its contribution of the Seed Portfolio.

Authorized capital

The Company has the authority to issue an unlimited number of common shares, including an unlimited number of shares classified as Class A shares, Class F shares, Class I shares and Class E shares, and an unlimited number of shares classified as preferred shares. Each class of common shares and preferred shares has a par value of \$0.01 per share.

The share classes have different management fees and performance participation allocation but the same economic and voting rights. See Note 11 for further details.

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Common shares

The following table details the change in the Company's common shares:

	Class A	Class F	Class I	Class E	Total
December 31, 2024	831,571	6,287,642	—	20,188,521	27,307,734
Common shares issued	8,336,793	5,097,512	3,005,075	42,501	16,481,881
Distribution reinvestment	—	23,886	3,569	—	27,455
Common shares repurchased	(9,348)	—	(12,494)	(13,518,890)	(13,540,732)
September 30, 2025	9,159,016	11,409,040	2,996,150	6,712,132	30,276,338

Share repurchases

Shareholders may request on a quarterly basis that the Company repurchase all or any portion of their shares pursuant to our share repurchase plan, provided, that, subject to certain limited exceptions, holders of Class A shares and Class F shares (collectively, the "Anchor Shares") may not submit Anchor Shares for repurchase until January 1, 2027. We are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular calendar quarter in our discretion. In addition, our ability to fulfill repurchase requests is subject to a number of limitations. As a result, share repurchases may not be available each quarter. Under our share repurchase plan, to the extent we choose to repurchase shares in any particular calendar quarter, we will only repurchase shares following the close of business day as of the last calendar day of that calendar quarter (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date, except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction"). The one-year holding period is measured as of the subscription closing date immediately following the prospective repurchase date. Additionally, shareholders who have received our common shares in exchange for their Operating Partnership units may include the period of time such shareholder held such Operating Partnership units for purposes of calculating the holding period for such common shares.

The aggregate NAV of total repurchases of Class A shares, Class F shares, Class I shares and Class E shares is limited to no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV as of the end of the immediately preceding three months). Common shares or units issued to the Adviser and the Special Limited Partner pursuant to the Advisory Agreement or with respect to the performance participation allocation, respectively, are not subject to these repurchase limitations.

In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any calendar quarter, shares repurchased at the end of the applicable calendar quarter will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted after the start of the next calendar quarter, or upon the recommencement of the share repurchase plan, as applicable.

In connection with the completion of the Formation Transactions, the Company repurchased 13,528,238 shares on January 2, 2025. In addition, during the nine months ended September 30, 2025, the Company repurchased 3,729 Class E OP units and 12,494 Class I shares, respectively.

Distributions

The Company intends to make monthly distributions to shareholders. Each class of common shares receives the same gross and net distribution per share. Shareholders do not pay servicing fees.

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The following table details the aggregate distributions declared for each share class for the three and nine months ended September 30, 2025 and September 30, 2024:

Three Months Ended September 30, 2025				
	Gross Distribution	Shareholder Servicing Fee	Net Distribution	
Class A Common Shares	\$ 0.4008	\$ 0.0000	\$ 0.4008	
Class F Common Shares	\$ 0.4008	\$ 0.0000	\$ 0.4008	
Class I Common Shares	\$ 0.4008	\$ 0.0000	\$ 0.4008	
Class E Common Shares	\$ 0.4008	\$ 0.0000	\$ 0.4008	

Three Months Ended September 30, 2024				
	Gross Distribution	Shareholder Servicing Fee	Net Distribution	
Class A Common Shares	\$ 0.4626	\$ 0.0000	\$ 0.4626	
Class F Common Shares	\$ 0.4626	\$ 0.0000	\$ 0.4626	
Class I Common Shares	\$ 0.0000	\$ 0.0000	\$ 0.0000	
Class E Common Shares	\$ 0.4626	\$ 0.0000	\$ 0.4626	

Nine Months Ended September 30, 2025				
	Gross Distribution	Shareholder Servicing Fee	Net Distribution	
Class A Common Shares	\$ 1.2015	\$ 0.0000	\$ 1.2015	
Class F Common Shares	\$ 1.2015	\$ 0.0000	\$ 1.2015	
Class I Common Shares	\$ 1.2015	\$ 0.0000	\$ 1.2015	
Class E Common Shares	\$ 1.2015	\$ 0.0000	\$ 1.2015	

Nine Months Ended September 30, 2024				
	Gross Distribution	Shareholder Servicing Fee	Net Distribution	
Class A Common Shares	\$ 1.3451	\$ 0.0000	\$ 1.3451	
Class F Common Shares	\$ 1.3451	\$ 0.0000	\$ 1.3451	
Class I Common Shares	\$ 0.0000	\$ 0.0000	\$ 0.0000	
Class E Common Shares	\$ 1.3451	\$ 0.0000	\$ 1.3451	

The Company has adopted a distribution reinvestment plan, whereby Class F and Class I shareholders can elect to have their cash distributions reinvested in Class F and Class I shares, respectively, commencing with any distribution paid on or after May 20, 2025. Any cash distributions attributable to the Class F and Class I shares owned by participants in the distribution reinvestment plan will have their cash distributions immediately reinvested in our Class F and Class I shares, respectively, on behalf of the participants on the business day such distribution would have been paid to such shareholder. The per share purchase price for Class F and Class I shares purchased pursuant to the distribution reinvestment plan will be equal to the transaction price at the time the distribution is paid. Class F and Class I shares acquired under the distribution reinvestment plan will entitle the participant to the same rights and be treated in the same manner as Class F and Class I shares purchased in the private offering.

Non-controlling interests

Non-controlling interests represent interests in the Company's investments held by an affiliate of New Mountain through a joint venture and Class E OP units. Allocation of net income or loss is generally based upon relative ownership interests held by equity owners in each investment. As of September 30, 2025, 71,255 Class E OP units were issued for performance participation allocation expenses. See Note 11 – Related and Affiliated Party Transactions, for further details of the performance participation allocation.

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Share-based compensation

On January 2, 2025, each of the four independent trustees of the board were awarded 1,250 Class E common shares, which vest on the first anniversary of the initial grant date. The Company recognized approximately \$25 and \$75 of compensation expense as “General and administrative” on the Consolidated Statement of Operations for the three and nine months ended September 30, 2025, respectively, related to these awards. The Company did not incur share-based compensation expense for the three and nine months ended September 30, 2024.

Note 13. Earnings Per Share

Net income / (loss) per common share is calculated by dividing net income / (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. All classes of common stock are allocated net income/(loss) at the same rate per share, excluding management fees and performance participation allocation, and receive the same gross distribution per share. For comparability purposes for periods prior to the closing of the Formation Transaction on January 2, 2025, the Predecessor’s shares are adjusted to reflect the retrospective impact of the completion of the Formation Transactions for the 27,307,734 shares NM Fund I distributed in kind to its existing partners.

	September 30, 2025	September 30, 2024
Net income	\$ 15,642	\$ 22,167
Net income attributable to non-controlling interest	(3,786)	(3,261)
Net income attributable to NEWLEASE shareholders	\$ 11,856	\$ 18,906
Weighted average number of common shares outstanding – basic	28,203,631	27,307,734
Weighted average number of common shares outstanding – dilutive	28,239,491	27,307,734

Note 14. Commitments and Contingencies

Litigation and regulatory matters

The Company is a party to certain legal actions arising in the normal course of business. Management does not expect there to be adverse consequences from these actions that would be material to the Company’s consolidated financial statements.

