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

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2024**
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: **001-37815**

Global Medical REIT Inc.

(Exact name of registrant as specified in its charter)

Maryland	**46-4757266**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7373 Wisconsin Avenue, Suite 800 Bethesda, MD	**20814**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 202-524-6851

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

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Common Stock, par value $0.001 per share	GMRE	NYSE
Series A Preferred Stock, par value $0.001 per share	GMRE PrA	NYSE

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 a 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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $561 million as of June 30, 2024.

As of February 26, 2025, there were 66,871,228 shares of the registrant's common stock, par value of $0.001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement filed in connection with the registrant's 2025 Annual Meeting of Stockholders are incorporated by reference into Part III of the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. The Registrant expects to file its definitive Proxy Statement with the United States Securities and Exchange Commission within 120 days after December 31, 2024.

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Special Note Regarding Forward-Looking Statements

This Report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). In particular, statements pertaining to our trends, liquidity, capital resources, and the healthcare industry and the healthcare real estate markets and opportunity, among others, contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology including, but not limited to, “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- difficulties in identifying healthcare facilities to acquire (due to increased cost of capital, competition or otherwise) and completing such acquisitions;
- defaults on or non-renewal of leases by tenants;
- our ability to collect rents;
- increases in interest rates and increased operating costs;
- macroeconomic and geopolitical factors, including, but not limited to, inflationary pressures, elevated interest rates, distress in the banking sector, global supply chain disruptions and ongoing geopolitical conflicts and war;
- changes in current healthcare and healthcare real estate trends and costs, including wage inflation;
- an epidemic or pandemic (such as the COVID-19 epidemic), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it;
- our ability to satisfy the covenants in our existing and any future debt agreements;
- decreased rental rates or increased vacancy rates, including expected rent levels on acquired properties;
- adverse economic or real estate conditions or developments, either nationally or in the markets in which our facilities are located;
- our failure to generate sufficient cash flows to service our outstanding obligations;
- our ability to satisfy our short and long-term liquidity requirements;
- our ability to deploy the debt and equity capital we raise;
- our ability to hedge our interest rate risk;
- our ability to raise additional equity and debt capital on attractive terms or at all;
- our ability to make distributions on shares of our common and preferred stock or to redeem our preferred stock;
- expectations regarding the timing and/or completion of any acquisition;

- expectations regarding the timing and/or completion of dispositions, and the expected use of proceeds therefrom;
- our use of joint ventures may limit our returns on and our flexibility with jointly-owned investments;
- general volatility of the market price of our common and preferred stock;
- changes in our business or our investment or financing strategy;
- our dependence upon key personnel, whose continued service is not guaranteed;
- our ability to identify, hire and retain highly qualified personnel in the future;
- the degree and nature of our competition;
- changes in healthcare laws, governmental regulations, tax laws and similar matters;
- changes in expected trends in Medicare, Medicaid and commercial insurance reimbursement trends;
- competition for investment opportunities;
- our failure to successfully integrate acquired healthcare facilities;
- our expected capital and tenant improvement expenditures;
- changes in accounting policies generally accepted in the United States of America ("GAAP");
- lack of, or insufficient amounts of, insurance;
- other factors affecting the real estate industry generally;
- changes in the tax treatment of our distributions;
- our failure to maintain our qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes;
- our ability to qualify for the safe harbor from the 100% prohibited transactions tax under the REIT rules with respect to our property dispositions; and
- limitations imposed on our business due to, and our ability to satisfy, complex rules relating to REIT qualification for U.S. federal income tax purposes.

See Item 1A. Risk Factors in this Report for further discussion of these and other risks, as well as the risks, uncertainties and other factors discussed in this Report and identified in other documents we may file with the United States Securities and Exchange Commission (the "SEC") from time to time. You should carefully consider these risks before making any investment decisions in our company. New risks and uncertainties may also emerge from time to time that could materially and adversely affect us. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this Report, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements.

PART I

ITEM 1. BUSINESS

Organization

Global Medical REIT Inc. (the "Company," "us," "we," or "our") is a Maryland corporation and internally managed REIT that acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems. The Company's common stock is listed on the New York Stock Exchange.

We elected to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2016. We hold our facilities and conduct our operations through a Delaware limited partnership subsidiary, Global Medical REIT L.P. (the "Operating Partnership"). Our wholly owned subsidiary, Global Medical REIT GP LLC, is the sole general partner of our Operating Partnership and, as of December 31, 2024, we owned 92.6% of the outstanding common operating partnership units ("OP Units") of our Operating Partnership, with an aggregate of 7.4% of the Operating Partnership owned by holders of long-term incentive plan units ("LTIP Units") and third-party limited partners who contributed properties or services to the Operating Partnership in exchange for OP Units.

Business Overview and Strategy

Our business strategy is to invest in healthcare properties that provide an attractive rate of return relative to our cost of capital and are operated by profitable physician groups, regional or national healthcare systems or combinations thereof. We believe this strategy allows us to attain our goals of providing stockholders with (i) attractive dividends and (ii) stock price appreciation. To implement this strategy, we seek to invest:

- in medical office buildings and other decentralized components of the healthcare delivery system because we believe that healthcare delivery trends in the U.S. are increasingly moving away from centralized hospital locations;

- in small to mid-sized healthcare facilities located in secondary markets and suburbs of primary markets and that provide services needed for an aging population, such as cardiovascular treatment, rehabilitation, eye surgery, gastroenterology, oncology treatment and orthopedics. We believe these facilities and markets are typically overlooked by larger REITs and other healthcare investors but contain tenant credit profiles that are like those of larger, more expensive facilities in primary markets; and

- to a lesser extent, in opportunistic acquisitions, including behavioral and mental health facilities that are operated by national or regional operators and are located in markets that demonstrate a need for such services.

Most of our healthcare facilities are leased to single-tenants under triple-net leases. Our portfolio also contains some multi-tenant properties with gross lease or modified gross lease structures. In addition, we have an interest in an unconsolidated joint venture that owns two healthcare facilities.

Impact of Elevated Interest Rates and Inflation

During 2024 the U.S. Federal Reserve (the "Fed") began lowering the Federal Funds Rate after many quarters of increasing the target range for the rate to combat inflation. Beginning in September 2024 through December 2024, the Federal Funds Rate dropped from a range of 5.25% – 5.50% to 4.25% - 4.50%. However, U.S. Treasury yields and Secured Overnight Financing Rate ("SOFR") swap rates have not responded in kind with 10-Year U.S. Treasury yields increasing from 3.79% at September 30, 2024 to 4.57% at December 31, 2024 and the five-year forward SOFR swap rates increasing from 3.21% to 3.97%, during the same period. The difference between the changes in the Federal Funds Rate and U.S. Treasury yields and forward SOFR swap rates reflect market expectations of increased inflationary pressures in the coming months and years. Consequently, the Fed may maintain an elevated Federal Funds Rate, or determine to raise the Federal Funds Rate again, in 2025 and beyond if inflation begins to rise.

Currently, interest rate swaps with respect to our $350 million term loan ("Term Loan A") on our Second Amended and Restated Credit Facility (the "Credit Facility") are set to expire on the maturity of Term Loan A in April 2026. If we refinance our Term Loan A and enter into new interest rate swaps, any related interest rate swap would likely be based on the five-year SOFR swap rate at the time of refinancing, which is likely to be much higher than our current SOFR swap rate on our Term Loan A. Additionally, although one-month SOFR, which is the base rate of the unhedged revolver component of our Credit Facility (our "Revolver"), has decreased during 2024 in line with the decrease in the Federal Funds Rate, one-month SOFR remains elevated compared to 2021 and there is no assurance that one-month SOFR will continue to decrease in 2025 and beyond.

In summary, interest expense on our Revolver, which is based on the short-term interest rate of one-month SOFR, has decreased in recent months along with the decrease in the Federal Funds Rate. With respect to our Term Loan A and its related interest rate swaps, if we refinance that loan and wish to hedge our prospective interest rate risk by entering into new interest rate swaps, the swap rates at the time of refinancing will be significantly higher than our current interest rate swaps due to (i) the general increase in SOFR since 2021 and (ii) the significant widening between short-term and long-term rates based on renewed inflationary pressures.

Continuing Impact of Healthcare Wage Inflation

The COVID-19 epidemic affected the healthcare industry in many ways. Many stories exist about U.S. healthcare workers, especially nurses, experiencing burnout due to the length and severity of the epidemic, and this has caused many nurses and other medical professionals to switch jobs within the medical profession or quit their professions altogether. This phenomenon has led to material increases in labor costs for healthcare systems, especially hospital systems, as some employers have had to rely on higher cost contract nursing labor to sustain their businesses. Although reliance on contract nursing and overall healthcare wage inflation moderated during 2024, the overall increase in healthcare labor costs remains. Whether enhanced technology and cost-saving measures and increased reimbursements from payors will help offset these costs remains to be seen.

Our Properties

As of December 31, 2024, we had gross investments of approximately $1.5 billion in real estate properties, consisting of 190 buildings with an aggregate of (i) approximately 4.8 million leasable square feet and (ii) approximately $110 million of annualized base rent. The tables below summarize information about our portfolio as of December 31, 2024. Also see "Schedule III – Consolidated Real Estate and Accumulated Depreciation," for additional information about our properties. In addition, as of December 31, 2024 we had an investment in an unconsolidated joint venture of approximately $2.1 million. The information in the tables below does not include data based on properties held in our unconsolidated joint venture.

Summary of Investments by Type

The following table contains information about our portfolio by type of property as of December 31, 2024:

Type	Leasable Square Feet (LSF)	% of LSF	Annualized Base Rent (ABR) (in thousands)[1]	% of ABR
Medical Office Building (MOB) [2]	3,648,612	76.7 %	$ 78,694	71.5 %
Inpatient Rehab. Facility (IRF)	501,087	10.5 %	19,136	17.4 %
Healthcare Administrative Office	137,891	2.9 %	2,800	2.5 %
Other [3]	468,518	9.9 %	9,372	8.6 %
Total	**4,756,108**	**100.0 %**	**$ 110,002**	**100.0 %**

(1) Monthly base rent for December 2024, multiplied by 12 (or base rent net of annualized expenses for properties with gross leases).

(2) Our MOB category includes buildings with special uses such as surgery centers, imaging, labs, urgent care, dialysis, and plasma centers, among others.

(3) Other ABR includes acute-care hospital ($2,608), long-term acute care hospital ($2,608), surgical hospital ($1,519), behavioral hospital ($1,393), free-standing emergency department ($1,022) and retail space ($222).

Geographic Concentration

The following table contains information regarding the geographic concentration of our portfolio as of December 31, 2024. Adverse economic or other conditions (including significant weather events) in the states that contain a high concentration of our facilities could adversely affect us. See "Risk Factors— *We have significant geographic concentration in a small number of states, including Texas, Florida, Ohio, Pennsylvania, Illinois, Arizona, and Michigan. Economic and other conditions that negatively affect those states and our tenants in those states could have a greater effect on our revenues than if our properties were more geographically diverse*."

State	Leasable Square Feet (LSF)	% of LSF	Annualized Base Rent (ABR) (in thousands)[1]	% of ABR
Texas	709,092	14.9 %	$ 17,815	16.2 %
Florida	588,567	12.4 %	13,060	11.9 %
Ohio	419,221	8.8 %	9,636	8.8 %
Pennsylvania	286,339	6.0 %	7,307	6.6 %
Illinois	308,813	6.5 %	6,964	6.3 %
Arizona	183,835	3.9 %	6,682	6.1 %
Michigan	306,190	6.4 %	5,785	5.3 %
Other [2]	1,954,051	41.1 %	42,753	38.8 %
Total	**4,756,108**	**100.0 %**	**$ 110,002**	**100.0 %**

(1) Monthly base rent for December 2024, multiplied by 12 (or base rent net of annualized expenses for properties with gross leases).

(2) Our remaining properties are located in 30 other states, with no state accounting for more than 5% of our ABR.

Significant Tenants

The following tenants each account for at least 5% of our annualized base rent as of December 31, 2024. Adverse changes to any of their financial conditions or our failure to renew our leases with these tenants could adversely affect us. See "Risk Factors— *The inability of any of our significant tenants to pay rent to us could have a disproportionate negative affect on our revenues*" and "Risk Factors—*Most of our healthcare facilities are occupied by a single tenant, and we may have difficulty finding suitable replacement tenants in the event of a tenant default or non-renewal of our leases, especially for our healthcare facilities located in smaller markets.*"

Tenant	Leasable Square Feet (LSF)	% of LSF	Annualized Base Rent (ABR) (in thousands)[1]	% of ABR
LifePoint Health	157,151	3.3 %	$ 7,931	7.2 %
Encompass Health Corporation	254,006	5.3 %	7,318	6.7 %
Memorial Health System	155,600	3.3 %	5,938	5.4 %
Total	**566,757**	**11.9 %**	**$ 21,187**	**19.3 %**

(1) Monthly base rent for December 2024, multiplied by 12 (or base rent net of annualized expenses for properties with gross leases).

Lease Expirations

The following table contains information regarding the lease expiration dates of the leases in our portfolio as of December 31, 2024.

Year	Number of Leases	Leased Square Feet	Annualized Base Rent (ABR) (in thousands)[1]	% of ABR
2025	63	507,602	$ 9,860	9.0 %
2026	72	497,259	10,559	9.6 %
2027	50	470,171	12,204	11.1 %
2028	36	261,753	7,283	6.6 %
2029	60	769,921	19,077	17.3 %
2030	39	492,601	12,208	11.1 %
2031	22	377,993	7,830	7.1 %
2032	6	64,510	2,056	1.9 %
2033	18	179,954	4,767	4.3 %
2034	12	234,770	7,343	6.7 %
Thereafter	25	729,389	16,815	15.3 %
Total	**403**	**4,585,923** [2]	**$ 110,002**	**100.0 %**

(1) Monthly base rent for December 2024, multiplied by 12 (or base rent net of annualized expenses for properties with gross leases).
(2) The remaining 170,185 of leasable square feet, or 3.6% of our overall leasable square feet, is vacant.

Joint Venture

In December 2024, we entered into a joint venture (the "Joint Venture") with Heitman, a real estate investment firm with over $48 billion of assets under management. Pursuant to the Joint Venture operating agreement, we maintain a 12.5% investment in the Joint Venture and also serve as its managing member and Heitman maintains an 87.5% investment. Most economic decisions related to the Joint Venture are determined by the majority vote of an executive committee that consists of three members representing Heitman and two members representing our Company. As the managing member, we source new investments for the Joint Venture, manage the day-to-day activities of the Joint Venture and its assets, earn fees as compensation for such services, and are entitled to reimbursement of certain expenses we incur in the performance of such services for the Joint Venture. Pursuant to the terms of the Joint Venture operating agreement, we have the right to purchase investment opportunities for the Company before offering such opportunities to the Joint Venture.

In connection with the formation of the Joint Venture, we sold two of our assets to the Joint Venture receiving aggregate gross proceeds of $35.2 million. We used $2.1 million of the proceeds from the sales to finance our initial 12.5% capital investment in the Joint Venture. In connection with the acquisition of the two assets, the Joint Venture entered into a mortgage loan with a principal amount of $17.6 million.

Ground Leases

As of December 31, 2024, we had seven buildings located on land that is subject to operating ground leases, representing approximately 3.9% of our total leasable square feet and approximately 4.5% of our December 2024 annualized base rent. The ground leases subject these properties to certain restrictions, including restrictions on our ability to re-let such facilities to tenants not affiliated with the ground lessor, rights of first offer and refusal with respect to sales of the facilities and restrictions that limit the types of medical procedures that may be performed at the facilities.

Healthcare Industry and Healthcare Real Estate Market Opportunity

We believe our primary investment strategy takes advantage of current trends in healthcare and healthcare delivery, including an aging population and the decentralization of healthcare, while also providing flexibility to make opportunistic acquisitions and dispositions.

Aging U.S. Population Driving Increase in Demand for Healthcare Services

The general aging of the population, driven by the baby boomer generation and advances in medical technology and services which increase life expectancy, is a key driver of the growth in healthcare expenditures. According to the 2020 U.S. Census, the nation's 65-and older population has grown rapidly since 2010, driven by Baby Boomers born between 1946 and 1964. The 65-and-older population grew by over a third during the past decade, and by 3.2% from 2018 to 2019. We believe that demographic trends in the United States, including an aging population, will result in continued growth in the demand for healthcare services utilized by an aging population, which in turn will lead to an increasing need for a greater supply of specialized, well-located healthcare facilities.

Clinical Care Continues to Shift Away from Large, Centralized Facilities

We believe the continued shift in the delivery of healthcare services away from large, centralized facilities to smaller, more specialized facilities will increase the need for smaller, more specialized and efficient hospitals and outpatient facilities that take advantage of these shifting trends. Procedures traditionally performed in large, general hospitals, such as certain types of surgeries, are increasingly moving to more conveniently located, specialized facilities driven by advances in clinical science, shifting consumer preferences, limited or inefficient space in existing hospitals and lower costs in the non-hospital environment.

Qualification as a REIT

We elected to be taxed as a REIT commencing with our taxable year ended December 31, 2016. Subject to a number of significant exceptions, a corporation that qualifies as a REIT generally is not subject to U.S. federal income tax on income and gains that it distributes to its stockholders, thereby reducing its corporate-level taxes. In order to maintain our qualification as a REIT, a substantial percentage of our assets must be qualifying real estate assets and a substantial percentage of our income must be rental revenue from real property or interest on mortgage loans. We believe that we have been organized and have operated in such a manner as to qualify for taxation as a REIT, and we intend to continue to operate in such a manner. However, we cannot provide assurances that we will continue to operate in a manner to remain qualified as a REIT.

Competition

We compete with many other real estate investors for acquisitions of healthcare properties, including healthcare operators, and real estate investors such as private equity firms and other REITs, some of whom may have greater financial resources and lower costs of capital than we do.

Additionally, our healthcare facilities and tenants often face competition from nearby hospitals, other medical practices, and other healthcare facilities, including urgent care and other primary care facilities, that provide comparable services. If our tenants' competitors have greater geographic coverage, improved access and convenience to physicians and patients, provide or are perceived to provide higher quality services, recruit physicians to provide competing services at their facilities, expand or improve their services or obtain more favorable managed-care contracts, our tenants may not be able to successfully compete.

Government Programs, Laws and Regulations

Medicare and Medicaid Programs

Sources of revenue for our tenants typically include the Medicare and Medicaid programs. Healthcare providers continue to face increased government pressure to control or reduce healthcare costs and significant reductions in healthcare reimbursement, including reduced reimbursements and changes to payment methodologies under the Affordable Care Act. In some cases, private insurers rely on all or portions of the Medicare payment systems to determine payment rates, which may result in decreased reimbursement from private insurers.

The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in Medicaid programs due to unemployment and declines in family incomes. Historically, states have often attempted to reduce Medicaid spending by limiting benefits and tightening Medicaid eligibility requirements.

Efforts by Medicare and Medicaid to reduce reimbursements will likely continue, which could negatively affect our tenant's revenues and their ability to pay rent to us.

Affordable Care Act

The Affordable Care Act is a comprehensive healthcare reform law that contains various provisions that may directly impact our tenants. The primary goal of the Affordable Care Act is to broaden insurance coverage for the uninsured population by expanding Medicaid coverage, creating health insurance exchanges and mandating that uninsured individuals purchase health insurance. The Affordable Care Act also contains provisions aimed at lowering the cost of healthcare, including lowering increases in Medicare payment rates and promoting alternate reimbursement methods for providers that focus on patient outcomes rather than volume. In addition to expanding coverage and controlling costs, the Affordable Care Act also contains provisions intended to combat healthcare fraud, including Medicare fraud and abuse. On June 28, 2012, the United States Supreme Court partially invalidated the expansion of Medicaid and allowed states not to participate in the expansion without losing their existing Medicaid funding. In addition, on December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017, or the TCJA. The TCJA eliminated the tax penalty for violating the individual mandate provision of the Affordable Care Act.

Although the Affordable Care Act's expansion of insurance coverage may benefit our tenants by increasing their number of insured patients, these benefits may be offset by the fact that (i) many of the newly insured under the Affordable Care Act are insured by policies that have high deductibles (and, thus, create higher patient credit risks for our tenants), (ii) some states have not implemented the Medicaid expansion or have implemented Medicaid expansion in such ways that may reduce potential enrollment (such as implementing work requirements), and, (iii) even if states have expanded Medicaid, Medicaid may not be accepted by some of our tenants. For our tenants that do accept Medicaid, they may receive lower reimbursements for Medicaid patients than for patients with Medicare or commercial insurance. Additionally, although the migration from Medicare fee-for-service, or volume-based, payments to an outcome-based reimbursement model may lower overall healthcare costs, these changes could negatively affect our tenants if they are unable to adapt to a more outcome-oriented healthcare delivery model.

The future of the Affordable Care Act is uncertain and any changes to existing laws and regulations, including the Affordable Care Act's repeal, modification or replacement, could have a long-term financial impact on the delivery of and payment for healthcare. Both our tenants and us may be adversely affected by the law or its repeal, modification or replacement.

Fraud and Abuse Laws

There are various federal and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from, or are able to make referrals in connection with, government-sponsored healthcare programs, including the Medicare and Medicaid programs. Our leases with certain tenants may also be subject to these fraud and abuse laws. These laws include, without limitation:

- The Federal Anti-Kickback Statute, which prohibits, among other things, the offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, the referral of any U.S. federal or state healthcare program patients;

- The Federal Physician Self-Referral Prohibition (commonly called the "Stark Law"), which, subject to specific exceptions, restricts physicians who have financial relationships with healthcare providers from making referrals for designated health services for which payment may be made under Medicare or Medicaid programs to an entity with which the physician, or an immediate family member, has a financial relationship;

- The False Claims Act, which prohibits any person from knowingly presenting false or fraudulent claims for payment to the federal government, including under the Medicare and Medicaid programs;

- The Civil Monetary Penalties Law, which authorizes the Department of Health and Human Services to impose monetary penalties for certain fraudulent acts; and

- State anti-kickback, anti-inducement, anti-referral and insurance fraud laws which may be generally similar to, and potentially more expansive than, the federal laws set forth above.

Violations of these laws may result in criminal and/or civil penalties that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments and/or exclusion from the Medicare and Medicaid programs. In addition, the Affordable Care Act clarifies that the submission of claims for items or services generated in violation of the Anti-Kickback Statute constitutes a false or fraudulent claim under the False Claims Act. The federal government has taken the position, and some courts have held, that violations of other laws, such as the Stark Law, can also be a violation of the False Claims Act. Additionally, certain laws, such as the False Claims Act, allow for individuals to bring whistleblower actions on behalf of the government for violations thereof. Imposition of any of these penalties upon one of our tenants could jeopardize that tenant's ability to operate or to make rent payments to us. Further, we enter into leases and other financial relationships with healthcare delivery systems that are subject to or impacted by these laws. We also have investors who are healthcare providers in our operating partnership. If any of our relationships, including those related to the other investors in our subsidiaries, are found not to comply with these laws, we and our physician investors may be subject to civil and/or criminal penalties.

Other Regulations

The healthcare industry is heavily regulated by U.S. federal, state and local governmental authorities. Our tenants generally will be subject to laws and regulations covering, among other things, licensure, and certification for participation in government programs, billing for services, privacy and security of health information, including the Health Insurance Portability and Accountability Act of 1996, which provides for the privacy and security of certain individually identifiable health information, and relationships with physicians and other referral sources. In addition, new laws and regulations, changes in existing laws and regulations or changes in the interpretation of such laws or regulations could negatively affect our financial condition and the financial condition of our tenants. These changes, in some cases, could apply retroactively. The enactment, timing or effect of legislative or regulatory changes cannot be predicted.

Many states regulate the construction of healthcare facilities, the expansion of healthcare facilities, the construction or expansion of certain services, including by way of example specific bed types and medical equipment, as well as certain capital expenditures through certificate of need, or CON, laws. Under such laws, the applicable state regulatory body must determine a need exists for a project before the project can be undertaken. If one of our tenants seeks to undertake a CON-regulated project but is not authorized by the applicable regulatory body to proceed with the project, the tenants would be prevented from operating in its intended manner.

Failure to comply with these laws and regulations could adversely affect us directly and our tenants' ability to make rent payments to us.

Environmental Regulations

Under various U.S. federal, state and local laws, ordinances and regulations, current and prior owners and tenants of real estate may be jointly and severally liable for the costs of investigating, remediating, and monitoring certain hazardous substances or other regulated materials on or in such healthcare facility. In addition to these costs, the past or present owner or tenant of a healthcare facility from which a release emanates could be liable for any personal injury or property damage that results from such release, including for the unauthorized release of asbestos-containing materials and other hazardous substances into the air, as well as any damages to natural resources or the environment that arise from such releases. These environmental laws often impose such liability without regard to whether the current or prior owner or tenant knew of, or was responsible for, the presence or release of such substances or materials. Moreover, the release of hazardous substances or materials, or the failure to properly remediate such substances or materials, may adversely affect the owner's or tenant's ability to lease, sell, develop or rent such healthcare facility or to borrow by using such healthcare facility as collateral.

Certain environmental laws impose compliance obligations on owners and tenants of real property with respect to the management of hazardous substances and other regulated materials. For example, environmental laws govern the management and removal of asbestos-containing materials and lead-based paint. Failure to comply with these laws can result in penalties or other sanctions.

Corporate Sustainability and Social Responsibility

Our business values integrate environmental sustainability, social responsibility, and strong governance practices throughout our Company.

Our Board of Directors (the "Board") continues to lead our environmental, social and governance ("ESG") efforts through a standing ESG committee. The primary purpose of the ESG committee is to assist the Board in fulfilling its responsibilities to provide oversight and support of our commitment to ESG matters by overseeing: (1) our general ESG strategy and policies as set by our management, (2) communications with our employees, investors, and other stakeholders with respect to ESG matters, (3) developments relating to, and improving our understanding of, ESG matters, (4) our compliance with certain ESG-related legal and regulatory requirements, and (5) coordination with our other Board committees on ESG matters of common import.

In June 2024, we released our third Corporate Social Responsibility Report, which detailed our progress and areas of focus in the ESG realm. The contents of our Corporate Social Responsibility Report are not incorporated by reference into this Report or in any other report or document we file with the SEC.

Our commitment to employee engagement remains a high-priority, as we continue to make accommodations for health, safety, and work-life balance, including at our headquarters which is LEED platinum certified and includes a fitness center, café and roof-top lounge.

Climate Change Risk

We take climate change and the risks associated with climate change seriously, including both physical and transitional risks. We utilize software to help us identify and measure the potential climate risk exposure for our properties. The software analysis summarizes the climate change-related risks, groups them by onset potential and identifies opportunities for risk mitigation. We prioritize energy efficiency and sustainability when evaluating investment opportunities and have begun to monitor our portfolio for climate risk factors. We utilize utility and energy audits that are performed by third-party engineering consultants during the due diligence phase of our acquisitions. The energy consumption data that we collect is used to assess our facilities' carbon emission levels. Capturing and tracking this information may help inform future mitigation and remediation efforts when possible. To that end, we continue to explore ways to mitigate climate risk, should it be present, in our acquisition strategy, as well as ways to contribute to the reduction of climate impact through proactive asset management that looks for ways to incorporate renewable energy resources and energy utilization reduction.

We stand with our communities, tenants, and stockholders in supporting meaningful solutions that address this global challenge and contribute to the sustainability of our business objectives.

Human Capital Resources

Our success is dependent on the success of our employees. As of December 31, 2024, the Company had 26 employees.

As of December 31, 2024, 35% of our workforce were women and 31% of our workforce was ethnically diverse. We believe we offer a competitive pay and benefits package, with nearly all of our employees participating in our equity incentive plans. We also foster the development of our employees' expertise and skillsets, and encourage our employees to build new skill sets, such as in the sustainability space. We have established policies to provide a safe, harassment-free work environment and have fostered a corporate culture based on fair and equal treatment. As a result, we believe our employees are committed to building strong, innovative and long-term relationships with each other and with our tenants. Our employees at our corporate office are permitted to work remotely.

Available Information

We maintain a website at www.globalmedicalreit.com. The information on our website is not incorporated by reference in this Annual Report on Form 10-K, and our web address is included as an inactive textual reference only.

We file registration statements, proxy statements, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, with the SEC. We make available, free of charge through the Investor Relations portion of the website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Reports of beneficial ownership filed pursuant to Section 16(a) of the Exchange Act are also available on our website. These reports and other information are also available, free of charge, at www.sec.gov.

ITEM 1A. RISK FACTORS

The following summarizes the material risks of purchasing or owning our securities. Our business, financial condition and/or results of operations and our ability to make distributions to our stockholders may be materially adversely affected by the nature and impact of these risks. In such case, the market value of our securities could be detrimentally affected, and investors may lose part or all of the value of their investment. You should carefully consider the risks and uncertainties described below in this Item 1A, "Risk Factors" included in this Annual Report on Form 10-K. These risks include, but are not limited to, the following:

- *We are dependent on our tenants for our revenues. Our tenants face a wide range of business risks, including economic, competitive, government reimbursement and regulatory risks, any of which could cause our tenants to be unable to pay rent to us.*
- *We finance a portion of our portfolio with unhedged floating-rate debt from our Credit Facility. Since 2022, market interest rates have increased, which materially increased the interest rate on our floating rate debt. In addition to interest rate risk, we are subject to additional risks associated with our Credit Facility generally, including covenant restrictions.*
- *Our assets are concentrated in healthcare-related facilities, making us more economically vulnerable to specific industry-related risks than if our assets were diversified across different industries.*
- *The inability of any of our significant tenants to pay rent to us could have a disproportionate negative affect on our business.*
- *Most of our healthcare facilities are occupied by a single tenant, and we may have difficulty finding suitable replacement tenants in the event of a tenant default or non-renewal of our leases, especially for our healthcare facilities located in smaller markets.*
- *Healthcare wage inflation increased dramatically due to the COVID-19 virus and remained elevated throughout 2024, which has in the past and could continue to materially and adversely affect certain of our tenants' businesses. Other viruses or pandemics could cause similar effects to healthcare wage inflation in the future.*
- *We have significant geographic concentration in a small number of states, including Texas, Florida, Ohio, Pennsylvania, Illinois, Arizona, and Michigan. Economic and other conditions that negatively affect those states and our tenants in those states could have a greater effect on our revenues than if our properties were more geographically diverse.*
- *We rely on external sources of capital to fund future capital needs, and, if we encounter difficulty in obtaining such capital, we may not be able to make future acquisitions necessary to grow our business or meet maturing obligations.*
- *Subject to certain requirements under Maryland law and REIT requirements, the Board has sole discretion to determine if we will pay distributions and the amount and frequency of such distributions, and past distribution amounts may not be indicative of future distribution amounts.*
- *Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders.*

Risks Related to our Business and Healthcare Facilities

We are dependent on our tenants for our revenues. Our tenants face a wide range of business risks, including economic, competitive, government reimbursement and regulatory risks, any of which could cause our tenants to be unable to pay rent to us.

We are dependent on our tenants for our revenues. Our tenants face a wide range of business risks, including economic, competitive, government reimbursement and regulatory risks, which may adversely affect their businesses and, in turn, their ability to pay rent to us. If any of our tenants were unable to pay their rent to us, our revenues and operating cash flows could be materially adversely affected, which in turn could affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our assets are concentrated in healthcare-related facilities, making us more economically vulnerable to specific industry-related risks than if our assets were diversified across different industries.

We acquire and own healthcare-related facilities. We are subject to risks inherent in concentrating investments in real estate, and specifically healthcare real estate. Any adverse effects that result from these risks could be more pronounced than if we diversified our investments outside of the healthcare industry. Any healthcare industry downturn could adversely affect the ability of our tenants to pay us rents and our ability to maintain current rental and occupancy rates. Our tenant mix could become even more concentrated if a significant portion of our tenants practice in a particular medical field or are reliant upon a particular healthcare delivery system. Accordingly, a downturn in the healthcare industry generally, or a particular medical field or healthcare delivery system specifically, could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

The inability of any of our significant tenants to pay rent to us could have a disproportionate negative affect on our business.

As of December 31, 2024, the annualized base rent from our top three tenants represented approximately 19% of our portfolio-wide annualized base rent, including our LifePoint Health facilities, which comprised approximately 7% of our annualized base rent; our Encompass facilities, which comprised approximately 7% of our annualized base rent; and our Memorial Health facilities, which comprised approximately 5% of our annualized base rent.

We have no control over the success or failure of our significant tenants' businesses, and, at any time, our significant tenants may fail to make rent payments when due, which, in turn, may have a disproportionate adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Healthcare wage inflation increased dramatically due to the COVID-19 virus and remained elevated throughout 2024, which has in the past and could continue to materially and adversely affect certain of our tenants' businesses. Other viruses or pandemics could cause similar effects to healthcare wage inflation in the future.

The COVID-19 epidemic caused a dramatic increase in healthcare wage inflation, as the supply of U.S. healthcare workers, especially nurses, decreased due to, among other reasons, nurses experiencing burnout due to the length and severity of the pandemic. Healthcare wage inflation has yet to return to pre-pandemic levels and these wage increases have materially and adversely affected the businesses of many healthcare operators, especially hospital systems, which rely heavily on nurses. If these labor costs remain elevated, healthcare practices, including our tenants, may continue to experience increased labor costs, which could negatively impact their businesses and their ability to pay rents to us. Additionally, the volatility of COVID-19, its variants and its subvariants are unpredictable and there are no assurances that new variants and subvariants will not emerge in the future. Other viruses or pandemics could also cause similar effects in the future.

An epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, may precipitate or materially exacerbate one or more of our other risks, and may significantly disrupt our business.

An epidemic or pandemic could have a material and adverse effect on or cause disruption to our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock due to, among other factors:

- The inability to access debt and equity capital on favorable terms, if at all, or a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations, pursue acquisition opportunities, refinance existing debt, reduce our ability to make cash distributions to our stockholders and increase our future interest expense;

- The potential negative impact on the health of our employees, particularly if a significant number are impacted, or the impact of government actions or restrictions, including stay-at-home orders, restricting access to our corporate office, could result in a deterioration in our ability to ensure business continuity during a disruption; and

- Disruptions to the operations of our third-party service providers due to labor shortages and remote-work arrangements or other measures could result in the reduction in the availability, capacity and/or efficiency of the services upon which we depend for our operations, including the services we use to complete our property acquisitions.

Our leases are generally medium-to-long-term leases with annual rent escalators, however, some of our debt financing is subject to floating interest rates. Recent increases in interest rates have not been matched by an increase in our rent payments, which has exposed us to a funding imbalance.

Our revenues are generated by our leases, which are typically medium-to-long-term leases with fixed rental rates, subject to annual rent escalators. The unhedged portion of our Credit Facility debt is subject to SOFR, which has increased substantially since early 2022 and remained elevated during 2024. The generally fixed nature of revenues and the variable rate of our debt obligations create interest rate risk for us. Increases in interest rates have not been matched by increases in our rental income, which has increased our expenses and has materially, adversely affected our business, financial condition, results of operations and the trading price of our common and preferred stock. Further increases in interest rates may have a material, adverse effect on our ability to make distributions to our stockholders.

The bankruptcy of any of our tenants could bar our efforts to collect pre-bankruptcy debts from the tenant or evict the tenant and take back control of the property.

Any bankruptcy filings by or relating to one of our tenants could bar all efforts by us to collect pre-bankruptcy debts from that tenant or evict the tenant and take back control of the property, unless we receive an order permitting us to do so from a bankruptcy court, which we may be unable to obtain. A tenant bankruptcy could also delay our efforts to collect past-due balances under the relevant leases and could ultimately preclude full collection of these sums. If a tenant rejects the lease while in bankruptcy, we would have only a general unsecured claim for pre-petition damages. Any unsecured claim that we hold may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. It is possible that we may recover substantially less than the full value of any unsecured claims that we hold, or nothing at all, which may have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common stock and preferred stock. Furthermore, dealing with a tenant bankruptcy or other default may divert management's attention and cause us to incur substantial legal and other costs.

On May 6, 2024, our tenant, Steward Health Care ("Steward"), filed for Chapter 11 bankruptcy reorganization. In connection with the Steward bankruptcy, Steward rejected its largest lease with us at our healthcare facility in Beaumont, Texas (the "Beaumont Facility"). As of December 31, 2024, the Steward bankruptcy was still ongoing and Steward owed us $0.8 million in rent and $1.6 million in other amounts due in connection with the lease at the Beaumont Facility, which lease was rejected by Steward in connection with the bankruptcy. Of the $2.4 million owed to us, approximately $1.7 million related to pre-petition claims, of which we have a general, unsecured claim, and $0.7 million related to post-petition, administrative claims, of which we have a priority claim. Although we have a priority claim with respect to $0.7 million, we may only receive a fraction, or may not receive any, of these amounts or amounts to which we have a general, unsecured claim if there are not enough assets in the bankruptcy estate to satisfy these claims.

On January 11, 2025, our tenant, Prospect Medical Group ("Prospect"), filed for Chapter 11 bankruptcy reorganization. As of January 11, 2025, Prospect owed us approximately $2.4 million related to leases at three of our healthcare facilities, including $2.2 million related to our facility in East Orange, New Jersey. As of February 26, 2025, Prospect had not yet decided if it was going to accept or reject its leases with us. If Prospect rejects any of its leases with us, we would have a general unsecured claim with respect to amounts owed under any rejected lease.

The physical effects of climate change could have a material adverse effect on our properties.

The physical effects of climate change could have a material adverse effect on our facilities, operations, and business. To the extent climate change causes changes in weather patterns, markets where our properties are located could experience increases in storm intensity, rising sea-levels, and changes in precipitation, temperature, and air quality. Over time, these conditions could result in physical damage to, or declining demand for, our properties or our inability to operate the facilities at all. Climate change may also indirectly affect our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy and increasing the risk of flooding our properties. Should the impact of climate change be severe or occur for lengthy periods of time, our business, financial condition, results of operations, or our ability to make distributions to our stockholders and the trading price of our common and preferred stock could be materially adversely impacted.

Adverse economic or other conditions in our geographic markets could negatively affect our tenants' ability to pay rent to us.

Adverse economic or other conditions in our geographic markets, including periods of economic slowdown or recession, industry slowdowns, periods of deflation, relocation of businesses, changing demographics, earthquakes and other natural disasters, fires, terrorist acts, public health crisis, pandemics and epidemics, such as the COVID-19 pandemic, and civil disturbances or acts of war and other man-made disasters which may result in uninsured or underinsured losses, and changes in tax, real estate, zoning and other laws and regulations, may negatively affect our tenants' businesses and ability to pay rents to us and, therefore, could have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Most of our healthcare facilities are occupied by a single tenant, and we may have difficulty finding suitable replacement tenants in the event of a tenant default or non-renewal of our leases, especially for our healthcare facilities located in smaller markets.

As of December 31, 2024, leases representing 9%, 10% and 11% of our portfolio annualized base rent expire in 2025, 2026 and 2027, respectively. Most of our healthcare facilities are occupied by a single tenant. Following expiration of a lease term or if we exercise our right to replace a tenant in default, rental payments on the related healthcare facilities could decline or cease altogether while we reposition such healthcare facility with a suitable replacement tenant. We also might not be successful in identifying suitable replacement tenants or entering into triple-net leases with new tenants on a timely basis, on favorable terms, or at all. Additionally, we may be required to fund certain expenses and obligations (e.g., real estate taxes, debt costs and maintenance expenses) to preserve the value of, and avoid the imposition of liens on, our healthcare facilities while they are being repositioned. Our ability to reposition our healthcare facilities with a suitable tenant could be significantly delayed or limited by state licensing, receivership, CON or other laws, as well as by the Medicare and Medicaid change-of-ownership rules. We could also incur substantial additional expenses in connection with any licensing, receivership or change-of-ownership proceedings. In addition, our ability to locate suitable replacement tenants could be impaired by the specialized healthcare uses or contractual restrictions on use of the healthcare facilities, and we may be required to spend substantial amounts to adapt the healthcare facilities to other uses. Any such delays, limitations and expenses could adversely impact our ability to collect rent, obtain possession of leased healthcare facilities or otherwise exercise remedies for tenant default, which, in turn, could have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

All these risks may be greater in smaller markets, where there may be fewer potential replacement tenants, making it more difficult to replace tenants, especially for specialized space.

We have significant geographic concentration in a small number of states, including Texas, Florida, Ohio, Pennsylvania, Illinois, Arizona, and Michigan. Economic and other conditions that negatively affect those states and our tenants in those states could have a greater effect on our revenues than if our properties were more geographically diverse.

As of December 31, 2024, approximately 16%, 12%, 9%, 7%, 6%, 6%, and 5% of our total annualized base rent was derived from properties located in *Texas, Florida, Ohio, Pennsylvania, Illinois*, *Arizona and Michigan*, respectively. As a result of this geographic concentration, we are particularly exposed to downturns in these states' economies or other changes in local real estate market conditions. Any material changes in the current payment programs or regulatory, economic, environmental or competitive conditions in these states could have an amplified effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock than if our properties were more geographically diverse.

We may be unable to successfully enter into definitive purchase or sale agreements for, or close the acquisition or sale of, the properties in our investment pipeline or our portfolio.

There is no assurance that we will successfully enter into definitive purchase agreements for the facilities in our investment pipeline or definitive sale agreements for current properties we wish to sell. We or a counterparty could also determine through due diligence that a prospective facility does not meet our or their investment standards. We also may be unable to come to an agreement with the seller or buyer for the purchase or sale of the facility. Additionally, there is no assurance that we will successfully close an acquisition or sale once a purchase or sale agreement has been signed. After a purchase or sale agreement has been signed, we (or the buyer in the case of a sale transaction) typically have a due diligence period of 45 to 60 days. If we or a buyer identify problems with the property or the operator during our or their due diligence review, we or they may terminate the purchase or sale agreement and not close. Failure to close acquisitions or dispositions under contract could make it more difficult to grow or manage our portfolio, which could materially adversely affect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our use of joint ventures may limit our returns on and our flexibility with jointly owned investments.

On December 20, 2024, we entered into a joint venture to purchase two healthcare facilities, and we may enter into other joint ventures in the future. Our participation in joint ventures is subject to risks that may not be present with other methods of ownership, including:

- our joint venture partners could have investment and financing goals that are inconsistent with our objectives, including the timing, terms, and strategies for any investments, and what levels of debt to incur or carry;
- we, as managing member of our joint venture, may have liability for any mortgage indebtedness held by the joint venture if we violate certain “bad actor” representations and warranties in the related credit agreement;
- because we lack sole decision-making authority, we could experience impasses or disputes relating to certain decisions, including those related to budget approvals, entitlements, sales of assets, debt financing, execution of lease agreements, and vendor approvals, which could result in delayed decisions and missed opportunities and could require us to expend additional resources on litigation or arbitration to resolve;
- our joint venture partners may have competing interests that create conflicts of interest in our markets;
- our ability to transfer our interest in a joint venture to a third party may be restricted;
- the market for our interest may be limited and/or valued lower than fair market value;
- our joint venture partners may be structured differently than us for tax purposes, and this could create conflicts of interest and risks to our REIT status or could restrict the ways in which we are able to exit investments;
- our joint venture partners might become insolvent, fail to fund their share of required capital contributions or fail to fulfill their obligations as a joint venture partner, which may require us to infuse our own capital into the venture on behalf of the partner despite other competing uses for such capital;
- our joint venture agreements may give our partners management rights that allow them to make operational or other decisions with which we disagree or that we would manage differently; and

- our joint venture agreements may impose limitations or caps on the property management fees that we otherwise would have been entitled to receive if the underlying property were wholly owned.

In addition, in some instances, our joint venture partner will have the right to cause us to sell our interest, or acquire their interest, at a time when we otherwise would not have initiated such a transaction. Our ability to acquire our partner's interest will be limited if we lack sufficient capital resources. This could require us to sell our interest in the joint venture when we might otherwise prefer to retain it. Any of the foregoing risks could materially adversely affect our business, financial condition, results of operations, our ability to pay distributions to our stockholders and the trading price of our common and preferred stock.

We may obtain only limited warranties when we purchase a property, which, in turn, would only provide us with limited recourse against the seller if issues arise after our purchase of a property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase and sale agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk of having little or no recourse against a seller if issues were to arise at such property. This, in turn, could cause us to have to write off our investment in the property, which could materially adversely affect our business, financial condition, results of operations, our ability to pay distributions to our stockholders and the trading price of our common and preferred stock.

Our healthcare buildings that are subject to ground leases could restrict our use of such healthcare facilities.

As of December 31, 2024, we had seven buildings located on land that is subject to operating ground leases, representing approximately 4.5% of our December 2024 annualized base rent. These ground leases contain certain restrictions. These restrictions include limits on our ability to re-let the facilities, rights of purchase and rights of first offer and refusal with respect to sales of the healthcare facility and limits on the types of medical procedures that may be performed at the facilities. These restrictions could affect our returns on these facilities which, in turn, could materially adversely affect our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our healthcare facilities and our tenants may be unable to compete successfully, which could negatively affect our tenants' businesses and ability to pay rent to us.

Our healthcare facilities often face competition from nearby hospitals and other healthcare facilities that provide comparable services, including urgent care and primary care facilities as well as home healthcare companies. These competitors may have greater geographic coverage, better access to physicians and patients and provide or are perceived to provide higher quality services. From time to time and for reasons beyond our control, managed care organizations may change their lists of preferred hospitals or in-network physicians, which may favor our tenants' competitors. Furthermore, our tenants may lose physicians to their competitors or an increase in telehealth services could reduce the need for healthcare facilities. Any reduction in rental revenues resulting from the inability of our tenants or their associated healthcare delivery systems to compete or due to a reduced need for healthcare facilities generally may have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

We may incur uninsured losses or losses in excess of our insurance coverage, which may result in us having to absorb all or a portion of such loss.

Our tenants are generally required (either directly or through a reimbursement arrangement with us) to maintain comprehensive property and casualty insurance covering our properties. However, some types of losses may be uninsurable or too expensive to insure against, such as losses due to windstorms, terrorist acts, earthquakes, and toxic mold, among others. Accordingly, we may not have enough insurance coverage against certain types of losses and may experience decreases in the insurance coverage available. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of our investment in a property, as well as the anticipated future revenue from the property. In such an event, we might remain obligated for any mortgage debt or other financial obligation related to the property. Further, if any of our insurance carriers were to become insolvent, we would be forced to replace the existing coverage with another suitable carrier, and any outstanding claims would be at risk for collection. In such an event, we cannot be certain that we would be able to replace the coverage at similar or otherwise favorable terms.

We have obtained title insurance policies for each of our properties, typically in an amount equal to its original price. However, these policies may be for amounts less than the current or future values of our properties. In such an event, if there is a title defect relating to any of our properties, we could lose some of our investment in and anticipated profits from such property.

If we were to experience uninsured losses or if any of our insurance carriers were unable to pay insurance claims, we may lose all or a portion of our investment in a property and the revenues associated with such property, which could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

We may incur environmental compliance costs and liabilities associated with owning, leasing, developing and operating our healthcare facilities.

Under various U.S. federal, state and local laws, ordinances and regulations, current and prior owners and tenants of healthcare facilities may be jointly and severally liable for the costs of investigating, remediating and monitoring certain hazardous substances or other regulated materials on or in such healthcare facility. In addition to these costs, the past or present owner or tenant of a healthcare facility from which a release emanates could be liable for any personal injury or property damage that results from such releases, including for the unauthorized release of asbestos-containing materials and other hazardous substances into the air, as well as any damages to natural resources or the environment that arise from such releases. These environmental laws often impose such liability without regard to whether the current or prior owner or tenant knew of, or was responsible for, the presence or release of such substances or materials. Moreover, the release of hazardous substances or materials, or the failure to properly remediate such substances or materials, may adversely affect the owner's or tenant's ability to lease, sell, develop or rent such healthcare facility or to borrow against such healthcare facility. Persons who transport or arrange for the disposal or treatment of hazardous substances or other regulated materials may be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, regardless of whether such facility is owned or operated by such person.

Certain environmental laws impose compliance obligations on owners and tenants of real property with respect to the management of hazardous substances and other regulated materials. For example, environmental laws govern the management and removal of asbestos-containing materials and lead-based paint. Failure to comply with these laws can result in penalties or other sanctions. If we are held liable under these laws, our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock may be materially adversely affected.

The income from certain of our properties is dependent on the ability of our property managers to successfully manage those properties.

We depend upon the performance of our property managers to effectively manage certain of our properties. We do not control these third-party property managers and are accordingly subject to various risks generally associated with outsourcing of management of day-to-day activities, including the risk that a property manager may not be able to successfully manage a property. Additionally, because we do not control our third-party property managers, any adverse events such as issues related to insufficient internal controls, cybersecurity incidents or other adverse events may impact the income we recognize from properties managed by such third-party property managers. We may be unable to anticipate such events or properly assess the magnitude of any such events because we do not control our third-party property managers. If our property managers are unable to successfully manage our properties, our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock may be materially adversely affected.

We, our tenants, and our property managers face risks associated with security breaches through cyber-attacks, cyber-intrusions, or otherwise, as well as other significant disruptions of information technology networks and related systems.

We and our tenants face risks associated with security breaches, whether through cyber-attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to emails, company insiders, or persons with access to our and our tenants' systems, and other significant disruptions of our and our tenants' information technology ("IT") networks and related systems. Also, remote work arrangements may increase the risk of cybersecurity incidents, data breaches or cyber-attacks. The risk of a security breach or disruption, particularly through cyber-attack or cyber-intrusion, including by computer hackers, foreign governments and cyber-terrorists, has generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. Our and our tenants' IT networks and related systems are essential to the operation of each of our businesses and our and our tenants' ability to perform day-to-day operations (including maintaining confidential patient data). Although we make efforts to maintain the security and integrity of our IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that these security measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Additionally, our tenants may not have enough risk mitigation measures in place or, even if they do, such measures may not be effective. Even the most well protected information, networks, systems, and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and may not be detected. Accordingly, we and our tenants may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and it is therefore impossible to entirely mitigate the risk.

A security breach or other significant disruption involving our or our tenants' IT networks and related systems could:

- Disrupt the proper functioning of our or our tenants' networks and systems and therefore our operations and/or those of our tenants;
- Result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive, or otherwise valuable information about us, our tenants or our tenants' patients, which others could use to compete against us or our tenants or which could expose us or our tenants to regulatory action or damage claims by third-parties;
- Result in misstated financial reports, violations of loan covenants, missed reporting deadlines, and/or missed permitting deadlines;
- Result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT;
- Jeopardize the building systems relied upon by our tenants for the efficient use of their leased space;
- Require significant management attention and resources to remedy any damages that result;
- Subject us or our tenants to claims for breach of contract, damages, credits, penalties, or termination of leases or other agreements; or

- Damage our and our tenants' reputations.

Any or all the foregoing could have a material adverse effect on our business, financial condition and results of operations, our ability to pay distributions to our stockholders and the trading price of our common and preferred stock.

New technologies also continue to develop, including tools that harness generative artificial intelligence and other machine learning techniques (collectively, "AI"). AI is developing at a rapid pace and becoming more accessible. As a result, the use of such new technologies by us or our tenants can present additional known and unknown risks, including, among others, the risk that confidential information may be stolen, misappropriated or disclosed and the risk that we and/or our tenants may rely on incorrect, unclear or biased outputs generated by such technologies, any of which could have an adverse impact on us and our business. See "*—Artificial intelligence and other machine learning techniques could increase competitive, operational, legal and regulatory risks to our business in ways that we cannot predict*."

Risks Related to our Financings

We finance a portion of our portfolio with unhedged floating-rate debt from our Credit Facility. Since 2022, market interest rates have increased, which materially increased the interest rate on our floating rate debt. In addition to interest rate risk, we are subject to additional risks associated with our Credit Facility generally, including covenant restrictions.

As of December 31, 2024, the balance of the revolver component of our Credit Facility (the "Revolver") was $136.6 million, which represented approximately 21% of our total outstanding indebtedness at December 31, 2024. Since 2022, market interest rates have increased in response to increased rates of inflation during that time period. As a result, the one-month term SOFR, which serves as the base rate for the Revolver, increased from just over 0% at the start of 2022 to 4.33% in December 2024. The increase in interest rates has caused our borrowing costs to materially increase, which has, among other things, increased our cost of capital (which has affected our ability to acquire assets) and decreased our earnings, liquidity, cash available to make distributions to our stockholders and the trading price of our common and preferred stock.

The terms of our debt agreements require us to comply with several customary financial and other covenants, such as maintaining certain leverage and coverage ratios and minimum tangible net worth requirements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for a description of these covenants. Our continued ability to incur additional debt, make distributions and conduct business in general is subject to our compliance with these covenants, which limit our operational flexibility. Breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness, in addition to any other indebtedness cross-defaulted against such instruments, which could accelerate the principal balance of our debt and cause our lenders to institute foreclosure proceedings against us. Therefore, any such default could have a material adverse impact on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Interest rate swaps related to our $350 million term loan ("Term Loan A") are set to expire in April 2026. If we enter into new interest rate swaps to hedge the interest rate risk related to Term Loan A, the swap rate for any new interest rate swaps may be significantly higher than our current swaps, which could cause a material increase in our borrowing costs, which could, among other things, increase our cost of capital and decrease our earnings, liquidity, cash available to make distributions to our stockholders and the trading price of our common and preferred stock.

In April 2026, interest rate swaps related to our Term Loan A are set to expire in connection with the maturity of Term Loan A. The swap rate with respect to our current interest rate swaps related to our Term Loan A is 1.36%. As of December 31, 2024, the five-year forward SOFR swap rate, which is the swap rate that would most likely be used if we entered into new interest rate swaps in connection with an extension or refinancing of Term Loan A, was 3.97%. Although our current swaps related to our Term Loan A will not expire until April 2026, we do not anticipate forward SOFR rates to return to the levels of our current swap rate and such rates may increase from the December 31, 2024 rates. If we enter into new interest rate swaps in connection with an extension or refinancing of Term Loan A, our borrowing costs could materially increase, which could, among other things, increase our cost of capital and decrease our earnings, liquidity, cash available to make distributions to our stockholders and the trading price of our common and preferred stock.

Our interest rate hedges may not be successful in mitigating our interest rate risks.

We use derivative instruments to hedge exposure to changes in interest rates on certain of our variable rate loans. As of December 31, 2024, we had nine interest rate swap agreements with a total notional amount of $500 million that fixed the SOFR component of the interest rate on our Term Loan A and the $150 million term loan component under our Credit Facility ("Term Loan B," and, together with Term Loan A, the "Term Loans"). There is no assurance that our hedging instruments will adequately mitigate our interest rate risk or that our hedging strategy will not result in losses. Additionally, a hedging counterparty may fail to honor its obligations to us. If our interest rate hedges are unsuccessful in mitigating our interest rate risk, or if a hedging counterparty fails to honor its obligations to us, our borrowing costs would increase, which could, among other things, increase our cost of capital and decrease our earnings, liquidity, cash available to make distributions to our stockholders and the trading price of our common and preferred stock.

We finance our healthcare facilities with term indebtedness, and we may place term indebtedness on our healthcare facilities in the future. We may not be able to refinance such debt when due or may be unable to refinance such debt on favorable terms.

As of December 31, 2024, we had $646.1 million of indebtedness outstanding (net of unamortized debt issuance costs). We may also place indebtedness on our healthcare facilities in the future. We run the risk of being unable to refinance such debt (including our Credit Facility debt, portions of which are set to mature during 2026) when the loans come due or of being unable to refinance on favorable terms. If interest rates are higher when we refinance debt, our income could be reduced. We may be unable to refinance debt at appropriate times, which may require us to sell healthcare facilities on terms that are not advantageous to us or could result in the foreclosure of such healthcare facilities. Any of these events could have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

We rely on external sources of capital to fund future capital needs, and, if we encounter difficulty in obtaining such capital, we may not be able to make future acquisitions necessary to grow our business or meet maturing obligations.

To maintain our qualification as a REIT, we are required, among other things, to distribute each year to our stockholders at least 90% of our taxable income, without regard to the deduction for dividends paid and excluding net capital gain. Because of this distribution requirement, we may not be able to fund our future capital needs from cash retained from operations, including capital needed to make investments and to satisfy or refinance maturing obligations. As a result, we expect to rely on external sources of capital, including debt and equity financing, to fund future capital needs. Our access to capital will depend upon several factors, many of which we have little or no control, including:

- The extent of investor interest;
- Our ability to satisfy the distribution requirements applicable to REITs;
- The general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- Our financial performance and that of our tenants;
- Analyst reports about us and the REIT industry;
- General stock and bond market conditions, including changes in interest rates on fixed income securities, which may lead prospective purchasers of our stock to demand a higher annual yield from future distributions;
- A failure to maintain or increase our dividend which is dependent, in large part, upon our funds from operations, or FFO, which, in turn, depends upon increased revenue from additional acquisitions and rental increases; and
- Other factors such as governmental regulatory action and changes in tax laws.

If we are unable to obtain needed capital on satisfactory terms or at all, we may not be able to make the investments needed to expand our business or to meet our obligations and commitments as they mature, which, in turn, could materially adversely affect our business, financial conditions, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Risks Related to the Healthcare Industry

Adverse trends in the healthcare industry may negatively affect our tenants' businesses.

The healthcare industry is currently experiencing, among other things:

- Changes in the demand for and methods of delivering healthcare services, particularly as telemedicine and telehealth continue to gain popularity, as well as continued innovation and integration of technological advancements and artificial intelligence;
- Increased attention to compliance with regulations designed to safeguard protected health information and cyber-attacks on entities;
- Consolidation and pressure to integrate within the healthcare industry through acquisitions and joint ventures;
- Competition among healthcare providers;
- Consolidation of large health insurers;
- Regulatory and government reimbursement uncertainty resulting from the Affordable Care Act and other healthcare reform laws;
- Federal court decisions on cases challenging the legality of the Affordable Care Act;
- Federal and state government plans to reduce budget deficits and address debt ceiling limits by lowering healthcare provider Medicare and Medicaid payment rates;
- Changes in third-party reimbursement methods and policies;
- Staffing shortages (particularly nursing staff) and increases in wages as well as inflation in the cost of supplies; and
- Increased scrutiny of billing, referral and other practices by U.S. federal and state authorities.

These factors may adversely affect the economic performance of some or all of our tenants and, in turn, our lease revenues, which may have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

The healthcare industry is heavily regulated, and new laws or regulations, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could result in the inability of our tenants to make rent payments to us.

The healthcare industry is heavily regulated by U.S. federal, state, and local governmental authorities. Our tenants generally are subject to laws and regulations covering, among other things, licensure, certification for participation in government programs, billing for services, privacy and security of health information and relationships with physicians and other referral sources. See "Business–Government Programs, Laws and Regulations" for a description of the laws and regulations that affect the healthcare industry. In addition, new laws and regulations, changes in existing laws and regulations or changes in the interpretation of such laws or regulations could affect our tenants' ability to make rent payments to us, which, in turn, could have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock. These changes, in some cases, could apply retroactively. The enactment, timing, or effect of legislative or regulatory changes cannot be predicted.

Violations of healthcare laws may result in criminal and/or civil penalties that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments and/or exclusion from the Medicare and Medicaid programs. Imposition of any of these penalties upon one of our tenants could jeopardize that tenants' ability to operate or to make rent payments or affect the level of occupancy in our healthcare facilities, which may have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Reductions in reimbursement from third-party payors, including Medicare and Medicaid, could adversely affect the profitability of our tenants and hinder their ability to make rent payments to us or renew their leases.

Sources of revenue for our tenants typically include the U.S. federal Medicare program, state Medicaid programs and private insurance payors. Healthcare providers continue to face increased government and private payor pressure to control or reduce healthcare costs and significant reductions in healthcare reimbursement, including reduced reimbursements and changes to payment methodologies under the Affordable Care Act. In some cases, private insurers rely on all or portions of the Medicare payment systems to determine payment rates, which may result in decreased reimbursement from private insurers. Any reductions in payments or reimbursements from third-party payors could adversely affect the reimbursement rates received by our tenants, the financial success of our tenants and strategic partners and, therefore, our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Downturns in the United States economy could negatively affect state budgets, thereby putting pressure on states to decrease spending on state programs including Medicaid. The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in state Medicaid programs due to unemployment and declines in family incomes. Historically, states have often attempted to reduce Medicaid spending by limiting benefits and tightening Medicaid eligibility requirements. Many states have adopted, or are considering the adoption of, legislation designed to enroll Medicaid recipients in managed care programs and/or impose additional taxes on hospitals to help finance or expand the states' Medicaid systems. Potential reductions to Medicaid program spending in response to state budgetary pressures could negatively impact the ability of our tenants to successfully operate their businesses, and, consequently, could have a material adverse effect on our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our tenants may be subject to significant legal actions that could subject them to increased operating costs and substantial uninsured liabilities, which may affect their ability to pay their rent payments to us, and we could also be subject to healthcare industry violations.

As is typical in the healthcare industry, our tenants may often become subject to claims that their services have resulted in patient injury or other adverse effects. Many of these tenants may have experienced an increasing trend in the frequency and severity of professional liability and general liability insurance claims and litigation asserted against them. The insurance coverage maintained by these tenants may not cover all claims made against them nor continue to be available at a reasonable cost, if at all. In some states, insurance coverage for the risk of punitive damages arising from professional liability and general liability claims and/or litigation may not, in certain cases, be available to these tenants due to state law prohibitions or limitations of availability. As a result, these types of tenants of our healthcare facilities operating in these states may be liable for punitive damage awards that are either not covered or are in excess of their insurance policy limits.

We also believe that there has been, and will continue to be, an increase in governmental investigations of certain healthcare providers, particularly in the area of Medicare/Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Insurance is not available to cover such losses. Any adverse determination in a legal proceeding or governmental investigation, any settlements of such proceedings or investigations in excess of insurance coverage, whether currently asserted or arising in the future, could have a material adverse effect on a tenant's financial condition. If a tenant is unable to obtain or maintain insurance coverage, if judgments are obtained or settlements reached in excess of the insurance coverage, if a tenant is required to pay uninsured punitive damages, or if a tenant is subject to an uninsurable government enforcement action or investigation, the tenant could be exposed to substantial additional liabilities, which may affect the tenant's ability to pay rent, which in turn could have a material adverse effect on our business, financial condition and results of operations, our ability to pay distributions to our stockholders and the trading price of our common and preferred stock.

Risks Related to the Real Estate Industry

Changes in the general real estate market conditions may adversely affect us.

Real estate investments are subject to various risks and fluctuations and cycles in value and demand, many of which are beyond our control. Certain market conditions that may affect our business are as follows:

- National or regional economic upturns could increase the value of real estate generally, which could make it more difficult for us to acquire new healthcare properties at attractive prices or prevent us from purchasing additional facilities at all;
- National or regional economic downturns could adversely affect our tenants' businesses, or the businesses located in our tenants' geographic region, which could adversely affect our tenants' ability to pay rent and the value of our healthcare properties;
- A decrease in interest rates and financing costs could increase demand for real estate and, thus, the price of real estate. An increase in demand for real estate could make it more difficult for us to acquire additional healthcare facilities at attractive prices or prevent us from purchasing additional facilities at all; and
- An increase in interest rates and financing costs could decrease the demand for real estate and, thus, the price of real estate. A decrease in demand for real estate could make it more difficult for us to dispose of our healthcare facilities at attractive prices or prevent us from disposing of our facilities at all.

If we experience one or more of the risks described above, our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock could be materially adversely affected.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our healthcare facilities.

Because real estate investments are relatively illiquid, our ability to promptly sell one or more of our healthcare facilities in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any of our healthcare facilities for the price or on the terms set by us or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of any of our healthcare facilities. We may be required to expend funds to correct defects or to make improvements before a healthcare facility can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements.

In acquiring a healthcare facility, we have in the past and may in the future agree to transfer restrictions that materially restrict us from selling that healthcare facility for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that healthcare facility. These transfer restrictions would impede our ability to sell a healthcare facility even if we deem it necessary or appropriate. These facts and any others that would impede our ability to respond to adverse changes in the performance of our healthcare facilities may have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Uncertain market conditions could cause us to sell our healthcare facilities at a loss in the future.

We intend to hold our various real estate investments until we determine that a sale or other disposition appears to be advantageous to achieve our investment objectives. We may exercise our discretion as to whether and when to sell a healthcare facility, and we have no obligation to sell our facilities. We generally intend to hold our healthcare facilities for an extended period, and we cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. Because of the uncertainty of market conditions that may affect the future disposition of our healthcare facilities, we may not be able to sell our buildings at a profit in the future or at all. We may incur prepayment penalties if we sell a healthcare facility subject to a mortgage earlier than we otherwise had planned. Additionally, we could be forced to sell healthcare facilities at inopportune times which could result in us selling the affected building at a substantial loss. Any inability to sell a healthcare facility could materially, adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our assets may become subject to impairment charges.

We periodically evaluate our real estate investments and other assets for impairment indicators. The judgment regarding the existence of impairment indicators is based upon factors such as market conditions, lease re-negotiations, tenant performance and legal structure. For example, the termination of a lease by a major tenant may lead to an impairment charge. If we determine that an impairment has occurred, we would be required to make an adjustment to the net carrying value of the asset which could have a material adverse effect on our business, financial condition, results of operations and the trading price of our common and preferred stock. During the fourth quarter of 2024, we incurred an impairment charge of $1.7 million in connection with one of our healthcare facilities.

Risks Related to Our Structure

We have no direct operations and rely on funds received from our Operating Partnership and its subsidiaries to meet our obligations.

We conduct substantially all of our operations through our Operating Partnership. As of December 31, 2024, we owned 92.6% of the outstanding OP Units. Apart from this ownership interest in our Operating Partnership, we do not have any independent operations. As a result, we rely on distributions from our Operating Partnership to pay any dividends that we might declare on our common and preferred stock. We also rely on distributions from our Operating Partnership to meet our obligations. Stockholders' claims will consequently be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, claims of our stockholders will be satisfied only after all of our and our Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full. If we do not receive enough funds from our Operating Partnership, our ability to make distributions to our stockholders and the trading price of our common and preferred stock may be materially, adversely affected.

Subject to certain requirements under Maryland law and REIT requirements, the Board has sole discretion to determine if we will pay distributions and the amount and frequency of such distributions, and past distribution amounts may not be indicative of future distribution amounts.

