

## Whitestone REIT CEO Letter to Shareholders: 2024 Wrap-Up

HOUSTON, Dec 17, 2024 – Whitestone REIT (NYSE: WSR) (“Whitestone” or the “Company”) is pleased to share the following CEO letter with shareholders:

At Whitestone, we are closing the year continuing to prove the value of our differentiated strategy and ability to execute. The value of our assets is steadily climbing as we show what a portfolio of high-return shop space can deliver when properly anchored to the community.

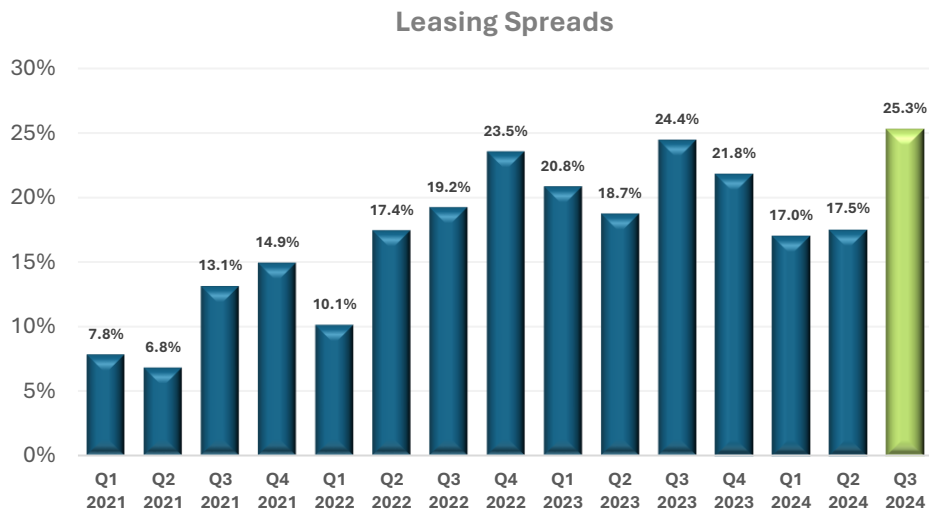
Our strong results continue to underscore that our strategy is the right one. Our success is reflected not only in best-in-class Total Shareholder Return over the last 3 years, but also in a steadily increasing assessment of the value of our assets by analysts and investors.

We have been deliberate and direct in communicating the key components of our strategy:

- 75% of ABR coming from high-growth, high-return optimally sized shop space
- Shorter leases, with an average lease term of 4 years, allowing for quicker capture of mark-to-market rents
- A dedicated leasing team trained to leverage technology and utilize strong underwriting skills to constantly evaluate and refresh tenants

The outside view of the value of our assets, as measured by sell-side analyst Net Asset Value calculations has risen dramatically over the past year, increasing 16% since the 3<sup>rd</sup> quarter of 2023. This represents the 2<sup>nd</sup> highest increase within the peer set as analysts reassess the value Whitestone has delivered - and is capable of delivering in the future.

Achieving 10 consecutive quarters of leasing spreads in excess of 17% is just one of the operational metrics bringing credibility to our differentiated strategy.