Indemnifications

In the normal course of business, the Company and its subsidiaries enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. In addition, the Company has agreed to indemnify its officers, directors, employees, agents or any person who serves on behalf of the Company from any loss, claim, damage, or liability which such person incurs by reason of his performance of activities of the Company, provided they acted in good faith.

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The Company and its subsidiaries are also party to an intercreditor agreement with NMNL II that governs the allocation of rights, obligations, and indemnification responsibilities among the borrower entities and related guarantors that are party to the Aggregation Facility.

Environmental matters

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances, or petroleum product releases, at its properties. The owner may be liable to governmental entities or to third parties for property damage, and for investigation and cleanup costs incurred by such parties in connection with any contamination. Generally, the Company's tenants must comply with environmental laws and meet any remediation requirements. In addition, leases typically impose obligations on tenants to indemnify the Company from any compliance costs the Company may incur as a result of environmental conditions on the property caused by the tenant. However, if a lease does not require compliance, or if a tenant fails to or cannot comply, the Company could be forced to pay these costs. Management is unaware of any environmental matters that would have a material impact on the Company's consolidated financial statements.

Note 15. Subsequent Events

Unregistered sales of equity securities

In connection with the Company's continuous private offering, on October 1, 2025 and November 1, 2025, the Company sold an aggregate of 675,255 and 618,859, respectively, of its common shares at the most recently determined net asset value per share for aggregate consideration of approximately \$13,495 and \$12,368, respectively. The offer and sale of the common shares was exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) and Rule 506 of Regulation D promulgated thereunder.

The following table details the Shares sold:

Title of Securities	Number of Shares Sold	Aggregate Consideration
Class A Common Shares	—	\$ —
Class F Common Shares	126,174	\$ 2,525
Class I Common Shares	1,167,740	\$ 23,338
Class E Common Shares	—	\$ —

Acquisitions

On October 17, 2025, the Company acquired an advanced medical manufacturing asset for an aggregate purchase price of approximately \$43 million. The acquisition expands the Company's portfolio by one property and 128,745 square feet.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed in "Item 1A. Risk Factors" in our 2024 Annual Report on Form 10-K filed with the SEC on March 28, 2025. Dollars are in thousands, except for per share amounts.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements in this Quarterly Report on Form 10-Q constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this Quarterly Report on Form 10-Q may include statements as to:

- Interest rates;
- Economic growth;
- Changes in demographics;
- Market conditions;
- Rent growth;
- Net operating income growth;
- Capitalization rates; and
- Occupancy rates.

In addition, words such as "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this Quarterly Report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Item 1A. Risk Factors" in our 2024 Annual Report on Form 10-K and elsewhere in this Quarterly Report on Form 10-Q. Other factors that could cause actual results to differ materially include:

- Changes in interest rates;
- Inflation;
- Unexpected market movements;
- A slowdown or contraction of the economy;
- Legislative or regulatory developments (including the potential impact of a prolonged government shutdown);
- Errors in strategy execution;
- Acts of God and wars (including the war in Ukraine and the conflict and tensions in the Middle East); and
- Other asset-level developments, including the risk factors described in "Item 1A. Risk Factors."

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions could also be inaccurate. In

light of these and other uncertainties, the inclusion of a projection or forward-looking statements in this Quarterly Report on Form 10-Q should not be regarded as a representation by us that our plans and objectives will be achieved. These forward-looking statements apply only as of the date of this Quarterly Report on Form 10-Q. Moreover, except as otherwise required by federal securities laws we assume no duty and do not undertake to update the forward-looking statements.

Overview

We are a Maryland statutory trust formed on August 5, 2024. Our investment strategy is primarily to acquire, own, finance and lease a diversified portfolio of operationally critical, single-tenant, industrial net lease real estate assets located in the United States. We utilize New Mountain's deep sponsor relationships and sponsor coverage effort to help identify, source, and execute new net lease opportunities. Our acquisition approach focuses on underwriting (i) tenant's credit, (ii) the real estate, and (iii) the location's criticality to the tenant's underlying operations. We leverage New Mountain's leading underwriting engine, housed by the private equity and credit arms, to provide tools to efficiently and, we believe, accurately underwrite the underlying tenant credit. We may also selectively invest in real estate-related assets, including debt investments such as commercial mortgage loans, bank loans, mezzanine loans, other interests relating to real estate, debt of companies in the business of owning and/or operating real estate-related businesses, agency and non-agency RMBS, CMBS, CLOs, CDOs and publicly listed equity securities of real estate and real estate-related companies, preferred equity, real estate corporate debt, equity of other REITs/traded securities, to provide current income and, alongside our credit facilities and operating cash flow, serve as an additional source of liquidity for cash management, satisfying share repurchases under our share repurchase plan and other purposes.

We are an externally advised, perpetual-life REIT formed to pursue the following investment objectives:

- Provide current income in the form of predictable, stable monthly cash distributions;
- Realize appreciation in the NAV from differentiated sourcing, investment selection, structuring and proactive asset management;
- Preserve and protect invested capital; and
- Provide an investment alternative for shareholders seeking to allocate a portion of their long-term investment portfolios to commercial real estate with the potential for additional upside through real estate tax advantages, appreciation and lower volatility than publicly traded real estate companies.

We may not achieve our investment objectives. See "Item 1A. Risk Factors" in our 2024 Annual Report on Form 10-K filed with the SEC on March 28, 2025.

Our Board of Trustees will at all times have ultimate oversight and policy-making authority over us, including responsibility for governance, financial controls, compliance and disclosure. Pursuant to the Advisory Agreement, however, we have delegated to the Adviser the authority to source, evaluate and monitor our investment opportunities and make decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our Board of Trustees.

We are engaging in a continuous, unlimited private placement offering of our common shares to "accredited investors" (as defined in Rule 501 promulgated pursuant to the Securities Act) made pursuant to exemptions provided by Section 4(a)(2) of the Securities Act and applicable state securities laws. We elected and have qualified to be taxed as a REIT under the Code beginning with the first taxable year of the Predecessor (our predecessor for U.S. federal tax purposes) ending December 31, 2018, and each year since, and intend to continue to make such an election.

We are not aware of any material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from acquiring properties or real estate-related securities, other than those referred to in this Form 10-Q.

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As of September 30, 2025, we received net proceeds of \$329.6 million from the sale of our common shares. The Company has contributed the proceeds to the Operating Partnership in exchange for a corresponding number of Operating Partnership units. The Operating Partnership has primarily used the proceeds to make investments in real estate. The Company intends to continue selling shares on a monthly basis.

Results of Operations of the Company

Q3 2025 Operating Highlights

Distributions

- Declared net distributions totaling \$11,860 for the three months ended September 30, 2025. The following table details the Company's total return:

	Class A Shares	Class F Shares	Class I Shares	Class E Shares
Annualized Distribution Rate ⁽¹⁾	8.0 %	8.0 %	8.0 %	8.0 %
Total Return ⁽²⁾	6.5 %	6.2 %	6.0 %	7.7 %

(1) The annualized distribution rate is calculated by annualizing the current month's distribution, divided by the prior month's net asset value, which is inclusive of all fees and expenses.

