UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2025

or

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

For the transition period from ___________ to ___________.

Commission file number: 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**

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

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. þ Yes ☐ No

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

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

Large accelerated filer	þ	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares of the registrant's common stock outstanding at May 6, 2025 was 66,878,728

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

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

	As of	
	March 31, 2025	**December 31, 2024**
Assets		
Investment in real estate:		
Land	$ 173,293	$ 174,300
Building	1,064,782	1,044,019
Site improvements	24,266	23,973
Tenant improvements	75,023	69,679
Acquired lease intangible assets	141,828	138,945
	1,479,192	1,450,916
Less: accumulated depreciation and amortization	(301,190)	(288,921)
Investment in real estate, net	1,178,002	1,161,995
Cash and cash equivalents	5,412	6,815
Restricted cash	2,176	2,127
Tenant receivables, net	8,104	7,424
Due from related parties	420	270
Escrow deposits	915	711
Deferred assets	28,251	28,208
Derivative asset	13,713	18,613
Goodwill	5,903	5,903
Investment in unconsolidated joint venture	1,992	2,066
Other assets	24,667	22,354
Total assets	$ 1,269,555	$ 1,256,486
Liabilities and Equity		
Liabilities:		
Credit Facility, net of unamortized debt issuance costs of $4,318 and $4,868 at March 31, 2025 and December 31, 2024, respectively	$ 662,782	$ 631,732
Notes payable, net of unamortized debt issuance costs of $13 and $22 at March 31, 2025 and December 31, 2024, respectively	14,248	14,399
Accounts payable and accrued expenses	14,519	16,468
Dividends payable	16,597	16,520
Security deposits	3,374	3,324
Other liabilities	16,030	14,191
Acquired lease intangible liability, net	3,902	3,936
Total liabilities	731,452	700,570
Commitments and Contingencies		
Equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at March 31, 2025 and December 31, 2024, respectively (liquidation preference of $77,625 at March 31, 2025 and December 31, 2024, respectively)	74,959	74,959
Common stock, $0.001 par value, 500,000 shares authorized; 66,879 shares and 66,871 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	67	67
Additional paid-in capital	734,290	734,223
Accumulated deficit	(305,677)	(293,736)
Accumulated other comprehensive income	13,713	18,613
Total Global Medical REIT Inc. stockholders' equity	517,352	534,126
Noncontrolling interest	20,751	21,790
Total equity	538,103	555,916
Total liabilities and equity	$ 1,269,555	$ 1,256,486

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

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

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenue		
Rental revenue	$ 34,595	$ 35,069
Other income	23	49
Total revenue	34,618	35,118
Expenses		
General and administrative	3,620	4,446
Operating expenses	7,585	7,384
Depreciation expense	10,307	10,113
Amortization expense	3,520	3,971
Interest expense	7,167	6,890
Total expenses	32,199	32,804
Income before other income (expense)	2,419	2,314
Gain on sale of investment properties	1,358	—
Equity loss from unconsolidated joint venture	(40)	—
Net income	$ 3,737	$ 2,314
Less: Preferred stock dividends	(1,455)	(1,455)
Less: Net income attributable to noncontrolling interest	(178)	(65)
Net income attributable to common stockholders	**$ 2,104**	**$ 794**
Net income attributable to common stockholders per share – basic and diluted	$ 0.03	$ 0.01
Weighted average shares outstanding – basic and diluted	66,873	65,573

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

GLOBAL MEDICAL REIT INC.
Condensed Consolidated Statements of Comprehensive (Loss) Income
(unaudited and in thousands)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net income	$ 3,737	$ 2,314
Other comprehensive (loss) income :		
(Decrease) increase in fair value of interest rate swap agreements	(4,900)	4,160
Total other comprehensive (loss) income	(4,900)	4,160
Comprehensive (loss) income	(1,163)	6,474
Less: Preferred stock dividends	(1,455)	(1,455)
Less: Comprehensive loss (income) attributable to noncontrolling interest	205	(379)
Comprehensive (loss) income attributable to common stockholders	$ (2,413)	$ 4,640

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

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

For the Three Months Ended March 31, 2025:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, December 31, 2024	66,871	$ 67	3,105	$ 74,959	$ 734,223	$ (293,736)	$ 18,613	$ 534,126	$ 21,790	$ 555,916
Net income	—	—	—	—	—	3,559	—	3,559	178	3,737
LTIP Units redeemed for common stock	8	—	—	—	67	—	—	67	(67)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(4,900)	(4,900)	—	(4,900)
Stock-based compensation expense	—	—	—	—	—	—	—	—	151	151
Dividends to common stockholders ($0.21 per share)	—	—	—	—	—	(14,045)	—	(14,045)	—	(14,045)
Dividends to preferred stockholders ($0.46875 per share)	—	—	—	—	—	(1,455)	—	(1,455)	—	(1,455)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(1,301)	(1,301)
Balances, March 31, 2025	66,879	$ 67	3,105	$ 74,959	$ 734,290	$ (305,677)	$ 13,713	$ 517,352	$ 20,751	$ 538,103