Any future distributions will be at the sole discretion of the Board and will depend upon a number of factors, including our actual and projected results of operations, the cash flow generated by our operations, funds from operations ("FFO"), adjusted FFO ("AFFO"), liquidity, our operating expenses, our debt service requirements, capital expenditure requirements for the properties in our portfolio, prohibitions and other limitations under our financing arrangements, our REIT taxable income, the annual REIT distribution requirements, restrictions on making distributions under Maryland law and such other factors as the Board deems relevant. We cannot assure you that our distribution policy will not change in the future or that the Board will continue to declare dividends at the same rate as in 2024.

Our use of OP Units as currency to acquire healthcare facilities could result in stockholder dilution and/or limit our ability to sell such healthcare facilities, which could have a material adverse effect on us.

We have acquired, and in the future may acquire, healthcare facilities or portfolios of healthcare facilities through tax-deferred contribution transactions in exchange for OP Units, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired healthcare facilities, and has required, and may in the future require, that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired healthcare facilities or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell healthcare facilities at a time, or on terms, that would be favorable absent such restrictions which, in turn, could materially, adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our Operating Partnership may issue additional OP Units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our Operating Partnership and could have a dilutive effect on the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders.

Holders of shares of our common stock will generally not have any voting rights with respect to activities of our Operating Partnership, including issuances of additional OP Units in amounts that do not exceed 20% of our outstanding shares of common stock. As of December 31, 2024, we owned 92.6% of the outstanding OP Units. Our Operating Partnership may, in connection with our acquisition of healthcare facilities or otherwise, issue additional OP Units to third parties. Such issuances would reduce our ownership percentage in our Operating Partnership and could affect the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders.

We may be unable to maintain effective internal control over financial reporting.

Pursuant to the Sarbanes-Oxley Act of 2002, we are required to provide a report by management on internal control over financial reporting, including management's assessment of the effectiveness of such controls. Because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud, effective internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls as a result of changes to our business or otherwise, or if we experience difficulties in their implementation, our business, results of operations and financial condition, our ability to make distributions to our stockholders and the trading price of our common and preferred stock could be materially adversely impacted and we could fail to meet our reporting obligations.

Conflicts of interest could arise because of our UPREIT structure.

Conflicts of interest could arise because of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to us under applicable Maryland law in connection with their management of our company. At the same time, we, as the sole member of the general partner of the Operating Partnership, have fiduciary duties to our Operating Partnership and to the limited partners under Delaware law in connection with the management of our Operating Partnership. Our duties, as the sole member of the general partner, to our Operating Partnership and its limited partners may come into conflict with the duties of our directors and officers to us.

Unless otherwise provided for in the relevant partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness and loyalty and which generally prohibits such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest.

Additionally, the partnership agreement expressly limits our liability by providing that we, as the sole member of the general partner of the Operating Partnership, and our directors or officers, will not be liable or accountable in damages to our Operating Partnership, the limited partners or assignees for errors in judgment, mistakes of fact or law or for any act or omission if the general partner or such director or officer acted in good faith. In addition, our Operating Partnership is required to indemnify us, our affiliates and each of our respective officers and directors, to the fullest extent permitted by applicable law against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of our Operating Partnership, provided that our Operating Partnership will not indemnify any such person for (1) acts or omissions committed in bad faith or that were the result of active and deliberate dishonesty, (2) any transaction for which such person received an improper personal benefit in money, healthcare facility or services, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Our charter restricts the ownership and transfer of our outstanding shares of stock which may have the effect of delaying, deferring or preventing a transaction or change of control of our company.

For us to qualify as a REIT, no more than 50% of the value of our outstanding shares of stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year other than our initial REIT taxable year.

Subject to certain exceptions, our charter prohibits any stockholder from owning actually or constructively more than 9.8% in value or number of shares, whichever is more restrictive, of any class or series of our outstanding shares. The constructive ownership rules under the Internal Revenue Code of 1986, as amended (the "Code"), are complex and may cause the outstanding shares owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of our outstanding shares of any class or series by an individual or entity could cause that individual or entity to own constructively in excess of 9.8% of any class or series of our outstanding beneficial interests and to be subject to our charter's ownership limit. Our charter also prohibits any person from owning shares of our beneficial interests that would result in our being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT. Any attempt to own or transfer shares of our beneficial interest in violation of these restrictions may result in the shares being automatically transferred to a charitable trust or may be void.

Certain provisions of Maryland law could inhibit changes of control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for shares of our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of the Maryland General Corporation Law, or MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide our common stockholders with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares of common stock or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our shares of common stock at any time within the two-year period immediately prior to the date in question) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes certain fair price and/or supermajority and stockholder voting requirements on these combinations; and
- "control share" provisions that provide that holders of "control shares" of our company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

By resolution of the Board, we have opted out of the business combination provisions of the MGCL and provide that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by the Board (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, the Board may by resolution elect to opt into the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt into the control share provisions of the MGCL in the future.

Certain provisions of the MGCL permit the Board, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which (for example, a classified board) are not currently applicable to us. If implemented, these provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring, or preventing a change in control of us under circumstances that otherwise could provide our common stockholders with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we have elected to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on the Board.

We could increase the number of authorized shares of common and preferred stock, classify and reclassify unissued shares and issue shares without stockholder approval.

The Board, without stockholder approval, has the power under our charter to amend our charter to increase or decrease the aggregate number of shares or the number of shares of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock. In addition, under our charter, the Board has the power to classify or reclassify any unissued common or preferred stock into one or more classes or series of shares and set the preference, conversion, or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. As a result, we may issue series or classes of common or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common or preferred stock. Although the Board has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for shares of our common stock or that our stockholders otherwise believe to be in their best interests.

We may change our business, investment, and financing strategies without stockholder approval.

We may change our business, investment, and financing strategies without a vote of, or notice to, our stockholders, which could result in our making investments and engaging in business activities that are different from, and possibly riskier than, the investments and businesses described in this annual report. In particular, a change in our investment strategy, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to real estate market fluctuations. In addition, we may in the future increase the use of leverage at times and in amounts that we, in our discretion, deem prudent, and such decision would not be subject to stockholder approval. Furthermore, the Board may determine that healthcare facilities do not offer the potential for attractive risk-adjusted returns for an investment strategy. Changes to our strategies with regards to the foregoing could adversely affect our business, financial condition and results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit your recourse in the event that we take certain actions which are not in your best interests.

Under Maryland law, generally, directors and officers are required to perform their duties in good faith, in a manner that they reasonably believe to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Under Maryland law, directors and officers are presumed to have acted with this standard of care. Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property, or services or (b) active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law.

Our charter authorizes us to indemnify our present and former directors and officers for actions taken by them in those and other capacities to the maximum extent permitted by Maryland law. Our bylaws obligate us to indemnify each present and former director or officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our directors and officers. We have entered into indemnification agreements with our directors and officers granting them express indemnification rights. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter, bylaws and indemnification agreements or that might exist with other companies.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management and may prevent a change in control of our company that is in the best interests of our stockholders. Our charter provides that a director may only be removed for cause upon the affirmative vote of holders of two-thirds of all the votes entitled to be cast generally in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements make it more difficult to change our management by removing and replacing directors and may prevent a change in control of our company that is in the best interests of our stockholders.

Certain provisions in the partnership agreement of our Operating Partnership may delay or prevent unsolicited acquisitions of us.

Provisions in the partnership agreement of our Operating Partnership may delay, or make more difficult, unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- Redemption rights;
- A requirement that we may not be removed as the general partner of our Operating Partnership without our consent;
- Transfer restrictions on OP Units;
- Our ability, as the sole member of the general partner of our Operating Partnership, in some cases, to amend the partnership agreement and to cause the Operating Partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or our Operating Partnership without the consent of the limited partners; and
- The right of the limited partners to consent to direct or indirect transfers of the general partnership interest, including as a result of a merger or a sale of all or substantially all of our assets, in the event that such transfer requires approval by our common stockholders.

Our charter and bylaws, Maryland law and the partnership agreement of our Operating Partnership also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our shares of common stock or that our stockholders otherwise believe to be in their best interest.

We may be unable to obtain or retain key personnel or continue to remain appropriately staffed.

Our success depends to a significant degree upon our executive officers and other key personnel. We rely on the services of Jeffrey Busch, our Chief Executive Officer and Chairman of the Board; Robert Kiernan, our Chief Financial Officer; Alfonzo Leon, our Chief Investment Officer; Danica Holley, our Chief Operating Officer; and Jamie Barber, our Secretary and General Counsel, to manage our operations. Additionally, we rely on several other key personnel to manage our day-to-day operations, including accounting and finance staff, acquisition and due diligence personnel, asset managers and facilities personnel. We cannot guarantee that all, or any one of these key personnel, will remain affiliated with us, especially given the current tightness of the U.S. labor market, nor do we maintain key person life insurance on any person. Our failure to retain key employees and retain highly skilled managerial and operational personnel, could have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

On January 8, 2025, the Company announced that it had entered into a Transition and Separation Agreement and General Release of Claims with its Chief Executive Officer ("CEO"), Mr. Busch, whereby Mr. Busch will remain CEO until the first to occur of (i) the date that a successor to the position of CEO who has been appointed in accordance with the Board of Directors' approved succession process begins employment, or (ii) June 30, 2025.

Risks Related to Our Qualification and Operation as a REIT

Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders.

If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our stockholders because we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates;

- We could be subject to increased state and local taxes; and
- Unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT for any taxable year, we will no longer be required to make distributions. As a result of all these factors, our failure to maintain our qualification as a REIT could impair our ability to expand our business and raise capital, and it could materially, adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Even if we continue to qualify as a REIT, we may face other tax liabilities that could reduce our cash flows and negatively impact our results of operations and financial condition.

Even if we continue to qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, taxes on income from some activities conducted because of a foreclosure, and state or local income, property, and transfer taxes. In addition, our taxable REIT subsidiary ("TRS") will be subject to regular corporate U.S. federal, state, and local taxes. In addition, if our TRS borrows funds either from us or a third party, it may be unable to deduct all or a portion of the interest paid, resulting in a higher corporate-level tax liability. Specifically, the Code imposes a disallowance of deductions for business interest expense (even if paid to third parties) in excess of the sum of a taxpayer's business interest income and 30% of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction. The TRS rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distributions to our stockholders, which, in turn, could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Failure to make required distributions would subject us to U.S. federal corporate income tax.

To maintain our qualification as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our stockholders. To the extent that we satisfy this distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under the Code. Any of these taxes would decrease cash available for distributions to our stockholders which, in turn, could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status.

We have engaged, and expect to engage in the future, in transactions in which we purchase healthcare facilities and lease them back to the sellers of such healthcare facilities. Although we have structured, and intend to continue to structure, any such sale-leaseback transaction so that the lease will be characterized as a "true lease" for U.S. federal income tax purposes, thereby allowing us to be treated as the owner of the healthcare facility for U.S. federal income tax purposes, we cannot assure you that the Internal Revenue Service (the "IRS") will not challenge such characterization. If any sale-leaseback transaction is challenged as a partnership for U.S. federal income tax purposes, all of the payments that we receive from the tenant may not be treated as qualifying income for the 75% or 95% gross income tests required for REIT qualification and we may fail to maintain our qualification as a REIT as a result. If any sale-leaseback transaction is challenged as a financing transaction or loan for U.S. federal income tax purposes, we would not be treated as the owner of the applicable healthcare facility and our deductions for depreciation and cost recovery relating to such healthcare facility would be disallowed. As a result, the amount of our REIT taxable income could be recalculated, which might cause us to fail to meet the distribution requirement required for REIT qualification. Although we may be able to cure such failure by making a distribution in a subsequent taxable year and paying an interest charge, no assurance can be provided that we will be able to make the required distribution or pay the required interest charge. If we lose our REIT status, our business, financial condition, results of operations, ability to make distributions to our stockholders and the trading price of our common and preferred stock could be materially adversely affected.

Our qualification as a REIT could be jeopardized as a result of our interests in joint ventures.

We have a minority interest in a joint venture, and we may enter into similar joint ventures in the future. If a joint venture takes or expects to take actions that could jeopardize our qualification as a REIT or require us to pay tax, we may be forced to dispose of our interest in such joint venture. In addition, it is possible that a joint venture could take an action which could cause us to fail a gross income or asset test, or subject us to the prohibited transactions tax, and that we would not become aware of such action in time to dispose of our interest in the joint venture or take other corrective action on a timely basis. In that case, we could fail to qualify as a

REIT unless we were able to qualify for a statutory REIT "savings" provision, which could require us to pay a significant penalty tax to maintain our REIT qualification.

Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments.

To maintain our qualification as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our shares of stock. To meet these tests, we may be required to forego investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance.

We must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of TRSs and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, no more than 20% of the value of our total assets can be represented by the securities of one or more TRSs, and no more than 25% of our assets can be represented by debt of "publicly offered REITs" (i.e., REITs that are required to file annual and periodic reports with the SEC under the Exchange Act) that is not secured by real property or interests in real property. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments. These actions could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Certain taxes may limit our ability to dispose of our healthcare facilities.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transaction tax equal to 100% of net gain upon a disposition of real property. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our healthcare facilities or may conduct such sales through a TRS, which would be subject to U.S. federal and state income taxation.

We may pay taxable dividends in our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock.

We may satisfy the 90% distribution test with taxable distributions of our common stock. The IRS has issued Revenue Procedure 2017-45 authorizing elective cash/stock dividends to be made by publicly offered REITs. Pursuant to Revenue Procedure 2017-45, the IRS will treat the distribution of stock pursuant to an elective cash/stock dividend as a distribution of property under Section 301 of the Code (i.e., a dividend), as long as at least 20% of the total dividend is available in cash and certain other parameters detailed in the Revenue Procedure are satisfied.

Although we have no current intention of paying dividends in our common stock, if we make a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the common stock that it receives as a dividend to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. If we make a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

The ability of the Board to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that the Board may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which could materially adversely affect our ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Our ownership of our TRS is subject to limitations and our transactions with our TRS will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.

Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. Several provisions of the Code regarding the arrangements between a REIT and its TRSs ensure that a TRS will be subject to an appropriate level of U.S. federal income taxation. For example, the Code imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. In addition, any income earned by a TRS that is attributable to services provided to its parent REIT, or on the REIT's behalf to any of its tenants, that is less than the amounts that would have been charged based upon arm's-length negotiations, will also be subject to a 100% excise tax. We will monitor the value of our investment in our TRS and any other TRS we may form for the purpose of ensuring compliance with TRS ownership limitations and will structure our transactions with any such TRS on terms that we believe are arm's length to avoid incurring the 100% excise taxes described above. There can be no assurance, however, that we will be able to comply with the 20% limitation or to avoid application of the 100% excise taxes. If we are subject to either 100% excise tax, our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock could be materially adversely affected.

The formation of a TRS lessee would increase our overall tax liability.

We may, in the future, form one or more TRS lessees to lease "qualified health care properties" from us. Any TRS lessee we may form will be subject to U.S. federal and state income tax on its taxable income, which will consist of the revenues from the qualified healthcare facilities leased by the TRS lessee, net of the operating expenses for such healthcare facilities and rent payments to us. In addition, if a TRS borrows funds either from us or a third party, it may be unable to deduct all or a portion of the interest paid, resulting in a higher corporate-level tax liability. Specifically, the Code imposes a disallowance of deductions for business interest expense (even if paid to third parties) in excess of the sum of a taxpayer's business interest income and 30% of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction. Accordingly, although our ownership of a TRS lessee would allow us to participate in the operating income from our healthcare facilities leased to the TRS lessee on an after-tax basis in addition to receiving rent, that operating income would be fully subject to U.S. federal and state income tax, which could materially adversely affect our business, financial conditions, results of operations, ability to make distributions to our stockholders and the trading price of our common and preferred stock.

If leases of our healthcare facilities are not respected as true leases for U.S. federal income tax purposes, we would fail to qualify as a REIT and would be subject to higher taxes and have less cash available for distribution to our stockholders.

To maintain our qualification as a REIT, we must satisfy two gross income tests, under which specified percentages of our gross income must be derived from certain sources, such as "rents from real property." Rents paid to our Operating Partnership by third-party lessees and any TRS lessee that we may form in the future pursuant to the leases of our healthcare facilities will constitute substantially all of our gross income. For such rent to qualify as "rents from real property" for purposes of the gross income tests, the leases must be respected as true leases for U.S. federal income tax purposes and not be treated as service contracts, joint ventures or some other type of arrangement. If our leases are not respected as true leases for U.S. federal income tax purposes, we would fail to qualify as a REIT, which, in turn, could materially adversely affect our business, financial conditions, results of operations, ability to make distributions to our stockholders and the trading price of our common and preferred stock.

If a TRS lessee failed to qualify as a TRS or the facility operators engaged by a TRS lessee did not qualify as "eligible independent contractors," we would fail to qualify as a REIT and would be subject to higher taxes and have less cash available for distribution to our stockholders.

Rent paid by a lessee that is a “related party tenant” of ours will not be qualifying income for purposes of the two gross income tests applicable to REITs. We may, in the future, lease certain of our healthcare facilities that qualify as “qualified health care properties” to a TRS lessee. So long as that TRS lessee qualifies as a TRS, it will not be treated as a “related party tenant” with respect to our healthcare facilities that are managed by an independent facility operator that qualifies as an “eligible independent contractor.” We would seek to structure any future arrangements with a TRS lessee such that the TRS lessee would qualify to be treated as a TRS for U.S. federal income tax purposes, but there can be no assurance that the IRS would not challenge the status of a TRS for U.S. federal income tax purposes or that a court would not sustain such a challenge. If the IRS were successful in disqualifying a TRS lessee from treatment as a TRS, it is possible that we would fail to meet the asset tests applicable to REITs and a significant portion of our income would fail to qualify for the gross income tests. If we failed to meet either the asset or gross income tests, we would likely lose our REIT qualification for U.S. federal income tax purposes, which, in turn, could materially adversely affect our business, financial condition, results of operations, ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Additionally, if the facility operators engaged by a TRS lessee do not qualify as “eligible independent contractors,” we would fail to qualify as a REIT. Each of the facility operators that would enter into a management contract with any TRS lessee must qualify as an “eligible independent contractor” under the REIT rules in order for the rent paid to us by such a TRS lessee to be qualifying income for purposes of the REIT gross income tests. Among other requirements, to qualify as an “eligible independent contractor,” a facility operator must not own, directly or indirectly, more than 35% of our outstanding shares and no person or group of persons can own more than 35% of our outstanding shares and the ownership interests of the facility operator, taking into account certain ownership attribution rules. The ownership attribution rules that apply for purposes of these 35% thresholds are complex. Although we would monitor ownership of our shares of common stock by any facility operators and their owners, there can be no assurance that these ownership levels will not be exceeded.

You may be restricted from acquiring or transferring certain amounts of our common stock.

The stock ownership restrictions for REITs in the Code and the 9.8% share ownership limit in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities.

In order to maintain our qualification as a REIT for each taxable year, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding shares of capital stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our shares of capital stock under this requirement. Additionally, at least 100 persons must beneficially own our shares of capital stock during at least 335 days of a taxable year for each taxable year. To help ensure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by the Board, our charter prohibits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of capital stock. The Board may not grant an exemption from this restriction to any proposed transferee whose ownership in excess of 9.8% of the value of our outstanding shares would result in our failing to qualify as a REIT.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to “qualified dividend income” payable to U.S. stockholders that are taxed at individual rates is 20% (plus the 3.8% surtax on net investment income, if applicable). Dividends payable by REITs, however, generally are not eligible for the reduced rates on qualified dividend income. Rather, ordinary REIT dividends constitute “qualified business income” and thus a 20% deduction is available to individual taxpayers with respect to such dividends, resulting in a 29.6% maximum U.S. federal income tax rate (plus the 3.8% surtax on net investment income, if applicable) for individual U.S. stockholders. To qualify for this deduction, the stockholder receiving such dividends must hold the dividend-paying REIT stock for at least 46 days (taking into account certain special holding period rules) of the 91-day period beginning 45 days before the stock became ex-dividend and cannot be under an obligation to make related payments with respect to a position in substantially similar or related property. Without further legislative action, the 20% deduction applicable to ordinary REIT dividends will expire on January 1, 2026. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stock of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common and preferred stock.

We may be subject to adverse legislative or regulatory tax changes.

At any time, the U.S. federal income tax laws or regulations governing REITs, or the administrative interpretations of those laws or regulations, may be amended. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation, or administrative interpretation, will be adopted, promulgated, or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in the U.S. federal income tax laws, regulations, or administrative interpretations which, in turn, could materially adversely affect our business, financial conditions, results of operation, ability to make distributions to our stockholders and the trading price of our common and preferred stock.

If our Operating Partnership failed to qualify as a partnership for U.S. federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.

We believe that our Operating Partnership will be treated as a partnership for U.S. federal income tax purposes. As a partnership, our Operating Partnership will not be subject to U.S. federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our Operating Partnership's income. We cannot assure you, however, that the IRS will not challenge the status of our Operating Partnership or any other subsidiary partnership in which we own an interest as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our Operating Partnership or any such other subsidiary partnership as an entity taxable as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of our Operating Partnership or any subsidiary partnership to qualify as a partnership for U.S. federal income tax purposes could cause it to become subject to U.S. federal and state corporate income tax, which, in turn, could materially adversely affect our business, financial condition, results of operations, ability to make distributions to our stockholders and the trading price of our common and preferred stock.

Tax protection agreements may limit our ability to sell or otherwise dispose of certain properties and may require our Operating Partnership to maintain certain debt levels that otherwise would not be required to operate our business.

In connection with contributions of properties to our Operating Partnership, our Operating Partnership has entered and may in the future enter into tax protection agreements under which it agrees to minimize the tax consequences to the contributing partners resulting from the sale or other disposition of the contributed properties. Tax protection agreements may make it economically prohibitive to sell any properties that are subject to such agreements even though it may otherwise be in our stockholders' best interests to do so. In addition, we may be required to maintain a minimum level of indebtedness throughout the term of any tax protection agreement regardless of whether such debt levels are otherwise required to operate our business. Nevertheless, we have entered and may in the future enter into tax protection agreements to assist contributors of properties to our Operating Partnership in deferring the recognition of taxable gain because of and after any such contribution.

General Risk Factors

We are subject to risks related to corporate social responsibility.

Our business faces public scrutiny related to ESG activities. We risk damage to our reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. There is also some indication that ESG and sustainability goals are becoming more controversial, as some governmental entities and certain investor constituencies question the appropriateness or object to ESG and sustainability initiatives. Adverse incidents with respect to ESG activities could impact the cost of our operations and relationships with investors and tenants, all of which could materially adversely affect our business, financial condition, results of operations, our ability to make distributions to our stockholders and the trading price of our common and preferred stock. Additionally, new legislative or regulatory initiatives related to ESG could adversely affect our business.

Artificial intelligence and other machine learning techniques could increase competitive, operational, legal and regulatory risks to our business in ways that we cannot predict.

The use of AI by us and others, and the overall adoption of AI throughout society, may exacerbate or create new and unpredictable competitive, operational, legal and regulatory risks to our business. There is substantial uncertainty about the extent to which AI will result in dramatic changes throughout the world, and we may not be able to anticipate, prevent, mitigate or remediate all of the potential risks, challenges or impacts of such changes. These changes could potentially disrupt, among other things, our business model, investment strategies and operational processes. Some of our competitors may be more successful than us in the development and implementation of new technologies, including services and platforms based on AI, to improve their operations. If we are unable to adequately advance our capabilities in these areas or do so at a slower pace than others in our industry, we may be at a competitive disadvantage.

If the data we, or third parties whose services we rely on, use in connection with the possible development or deployment of AI is incomplete, inadequate or biased in some way, the performance of our business could suffer. In addition, recent technological advances in AI both present opportunities and pose risks to us. Data in technology that uses AI may contain a degree of inaccuracy and error, which could result in flawed algorithms in various models used in our business. The volume and reliance on data and algorithms also make AI more susceptible to cybersecurity threats, including data poisoning and the compromise of underlying models, training data or other intellectual property. Our personnel or the personnel of our service providers could, without being known to us, improperly utilize AI and machine learning-technology while carrying out their responsibilities. This could reduce the effectiveness of AI technologies and adversely impact us and our operations to the extent that we rely on the AI's work product.

There is also a risk that AI may be misused or misappropriated by third parties we engage. For example, a user may input confidential information, including material non-public information or personally identifiable information, into AI applications, resulting in the information becoming a part of a dataset that is accessible by third-party technology applications and users, including our competitors. Further, we may not be able to control how third-party AI that we choose to use is developed or maintained, or how data we input is used or disclosed. The misuse or misappropriation of our data could have an adverse impact on our reputation and could subject us to legal and regulatory investigations or actions or create competitive risk.

In addition, the use of AI by us or others may require compliance with legal or regulatory frameworks that are not fully developed or tested, and we may face litigation and regulatory actions related to our use of AI. There has been increased scrutiny, including from global regulators, regarding the use of "big data," diligence of data sets and oversight of data vendors. Our ability to use data to gain insights into and manage our business may be limited in the future by regulatory scrutiny and legal developments.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Information about cybersecurity risks and our risk management processes is collected, analyzed and considered as part of our overall enterprise risk management. The Company recognizes the critical importance of maintaining the trust and confidence of our tenants and business partners. The Board plays an active role in overseeing management of our risks, and cybersecurity represents an important component of the Company's overall approach to risk management and oversight. We believe we have built a strong and collaborative risk management culture focused on awareness which supports appropriate understanding and management of our key risks. Each employee is accountable for identifying, monitoring and managing risk within their area of responsibility.

The Company maintains cybersecurity prevention and response plans and procedures (the "Cybersecurity Policies") that set forth the Company's plan to prevent, manage, report and resolve cybersecurity events. The Cybersecurity Policies set forth the Company's policies and procedures for cybersecurity event prevention, including the Company's (i) network and computer systems acceptable use policy, (ii) data backup procedures, (iii) business continuity plan, (iv) data retention policy, (v) disaster recovery plan, (vi) email use and security policy, (vii) network change management procedures, and (viii) password and authentication requirements policy. The Cybersecurity Policies also (i) provide indicators that Company employees should be aware of to recognize a cybersecurity event, (ii) outline the roles and responsibilities for Company employees and other third parties with respect to the Company's cybersecurity incident response team ("CSIR Team"), (iii) set forth the steps to take in response to a cybersecurity incident, including reporting the incident, investigating the incident, preserving non-affected systems and data, informing, as appropriate, Senior Management (as defined below), insurance carriers, law enforcement and other parties that may be affected by the incident and (iv) include the processes for maintaining business continuity.

The Company's President and Chief Executive Officer, Chief Financial Officer and Treasurer, Chief Operating Officer and General Counsel and Secretary ("Senior Management") are responsible for assessing and managing cybersecurity risks with the support of the entire CSIR Team, led by the Director of Operations/Risk Management. The Director of Operations/Risk Management is the primary lead for monitoring the prevention, detection, mitigation and remediation of cybersecurity threats and incidents and ensuring that the Cybersecurity Policies are followed. Senior Management works collaboratively with the Director of Operations/Risk Management and the entire CSIR Team to implement a program designed to protect the Company's information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Cybersecurity Policies. The CSIR Team also includes a third-party, on-demand IT support team, a Primary IT Support Contact, who is the technical response lead, a Primary Communications Contact responsible for handling external communications during and after an incident, as well as other delineated primary contacts in areas including, but not limited to, HR, Legal, Accounting, Asset Management and Acquisitions.

Pursuant to the Cybersecurity Policies, information security incidents must be reported, without delay, to the IT support team or the Director of Operations/Risk Management, who will then advise Senior Management of the incident. Senior Management will then report such threats and incidents to the Audit Committee, when appropriate.

The members of Senior Management each hold degrees in their respective fields and combined have approximately 30 years or more of experience managing risks at the Company and at similar companies, including risks arising from cybersecurity threats.

Risk Management and Strategy

The Company's cybersecurity program is focused on the following key areas:

- *Governance*: As discussed in more detail under "Item 1C. Cybersecurity—Governance," the Board's oversight of cybersecurity risk management is supported by the Audit Committee of the Board (the "Audit Committee"), which regularly interacts with the Company's management team.

- *Collaborative Approach*: The Company has implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner.

- *Technical Safeguards*: The Company deploys technical safeguards that are designed to protect information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.

- *Incident Response and Recovery Planning*: The Company has established and maintains comprehensive incident response and recovery plans that address the response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

- *Third-Party Risk Management*: The Company maintains a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of the Company's systems, as well as the systems of third parties that could adversely impact the Company's business in the event of a cybersecurity incident affecting those third-party systems.

- *Education and Awareness*: The Company provides regular, mandatory training for personnel regarding cybersecurity threats as a means to equip personnel with effective tools to address cybersecurity threats, and to communicate evolving information security policies, standards, processes and practices.

The Company engages in the periodic assessment and testing of its policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of the Company's cybersecurity measures and planning. The Company regularly engages third parties to perform assessments on its cybersecurity measures, including information security materiality assessments and independent reviews of the Company's information security control environment and operating effectiveness. The results of such assessments and reviews are reported to the Audit Committee and the Board, and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments and reviews.

Governance

The Board, in coordination with the Audit Committee, oversees the Company's cybersecurity risk management process. The Audit Committee has adopted a charter that provides that the Audit Committee has duties and responsibilities with respect to the oversight of the Company's cybersecurity risk protocol (which includes oversight of risk assessment, risk management plan and process to control/monitor, business continuity plan, incident response, and disaster recovery).

There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

To date, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected and are not reasonably likely to affect the Company, including its business strategy, results of operations or financial condition. We face certain ongoing cybersecurity risks that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors - We, our tenants, and our property managers face risks associated with security breaches through cyber-attacks, cyber-intrusions, or otherwise, as well as other significant disruptions of information technology networks and related systems."

ITEM 2. PROPERTIES

The information set forth under the caption "Our Properties" in Item 1 of this Annual Report on Form 10-K is incorporated by reference herein.

ITEM 3. LEGAL PROCEEDINGS

We are not involved in any pending legal proceeding or litigation, and, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject, which would reasonably be likely to have a material adverse effect on our financial condition or results of operations. From time to time, we may become involved in litigation relating to claims arising out of our operations in the normal course of business. There can be no assurance that these matters that arise in the future, individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations in any future period.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

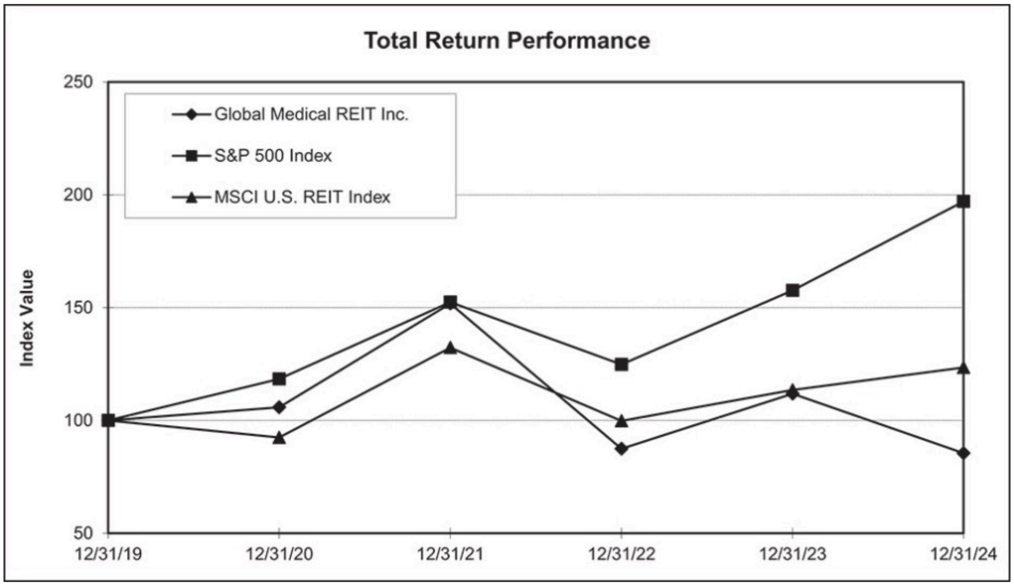
Our common stock is quoted on the New York Stock Exchange under the ticker symbol "GMRE."

The Company declared and paid a dividend of $0.21 per share of common stock with respect to each quarter within the fiscal years ended December 31, 2024 and 2023. The declaration and payment of quarterly dividends remains subject to the review and approval of the Board, see "Risk Factors — *Subject to certain requirements under Maryland law and REIT requirements, the Board has sole discretion to determine if we will pay distributions and the amount and frequency of such distributions, and past distribution amounts may not be indicative of future distribution amounts.*"

Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under Section 18, and shall not be deemed to be incorporated by reference into any filing of Global Medical REIT Inc. under the Securities Act or the Exchange Act.

The graph below compares the cumulative total return of our common stock, the S&P 500 Index, and the MSCI U.S. REIT Index from December 31, 2019 through December 31, 2024. The comparison assumes $100 was invested on December 31, 2019 in our common stock and in each of the foregoing indices and assumes reinvestment of dividends, as applicable. The MSCI U.S. REIT Index consists of equity REITs that are included in the MSCI US Investable Market 2500 Index, except for specialty equity REITS that do not generate a majority of their revenue and income from real estate rental and leasing operations. We have included the MSCI U.S. REIT Index because we believe that it is representative of the industry in which we compete and is relevant to an assessment of our performance.



