NEWS RELEASE

Global Medical REIT Announces Second Quarter 2023 Financial Results

2023-08-02

Completes Disposition of a Four Property MOB Portfolio Receiving Gross Proceeds of $66 million Resulting in a Gain of $12.8 Million

BETHESDA, Md.--(BUSINESS WIRE)-- Global Medical REIT Inc. (NYSE: GMRE) (the "Company" or "GMRE"), a net-lease medical office real estate investment trust (REIT) that acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems, today announced financial results for the three and six months ended June 30, 2023 and other data.

Jeffrey M. Busch, Chairman, Chief Executive Officer and President stated, "During the second quarter, we took a significant step forward in reducing our variable rate debt and leverage by selling a medical office building portfolio in Oklahoma City, Oklahoma for gross proceeds of $66 million. We used the net proceeds from this disposition to pay down the balance of our variable rate debt, resulting in a leverage ratio as of June 30, 2023 of 44.5%. Additionally, our portfolio is producing consistent and steady results, and we ended the quarter with leased occupancy of 97%, unchanged from the first quarter. Within the current acquisition environment, we will remain disciplined as transaction markets evolve, and we are well-positioned with ample liquidity to ramp up acquisitions once spreads return to an attractive and accretive level. I would like to thank the entire team for their continued hard work and contributions to our performance."

Second Quarter 2023 Highlights

- Net income attributable to common stockholders was $11.8 million, or $0.18 per diluted share, as compared to $2.2 million, or $0.03 per diluted share, in the comparable prior year period.
- Funds from Operations ("FFO") of $14.7 million, or $0.21 per share and unit, as compared to $16.4 million, or $0.24 per share and unit, in the comparable prior year period.
- Adjusted Funds from Operations ("AFFO") of $15.9 million, or $0.23 per share and unit, as compared to $17.6 million, or $0.25 per share and unit, in the comparable prior year period.
- Increased total revenue 7.9% year-over-year to $36.4 million, primarily driven by the Company's acquisition activity during and since the comparable prior year period and the performance of its portfolio.
- In April 2023, completed the acquisition of two medical office buildings in Redding, California, encompassing 18,698 leasable square feet, for a purchase price of $6.7 million and a cap rate of

7.6%.
- In June 2023, sold a portfolio of four medical office buildings in Oklahoma City, Oklahoma, at a cap rate of 6.5% receiving gross proceeds of $66 million, resulting in a gain of $12.8 million.
- Maintained portfolio leased occupancy at 97.0% at June 30, 2023.

Six Month and Other 2023 Highlights

- Net income attributable to common stockholders was $12.5 million, or $0.19 per diluted share, as compared to $4.9 million, or $0.07 per diluted share, in the comparable prior year period.
- FFO of $29.8 million, or $0.43 per share and unit, as compared to $32.4 million, or $0.47 per share and unit, in the comparable prior year period.
- AFFO of $31.8 million, or $0.45 per share and unit, as compared to $34.4 million, or $0.49 per share and unit, in the comparable prior year period.
- Increased total revenue 10.7% year-over-year to $72.6 million, primarily driven by the Company's acquisition activity during and since the comparable prior year period and the performance of its portfolio.
- Through June 30, 2023, inclusive of the Oklahoma City disposition completed in the second quarter, completed two dispositions at a weighted average cap rate of 6.5% that generated aggregate gross proceeds of $70.4 million, resulting in an aggregate gain of $13.3 million.
- In August 2023, sold a medical office building located in North Charleston, South Carolina at a cap rate of 5.3%, receiving gross proceeds of $10.1 million. This property had a net book value of approximately $7.2 million at the time of sale.

Financial Results

Rental revenue for the second quarter 2023 increased 7.8% year-over-year to $36.3 million, reflecting the impact of acquisitions completed during and subsequent to the second quarter of last year. Second quarter 2023 rental revenue included $5.0 million of net lease expense recoveries, compared to $4.4 million in the comparable prior year period.