(2) The total return is calculated as the change in NAV per share plus any declared distributions per share since January 2, 2025 and assumes reinvestment of distributions in accordance with our distribution reinvestment plan. We believe total return is a useful measure of our overall performance.

Investment Activity

- Acquired four properties totaling approximately 316,268 square feet during the three months ended September 30, 2025. The properties were acquired for an aggregate purchase price of approximately \$83.4 million, including closing costs.

Capital Activity and Financing Activity

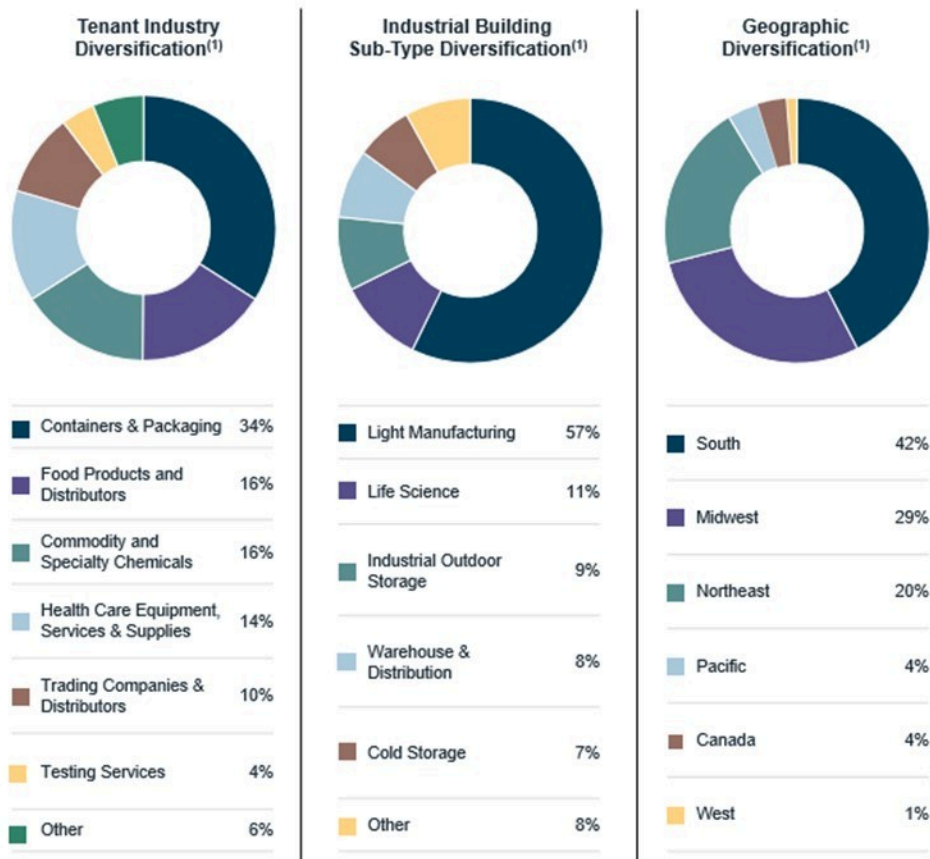
- We raised proceeds of 36,680 from the sale of our common shares during the three months ended September 30, 2025.
- During the three months ended September 30, 2025, we borrowed \$43,052 and paid down \$47,704 on our revolving loan with City National Bank. Additionally, we borrowed \$51,875 under the Aggregation Facility with Goldman Sachs.

Overall Portfolio

As of September 30, 2025, our portfolio consisted of 169 industrial properties leased to 34 tenants.

Real Estate Investments

The following chart describes the diversification of the Company's real estate portfolio as of September 30, 2025:



¹ Industrial Building Sub-Type Diversification and Geographic Diversification are weighted by square feet while Tenant Industry Diversification is weighted by the forward 12 months cash rent based on in place rent agreements as of September 30, 2025, excluding tenant recoveries, straight- line rent, and above- market and below- market lease amortization.

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Portfolio Overview

The following table provides information regarding the portfolio as of September 30, 2025:

Location	Number of Properties	Acquisition Date ⁽¹⁾	Ownership Percentage	Occupancy	Square Feet
Various	5	Oct-19	80 %	100 %	1,356,188
Gainesville, FL	8	Mar-22	100 %	100 %	444,793
Yaphank, NY	1	Mar-21	80 %	100 %	491,200
Various	4	Oct-18	70 %	100 %	951,651
Various	17	Aug-22	100 %	100 %	597,209
Various	6	Jun-18	50 %	100 %	1,790,587
Spencer, IN	1	Feb-21	80 %	100 %	258,375
Various	14	Feb-21	80 %	100 %	230,010
Various	24	Dec-21	80 %	100 %	606,967
Various	4	Mar-20	100 %	100 %	451,920
Various	3	Nov-21	80 %	100 %	861,600
Various	4	Aug-21	100 %	100 %	972,499
Various	3	Nov-20	80 %	100 %	639,162
Various	21	Dec-18	100 %	100 %	539,369
Various	3	Aug-21	80 %	100 %	183,797
Elgin, IL	1	Dec-21	100 %	100 %	425,578
Various	3	Jun-21	100 %	100 %	465,895
Various	4	Dec-21	100 %	100 %	394,658
Earth City, MO; Morristown, TN	4	Jun-19	100 %	100 %	484,031
Clinton, TN; Los Angeles, CA	2	Mar-21	100 %	100 %	247,366
Various	6	Jun-18	100 %	100 %	96,444
Various	4	Sep-21	100 %	100 %	332,681
Cleveland, TN; St. Charles, IL	2	Jun-19	100 %	100 %	310,401
Rome, GA; Payson, UT	2	Nov-18	67 %	100 %	474,299
Various	5	Jul-19	100 %	100 %	438,407
Denver, PA	1	Sep-20	100 %	100 %	197,300
Ann Arbor, MI; Mesa, AZ	3	Sep-20	100 %	100 %	121,779
Eden Prairie, MN	1	Dec-21	100 %	100 %	67,041
Bristol, PA	1	May-21	100 %	100 %	49,534
London, Ontario	1	Mar-20	100 %	100 %	340,414
Chicago Height, IL	1	Sep-20	100 %	100 %	184,530
Denver, CO; St. Louis, MO	2	Aug-19	100 %	100 %	122,475
St Joseph, MI; Monette, AR	2	Nov-18	100 %	100 %	214,500
St. Louis, MO	2	Jun-19	100 %	100 %	64,609
Sterling, VA	4	Sep-25	100 %	100 %	316,268

- (1) For investments acquired in connection with the completion of the Formation Transactions on January 2, 2025, the “Acquisition Date” represents the month and year that the Predecessor acquired its direct interest in the property from a third party.

Lease Expirations

The following table details the expiring leases of the Company's portfolio by annualized base rent in millions and square footage as of September 30, 2025.