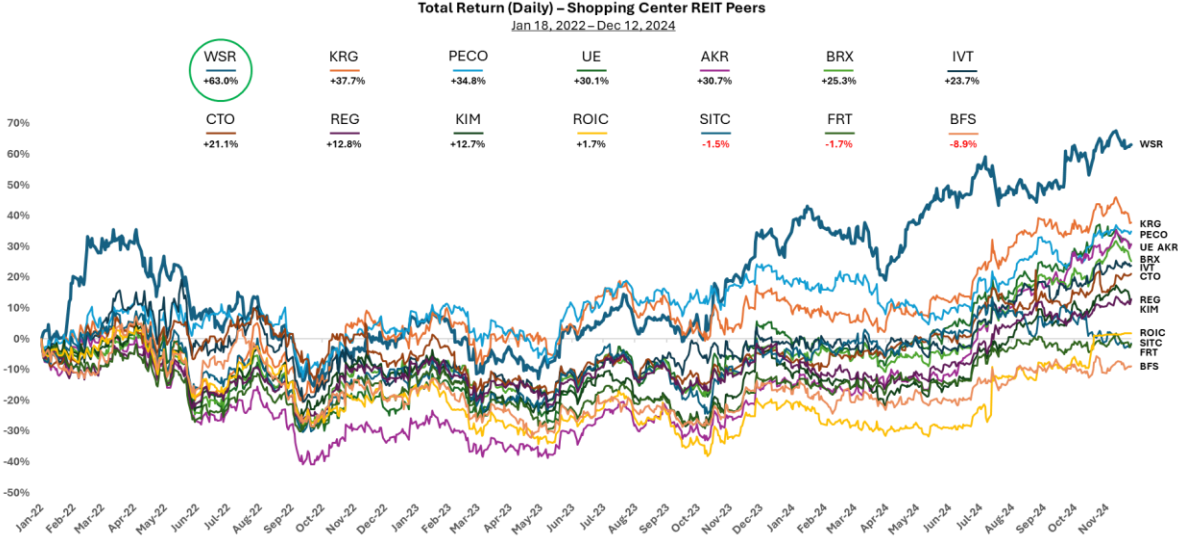


The team at Whitestone views our strategy, our ability to drive earnings growth and the external view of the value of our assets as inexorably linked. We believe we have all the right ingredients to drive

the value of our assets higher, while appropriately aligning external views to reflect both our intrinsic value and forward-looking expectations.

Supporting our work is the feedback we have received from the investment community. 2024 was an invaluable year of shareholder engagement, and we have acted on many of the constructive perspectives provided by shareholders. In our recent discussions, we have heard support from many of you and appreciate your confidence in the results we’re delivering and momentum we are gaining.

Our financial and operational results underscore the meaningful advancement we are making against our strategic objectives. Since new management took over, Whitestone has been the best performing shopping center REIT, with a total return of more than 60%, significantly outpacing the peer average of 17%:



Fueling our progress is an exceptional and revamped team at Whitestone dedicated to continuous improvement. From our operations, leasing and asset recycling to corporate governance, this mentality is being applied to every aspect of Whitestone.

**The results of our approach are evident in our financial and operational metrics:**

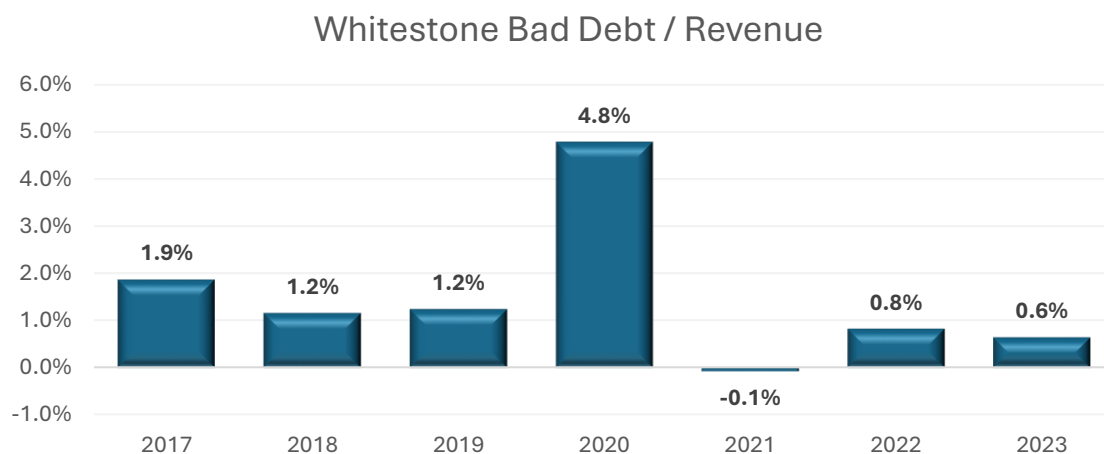
**Improving Operations:** We drove occupancy to 94.1% in the third quarter of 2024, as we enter what is historically Whitestone’s strongest quarter for leasing. We achieved a combined overall positive leasing spread of 25.3% and increased our Same Store NOI growth target to 3.75% - 4.75%, after delivering year-to-date Same Store NOI growth of 4.9%. Not only are we delivering top quartile Same Store NOI growth, we are utilizing less capital as the majority of our centers are already correctly configured with high-demand shop space.

**Driving Earnings Growth:** We reiterated our 2024 Core FFO per share estimate of \$0.98 to \$1.04, representing 11% growth in 2024 versus 2023 (at the midpoint). We anticipate Same Store NOI will

continue to drive strong Core FFO per share growth in 2025 and beyond and we are eager to provide investors with 2025 guidance early next year.