Total expenses for the second quarter were $35.0 million, compared to $29.9 million for the comparable prior year period, primarily reflecting higher interest, operating, depreciation, and amortization expenses due primarily to the changes in the Company's portfolio since the comparable prior year period as well as an increase in interest expenses due to the continued high interest rate environment.

Interest expense for the second quarter was $8.5 million, compared to $5.4 million for the comparable prior year period. This change reflects the impact of higher average borrowings and increased interest rates compared to the prior year period.

Net income attributable to common stockholders for the second quarter totaled $11.8 million, or $0.18 per diluted share, compared to $2.2 million, or $0.03 per diluted share, in the comparable prior year period.

The Company reported FFO of $14.7 million, or $0.21 per share and unit, and AFFO of $15.9 million, or $0.23 per share and unit, for the second quarter of 2023, compared to FFO of $16.4 million, or $0.24 per share and unit, and AFFO of $17.6 million, or $0.25 per share and unit, in the comparable prior year period.

Investment Activity

During the second quarter of 2023, the Company completed the acquisition of two medical office

buildings in Redding, California for an aggregate purchase price of $6.7 million, encompassing an aggregate 18,698 leasable square feet. The Company also sold a portfolio of four medical office buildings located in Oklahoma City, Oklahoma, receiving gross proceeds of $66.0 million, resulting in a gain of $12.8 million.

In August 2023, the Company completed the sale of a medical office building located in North Charleston, South Carolina, at a cap rate of 5.3%, receiving gross proceeds of $10.1 million. This property had a net book value of approximately $7.2 million at the time of sale.

Portfolio Update

As of June 30, 2023, the Company's portfolio was 97.0% occupied and comprised of 4.8 million leasable square feet with an annualized base rent of $111.3 million. As of June 30, 2023, the weighted average lease term for the Company's portfolio was 5.8 years with weighted average annual rental escalations of 2.1%, and the Company's portfolio rent coverage ratio was 4.3 times.

Balance Sheet and Capital

At June 30, 2023, total debt outstanding, including outstanding borrowings on the credit facility and notes payable (both net of unamortized debt issuance costs), was $625.1 million and the Company's leverage was 44.5%. As of June 30, 2023, the Company's debt carried a weighted average interest rate of 4.09% and a weighted average remaining term of 3.4 years.

As of August 2, 2023, the Company's borrowing capacity under the credit facility was $321 million.

The Company did not issue any shares of common stock under its ATM program during the second quarter of 2023 or from July 1, 2023 through August 2, 2023.

Dividends

On June 9, 2023, the Board of Directors (the "Board") declared a $0.21 per share cash dividend to common stockholders and unitholders of record as of June 23, 2023, which was paid on July 11, 2023, representing the Company's second quarter 2023 dividend payment. The Board also declared a $0.46875 per share cash dividend to holders of record as of July 15, 2023 of the Company's Series A Preferred Stock, which was paid on July 31, 2023. This dividend represented the Company's quarterly dividend on its Series A Preferred Stock for the period from April 30, 2023 through July 30, 2023.

SUPPLEMENTAL INFORMATION

Details regarding these results can be found in the Company's supplemental financial package available on the Investor Relations section of the Company's website at **http://investors.globalmedicalreit.com/**.

CONFERENCE CALL AND WEBCAST INFORMATION

The Company will host a live webcast and conference call on Thursday, August 3, 2023 at 9:00 a.m. Eastern Time. The webcast is located on the "Investor Relations" section of the Company's website at **http://investors.globalmedicalreit.com/**.

To Participate via Telephone:

Dial in at least five minutes prior to start time and reference Global Medical REIT Inc.
Domestic: 1-877-704-4453
International: 1-201-389-0920

Replay:

An audio replay of the conference call will be posted on the Company's website.