	Period Ending					
Index	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
Global Medical REIT Inc.	$ 100.00	$ 105.76	$ 151.78	$ 87.45	$ 111.86	$ 85.50
S&P 500 Index	$ 100.00	$ 118.40	$ 152.39	$ 124.79	$ 157.59	$ 197.02
MSCI U.S. REIT Index	$ 100.00	$ 92.43	$ 132.23	$ 99.82	$ 113.54	$ 123.47

As of February 26, 2025, there were 32 record holders, and 66,871,228 shares of common stock issued and outstanding. A substantially greater number of holders of our common stock are "street name" or beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions. As of December 31, 2024 and 2023, there were 66,871,228 and 65,564,943 outstanding shares of common stock, respectively.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements, including the notes to those financial statements, included elsewhere in this Report. Some of the statements we make in this section are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this Report entitled "Special Note Regarding Forward-Looking Statements." Certain risk factors may cause actual results, performance, or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see the section in this Report entitled "Risk Factors." Unless otherwise indicated, all dollar and share amounts in the following discussion are presented in thousands.

Objective of MD&A

Management's Discussion and Analysis ("MD&A") is a narrative explanation of the financial statements and other statistical data that we believe will enhance a reader's understanding of our financial condition, changes in financial condition and results of operations.

The objectives of MD&A are:

a. To provide a narrative explanation of our financial statements that enables investors to see the Company from management's perspective;
b. To enhance the overall financial disclosure and provide the context within which financial information should be analyzed; and
c. To provide information about the quality of, and potential variability of, our earnings and cash flow so that investors can ascertain the likelihood that past performance is indicative of future performance.

Overview

Global Medical REIT Inc. (the "Company," "us," "we," or "our") is a Maryland corporation and internally managed REIT that acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems. We hold our facilities and conduct our operations through a Delaware limited partnership subsidiary, Global Medical REIT L.P. (the "Operating Partnership"). Our wholly owned subsidiary, Global Medical REIT GP LLC, is the sole general partner of our Operating Partnership and, as of December 31, 2024, we owned 92.6% of the outstanding common operating partnership units ("OP Units") of our Operating Partnership, with an aggregate of 7.4% of the Operating Partnership owned by holders of long-term incentive plan units ("LTIP Units") and third-party limited partners who contributed properties or services to the Operating Partnership in exchange for OP Units.

Our revenues are derived from the rental and operating expense reimbursement payments we receive from our tenants, and most of our leases are medium to long-term triple net leases with contractual rent escalation provisions. Our primary expenses are depreciation, interest, and general and administrative expenses. We finance our acquisitions with a mixture of debt and equity primarily from our cash from operations, borrowings under our Second Amended and Restated Credit Facility (the "Credit Facility"), and stock issuances.

2024 Executive Summary

The following tables summarize the primary changes in our business and operations during the years presented.

	Year Ended December 31,			
	2024		2023	
	(in thousands, except per share and unit amounts)			
Rental revenue	$	138,410	$	140,934
Depreciation and amortization expense	$	55,359	$	58,135
Interest expense	$	28,689	$	30,893
General and administrative expense	$	21,123	$	16,853
Gain on sale of investment properties	$	4,205	$	15,560
Net income attributable to common stockholders per share	$	0.01	$	0.23
FFO attributable to common stockholders and noncontrolling interest per share and unit[1]	$	0.75	$	0.83
AFFO attributable to common stockholders and noncontrolling interest per share and unit[1]	$	0.89	$	0.91
Dividends per share of common stock	$	0.84	$	0.84
Weighted average common stock outstanding		65,936		65,550
Weighted average OP Units outstanding		2,244		2,077
Weighted average LTIP Units outstanding		3,140		2,751
Total weighted average shares and units outstanding		71,320		70,378

(1) See "—Non-GAAP Financial Measures," for a description of our non-GAAP financial measures and a reconciliation of our non-GAAP financial measures.

	As of			
	December 31, 2024		December 31, 2023	
	(dollars in thousands)			
Investment in real estate, gross	$	1,450,916	$	1,426,969
Total debt, net	$	646,131	$	611,232
Weighted average interest rate		3.75 %		3.83 %
Total equity (including noncontrolling interest)	$	555,916	$	605,814
Net leasable square feet		4,756,108		4,748,626

Our Properties

As of December 31, 2024, our portfolio consisted of gross investment in real estate of $1.5 billion, with an aggregate of 4.8 million leasable square feet and an aggregate $110 million of annualized base rent.

Completed Acquisitions

During the year ended December 31, 2024 we completed the acquisition of a 15-property portfolio of outpatient medical real estate. In aggregate the portfolio had a purchase price of $80.3 million with 254,220 leasable square feet and annualized base rent of $6.4 million.

Properties Under Contract to Acquire and Acquisitions Completed Subsequent to December 31, 2024

In October 2024, we entered into a purchase agreement to acquire a five-property portfolio (the "five-property portfolio") of medical real estate for an aggregate purchase price of $69.6 million. In February 2025, we completed the acquisition of three properties in the five-property portfolio encompassing an aggregate of 188,874 leasable square feet for an aggregate purchase price of $31.5 million with aggregate annualized base rent of $2.8 million. We expect to complete the acquisition of the remaining two properties in the five-property portfolio, with an aggregate purchase price of $38.1 million, during the second quarter of 2025. The Company’s obligation to close the acquisition of the remaining two properties in the five-property portfolio is subject to certain customary terms and conditions, including due diligence reviews. Accordingly, there is no assurance that we will close this acquisition on the terms described above, or at all.

Completed Property Dispositions

During the year ended December 31, 2024, we completed seven dispositions that generated aggregate gross proceeds of $60.7 million, resulting in an aggregate gain of $4.2 million. Of the $60.7 million of gross disposition proceeds in 2024, $35.2 million were related to the sale of two properties to a joint venture between us and Heitman (the “Joint Venture”), whereby Heitman maintains an 87.5% equity investment and we maintain a 12.5% equity investment in the Joint Venture.

Impairment of Investment Property

During the year ended December 31, 2024, we recognized an impairment loss of $1.7 million related to our Derby, Kansas facility.

Capital Raising Activity

In January 2024, the Company and the Operating Partnership implemented a $300 million “at-the-market” equity offering program, pursuant to which we may offer and sell (including through forward sales), from time to time, shares of our common stock (the “2024 ATM Program”).

During the year ended December 31, 2024, we generated gross proceeds of $12.0 million through ATM equity issuances of 1.2 million shares of our common stock at an average offering price of $9.95 per share.

Debt Activity

During the year ended December 31, 2024, we borrowed $143.8 million under our Credit Facility and repaid $99.6 million, for a net amount borrowed of $44.2 million. As of December 31, 2024, the net outstanding Credit Facility balance was $631.7 million and as of February 26, 2025, we had unutilized borrowing capacity under the Credit Facility of $219.4 million.

Joint Venture

In December 2024, we entered into the Joint Venture with Heitman, a real estate investment firm with over $48 billion of assets under management. Pursuant to the Joint Venture operating agreement, we maintain a 12.5% investment in the Joint Venture and also serve as its managing member and Heitman maintains an 87.5% investment. Most economic decisions related to the Joint Venture are determined by the majority vote of an executive committee that consists of three members representing Heitman and two members representing our Company. As the managing member, we source new investments for the Joint Venture, manage the day-to-day activities of the Joint Venture and its assets, earn fees as compensation for such services, and are entitled to reimbursement of certain expenses we incur in the performance of such services. Pursuant to the terms of the Joint Venture operating agreement, we have the right to purchase investment opportunities for the Company before offering such opportunities to the Joint Venture.

In connection with the formation of the Joint Venture, we sold two of our assets to the Joint Venture (the “Seed Portfolio”) receiving gross proceeds of $35.2 million. We used $2.1 million of the sale proceeds from the Seed Portfolio to finance our initial 12.5%

capital investment in the Joint Venture. In connection with the acquisition of the Seed Portfolio, the Joint Venture entered into a mortgage loan with a principal amount of $17.6 million.

Recent Developments

CEO Succession Plan

On January 8, 2025, the Company and Jeffrey Busch, Chairman of the Board and Chief Executive Officer, reached an agreement regarding Mr. Busch's transition from service as the Company's Chief Executive Officer and anticipated continuation as a member of the Company's Board. Pursuant to a Transition and Separation Agreement and General Release of Claims dated as of January 8, 2025 (the "Separation Agreement"), Mr. Busch, the Company and Inter-American Management LLC ("Inter-American") agreed that Mr. Busch's employment, and service as Chief Executive Officer and President of the Company and Inter-American, would end no later than the first to occur of (i) the date that a successor to the position of Chief Executive Officer who has been appointed in accordance with the Board's approved succession process begins employment, or (ii) June 30, 2025 (such date that is the first to occur, the "Succession Date"). The Board has directed the Nominating and Corporate Governance Committee of the Board to conduct a comprehensive search process to identify a new Chief Executive Officer with the assistance of an executive search firm. Mr. Busch intends to stand for re-election as a director at the Company's 2025 annual meeting of stockholders, and it is expected that he will continue to serve as non-executive Chairman of the Board following the Succession Date. Mr. Busch's departure is not the result of any disagreement with the Company on any matter relating to its operations, policies, or practices.

Pursuant to the Separation Agreement, and in consideration for Mr. Busch (i) assisting with the transition to the new Chief Executive Officer and continuing in employment through the Succession Date, (ii) executing, and not revoking, releases of claims in favor of the Company, and (iii) otherwise satisfying the terms of the Separation Agreement, Mr. Busch will receive separation benefits to which he is entitled under that certain Employment Agreement between Mr. Busch and the Company effective as of July 9, 2020 and later amended by that certain letter agreement dated January 27, 2021 following his cessation of employment.

For the year ended December 31, 2024 the Company accrued $3.2 million for cash severance related costs included in the "Accounts Payable and Accrued Expenses" line item on the Company's Consolidated Balance Sheets with the expense included in the "General and Administrative Expense" line item on the Company's Consolidated Statements of Operations.

Chapter 11 Bankruptcy Filing of Prospect Medical Group

On January 11, 2025, our tenant, Prospect Medical Group ("Prospect"), filed for Chapter 11 bankruptcy reorganization. As of January 11, 2025, Prospect owed us approximately $2.4 million related to leases at three of our healthcare facilities, including $2.2 million related to our facility in East Orange, New Jersey. As of February 26, 2025, Prospect had not yet decided if it was going to accept or reject its leases with us. If Prospect rejects any of its leases with us, we would have a general unsecured claim with respect to amounts owed under any rejected lease.

Trends Which May Influence Our Results of Operations

We believe the following trends may positively impact our results of operations:

- *An aging population*. According to the 2020 U.S. Census, the nation's 65-and-older population has grown rapidly since 2010, driven by the aging of Baby Boomers born between 1946 and 1964. The 65-and-older population grew by over a third during the past decade, and by 3.2% from 2018 to 2019. We believe this segment of the U.S. population will utilize many of the services provided at our healthcare facilities such as orthopedics, cardiac, gastroenterology and rehabilitation.

- *A continuing shift towards outpatient care*. According to the American Hospital Association, patients are demanding more outpatient operations. We believe this shift in patient preference from inpatient to outpatient facilities will benefit our tenants as most of our properties consist of outpatient facilities.

- *Physician practice group and hospital consolidation*. We believe the trend towards physician group consolidation will serve to strengthen the credit quality of our tenants if our tenants merge or are consolidated with larger health systems.

We believe the following trends may negatively impact our results of operations:

- *Longer-Term Interest rates remain at elevated levels.* During 2024 the U.S. Federal Reserve (the "Fed") began lowering the Federal Funds Rate after many quarters of increasing the target range for the rate to combat inflation. Beginning in September 2024 through December 2024, the Federal Funds Rate dropped from a range of 5.25% – 5.50% to 4.25% - 4.50%. However, U.S. Treasury yields and Secured Overnight Financing Rate ("SOFR") swap rates have not responded in kind with 10-Year U.S. Treasury yields increasing from 3.79% at September 30, 2024 to 4.57% at December 31, 2024 and the five-year forward SOFR swap rates increasing from 3.21% to 3.97%, respectively, during the same period. The difference between the changes in the Federal Funds Rate and U.S. Treasury yields and forward SOFR swap rates reflect market expectations of increased inflationary pressures in the coming months and years. Consequently, the Fed may maintain an elevated Federal Funds Rate, or determine to raise the Federal Funds Rate again, during 2025 and beyond if inflation begins to rise.

  Continued elevated interest rates have contributed to a continued lull in the common stock prices of many REITs, including the price of the Company's common stock. A continued low stock price and elevated interest rates have caused the Company's cost of capital to remain elevated, which, in turn, has significantly reduced the ability to acquire assets that meet the Company's investment requirements.

- *Healthcare Wage Inflation*. The COVID-19 epidemic affected the healthcare industry in many ways. Many stories exist about U.S. healthcare workers, especially nurses, experiencing burnout due to the length and severity of the epidemic, and this has caused many nurses and other medical professionals to switch jobs within the medical profession or quit their professions altogether. This phenomenon has led to material increases in labor costs for healthcare systems, especially hospital systems, as some employers have had to rely on higher cost contract nursing labor to sustain their businesses. Although reliance on contract nursing and overall healthcare wage inflation moderated during 2024, the overall increase in healthcare labor costs remains. Whether enhanced technology and cost-saving measures and increased reimbursements from payors will help offset these costs remains to be seen.

- *Changes in third party reimbursement methods and policies*. The price of healthcare services has been increasing, and, as a result, we believe that third-party payors, such as Medicare and commercial insurance companies, will continue to scrutinize and reduce the types of healthcare services eligible for, and the amounts of, reimbursement under their health insurance plans. Additionally, many employer-based insurance plans continue to increase the percentage of insurance premiums for which covered individuals are responsible, which makes healthcare services more expensive for individuals. These trends were exacerbated by the COVID-19 epidemic, as medical expenditures increased significantly during the epidemic and have not yet returned to pre-COVID-19 levels. If these trends continue, our tenants' businesses will continue to be negatively affected, which may impact their ability to pay rent to us.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires our management to use judgment in the application of accounting policies, including making estimates and assumptions. We base estimates on the best information available to us at the time, our experience and on various other assumptions believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in a different presentation of our financial statements. From time-to-time, we re-evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain.

For a more detailed discussion of our significant accounting policies, see Note 2 – "Summary of Significant Accounting Policies" in the footnotes to the accompanying consolidated financial statements. Below is a discussion of accounting policies that we consider critical in that it may require complex judgment in its application or require estimates about matters that are inherently uncertain.

We consider our critical accounting estimates to be those used in the determination of the reported amounts and disclosure related to the following:

- Investment in Real Estate
- Impairment of Long-Lived Assets
- Revenue Recognition

Investment in Real Estate

All of our facility acquisitions for the years ended December 31, 2024 and 2023 were accounted for as asset acquisitions because substantially all of the fair value of the gross assets that we acquired were concentrated in a single asset or group of similar identifiable assets. Accordingly, the purchase prices of acquired tangible and intangible assets and liabilities were recorded and allocated at fair value on a relative basis. The recorded allocations are based on estimated cash flow projections of the properties acquired, which incorporates discount, capitalization and interest rates as well as available comparable market information. We use considerable judgement in our estimates of cash flow projections, discount, capitalization and interest rates, fair market lease rates, carrying costs during hypothetical expected lease-up periods, and costs to execute similar leases.

While our methodology for purchase price allocations did not change during the year ended December 31, 2024, the real estate market is fluid and our assumptions are based on information currently available in the market at the time of acquisition. Significant increases or decreases in these key estimates, particularly with regards to cash flow projections and discount and capitalization rates, would result in a significantly lower or higher fair value allocated to acquired tangible and intangible assets and liabilities.

In the case of the fair value of buildings and fair value of land and certain other intangibles, our estimates of the values of these components will affect the amount of depreciation or amortization we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the fair value of above-market or below-market lease intangibles, our estimates of the values of these components will affect the amount of rental revenue we record as these values are amortized as a reduction of or an addition to rental income over the estimated remaining term of the respective leases.

Impairment of Long-Lived Assets

We review our real estate assets on an asset group basis for impairment. We identify an asset group based on the lowest level of identifiable cash flows. In the impairment analysis we must determine whether there are indicators of impairment. For operating properties, these indicators could include a reduction in our estimated hold period, a significant decline in a property's leasing percentage, a current period operating loss or negative cash flows combined with a history of losses at the property, a significant decline in lease rates for that property or others in the property's market, a significant change in the market value of the property, or an adverse change in the financial condition of significant tenants.

If we determine that an asset has indicators of impairment, we must determine whether the undiscounted cash flows associated with the asset exceed the carrying amount of the asset. In calculating the undiscounted net cash flows of an asset, we use considerable judgement to estimate a number of inputs. We must estimate future rental rates, future capital expenditures, future operating expenses, and market capitalization rates for residual values, among other things. In addition, if there are alternative strategies for the future use of the asset, we assess the probability of each alternative strategy and perform a probability-weighted undiscounted cash flow analysis to assess the recoverability of the asset.

In determining the fair value of an asset, we exercise considerable judgment on a number of factors. We may determine fair value by using a discounted cash flow calculation or by utilizing comparable market information. We use judgement to determine an appropriate discount rate to apply to the cash flows in the discounted cash flow calculation. We also use judgment in analyzing comparable market information because no two real estate assets are identical in location and price.

The estimates and judgments used in the impairment process are highly subjective and susceptible to frequent change. Significant increases or decreases in any of these inputs, particularly with regards to cash flow projections and discount and capitalization rates, would result in a significantly lower or higher fair value measurement of the real estate assets being assessed. Additionally, changes in economic and operating conditions, including changes in the financial condition of our tenants, and changes to our intent and ability to hold the related asset, that occur subsequent to our impairment assessment could impact the assumptions used in that assessment and could result in future charges to earnings if assumptions regarding those investments differ from actual results.

Revenue Recognition

Our operations primarily consist of rental revenue earned from tenants under leasing arrangements which provide for minimum rent and escalations. Management exercises considerable judgment in the rental property revenue recognition process including the treatment of the contractual rental stream and the determination of its collectability.

Our leases have been accounted for as operating leases. For operating leases with contingent rental escalators, revenue is recorded based on the contractual cash rental payments due during the period. Revenue from leases with fixed annual rental escalators are recognized on a straight-line basis over the initial lease term, when we believe substantially all lease income, including the related straight-line receivable, is probable of collection.

We monitor the liquidity and creditworthiness of our tenants and operators and exercise considerable judgement in assessing the probability of collection. Our assessment of collectability incorporates available operational performance measures such as sales and the aging of billed amounts as well as other publicly available information with respect to our tenant's financial condition, liquidity and capital resources, including declines in such conditions. In the event that we determine receivables are not probable of collection, lease income will be recorded on a cash basis, with the corresponding tenant receivable and straight-line rent receivable charged as a direct write-off against rental revenue in the period of the change in our collectability determination. If management's assumptions regarding the collectability of lease-related receivables prove incorrect, we could experience decreases in rental revenue, including decreases in excess of any amounts initially recognized.

Consolidated Results of Operations

For a discussion related to our results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 28, 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

	Year Ended December 31,		
	2024	2023	$ Change
	(in thousands)		
Revenue			
Rental revenue	$ 138,410	$ 140,934	$ (2,524)
Other income	370	115	255
Total revenue	138,780	141,049	(2,269)
Expenses			
General and administrative	21,123	16,853	4,270
Operating expenses	29,251	28,082	1,169
Depreciation expense	40,427	41,266	(839)
Amortization expense	14,932	16,869	(1,937)
Interest expense	28,689	30,893	(2,204)
Transaction expense	155	44	111
Total expenses	134,577	134,007	570
Income before other income (expense)	4,203	7,042	(2,839)
Gain on sale of investment properties	4,205	15,560	(11,355)
Impairment of investment property	(1,696)	—	(1,696)
Equity loss from unconsolidated joint venture	(20)	—	(20)
Loss on extinguishment of debt	—	(868)	868
Net income	$ 6,692	$ 21,734	$ (15,042)

Revenue

Total Revenue

Total revenue for the year ended December 31, 2024 was $138.8 million, compared to $141.0 million for the same period in 2023, a decrease of $2.2 million. The decrease primarily resulted from the full year impact of three property dispositions that were completed during the year ended December 31, 2023 and the impact from seven property dispositions that were completed during the year ended December 31, 2024, partially offset by the impact of 15 properties that were acquired in 2024. Within that decrease, $19.4 million in revenue was recognized from net lease expense recoveries during the year ended December 31, 2024, compared to $19.5 million for the same period in 2023.

Expenses

General and Administrative

General and administrative expenses for the year ended December 31, 2024 were $21.1 million, compared to $16.9 million for the same period in 2023, an increase of $4.2 million. The increase primarily resulted from $3.2 million that was expensed in 2024 related to cash severance costs owed to Mr. Jeffery Busch, our Chairman and Chief Executive Officer, pursuant to the Transition and Separation Agreement and General Release of Claims, dated January 8, 2025, by and among the Company, Inter-American Management LLC and Mr. Busch, and an increase in non-cash LTIP compensation expense, which was $5.1 million for the year ended December 31, 2024, compared to $4.2 million for the same period in 2023.

Operating Expenses

Operating expenses for the year ended December 31, 2024 were $29.3 million, compared with $28.1 million for the same period in 2023, an increase of $1.2 million. While the increase compared to 2023 was not significant, the increase relative to revenue reflects the impact of tenants placed on cash basis accounting in the fourth quarter of 2023 and the second quarter of 2024, partially offset by a net reduction in costs at other properties. Included in these amounts were $19.4 million of recoverable property operating expenses incurred during the year ended December 31, 2024, compared to $19.5 million for the same period in 2023. In addition, our operating expenses included $5.7 million of non-recoverable property operating expenses from gross leases for the year ended December 31, 2024, compared to $5.9 million for the same period in 2023.

Depreciation Expense

Depreciation expense for the year ended December 31, 2024 was $40.4 million, compared to $41.3 million for the same period in 2023, a decrease of $0.9 million. The decrease primarily resulted from the full year impact of three property dispositions that were completed during the year ended December 31, 2023 and the impact from seven property dispositions that were completed during the year ended December 31, 2024, partially offset by the impact of 15 properties that were acquired in 2024.

Amortization Expense

Amortization expense for the year ended December 31, 2024 was $14.9 million, compared to $16.9 million for the same period in 2023, a decrease of $2.0 million. The decrease primarily resulted from the full year impact of three property dispositions that were completed during the year ended December 31, 2023 and the impact from seven property dispositions that were completed during the year ended December 31, 2024, partially offset by the impact of 15 properties that were acquired in 2024.

Interest Expense

Interest expense for the year ended December 31, 2024 was $28.7 million, compared to $30.9 million for the same period in 2023, a decrease of $2.2 million. This decrease was due to lower interest rates and lower average borrowings during the year ended December 31, 2024, compared to the same period in 2023.

The weighted average interest rate of our debt for the year ended December 31, 2024 was 3.94% compared to 4.12% in 2023. Additionally, the weighted average interest rate and term of our debt was 3.75% and 2.0 years, respectively, at December 31, 2024.

Income Before Other Income (Expense)

Income before other income (expense) for the year ended December 31, 2024 was $4.2 million, compared to $7.0 million for the same period in 2023, a decrease of $2.8 million.

Gain on Sale of Investment Properties

During the year ended December 31, 2024, we completed seven dispositions resulting in an aggregate gain of $4.2 million. During the year ended December 31, 2023, we completed three dispositions resulting in an aggregate gain of $15.6 million.

Impairment of Investment Property

In December 2024, we entered into an agreement to sell our facility located in Derby, Kansas. We recognized an impairment loss of $1.7 million during the fourth quarter of 2024 to reduce the carrying value of the asset to its fair value, which was determined to be the contractual sales price less commissions and fees. The sale of this facility was completed in February 2025.

Equity Loss from Unconsolidated Joint Venture

During the year ended December 31, 2024, we recognized a loss from the unconsolidated Joint Venture of $20 thousand, which represented our 12.5% ownership interest in the net loss of the Joint Venture from December 20, 2024, when the Joint Venture was formed, through December 31, 2024.

Loss on Extinguishment of Debt

In December 2023, we completed the defeasance of a CMBS loan resulting in a loss on extinguishment of debt of $0.9 million.

Net Income

Net income for the year ended December 31, 2024 was $6.7 million compared to $21.7 million for the same period in 2023, a decrease of $15.0 million.

Assets and Liabilities

As of December 31, 2024 and 2023, our principal assets consisted of investments in real estate, net, of $1.2 billion. We completed the acquisition of a 15-property portfolio and completed seven disposition transactions during the year ended December 31, 2024. Our liquid assets consisted primarily of cash and cash equivalents and restricted cash of $8.9 million and $6.7 million, as of December 31, 2024 and 2023, respectively.

The increase in our cash and cash equivalents and restricted cash balances to $8.9 million as of December 31, 2024, compared to $6.7 million as of December 31, 2023, was primarily due to net cash provided by operating activities, net proceeds received from the sale of investment properties, net borrowings on our Credit Facility, and net proceeds received from ATM equity issuances, partially offset by funds used to acquire investment properties, the payment of dividends to our common and preferred stockholders and holders of OP Units and LTIP Units, funds used for capital expenditures on existing real estate investments and leasing commissions, the repayment of notes payable, and funds we invested in an unconsolidated joint venture.

The increase in our total liabilities to $700.6 million as of December 31, 2024 compared to $662.0 million as of December 31, 2023, was primarily the result of higher net borrowings outstanding on our Credit Facility, partially offset by a lower notes payable balance outstanding.

Liquidity and Capital Resources

General

Our short-term (up to 12 months) liquidity requirements include:

- Interest expense and scheduled principal payments on outstanding indebtedness;
- General and administrative expenses;
- Property operating expenses;
- Property acquisitions;
- Distributions on our common and preferred stock and OP Units and LTIP Units; and
- Capital and tenant improvements and leasing costs.

In 2025, we are contractually obligated to pay, or have capital commitments for, approximately (i) $37.5 million of principal and interest payments on our outstanding debt, and (ii) $0.7 million in ground and operating lease expenses. In addition, if we decide to redeem our preferred stock, we would have to pay the liquidation preference of $77.6 million plus accrued dividends, fees and expenses.

Our long-term (beyond 12 months) liquidity requirements consist primarily of funds necessary to pay for acquisitions, capital and tenant improvements at our properties, scheduled debt maturities, general and administrative expenses, operating expenses, and distributions. Beyond 2025, we are contractually obligated to pay, or have capital commitments for, approximately (i) $666.5 million of principal and interest payments on our outstanding debt, and (ii) $12.0 million in ground and operating lease expenses.

We expect to satisfy our short and long-term liquidity needs through various internal and external sources, including cash flow from operations, debt financing, sales of additional equity securities, the issuance of OP Units in connection with acquisitions of additional properties, proceeds from select property dispositions and recapitalization transactions.

As of December 31, 2024, the Company had aggregate capital improvement commitments and obligations to improve, expand, and maintain the Company's existing facilities of approximately $24.5 million. Many of these amounts are subject to contingencies that make it difficult to predict when they will be utilized, if at all. In accordance with the terms of the Company's existing and proposed leases, capital improvement obligations in the next 12 months are expected to total approximately $12.9 million.

Internal Sources of Liquidity

Our primary internal sources of liquidity include cash flow from operations and proceeds from select property dispositions and recapitalization transactions.

External Sources of Liquidity

Our primary external sources of liquidity include net proceeds received from equity issuances, including the issuance of OP Units in connection with acquisitions of additional properties, and debt financing, including borrowings under our Credit Facility and secured term loans.

Equity Issuances

In January 2024, the Company and the Operating Partnership implemented the 2024 ATM Program, pursuant to which we may offer and sell (including through forward sales), from time to time, shares of our common stock.

During the year ended December 31, 2024, we generated gross proceeds of $12.0 million through ATM equity issuances of 1.2 million shares of our common stock at an average offering price of $9.95 per share.

***Debt Financing**.*

Credit Facility. Our Credit Facility consists of (i) the $350 million Term Loan A, (ii) the $150 million Term Loan B, and (iii) the $400 million Revolver. The Credit Facility also contains a $500 million accordion feature. As of February 26, 2025, we had unutilized borrowing capacity under the Credit Facility of $219.4 million.

The Credit Facility is an unsecured facility with a term of (i) four years (beginning on August 1, 2022) for the Revolver (subject to two, six-month extension options), (ii) five years for Term Loan A (beginning on its origination date of May 3, 2021), and (iii) five years and six months (beginning on August 1, 2022) for Term Loan B.

We are subject to a number of financial covenants under the Credit Facility, including, among other things, the following as of the end of each fiscal quarter, (i) a maximum consolidated unsecured leverage ratio of less than 60%, (ii) a maximum consolidated secured leverage ratio of less than 30%, (iii) a maximum consolidated secured recourse leverage ratio of less than 10%, (iv) a minimum fixed charge coverage ratio of 1.50:1.00, (v) a minimum unsecured interest coverage ratio of 1.50:1.00, (vi) a maximum consolidated leverage ratio of less than 60%, and (vii) a minimum net worth of $573 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2022. As of December 31, 2024, management believed it complied with all of the financial and non-financial covenants contained in the Credit Facility.

Other Fixed Debt. We have $14.4 million in gross notes payable as of December 31, 2024, which is comprised of two instruments.

Hedging Instruments. As of December 31, 2024, *w*e had nine interest rate swaps that are used to manage our interest rate risk. Five of our interest rate swaps related to Term Loan A with a combined notional value of $350 million that fix the SOFR component on Term Loan A through April 2026 at 1.36%. Four of our interest rate swaps related to Term Loan B with a combined notional value of $150 million that fix the SOFR component on Term Loan B through January 2028 at 2.54%.

Total Fixed Debt. Our fixed debt totaled $514.4 million on a gross basis at December 31, 2024, with a weighted average interest rate of 3.18% based on our interest rate swaps at current leverage. The weighted average maturity of our fixed debt was 1.9 years at December 31, 2024.

Cash Flow Information

Net cash provided by operating activities for the year ended December 31, 2024 was $70.0 million, compared to $68.4 million for the same period in 2023. During the 2024 year there was a lower aggregate gain on the sale of investment properties, an impairment loss on an investment property, increases in accounts payable and accrued expenses and other assets and liabilities, and an increase in non-cash LTIP compensation expense, partially offset by lower net income, lower non-cash depreciation and amortization expenses, and a higher tenant receivables balance.

Net cash used in investing activities for the year ended December 31, 2024 was $45.9 million, compared to net cash provided by investing activities of $67.6 million for the same period in 2023. During the 2024 year we used more funds to acquire investment properties, we received less net proceeds from the sale of investment properties, more funds were used for capital expenditures on existing real estate investments and leasing commissions, and we invested funds in an unconsolidated joint venture.

Net cash used in financing activities for the year ended December 31, 2024 was $21.9 million, compared to $143.8 million for the same period in 2023. During the 2024 year, dividends paid to common and preferred stockholders as well as holders of OP Units and LTIP Units and the repayment of our notes payable were partially offset by net borrowings on our Credit Facility and net proceeds received from ATM equity issuances.

Off Balance Sheet Arrangements

We own an interest in an unconsolidated joint venture as described in Note 2 – "Summary of Significant Accounting Policies" in the footnotes to the Consolidated Financial Statements. The joint venture has mortgage debt of $17.6 million, of which our share is $2.2 million. Except in limited circumstances, our risk of loss is limited to our investment in the applicable joint venture. We have no other material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

Non-GAAP Financial Measures

Management considers certain non-GAAP financial measures to be useful supplemental measures of the Company's operating performance. 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. Set forth below are descriptions of the non-GAAP financial measures management considers relevant to the Company's business and useful to investors, as well as reconciliations of those measures to the most directly comparable GAAP financial measure.

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 in the Consolidated Financial Statements and other financial data included elsewhere in this Annual Report on Form 10-K.

Funds from Operations and Adjusted Funds from Operations

Funds from operations ("FFO") and adjusted funds from operations ("AFFO") are non-GAAP financial measures within the meaning of the rules of the 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, property impairment losses, 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 recurring acquisition and disposition costs, loss on the extinguishment of debt, recurring straight line deferred rental revenue, recurring stock-based compensation expense, recurring amortization of above and below market leases, recurring amortization of debt issuance costs, severance and transition related expense, and 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.

A reconciliation of FFO and AFFO for the years ended December 31, 2024, 2023, and 2022 is as follows:

	Year Ended December 31,		
	2024	2023	2022
	(unaudited, in thousands except per share and unit amounts)		
Net income	**$ 6,692**	**$ 21,734**	**$ 19,996**
Less: Preferred stock dividends	(5,822)	(5,822)	(5,822)
Depreciation and amortization expense	55,226	58,007	56,611
Gain on sale of investment properties	(4,205)	(15,560)	(6,753)
Impairment of investment property	1,696	—	—
Equity loss from unconsolidated joint venture	20	—	—
FFO attributable to common stockholders and noncontrolling interest	**$ 53,607**	**$ 58,359**	**$ 64,032**
Loss on extinguishment of debt	—	868	—
Amortization of above market leases, net	1,171	1,052	1,027
Straight line deferred rental revenue	(2,091)	(2,636)	(4,251)
Stock-based compensation expense	5,102	4,242	4,681
Amortization of debt issuance costs and other	2,243	2,376	2,201
Severance and transition related expense	3,176	—	—
Transaction expense	155	44	354
AFFO attributable to common stockholders and noncontrolling interest	**$ 63,363**	**$ 64,305**	**$ 68,044**
Net income attributable to common stockholders per share – basic and diluted	**$ 0.01**	**$ 0.23**	**$ 0.20**
FFO attributable to common stockholders and noncontrolling interest per share and unit	**$ 0.75**	**$ 0.83**	**$ 0.92**
AFFO attributable to common stockholders and noncontrolling interest per share and unit	**$ 0.89**	**$ 0.91**	**$ 0.98**
Weighted Average Shares and Units Outstanding – basic and diluted	71,320	70,378	69,662
Weighted Average Shares and Units Outstanding:			
Weighted Average Common Shares	65,936	65,550	65,462
Weighted Average OP Units	2,244	2,077	1,669
Weighted Average LTIP Units	3,140	2,751	2,531
Weighted Average Shares and Units Outstanding – basic and diluted	71,320	70,378	69,662

Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate (EBITDAre) and Adjusted EBITDAre

The Company calculates EBITDA*re* in accordance with standards established by NAREIT and defines 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, property impairment losses, and adjustments for unconsolidated partnerships and joint ventures, as applicable. The Company defines Adjusted EBITDA*re* as EBITDA*re* plus loss on extinguishment of debt, non-cash stock compensation expense, non-cash intangible amortization related to above and below market leases, severance and transition related expense, transaction 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.