For the Three Months Ended March 31, 2024:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
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	—	—	—	—	—	2,249	—	2,249	65	2,314
LTIP Units redeemed for common stock	22	—	—	—	205	—	—	205	(205)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	4,160	4,160	—	4,160
Stock-based compensation expense	—	—	—	—	—	—	—	—	1,233	1,233
Dividends to common stockholders ($0.21 per share)	—	—	—	—	—	(13,773)	—	(13,773)	—	(13,773)
Dividends to preferred stockholders ($0.46875 per share)	—	—	—	—	—	(1,455)	—	(1,455)	—	(1,455)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(1,195)	(1,195)
Balances, March 31, 2024	65,587	$ 66	3,105	$ 74,959	$ 722,623	$ (251,963)	$ 29,285	$ 574,970	$ 22,128	$ 597,098

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

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

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating activities		
Net income	$ 3,737	$ 2,314
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	10,307	10,113
Amortization of acquired lease intangible assets	3,287	3,863
Amortization of above market leases, net	452	251
Amortization of debt issuance costs and other	559	562
Stock-based compensation expense	151	1,233
Capitalized preacquisition and other costs charged to expense	—	34
Gain on sale of investment properties	(1,358)	—
Equity loss from unconsolidated joint venture	40	—
Other	25	169
Changes in operating assets and liabilities:		
Tenant receivables	(680)	(981)
Deferred assets	(57)	(863)
Other assets and liabilities	(2,987)	(1,033)
Accounts payable and accrued expenses	(1,254)	(2,057)
Security deposits	50	688
Net cash provided by operating activities	12,272	14,293
Investing activities		
Purchase of land, buildings, and other tangible and intangible assets and liabilities	(31,978)	—
Net proceeds from sale of investment properties	7,783	—
Distribution of capital from unconsolidated joint venture	33	—
Escrow deposits for purchase of properties	(186)	—
Advances made to related parties	(150)	(170)
Capital expenditures on existing real estate investments	(2,611)	(2,004)
Leasing commissions	(115)	(542)
Net cash used in investing activities	(27,224)	(2,716)
Financing activities		
Escrow deposits required by third party lenders	(18)	(64)
Repayment of notes payable	(160)	(230)
Proceeds from Credit Facility	44,000	14,000
Repayment of Credit Facility	(13,500)	(7,800)
Dividends paid to common stockholders, and OP Unit and LTIP Unit holders	(15,269)	(14,946)
Dividends paid to preferred stockholders	(1,455)	(1,455)
Net cash provided by (used in) financing activities	13,598	(10,495)
Net (decrease) increase in cash and cash equivalents and restricted cash	(1,354)	1,082
Cash and cash equivalents and restricted cash—beginning of period	8,942	6,724
Cash and cash equivalents and restricted cash—end of period	$ 7,588	$ 7,806
Supplemental cash flow information:		
Cash payments for interest	$ 6,568	$ 6,407
Noncash financing and investing activities:		
Accrued dividends payable	$ 16,597	$ 16,156
Interest rate swap agreements fair value change recognized in other comprehensive (loss) income	$ 4,900	$ (4,160)
LTIP Units redeemed for common stock	$ 67	$ 205
Accrued capital expenditures and leasing commissions included in accounts payable and accrued expenses	$ 1,769	$ 1,946
Recognition of lease liability related to right of use asset	$ 3,851	$ —

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

GLOBAL MEDICAL REIT INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(dollars in thousands, except per share amounts or as otherwise indicated)

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 March 31, 2025, the Company was the 92.19% limited partner of the Operating Partnership, with an aggregate of 7.81% 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”).

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The accompanying condensed consolidated financial statements are unaudited and include the accounts of the Company, including the Operating Partnership and its wholly owned subsidiaries, and its equity investment in an unconsolidated joint venture. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures required for annual consolidated financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, the accompanying condensed consolidated financial statements do not include all the information and footnotes required by GAAP for complete consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024. In the opinion of management, all adjustments of a normal and recurring nature necessary for a fair presentation of the condensed consolidated financial statements for the interim periods have been made.

Principles of Consolidation

The accompanying condensed 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 Condensed 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 Condensed 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 condensed consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the condensed 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 that are 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 preacquisition due diligence, and we routinely utilize the assistance of a third-party appraiser.