Year	Number of Expiring Leases	Number of Properties	Annualized Base Rent ⁽¹⁾	% of Total Annualized Base Rent Expiring	% of Total Square Feet Expiring
2025 (Remaining)	0	0	\$ 0.0	0.0 %	0.0 %
2026	0	0	\$ 0.0	0.0 %	0.0 %
2027	0	0	\$ 0.0	0.0 %	0.0 %
2028	0	0	\$ 0.0	0.0 %	0.0 %
2029	0	0	\$ 0.0	0.0 %	0.0 %
2030	0	0	\$ 0.0	0.0 %	0.0 %
2031	0	0	\$ 0.0	0.0 %	0.0 %
2032	4	4	\$ 3.7	4.1 %	4.4 %
2033	1	1	\$ 1.1	1.2 %	0.4 %
Thereafter	36	164	\$ 85.3	94.7 %	95.2 %
Total	41	169	\$ 90.1	100 %	100 %

(1) Annualized base rent is determined by reference to the Company's pro rata share of the September 30, 2025 base rent, and is based on in place lease agreements as of September 30, 2025 multiplied by 12, and excludes tenant recoveries, straight-line rent, and above-market and below-market lease amortization.

Results of Operations (amounts in thousands, except share data)

The information presented below is the results of the operations of the Company.

	Three Months Ended September 30		Change
	2025	2024	2025 compared to 2024
Revenues			
Rental revenue	\$ 27,611	\$ 26,181	\$ 1,430
Total revenues	27,611	26,181	1,430
Expenses			
Property operating expense	92	43	49
Depreciation and amortization	8,893	8,793	100
Management fee	1,181	—	1,181
Performance participation allocation	925	—	925
General and administrative	1,070	(437)	1,507
Organizational costs	(48)	—	(48)
Total expenses	12,113	8,399	3,714
Other (expense)/income			
Interest expense	(10,244)	(10,537)	293
Other income	—	181	(181)
Net change in unrealized appreciation/(depreciation) on investments related to foreign exchange fluctuations	201	(86)	287
Net change in unrealized depreciation on derivative swaps	(37)	(1,014)	977
Net realized gain on sales of real estate	—	319	(319)
Net realized loss on financial instruments	—	(79)	79
Total other (expense)/income	(10,080)	(11,216)	1,136
Net income before income tax expense	5,418	6,566	(1,148)
Income tax expense	(4)	(84)	80
Net income	5,414	6,482	(1,068)
Net income attributable to non-controlling interests	(1,238)	(1,151)	(87)
Net income attributable to the Company's shareholders	\$ 4,176	\$ 5,331	\$ (1,155)

Comparison of the three months ended September 30, 2025 and 2024

Rental revenue – Rental revenue is comprised of rental payments under our net leases and was \$27,611 for the three months ended September 30, 2025, an increase of \$1,430, or 5.5%, compared to \$26,181 for the three months ended September 30, 2024. This increase was primarily attributed to the acquisition of four properties in 2025, offset by the sale of two properties during the year ended December 31, 2024.

Property operating expense – Property operating expense is comprised primarily of insurance and taxes, and was \$92 for the three months ended September 30, 2025, an increase of \$49, or 114%, compared to \$43 for the three months ended September 30, 2024. This increase was primarily driven by higher property operating costs.

Depreciation and amortization – Depreciation and amortization expense was \$8,893 for the three months ended September 30, 2025, an increase of \$100, or 1.1%, compared to \$8,793 for the three months ended September 30, 2024. The increase was attributable to additional depreciation and amortization from properties acquired in September 2025, offset by the sale of two properties in 2024.

Management fee – Management fee was \$1,181 for the three months ended September 30, 2025, an increase of \$1,181, from zero for the three months ended September 30, 2024. The increase is related to a fee change between the Predecessor and NEWLEASE.

Performance participation allocation – Performance participation allocation expense was \$925 for the three months ended September 30, 2025, an increase of \$925, from zero for the three months ended September 30, 2024. The increase is related to a fee change between the Predecessor and NEWLEASE.

General and administrative – General and administrative expenses, which is comprised primarily of legal, transaction, audit and tax, and professional fees, was \$1,070 for the three months ended September 30, 2025, an increase of \$1,507, or 344.9%, from (\$437) for the three months ended September 30, 2024, primarily as a result of higher costs associated with public reporting obligations. The negative expense for the three months ended September 30, 2024, resulted from the reclassification of transaction cost adjustments upon the sale of an asset.

Organizational costs – Organizational costs are comprised of the expenses incurred during the formation of NEWLEASE, such as legal fees and incorporation fees, and was (\$48) for the three months ended September 30, 2025, and zero for the three months ended September 30, 2024. The (\$48) recognized during the three months ended September 30, 2025, represents a refund received related to a prior organizational cost invoice that had been previously paid.

Interest expense – Interest expense is comprised of primarily interest expenses associated with mortgages on the real estate portfolio and our credit facilities and was \$10,244 for the three months ended September 30, 2025, a decrease of \$293, or 2.8%, from \$10,537 for the three months ended September 30, 2024. The decrease is primarily due to lower debt associated with the sale of two properties during the year ended December 31, 2024, offset by additional debt for the acquisition of new properties in 2025.

Other income – Other income is comprised of certain fees paid by tenants in connection with amendments to lease agreements, fees related to sale transactions, and title company refunds and was zero for the three months ended September 30, 2025, a decrease of \$181, or 100%, from \$181 for the three months ended September 30, 2024. The 2024 income was related to transaction fees associated with the sale of the Predecessor's sole property in Mexico. There have been no lease amendments or sales in 2025.

Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations – Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations represents changes in foreign exchange rates related to foreign investments and was \$201 for the three months ended September 30, 2025, an increase of \$287, from (\$86) for the three months ended September 30, 2024. This increase was primarily related to exchange rate fluctuations related to a mortgage held in Canadian dollars.

Net change in unrealized depreciation on derivative swaps – Net change in unrealized depreciation on derivative swaps is comprised of unrealized depreciation in the fair market value of certain derivatives and was \$37 for the three months ended September 30, 2025, a decrease of \$977, compared to \$1,014 for the three months ended September 30, 2024. NEWLEASE entered into an interest rate swap in August 2025.

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Net realized gain on sales of real estate – Net realized gain on sales of real estate was zero for the three months ended September 30, 2025, compared to a gain of \$319 for the three months ended September 30, 2024. The 2024 gain is related to the sale of the Predecessor’s sole asset in Mexico.

Net realized loss on financial instruments – Net realized loss on financial instruments, comprised of realized losses on foreign currency, was zero for the three months ended September 30, 2025, compared to a loss of \$79 for the three months ended September 30, 2024. NEWLEASE does not have realized foreign currency activity in 2025.

Income tax expense – Income tax expense represents income taxes and was \$4 for the three months ended September 30, 2025, a decrease of \$80, from \$84 for the three months ended September 30, 2024. The decrease primarily reflects the timing of expense recognition.