A reconciliation of net income to EBITDA*re* and Adjusted EBITDA*re* for the years ended December 31, 2024, 2023, and 2022 is as follows:

	Year Ended December 31,		
	2024	2023	2022
	(unaudited and in thousands)		
Net income	**$ 6,692**	**$ 21,734**	**$ 19,996**
Interest expense	28,689	30,893	25,230
Depreciation and amortization expense	55,359	58,135	56,723
Gain on sale of investment properties	(4,205)	(15,560)	(6,753)
Impairment of investment property	1,696	—	—
Equity loss from unconsolidated joint venture	20	—	—
EBITDA*re*	**$ 88,251**	**$ 95,202**	**$ 95,196**
Loss on extinguishment of debt	—	868	—
Stock-based compensation expense	5,102	4,242	4,681
Amortization of above market leases, net	1,171	1,052	1,027
Severance and transition related expense	3,176	—	—
Transaction expense	155	44	354
Adjusted EBITDA*re*	**$ 97,855**	**$ 101,408**	**$ 101,258**

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business and investment objectives, we expect that the primary market risk to which we will be exposed is interest rate risk.

We may be exposed to the effects of interest rate changes primarily as a result of debt used to acquire healthcare facilities, including borrowings under the Credit Facility. The analysis below presents the sensitivity of the value of our variable rate financial obligations to selected changes in market interest rates. The range of changes chosen reflects our view of changes which are reasonably possible over a one-year period.

As of December 31, 2024, we had $136.6 million of unhedged borrowings outstanding under the Revolver (before the netting of unamortized debt issuance costs) that bears interest at a variable rate. See "Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources" for a detailed discussion of our Credit Facility. At December 31, 2024, SOFR on our outstanding floating-rate borrowings was 4.34%. Assuming no increase in the amount of our variable interest rate debt, if SOFR increased 100 basis points, our cash flow would decrease by approximately $1.4 million annually. Assuming no increase in the amount of our variable rate debt, if SOFR were reduced 100 basis points, our cash flow would increase by approximately $1.4 million annually.

As of December 31, 2023, our exposure to interest rate risk was not materially different from our exposure as of December 31, 2024.

Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we may borrow at fixed rates or floating rates. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Hedging Instruments*," for a description of our interest rate swaps.

We may enter into additional derivative financial instruments, including interest rate swaps and caps, in order to mitigate our interest rate risk on our future borrowings. We will not enter into derivative transactions for speculative purposes.

In addition to changes in interest rates, the value of our investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants/operators and borrowers, which may affect our ability to refinance our debt if necessary.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Global Medical REIT Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Global Medical REIT Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Real Estate Assets — *Determination of Impairment Indicators — Refer to Note 2 to the financial statements*

Critical Audit Matter Description

The Company’s evaluation of real estate assets for impairment involves an initial assessment of each real estate asset to determine whether events or changes in circumstances exist that may indicate that the carrying amounts of real estate assets are no longer recoverable. Possible indications of impairment may include events or changes in circumstances affecting occupancy, market rental rates, estimated hold periods and physical condition. When events or changes in circumstances exist, the Company evaluates its real estate assets for impairment by comparing undiscounted future cash flows expected to be generated over the life of each asset to the respective carrying amount. If the carrying amount of an asset exceeds the undiscounted future cash flows, an analysis is performed to determine the fair value of the asset.

The Company makes significant assumptions to evaluate real estate assets for possible indications of impairment. Changes in these assumptions could have a significant impact on the real estate assets identified for further analysis.

Given the Company's evaluation of possible indications of impairment of real estate assets requires management to make significant assumptions, performing audit procedures to evaluate whether management appropriately identified events or changes in circumstances indicating that the carrying amounts of real estate assets may not be recoverable required a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of real estate assets for possible indications of impairment included the following, among others:

- We tested the effectiveness of the controls over management's identification of possible circumstances that may indicate that the carrying amounts of real estate assets are no longer recoverable.

- We evaluated management's impairment indicator analysis by:

    - Testing real estate assets for possible indications of impairment, including searching for adverse asset-specific and/or market conditions.
    - Developing an independent expectation of impairment indicators and comparing such expectation to management's analysis.

/s/ DELOITTE & TOUCHE LLP

McLean, VA
February 28, 2025

We have served as the Company's auditor since 2019.

GLOBAL MEDICAL REIT INC.
Consolidated Balance Sheets
(in thousands, except par values)

	As of December 31, 2024	As of December 31, 2023
Assets		
Investment in real estate:		
Land	$ 174,300	$ 164,315
Building	1,044,019	1,035,705
Site improvements	23,973	21,974
Tenant improvements	69,679	66,358
Acquired lease intangible assets	138,945	138,617
	1,450,916	1,426,969
Less: accumulated depreciation and amortization	(288,921)	(247,503)
Investment in real estate, net	1,161,995	1,179,466
Cash and cash equivalents	6,815	1,278
Restricted cash	2,127	5,446
Tenant receivables, net	7,424	6,762
Due from related parties	270	193
Escrow deposits	711	673
Deferred assets	28,208	27,132
Derivative asset	18,613	25,125
Goodwill	5,903	5,903
Investment in unconsolidated joint venture	2,066	—
Other assets	22,354	15,722
Total assets	$ 1,256,486	$ 1,267,700
Liabilities and Equity		
Liabilities:		
Credit Facility, net of unamortized debt issuance costs of $4,868 and $7,067 at December 31, 2024 and December 31, 2023, respectively	$ 631,732	$ 585,333
Notes payable, net of unamortized debt issuance costs of $22 and $66 at December 31, 2024 and December 31, 2023, respectively	14,399	25,899
Accounts payable and accrued expenses	16,468	12,781
Dividends payable	16,520	16,134
Security deposits	3,324	3,688
Other liabilities	14,191	12,770
Acquired lease intangible liability, net	3,936	5,281
Total liabilities	700,570	661,886
Commitments and Contingencies		
Equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at December 31, 2024 and December 31, 2023, respectively (liquidation preference of $77,625 at December 31, 2024 and December 31, 2023, respectively)	74,959	74,959
Common stock, $0.001 par value, 500,000 shares authorized; 66,871 shares and 65,565 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	67	66
Additional paid-in capital	734,223	722,418
Accumulated deficit	(293,736)	(238,984)
Accumulated other comprehensive income	18,613	25,125
Total Global Medical REIT Inc. stockholders' equity	534,126	583,584
Noncontrolling interest	21,790	22,230
Total equity	555,916	605,814
Total liabilities and equity	$ 1,256,486	$ 1,267,700

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

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Year Ended December 31, 2024	2023	2022
Revenue			
Rental revenue	$ 138,410	$ 140,934	$ 137,167
Other income	370	115	116
Total revenue	138,780	141,049	137,283
Expenses			
General and administrative	21,123	16,853	16,545
Operating expenses	29,251	28,082	25,188
Depreciation expense	40,427	41,266	40,008
Amortization expense	14,932	16,869	16,715
Interest expense	28,689	30,893	25,230
Transaction expense	155	44	354
Total expenses	134,577	134,007	124,040
Income before other income (expense)	4,203	7,042	13,243
Gain on sale of investment properties	4,205	15,560	6,753
Impairment of investment property	(1,696)	—	—
Equity loss from unconsolidated joint venture	(20)	—	—
Loss on extinguishment of debt	—	(868)	—
Net income	$ 6,692	$ 21,734	$ 19,996
Less: Preferred stock dividends	(5,822)	(5,822)	(5,822)
Less: Net income attributable to noncontrolling interest	(59)	(1,122)	(854)
Net income attributable to common stockholders	**$ 811**	**$ 14,790**	**$ 13,320**
Net income attributable to common stockholders per share – basic and diluted	$ 0.01	$ 0.23	$ 0.20
Weighted average shares outstanding – basic and diluted	65,936	65,550	65,462

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

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Net income	$ 6,692	$ 21,734	$ 19,996
Other comprehensive (loss) income :			
(Decrease) increase in fair value of interest rate swap agreements	(6,512)	(9,549)	41,310
Total other comprehensive (loss) income	(6,512)	(9,549)	41,310
Comprehensive income	180	12,185	61,306
Less: Preferred stock dividends	(5,822)	(5,822)	(5,822)
Less: Comprehensive loss (income) attributable to noncontrolling interest	431	(464)	(3,342)
Comprehensive (loss) income attributable to common stockholders	$ (5,211)	$ 5,899	$ 52,142

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

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Equity
(in thousands, except per share amounts)

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Global Medical REIT Inc Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, January 1, 2022	64,880	65	3,105	74,959	711,414	(157,017)	(6,636)	$ 622,785	$ 14,792	$ 637,577
Net income	—	—	—	—	—	19,142	—	19,142	854	19,996
Issuance of shares of common stock, net	598	1	—	—	9,895	—	—	9,896	—	9,896
LTIP Units and OP Units redeemed for common stock	40	—	—	—	682	—	—	682	(682)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	41,310	41,310	—	41,310
Stock-based compensation expense	—	—	—	—	—	—	—	—	4,681	4,681
Dividends to common stockholders ($0.84 per share)	—	—	—	—	—	(55,009)	—	(55,009)	—	(55,009)
Dividends to preferred stockholders ($1.875 per share)	—	—	—	—	—	(5,822)	—	(5,822)	—	(5,822)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(3,564)	(3,564)
Balances, December 31, 2022	65,518	66	3,105	74,959	721,991	(198,706)	34,674	632,984	16,081	649,065
Net income	—	—	—	—	—	20,611	—	20,611	1,123	21,734
LTIP Units redeemed for common stock	47	—	—	—	427	—	—	427	(427)	—
OP Units issued for a property acquisition	—	—	—	—	—	—	—	—	5,482	5,482
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(9,549)	(9,549)	—	(9,549)
Stock-based compensation expense	—	—	—	—	—	—	—	—	4,242	4,242
Dividends to common stockholders ($0.84 per share)	—	—	—	—	—	(55,067)	—	(55,067)	—	(55,067)
Dividends to preferred stockholders ($1.875 per share)	—	—	—	—	—	(5,822)	—	(5,822)	—	(5,822)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(4,271)	(4,271)
Balances, December 31, 2023	65,565	66	3,105	74,959	722,418	(238,984)	25,125	583,584	22,230	605,814
Net income	—	—	—	—	—	6,633	—	6,633	59	6,692
Issuance of shares of common stock, net	1,204	1	—	—	10,895	—	—	10,896	—	10,896
LTIP Units redeemed for common stock	102	—	—	—	910	—	—	910	(910)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(6,512)	(6,512)	—	(6,512)
Stock-based compensation expense	—	—	—	—	—	—	—	—	5,102	5,102
Dividends to common stockholders ($0.84 per share)	—	—	—	—	—	(55,563)	—	(55,563)	—	(55,563)
Dividends to preferred stockholders ($1.875 per share)	—	—	—	—	—	(5,822)	—	(5,822)	—	(5,822)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(4,691)	(4,691)
Balances, December 31, 2024	66,871	$ 67	3,105	$ 74,959	$ 734,223	$ (293,736)	$ 18,613	$ 534,126	$ 21,790	$ 555,916

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

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Operating activities			
Net income	$ 6,692	$ 21,734	$ 19,996
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	40,427	41,266	40,008
Amortization of acquired lease intangible assets	14,486	16,691	16,627
Amortization of above market leases, net	1,171	1,052	1,027
Amortization of debt issuance costs and other	2,243	2,376	2,201
Stock-based compensation expense	5,102	4,242	4,681
Capitalized preacquisition and other costs charged to expense	242	177	472
Reserve for uncollectible accounts, net	822	852	—
Gain on sale of investment properties	(4,205)	(15,560)	(6,753)
Impairment of investment property	1,696	—	—
Equity loss from unconsolidated joint venture	20	—	—
Loss on extinguishment of debt	—	868	—
Other	136	433	21
Changes in operating assets and liabilities:			
Tenant receivables	(1,484)	426	(2,970)
Deferred assets	(1,913)	(2,863)	(4,339)
Other assets and liabilities	1,992	542	586
Accounts payable and accrued expenses	2,983	(2,023)	4,063
Security deposits	(364)	(1,773)	921
Net cash provided by operating activities	70,046	68,440	76,541
Investing activities			
Purchase of land, buildings, and other tangible and intangible assets and liabilities	(81,674)	(442)	(150,927)
Net proceeds from sale of investment properties	57,368	78,919	17,889
Investment in unconsolidated joint venture	(2,086)	—	—
Escrow deposits for purchase of properties	(290)	—	98
Advances (made to) repayments received from related parties	(77)	7	(38)
Payment received on loan made to a tenant	—	—	1,000
Capital expenditures on existing real estate investments	(13,445)	(9,604)	(5,274)
Leasing commissions	(5,738)	(1,264)	—
Net cash (used in) provided by investing activities	(45,942)	67,616	(137,252)
Financing activities			
Net proceeds received from common equity offerings	10,896	—	9,896
Escrow deposits required by third party lenders	252	7,160	(1,974)
Repayment of notes payable	(11,544)	(1,262)	(1,158)
Payment for CMBS loan defeasance	—	(31,525)	—
Proceeds from Credit Facility	143,800	83,100	138,600
Repayment of Credit Facility	(99,600)	(136,400)	(15,500)
Payment of debt issuance costs	—	(13)	(3,215)
Dividends paid to common stockholders, and OP Unit and LTIP Unit holders	(59,868)	(59,025)	(58,420)
Dividends paid to preferred stockholders	(5,822)	(5,822)	(5,822)
Net cash (used in) provided by financing activities	(21,886)	(143,787)	62,407
Net increase (decrease) in cash and cash equivalents and restricted cash	2,218	(7,731)	1,696
Cash and cash equivalents and restricted cash—beginning of period	6,724	14,455	12,759
Cash and cash equivalents and restricted cash—end of period	$ 8,942	$ 6,724	$ 14,455
Supplemental cash flow information:			
Cash payments for interest	$ 26,572	$ 30,149	$ 21,619
Noncash financing and investing activities:			
Accrued dividends payable	$ 16,520	$ 16,134	$ 15,821
Interest rate swap agreements fair value change recognized in other comprehensive (loss) income	$ 6,512	$ 9,549	$ (41,310)
OP Units and LTIP Units redeemed for common stock	$ 910	$ 427	$ 682
Loan assumed in connection with a facility acquisition	$ —	$ —	$ 1,513
Accrued capital expenditures and leasing commissions included in accounts payable and accrued expenses	$ 2,426	$ 2,230	$ 1,365
OP Units issued for a property acquisition	$ —	$ 5,482	$ —
Recognition of lease liability related to right of use asset	$ —	$ 4,634	$ —
Write off of unamortized debt issuance costs from loan defeasance	$ —	$ 240	$ —

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

GLOBAL MEDICAL REIT INC.
Notes to Consolidated Financial Statements
(Dollars in thousands, except per share amounts)

Note 1 – Organization

Global Medical REIT Inc. (the "Company") is a Maryland corporation and internally managed real estate investment trust ("REIT") that acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems. The Company holds its facilities and conducts its operations through a Delaware limited partnership subsidiary, Global Medical REIT L.P. (the "Operating Partnership"). The Company serves as the sole general partner of the Operating Partnership through a wholly owned subsidiary of the Company, Global Medical REIT GP LLC, a Delaware limited liability company. As of December 31, 2024, the Company was the 92.6% limited partner of the Operating Partnership, with an aggregate of 7.4% of the Operating Partnership owned by holders of long-term incentive plan units ("LTIP Units") and third-party limited partners who contributed properties or services to the Operating Partnership in exchange for common limited partnership units ("OP Units"). The Company's common stock is listed on the New York Stock Exchange under the ticker symbol "GMRE." The Company's Series A Preferred Stock is listed on the New York Stock Exchange under the ticker symbol "GMRE PrA."

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and its equity investment in an unconsolidated joint venture. The Company presents the portion of any equity it does not own but controls (and thus consolidates) as noncontrolling interest. Noncontrolling interest in the Company includes the LTIP Units that have been granted to directors, officers and affiliates of the Company and the OP Units held by third parties. Refer to Note 5 – "Equity" and Note 7 – "Stock-Based Compensation" for additional information regarding the OP Units and LTIP Units.

The Company classifies noncontrolling interest as a component of consolidated equity on its Consolidated Balance Sheets, separate from the Company's total equity. The Company's net income or loss is allocated to noncontrolling interests based on the respective ownership or voting percentage in the Operating Partnership associated with such noncontrolling interests and is removed from consolidated income or loss on the Consolidated Statements of Operations in order to derive net income or loss attributable to common stockholders. The noncontrolling ownership percentage is calculated by dividing the aggregate number of LTIP Units and OP Units by the total number of units and shares outstanding.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the Company to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and footnotes. Actual results could differ from those estimates.

Investment in Real Estate

The Company determines when an acquisition meets the definition of a business or alternatively should be accounted for as an asset acquisition in accordance with Accounting Standard Codification ("ASC") Topic 805 "Business Combinations" ("ASC Topic 805"), which requires that, when substantially all of the fair value of an acquisition is concentrated in a single identifiable asset or a group of similar identifiable assets, the asset or group of similar identifiable assets does not meet the definition of a business and therefore is required to be accounted for as an asset acquisition. Transaction costs are capitalized for asset acquisitions and expensed as incurred for business combinations.

For asset acquisitions that are "owner occupied" (meaning that the seller either is the tenant or controls the tenant), the purchase price, including capitalized acquisition costs, will be allocated to land and building based on their relative fair values with no value allocated to intangible assets or liabilities. For asset acquisitions where there is a lease in place but not "owner occupied," the Company will allocate the purchase price to tangible assets and any intangible assets acquired or liabilities assumed based on their relative fair values. Fair value is determined based upon the guidance of ASC Topic 820, "Fair Value Measurements and Disclosures," and generally are determined using Level 2 inputs, such as rent comparables, sales comparables, and broker indications. Although Level 3 Inputs are utilized, they are minor in comparison to the Level 2 data used for the primary assumptions. The determination of fair value involves the use of significant judgment and estimates. We make estimates to determine the fair value of the tangible and intangible assets acquired and liabilities assumed using information obtained from multiple sources, including pre-acquisition due diligence, and we routinely utilize the assistance of a third-party appraiser.

Valuation of tangible assets:

The fair value of land is determined using the sales comparison approach whereby recent comparable land sales and listings are gathered and summarized. The available market data is analyzed and compared to the land being valued and adjustments are made for dissimilar characteristics such as market conditions, size, and location. The Company estimates the fair value of buildings acquired on an as-if-vacant basis and depreciates the building value over its estimated remaining life. Fair value is primarily based on estimated cash flow projections that utilize discount and/or capitalization rates as well as available market information. The Company determines the fair value of site improvements (non-building improvements that include paving and other) using the cost approach, with a deduction for depreciation, and depreciates the site improvements over their estimated remaining useful lives. Tenant improvements represent fixed improvements to tenant spaces, the fair value of which is estimated using prevailing market tenant improvement allowances. Tenant improvements are amortized over the remaining term of the lease.

Valuation of intangible assets:

In determining the fair value of in-place leases (the avoided cost associated with existing in-place leases) management considers current market conditions and costs to execute similar leases in arriving at an estimate of the carrying costs during the expected lease-up period from vacant to existing occupancy. In estimating carrying costs, management includes reimbursable (based on market lease terms) real estate taxes, insurance, other operating expenses, as well as estimates of lost market rental revenue during the expected lease-up periods. The values assigned to in-place leases are amortized over the remaining term of the lease.

The fair value of above-or-below market leases is estimated based on the present value (using an interest rate which reflected the risks associated with the leases acquired) of the difference between contractual amounts to be received pursuant to the leases and management's estimate of market lease rates measured over a period equal to the estimated remaining term of the lease. An above market lease is classified as an intangible asset and a below market lease is classified as an intangible liability. The capitalized above-market or below-market lease intangibles are amortized as a reduction of, or an addition to, rental income over the estimated remaining term of the respective leases.

Intangible assets related to leasing costs consist of leasing commissions and legal fees. Leasing commissions are estimated by multiplying the remaining contract rent associated with each lease by a market leasing commission. Legal fees represent legal costs associated with writing, reviewing, and sometimes negotiating various lease terms. Leasing costs are amortized over the remaining useful life of the respective leases.

Revenue Recognition

The Company's operations primarily consist of rental revenue earned from tenants under leasing arrangements which provide for minimum rent and escalations. The leases have been accounted for as operating leases. For operating leases with contingent rental escalators, revenue is recorded based on the contractual cash rental payments due during the period. Revenue from leases with fixed annual rental escalators are recognized on a straight-line basis over the initial lease term, subject to a collectability assessment, with the difference between the contractual rental receipts and the straight-line amounts recorded as a "deferred rent receivable." Additionally, the Company recognizes as a component of rental revenue, "expense recoveries" revenue, which represents revenue recognized related to tenant reimbursement of real estate taxes, insurance, and certain other operating expenses ("tenant reimbursements"). The Company recognizes these reimbursements and related expenses on a gross basis in its Consolidated Statements of Operations.

Assets Held for Sale and Sales of Real Estate

The Company classifies a property as held for sale when the following criteria are met: (i) management, having the authority to approve action, commits to a plan to sell the property in its present condition, (ii) the sale of the property is at a price reasonable in relation to its current fair value and (iii) the sale is probable and expected to be completed within one year. At that time, the Company presents the assets and obligations associated with the real estate held for sale separately in its Consolidated Balance Sheets and ceases recording depreciation and amortization expense related to that asset. Real estate held for sale is reported at the lower of its carrying amount or its estimated fair value less estimated costs to sell. None of the Company's properties were classified as held for sale as of December 31, 2024 or 2023.

Upon the disposition of a property, the Company recognizes a gain or loss at a point in time when the Company determines control of the underlying asset has been transferred to the buyer. The Company's performance obligation is generally satisfied at the closing of the transaction. Any continuing involvement is analyzed as a separate performance obligation in the contract, and a portion of the sales price is allocated to each performance obligation. There is significant judgment applied to estimate the amount of variable consideration, if any, identified within the sales price and assess its probability of occurrence based on current market information, historical transactions, and forecasted information that is reasonably available.

For sales of real estate (or assets classified as held for sale), the Company evaluates whether the disposition is a strategic shift that will have a major effect on the Company's operations and financial results, and, if so, it will be classified as discontinued operations in the Company's consolidated financial statements for all periods presented.

Impairment of Long-Lived Assets

The Company evaluates its real estate assets for impairment at each reporting date or whenever events or circumstances indicate that its carrying amount may not be recoverable. If an impairment indicator exists, the Company compares the expected future undiscounted cash flows against the carrying amount of the asset. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the asset, the Company would record an impairment loss for the difference between the estimated fair value and the carrying amount of the asset.

Cash and Cash Equivalents and Restricted Cash

The Company considers all demand deposits, cashier's checks, money market accounts, and certificates of deposit with a maturity of three months or less to be cash equivalents. Amounts included in restricted cash represent certain security deposits received from tenants at the inception of their leases and funds held by the Company related to certain tenant reimbursements. The following table provides a reconciliation of the Company's cash and cash equivalents and restricted cash that sums to the total of those amounts at the end of the periods presented on the Company's accompanying Consolidated Statements of Cash Flows:

	As of December 31,	
	2024	2023
Cash and cash equivalents	$ 6,815	$ 1,278
Restricted cash	2,127	5,446
Total cash and cash equivalents and restricted cash	$ 8,942	$ 6,724

Tenant Receivables, Net

The tenant receivable balance as of December 31, 2024 and 2023 was $7,424 and $6,762, respectively. The balance as of December 31, 2024 consisted of $2,838 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, $4,014 of tenant reimbursements, $119 for a loan that was made to one of the Company's tenants, and $453 of miscellaneous receivables. The balance as of December 31, 2023 consisted of $2,062 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, $4,372 of tenant reimbursements, $131 for a loan that was made to one of the Company's tenants, and $197 of miscellaneous receivables.

Receivables arising from operating leases are accounted for in accordance with ASC Topic 842 "Leases" ("ASC Topic 842"). The Company assesses the likelihood of losses resulting from tenant defaults, or the inability of tenants to make contractual rent and tenant reimbursements at each reporting date. The Company also monitors the liquidity and creditworthiness of its tenants and operators on a continuous basis. If the likelihood of a tenant paying its lease payments is determined to no longer be probable, all tenant receivables, including deferred rent, are written off against revenue and any future revenue for that tenant is recognized only upon receipt of cash. In addition, as of December 31, 2024 and 2023, the Company had a portfolio level reserve of $350 on those leases that were probable of collection to ensure that the tenant lease receivables were not overstated.

Escrow Deposits

The escrow balance as of December 31, 2024 and 2023 was $711 and $673, respectively. Escrow deposits include funds held in escrow to be used for the acquisition of properties in the future and for the payment of taxes and insurance.

Deferred Assets

The deferred assets balance as of December 31, 2024 and 2023 was $28,208 and $27,132, respectively. The balance as of December 31, 2024 consisted of $28,009 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and $199 of other deferred costs. The balance as of December 31, 2023 consisted of $26,757 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and $375 of other deferred costs.

Other Assets

The other assets balance as of December 31, 2024 and 2023 was $22,354 and $15,722, respectively. The balance as of December 31, 2024 consisted of $7,271 for right of use assets, $6,729 in capitalized construction in process costs, $1,451 in prepaid assets, $6,535 in net capitalized leasing commissions, and $368 for net capitalized software costs and miscellaneous assets. Refer to Note 8 – “Leases” for additional details on right of use assets. The balance as of December 31, 2023 consisted of $7,627 for right of use assets, $3,346 in capitalized construction in process costs, $1,379 in prepaid assets, $2,894 in net capitalized leasing commissions, and $476 for net capitalized software costs and miscellaneous assets.

Derivative Instruments - Interest Rate Swaps

The derivative asset balance as of December 31, 2024 and 2023 was $18,613 and $25,125, respectively. In accordance with the Company’s risk management strategy, the purpose of the interest rate swaps is to manage interest rate risk for certain of the Company’s variable-rate debt. The interest rate swaps involve the Company’s receipt of variable-rate amounts from the counterparties in exchange for the Company making fixed-rate payments over the life of the agreements. The Company accounts for derivative instruments in accordance with the provisions of ASC Topic 815, “Derivatives and Hedging.” Refer to Note 4 – “Credit Facility, Notes Payable and Derivative Instruments” for additional details.

Other Liabilities

The other liabilities balance as of December 31, 2024 and 2023 was $14,191 and $12,770 respectively. The balance as of December 31, 2024 consisted of $7,461 for right of use liabilities and $6,730 of prepaid rent. The balance as of December 31, 2023 consisted of $7,680 for right of use liabilities and $5,090 of prepaid rent. Refer to Note 8 – “Leases” for additional details on right of use liabilities.

Net Income Attributable to Common Stockholders Per Share

The Company uses the treasury stock method to compute diluted net income or loss attributable to common stockholders per share. Basic net income or loss per share of common stock is computed by dividing net income or loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted net income or loss per share of common stock is computed by dividing net income or loss attributable to common stockholders by the sum of the weighted average number of shares of common stock outstanding plus any potential dilutive shares for the period. OP Units and LTIP Units are not reflected in the diluted per share calculation because the exchange of OP Units and LTIP Units into common stock is on a one-for-one basis, and both are allocated net income on a per share basis equal to the common stock. Accordingly, any exchange would not have any effect on diluted net income available to common stockholders per share. The Company considered the requirements of the two-class method when computing earnings per share and determined that there would be no difference in its reported results if that method was utilized.

Debt Issuance Costs

Debt issuance costs include amounts paid to lenders and other third parties to obtain both fixed term and revolving debt and are amortized to interest expense on a straight-line basis over the term of the related debt. Refer to Note 4 – "Credit Facility, Notes Payable and Derivative Instruments" for additional details.

Related Party Disclosures

The Company enters into transactions with affiliated entities, or "related parties," which are recorded as receivables or payables in the accompanying Consolidated Balance Sheets. Related party disclosures are governed by ASC Topic 850, "Related Party Disclosures." Refer to Note 6 – "Related Party Transactions" for additional information regarding the Company's related party transactions.

Stock-Based Compensation

The Company grants LTIP Unit awards, including awards that vest over time and awards that vest based on achievement of specified performance criteria, to its employees and its independent directors. The Company accounts for all awards under ASC Topic 718, "Compensation-Stock Compensation." Refer to Note 7 – "Stock Based Compensation" for additional details.

Depreciation and Amortization Expense

Real estate and related assets are stated net of accumulated depreciation. Renovations, replacements and other expenditures that improve or extend the life of assets are capitalized and depreciated over their estimated useful lives. Expenditures for ordinary maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the buildings, which are generally between 20 and 52 years, tenant improvements, which are generally between one and 19 years, and site improvements, which are generally between three and 15 years. Values assigned to in-place lease and leasing costs intangible assets are charged as amortization expense using the straight-line method over the remaining term of the respective leases.

Goodwill

As of December 31, 2024 and 2023, the Company's goodwill balance was $5,903. Goodwill represents the excess of consideration paid over the fair value of underlying identifiable net assets of businesses acquired. The Company's goodwill balance was derived from the management internalization transaction. Goodwill has an indefinite life and is not amortized, but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company's policy is to perform its annual goodwill impairment evaluation as of the first day of the fourth quarter of its fiscal year. The Company has one reporting unit.

Goodwill is evaluated for impairment either under a qualitative assessment option or a quantitative approach depending on the facts and circumstances of the reporting unit, consideration of the excess of the reporting unit's fair value over its carrying amount in previous assessments and changes in business environment.

When performing a qualitative assessment, the Company considers factors including, but not limited to, current macroeconomic conditions, industry and market conditions, cost factors, financial performance and other events relevant to the entity or the reporting unit to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the Company determines that it is more likely than not that the reporting unit's fair value is less than its carrying amount, a quantitative goodwill impairment test is performed.

When performing a quantitative goodwill impairment test, the reporting unit carrying value is compared to its fair value. Goodwill is deemed impaired if, and the impairment loss is recognized for the amount by which, the reporting unit carrying value exceeds its fair value.

Estimating the fair value of a reporting unit requires the exercise of significant judgment and assumptions including judgments about expected future cash flows, weighted-average cost of capital, discount rates and expected long-term growth rates. A significant change to these estimates and assumptions could cause the estimated fair values of our reporting unit to decline and increase the risk of an impairment charge to earnings.

The Company performed a qualitative analysis during the fourth quarter of the current fiscal year and determined that it was more likely than not that the fair value of the reporting unit was in excess of the reporting units carrying value, and as a result, a quantitative step one analysis was not necessary.

Unconsolidated Joint Venture

On December 20, 2024, the Company entered into an agreement to sell certain assets to a newly formed joint venture, GII Global Medical Holdings LLC (the “Joint Venture”), with the Company through its Operating Partnership and Heitman Global Real Estate REIT LLC (“Heitman”) and their subsidiaries. The Company retained an ownership interest of 12.5% in the Joint Venture with Heitman retaining the remaining 87.5% interest.

The Company performed a qualitative analysis, including an evaluation of the Joint Venture's ability to finance its activities without additional subordinated financial support. The Company also considered which equity holder in the Joint Venture, if any, has the power to direct the activities most significant to the Joint Venture’s economic performance, whether the equity holders as a group lack the characteristics of a controlling financial interest, and whether they have the obligation to absorb losses of the Joint Venture or the right to receive benefits from it that could be significant to the Joint Venture. Based on this analysis, the Company determined that the Joint Venture has sufficient equity investment at risk to finance its activities without additional subordinated financial support, and that the Joint Venture’s equity holders are obligated to both absorb expected losses and receive expected returns.

The Company further concluded that the Joint Venture is structured with substantive voting rights, such that the decisions that most significantly affect the Joint Venture's economic outcome are made relative to the ownership interests of the equity holders. Therefore, the Company determined that the entity should be accounted for under the voting interest model.

Heitman, through its voting interest, controls the entity. Accordingly, the Company accounts for its interest in the Joint Venture using the equity method of accounting. Under the equity method, the Company initially recorded the investment at cost and subsequently adjusts the investment for the Company’s share of the equity in earnings or losses, as well as for any cash contributions and distributions.