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 Condensed Consolidated Statements of Operations.

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 Condensed Consolidated Statements of Cash Flows:

	As of March 31,	
	2025	2024
Cash and cash equivalents	$ 5,412	$ 1,333
Restricted cash	2,176	6,473
Total cash and cash equivalents and restricted cash	$ 7,588	$ 7,806

Tenant Receivables, Net

The tenant receivable balance as of March 31, 2025 and December 31, 2024 was $8,104 and $7,424, respectively. The balance as of March 31, 2025 consisted of $3,684 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, $3,748 of tenant reimbursements, $116 for a loan that was made to one of the Company's tenants, and $556 of miscellaneous receivables. 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.

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 March 31, 2025 and December 31, 2024, 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 March 31, 2025 and December 31, 2024 was $915 and $711, 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 March 31, 2025 and December 31, 2024 was $28,251 and $28,208, respectively. The balance as of March 31, 2025 consisted of $28,052 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, 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.

Other Assets

The other assets balance as of March 31, 2025 and December 31, 2024 was $24,667 and $22,354, respectively. The balance as of March 31, 2025 consisted of $11,026 in right of use assets, $4,176 in capitalized construction in process costs, $2,731 in prepaid assets, $6,363 in net capitalized leasing commissions, and $371 in net capitalized software costs and miscellaneous assets. The balance as of December 31, 2024 consisted of $7,271 in 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 in net capitalized software costs and miscellaneous assets. Refer to Note 8 – “Leases” for additional details on right of use assets.

Derivative Instruments - Interest Rate Swaps

As of March 31, 2025 and December 31, 2024, the Company's balance related to interest rate swap derivative instruments that were designated as cash flow hedges of interest rate risk was an asset of $13,713 and $18,613, 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.

Goodwill

As of March 31, 2025 and December 31, 2024, 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. 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.

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 Condensed 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 March 31, 2025 or December 31, 2024.

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.

Other Liabilities

The other liabilities balance as of March 31, 2025 and December 31, 2024 was $16,030 and $14,191, respectively. The balance as of March 31, 2025 consisted of $11,241 for right of use liabilities and $4,789 of prepaid rent. The balance as of December 31, 2024 consisted of $7,461 for right of use liabilities and $6,730 of prepaid rent. Refer to Note 8 – "Leases" for additional details on right of use liabilities.

Unconsolidated Joint Venture

In December 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. 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 Condensed Consolidated Balance Sheets. The Company's share of net income or loss from the Joint Venture is included in the "Equity income (loss) from unconsolidated joint venture" line item on the Company's Condensed Consolidated Statements of Operations.

Segment Reporting

In December 2024, the Company adopted ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The Company adopted ASU 2023-07 for its fiscal year 2024 annual financial statements and interim financial statements thereafter. 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 Three Months Ended March 31, 2025

During the three months ended March 31, 2025, the Company completed three acquisitions. These acquisitions were made pursuant to an October 2024 purchase agreement to acquire a five-property portfolio (the "five-property portfolio"). For each acquisition, substantially all of the fair value was concentrated in a single identifiable asset or group of similar identifiable assets and, therefore, each acquisition represented an asset acquisition. Accordingly, transaction costs for these acquisitions were capitalized. The Company completed the acquisition of the remaining two properties in the five-property portfolio in April 2025.

During the three months ended March 31, 2025, the Company completed two dispositions. In February 2025, the Company sold a medical office building located in Derby, Kansas receiving gross proceeds of $1.0 million, resulting in a gain of $17 thousand. In March 2025, the Company sold a medical office building located in Coos Bay, Oregon 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 March 31, 2025 is as follows:

	Land	Building	Site Improvements	Tenant Improvements	Acquired Lease Intangible Assets	Gross Investment in Real Estate
Balances as of December 31, 2024	$ 174,300	$ 1,044,019	$ 23,973	$ 69,679	$ 138,945	$ 1,450,916
Facility Acquired – Date Acquired:						
Carondelet - 2/7/25	—	13,327	—	1,274	1,725	16,326
Silverbell - 2/7/25	—	8,482	—	973	1,368	10,823
Slippery Rock - 2/7/25	—	3,511	455	593	572	5,131
Capitalized costs[1]	—	1,789	12	2,626	—	4,427
Total Additions:	—	27,109	467	5,466	3,665	36,707
Facility Sold – Date Sold:						
Derby - 2/18/25	(146)	(1,250)	(118)	(73)	(372)	(1,959)
Coos Bay - 3/19/25	(861)	(5,096)	(56)	(49)	(410)	(6,472)
Total Dispositions:	(1,007)	(6,346)	(174)	(122)	(782)	(8,431)
Balances as of March 31, 2025	$ 173,293	$ 1,064,782	$ 24,266	$ 75,023	$ 141,828	$ 1,479,192

(1) Represents capital projects that were completed and placed in service during the three months ended March 31, 2025 related to the Company's existing facilities.