	Nine Months Ended September 30		Change
	2025	2024	2025 compared to 2024
Revenues			
Rental revenue	\$ 81,723	\$ 80,931	\$ 792
Total revenues	81,723	80,931	792
Expenses			
Property operating expense	387	126	261
Depreciation and amortization	26,322	26,426	(104)
Management fee	3,295	—	3,295
Performance participation allocation	2,360	—	2,360
General and administrative	2,599	885	1,714
Organizational costs	103	—	103
Total expenses	35,066	27,437	7,629
Other (expense)/income			
Interest expense	(30,663)	(31,246)	583
Other income	2	431	(429)
Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations	(296)	252	(548)
Net change in unrealized depreciation on derivative swaps	(37)	(468)	431
Net realized gain on sales of real estate	—	319	(319)
Net realized loss on financial instruments	—	(82)	82
Total other (expense)/income	(30,994)	(30,794)	(200)
Net income before income tax expense	15,663	22,700	(7,037)
Income tax expense	(21)	(533)	512
Net income	15,642	22,167	(6,525)
Net income attributable to non-controlling interests	(3,786)	(3,261)	(525)
Net income attributable to the Company’s shareholders	\$ 11,856	\$ 18,906	\$ (7,050)

Comparison of the nine months ended September 30, 2025 and 2024

Rental revenue – Rental revenue is comprised of rental payments under our net leases and was \$81,723 for the nine-month period ended September 30, 2025, an increase of \$792, or 1.0%, compared to \$80,931 for the nine-month period ended September 30, 2024. This increase was primarily attributed to the acquisition of four properties in 2025, offset by the sale of two properties during the year ended December 31, 2024.

Property operating expense – Property operating expense is comprised of primarily of insurance and taxes, and was \$387 for the nine-month period ended September 30, 2025, an increase of \$261, or 207%, compared to \$126 for the nine-month period ended September 30, 2024. This increase was primarily driven by higher property operating costs.

Depreciation and amortization – Depreciation and amortization expense was \$26,322 for the nine-month period ended September 30, 2025, a decrease of \$104, or 0.4%, compared to \$26,426 for the nine-month period ended September 30, 2024. The decrease was primarily due to the sale of two properties during the year ended December 31, 2024, and a reduction in the depreciation and amortization associated with those properties, partially offset by an acquisition in September 2025.

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Management fee – Management fee was \$3,295 for the nine-month period ended September 30, 2025, an increase of \$3,295, from zero for the nine-month period ended September 30, 2024. The increase is related to a fee change between the Predecessor and NEWLEASE.

Performance participation allocation – Performance participation allocation expense was \$2,360 for the nine-month period ended September 30, 2025, an increase of \$2,360, from zero for the nine-month period ended September 30, 2024. The increase is related to a fee change between the Predecessor and NEWLEASE.

General and administrative – General and administrative expenses, which is comprised primarily of legal, transaction, audit and tax, and professional fees, was \$2,599 for the nine-month period ended September 30, 2025, an increase of \$1,714, or 193.7%, from \$885 for the nine-month period ended September 30, 2024, primarily as a result of higher costs associated with public reporting obligations.

Organizational costs – Organizational costs are comprised of the expenses incurred during the formation of NEWLEASE, such as legal fees, and incorporation fees, and was \$103 for the nine-month period ended September 30, 2025, and zero for the nine-month period ended September 30, 2024.

Interest expense – Interest expense is comprised of primarily interest expenses associated with mortgages on the real estate portfolio and our credit facilities and was \$30,663 for the nine-month period ended September 30, 2025, a decrease of \$583, or 1.9%, from \$31,246 for the nine-month period ended September 30, 2024. The decrease is primarily due to lower debt associated with the sale of two properties during the year ended December 31, 2024, offset by higher borrowing costs of the variable rate credit facilities in 2025 due to the termination of an interest rate swap in September 2024 and additional debt for the acquisition of new properties in 2025.

Other income – Other income is comprised of certain fees paid by tenants in connection with amendments to lease agreements, fees related to sale transactions, and title company refunds and was \$2 for the nine-month period ended September 30, 2025, a decrease of \$429, or 99.5%, from \$431 for the nine-month period ended September 30, 2024. The 2024 income was related to a lease amendment fee paid by a tenant to amend their lease to allow for additional sublease rights and a transaction fee associated with the sale of the Predecessor's sole property in Mexico. There have been no lease amendments or sales in 2025.

Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations – Net change in unrealized (depreciation)/appreciation on investments related to foreign exchange fluctuations represents changes in foreign exchange rates related to foreign investments and was (\$296) for the nine-month period ended September 30, 2025, a decrease of \$548, from \$252 for the nine-month period ended September 30, 2024. This decrease was primarily related to exchange rate fluctuations related to a mortgage held in Canadian dollars.

Net change in unrealized depreciation on derivative swaps – Net change in unrealized depreciation on derivative swaps is comprised of unrealized depreciation in the fair market value of certain derivatives and was \$37 for the nine-month period ended September 30, 2025, a decrease of \$431, compared to \$468 for the nine-month period ended September 30, 2024. NEWLEASE entered into an interest rate swap in August 2025.

Net realized gain on sales of real estate - Net realized gain on sales of real estate was zero for the nine months ended September 30, 2025, compared to a gain of \$319 for the nine months ended September 30, 2024. The 2024 gain is related to the sale of the Predecessor's sole asset in Mexico.

Net realized loss on financial instruments – Net realized loss on financial instruments, comprised of realized losses on foreign currency, was zero for the nine-month period ended September 30, 2025, compared to a loss of \$82 for the nine-month period ended September 30, 2024. NEWLEASE does not have realized foreign currency activity in 2025.

Income tax expense – Income tax expense represents income taxes and was \$21 for the nine-month period ended September 30, 2025, a decrease of \$512, from \$533 for the nine-month period ended September 30, 2024, primarily as a result of the sale of the Predecessor's sole asset in Mexico and a lower-than-expected 2025 tax liability associated with that asset.

Net Asset Value

The NAV is intended to represent the fair value of our assets less our outstanding liabilities and will likely differ from the book value of our equity reflected in our financial statements. To calculate our NAV, we adjust the value of our assets and liabilities from historical cost to fair value. The Adviser will determine the fair value of our net lease investments and associated financing on a monthly basis, which valuations will be reviewed and confirmed for reasonableness by the independent valuation advisor on a quarterly basis.

While we believe our NAV calculation methodologies are generally consistent with standard industry practices, there is no rule or regulation that requires we calculate NAV in a certain way. As a result, other REITs may use different methodologies or assumptions to determine NAV. In addition, NAV is not a measure used under GAAP and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. NAV should not be considered to be equivalent to shareholders' equity or any other GAAP measure.

The following table provides a breakdown of the major components of our NAV as of September 30, 2025 (dollars are in thousands):

Components of NAV	September 30, 2025
Investments in real estate, net	\$ 665,281
Cash and cash equivalents	13,730
Other assets	8,278
Derivative liability	(37)
Revolving credit facility	(48,318)
Affiliated line of credit	(7,732)
Subscriptions received in advance	(13,463)
Distribution and redemption payable	(4,282)
Due to affiliate	(1,076)
Management fee payable	(801)
Accrued performance participation allocation	(925)
Accounts payable and accrued expenses	(1,622)
Net Asset Value	\$ 609,033
Number of outstanding shares/units	30,276,338

The following table provides a breakdown of our total NAV and NAV per share of common shares by class as of September 30, 2025:

NAV Per Share	Class A Shares	Class F Shares	Class I Shares	Class E Shares	Third- Party Operating Partnership Units	Total
Net asset value	\$ 184,118	\$ 228,548	\$ 59,907	\$ 136,460	\$ —	\$ 609,033
Number of outstanding shares	9,159,016	11,409,040	2,996,150	6,712,132	—	30,276,338
NAV per share as of September 30, 2025	\$ 20.10	\$ 20.03	\$ 19.99	\$ 20.33	\$ —	

The following table details the weighted average capitalization rate by property type, which is the key assumption used in the valuations as of September 30, 2025.