**Increasing Returns:** Growing earnings allows Whitestone to significantly increase dividends while maintaining our payout ratio, which is among the healthiest in the shopping center sector. Whitestone recently declared dividends for the first quarter of 2025, growing the dividend by 9% and reflecting the Board's confidence in Whitestone's earnings growth trajectory. We are laser focused on growing Core FFO per share and accompanying that growth with an increasing dividend.

**Ever Stronger Tenant Quality:** Whitestone's performance during the pandemic was amongst the best within the peer set, as measured by collections or by the change in Core FFO per share from 2019 to 2020. Since that time, the leasing team has relentlessly refreshed the tenant mix, driving the Bad Debt / Revenue percentage down 50% from the 2019 level.



In evaluating businesses, we believe that strong underwriting and leasing team skills are vital to driving strong Same Store NOI growth, enhancing the credit quality of our portfolio and supporting our ability to deliver results in any environment.

**Strengthening Financial Profile:** We have reduced our leverage (measured as Net Debt / Pro Forma EBITDAre) to 7.2x, with an expected ratio range of 6.6x to 7.0x by the end of 2024. We have also been proactive in renewing our corporate credit facility and minimizing near-term debt maturities. Most recently, we shifted \$20 million of our short-term variable rate debt to our term loan debt due 2028 and locked it in at a more favorable rate of 5.2%. These actions have led to a strengthened balance sheet and the ability to fund future growth investments in line with our strategic initiatives.

We are pleased with this progress, but what excites us most is the runway ahead that we see for additional growth and value creation.

**Our portfolio optimization strategy is just hitting stride.**

Strong community connections and deep tenant relationships are key to the success of Whitestone’s current centers and acquisition strategy. We have excellent visibility into fast-growing surrounding neighborhoods and dense areas that are supply-constrained, in terms of retail development, to ensure that our acquisitions are successful.

2024 brought the strongest environment we've seen in Texas and Arizona in all the categories we serve, across all our size spaces and mix of tenants of grocery, restaurants, health, wellness and beauty, financial services, other services, education and entertainment.

This year, we acquired Garden Oaks Shopping Center located in the Houston MSA and Scottsdale Commons located in the Phoenix MSA. Whitestone’s acquisition program has been funded with timely, well-priced dispositions, is immediately accretive and directly enhances our growth. Disposition cap rates have been more than 100 basis points below our day one acquisition cap rates. This means that we are continuously improving our portfolio with higher quality revenues and more valuable assets. The assets we acquire generally have another 100 – 200 basis points of yield on cost improvement within the first 2 years as we apply our strategic operating model.

As we look ahead, we have all the right ingredients to find new acquisitions, scale the platform and reduce the percentage of our fixed costs while driving earnings growth.

**Above all, we welcome and deeply value the perspectives of our shareholders.**

Shareholder engagement remains a top priority for the Board and management, and we will continue regularly considering your views as we make decisions about the future. Building and strengthening our shareholder relations will remain a perpetual priority for Whitestone.

Indeed, our recent Board refreshment with the additions of Krissy Gathright and Don Miller is the result of an effective and comprehensive refreshment process that took into account the views of our shareholders. Krissy brings deep real estate experience at both Board and executive levels, as well as significant B2C and capital markets experience. Don brings decades of real estate executive experience, including in acquisitions, asset management, property management and leasing.

**A word from our newest Trustees.**

*“I am energized by what I’ve seen so far in the Whitestone boardroom. This is a company with phenomenal assets, a strong plan in place, engaged trustees and significant growth potential.”*

*– Kristian M. Gathright*

*“Whitestone has shown its tremendous organic growth potential over the last several years and has bolstered earnings with a disciplined, opportunistic property acquisition strategy. Simultaneously growing earnings and meaningfully reducing leverage is an impressive accomplishment for any company and Whitestone continues to display strong momentum.”*

*– Donald A. Miller, CFA*

In all, we have an engaged independent Board that comprises highly qualified trustees with significant leadership, governance, investment, financial and operating experience across real estate, REITs and public companies. Whitestone's refreshed Board is committed to acting in the best interests of all shareholders and to enhancing the value of your investment.

**We have strength and momentum heading into 2025.**

With our leadership team and Board focused exclusively on realizing Whitestone's potential, we expect our underlying growth engine to become more visible to investors and the inherent value of our real estate platform to become clearer. We are excited to further advance our strategic objectives and drive even greater bottom line growth, fueled by strong organic performance and disciplined external growth.