Depreciation expense was $10,307 and $10,113 for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, the Company had aggregate capital improvement commitments and obligations to improve, expand, and maintain the Company's existing facilities of approximately $24,200. 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, 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.

Table of Contents

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.

Lease Intangible Assets and Liabilities

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

	As of March 31, 2025		
	Cost	Accumulated Amortization	Net
Assets			
In-place leases	$ 79,472	$ (52,393)	$ 27,079
Above market leases	24,885	(13,956)	10,929
Leasing costs	37,471	(22,192)	15,279
	$ 141,828	$ (88,541)	$ 53,287
Liability			
Below market leases	$ 14,325	$ (10,423)	$ 3,902

	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

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

	Three Months Ended March 31,	
	2025	2024
Amortization expense related to in-place leases	$ 2,215	$ 2,675
Amortization expense related to leasing costs	$ 1,072	$ 1,188
Decrease in rental revenue related to above market leases	$ 755	$ 819
Increase in rental revenue related to below market leases	$ (303)	$ (568)

As of March 31, 2025, 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 (nine months remaining)	$ (1,211)	$ 9,142
2026	(1,673)	10,676
2027	(1,235)	7,918
2028	(946)	6,298
2029	(831)	4,212
Thereafter	(1,131)	4,112
Total	$ (7,027)	$ 42,358

As of March 31, 2025, the weighted average amortization periods for asset lease intangibles and liability lease intangibles were 3.2 years and 2.5 years, respectively.

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%, (vii) a maximum cash investment in joint ventures of 10% of total asset value and (viii) a minimum net worth of $573 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2022. As of March 31, 2025, 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 related to the interest rate swaps, see the "Derivative Instruments - Interest Rate Swaps" section herein.

During the three months ended March 31, 2025, the Company borrowed $44,000 under the Credit Facility and repaid $13,500, for a net amount borrowed of $30,500. During the three months ended March 31, 2024, the Company borrowed $14,000 under the Credit Facility and repaid $7,800, for a net amount borrowed of $6,200. Interest expense incurred on the Credit Facility was $6,462 and $6,055 for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025 and December 31, 2024, the Company had the following outstanding borrowings under the Credit Facility:

	March 31, 2025	December 31, 2024
Revolver	$ 167,100	$ 136,600
Term Loan A	350,000	350,000
Term Loan B	150,000	150,000
Credit Facility, gross	667,100	636,600
Less: Unamortized debt issuance costs	(4,318)	(4,868)
Credit Facility, net	$ 662,782	$ 631,732

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 Condensed Consolidated Balance Sheets. Amortization expense incurred related to debt issuance costs was $550 and $549 for the three months ended March 31, 2025 and 2024, respectively, and is included in the "Interest Expense" line item in the accompanying Condensed Consolidated Statements of Operations.

Notes Payable, Net of Debt Issuance Costs

The Company, through certain of its wholly owned subsidiaries, entered into or assumed loans in connection with the acquisitions of the Rosedale and Toledo facilities. As of March 31, 2025 and December 31, 2024, the Company had the following outstanding borrowings under these loans:

	March 31, 2025	December 31, 2024
Rosedale loan [1]	$ 13,052	$ 13,158
Toledo loan [2]	1,209	1,263
Notes payable, gross	14,261	14,421
Unamortized debt issuance costs	(13)	(22)
Notes payable, net	$ 14,248	$ 14,399

(1) The Rosedale loan has an annual interest rate of 3.85% and matures on July 31, 2025.
(2) The Toledo loan has an annual interest rate of 5.0% and matures on July 30, 2033.

Amortization expense incurred related to debt issuance costs was $9 and $13 for the three months ended March 31, 2025 and 2024, respectively, and is included in the "Interest Expense" line item in the accompanying Condensed Consolidated Statements of Operations.

The Company made principal payments of $160 and $230 during the three months ended March 31, 2025 and 2024, respectively. Interest expense incurred on these loans was $146 and $273 for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, scheduled principal payments due for each year ended December 31 were as follows:

2025 (nine months remaining)	$ 13,108
2026	117
2027	124
2028	131
2029	139
Thereafter	642
Total	$ 14,261

Derivative Instruments - Interest Rate Swaps

As of March 31, 2025, 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 Condensed 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 March 31, 2025 and December 31, 2024, all of the Company's swaps meet 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 $13,713 and $18,613 as of March 31, 2025 and December 31, 2024, respectively. The balances are included in the "Derivative Asset" line item on the Company's Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024, respectively.