The Company’s net equity investment in the unconsolidated Joint Venture is included in the "Investment in unconsolidated joint venture" line item on the Company’s Consolidated Balance Sheets. The Company’s share of net income or loss from the Joint Venture is included in the "Equity loss from unconsolidated joint venture" line item on the Company’s Consolidated Statements of Operations. The Company uses the cumulative earnings approach to determine the cash flow presentation of distributions from the unconsolidated joint venture. Under this approach, distributions up to the amount of cumulative equity in earnings recognized are classified as cash inflows from operating activities, while distributions in excess of that amount are classified as cash inflows from investing activities. Refer to Note 3 – “Property Portfolio” for additional details regarding the Company’s investment in the Joint Venture.

Impairment of Investment in Unconsolidated Joint Venture

During the Company’s ownership of properties that are held in the Joint Venture and accounted for under the equity method and considered unconsolidated entities, the Company recognizes an impairment loss when circumstances indicate that a decrease in the value of an equity method investment has occurred and that it is other than temporary. This determination requires significant judgment.

To assess whether the impairment loss is other than temporary, the Company considers its ability and intent to hold the investment until its carrying value is fully recovered. The Company evaluates the impairment of its investment in the unconsolidated Joint Venture in accordance with accounting standards for equity investments. First, the Company reviews the investment for indicators of impairment. If indicators are present, the Company estimates the fair value of the investment. If the carrying value of the investment exceeds the estimated fair value, the Company assesses whether the impairment is temporary or other than temporary.

In making this assessment, the Company considers the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the Joint Venture, and the Company’s intent and ability to retain the interest long enough for a recovery in market value. If the Company concludes that the impairment is other than temporary, the investment is reduced to its estimated fair value.

Income Taxes

The Company elected to be taxed as a REIT for U.S. federal income tax purposes commencing with its taxable year ended December 31, 2016. A REIT is generally not subject to U.S. federal income taxes if it can meet many specific requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal and state income tax on its taxable income at regular corporate tax rates, and the Company could not re-elect REIT status until the fifth calendar year after the year in which the failure occurred. Even if the Company continues to qualify as a REIT, it may be subject to certain state or local income taxes, and the Company's TRS will be subject to U.S. federal, state, and local taxes on its income at regular corporate rates. The Company recognizes the tax effects of uncertain tax positions only if the position is more likely than not to be sustained upon audit, based on the technical merits of the position. The Company has not identified any material uncertain tax positions and recognizes interest and penalties in income tax expense, if applicable. The Company is currently not under examination by any income tax jurisdiction.

Fair Value of Financial Instruments

Fair value is a market-based measurement and should be determined based on the assumptions that market participants would use in pricing an asset or liability. In accordance with ASC Topic 820, the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company considers the carrying values of cash and cash equivalents, escrow deposits, accounts and other receivables, and accounts payable and accrued expenses to approximate the fair value for these financial instruments because of the short period of time since origination or the short period of time between origination of the instruments and their expected realization. Due to the short-term nature of these instruments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments. The Company considers the carrying value of its debt to approximate fair value. The fair values determined related to the Company's interest rate swap transactions utilize Level 2 inputs, since there is heavy reliance on a variety of inputs including contractual terms, interest rate curves, yield curves, measure of volatility, and correlations of such inputs. The fair values determined related to the Company's acquisitions of real estate where the identification and recording of intangible assets and liabilities is required primarily utilize Level 2 inputs since there is heavy reliance on market observable data such as rent comparables, sales comparables, and broker indications. Although some Level 3 inputs are utilized, they are minor in comparison to the Level 2 date used for the primary assumptions as it relates to acquisitions of real estate.

Segment Reporting

In December 2024, the Company adopted ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." ASU No. 2023-07 does not change how a public entity identifies its operating segments, aggregates them or applies the quantitative thresholds to determine its reportable segments and all disclosures required under ASC Topic 280, "Segment Reporting" continue to be required. ASC Topic 280 establishes standards for reporting financial and descriptive information about a public entity's reportable segments. The Company adopted ASU 2023-07 for its fiscal year 2024 annual financial statements and interim financial statements thereafter and has applied this standard retrospectively for all periods presented. The Company's adoption of ASU No. 2023-07 did not have a material impact on its financial condition, results of operations or financial statement disclosures.

The Company acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems and derives its revenue primarily from the leasing of those facilities. The Company operates and manages its business as one reportable operating segment. Resources are allocated and financial performance is assessed by the Company's Chief Executive Officer, its chief operating decision maker, or the CODM. The CODM is provided with and reviews total consolidated assets and consolidated net income or loss and uses this information to assess the performance of the Company's portfolio and makes operating decisions accordingly. There are no significant segment operating expenses that require disclosure other than the expense categories on the Company's Consolidated Statements of Operations.

Note 3 – Property Portfolio

Summary of Properties Acquired and Sold During the Year Ended December 31, 2024

During the year ended December 31, 2024, the Company completed the acquisition of a 15-property portfolio. For this acquisition, substantially all of the fair value was concentrated in a single identifiable asset or group of similar identifiable assets and, therefore, this acquisition represents an asset acquisition. Accordingly, transaction costs for this acquisition was capitalized.

During the year ended December 31, 2024, the Company completed seven dispositions. In June 2024, the Company sold an in-patient rehabilitation facility located in Mishawaka, Indiana receiving gross proceeds of $8.1 million, resulting in a loss of $3.4 million. In July 2024, the Company sold a medical office building located in Panama City, Florida receiving gross proceeds of $11.0 million, resulting in a gain of $1.7 million. In September 2024, the Company sold a medical office building located in Panama City Beach, Florida receiving gross proceeds of $1.1 million, resulting in a gain of $0.1 million. In December 2024, the Company sold two medical office buildings located in Carson City, Nevada receiving gross proceeds of $1.0 million, resulting in a loss of $2.4 million. In December 2024, the Company sold three medical office buildings located in Ellijay, Georgia receiving gross proceeds of $4.3 million, resulting in a gain of $0.7 million. In December 2024, in connection with the formation of the Joint Venture, the Company sold two assets to the Joint Venture consisting of a medical office building located in High Point, North Carolina receiving gross proceeds of $28.0 million resulting in gain of $6.2 million and a medical office building located in Fort Worth, Texas receiving gross proceeds of $7.2 million, resulting in a gain of $1.3 million.

A rollforward of the gross investment in land, building, improvements, and acquired lease intangible assets as of December 31, 2024 is as follows:

	Land	Building	Site Improvements	Tenant Improvements	Acquired Lease Intangible Assets	Gross Investment in Real Estate
Balances as of December 31, 2023	$ 164,315	$ 1,035,705	$ 21,974	$ 66,358	$ 138,617	$ 1,426,969
Facility Acquired – Date Acquired:						
Minot – 7/11/24	935	7,324	144	103	676	9,182
Clinton – 7/11/24	938	4,829	188	256	657	6,868
Westland – 7/11/24	921	3,630	157	99	540	5,347
Cerritos – 7/11/24	3,424	1,244	107	106	392	5,273
Spartanburg – 7/11/24	890	2,613	168	390	517	4,578
Conway – 10/2/24	2,430	7,415	188	372	897	11,302
Little Rock – 10/2/24	1,449	6,579	164	284	741	9,217
Russellville – 10/2/24	1,086	4,022	218	205	491	6,022
Sarasota – 10/2/24	643	4,133	—	548	712	6,036
Venice – 10/2/24	1,102	2,830	123	187	426	4,668
Ruskin – 10/2/24	242	1,443	28	45	175	1,933
6807 Bradenton – 10/2/24	1,225	626	22	68	180	2,121
2101 Bradenton – 10/2/24	967	1,372	52	64	235	2,690
2203 Bradenton – 10/2/24	408	913	35	37	132	1,525
6002 Bradenton – 10/2/24	1,679	2,985	112	190	463	5,429
Capitalized costs(1)	—	5,494	1,481	4,828	—	11,803
Total Additions:	18,339	57,452	3,187	7,782	7,234	93,994
Facility Sold – Date Sold:						
Mishawaka – 6/27/24	(1,924)	(10,084)	(75)	(1,798)	(2,223)	(16,104)
Panama City – 7/12/24	(1,117)	(7,201)	(165)	(841)	(1,141)	(10,465)
Panama City Beach – 9/19/24	(272)	(606)	(21)	(84)	(149)	(1,132)
Carson City – 12/6/2024	(760)	(3,268)	—	—	—	(4,028)
Ellijay – 12/17/2024	(777)	(2,929)	(136)	(408)	(870)	(5,120)
High Point – 12/20/2024(2)	(1,749)	(20,417)	(504)	(869)	(1,656)	(25,195)
Fort Worth – 12/20/2024(2)	(1,487)	(3,333)	(251)	(445)	(787)	(6,303)
Total Dispositions:	(8,086)	(47,838)	(1,152)	(4,445)	(6,826)	(68,347)
Impairment of investment property(3)	(268)	(1,300)	(36)	(16)	(80)	(1,700)
Balances as of December 31, 2024	$ 174,300	$ 1,044,019	$ 23,973	$ 69,679	$ 138,945	$ 1,450,916

(1) Represents capital projects that were completed and placed in service during the year ended December 31, 2024 related to the Company's existing facilities.

(2) These two facilities were sold to the Joint Venture in connection with its formation.

(3) In December 2024, the Company entered into an agreement to sell its facility located in Derby, Kansas. The Company recognized an impairment loss of $1.7 million during the year ended December 31, 2024 to reduce the carrying value of the asset to its fair value. The fair value was determined to be the contractual sales price less commissions and fees.

Depreciation expense was $40,427, $41,266, and $40,008 for the years ended December 31, 2024, 2023, and 2022, respectively.

As of December 31, 2024, the Company had aggregate capital improvement commitments and obligations to improve, expand, and maintain the Company's existing facilities of approximately $24,500. Many of these amounts are subject to contingencies that make it difficult to predict when they will be utilized, if at all. In accordance with the terms of the Company's leases, capital improvement obligations in the next twelve months are expected to total approximately $12,900.

Summary of Properties Acquired and Sold During the Year Ended December 31, 2023

During the year ended December 31, 2023, the Company completed one acquisition. For this acquisition, substantially all of the fair value was concentrated in a single identifiable asset or group of similar identifiable assets and, therefore, this acquisition represents an asset acquisition. Accordingly, transaction costs for this acquisition were capitalized.

During the year ended December 31, 2023, the Company completed three dispositions. In March 2023, the Company sold a medical office building located in Jacksonville, Florida receiving gross proceeds of $4.4 million, resulting in a gain of $0.5 million. In June 2023, the Company 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 sold a medical office building located in North Charleston, South Carolina receiving gross proceeds of $10.1 million, resulting in a gain of $2.3 million.

A rollforward of the gross investment in land, building, improvements, and acquired lease intangible assets as of December 31, 2023 is as follows:

	Land	Building	Site Improvements	Tenant Improvements	Acquired Lease Intangible Assets	Gross Investment in Real Estate
Balances as of December 31, 2022	$ 168,308	$ 1,079,781	$ 22,024	$ 65,987	$ 148,077	$ 1,484,177
Facility Acquired – Date Acquired:						
Redding – 4/17/23	771	3,798	174	321	872	5,936
Capitalized costs[1]	—	3,146	1,009	2,356	172	6,683
Total Additions:	771	6,944	1,183	2,677	1,044	12,619
Disposition of Jacksonville – 3/9/2023	(1,023)	(2,827)	—	—	—	(3,850)
Disposition of Oklahoma City – 6/30/2023	(2,814)	(43,553)	(1,127)	(1,505)	(9,406)	(58,405)
Disposition of North Charleston – 8/1/2023	(927)	(4,640)	(106)	(801)	(1,098)	(7,572)
Total Dispositions:	(4,764)	(51,020)	(1,233)	(2,306)	(10,504)	(69,827)
Balances as of December 31, 2023	$ 164,315	$ 1,035,705	$ 21,974	$ 66,358	$ 138,617	$ 1,426,969

(1) Represents capital projects that were completed and placed in service during the year ended December 31, 2023 related to the Company's existing facilities.

Lease Intangible Assets and Liabilities

The following is a summary of the carrying amount of lease intangible assets and liabilities:

	As of December 31, 2024		
	Cost	Accumulated Amortization	Net
Assets			
In-place leases	$ 77,698	$ (50,714)	$ 26,984
Above market leases	24,599	(13,201)	11,398
Leasing costs	36,648	(21,326)	15,322
	$ 138,945	$ (85,241)	$ 53,704
Liability			
Below market leases	$ 14,073	$ (10,137)	$ 3,936

	As of December 31, 2023		
	Cost	Accumulated Amortization	Net
Assets			
In-place leases	$ 77,037	$ (44,249)	$ 32,788
Above market leases	24,961	(10,318)	14,643
Leasing costs	36,619	(18,556)	18,063
	$ 138,617	$ (73,123)	$ 65,494
Liability			
Below market leases	$ 13,595	$ (8,314)	$ 5,281

The following is a summary of the acquired lease intangible amortization:

	Year Ended December 31,		
	2024	2023	2022
Amortization expense related to in-place leases	$ 9,942	$ 11,612	$ 11,685
Amortization expense related to leasing costs	$ 4,544	$ 5,079	$ 4,942
Decrease in rental revenue related to above market leases	$ 3,180	$ 3,384	$ 3,295
Increase in rental revenue related to below market leases	$ (2,009)	$ (2,332)	$ (2,268)

As of December 31, 2024, scheduled future aggregate net amortization of the acquired lease intangible assets and liabilities for each year ended December 31 is listed below:

	Net Decrease in Revenue	Net Increase in Expense
2025	$ (1,579)	$ 11,565
2026	(1,669)	9,736
2027	(1,231)	6,968
2028	(955)	5,713
2029	(831)	4,212
Thereafter	(1,197)	4,112
Total	$ (7,462)	$ 42,306

For the year ended December 31, 2024, the weighted average amortization period for asset lease intangibles and liability lease intangibles are 3.4 years and 2.6 years, respectively.

Investment in Unconsolidated Joint Venture

As of December 31, 2024, the Company had one investment in an unconsolidated Joint Venture, which as of December 31, 2024 held investments in two properties located in North Carolina and Texas. The Company retains a 12.5% interest in the Joint Venture. The Company's maximum exposure related to the Joint Venture is limited to the amount of its investment. The Joint Venture had total debt outstanding of $17.6 million as of December 31, 2024, all of which was non-recourse to the Company. For the year ended December 31, 2024, the Company recognized a loss of $20 from its equity interest in the net loss of the Joint Venture.

Note 4 – Credit Facility, Notes Payable and Derivative Instruments

Credit Facility

The Company, the Operating Partnership, as borrower, and certain of its subsidiaries (such subsidiaries, the "Subsidiary Guarantors") are parties to an amended and restated $900 million unsecured syndicated credit facility with JPMorgan Chase Bank, N.A. ("JPMorgan"), as administrative agent (the "Credit Facility"). The Credit Facility consists of (i) $500 million of term loans, which include (a) a $350 million term loan ("Term Loan A") and (b) a $150 million term loan ("Term Loan B," and, together with Term Loan A, the "Term Loans"), and (ii) a $400 million revolver (the "Revolver"). The Credit Facility also includes a $500 million accordion feature. Term Loan A matures in May 2026, Term Loan B matures in February 2028, and the Revolver matures in August 2026, with two six-month extension options. Interest rates on amounts outstanding under the Credit Facility equal the term Secured Overnight Financing Rate ("SOFR") plus a related spread adjustment of 10 basis points and a borrowing spread based on the current pricing grid in the Credit Facility.

The Operating Partnership is subject to a number of financial covenants under the Credit Facility, including, among other things, the following as of the end of each fiscal quarter, (i) a maximum consolidated unsecured leverage ratio of less than 60%, (ii) a maximum consolidated secured leverage ratio of less than 30%, (iii) a maximum consolidated secured recourse leverage ratio of less than 10%, (iv) a minimum fixed charge coverage ratio of 1.50:1.00, (v) a minimum unsecured interest coverage ratio of 1.50:1.00, (vi) a maximum consolidated leverage ratio of less than 60%, and (vii) a minimum net worth of $573 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2022. As of December 31, 2024, management believed it complied with all of the financial and non-financial covenants contained in the Credit Facility.

The Company has entered into interest rate swaps to hedge its interest rate risk on the Term Loans through their respective maturities. For additional information see the "Derivative Instruments - Interest Rate Swaps" section herein.

During the year ended December 31, 2024, the Company borrowed $143,800 under the Credit Facility and repaid $99,600, for a net amount borrowed of $44,200. During the year ended December 31, 2023, the Company borrowed $83,100 under the Credit Facility and repaid $136,400, for a net amount repaid of $53,300. Interest expense incurred on the Credit Facility was $25,628, $25,868, and $20,274 for the years ended December 31, 2024, 2023, and 2022, respectively.

As of December 2024 and 2023, the Company had the following outstanding borrowings under the Credit Facility:

	December 31, 2024	December 31, 2023
Revolver	$ 136,600	$ 92,400
Term Loan A	350,000	350,000
Term Loan B	150,000	150,000
Credit Facility, gross	636,600	592,400
Less: Unamortized debt issuance costs	(4,868)	(7,067)
Credit Facility, net	$ 631,732	$ 585,333

Costs incurred related to the Credit Facility, net of accumulated amortization, are netted against the Company's "Credit Facility, net of unamortized debt issuance costs" balance in the accompanying Consolidated Balance Sheets. The Company paid $13 related to amendments and modifications to the Credit Facility during the year ended December 31, 2023. Amortization expense incurred was $2,198, $2,199, and $1,995 for the years ended December 31, 2024, 2023, and 2022, respectively, and is included in the "Interest Expense" line item in the accompanying Consolidated Statements of Operations.

Notes Payable, Net of Debt Issuance Costs

The Company entered into or assumed loans in connection with the acquisitions of the Rosedale, Dumfries, and Toledo facilities. The Dumfries loan matured and was paid in full in June 2024. As of December 31, 2024 and 2023, the Company had the following outstanding borrowings under these loans:

	December 31, 2024	December 31, 2023
Rosedale loan (1)	$ 13,158	$ 13,563
Dumfries loan (2)	—	11,034
Toledo loan (3)	1,263	1,368
Notes payable, gross	14,421	25,965
Unamortized debt issuance costs	(22)	(66)
Notes payable, net	$ 14,399	$ 25,899

(1) The Rosedale loan has an annual interest rate of 3.85% and matures on July 31, 2025.
(2) The Dumfries loan had an annual interest rate of 4.68% and matured and was paid in full on June 1, 2024.
(3) The Toledo loan has an annual interest rate of 5.0% and matures on July 30, 2033.

Amortization expense incurred related to the debt issuance costs on these loans was $44, $146, and $155, for the years ended December 31, 2024, 2023, and 2022, respectively, and is included in the “Interest Expense” line item in the accompanying Consolidated Statements of Operations. Additionally, in connection with the Cantor Loan defeasance $240 of unamortized debt issuance costs were written off during the year ended December 31, 2023 and included as a component of the “Loss on Extinguishment of Debt” line item in the accompanying Consolidated Statements of Operations.

On March 31, 2016, the Company entered into a $32,097 CMBS loan (the “Cantor Loan”). On December 6, 2023, the Company defeased the Cantor Loan in accordance with the provisions of the underlying loan agreement. The defeasance resulted in a total payment of $31,525 during the year ended December 31, 2023, which consisted of the payment of the outstanding principal balance on December 6, 2023 of $30,897 and transaction costs of $628. The transaction costs are included as a component of the “Loss on Extinguishment of Debt” line item in the accompanying Consolidated Statements of Operations. The total loss on extinguishment of debt during the year ended December 31, 2023 resulting from the defeasance was $868.

The Company made principal payments of $11,544 and $32,159 during the years ended December 31, 2024 and 2023, respectively. Interest expense incurred on these loans was $819, $2,680, and $2,806 for the years ended December 31, 2024, 2023, and 2022, respectively.

As of December 31, 2024, scheduled principal payments due for each year ended December 31 were as follows:

2025	$ 13,268
2026	117
2027	124
2028	131
2029	139
Thereafter	642
Total	$ 14,421

Derivative Instruments - Interest Rate Swaps

As of December 31, 2024, the Company had nine interest rate swaps that are used to manage its interest rate risk by fixing the SOFR component of the Term Loans through their maturities. Five of the Company’s interest rate swaps related to Term Loan A with a combined notional value of $350 million that fix the SOFR component on Term Loan A through April 2026 at 1.36%. Four of the Company’s interest rate swaps related to Term Loan B with a combined notional value of $150 million that fix the SOFR component on Term Loan B through January 2028 at 2.54%.

The Company records the swaps either as an asset or a liability measured at its fair value at each reporting period. When hedge accounting is applied, the change in the fair value of derivatives designated and that qualify as cash flow hedges is (i) recorded in accumulated other comprehensive income in the equity section of the Company’s Consolidated Balance Sheets and (ii) subsequently reclassified into earnings as interest expense for the period that the hedged forecasted transactions affect earnings. If specific hedge accounting criteria are not met, changes in the Company’s derivative instruments’ fair value are recognized currently as an adjustment to net income. As of December 31, 2024 and 2023, all of the Company’s swaps met the criteria for hedge accounting.

The Company’s interest rate swaps are not traded on an exchange. The Company’s interest rate swaps are recorded at fair value based on a variety of observable inputs including contractual terms, interest rate curves, yield curves, measure of volatility, and correlations of such inputs. The Company measures its derivatives at fair value on a recurring basis based on the expected size of future cash flows on a discounted basis and incorporates a measure of non-performance risk. The fair values are based on Level 2 inputs within the framework of ASC Topic 820. The Company considers its own credit risk, as well as the credit risk of its counterparties, when evaluating the fair value of its derivative instruments.

The fair value of the Company’s interest rate swaps was an asset of $18,613 and $25,125 as of December 31, 2024 and 2023, respectively. The balances are included in the “Derivative Asset” line item on the Company’s Consolidated Balance Sheets as of December 31, 2024 and 2023, respectively.

The table below details the components of the amounts presented on the accompanying Consolidated Statements of Comprehensive Income recognized on the Company's interest rate swap agreements designated as cash flow hedges:

	Year Ended December 31,		
	2024	2023	2022
Amount of gain recognized in other comprehensive (loss) income	$ (10,683)	$ (6,056)	$ (41,068)
Amount of gain (loss) reclassified from accumulated other comprehensive income into interest expense	17,195	15,605	(242)
Total change in accumulated other comprehensive income	$ 6,512	$ 9,549	$ (41,310)

During the next twelve months, the Company estimates that an additional $11,801 will be reclassified as a decrease to interest expense. Additionally, during the years ended December 31, 2024, 2023, and 2022, the Company recorded total interest expense in its Consolidated Statements of Operations of $28,689, $30,893, and $25,230, respectively.

Weighted-Average Interest Rate and Term

The weighted average interest rate and term of the Company's debt was 3.75% and 2.0 years, respectively, at December 31, 2024, compared to 3.83% and 2.9 years, respectively, as of December 31, 2023.

Note 5 –Equity

Preferred Stock

The Company's charter authorizes the issuance of 10,000 shares of preferred stock, par value $0.001 per share. As of December 31, 2024 and 2023, there were 3,105 shares of Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"), issued and outstanding. The Series A Preferred Stock has a liquidation preference of $25 per share.

Preferred stock dividend activity for the years ended December 31, 2024 and 2023 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Quarterly Dividend	Dividends per Share
December 7, 2022	January 15, 2023	Q4 2022	January 31, 2023	$ 1,455	$ 0.46875
March 10, 2023	April 15, 2023	Q1 2023	May 1, 2023	$ 1,455	$ 0.46875
June 9, 2023	July 15, 2023	Q2 2023	July 31, 2023	$ 1,455	$ 0.46875
September 8, 2023	October 15, 2023	Q3 2023	October 31, 2023	$ 1,455	$ 0.46875
December 12, 2023	January 15, 2024	Q4 2023	January 31, 2024	$ 1,455	$ 0.46875
March 7, 2024	April 15, 2024	Q1 2024	April 30, 2024	$ 1,455	$ 0.46875
June 6, 2024	July 15, 2024	Q2 2024	July 31, 2024	$ 1,455	$ 0.46875
September 5, 2024	October 15, 2024	Q3 2024	October 31, 2024	$ 1,455	$ 0.46875
December 4, 2024	January 15, 2025	Q4 2024	January 31, 2025	$ 1,455 (1)	$ 0.46875

(1) Two months of this amount, equal to $970, was accrued at December 31, 2024.

The holders of the Series A Preferred Stock are entitled to receive dividend payments only when, as and if declared by the Company's board of directors (the "Board") (or a duly authorized committee of the Board). Dividends will accrue or be payable in cash from the original issue date, on a cumulative basis, quarterly in arrears on each dividend payment date at a fixed rate per annum equal to 7.50% of the liquidation preference of $25.00 per share (equivalent to $1.875 per share on an annual basis). The Series A Preferred Stock may be partially or fully redeemed by the Company. Dividends on the Series A Preferred Stock are cumulative and accrue whether or not (i) funds are legally available for the payment of those dividends, (ii) the Company has earnings or (iii) those dividends are declared by the Board. The quarterly dividend payment dates on the Series A Preferred Stock are January 31, April 30, July 31 and October 31 of each year. During each of the years ended December 31, 2024 and 2023, the Company paid preferred dividends of $5,822.

Common Stock

The Company has 500,000 authorized shares of common stock, $0.001 par value. As of December 31, 2024 and 2023, there were 66,871 and 65,565 outstanding shares of common stock, respectively.

Common stock dividend activity for the years ended December 31, 2024 and 2023 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Dividend Amount[1]	Dividends per Share
December 7, 2022	December 22, 2022	Q4 2022	January 9, 2023	$ 14,642	$ 0.21
March 10, 2023	March 24, 2023	Q1 2023	April 11, 2023	$ 14,688	$ 0.21
June 9, 2023	June 23, 2023	Q2 2023	July 11, 2023	$ 14,819	$ 0.21
September 8, 2023	September 22, 2023	Q3 2023	October 10, 2023	$ 14,819	$ 0.21
December 12, 2023	December 27, 2023	Q4 2023	January 9, 2024	$ 14,819	$ 0.21
March 7, 2024	March 22, 2024	Q1 2024	April 9, 2024	$ 14,901	$ 0.21
June 6, 2024	June 21, 2024	Q2 2024	July 9, 2024	$ 14,912	$ 0.21
September 5, 2024	September 20, 2024	Q3 2024	October 8, 2024	$ 15,109	$ 0.21
December 4, 2024	December 20, 2024	Q4 2024	January 8, 2025	$ 15,164	$ 0.21

(1) Includes dividends on granted LTIP Units and OP Units issued to third parties.

During the years ended December 31, 2024 and 2023, the Company paid total dividends on its common stock, LTIP Units, and OP Units in the aggregate amount of $59,868 and $59,025, respectively.

As of December 31, 2024 and 2023, the Company had accrued dividend balances of $386 and $345 for dividends payable on the aggregate annual and long-term LTIP Units that are subject to retroactive receipt of dividends on the amount of LTIP Units ultimately earned. During the year ended December 31, 2024, $168 of dividends were accrued and $127 of dividends were paid related to these units. During the year ended December 31, 2023, $193 of dividends were accrued and $57 of dividends were paid related to these units.

The amount of the dividends paid to the Company's stockholders is determined by the Board and is dependent on a number of factors, including funds available for payment of dividends, the Company's financial condition and capital expenditure requirements except that, in accordance with the Company's organizational documents and Maryland law, the Company may not make dividend distributions that would: (i) cause it to be unable to pay its debts as they become due in the usual course of business; (ii) cause its total assets to be less than the sum of its total liabilities plus senior liquidation preferences; or (iii) jeopardize its ability to maintain its qualification as a REIT.

Capital Raising Activity

In January 2024, the Company and the Operating Partnership implemented a $300 million "at-the-market" equity offering program, pursuant to which the Company may offer and sell (including through forward sales), from time to time, shares of its common stock.

During the year ended December 31, 2024, the Company generated gross proceeds of $11,990 through ATM equity issuances of 1,204 shares of the Company's common stock at an average offering price of $9.95 per share. During the year ended December 31, 2023, no shares were sold under the ATM.

OP Units

During the year ended December 31, 2024, the Operating Partnership did not issue or redeem any OP Units. During the year ended December 31, 2023, the Operating Partnership issued 577 OP Units with a value of $5,482 in connection with a facility acquisition and did not redeem any OP Units.

The OP Unit value at issuance and redemption is based on the Company's closing share price on the date of the respective transaction and is included as a component of noncontrolling interest equity in the Company's Consolidated Balance Sheets as of December 31, 2024 and 2023. The Company has sufficient shares of common stock authorized pursuant to its charter to cover the redemption of outstanding OP Units.

Note 6 –Related Party Transactions

Related Party Balances

The due from related parties balance as of December 31, 2024 and 2023 was $270 and $193, respectively. These balances primarily consist of taxes paid on behalf of LTIP Unit and OP Unit holders that are reimbursable to the Company. The Company had no amounts due to related parties as of December 31, 2024 and 2023.

Note 7 – Stock-Based Compensation

2016 Equity Incentive Plan

The 2016 Equity Incentive Plan, as amended (the "Plan"), is intended to assist the Company and its affiliates in recruiting and retaining employees of the Company, members of the Board, executive officers of the Company, and individuals who provide services to the Company and its affiliates.

The Plan is intended to permit the grant of both qualified and non-qualified options and the grant of stock appreciation rights, restricted stock, unrestricted stock, awards of restricted stock units, performance awards and other equity-based awards (including LTIP Units). Based on the grants outstanding as of December 31, 2024, there were 1,903 shares of common stock that remain available to be granted under the Plan. Units subject to awards under the Plan that are forfeited, cancelled, lapsed, or otherwise expired (excluding shares withheld to satisfy exercise prices or tax withholding obligations) are available for grant.

Time-Based Grants

During the year ended December 31, 2024, the following LTIP Units were issued by the Company:

Date	Description	Number of Units Issued	Vesting Dates
February 21, 2024	Final awards under the 2023 Annual Incentive Plan	151	50% on February 21, 2024; and 50% on February 21, 2025
February 21, 2024	Time-based awards under the 2024 Long-Term Incentive Plan	238	100% on February 21, 2027
May 15, 2024	Annual awards to independent directors	47	100% vest on May 15, 2025
June 10, 2024	Discretionary grant	8	33.33% on June 10, 2025; 33.33% on June 10, 2026; and 33.33% on June 10, 2027;

During the year ended December 31, 2024, certain participants redeemed an aggregate of 101 vested LTIP Units for the Company's common stock and forfeited an aggregate of three LTIP Units. A detail of the Company's outstanding time-based LTIP Units as of December 31, 2024 is as follows:

Vested units	2,491
Unvested units	605
LTIP Units outstanding as of December 31, 2024	3,096

Performance Based Awards

The Board has approved annual performance-based LTIP awards ("Annual Awards") and long-term performance-based LTIP awards ("Long-Term Awards" and together with the Annual Awards, "Performance Awards") to the executive officers and other employees of the Company. As described below, the Annual Awards have one-year performance periods and the Long-Term Awards have three-year performance periods. In addition to meeting specified performance metrics, vesting in the Performance Awards is subject to service requirements.

During the year ended December 31, 2024, certain participants forfeited an aggregate of three Performance Awards. A detail of the Performance Awards under the 2022, 2023 and 2024 programs as of December 31, 2024 is as follows:

2022 Long-Term Awards	96
2023 Long-Term Awards	154
2024 Annual Awards (1)	149
2024 Long-Term Awards (2)	228
Total target Performance Awards as of December 31, 2024	627

(1) Approved by the Board on February 21, 2024. The number of target LTIP Units was based on the average closing price of the Company's common stock reported on the New York Stock Exchange ("NYSE") over the 15 trading days preceding the award date.

(2) Approved by the Board on February 21, 2024. The number of target LTIP Units was based on the fair value of the Long-Term Awards as determined by an independent valuation consultant.

Annual Awards. The Annual Awards are subject to the terms and conditions of LTIP Annual Award Agreements ("LTIP Annual Award Agreements") between the Company and each grantee.

The Compensation Committee of the Board (the "Compensation Committee") and the Board established performance goals for the year ending December 31, 2024, as set forth in the 2024 LTIP Annual Award Agreements (the "Performance Goals") that will be used to determine the number of LTIP Units earned by each grantee. Cumulative stock-based compensation expense during the year ended December 31, 2024 reflects management's estimate of the probability of the number of these awards that will be earned. As soon as reasonably practicable following the end of the performance period, the Compensation Committee and the Board will determine the extent to which the Company has achieved each of the Performance Goals (expressed as a percentage) and, based on such determination, will calculate the number of LTIP Units that each grantee is entitled to receive. Each grantee may earn up to 150% of the number of his/her target LTIP Units. Any 2024 Annual Award LTIP Units that are not earned will be forfeited and cancelled.

Vesting. LTIP Units that are earned as of the end of the applicable performance period will vest in two installments as follows: 50% of the earned LTIP Units will become vested on the valuation date of the awards (which is expected to occur in February 2025) and 50% of the earned LTIP Units become vested on the one year anniversary of the initial vesting date. Vesting may be accelerated under certain circumstances such as a "change-in-control" transaction or a "qualified termination" event.

Distributions. Distributions equal to the dividends declared and paid by the Company will accrue during the applicable performance period on the estimated maximum number of LTIP Units that the grantee could earn and will be paid with respect to all of the earned LTIP Units at the conclusion of the applicable performance period, in cash or by the issuance of additional LTIP Units at the discretion of the Compensation Committee.