The Whitestone that enters 2025 possesses a high-quality portfolio concentrated in fast growing sunbelt markets with a diversified and granular tenant base, a disciplined and focused team of operators with a proven record of curating centers to match demand and a refreshed Board composed of independent and experienced trustees focused on maximizing value for our shareholders.

The momentum we are carrying into 2025 is a direct result of our continuous improvement mentality, and it gives me great confidence in the long-term value proposition of the new Whitestone REIT and our ability to continue improving our portfolio, driving earnings and growing free cash flow.

We are proud of all that we have achieved over the last year and energized by the opportunities ahead as we move into 2025 with great momentum. We look forward to providing you with a comprehensive update on 2024 and our 2025 guidance in early March.

Thank you for your continued trust in Whitestone, and Happy Holidays!

- Dave Holeman, Whitestone CEO and Trustee

**Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the federal securities laws, including discussion and analysis of our financial condition and results of operations, statements related to our expectations regarding the performance of our business, and other matters. These forward-looking statements are not historical facts but are the intent, belief or current expectations of our management based on its knowledge and understanding of our business and industry. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "potential," "predicts," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" or the negative of such terms and variations of these words and similar expressions, although not all forward-looking statements include these words. These

statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Factors that could cause actual results to differ materially from any forward-looking statements made in this Report include: the imposition of federal income taxes if we fail to qualify as a real estate investment trust (“REIT”) in any taxable year or forego an opportunity to ensure REIT status; uncertainties related to the national economy and the real estate industry, both in general and in our specific markets; legislative or regulatory changes, including changes to laws governing REITs; adverse economic or real estate developments or conditions in Texas or Arizona, Houston, Dallas, and Phoenix in particular, including the potential impact of public health emergencies on our tenants’ ability to pay their rent, which could result in bad debt allowances or straight-line rent reserve adjustments; increases in interest rates, including as a result of inflation, which may increase our operating costs or general and administrative expenses; our current geographic concentration in the Houston, Dallas, and Phoenix metropolitan area markets makes us susceptible to potential local economic downturns; natural disasters, such as floods and hurricanes, which may increase as a result of climate change may adversely affect our returns and adversely impact our existing and prospective tenants; increasing focus by stakeholders on environmental, social, and governance matters; financial institution disruptions; availability and terms of capital and financing, both to fund our operations and to refinance our indebtedness as it matures; decreases in rental rates or increases in vacancy rates; harm to our reputation, ability to do business and results of operations as a result of improper conduct by our employees, agents or business partners; litigation risks; lease-up risks, including leasing risks arising from exclusivity and consent provisions in leases with significant tenants; our inability to renew tenant leases or obtain new tenant leases upon the expiration of existing leases; risks related to generative artificial intelligence tools and language models, along with the potential interpretations and conclusions they might make regarding our business and prospects, particularly concerning the spread of misinformation; our inability to generate sufficient cash flows due to market conditions, competition, uninsured losses, changes in tax or other applicable laws; geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine, the conflict in the Gaza Strip and unrest in the Middle East; the need to fund tenant improvements or other capital expenditures out of our operating cash flow; and the risk that we are unable to raise capital for working capital, acquisitions or other uses on attractive terms or at all the ultimate amount we will collect in connection with the redemption of our equity investment in Pillarstone Capital REIT Operating Partnership LP (“Pillarstone” or “Pillarstone OP.”); and other factors detailed in the Company’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents the Company files with the Securities and Exchange Commission from time to time

### **Non-GAAP Financial Measures**

This release contains supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles (“GAAP”) including EBITDAre, FFO, Core FFO, NOI and net debt. Following are explanations and reconciliations of these metrics to their most comparable GAAP metric.

**EBITDAre:** The National Association of Real Estate Investment Trusts (“NAREIT”) defines EBITDAre as net income computed in accordance with GAAP, plus interest expense, income tax expense, depreciation and amortization and impairment write-downs of depreciable property and of investments in unconsolidated affiliates caused by a decrease in value of depreciable property in the affiliate, plus or minus losses and gains on the disposition of depreciable property, including losses/gains on change in control and adjustments to reflect the entity’s share of EBITDAre of the unconsolidated affiliates and consolidated affiliates with non-controlling interests. We calculate EBITDAre in a manner consistent with the NAREIT definition. Management believes that EBITDAre represents a supplemental non-GAAP performance measure that provides investors with a relevant basis for comparing REITs. There can be no assurance the EBITDAre as presented by the

Company is comparable to similarly titled measures of other REITs. EBITDAre should not be considered as an alternative to net income or other measurements under GAAP as indicators of operating performance or to cash flows from operating, investing or financing activities as measures of liquidity. EBITDAre does not reflect working capital changes, cash expenditures for capital improvements or principal payments on indebtedness.