The table below details the components of the amounts presented on the accompanying Condensed Consolidated Statements of Comprehensive (Loss) Income recognized on the Company's interest rate swaps designated as cash flow hedges for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Amount of loss (gain) recognized in other comprehensive (loss) income	$ 1,635	$ (8,610)
Amount of gain reclassified from accumulated other comprehensive income into interest expense	3,265	4,450
Total change in accumulated other comprehensive income	$ 4,900	$ (4,160)

During the next twelve months, the Company estimates that an additional $10,853 will be reclassified as a decrease to interest expense. Additionally, during the three months ended March 31, 2025, the Company recorded total interest expense in its Condensed Consolidated Statements of Operations of $7,167.

Weighted-Average Interest Rate and Term

The weighted average interest rate and term of the Company's debt was 3.84% and 1.8 years at March 31, 2025, compared to 3.75% and 2.0 years as of December 31, 2024.

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 March 31, 2025 and December 31, 2024, 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 three months ended March 31, 2025 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Quarterly Dividend	Dividends per Share
December 4, 2024	January 15, 2025	Q4 2024	January 31, 2025	$ 1,455	$ 0.46875
February 27, 2025	April 15, 2025	Q1 2025	April 30, 2025	$ 1,455 [1]	$ 0.46875

[1] Two months of this amount, equal to $970, was accrued at March 31, 2025.

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 three-month periods ended March 31, 2025 and 2024, the Company paid preferred dividends of $1,455.

Common Stock

The Company has 500,000 authorized shares of common stock, $0.001 par value. As of March 31, 2025 and December 31, 2024, there were 66,879 and 66,871 outstanding shares of common stock, respectively.

Common stock dividend activity for the three months ended March 31, 2025 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Dividend Amount(1)	Dividends per Share
December 4, 2024	December 20, 2024	Q4 2024	January 8, 2025	$ 15,164	$ 0.21
February 27, 2025	March 21, 2025	Q1 2025	April 9, 2025	$ 15,234	$ 0.21

(1) Includes distributions on outstanding LTIP Units and OP Units.

During the three months ended March 31, 2025 and 2024, the Company paid total dividends on its common stock, LTIP Units and OP Units in the aggregate amount of $15,269 and $14,946, respectively.

As of March 31, 2025 and December 31, 2024, the Company had accrued dividend balances of $393 and $386 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 three months ended March 31, 2025, $112 of dividends were accrued and $105 of dividends were paid related to these units. During the three months ended March 31, 2024, $67 of dividends were accrued and $127 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 (the “2024 ATM Program”). No shares were sold under the 2024 ATM Program during the three months ended March 31, 2025.

OP Units

During the three months ended March 31, 2025 and the year ended December 31, 2024, the Operating Partnership did not issue or 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 Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024. 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 amounts due from related parties as of March 31, 2025 and December 31, 2024 were $420 and $270, 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 March 31, 2025 and December 31, 2024.

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 March 31, 2025, there were 1,571 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 three months ended March 31, 2025, the Company granted the following LTIP Units:

Date	Description	Number of Units Issued	Vesting Dates
February 26, 2025	Final awards under the 2024 Annual Incentive Plan	125	50% on February 26, 2025; and 50% on February 26, 2026
February 26, 2025	Time-based awards under the 2025 Long-Term Incentive Plan	207	100% on February 26, 2028

During the three months ended March 31, 2025, certain participants redeemed an aggregate of 8 vested LTIP Units for the Company's common stock. A detail of the Company's outstanding time-based LTIP Units as of March 31, 2025 is as follows:

Vested units	2,686
Unvested units	734
LTIP Units outstanding as of March 31, 2025	3,420

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.

A detail of the Performance Awards under the 2023, 2024 and 2025 programs as of March 31, 2025 is as follows:

2023 Long-Term Awards	154
2024 Long-Term Awards	228
2025 Annual Awards [1]	157
2025 Long-Term Awards [2]	165
Total target Performance Awards as of March 31, 2025	704

(1) Approved by the Board on February 26, 2025. 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 over the 15 trading days preceding the award date.