	Capitalization Rate
Industrial	6.40 %

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A change in the capitalization rates used would impact the calculation of the value of our real property. For example, assuming all other factors remain constant, the changes listed below would result in the following effects on the value of our real properties, excluding certain newly acquired properties that are currently held at cost which we believe reflects the fair value of such properties:

Input	Hypothetical Change	Increase (Decrease) to the NAV of Real Properties
Capitalization Rate	0.25% decrease	+4.06 %
(weighted average)	0.25% increase	(3.76)%

Recently acquired properties are carried at cost, which approximates fair value.

The following table reconciles shareholders' equity per our Consolidated Balance Sheet to our NAV:

	September 30, 2025
Shareholders' equity	\$ 428,104
Non-controlling interest	(59,179)
Total partners' capital under GAAP	368,925
Adjustments:	
Accrued organization and offering costs	5,148
Net unrealized real estate appreciation	132,048
Net unrealized depreciation on derivative swaps	(37)
Accumulated depreciation and amortization under GAAP	157,708
Straight-line rent	(54,759)
NAV	\$ 609,033

The following details the adjustments to reconcile GAAP shareholders' equity and total partners' capital to our NAV:

- The Adviser agreed to advance certain organization and offering costs on our behalf through the Anniversary Date. The Company will reimburse the Adviser for all such advanced expenses ratably over the 60-month period following January 2, 2026. Under GAAP, organization costs have been accrued as a liability. For purposes of calculating NAV, such costs will be recognized as paid over the 60-month reimbursement period.
- For the purpose of calculating NAV, properties are valued at fair market value, as determined by the Adviser.
- We depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization expenses are not recorded for purposes of calculating our NAV.
- We recognize rental revenue on a straight-line basis for all leases that have fixed rental revenue under GAAP. Such straight-line adjustments are excluded for purposes of calculating NAV.

Distributions

Beginning January 31, 2025, we declared monthly distributions for each class of common shares, which are generally paid the seventh business day post month-end. We have paid distributions consecutively each month since such time. The following table details the total net distributions for each of our share classes for the nine months ended September 30, 2025:

Record Date	Class A Shares	Class F Shares	Class I Shares	Class E Shares
January 31, 2025	\$ 0.1329	\$ 0.1329	\$ 0.1329	\$ 0.1329
February 28, 2025	0.1335	0.1335	0.1335	0.1335
March 31, 2025	0.1335	0.1335	0.1335	0.1335
April 30, 2025	0.1336	0.1336	0.1336	0.1336
May 31, 2025	0.1336	0.1336	0.1336	0.1336
June 30, 2025	0.1336	0.1336	0.1336	0.1336
July 31, 2025	0.1336	0.1336	0.1336	0.1336
August 31, 2025	0.1336	0.1336	0.1336	0.1336
September 30, 2025	0.1336	0.1336	0.1336	0.1336
Total	<u>\$ 1.2015</u>	<u>\$ 1.2015</u>	<u>\$ 1.2015</u>	<u>\$ 1.2015</u>

For the three and nine months ended September 30, 2025, we declared net distributions of \$11,860 and \$33,931, respectively. The Company intends for long-term cumulative distributions to be funded primarily through operating cash flows. The following table details our distributions declared for the three and nine months ended September 30, 2025:

Distributions	Three Months Ended		Nine Months Ended	
	Amount	Percentage	Amount	Percentage
Payable in cash	\$ 11,340	95.6 %	\$ 33,382	98.4 %
Reinvested in shares	520	4.4 %	549	1.6 %
Total distributions	<u>\$ 11,860</u>	<u>100 %</u>	<u>\$ 33,931</u>	<u>100 %</u>
Sources of Distributions				
Cash flows from operating activities	\$ 14,979	100 %	\$ 39,871	100 %
Offering proceeds paid	—	—	—	—
Total sources of distributions	<u>\$ 14,979</u>	<u>100 %</u>	<u>\$ 39,871</u>	<u>100 %</u>
Funds from operations ⁽¹⁾	<u>\$ 11,831</u>	<u>—</u>	<u>\$ 34,463</u>	<u>—</u>

(1) See “Funds from Operations” below for a description of funds from operations, the reconciliation to GAAP net income attributable to shareholders, and for considerations on how to review these metrics.

Funds from Operations and Adjusted Funds from Operations

The Company uses Funds from Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”) as supplemental measures of operating performance. FFO is a widely used metric in the real estate industry, particularly for REITs, as we believe it provides a more accurate representation of operating performance by excluding gains or losses on the sale of properties and other non-cash items such as depreciation and amortization.

FFO is defined by the National Association of Real Estate Investment Trusts as net income (loss) attributable to common shareholders, excluding gains or losses on sales of properties, impairment charges, and depreciation and amortization of real estate assets. The Company calculates FFO in accordance with this definition, although FFO may not be comparable to similarly titled measures used by other REITs.

AFFO is a further refinement of FFO, which adjusts for items that are non-cash or non-recurring in nature and may not accurately reflect the ongoing operations of the Company. These adjustments include, but are not limited to, straight-line rent adjustments, amortization of deferred financing costs, one-time transaction costs, unrealized gains, realized gains and other one-time or non-cash items.

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FFO and AFFO are not recognized measures under GAAP and should not be considered alternatives to net income or any other measure of financial performance, liquidity or ability to generate cash flow from operations, but these measures should be considered in conjunction with GAAP financial performance measures.

The following tables reconcile net income of the Company to FFO and AFFO for the three and nine months ended September 30, 2025 and September 30, 2024:

	Three Months Ended	
	September 30, 2025	September 30, 2024
Net income attributable to the Company's shareholders	\$ 4,176	\$ 5,331
Adjustments to arrive at FFO:		
Depreciation and amortization	8,893	8,793
Amount attributable to non-controlling interests for above adjustments	(1,238)	(1,247)
FFO attributable to the Company's shareholders	11,831	12,877
Adjustments to arrive at AFFO:		
Straight-line rental income	(2,293)	(1,475)
Amortization of (above) / below market lease value	(52)	(29)
Organizational costs	(48)	—
Management fee	—	—
Performance participation allocation	925	—
Transaction costs	—	(581)
Amortization of deferred financing costs	701	709
Net change in unrealized depreciation/(appreciation) on investments related to foreign exchange fluctuations	(201)	86
Net change in unrealized appreciation on derivative swaps	37	1,014
Amount attributable to non-controlling interests for above adjustments	214	135
AFFO attributable to the Company's shareholders	\$ 11,114	\$ 12,736

	Nine Months Ended	
	September 30, 2025	September 30, 2024
Net income attributable to the Company's shareholders	\$ 11,856	\$ 18,906
Adjustments to arrive at FFO:		
Depreciation and amortization	26,322	26,426
Amount attributable to non-controlling interests for above adjustments	(3,715)	(3,763)
FFO attributable to the Company's shareholders	34,463	41,569
Adjustments to arrive at AFFO:		
Straight-line rental income	(6,952)	(7,068)
Amortization of (above) / below market lease value	(111)	(87)
Organizational costs	103	—
Management fee	75	—
Performance participation allocation	2,360	—
Transaction costs	—	—
Amortization of deferred financing costs	1,951	1,885
Net change in unrealized depreciation/(appreciation) on investments related to foreign exchange fluctuations	296	(252)
Net change in unrealized appreciation on derivative swaps	37	468
Amount attributable to non-controlling interests for above adjustments	687	481
AFFO attributable to the Company's shareholders	\$ 32,909	\$ 36,996

Liquidity and Capital Resources

Liquidity

As of September 30, 2025, we had \$559 of cash and cash equivalents, \$48,817 of available credit, \$39,871 of cash flows from operations for the nine months ended September 30, 2025, and we received \$67,129 of incremental liquidity through the sale of our common shares for the nine months ended September 30, 2025. We may also generate additional liquidity through the sale of our real estate investments.