NON-GAAP FINANCIAL MEASURES

General

Management considers certain non-GAAP financial measures to be useful supplemental measures of the Company's operating performance. For the Company, non-GAAP measures consist of Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDAre" and "Adjusted EBITDAre"), FFO and AFFO. A non-GAAP financial measure is generally defined as one that purports to measure financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable measure determined in accordance with GAAP. The Company reports non-GAAP financial measures because these measures are observed by management to also be among the most predominant measures used by the REIT industry and by industry analysts to evaluate REITs. For these reasons, management deems it appropriate to disclose and discuss these non-GAAP financial measures.

The non-GAAP financial measures presented herein are not necessarily identical to those presented by other real estate companies due to the fact that not all real estate companies use the same definitions. These measures should not be considered as alternatives to net income, as indicators of the Company's financial performance, or as alternatives to cash flow from operating activities as measures of the Company's liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of the Company's needs. Management believes that in order to facilitate a clear understanding of the Company's historical consolidated operating results, these measures should be examined in conjunction with net income and cash flows from operations as presented elsewhere herein.

FFO and AFFO

FFO and AFFO are non-GAAP financial measures within the meaning of the rules of the United States Securities and Exchange Commission ("SEC"). The Company considers FFO and AFFO to be important supplemental measures of its operating performance and believes FFO is frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. In accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition, FFO means net income or loss computed in accordance with GAAP before noncontrolling interests of holders of OP units and LTIP units, excluding gains (or losses) from sales of property and extraordinary items, less preferred stock dividends, plus real estate-related depreciation and amortization (excluding amortization of debt issuance costs and the amortization of above and below market leases), and after adjustments for unconsolidated partnerships and joint ventures. Because FFO excludes real estate-related depreciation and amortization (other than amortization of debt issuance costs and above and below market lease amortization expense), the Company believes that FFO provides a performance measure that, when compared period-over-period, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from the closest GAAP measurement, net income or loss.

AFFO is a non-GAAP measure used by many investors and analysts to measure a real estate company's operating performance by removing the effect of items that do not reflect ongoing property operations. Management calculates AFFO by modifying the NAREIT computation of FFO by adjusting it for certain cash and non-cash items and certain recurring and non-recurring items. For the Company these items include: (a) recurring acquisition and disposition costs, (b) loss on the extinguishment of debt, (c) recurring straight line deferred rental revenue, (d) recurring stock-based compensation expense, (e) recurring amortization of above and below market leases, (f) recurring amortization of debt issuance costs, (g) recurring lease commissions, and (h) other items.

Management believes that reporting AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis.

EBITDAre and Adjusted EBITDAre

We calculate EBITDA*re* in accordance with standards established by NAREIT and define EBITDA*re* as net income or loss computed in accordance with GAAP plus depreciation and amortization, interest expense, gain or loss on the sale of investment properties, and impairment loss, as applicable.

We define Adjusted EBITDA*re* as EBITDA*re* plus non-cash stock compensation expense, non-cash intangible amortization related to above and below market leases, preacquisition expense and other normalizing items. Management considers EBITDA*re* and Adjusted EBITDA*re* important measures because they provide additional information to allow management, investors, and our current and potential creditors to evaluate and compare our core operating results and our ability to service debt.

RENT COVERAGE RATIO

For purposes of calculating our portfolio weighted-average EBITDARM coverage ratio ("Rent Coverage Ratio"), we excluded credit-rated tenants or their subsidiaries for which financial statements were either not available or not sufficiently detailed. These ratios are based on latest available information only. Most tenant financial statements are unaudited and we have not independently verified any tenant financial information (audited or unaudited) and, therefore, we cannot assure you that such information is accurate or complete. Certain other tenants (approximately 20% of our portfolio) are excluded from the calculation due to (i) lack of available financial information or (ii) small tenant size. Additionally, included within 20% of non-reporting tenants is Pipeline Healthcare, LLC, which filed for Chapter 11 bankruptcy protection in October of 2022. Additionally, our Rent Coverage Ratio adds back physician distributions and compensation. Management believes all adjustments are reasonable and necessary.