(2) Approved by the Board on February 26, 2025. 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, 2025, as set forth in the 2025 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 three months ended March 31, 2025 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 2025 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 2026) 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 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 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:

	2025 Long-Term Awards	2024 Long-Term Awards	2023 Long-Term Awards
Fair value	$ 9.32	$ 9.37	$ 11.67
Target awards	165	228	154
Volatility	28.67 %	28.12 %	43.54 %
Risk-free rate	4.00 %	4.38 %	4.35 %
Dividend assumption	reinvested	reinvested	reinvested
Expected term in years	3	3	3

The Company incurred stock compensation expense of $151 and $1,233 for the three months ended March 31, 2025 and 2024, respectively, related to the grants awarded under the Plan. Compensation expense is included within "General and Administrative" expense in the Company's Condensed Consolidated Statements of Operations.

As of March 31, 2025, total unamortized compensation expense related to these awards of approximately $8.4 million is expected to be recognized over a weighted average remaining period of 1.8 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 $34,595 and $35,069 of rental revenue related to operating lease payments for the three months ended March 31, 2025 and 2024, respectively. Of these amounts, $1,793 and $1,963 relate to variable rental revenue for the three months ended March 31, 2025 and 2024, respectively.

The aggregate annual cash to be received by the Company on the noncancelable operating leases related to its portfolio as of March 31, 2025 is as follows for the subsequent years ended December 31:

2025 (nine months remaining)	$	90,376
2026		115,396
2027		104,106
2028		93,938
2029		80,501
Thereafter		274,376
Total	$	758,693

Information as Lessee

The Company recorded a right of use asset and liability during the three months ended March 31, 2025 for the three buildings acquired during that period that are located on land that is subject to ground leases. The Company used a discount rate of approximately 5.9% to record the right of use asset and liability for these ground leases, which approximated its incremental borrowing rate at the date of acquisition. Including these buildings, the Company has ten buildings located on land that is subject to ground leases with a weighted average remaining term of approximately 38 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. 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 $77 and $55 of ground lease expense during the three months ended March 31, 2025 and 2024, respectively, of which $46 and $22 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 March 31, 2025, and a reconciliation of those cash flows to the operating lease liability at March 31, 2025:

2025 (nine months remaining)	$	727
2026		989
2027		1,005
2028		1,029
2029		1,048
Thereafter		19,479
Total		24,277
Discount		(13,036)
Lease liability	$	11,241

Tenant Concentration

During the three months ended March 31, 2025, the Company's rental revenues were derived from 297 tenants leasing 191 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.

Item 2. 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 Quarterly Report on Form 10-Q (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 below 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 Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2024, that was filed with the U.S. Securities and Exchange Commission (the "SEC" or the "Commission") on February 28, 2025 and Item 1A. Risk Factors in this Quarterly Report on Form 10-Q. Unless otherwise indicated, all dollar and share amounts in the following discussion are presented in thousands.

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, tariffs and international trade policies, 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 our Annual Report on Form 10-K for the year ended December 31, 2024 and Item 1A. Risk Factors in this Quarterly Report on Form 10-Q 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 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.

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 March 31, 2025, we owned 92.19% of the outstanding common operating partnership units ("OP Units") of our Operating Partnership, with an aggregate of 7.81% 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.

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.

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.

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 4.21% at March 31, 2025 and the five-year forward SOFR swap rates increasing from 3.21% to 3.59%, 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 as well as the effects of recently enacted global tariffs. 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 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”), 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, decreased during the fourth quarter of 2024 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 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.

Executive Summary

The following table summarizes the primary changes in our business and operations during the periods presented.

	Three Months Ended March 31,	
	2025	2024
	(in thousands, except per share and unit amounts)	
Rental revenue	$ 34,595	$ 35,069
Depreciation and amortization expense	$ 13,827	$ 14,084
Interest expense	$ 7,167	$ 6,890
General and administrative expense	$ 3,620	$ 4,446
Gain on sale of investment properties	$ 1,358	$ —
Net income attributable to common stockholders per share	$ 0.03	$ 0.01
FFO attributable to common stockholders and noncontrolling interest per share and unit[(1)]	$ 0.20	$ 0.21
AFFO attributable to common stockholders and noncontrolling interest per share and unit[(1)]	$ 0.22	$ 0.23
Dividends per share of common stock	$ 0.21	$ 0.21
Weighted average common stock outstanding	66,873	65,573
Weighted average OP Units outstanding	2,244	2,244
Weighted average LTIP Units outstanding	3,258	2,940
Total weighted average shares and units outstanding	72,375	70,757

(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	
	March 31, 2025	December 31, 2024
	(dollars in thousands)	
Investment in real estate, gross	$ 1,479,192	$ 1,450,916
Total debt, net	$ 677,030	$ 646,131
Weighted average interest rate	3.84 %	3.75 %
Total equity (including noncontrolling interest)	$ 538,103	$ 555,916
Net leasable square feet	4,917,850	4,756,108

Our Properties

As of March 31, 2025, we had gross investments of approximately $1.5 billion in real estate properties, consisting of 191 buildings with an aggregate of approximately 4.9 million leasable square feet and approximately $113 million of annualized base rent. This data does not include amounts for properties held in our unconsolidated joint venture.