FFO: Funds From Operations: NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. We calculate FFO in a manner consistent with the NAREIT definition and also include adjustments for our unconsolidated real estate partnership.

Core Funds from Operations (“Core FFO”) is a non-GAAP measure. From time to time, we report or provide guidance with respect to “Core FFO” which removes the impact of certain non-recurring and non-operating transactions or other items we do not consider to be representative of our core operating results including, without limitation, default interest on debt of real estate partnership, extinguishment of debt cost, gains or losses associated with litigation involving the Company that is not in the normal course of business, and proxy contest costs.

Management uses FFO and Core FFO as a supplemental measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Because real estate values instead have historically risen or fallen with market conditions, management believes that the presentation of operating results for real estate companies that use historical cost accounting is insufficient by itself. In addition, securities analysts, investors and other interested parties use FFO as the primary metric for comparing the relative performance of equity REITs. FFO and Core FFO should not be considered as alternatives to net income or other measurements under GAAP, as an indicator of our operating performance or to cash flows from operating, investing or financing activities as a measure of liquidity. FFO and Core FFO do not reflect working capital changes, cash expenditures for capital improvements or principal payments on indebtedness. Although our calculation of FFO is consistent with that of NAREIT, there can be no assurance that FFO and Core FFO presented by us is comparable to similarly titled measures of other REITs.

NOI: Net Operating Income: Management believes that NOI is a useful measure of our property operating performance. We define NOI as operating revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Other REITs may use different methodologies for calculating NOI and, accordingly, our NOI may not be comparable to other REITs. Because NOI excludes general and administrative expenses, depreciation and amortization, deficit in earnings of real estate partnership, interest expense, interest, dividend and other investment income, provision for income taxes, gain on sale of properties, loss on disposal of assets, and includes NOI of real estate partnership (pro rata) and net income attributable to noncontrolling interest, it provides a performance measure that, when compared year-over-year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not immediately apparent from net income. We use NOI to evaluate our operating performance since NOI allows us to evaluate the impact that factors such as occupancy levels, lease structure, lease rates and tenant base have on our results, margins and returns. In addition, management believes that NOI provides useful information to the investment community about our property and operating performance when compared to other REITs since NOI is generally recognized as a standard measure of property performance in the real estate industry. However, NOI should not be viewed as a measure of our overall financial performance since it does not reflect the level of capital expenditure and leasing costs necessary to maintain the operating performance of our properties, including general and administrative expenses, depreciation and amortization, equity or deficit in earnings of real estate partnership, interest expense, interest, dividend and other investment income, provision for income taxes, gain on sale of properties, and gain or loss on sale or disposition of assets.

Same Store NOI: Management believes that Same Store NOI is a useful measure of the Company's property operating performance because it includes only the properties that have been owned for the entire period being compared, and that it is frequently used by the investment community. Same Store NOI assists in eliminating differences in NOI due to the acquisition or disposition of properties during the period being presented, providing a more consistent measure of the Company's performance. The Company defines Same Store NOI as operating revenues (rental and other revenues, excluding straight-line rent adjustments, amortization of above/below market rents, and lease termination fees) less property and related expenses (property operation and maintenance and real estate taxes), Non-Same Store NOI, and NOI of our investment in Pillarstone OP (pro rata). We define "Non-Same Stores" as properties that have been acquired since the beginning of the period being compared and properties that have been sold, but not classified as discontinued operations. Other REITs may use different methodologies for calculating Same Store NOI, and accordingly, the Company's Same Store NOI may not be comparable to that of other REITs.

Net debt: We present net debt, which we define as total debt net of insurance financing less cash plus our proportional share of net debt of real estate partnership, and net debt to pro forma EBITDAre, which we define as net debt divided by EBITDAre because we believe they are helpful as supplemental measures in assessing our ability to service our financing obligations and in evaluating balance sheet leverage against that of other REITs. However, net debt and net debt to pro forma EBITDAre should not be viewed as a stand-alone measure of our overall liquidity and leverage. In addition, our REITs may use different methodologies for calculating net debt and net debt to pro forma EBITDAre, and accordingly our net debt and net debt to pro forma EBITDAre may not be comparable to that of other REITs.