We will use cash for (i) new acquisitions of net lease assets and, to a lesser extent, real estate-related investments, (ii) cost of operations (including management fee and performance participation allocation), (iii) debt service, (iv) periodic repurchases under our share repurchase plan (as described herein), and (v) cash distributions to our common shareholders to the extent declared by our Board of Trustees. We believe our current liquidity position is sufficient to meet the needs of our expected investment activity.

Capital Resources

As of September 30, 2025, our indebtedness included loans secured by our properties, unsecured lines of credit, the affiliated line of credit, and the Aggregation Facility. The following table is a summary of our indebtedness:

Indebtedness	Weighted Average Interest Rate	Weighted Maturity Date	Maximum Facility Size	Principal Balance as of	
				September 30, 2025	December 31, 2024
<i>Mortgage notes and credit facilities, net</i>					
Mortgages	3.96 %	1/21/2030	\$ NA	\$ 826,700	\$ 828,621
Revolving credit facility	S+2.75%(1)	7/25/2028	55,000	48,433	88,000
Deferred financing costs, net				(11,614)	(13,098)
Total mortgage notes and credit facilities, net				863,519	903,523
Affiliated line of credit	S+2.35%(2)	12/31/2027	\$ 50,000	7,750	—
Aggregation facility	S+2.60%(3)	8/30/2028(4)	NA	51,875	—
Total indebtedness				\$ 923,144	\$ 903,523

(1) The revolving credit facility interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.75%. The weighted average interest rate for nine months ended September 30, 2025 was 7.08%.

(2) The affiliated line of credit interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.35%. The weighted average interest rate for nine months ended September 30, 2025 was 6.68%.

(3) The Aggregation Facility interest rate is equal to the Daily Simple SOFR rate (rounded to the nearest 1/100th) + 2.60%. The weighted average interest rate for nine months ended September 30, 2025 was 6.89%.

(4) Includes the fully extended maturity date for loans with extension options that are at our discretion and we currently expect to be able to exercise.

On January 2, 2025, the Company commenced the offering of its shares through a continuous private placement offering. The Company is authorized to issue an unlimited number of shares in each of its four classes of shares of its common shares (Class A, Class F, Class I, Class E). During the nine months ended September 30, 2025, the Company issued and sold the following shares to accredited investors in our private offering:

Record Date	Class A Shares	Class F Shares	Class I Shares	Class E Shares
January 2, 2025	8,215,703	4,893,015	500	42,500
February 1, 2025	17,500	70,000	30,000	—
March 1, 2025	25,013	3,003	108,108	—
April 1, 2025	24,938	8,487	454,716	—
May 1, 2025	28,693	10,240	267,651	—
June 1, 2025	19,960	6,288	447,052	—
July 1, 2025	4,988	65,852	350,765	—
August 1, 2025	—	7,912	529,323	—
September 1, 2025	—	56,101	821,029	—
Total	8,336,795	5,120,898	3,009,144	42,500

Cash Flows

Cash flows provided by operating activities were \$39,871 for the nine months ended September 30, 2025 compared to \$42,014 for the nine months ended September 30, 2024. The change in cash flows provided by operating activities was primarily due to an increase in other assets partially offset by an increase in accounts payable and accrued expenses.

Cash flows provided by (used in) investing activities were (\$83,393) for the nine months ended September 30, 2025 compared to \$11,364 for the nine months ended September 30, 2024. The change in cash flows used in investing activities was primarily due to real estate acquired in 2025 and real estate sold in 2024.

Cash flows used in financing activities were \$208,184 for the nine months ended September 30, 2025 compared to \$52,858 for the nine months ended September 30, 2024. The change in cash flows provided by financing activities was primarily due to subscriptions received in advance, redemptions of common stock, and additional debt for the purchase of new properties.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following items as critical accounting estimates.

Investments in Real Estate

At acquisition, we determine whether an investment will qualify as asset acquisitions or business combinations pursuant to ASC 805—"Business Combinations." We expect most of our investments to be asset acquisitions.

Upon the acquisition of a property, we assess the fair value of the acquired tangible and intangible assets and assumed liabilities (including land, buildings, tenant improvements, above- and below-market leases, acquired in-place leases, and other identified intangible assets and assumed liabilities) and we allocate the purchase price to them, on a relative fair value basis. The most significant portion of the allocation is generally to building and land and requires the use of market-based estimates and assumptions. We assess and consider fair value based on estimated cash flow projections that utilize appropriate discount and/or capitalization rates, as well as other available market information. Estimates of future cash flows are based on several factors including the historical operating results, known and anticipated trends, and market and economic conditions.

We review real estate properties for impairment each quarter or when there is an event or change in circumstances that indicate an impaired value. The review of recoverability of real estate investments held for use is based on an estimate of the undiscounted future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, capital expenditures, competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair value. No impairments were recorded during the three and nine months ended September 30, 2025 and September 30, 2024.

Recent Accounting Pronouncements

See "Notes to Consolidated Financial Statements—2. Significant accounting policies" for a discussion concerning recent accounting pronouncements.

Future Cash Requirements

The following table aggregates our contractual obligations and commitments as of September 30, 2025 (in thousands):

Obligation	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Indebtedness	\$ 935,252	\$ 3,560	\$ 312,736	\$ 287,601	\$ 331,355
Organization and offering costs	5,148	772	2,059	2,059	258
Total	<u>\$ 940,400</u>	<u>\$ 4,332</u>	<u>\$ 314,795</u>	<u>\$ 289,660</u>	<u>\$ 331,613</u>

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The primary components of our market risk are related to interest rates, credit, market value, liquidity, and foreign currency exchange rates. While we do not seek to avoid risk completely, we seek to actively manage that risk, to earn sufficient compensation to justify taking those risks and to maintain capital levels consistent with the risks we undertake.

Interest Rate Risk

Interest rate risk is highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control. We may finance our real estate investments through fixed and floating rate debt; the value of our positions and/or our net cashflow may increase or decrease depending on interest rate movements. A rise in the general level of interest rates can be expected to lead to higher debt service payment requirements and may adversely impact the value of our real estate investments.

As of September 30, 2025, our indebtedness was \$923,144 consisting of mortgage notes, a revolving credit facility, an affiliated line of credit, and the Aggregation Facility. Our revolving credit facility, affiliated line of credit, and the Aggregation Facility are variable rate debt and indexed to daily simple SOFR.