Completed Acquisitions During and Subsequent to the Three Months Ended March 31, 2025

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 $2.7 million. In April 2025, we completed the acquisition of the remaining two properties in the five-property portfolio encompassing an aggregate of 297,724 leasable square feet for an aggregate purchase price of $38.1 million with aggregate annualized base rent of $3.6 million. In total, the five-property portfolio had a purchase price of $69.6 million with 486,598 leasable square feet and annualized base rent of $6.3 million.

Completed Property Dispositions

During the three months ended March 31, 2025, we completed two dispositions that generated aggregate gross proceeds of $8.2 million, resulting in an aggregate gain of $1.4 million.

Chapter 11 Reorganization Filing Update 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 March 31, 2025, we and Prospect entered into a Stipulation and Agreed Order (the "Order") with the bankruptcy courts whereby Prospect rejected its lease at our East Orange, New Jersey facility (allowing us to begin working directly with subtenants to enter into new direct leases with them and begin marketing the remainder of the facility for lease) and we agreed to waive all post-petition amounts due for the month of March 2025. Pursuant to the Order, as of May 6, 2025, Prospect has paid the Company $250 thousand, representing all post-petition amounts due through February 28, 2025, at this facility.

As of May 6, 2025, Prospect had not decided if it was going to accept or reject its remaining leases with us. With the exception of the amounts covered by the Order, 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.

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"). No shares were sold under the 2024 ATM Program during the three months ended March 31, 2025.

Debt Activity

During the three months ended March 31, 2025, we borrowed $44.0 million under the Credit Facility and repaid $13.5 million, for a net amount borrowed of $30.5 million. During the three months ended March 31, 2024, we borrowed $14.0 million under the Credit Facility and repaid $7.8 million, for a net amount borrowed of $6.2 million. As of March 31, 2025, the net outstanding Credit Facility balance was $662.8 million and as of May 6, 2025, we had unutilized borrowing capacity under the Revolver of $187 million.

Joint Venture

In connection with the formation of the joint venture (the "Joint Venture") in December 2024, we sold two of our assets to the Joint Venture and received gross proceeds of $35.2 million. We used $2.1 million of the gross proceeds to finance our initial 12.5% capital investment in the Joint Venture. In connection with the acquisition of these properties, the Joint Venture entered into a mortgage loan with a principal amount of $17.6 million. We account for our interest in the Joint Venture using the equity method of accounting.

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 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 SOFR swap rates have not responded in kind with 10-Year U.S. Treasury yields increasing from 3.79% at September 30, 2024 to 4.21% at March 31, 2025 and the five-year forward SOFR swap rates increasing from 3.21% to 3.59%, 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 as well as the effects of recently enacted global tariffs. 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.

  Continued elevated interest rates and recent market volatility have contributed to decreases 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. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Commission on February 28, 2025, for further information regarding the critical accounting policies that affect our more significant estimates and judgments used in the preparation of our condensed consolidated financial statements included in Part I, Item 1 of this Report.

Consolidated Results of Operations

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	$ Change
	(in thousands)		
Revenue			
Rental revenue	$ 34,595	$ 35,069	$ (474)
Other income	23	49	(26)
Total revenue	34,618	35,118	(500)
Expenses			
General and administrative	3,620	4,446	(826)
Operating expenses	7,585	7,384	201
Depreciation expense	10,307	10,113	194
Amortization expense	3,520	3,971	(451)
Interest expense	7,167	6,890	277
Total expenses	32,199	32,804	(605)
Income before other income (expense)	2,419	2,314	105
Gain on sale of investment properties	1,358	—	1,358
Equity loss from unconsolidated joint venture	(40)	—	(40)
Net income	$ 3,737	$ 2,314	$ 1,423

Revenue

Total Revenue

Total revenue for the three months ended March 31, 2025 was $34.6 million, compared to $35.1 million for the same period in 2024, a decrease of $0.5 million. The decrease primarily resulted from the impact of dispositions that were completed subsequent to

March 31, 2024 and through the three months ended March 31, 2025, partially offset by acquisitions that were completed during that period. Within that decrease, $5.2 million in revenue was recognized from net lease expense recoveries during the three months ended March 31, 2025, compared to $5.0 million for the same period in 2024.