**Whitstone REIT and Subsidiaries**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**Initial & Revised Full Year Guidance for 2024**  
(in thousands, except per share and per unit data)

	Q3 Revised Range Full Year 2024 <sup>(1)</sup>		Projected Range Full Year 2024	
	Low	High	Low	High
<b>FFO and Core FFO per diluted share and OP unit</b>				
Net income attributable to Whitstone REIT	\$ 24,602	\$ 27,602	\$ 16,600	\$ 19,600
Adjustments to reconcile to FFO				
Depreciation and amortization of real estate assets	34,705	34,705	34,252	34,252
Depreciation and amortization of real estate assets of real estate partnership (pro rata)	133	133	133	133
Gain on sale of properties	(10,212)	(10,212)	—	—
FFO	\$ 49,228	\$ 52,228	\$ 50,985	\$ 53,985
Adjustments to reconcile to Core FFO				
Proxy contest costs	1,757	1,757	—	—
Core FFO	\$ 50,985	\$ 53,985	\$ 50,985	\$ 53,985
Denominator:				
Diluted shares	51,262	51,262	51,262	51,262
OP Units	695	695	695	695
Diluted share and OP Units	51,957	51,957	51,957	51,957
Net income attributable to Whitstone REIT per diluted share	\$ 0.47	\$ 0.53	\$ 0.32	\$ 0.38
FFO per diluted share and OP Unit	\$ 0.95	\$ 1.01	\$ 0.98	\$ 1.04
Core FFO per diluted share and OP Unit	\$ 0.98	\$ 1.04	\$ 0.98	\$ 1.04

<sup>(1)</sup> Includes a \$10,212 gain on sale of properties and \$1,757 in proxy contest costs.

**Whitstone REIT and Subsidiaries**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(continued)  
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>PROPERTY NET OPERATING INCOME</b>				
Net income attributable to Whitstone REIT	\$ 7,624	\$ 2,486	\$ 19,556	\$ 17,639
General and administrative expenses	4,878	5,392	17,610	15,651
Depreciation and amortization	8,921	8,332	26,242	24,538
Deficit in earnings of real estate partnership (1)	—	375	28	1,627
Interest expense	8,506	8,400	25,813	24,563
Interest, dividend and other investment income	(3)	(11)	(15)	(49)
Provision for income taxes	118	95	327	339
Gain on sale of properties	(3,762)	(5)	(10,212)	(9,626)
Management fee, net of related expenses	—	—	—	16
Loss on disposal of assets, net	111	480	183	500
NOI of real estate partnership (pro rata)(1)	—	667	183	1,883
Net income attributable to noncontrolling interests	99	35	257	248
<b>NOI</b>	\$ 26,492	\$ 26,246	\$ 79,972	\$ 77,329
Non-Same Store NOI (2)	(1,330)	(1,074)	(5,389)	(4,228)
NOI of real estate partnership (pro rata) (1)	—	(667)	(183)	(1,883)
<b>NOI less Non-Same Store NOI and NOI of real estate partnership (pro rata)</b>	25,162	24,505	74,400	71,218
Same Store straight-line rent adjustments	(695)	(833)	(2,581)	(2,390)
Same Store amortization of above/below market rents	(221)	(214)	(600)	(607)
Same Store lease termination fees	(30)	(300)	(298)	(600)
<b>Same Store NOI (3)</b>	\$ 24,216	\$ 23,158	\$ 70,921	\$ 67,621

(1) We rely on reporting provided to us by our third-party partners for financial information regarding the Company's investment in Pillarstone OP. Because Pillarstone OP financial statements for the three and nine months ended September 30, 2024 and 2023 have not been made available to us, we have estimated deficit in earnings and pro rata share of NOI of real estate partnership based on the information available to us at the time of this Report. As of September 30, 2024, our ownership in Pillarstone OP no longer represents a majority interest. On January 25, 2024, we exercised our notice of redemption for substantially all of our investment in Pillarstone OP.

(2) We define "Non-Same Store" as properties that have been acquired since the beginning of the period being compared and properties that have been sold, but not classified as discontinued operations. For purpose of comparing the three months ended September 30, 2024 to the three months ended September 30, 2023, Non-Same Store includes properties owned before July 1, 2023, and not sold before September 30, 2024, but not included in discontinued operations. For purposes of comparing the nine months ended September 30, 2024 to the nine months ended September 30, 2023, Non-Same Store includes properties acquired between January 1, 2023 and September 30, 2024 and properties sold between January 1, 2023 and September 30, 2024, but not included in discontinued operations.