ANNUALIZED BASE RENT

Annualized base rent represents monthly base rent for June 2023, multiplied by 12 (or base rent net of annualized expenses for properties with gross leases). Accordingly, this methodology produces an annualized amount as of a point in time but does not take into account future (i) contractual rental rate increases, (ii) leasing activity or (iii) lease expirations. Additionally, leases that are accounted for on a cash-collected basis are not included in annualized base rent.

CAPITALIZATION RATE

The capitalization rate ("cap rate") for an acquisition is calculated by dividing current Annualized Base Rent by contractual purchase price. For the portfolio capitalization rate, certain adjustments, including

for subsequent capital invested, are made to the contractual purchase price.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein may be considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and it is the Company’s intent that any such statements be protected by the safe harbor created thereby. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results. Except for historical information, the statements set forth herein including, but not limited to, any statements regarding our earnings, our liquidity, our tenants’ ability to pay rent to us, expected financial performance (including future cash flows associated with new tenants or the expansion of current properties), future dividends or other financial items; any other statements concerning our plans, strategies, objectives and expectations for future operations and future portfolio occupancy rates, our pipeline of acquisition opportunities and expected acquisition activity, including the timing and/or successful completion of any acquisitions and expected rent receipts on these properties, our expected disposition activity, including the timing and/or successful completion of any dispositions and the expected use of proceeds therefrom, and any statements regarding future economic conditions or performance are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties. Although the Company believes that the expectations, estimates and assumptions reflected in its forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of the Company’s forward-looking statements. Additional information concerning us and our business, including additional factors that could materially and adversely affect our financial results, include, without limitation, the risks described under Part I, Item 1A - Risk Factors, in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, and in our other filings with the SEC. You are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and undertakes no obligation, to update any forward-looking statement.

GLOBAL MEDICAL REIT INC.

Condensed Consolidated Balance Sheets

(unaudited, and in thousands, except par values)

	As of	
	June 30, 2023	**December 31, 2022**
Assets		
Investment in real estate:		
Land	$165,242	$168,308
Building	1,038,464	1,079,781

Site improvements	21,404	22,024
Tenant improvements	66,544	65,987
Acquired lease intangible assets	139,715	148,077
	1,431,369	1,484,177
Less: accumulated depreciation and amortization	(218,109)	(198,218)
Investment in real estate, net	1,213,260	1,285,959
Cash and cash equivalents	2,460	4,016
Restricted cash	7,325	10,439
Tenant receivables, net	7,381	8,040
Due from related parties	391	200
Escrow deposits	9,725	7,833
Deferred assets	26,189	29,616
Derivative asset	35,864	34,705
Goodwill	5,903	5,903
Other assets	12,302	6,550
Total assets	$1,320,800	$1,393,261

Liabilities and Equity

Liabilities:		
Credit Facility, net of unamortized debt issuance costs of $8,155 and $9,253 at June 30, 2023 and December 31, 2022, respectively	$567,988	$636,447
Notes payable, net of unamortized debt issuance costs of $375 and $452 at June 30, 2023 and December 31, 2022, respectively	57,121	57,672
Accounts payable and accrued expenses	15,457	13,819
Dividends payable	16,048	15,821
Security deposits	4,213	5,461

Other liabilities	12,137	7,363
Acquired lease intangible liability, net	6,444	7,613
Total liabilities	679,408	744,196
Commitments and Contingencies		
Equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at June 30, 2023 and December 31, 2022, respectively (liquidation preference of $77,625 at June 30, 2023 and December 31, 2022, respectively)	74,959	74,959
Common stock, $0.001 par value, 500,000 shares authorized; 65,565 shares and 65,518 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	66	66
Additional paid-in capital	722,418	721,991
Accumulated deficit	(213,744)	(198,706)
Accumulated other comprehensive income	35,859	34,674
Total Global Medical REIT Inc. stockholders' equity	619,558	632,984
Noncontrolling interest	21,834	16,081
Total equity	641,392	649,065
Total liabilities and equity	$1,320,800	$1,393,261

GLOBAL MEDICAL REIT INC.