Long-Term Awards. The Long-Term Awards are subject to the terms and conditions of their related LTIP Long-Term Award Agreements (collectively the "LTIP Long-Term Award Agreements") between the Company and each grantee. The number of LTIP Units that each grantee earns under the LTIP Long-Term Award Agreements will be determined following the conclusion of a three-year performance period based on the Company's (i) total stockholder return ("TSR"), which is determined based on a combination of appreciation in stock price and dividends paid during the performance period, and (ii) relative stockholder return ("RSR"), which is determined by comparing the Company's TSR with the TSRs of the companies that comprise the Dow Jones U.S. Real Estate Health Care Index (the "Index"). Each grantee may earn up to 200% of the number of target LTIP Units covered by the grantee's Long-Term Award. Any target LTIP Units that are not earned will be forfeited and cancelled. The number of LTIP Units earned under the Long-Term Awards will be determined as soon as reasonably practicable following the end of the applicable three-year performance period based on the Company's TSR on an absolute basis (as to 50% of the Long-Term Award) and RSR (as to 50% of the Long-Term Award).

Vesting. LTIP Units that are earned as of the end of the applicable three-year performance period will vest in two installments as follows; 50% of the earned LTIP Units will vest upon the day prior to the third anniversary of the respective grant dates and the remaining 50% will vest on the one year anniversary of the initial vesting date. Vesting may be accelerated under certain circumstances such as a "change-in-control" transaction or a "qualified termination" event.

Distributions. Pursuant to the LTIP Long-Term Award Agreements, distributions equal to the dividends declared and paid by the Company will accrue during the applicable performance period on the estimated maximum number of LTIP Units that the grantee could earn and will be paid with respect to all of the earned LTIP Units at the conclusion of the applicable performance period, in cash or by the issuance of additional LTIP Units at the discretion of the Compensation Committee.

Stock-Based Compensation Expense

Compensation expense for LTIP Unit grants, Annual Awards, and Long-Term Awards is based on the grant date fair value of the units/awards, with no subsequent remeasurement required.

As the Long-Term Awards involve market-based performance conditions, the Company utilizes a Monte Carlo simulation to provide a grant date fair value for expense recognition. The Monte Carlo simulation is a generally accepted statistical technique used, in this instance, to simulate a range of possible future stock prices for the Company and the members of the Index over the Performance Periods. The purpose of this modeling is to use a probabilistic approach for estimating the fair value of the performance share award.

The assumptions used in the Monte Carlo simulation include beginning average stock price, valuation date stock price, expected volatilities, correlation coefficients, risk-free rate of interest, and expected dividend yield. The beginning average stock price is the beginning average stock price for the Company and each member of the Index for the 15 trading days leading up to the grant date of the Long-Term Award. The valuation date stock price is the closing stock price of the Company and each of the peer companies in the Index on the grant dates of the Long-Term Awards. The expected volatilities are modeled using the historical volatilities for the Company and the members of the Index. The correlation coefficients are calculated using the same data as the historical volatilities. The risk-free rate of interest is taken from the U.S. Treasury website and relates to the expected life of the remaining performance period on valuation or revaluation. Lastly, the dividend yield assumption is 0.0%, which is mathematically equivalent to reinvesting dividends in the issuing entity, which is part of the Company's award agreement assumptions.

Below are details regarding certain of the assumptions for the Long-Term Awards using Monte Carlo simulations:

	2024 Long-Term Awards	2023 Long-Term Awards	2022 Long-Term Awards
Fair value	$ 9.37	$ 11.67	$ 16.39
Target awards	228	154	96
Volatility	28.12 %	43.54 %	41.65 %
Risk-free rate	4.38 %	4.35 %	1.72 %
Dividend assumption	reinvested	reinvested	reinvested
Expected term in years	3	3	3

The Company incurred stock compensation expense of $5,102, $4,242, and $4,681, for the years ended December 31, 2024, 2023, and 2022, respectively, related to the grants awarded under the Plan. Compensation expense is included within "General and Administrative" expense in the Company's Consolidated Statements of Operations.

As of December 31, 2024, total unamortized compensation expense related to these awards of approximately $5.6 million is expected to be recognized over a weighted average remaining period of 1.5 years.

Note 8 – Leases

The Company operates as both a lessor and a lessee. As a lessor, the Company is required under ASC Topic 842 to account for leases using an approach that is substantially similar to ASC Topic 840's guidance for operating leases and other leases such as sales-type leases and direct financing leases. In addition, ASC Topic 842 requires lessors to capitalize and amortize only incremental direct leasing costs. As a lessee, the Company is required under the new standard to apply a dual approach, classifying leases, such as ground leases, as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. ASC Topic 842 also requires lessees to record a right of use asset and a lease liability for all leases with an initial term of greater than a year regardless of their classification. The Company has also elected the practical expedient not to recognize right of use assets and lease liabilities for leases with a term of a year or less.

Information as Lessor

To generate positive cash flow, as a lessor, the Company leases its facilities to tenants in exchange for fixed monthly payments that cover rent, property taxes, insurance and certain cost recoveries, primarily common area maintenance ("CAM"). The Company's leases were determined to be operating leases and have a portfolio-average-lease-years remaining of approximately 10 years. Payments from the Company's tenants for CAM are considered nonlease components that are separated from lease components and are generally accounted for in accordance with the revenue recognition standard. However, the Company qualified for and elected the practical expedient related to combining the components because the lease component is classified as an operating lease and the timing and pattern of transfer of CAM income, which is not the predominant component, is the same as the lease component, for all asset classes. As such, consideration for CAM is accounted for as part of the overall consideration in the lease. Payments from customers for property taxes and insurance are considered non-components of the lease and therefore no consideration is allocated to them because they do not transfer a good or service to the customer. Fixed contractual payments from the Company's leases are recognized on a straight-line basis over the terms of the respective leases. This means that, with respect to a particular lease, actual amounts billed in accordance with the lease during any given period may be higher or lower than the amount of rental revenue recognized for the period. Straight-line rental revenue is commenced when the tenant assumes control of the leased premises. Accrued straight-line rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements.

Some of the Company's leases are subject to annual changes in the Consumer Price Index ("CPI"). Although increases in CPI are not estimated as part of the Company's measurement of straight-line rental revenue, for leases with base rent increases based on CPI, the amount of rent revenue recognized is adjusted in the period the changes in CPI are measured and effective. Additionally, some of the Company's leases have extension options.

Initial direct costs, primarily commissions related to the leasing of our facilities, are capitalized when material as incurred. Capitalized leasing costs are amortized on a straight-line basis over the remaining useful life of the respective leases. All other costs to negotiate or arrange a lease are expensed as incurred.

Lease-related receivables, which include accounts receivable and accrued straight-line rents receivable, are reduced for credit losses, if applicable. The Company regularly evaluates the collectability of its lease-related receivables. The Company's evaluation of collectability primarily consists of reviewing past due account balances and considering such factors as the credit quality of our tenant, historical trends of the tenant and changes in tenant payment terms. If the Company's assumptions regarding the collectability of lease-related receivables prove incorrect, the Company could experience credit losses in excess of what was recognized in rental and other revenues.

The Company recognized $138,410 and $140,934 of rental revenue related to operating lease payments for the years ended December 31, 2024 and 2023, respectively. Of these amounts $7,737 and $7,180, respectively, relate to variable rental revenue.

The aggregate annual cash to be received by the Company on the noncancelable operating leases related to its portfolio as of December 31, 2024 is as follows for the subsequent years ended December 31:

2025	$	115,870
2026		110,110
2027		99,287
2028		90,515
2029		77,710
Thereafter		269,614
Total	$	763,106

Information as Lessee

The Company recorded a right of use asset and liability in May 2023 on the commencement date of the lease for its corporate headquarters in Bethesda, Maryland. The Company used a discount rate of approximately 6.5% to record the right of use asset and liability, which represented its incremental borrowing rate at the lease commencement date. Additionally, the Company has seven buildings located on land that is subject to operating ground leases with a weighted average remaining term of approximately 42 years. Rental payments on these leases are adjusted periodically based on either the CPI or on a pre-determined schedule. The monthly payments on a pre-determined schedule are recognized on a straight-line basis over the terms of the respective leases. Changes in the CPI are not estimated as part of our measurement of straight-line rental expense. The Company used a weighted average discount rate of approximately 7.5% to record the right of use assets and liabilities, which was derived, using a portfolio approach, from our assessment of the credit quality of the Company and adjusted to reflect secured borrowing, estimated yield curves and long-term spread adjustments over appropriate tenors. Some of the Company's ground leases contain extension options and, where we determined it was reasonably certain that an extension would occur, they were included in our calculation of the right of use asset and liability. The Company recognized approximately $197 and $326 of ground lease expense during the years ended December 31, 2024 and 2023, respectively, of which $147 and $185 was paid in cash.

The following table sets forth the undiscounted cash flows of our scheduled obligations for future lease payments on operating ground leases at December 31, 2024 and a reconciliation of those cash flows to the operating lease liability at December 31, 2024:

2025	$	740
2026		757
2027		772
2028		794
2029		812
Thereafter		8,845
Total		12,720
Discount		(5,259)
Lease liability	$	7,461

Tenant Concentration

During the year ended December 31, 2024, the Company's rental revenues were derived from 279 tenants leasing 190 buildings. During this period there were no tenants with rental revenue that exceeded 10% of the Company's rental revenue.

Note 9 – Commitments and Contingencies

Litigation

The Company is not presently subject to any material litigation nor, to its knowledge, is any material litigation threatened against the Company, which if determined unfavorably to the Company, would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Environmental Matters

The Company follows a policy of monitoring its properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at its properties, the Company is not currently aware of any environmental liability with respect to its properties that would have a material effect on its financial position, results of operations, or cash flows. Additionally, the Company is not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that management believes would require additional disclosure or the recording of a loss contingency.

Note 10 – Subsequent Events

Chief Executive Officer Transition Expected in 2025

On January 8, 2025, the Company and Jeffrey Busch, Chairman of the Board and Chief Executive Officer, reached an agreement regarding Mr. Busch's transition from service as the Company's Chief Executive Officer and anticipated continuation as a member of the Company's Board. Pursuant to a Transition and Separation Agreement and General Release of Claims dated as of January 8, 2025 (the "Separation Agreement"), Mr. Busch, the Company and Inter-American Management LLC ("Inter-American") agreed that Mr. Busch's employment, and service as Chief Executive Officer and President of the Company and Inter-American, would end no later than the first to occur of (i) the date that a successor to the position of Chief Executive Officer who has been appointed in accordance with the Board's approved succession process begins employment, or (ii) June 30, 2025 (such date that is the first to occur, the "Succession Date"). The Board has directed the Nominating and Corporate Governance Committee of the Board to conduct a comprehensive search process to identify a new Chief Executive Officer with the assistance of an executive search firm. Mr. Busch intends to stand for re-election as a director at the Company's 2025 annual meeting of stockholders, and it is expected that he will continue to serve as non-executive Chairman of the Board following the Succession Date. Mr. Busch's departure is not the result of any disagreement with the Company on any matter relating to its operations, policies, or practices.

Pursuant to the Separation Agreement, and in consideration for Mr. Busch (i) assisting with the transition to the new Chief Executive Officer and continuing in employment through the Succession Date, (ii) executing, and not revoking, releases of claims in favor of the Company, and (iii) otherwise satisfying the terms of the Separation Agreement, Mr. Busch will receive separation benefits to which he is entitled under that certain Employment Agreement between Mr. Busch and the Company effective as of July 9, 2020 and later amended by that certain letter agreement dated January 27, 2021 following his cessation of employment.

For the year ended December 31, 2024 the Company accrued $3.2 million for cash severance related costs included in the "Accounts Payable and Accrued Expenses" line item on the Company's Consolidated Balance Sheets with the expense included in the "General and Administrative Expense" line item on the Company's Consolidated Statements of Operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are designed to ensure that the information required to be disclosed in our reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to management, including the principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer) as appropriate, to allow timely decisions regarding required disclosures. Our Chief Executive Officer (our "CEO") and Chief Financial Officer (our "CFO") evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. Based on that evaluation, our CEO and CFO concluded that, as of the end of the period covered by this Report, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for the preparation of our consolidated financial statements and related information. Management uses its best judgment to ensure that the consolidated financial statements present fairly, in all material respects, our financial position and results of operations in conformity with generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Exchange Act. These internal controls are designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. There are inherent limitations in the effectiveness of any system of internal controls including the possibility of human error and overriding of controls. Consequently, even an effective internal control system can only provide reasonable, not absolute, assurance with respect to reporting financial information.

Our internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of company assets are made in accordance with our management and directors' authorization; and (iii) provide reasonable assurance regarding the prevention of or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision of management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal controls over financial reporting were effective as of December 31, 2024.

Deloitte & Touche LLP, an independent registered public accounting firm, audited our consolidated financial statements included in this Annual Report on Form 10-K and our internal control over financial reporting, and that firm's report on our internal control over financial reporting is set forth below.

February 28, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Global Medical REIT Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Global Medical REIT Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 28, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

McLean, VA
February 28, 2025

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

(a)(2) Financial Statement Schedule

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
(dollars in thousands)

		Initial Costs		Costs Capitalized Subsequent to Acquisition		Gross Value at Close of Period						
Description	Encumb-rances	Land & Improv	Building & Improv	Land & Improv	Building & Improv	Land & Improv	Building & Improv	Total Assets	Acc Depr 12.31.24	Year Built / Renov	Year Acquired	Life on Which Depreciation in Income Statement is Computed
Omaha-LTACH		$ —	$ 21,867	$ —	$ —	$ —	$ 21,867	$ 21,867	$ 5,779	2008	2014	(1)
Asheville-ASC		572	1,934	323	1,034	895	2,968	3,863	531	2002	2014	(1)
Pittsburgh-MOB/ASC		1,287	10,322	—	—	1,287	10,322	11,609	2,392	2006	2015	(1)
Memphis-MOB/ASC		2,705	17,451	—	1,915	2,705	19,366	22,071	3,948	(5)	2015	(1)
Plano-Surgical Hospital		1,050	16,696	—	—	1,050	16,696	17,746	3,727	2013	2016	(1)
Westland-MOB/ASC		230	4,520	—	93	230	4,613	4,843	992	2009	2016	(1)
Melbourne-MOB/ Imaging		1,200	14,250	86	1,959	1,286	16,209	17,495	3,381	2012	2016	(1)
Reading-MOB/ASC		1,440	7,940	—	6	1,440	7,946	9,386	1,678	1992/2002	2016	(1)
East Orange-MOB		2,150	10,112	—	510	2,150	10,622	12,772	2,136	1996	2016	(1)
Watertown- MOB/ Imaging		1,100	8,002	501	335	1,601	8,337	9,938	1,748	2011/2015	2016	(1)(3)
Sandusky-MOB		791	10,710	—	—	791	10,710	11,501	2,458	(6)	2016/2017	(1)
Altoona-IRF		1,184	18,505	—	—	1,184	18,505	19,689	4,152	2000	2016	(1)(2)(3)
Mechanicsburg-IRF		810	21,451	—	—	810	21,451	22,261	4,698	2011	2016	(1)(2)(3)
Mesa-IRF		3,620	16,265	—	—	3,620	16,265	19,885	4,248	2011	2016	(1)(2)(3)
Lewisburg-MOB/ Imaging		681	6,114	—	18	681	6,132	6,813	1,695	2006	2017	(1)(2)(3)

Cape Coral-MOB	353	7,017	—	—	353	7,017	7,370	1,117	2007	2017	(1)(3)
Las Cruces-MOB	397	4,618	40	32	437	4,650	5,087	1,062	2012	2017	(1)
Clermont-MOB	145	4,422	—	—	145	4,422	4,567	813	2014	2017	(1)(2)(3)
Brockport-MOB	693	7,097	—	—	693	7,097	7,790	1,806	2011	2017	(1)(2)(3)
Flower Mound-ASC	730	3,155	—	—	730	3,155	3,885	805	2014	2017	(1)(2)(3)
Sherman-IRF/ LTACH	1,601	25,011	—	2,447	1,601	27,458	29,059	5,291	2009	2017	(1)(2)
Lubbock-MOB	1,566	5,725	—	—	1,566	5,725	7,291	1,676	2004	2017	(1)(2)(3)
Austin-IRF	7,223	29,616	—	—	7,223	29,616	36,839	5,572	2012	2017	(1)(2)(3)
Albertville-MOB	1,154	4,444	193	40	1,347	4,484	5,831	1,756	2007	2017	(1)(2)(3)
Moline-MOB/ASC	854	9,237	—	—	854	9,237	10,091	2,246	2004	2017	(1)(2)(3)
Lee's Summit-MOB	571	2,929	—	—	571	2,929	3,500	1,089	2007	2017	(1)(2)(3)
Amarillo-MOB	1,437	7,254	—	—	1,437	7,254	8,691	1,154	2011	2017	(1)
Wyomissing-MOB	487	5,250	—	—	487	5,250	5,737	817	2004	2017	(1)
Saint George-MOB/ASC	435	5,372	—	138	435	5,510	5,945	951	1997	2017	(1)
Silvis-MOB	249	5,862	30	800	279	6,662	6,941	1,920	1997/2006	2018	(1)(2)(3)
Fremont-MOB	162	8,335	—	—	162	8,335	8,497	1,368	2018	2018	(1)
Gainesville-MOB/ASC	625	9,885	—	741	625	10,626	11,251	1,820	2002	2018	(1)
East Dallas-Acute Hospital	6,272	17,012	—	1,450	6,272	18,462	24,734	4,322	1994	2018	(1)
Orlando-MOB	3,075	11,944	—	163	3,075	12,107	15,182	2,660	2007/2008/2009	2018	(1)(2)(3)
Belpre-MOB/ Imaging/ER/ ASC	3,997	53,520	—	—	3,997	53,520	57,517	9,815	2011/2013/2014/2017	2018	(1)(2)(3)
McAllen-MOB	1,099	4,296	—	—	1,099	4,296	5,395	930	2000	2018	(1)
Derby-ASC	567	2,585	(303)	(1,263)	264	1,322	1,586	709	2005	2018	(1)(2)(3)
Bountiful-MOB	720	4,185	—	109	720	4,294	5,014	718	2004	2018	(1)(2)
Cincinnati-MOB	1,823	1,811	128	239	1,951	2,050	4,001	818	2016	2018	(1)(2)(3)
Melbourne Pine-Cancer Center	732	5,980	—	1,031	732	7,011	7,743	1,264	1993	2018	(1)(2)(3)
Southern IL-MOB	1,830	12,660	36	547	1,866	13,207	15,073	2,284	(7)	2018	(1)
Vernon-MOB/ Dialysis/ Administrative	1,166	9,929	—	—	1,166	9,929	11,095	2,029	1993/1999	2018	(1)
Corona	1,601	14,689	—	—	1,601	14,689	16,290	2,205	2009	2018	(1)
Zachary-LTACH	103	3,745	—	—	103	3,745	3,848	668	2015	2019	(1)(2)(3)
Chandler -MOB/ASC	4,616	11,643	—	75	4,616	11,718	16,334	2,042	2004/2007/2015	2019	(1)
Surprise-IRF	1,966	22,856	38	—	2,004	22,856	24,860	4,499	2015	2019	(1)(2)(3)
Las Vegas-IRF	2,723	17,482	—	—	2,723	17,482	20,205	4,599	2007	2019	(1)(2)(3)
Oklahoma Northwest-IRF	2,507	22,545	122	6,814	2,629	29,359	31,988	5,134	2012	2019	(1)(2)(3)
San Marcos-Cancer Center	2,448	7,338	—	—	2,448	7,338	9,786	1,333	2009	2019	(1)(2)(3)
Lansing Patient-MOB /ASC	1,387	8,348	225	425	1,612	8,773	10,385	2,102	1997/2000/2002	2019	(1)(2)(3)
Bannockburn-MOB	895	4,700	123	1,127	1,018	5,827	6,845	2,182	1999	2019	(1)(2)(3)
Aurora-Office	1,829	8,049	—	—	1,829	8,049	9,878	1,663	2015	2019	(1)(2)(3)
Livonia-MOB/Urgent Care	1,181	8,071	45	1,087	1,226	9,158	10,384	2,553	1995	2019	(1)(2)(3)
Gilbert-MOB/ASC	2,470	2,389	—	—	2,470	2,389	4,859	560	2006	2019	(1)(2)(3)

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Morgantown-Office		1,256	5,792	—	—	1,256	5,792	7,048	1,088	2019	2019	(1)(2)(3)
Beaumont-Surgical Hospital		3,421	25,872	—	—	3,421	25,872	29,293	3,791	2013	2019	(1)(2)(3)
Bastrop-Freestanding ED		2,039	8,712	—	27	2,039	8,739	10,778	1,451	2012	2019	(1)(2)(3)
Panama City-MOB		204	985	—	—	204	985	1,189	215	2009	2019	(1)(2)(3)
Jacksonville-MOB		—	5,019	—	—	—	5,019	5,019	643	2003/2004	2019	(1)
Greenwood-MOB/ASC		892	4,956	—	—	892	4,956	5,848	992	1986	2019	(1)
Clinton-MOB/ASC		1,006	8,129	303	1,588	1,309	9,717	11,026	3,847	1964	2020	(1)(2)(3)
West Allis-MOB		1,111	7,785	—	—	1,111	7,785	8,896	1,249	1999	2020	(1)(2)(3)
Grand Rapids-MOB/ASC		3,421	17,810	292	445	3,713	18,255	21,968	3,765	1988/1992/2000/2006	2020	(1)(2)(3)
Dumfries-MOB		2,886	14,863	—	—	2,886	14,863	17,749	6,211	2019	2020	(1)(2)(3)
Centerville -MOB		160	4,410	—	—	160	4,410	4,570	570	2018	2020	(1)(2)(3)
Fairfax-MOB		7,112	9,621	—	941	7,112	10,562	17,674	2,679	2019	2020	(1)(2)(3)
Rosedale-MOB	(4)	3,423	17,646	—	227	3,423	17,873	21,296	2,993	2014/2017	2020	(1)(2)(3)
Lancaster-Plasma Center		805	4,385	—	—	805	4,385	5,190	616	2009	2020	(1)(2)(3)
Winston Salem-MOB		1,778	6,714	—	—	1,778	6,714	8,492	1,183	2009	2020	(1)(2)(3)
Decatur-MOB		1,626	2,706	54	—	1,680	2,706	4,386	486	2010	2020	(1)(2)(3)
Jackson-MOB		895	4,730	68	—	963	4,730	5,693	658	2009	2020	(1)(2)(3)
Sheboygan-MOB		583	6,223	—	—	583	6,223	6,806	864	2005	2020	(1)(2)(3)
Plymouth-MOB		758	5,214	—	—	758	5,214	5,972	665	2010	2020	(1)(2)(3)
Spring Hill-MOB/Img		3,893	12,954	68	210	3,961	13,164	17,125	2,065	2002/2013/2017/2019	2020	(1)(2)(3)
Cape Girardeau-ASC		1,223	4,865	—	—	1,223	4,865	6,088	749	2002	2020	(1)(2)(3)
Yuma-MOB		1,349	4,989	—	—	1,349	4,989	6,338	853	2013	2020	(1)(2)(3)
Las Vegas-MOB/ASC		311	6,813	—	—	311	6,813	7,124	681	2007/2015	2020	(1)
Pensacola-MOB/ASC		2,118	6,153	—	129	2,118	6,282	8,400	1,145	1985/1997	2020	(1)(2)(3)
Venice-MOB		1,896	4,537	—	365	1,896	4,902	6,798	805	2008	2020	(1)(2)(3)
El Paso-MOB		970	7,709	—	150	970	7,859	8,829	1,008	2008	2021	(1)(2)(3)
West El Paso-MOB/ASC		995	7,727	—	—	995	7,727	8,722	936	2015/2018	2021	(1)(2)(3)
Syracuse-MOB		744	4,880	25	101	769	4,981	5,750	747	2012	2021	(1)(2)(3)
Fort Worth-Behavioral Hospital		1,960	13,453	—	—	1,960	13,453	15,413	1,450	2013	2021	(1)(2)(3)
Coos Bay-MOB		917	5,145	—	—	917	5,145	6,062	580	2009	2021	(1)(2)(3)
Port Saint Lucie-MOB/ASC		660	3,767	—	60	660	3,827	4,487	615	1990	2021	(1)(2)(3)
Dallas-MOB/ASC		3,165	3,062	—	161	3,165	3,223	6,388	590	1989	2021	(1)(2)(3)
Cape Coral-MOB		6,103	21,287	—	56	6,103	21,343	27,446	3,268	1991/1999/2004/2007	2021	(1)(2)(3)
East Grand Forks-MOB		1,123	7,063	—	90	1,123	7,153	8,276	1,501	2004	2021	(1)(2)(3)
Tallahassee-MOB		919	7,107	7	285	926	7,392	8,318	901	2002	2021	(1)(2)(3)
Caledonia-MOB		648	2,765	—	—	648	2,765	3,413	366	2007	2021	(1)(2)(3)
Forsyth-MOB/Imaging		1,902	10,083	85	201	1,987	10,284	12,271	1,425	2003	2021	(1)(2)(3)
Munster-MOB/ASC		941	4,842	16	114	957	4,956	5,913	747	2005	2021	(1)(2)(3)
Athens-MOB		622	4,169	—	533	622	4,702	5,324	510	2003	2021	(1)(2)(3)

Hialeah-MOB	264	10,349	—	634	264	10,983	11,247	2,145	2019	2021	(1)(2)(3)
Mentor-MOB	2,603	6,544	83	466	2,686	7,010	9,696	1,032	1991	2021	(1)(2)(3)
Athens 200-MOB	369	1,470	—	—	369	1,470	1,839	269	2000	2021	(1)(2)(3)
Lemoyne-MOB/Imaging	412	4,020	—	—	412	4,020	4,432	516	1990/2000	2021	(1)(2)(3)
Gainesville-MOB	631	4,098	8	394	639	4,492	5,131	647	2006	2022	(1)(2)(3)
Grand Rapids Paris-MOB	1,459	5,246	23	266	1,482	5,512	6,994	858	2004	2022	(1)(2)(3)
Sarasota-MOB	831	4,034	—	—	831	4,034	4,865	543	2013	2022	(1)(2)(3)
Greenwood-MOB	1,122	4,692	144	65	1,266	4,757	6,023	766	2007	2022	(1)(2)(3)
Fairbanks-MOB/ASC	1,997	13,015	38	141	2,035	13,156	15,191	1,329	2010	2022	(1)(2)(3)
Rocky Point-MOB/ASC/Imaging	836	6,534	—	56	836	6,590	7,426	762	2006/2007	2022	(1)(2)(3)
Fairfax Hamaker-MOB	4,410	13,548	—	631	4,410	14,179	18,589	1,854	1986	2022	(1)(2)(3)
Lee's Summit-MOB/ASC	1,431	4,512	73	138	1,504	4,650	6,154	600	2003	2022	(1)(2)(3)
Lexington-MOB/Cancer Center	2,049	11,905	149	649	2,198	12,554	14,752	1,236	1996/2000/2006/2009	2022	(1)(2)(3)
Toledo Ohio-MOB/ASC	3,581	12,613	17	864	3,598	13,477	17,075	2,060	1997	2022	(1)(2)(3)
Lake Geneva-MOB	585	4,842	87	119	672	4,961	5,633	508	1999	2022	(1)(2)(3)
Glenview-MOB/Retail	1,688	6,536	47	575	1,735	7,111	8,846	891	2003	2022	(1)(2)(3)
Canandaigua-MOB	948	11,606	—	203	948	11,809	12,757	1,176	2010/2013	2022	(1)(2)(3)
Hermitage-MOB	548	4,118	—	142	548	4,260	4,808	504	2000	2022	(1)(2)(3)
Redding-MOB/ASC	945	4,119	—	—	945	4,119	5,064	331	1981	2023	(1)(2)(3)
Spartanburg-MOB	1,058	3,003	—	—	1,058	3,003	4,061	77	2006	2024	(1)(2)(3)
Clinton-MOB	1,126	5,085	—	—	1,126	5,085	6,211	95	2016	2024	(1)(2)(3)
Westland-MOB	1,077	3,729	—	—	1,077	3,729	4,806	88	1994	2024	(1)(2)(3)
Minot-MOB	1,080	7,427	—	—	1,080	7,427	8,507	136	2011	2024	(1)(2)(3)
Cerritos-MOB	3,532	1,349	—	—	3,532	1,349	4,881	49	1986	2024	(1)(2)(3)
Sarasota-ASC	643	4,681	—	—	643	4,681	5,324	54	2002	2024	(1)(2)(3)
Venice-MOB	1,226	3,017	—	—	1,226	3,017	4,243	25	2020	2024	(1)(2)(3)
Ruskin-MOB	270	1,489	—	—	270	1,489	1,759	15	2004	2024	(1)(2)(3)
2101 Bradenton-MOB	1,019	1,437	—	—	1,019	1,437	2,456	21	1983	2024	(1)(2)(3)
2203 Bradenton-MOB	443	950	—	—	443	950	1,393	14	2002	2024	(1)(2)(3)
6807 Bradenton-ASC	1,247	694	—	—	1,247	694	1,941	10	1995	2024	(1)(2)(3)
6002 Bradenton-ASC	1,791	3,175	—	—	1,791	3,175	4,966	43	1984	2024	(1)(2)(3)
Conway-MOB	2,619	7,786	—	—	2,619	7,786	10,405	84	2007	2024	(1)(2)(3)
Little Rock-MOB	1,613	6,863	—	—	1,613	6,863	8,476	72	2012	2024	(1)(2)(3)
Russellville-MOB	1,304	4,227	—	—	1,304	4,227	5,531	48	2010	2024	(1)(2)(3)
Totals	**$ 195,099**	**$ 1,080,800**	**$ 3,174**	**$ 32,898**	**$ 198,273**	**$ 1,113,698**	**$ 1,311,971**	**$ 203,681**			

The cost basis for income tax purposes of aggregate gross land, building, site improvements, and tenant improvements as of December 31, 2024 was $1,422 million.

(1) Estimated remaining useful life for buildings is 8 to 46 years.
(2) Estimated remaining useful life for tenant improvements is 1 to 14 years.
(3) Estimated remaining useful life for site improvements is 1 to 20 years.
(4) The facility serves as collateral for the Rosedale Loan, which had a balance of $13,158 as of December 31, 2024.
(5) Years of: 2001, 1984, 2003, 2006, 2009, 2011.
(6) Years of: 1953, 1982, 2000, 1998, 2017.
(7) Years of: 2002, 2006, 2012, 2014, 2015, 2016.

	Year Ended December 31,		
	2024	2023	2022
Real Estate Assets:			
Balance, beginning of period	$ 1,288,352	$ 1,336,100	$ 1,215,072
Additions through acquisitions	86,760	11,575	132,463
Deductions	(63,141)	(59,323)	(11,435)
Balance, end of period	$ 1,311,971	$ 1,288,352	$ 1,336,100
Accumulated Depreciation:			
Balance, beginning of period	$ 174,379	$ 141,317	$ 103,010
Additions through expense	40,388	41,227	39,984
Deductions	(11,086)	(8,165)	(1,677)
Balance, end of period	$ 203,681	$ 174,379	$ 141,317

(a)(3) Exhibits

Exhibit No.	Description
3.1	Articles of Restatement of Global Medical REIT Inc. (incorporated herein by reference to Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q as filed with the SEC on August 8, 2018).
3.2	Fourth Amended and Restated Bylaws of Global Medical REIT Inc., adopted as of December 7, 2022 (incorporated herein by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K as filed with the SEC on December 7, 2022).
4.1	Specimen of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-11/A filed with the SEC on June 15, 2016).
4.2	Specimen of 7.50% Series A Cumulative Redeemable Preferred Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K as filed with the SEC on September 14, 2017).
4.3	Description of Securities (incorporated herein by reference to Exhibit 4.3 to the Company’s Annual Report on Form 10-K as filed with the SEC on March 9, 2020).
10.1†	Global Medical REIT Inc. 2016 Equity Incentive Plan (as amended through May 15, 2024) (incorporated herein by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A, filed on April 1, 2024).
10.2†	Employment Agreement, dated as of July 9, 2020, by and between Jeffrey Busch and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K as filed with the SEC on July 9, 2020).

Exhibit No.	Description
10.3†	Employment Agreement, dated as of July 9, 2020, by and between Robert Kiernan and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.4†	Employment Agreement, dated as of July 9, 2020, by and between Alfonzo Leon and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.5†	First Amendment to Employment Agreement, dated January 27, 2021, by and between Inter-American Management LLC and Jeffrey Busch (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2021).
10.6†	First Amendment to Employment Agreement, dated January 27, 2021, by and between Inter-American Management LLC and Robert Kiernan (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2021).
10.7†	First Amendment to Employment Agreement, dated January 27, 2021, by and between Inter-American Management LLC and Alfonzo Leon (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2021).
10.8†	Severance Plan (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.9†	Form of LTIP Unit Award Agreement (Annual Awards) (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 4, 2023).
10.10†	Form of LTIP Unit Award Agreement (Long-Term Performance Awards) (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2023).
10.11†	Form of LTIP Unit Award Agreement (Long-Term Time-Based Awards) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2023).
10.12†	Form of LTIP Unit Award Agreement (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on July 9, 2020).
10.13†	Form of LTIP Unit Award Agreement (Annual Awards) (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 6, 2022).
10.14†	Form of LTIP Unit Award Agreement (Long-Term Performance-Based Award) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 6, 2022).
10.15†	Form of LTIP Unit Award Agreement (Long-Term Time-Based Award) (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 6, 2022).
10.16†	Form of Indemnification Agreement between Global Medical REIT Inc. and its directors and officers (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-11/A filed with the SEC on June 15, 2016).
10.17	Agreement of Limited Partnership, dated March 14, 2016, of Global Medical REIT L.P. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the SEC on March 18, 2016).
10.18	First Amendment to Agreement of Limited Partnership of Global Medical REIT L.P. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on September 14, 2017).