(3) We define "Same Store" as properties that have been owned during the entire period being compared. For purpose of comparing the three months ended September 30, 2024 to the three months ended September 30, 2023, Same Store includes properties owned before July 1, 2023 and not sold before September 30, 2024. For purposes of comparing the nine months ended September 30, 2024 to the nine months ended September 30, 2023, Same Store includes properties owned before January 1, 2023 and not sold before September 30, 2024. Straight line rent adjustments, above/below market rents, and lease termination fees are excluded.

**Whitestone REIT and Subsidiaries**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(continued)  
(in thousands)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2024	2023	2024	2023
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION FOR REAL ESTATE (EBITDAre)</b>				
Net income attributable to Whitestone REIT	\$ 7,624	\$ 2,486	\$ 19,556	17,639
Depreciation and amortization	8,921	8,332	26,242	24,538
Interest expense	8,506	8,400	25,813	24,563
Provision for income taxes	118	95	327	339
Net income attributable to noncontrolling interests	99	35	257	248
Deficit in earnings of real estate partnership (1)	—	375	28	1,627
EBITDAre adjustments for real estate partnership (1)	—	223	136	169
Gain on sale of properties	(3,762)	(5)	(10,212)	(9,626)
Loss on disposal of assets	111	480	183	500
<b>EBITDAre</b>	<b>\$ 21,617</b>	<b>\$ 20,421</b>	<b>\$ 62,330</b>	<b>59,997</b>

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	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2024	2023	2024	2023
<b>Debt/EBITDAre Ratio</b>				
Outstanding debt, net of insurance financing	\$ 633,437	\$ 632,353	\$ 633,437	\$ 632,353
Less: Cash	(2,534)	(2,976)	(2,534)	(2,976)
Less: Deposit due to real estate partnership debt default	(13,633)	—	(13,633)	—
Add: Proportional share of net debt of unconsolidated real estate partnership (1)	—	8,685	—	8,685
Total Net Debt	\$ 617,270	\$ 638,062	\$ 617,270	\$ 638,062
EBITDAre	\$ 21,617	\$ 20,421	\$ 62,330	\$ 59,997
Effect of partial period acquisitions and dispositions	\$ (172)	\$ —	\$ (1,004)	\$ —
Pro forma EBITDAre	\$ 21,445	\$ 20,421	\$ 61,326	\$ 59,997
Annualized pro forma EBITDAre	\$ 85,780	\$ 81,684	\$ 81,768	\$ 79,996
<b>Ratio of debt to pro forma EBITDAre</b>	<b>7.2</b>	<b>7.8</b>	<b>7.5</b>	<b>8.0</b>

(1) We rely on reporting provided to us by our third-party partners for financial information regarding the Company's investment in Pillarstone OP. Because Pillarstone OP financial statements as of September 30, 2023 have not been made available to us, we have estimated proportional share of net debt based on the information available to us at the time of this Report

Whitestone REIT and Subsidiaries  
**RECONCILIATION OF NON-GAAP MEASURES**  
Initial Full Year Guidance for 2024  
(in thousands)

	Projected Range Fourth Quarter 2024	
	Low	High
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION FOR REAL ESTATE (EBITDAre)</b>		
Net income attributable to Whitestone REIT	\$ 6,161	\$ 5,311
Depreciation and amortization	8,746	8,746
Interest expense	8,013	8,013
Provision for income taxes	134	134
Net income attributable to noncontrolling interests	86	86
<b>EBITDAre</b>	<b>\$ 23,140</b>	<b>\$ 22,290</b>
<b>Annualized EBITDAre</b>	<b>\$ 92,560</b>	<b>\$ 89,160</b>
Outstanding debt, net of insurance financing	616,290	624,290
Less: Cash	(3,000)	(3,000)
<b>Total net debt</b>	<b>\$ 613,290</b>	<b>\$ 621,290</b>
Ratio of Net Debt to EBITDAre	6.6	7.0

**Investor and Media Contact:**

David Mordy  
Director of Investor Relations  
Whitestone REIT  
(713) 435-2219  
[ir@whitestonereit.com](mailto:ir@whitestonereit.com)