Condensed Consolidated Statements of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenue				

Rental revenue	$36,317	$33,679	$72,517	$65,530
Other income	34	18	64	42
Total revenue	36,351	33,697	72,581	65,572
Expenses				
General and administrative	4,462	4,336	8,266	8,534
Operating expenses	7,223	6,000	14,759	11,372
Depreciation expense	10,468	9,898	20,962	19,300
Amortization expense	4,337	4,138	8,732	7,915
Interest expense	8,468	5,401	16,739	10,202
Preacquisition expense	2	90	44	130
Total expenses	34,960	29,863	69,502	57,453
Income before gain on sale of investment properties	1,391	3,834	3,079	8,119
Gain on sale of investment properties	12,786	—	13,271	—
Net income	$14,177	$3,834	$16,350	$8,119
Less: Preferred stock dividends	(1,455)	(1,455)	(2,911)	(2,911)
Less: Net income attributable to noncontrolling interest	(902)	(143)	(947)	(313)
Net income attributable to common stockholders	**$11,820**	**$2,236**	**$12,492**	**$4,895**
Net income attributable to common stockholders per share – basic and diluted	$0.18	$0.03	$0.19	$0.07
Weighted average shares outstanding – basic and diluted	65,544	65,507	65,534	65,405

Global Medical REIT Inc.

Reconciliation of Net Income to FFO and AFFO

(*unaudited, and in thousands, except per share and unit amounts*)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net income	**$14,177**	**$3,834**	**$16,350**	**$8,119**
Less: Preferred stock dividends	(1,455)	(1,455)	(2,911)	(2,911)
Depreciation and amortization expense	14,774	14,008	29,635	27,160
Gain on sale of investment properties	(12,786)	—	(13,271)	—
FFO	**$14,710**	**$16,387**	**$29,803**	**$32,368**
Amortization of above market leases, net	287	315	578	514
Straight line deferred rental revenue	(879)	(1,032)	(1,642)	(2,227)
Stock-based compensation expense	1,147	1,289	1,835	2,576
Amortization of debt issuance costs and other	601	514	1,202	1,029
Preacquisition expense	2	90	44	130
AFFO	**$15,868**	**$17,563**	**$31,820**	**$34,390**
Net income attributable to common stockholders per share – basic and diluted	**$0.18**	**$0.03**	**$0.19**	**$0.07**
FFO per share and unit	**$0.21**	**$0.24**	**$0.43**	**$0.47**
AFFO per share and unit	**$0.23**	**$0.25**	**$0.45**	**$0.49**
Weighted Average Shares and Units Outstanding – basic and diluted	70,434	69,698	70,119	69,485

Weighted Average Shares and Units Outstanding:				
Weighted Average Common Shares	65,544	65,507	65,534	65,405
Weighted Average OP Units	2,134	1,668	1,907	1,670
Weighted Average LTIP Units	2,747	2,523	2,678	2,410
Weighted Average Shares and Units Outstanding – basic and diluted	70,434	69,698	70,119	69,485

Global Medical REIT Inc.

Reconciliation of Net Income to EBITDA*re* and Adjusted EBITDA*re*

(unaudited, and in thousands)

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	**2022**	**2023**	**2022**
Net income	**$ 14,177**	**$ 3,834**	**$ 16,350**	**$ 8,119**
Interest expense	8,468	5,401	16,739	10,202
Depreciation and amortization expense	14,805	14,036	29,694	27,215
Gain on sale of investment properties	(12,786)	—	(13,271)	—
EBITDA*re*	**$ 24,664**	**$ 23,271**	**$ 49,512**	**$ 45,536**
Stock-based compensation expense	1,147	1,289	1,835	2,576
Amortization of above market leases, net	287	315	578	514
Preacquisition expense	2	90	44	130
Adjusted EBITDA*re*	**$ 26,100**	**$ 24,965**	**$ 51,969**	**$ 48,756**

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