Exhibit No.	Description
10.19	Second Amendment to Agreement of Limited Partnership of Global Medical REIT L.P., dated August 21, 2019 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q as filed with the SEC on November 7, 2019).
10.20	Third Amendment to Agreement of Limited Partnership of Global Medical REIT L.P., dated June 16, 2020 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q as filed with the SEC on August 7, 2020).
10.21	Amendment No. 1 to Second Amended and Restated Credit Facility Agreement, dated August 1, 2022, by and among Global Medical REIT L.P., Global Medical REIT Inc., the certain Subsidiaries from time to time party thereto as Guarantors, and JPMorgan Chase Bank, N.A., as administrative agent, and the several banks and financial institutions party thereto as lenders (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on August 3, 2022).
10.22	Second Amended and Restated Credit Facility Agreement, dated May 3, 2021, by and among Global Medical REIT L.P., Global Medical REIT Inc., the certain Subsidiaries from time to time party thereto as Guarantors, and JPMorgan Chase Bank, N.A., as administrative agent, and the several banks and financial institutions party thereto as lenders (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on May 5, 2021).
19.1*	Global Medical REIT Inc. Insider Trading Policy.
21*	Subsidiaries of the Company.
23*	Consent of Deloitte & Touche, LLP
31.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1†	Policy Relating to Recovery of Erroneously Awarded Compensation (incorporated herein by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K as filed with the SEC on February 28, 2024).
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Schema
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Label Linkbase
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

† Management contract or compensatory plan or arrangement.

* Filed herewith

** Furnished herewith. Such certification shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Global Medical REIT Inc.

Dated: February 28, 2025

By: */s/ Jeffrey M. Busch*
Jeffrey M. Busch
Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the date indicated.

Signature	**Title**	**Date**
/s/ Jeffrey M. Busch Jeffrey M. Busch	Chief Executive Officer (Principal Executive Officer) and Director	February 28, 2025
/s/ Robert J. Kiernan Robert J. Kiernan	Chief Financial Officer (Principal Financial and Accounting Officer)	February 28, 2025
/s/ Henry Cole Henry Cole	Director	February 28, 2025
/s/ Paula Crowley Paula Crowley	Director	February 28, 2025
/s/ Matthew Cypher Matthew Cypher	Director	February 28, 2025
/s/ Zhang Huiqi Zhang Huiqi	Director	February 28, 2025
/s/ Ronald Marston Ronald Marston	Director	February 28, 2025
/s/ Lori Wittman Lori Wittman	Director	February 28, 2025

Exhibit 19.1

GLOBAL MEDICAL REIT INC.

INSIDER TRADING POLICY

Introduction

While performing their duties, the persons identified below as "Covered Persons" may learn **material, nonpublic** information about Global Medical REIT Inc. (the "Company") or another company. This information may be valuable to those who trade in Company shares or the shares of other companies. It is the law, as well as in the interest of the Company, that this information not be disclosed to anyone outside the Company and that no one profit as a result of having information not available to the general public.

All directors, officers and employees of the Company and its subsidiaries (the "Covered Persons") are required to comply with this policy.

This Policy regarding insider trading provides procedures to limit the release of material nonpublic information and gives guidance to the Covered Persons regarding their individual obligations regarding insider trading.

The Company is committed to protecting its confidential information. The ethical and business principles that are the foundation of this Policy may be broader than the stringent requirements of federal securities laws. However, the confidence and trust placed in the Covered Persons by the Company and its stockholders are of great value and should be preserved and protected. The reputation of the Company and each of its affiliates for integrity and professionalism are important company and personal assets.

This Policy regarding insider trading is not designed or intended to discourage the Covered Persons from investing in the Company's securities; indeed, the Company encourages investment in its shares by its directors, officers and employees, and the directors, officers and employees of its subsidiaries and affiliates. This Policy creates a program and procedures to protect the Company and the Covered Persons from inadvertent violations of the policy and the laws against insider trading.

The Policy

*Any Covered Person who is in possession of or who has knowledge of material, non-public information regarding or relating to the Company or any other company **may not:***

- *buy, sell or otherwise dispose of securities of the Company or that company (other than pursuant to a Trading Plan or, in the case of directors or executive officers, a Pre-Cleared Trading Plan (each as defined herein));*
- *buy, sell or otherwise dispose of derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company's securities ("Derivative Securities"), including buying or selling Derivative Securities for hedging purposes;*
- *communicate such information to others; or*
- *in any other way, take advantage of such information.*

It is also the policy of the Company that the Company will not engage in transactions in the Company's equity securities (as defined in the Securities Exchange Act of 1934 (the "Exchange Act")) while aware of material, non-public information relating to the Company or its securities, except for (i) transactions with plan participants (or their permitted assignees) pursuant to an equity-based compensation plan of the Company; (ii) transactions made pursuant to written plans for transacting in the Company's securities that, at the time adopted, conform to all of the requirements of Exchange Act Rule 10b5-1 as then in effect; (iii) transactions with counterparties who are at the time also aware of the material, non-public information or who acknowledge, agree or represent that they are aware that the Company may possess material, non-public information but are not relying on the disclosure or omission to disclose to them of any such information; or (iv) any other transaction expressly authorized by the Board or any committee thereof, or by senior management in consultation with the Company's legal counsel.

Scope of the Policy

This Policy is drafted broadly and will be applied and interpreted in a similar manner. This Policy applies to all Covered Persons and the immediate families (as defined in Rule 16a-1(e) under the Exchange Act), personal households and affiliates of such Covered Persons.

Legal Considerations Relating To Material, Nonpublic Information

Insider trading is a serious legal concern for both the Covered Persons and the Company. The law provides for significant civil and criminal penalties for insider trading violations.

Some of those penalties are imposed upon individuals who use material, nonpublic information for their own gain. Civil and criminal liability could also extend to a Covered Person who "tips" another person about material, nonpublic information where that person, in turn, buys or sells shares.

There is a wide range of potential sanctions for a person found to have engaged in insider trading. Besides requiring disgorgement of profits gained or losses avoided, the Securities and Exchange Commission (the "SEC") may seek to impose a penalty on the person who committed the violation that shall not exceed three times the profit gained or loss avoided. The SEC may also impose a penalty of the greater of $1,000,000 or three times the profit gained or loss avoided on any person who directly or indirectly controlled the person who committed such violation. In addition, the federal government may seek a criminal fine of up to $5,000,000 and/or 20 years imprisonment (25 years if the conduct proven is fraudulent). By passing laws with strong criminal penalties, Congress has expressed its intent that each person convicted of insider trading serve a jail term.

Federal securities law also creates a strong incentive for the Company to deter insider trading by its affiliates. Companies now may be held liable if they know of and recklessly disregard the conduct of their employees or affiliates and such disregard leads to an insider trading violation. Companies may face civil damages of up to the greater of $1,000,000 or three times the profit gained or loss avoided as a result of a violation and criminal fines totaling up to $25,000,000 imposed by the SEC. In addition, private litigants may also be able to make significant claims against the Company.

The penalties for companies and their affiliates are different. There may be situations in which the concerns of the Company and an affiliate accused of insider trading diverge. This contrasts with most litigation, in which a company typically reinforces and supports the actions of its directors, officers and affiliates. Consequently, a person affiliated with the Company who trades on material, nonpublic information should not expect the Company to protect his or her interests.

Some Guidelines

Covered Persons and the immediate families, personal households and affiliates of such Covered Persons to whom this Policy applies should consider these general rules when presented with a situation that raises concerns regarding insider trading:

Presume information is "material." Information should be considered material if it would be considered important by investors making decisions whether to purchase, sell or hold the securities of the company in question. Stated another way, information should be considered material if it would alter the total mix of information available to the public. Either positive or negative information may be material.

Examples of material information include, but are not limited to:

- earnings or revenue projections or results;
- distributions or changes in distribution policies;
- an acquisition or merger proposal;
- a significant acquisition or sale of assets;

- significant equity or debt offerings or repurchases;
- the execution or proposed execution of a significant development, construction or other contract, lease, or purchase or loan agreement;
- new business ventures, partnerships or agreements, or a change in existing ventures, partnerships or agreements;
- a default or anticipated default under debt instruments or important contracts;
- significant regulatory developments;
- new business information relating to changes in management, impending bankruptcy or financial problems; and
- the gain or loss of a substantial customer or tenant.

Presume information is "nonpublic." Information should be treated as nonpublic unless a reasonable period of time has passed, usually two business days, since it has been distributed by means likely to result in a general public awareness of the information - for example, by publication of the information in a daily newspaper or a newswire service. Accordingly, if a public announcement or press release of material, nonpublic information is made or issued before commencement of trading on, for example, a Monday, trading would not be permitted until the following Wednesday. Likewise, if an announcement is made after the close of trading on, for example, a Friday, trading would not be permitted until the following Wednesday.

Trading By Directors, Officers and Other Employees and Affiliates

At the end of every fiscal quarter, the Company will announce operating results and other financial information about its performance during the preceding quarter or year, as applicable. That information may be better or worse than people who trade in the Company's shares expect. Due to the potential impact of the release of financial information at the end of each quarter on the price of the Company's shares, it is important to avoid any appearance of impropriety that might result if affiliates of the Company trade the Company's shares near the end of a quarter. Therefore, the Company has instituted what it refers to as the **"Restrictive Period"** for Covered Persons who may have access to this information in the course of their duties. Even if the Company is not in a Restrictive Period, no Covered Person may buy or sell the Company's securities or Derivative Securities if in possession of material, nonpublic information about the Company. Please see the attached discussion of Restrictive Periods and Trading Windows to determine if you are subject to these trading restrictions.

Short-Term Trading, Options, Hedging and Certain Other Transactions

The Company strongly discourages Covered Persons from engaging in the following:

- Trading in the Company's securities on a short-term basis. Any Company securities purchased in the open market should be held for a minimum of six months and ideally longer. Directors and executive officers of the Company are subject to "short-swing profit recovery" for any profit realized on the purchase and sale or sale and purchase of the Company's securities within any six-month period.
- Purchases of the Company's securities on margin or using the Company's securities as collateral for margin loans.
- Hedging transactions.
- Short sales and sales against the box.
- Trading in puts, calls and straddles on the Company's securities.
- Standing or limit orders on the Company's securities (except under a Trading Plan or, in the

case of directors or executive officers, a Pre-Cleared Trading Plan).

Compliance and Sanctions

The Covered Persons are personally responsible for ensuring that they and members of their immediate families and personal households comply with the provisions and intent of this Policy. Violations of this Policy will be viewed seriously. Such violations provide grounds for disciplinary action, including dismissal.

Compliance with this Policy also applies to your transactions in the Company's securities even after your employment or position with the Company has ceased. If you are in possession of material, nonpublic information when your employment or position terminates, you may not trade in the Company's securities until that information has become public or is no longer material.

Summary

The Company has set forth a broad policy designed to limit the possibility of insider trading. However, insider trading is a complex area of the law and there are many circumstances in which an individual may be legitimately unsure about the application of this Policy. In these situations, a simple question may forestall disciplinary action or complex legal problems. Covered Persons should not hesitate to direct any questions to the Company's General Counsel or Chief Compliance Officer. Furthermore, Covered Persons should keep in mind that, in the event that their securities transactions become the subject of scrutiny, such transactions will be viewed after the fact with the benefit of hindsight. As a result, before engaging in any transaction, Covered Persons should carefully consider how the SEC and others might view the transaction in hindsight.

On the last page is an ***Acknowledgment and Disclosure Form*** *certifying that you have read this Policy Statement. After you have read this document, please sign the* ***Acknowledgment and Disclosure Form*** *where indicated and return it to the Company's General Counsel or Chief Compliance Officer. Thank you for your cooperation.*

Restrictive Periods and Trading Windows for Directors, Officers and Employees of the Company

Purpose of Restrictive Periods and Trading Windows

As part of its Insider Trading Policy, the Company has established Restrictive Periods and Trading Windows for trading in the Company's shares for certain individuals.

Scheduled Restrictive Periods and the Window Group

Except as set forth below, all directors, officers and employees of the Company or its subsidiaries and affiliates identified by the Company who are notified from time to time by the Chief Compliance Officer that they have been so identified (the "Window Group") are prohibited from transacting in the Company's securities during the Restrictive Periods designated from time to time by the Chief Compliance Officer (the "Scheduled Restrictive Period"). Covered Persons who have not been identified as being in the Window Group should adhere to the other applicable prohibitions set forth in this Policy. Insiders who have been designated as members of the Window Group and notified of the Scheduled Restrictive Period must comply with the Scheduled Restrictive Period whether or not they receive a reminder of the commencement of each Scheduled Restrictive Period.

The foregoing prohibition **does not** include:

- the cash exercise of stock options granted under the Company's stock plans. (Note, however, that a same day "cashless exercise" of stock options through a broker is considered a sale of securities for this purpose and is prohibited);
- bona fide gifts of securities or certain other transfers of securities that are not considered a sale, such as a transfer to a family member or into a family trust, unless the donor or transferor knows, or is reckless in not knowing, that the donee or transferee would sell such securities prior to the disclosure of material, nonpublic information;
- transactions in mutual funds that are invested in the Company's securities;
- purchases of securities under a dividend reinvestment and stock purchase plan, if such plan is adopted by the Company, resulting from your reinvestment of dividends paid on the Company's securities. The foregoing prohibition **does include** voluntary purchases of the Company's securities resulting from additional contributions you choose to make to such a plan, and to your election to participate in such a plan or increase your level of participation in such a plan. The foregoing prohibition also includes your sale of any of the Company's securities purchased pursuant to such a plan; and

- sales under an established Trading Plan or, in the case of directors or executive officers, a Pre-Cleared Trading Plan.

Trading Windows

When a Restrictive Period is not in effect, a "Trading Window" is open, and Covered Persons may buy or sell the Company's securities and Derivative Securities. However, a Covered Person may not buy or sell the Company's securities or Derivative Securities, even if a Trading Window is open, if the Covered Person is in possession of material, nonpublic information about the Company.

Unscheduled Restrictive Periods; Early Closing of Trading Windows

Additional Restrictive Periods may be imposed during the course of an otherwise open Trading Window ("Unscheduled Restrictive Periods"), and existing Restrictive Periods may be extended. Usually this will occur when the Company is imminently considering some significant decision, for example, a distribution to stockholders, a public offering of securities, an acquisition, or a major commercial transaction. At those times, you will receive a separate communication from the Chief Compliance Officer advising of the commencement of an Unscheduled Restrictive Period or an extension of a Scheduled Restrictive Period. We will attempt to give you as much advance notice as possible of Unscheduled Restrictive Periods, but given the nature of the transaction involved, you may receive very short notice.

Special Circumstances During Restrictive Periods

The Chief Compliance Officer, may, but will not be obligated to, approve trades of the Company's securities during a Restrictive Period (and any trades by the Chief Compliance Officer, will be subject to approval by the Chief Executive Officer, which may be granted or withheld at the discretion of the Chief Executive Officer) *provided* that (1) the individual proposing to engage in such a trade provides a valid reason to justify the trade, such as hardship or a desire to purchase shares to demonstrate support for the Company; (2) the individual provides the amount and terms of any proposed transactions prior to the commencement of the Restrictive Period; and (3) the individual proposing to trade has certified prior to the proposed trade date that such individual is not in possession of material nonpublic information concerning the Company.

Net Share Settle Upon Vesting Event

For awards or grants of restricted shares of Company common stock made to officers, directors or employees as incentive equity awards pursuant to the Company's equity incentive plan, in the event the vesting of any such restricted shares, or the lapsing of forfeiture restrictions with respect to any such restricted shares (each a "vesting event") (any such vested shares or shares with respect to which forfeiture restrictions have lapsed are referred to as "Vested Shares"), is deemed to be taxable event requiring the payment tax withholding by the Company, such tax liability may be reimbursed by the holder of the Vested Shares to the Company through the surrender to the Company of a number of the Vested Shares equal to such withholding amount based on the closing price of the Company's common stock on the NYSE on the date of the vesting event (such surrender is referred to as "Net Share Settle") **if and only if** (i) the vesting event occurs during a Trading Window and the holder is not in possession of material non-public information at the time of the vesting event or (ii) the holder of such Vested

Shares has previously directed in writing either at the time of the initial grant of the Vested Shares or during a Trading Window when the holder is not in possession of material non-public information that any withholding obligation on Vested Shares be settled through Net Share Settle. Any such direction by the holder may be revoked during a Trading Window when the holder is not in possession of material non-public information.

Pre-Clearance of Trades by Directors and Executive Officers

To further ensure compliance with securities laws and to be certain insider trades do not create any adverse impression in the market, executive officers or directors must inform the Chief Compliance Officer of all of their trades in advance (including any hedging transactions in connection with the Company's common stock), either in writing or by email, and the transaction must have been pre-cleared by the Chief Compliance Officer. The attached Form of Notice may be used for that purpose. The Chief Compliance Officer is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade. Furthermore, upon completion of a trade, notice must be given promptly (no later than the close of the same business day) to the Chief Compliance Officer of the occurrence and details of the trade. Using the same attached Form of Notice, the Chief Compliance Officer must inform the Chief Financial Officer (or the Chief Executive Officer if the Chief Compliance Officer is the Chief Financial Officer) of all of his or her trades in advance (including any hedging transactions in connection with the Company's common stock), either in writing or by email, and the transaction must have been pre-cleared by the Chief Financial Officer (or the Chief Executive Officer if the Chief Compliance Officer is the Chief Financial Officer). Upon consummation of a trade, the Chief Compliance Officer must promptly (no later than the close of the same business day) give notice to the Chief Financial Officer (or to the Chief Executive Officer if the Chief Compliance Officer is the Chief Financial Officer) of the occurrence and details of the trade.

Rule 10b5-1 under the Exchange Act ("Rule 10b5-1") provides a defense from insider trading liability if trades occur pursuant to a pre-arranged "trading plan" that meets the conditions specified under Rule 10b5-1 (a "Rule 10b5-1 Plan"). As required by Rule 10b5-1, you must enter into a Rule 10b5-1 Plan in good faith and only when you are not in possession of material, nonpublic information, and directors and executive officers are required to include a representation in each Rule 10b5-1 Plan certifying this. In addition, you may not enter into a trading plan during a Restrictive Period. If you establish a Rule 10b5-1 Plan, you must not exercise any subsequent discretion affecting the transactions, and if your broker or any other person exercises discretion in implementing the trades, you must not influence his or her actions and he or she must not possess any material, nonpublic information at the time of the trades. Rule 10b5-1 Plans can be established for a single trade or a series of trades. Rule 10b5-1 Plans are subject to certain other restrictions, including "cooling-off periods" between when a Rule 10b5-1 Plan is established or amended and when trading under such Rule 10b5-1 Plan may commence, prohibitions on overlapping Rule 10b5-1 Plans, and restrictions on single-trade Rule 10b5-1 Plans, each as specified in Rule 10b5-1.

In addition to the affirmative defense provided under Rule 10b5-1, individuals may assert other defenses to liability under the Exchange Act for trades of securities covered by this Policy that occur when in possession of material, nonpublic information. Accordingly, Covered Persons may choose to establish trading plans that are not Rule 10b5-1 Plans (a "Non-Rule 10b5-1 Plan" and, together with Rule 10b5-1 Plans, "Trading Plans"). Non-Rule 10b5-1 Plans must meet the requirements for a "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

The details of the rules and regulations regarding Trading Plans are complex, and further information about them is available upon request from the Chief Compliance Officer. Any person subject to the Company's pre-clearance requirements who wishes to implement, amend, modify or terminate a Trading Plan must first pre-clear such Trading Plan action with the Chief Compliance Officer (a "Pre-Cleared Trading Plan"). To ensure compliance, pre-clearance may require inquiry by the Chief Compliance Officer and clearance may require up to 24 hours under normal circumstances. Transactions effected pursuant to a Pre-Cleared Trading Plan will not require further pre-clearance at the time of the transaction and shall not be deemed a violation of this Policy even though such trade takes place during a Restrictive Period or while the director or executive officer covered by such Pre-Cleared Trading Plan is aware of material, nonpublic information.

Even if you are not a person subject to pre-clearance requirements, you are reminded that if you possess material, nonpublic information, you are still under the restrictions described elsewhere in this Policy.

Section 16 Compliance

Certain officers and directors of the Company have additional compliance requirements pursuant to Section 16 of the Exchange Act, including the filing of Forms 3, 4 and 5 to report holdings and trades of the Company's securities. Generally, if one of these officers or directors buys or sells shares of the Company's common stock (including bona fide gifts), is granted or exercises options to purchase shares of the Company's common stock or is granted restricted stock or performance units, the officer or director must report the transaction to the SEC on a Form 4 within two business days. The Company and its legal counsel would be pleased to assist officers and directors in preparing and filing Section 16 reports at the officers' or directors' request. Officers and directors should recognize, however, that they remain ultimately responsible for the correct and timely filing of their Section 16 reports, and their compliance with the other requirements and restrictions of Section 16.

To comply with Section 16 reporting deadlines, the SEC requires public companies (including the Company) to report in their annual proxy statements the names of their officers and directors who failed to timely file Section 16 reports. In addition, the SEC has brought enforcement actions against corporate insiders in connection with the insiders' failure to file Section 16 reports. Any person who willfully fails to file a report which he or she knew was required under Section 16 or who willfully misrepresents information reported under Section 16 may be subject to criminal penalties (including imprisonment and fines), in addition to SEC enforcement orders and possible civil liability.

To help ensure compliance with the requirements of Section 16, if any covered officer or director is aware of any trades in the securities of the Company which he or she has made but which have not been reported to the Company and/or to the SEC on a Form 4 or, at the end of the year, a Form 5, please contact the Chief Compliance Officer so that the information may be reported to the SEC.

Acknowledgement and Disclosure Form

Please review, date, sign and return this form to the Chief Compliance Officer or General Counsel of the Company.

1. I have received a copy of the INSIDER TRADING POLICY.

2. I have read and understand the INSIDER TRADING POLICY and agree to comply with its terms.

3. I understand that a violation of the INSIDER TRADING POLICY may be considered grounds for termination of my employment or other disciplinary action by the Company and may lead to civil or criminal liability.

Date: ______________________________ ______________________________
(Signature)

____
(Name - please print)

INSIDER TRADING POLICY

FORM OF NOTICE

This shall serve as notice to Global Medical REIT Inc. (the "Company"), that I, ____________________, intend to ☐ purchase ☐ sell (CHECK THE APPROPRIATE BOX(ES)) the number of shares of the Company's securities or Derivative Securities indicated at the bottom of this form. I will not purchase and/or sell such securities until I am notified by the Company that I may buy and/or sell the securities indicated.

Dated: ________________________________

____
(Signature)

____
(Print Name)

FILL IN THE APPROPRIATE SPACES BELOW:

NUMBER OF SHARES TO BE SOLD: ________________________________

NUMBER OF SHARES TO BE PURCHASED: ________________________________

DESCRIPTION OF HEDGING TRANSACTION: ________________________________

PRE-CLEARED AS OF ________________________, 20 ____:

GLOBAL MEDICAL REIT INC.

By: ________________________________
Name: ________________________________
Title: ________________________________

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

The Company has the following wholly owned subsidiaries as of December 31, 2024:

Name	State of Organization
Global Medical REIT L.P.	Delaware
Global Medical REIT GP LLC	Delaware
Inter-American Management LLC	Delaware
GMR Omaha, LLC	Delaware
GMR Asheville, LLC	Delaware
GMR Pittsburgh, LLC	Delaware
GMR Plano, LLC	Delaware
GMR Memphis, LLC	Delaware
GMR Melbourne, LLC	Delaware
GMR Westland, LLC	Delaware
GMR Memphis Exeter, LLC	Delaware
GMR Reading, LLC	Delaware
GMR East Orange, LLC	Delaware
GMR Sandusky, LLC	Delaware
GMR Watertown, LLC	Delaware
GMR Carson City, LLC	Delaware
GMR Ellijay, LLC	Delaware
GMR Las Cruces, LLC	Delaware
GMR Altoona, LLC	Delaware
GMR Mechanicsburg, LLC	Delaware
GMR Mesa, LLC	Delaware
GMR Lewisburg, LLC	Delaware
GMR Cape Coral, LLC	Delaware
GMR Clermont, LLC	Delaware
GMR Oklahoma City, LLC	Delaware
GMR Flower Mound, LLC	Delaware
GMR Fort Worth, LLC	Delaware
GMR Lubbock, LLC	Delaware
GMR Sherman, LLC	Delaware
GMR Brockport, LLC	Delaware
GMR Austin, LLC	Delaware
GMR Fremont, LLC	Delaware
GMR Moline, LLC	Delaware
GMR Albertville, LLC	Delaware
GMR Lee's Summit, LLC	Delaware
GMR Wyomissing, LLC	Delaware
GMR Amarillo, LLC	Delaware
GMR Gainesville, LLC	Delaware
GMR Saint George, LLC	Delaware
GMR Silvis, LLC	Delaware
GMR Orlando, LLC	Delaware

GMR Bountiful, LLC	Delaware
GMR East Dallas Hospital, LLC	Delaware
GMR East Dallas Land, LLC	Delaware
GMR Belpre, LLC	Delaware
GMR McAllen, LLC	Delaware
GMR Derby, LLC	Delaware
GMR Southern IL, LLC	Delaware
GMR Cincinnati Beechmont, LLC	Delaware
GMR Southern IL Carbondale, LLC	Delaware
GMR Southern IL Shiloh 1191, LLC	Delaware
GMR Southern IL Shiloh 1197, LLC	Delaware
GMR Melbourne Pine, LLC	Delaware
GMR Vernon, LLC	Delaware
GMR Vernon Keynote, LLC	Delaware
GMR Corona, LLC	Delaware
GMR Zachary, LLC	Delaware
GMR Chandler Dobson, LLC	Delaware
GMR Chandler Pecos I, LLC	Delaware
GMR Chandler Pecos II, LLC	Delaware
GMR Chandler Val Vista I, LLC	Delaware
GMR Las Vegas, LLC	Delaware
GMR Oklahoma Northwest, LLC	Delaware
GMR South Bend, LLC	Delaware
GMR Surprise, LLC	Delaware
GMR Lansing Jolly 3390, LLC	Delaware
GMR Lansing Jolly 3394, LLC	Delaware
GMR Lansing Jolly 3400, LLC	Delaware
GMR Lansing Patient, LLC	Delaware
GMR Bannockburn, LLC	Delaware
GMR San Marcos, LLC	Delaware
GMR Morgantown, LLC	Delaware
GMR Gilbert, LLC	Delaware
GMR Livonia, LLC	Delaware
GMR Aurora, LLC	Delaware
GMR Beaumont, LLC	Delaware
GMR Bastrop, LLC	Delaware
GMR Greenwood, LLC	Delaware
GMR Panama City Chipley, LLC	Delaware
GMR Panama City PCB, LLC	Delaware
GMR Panama City, LLC	Delaware
GMR Jacksonville Ponte Vedra, LLC	Delaware
GMR Jacksonville Riverside, LLC	Delaware
GMR Clinton, LLC	Delaware
GMR High Point, LLC	Delaware
GMR Grand Rapids Beltline, LLC	Delaware
GMR Grand Rapids Main, LLC	Delaware
GMR Grand Rapids Walker, LLC	Delaware
GMR Grand Rapids Wilson, LLC	Delaware
GMR West Allis, LLC	Delaware
GMR Dumfries, LLC	Delaware

GMR Fairfax, LLC	Delaware
GMR Rosedale 5233, LLC	Delaware
GMR Rosedale 5235, LLC	Delaware
GMR Centerville, LLC	Delaware
GMR Winston-Salem, LLC	Delaware
GMR Lancaster, LLC	Delaware
GMR Decatur, LLC	Delaware
GMR Jackson, LLC	Delaware
GMR Plymouth, LLC	Delaware
GMR Sheboygan, LLC	Delaware
GMR Cape Girardeau, LLC	Delaware
GMR Hudson, LLC	Delaware
GMR Spring Hill County Line, LLC	Delaware
GMR Spring Hill Medical Center, LLC	Delaware
GMR Las Vegas Pecos, LLC	Delaware
GMR Las Vegas Warm Springs, LLC	Delaware
GMR West El Paso, LLC	Delaware
GMR El Paso, LLC	Delaware
GMR Syracuse, LLC	Delaware
GMR Yuma 20, LLC	Delaware
GMR Yuma 25, LLC	Delaware
GMR Pensacola Market, LLC	Delaware
GMR Dallas North Central, LLC	Delaware
GMR East Grand Forks, LLC	Delaware
GMR Pensacola Grande, LLC	Delaware
GMR Pensacola Davis, LLC	Delaware
GMR Venice, LLC	Delaware
GMR Fort Worth Overton Ridge, LLC	Delaware
GMR Coos Bay, LLC	Delaware
GMR Fort Myers Park Royal, LLC	Delaware
GMR Fort Myers Camelot, LLC	Delaware
GMR Cape Coral Viscaya 1265, LLC	Delaware
GMR Cape Coral Viscaya 1261, LLC	Delaware
GMR Cape Coral Viscaya 1255, LLC	Delaware
GMR Cape Coral Southeast, LLC	Delaware
GMR Port St. Lucie, LLC	Delaware
GMR Tallahassee, LLC	Delaware
GMR Caledonia, LLC	Delaware
GMR Forsyth 241 Weaver, LLC	Delaware
GMR Forsyth 389 Weaver, LLC	Delaware
GMR North Charleston, LLC	Delaware
GMR Lemoyne, LLC	Delaware
GMR Munster, LLC	Delaware
GMR Hialeah, LLC	Delaware
GMR Athens-600, LLC	Delaware
GMR Oklahoma City A, LLC	Delaware
GMR Mentor, LLC	Delaware
GMR Athens-200, LLC	Delaware
GMR Gainesville Sherwood, LLC	Delaware
GMR Sarasota, LLC	Delaware
GMR Paris, LLC	Delaware
GMR Lee's Summit Northeast, LLC	Delaware
GMR Greenwood Emerson, LLC	Delaware
GMR Rocky Point, LLC	Delaware
GMR Fairbanks, LLC	Delaware
GMR Danville, LLC	Delaware
GMR Frankfort, LLC	Delaware
GMR London, LLC	Delaware

GMR Somerset, LLC	Delaware
GMR Fairfax Hamaker, LLC	Delaware
GMR Glenview, LLC	Delaware
GMR Toledo, LLC	Delaware
GMR Canandaigua, LLC	Delaware
GMR Lake Geneva, LLC	Delaware
GMR Hermitage Garden Way, LLC	Delaware
GMR Redding Butte, LLC	Delaware
GMR Redding Churn Creek, LLC	Delaware
GMR Cerritos, LLC	Delaware
GMR Clinton Township, LLC	Delaware
GMR Westland Central City, LLC	Delaware
GMR Spartanburg, LLC	Delaware
GMR Minot, LLC	Delaware
GMR Conway, LLC	Delaware
GMR Little Rock, LLC	Delaware
GMR Russellville, LLC	Delaware
GMR East Venice, LLC	Delaware
GMR Sarasota Clark, LLC	Delaware
GMR Bradenton 2101 61st Street, LLC	Delaware
GMR Bradenton 2203 61st Street, LLC	Delaware
GMR Bradenton 53rd Avenue, LLC	Delaware
GMR Bradenton Pointe West, LLC	Delaware
GMR Ruskin, LLC	Delaware
GMR Clive, LLC	Delaware
GMR Des Moines EN, LLC	Delaware
GMR Des Moines West, LLC	Delaware
GMR Slippery Rock, LLC	Delaware
GMR Tucson Carondelet, LLC	Delaware
GMR Tucson Silverbell, LLC	Delaware
GMR JV Manager l, LLC	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-276248 on Form S-3 and Registration Statement No. 333-281484 on Form S-8 of our reports dated February 28, 2025, relating to the consolidated financial statements of Global Medical REIT Inc. and subsidiaries ("the Company"), and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ DELOITTE & TOUCHE LLP

Mclean, Virginia

February 28, 2025

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey M. Busch, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (this “Report”) of Global Medical REIT Inc. (the “registrant”);

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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(s) 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.

Date: February 28, 2025

/s/ Jeffrey M. Busch
Jeffrey M. Busch, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Robert J. Kiernan, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (this “Report”) of Global Medical REIT Inc. (the “registrant”);

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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(s) 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.

Date: February 28, 2025

/s/ Robert J. Kiernan
Robert J. Kiernan, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

In connection with the Annual Report on Form 10-K of Global Medical REIT Inc. (the "Company") for the fiscal year ended December 31, 2024 as filed with the SEC (the "Report"), Jeffrey M. Busch, the Chief Executive Officer of the Company and Robert J. Kiernan, the Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2025

/s/ Jeffrey M. Busch
Jeffrey M. Busch, Chief Executive Officer
(Principal Executive Officer)

Date: February 28, 2025

/s/ Robert J. Kiernan
Robert J. Kiernan, Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies this Annual Report on Form 10-K 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 Securities Exchange Act of 1934, as amended (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.