Credit Risk

We may be exposed to counterparty credit risk under the terms of derivative contracts. If the fair value of a derivative contract is positive, the counterparty will owe us, which creates credit risk for us. If the fair value of a derivative contract is negative, we will owe the counterparty and, therefore, do not have credit risk. We may seek to mitigate the credit risk associated with derivative instruments by entering into transactions with high-quality counterparties.

As of September 30, 2025 NEWLEASE held a derivative contract which they entered into in August 2025 in the form of an interest rate swap. As of December 31, 2024, we did not have any derivative contracts.

Market Value Risks

Commercial property values are subject to volatility and may be adversely affected by a number of factors, including national, regional and local economic conditions; local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; and retroactive changes to building or similar codes and/or tax and legal considerations. Changes in commercial property values are difficult to predict with accuracy. We model a range of valuation scenarios and the resulting impacts to our investments.

Liquidity Risk

Market disruptions may lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which we intend to invest and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in liquidity of real estate and real estate-related investments, as well as a lack of availability of observable transaction data and inputs, may make it more difficult to sell our investments or determine their fair values. As a result, we may be unable to sell investments, or only be able to sell investments at a price that may be materially different from the fair values presented. Also, in such conditions, there is no guarantee that the Company's borrowing arrangements or other arrangements for obtaining leverage will continue to be available or, if available, will be available on terms and conditions acceptable to us. In addition, a decline in market value of our assets may have particular adverse consequences in instances where we borrowed money based on the fair value of our assets. A decrease

in the market value of our assets may result in the lender requiring it to post additional collateral or otherwise sell assets at a time when it may not be in our best interest to do so.

Foreign Currency Risk

Our loans and investments that are denominated in a foreign currency are also subject to risks related to fluctuations in exchange rates. We generally expect to mitigate this exposure by matching the currency of our foreign currency assets to the currency of the borrowings that finance those assets. As a result, we expect to substantially reduce our exposure to changes in portfolio value related to changes in foreign exchange rates.

ITEM 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2025 (the end of the period covered by this Quarterly Report on Form 10-Q), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Report of Management on Internal Control Over Financial Reporting

This Quarterly Report on Form 10-Q does not include a report of management's assessment regarding internal controls over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

(c) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II Other Information

ITEM 1. Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of September 30, 2025, we were not involved in any material legal proceedings.

ITEM 1A. Risk Factors

Except as set forth below, for information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I. Item 1A. “Risk Factors” in our Annual Report on Form 10-K filed with the SEC on March 28, 2025.

Changes to U.S. tariff and import/export regulations may have an adverse effect on our business, financial condition and results of operations.

There have been significant changes and continue to be ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs, creating significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and have a material adverse effect on our business, financial condition and results of operations.

Trade negotiations and related government actions may create regulatory uncertainty for us and our tenants and adversely affect the profitability of investments.

In recent years, the U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has imposed, and may in the future further increase, tariffs on importing foreign goods, including from China, such as steel and aluminum. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods. Most recently, the current U.S. presidential administration has imposed or sought to impose significant increases to tariffs on goods imported into the U.S., including from China, Canada and Mexico. Tariffs on goods imported from China, Canada and Mexico could further increase costs, decrease margins, reduce competitiveness of products and services offered by current and future tenants and/or borrowers and adversely affect the revenues and profitability of our tenants and/or borrowers whose businesses rely on goods imported from such jurisdictions.

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

Offering of Common Shares

In our continuous, blind pool private offering, we are offering and selling our common shares pursuant to an exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. There is no established public trading market for our common shares currently, and we do not expect that such a market will ever develop in the future.

The following table details the total shares issued and sold for each of the four classes of our common shares from the period of inception through September 30, 2025:

	<u>Class A</u>	<u>Class F</u>	<u>Class I</u>	<u>Class E</u>
Inception to September 30, 2025	9,159,016	11,409,040	2,996,150	6,712,132

Share Repurchases

On December 16, 2024, our Board of Trustees adopted a share repurchase plan, pursuant to which shareholders may request on a quarterly basis that we repurchase all or any portion of their common shares, subject to certain limitations as set forth therein. The aggregate NAV of total repurchases of Class A shares, Class F shares, Class I shares and Class E shares under its share repurchase plan is limited to no more than 5% of the Company's aggregate NAV per calendar quarter (measured using the average aggregate NAV as of the end of the immediately preceding three months).

Our share repurchase plan provides shareholders with the opportunity to request that we repurchase their shares on a quarterly basis (after any applicable lock up period), but we are not obligated to repurchase any shares and may exercise discretion in repurchasing only a portion or none of the requested shares in a given quarter. In addition, repurchases will be subject to available liquidity and other significant restrictions. Our Board of Trustees may modify or suspend our share repurchase plan if in its discretion it deems such action to be in our best interest. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.

For the three and nine months ended September 30, 2025, the Operating Partnership redeemed zero and \$75, respectively, of Class E OP units, which were initially issued in connection with the payment of the management fee. During the nine months ended September 30, 2025, the Company repurchased \$250 of Class I shares. In accordance with the terms of our share repurchase plan, such Class I shares were repurchased at 95% of NAV given that the shares repurchased had not been outstanding for at least one year, measured as of first calendar day immediately following the prospective repurchase date.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits

The following documents are filed as part of this quarterly report.

- 3.1 [Certificate of Trust of the Company, dated August 5, 2024 \(filed as Exhibit 3.1 to the Registrant's Registration Statement on Form 10 filed on October 16, 2024 and incorporated by reference herein\)](#)
- 3.2 [Amended and Restated Declaration of Trust of the Company, dated December 16, 2024 \(filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 20, 2024 and incorporated by reference herein\)](#)
- 3.3 [Bylaws of the Company \(filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on December 20, 2024 and incorporated by reference herein\)](#)
- 4.1 [Share Repurchase Plan of the Company \(filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on December 20, 2024 and incorporated by reference herein\)](#)
- 4.2 [Distribution Reinvestment Plan \(filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 22, 2025 and incorporated by reference herein\)](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1** [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2** [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following information from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2025, formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheet; (ii) Consolidated Statement of Operations; (iii) Consolidated Statement of Changes in Redeemable Common Shares and Shareholders' Equity; and (iv) Consolidated Statement of Cash Flows
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed Herewith

** Furnished herewith

† Portions of this exhibit have been omitted pursuant to Item 601(a)(6) and/or Item 601(b)(10)(iv) of Regulation S-K.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW MOUNTAIN NET LEASE TRUST

Date: November 12, 2025

By: /s/ Teddy Kaplan

Name: Teddy Kaplan

Title: President, Chief Executive Officer, and Trustee
(Principal Executive Officer)

Date: November 12, 2025

By: /s/ Kellie Steele

Name: Kellie Steele

Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14 PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Teddy Kaplan, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2025 of New Mountain Net Lease Trust;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Intentionally omitted;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 12, 2025

/s/ Teddy Kaplan
Teddy Kaplan
Chief Executive Officer

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14 PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kellie Steele, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2025 of New Mountain Net Lease Trust;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Intentionally omitted;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 12, 2025

/s/ Kellie Steele
Kellie Steele
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of New Mountain Net Lease Trust (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Teddy Kaplan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Teddy Kaplan

Teddy Kaplan

Chief Executive Officer

November 12, 2025

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of New Mountain Net Lease Trust (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Teddy Kaplan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kellie Steele

Kellie Steele

Chief Financial Officer

November 12, 2025

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