Expenses

General and Administrative

General and administrative expenses for the three months ended March 31, 2025 was $3.6 million, compared to $4.4 million for the same period in 2024, a decrease of $0.8 million. The decrease primarily resulted from a decrease in non-cash LTIP compensation expense, which was $0.2 million for the three months ended March 31, 2025, compared to $1.2 million for the same period in 2024. This decrease in non-cash LTIP compensation expense resulted from the required accounting treatment of compensation expense for the unvested LTIP units of 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 (the "Transition and Separation Agreement"). The decrease in non-cash LTIP compensation expense was partially offset by additional general and administrative expenses incurred during the current period related to the Transition and Separation Agreement with Mr. Busch.

Operating Expenses

Operating expenses for the three months ended March 31, 2025 were $7.6 million, compared to $7.4 million for the same period in 2024, an increase of $0.2 million. While the increase compared to 2024 is not significant, the increase relative to revenue reflects changes in our portfolio between the periods, including increased costs from properties acquired in 2024 and during the three months ended March 31, 2025, partially offset by a net reduction in costs at other properties. Included in these amounts were $5.2 million of recoverable property operating expenses incurred during the three months ended March 31, 2025, compared to $5.0 million for the same period in 2024. In addition, our operating expenses included $1.4 million of property operating expenses from gross leases for the three months ended March 31, 2025, compared to $1.5 million for the same period in 2024.

Depreciation Expense

Depreciation expense for the three months ended March 31, 2025 was $10.3 million, compared to $10.1 million for the same period in 2024, an increase of $0.2 million. The increase primarily resulted from the impact of acquisitions that were completed subsequent to March 31, 2024 and through the three months ended March 31, 2025, partially offset by dispositions that were completed during that period.

Amortization Expense

Amortization expense for the three months ended March 31, 2025 was $3.5 million, compared to $4.0 million for the same period in 2024, a decrease of $0.5 million. The decrease primarily resulted from the impact of dispositions that were completed subsequent to March 31, 2024 and through the three months ended March 31, 2025, partially offset by acquisitions that were completed during that period.

Interest Expense

Interest expense for the three months ended March 31, 2025 was $7.2 million, compared to $6.9 million for the same period in 2024, an increase of $0.3 million. The increase was primarily due to higher average borrowings, partially offset by lower interest rates during the three months ended March 31, 2025, compared to the same period in 2024.

The weighted average interest rate of our debt for the three months ended March 31, 2025 was 3.83% compared to 3.90% for the same period in 2024. Additionally, the weighted average interest rate and term of our debt was 3.84% and 1.8 years at March 31, 2025.

Income Before Other Income (Expense)

Income before other income (expense) for the three months ended March 31, 2025 was $2.4 million, compared to $2.3 million for the same period in 2024, an increase of $0.1 million.

Gain on Sale of Investment Properties

During the three months ended March 31, 2025, we completed two dispositions resulting in an aggregate gain of $1.4 million. During the three months ended March 31, 2024 we had no property dispositions.

Equity Loss from Unconsolidated Joint Venture

During the three months ended March 31, 2025, we recognized a loss from the Joint Venture of $40 thousand, which represented our 12.5% ownership interest in the net loss of the Joint Venture during that period.

Net Income

Net income for the three months ended March 31, 2025 was $3.7 million, compared to $2.3 million for the same period in 2024, an increase of $1.4 million.

Assets and Liabilities

As of March 31, 2025 and December 31, 2024, our principal assets consisted of investments in real estate, net, of $1.2 billion. We completed three acquisitions and completed two dispositions during the three months ended March 31, 2025. Our liquid assets consisted primarily of cash and cash equivalents and restricted cash of $7.6 million and $8.9 million, as of March 31, 2025 and December 31, 2024, respectively.

The decrease in our cash and cash equivalents and restricted cash balances to $7.6 million as of March 31, 2025, compared to $8.9 million as of December 31, 2024, was primarily due to funds used to acquire investment properties, the payment of dividends to common and preferred stockholders as well as holders of OP Units and LTIP Units, and funds used for capital expenditures on existing real estate investments and leasing commissions, partially offset by net borrowings on our Credit Facility, net proceeds received from the sale of investment properties, and net cash provided by operating activities.

The increase in our total liabilities to $731.5 million as of March 31, 2025 compared to $700.6 million as of December 31, 2024, was primarily the result of higher net borrowings outstanding on our Credit Facility.

Liquidity and Capital Resources

General

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

- Interest expense and scheduled principal payments on outstanding indebtedness, including the payment of the approximately $13 million outstanding principal balance on the Rosedale loan that matures in July 2025;
- General and administrative expenses, including cash severance costs owed to Mr. Busch pursuant to the Transition and Separation Agreement;
- 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, principal and interest payments on our outstanding debt and ground and operating lease expenses. In addition, if we decide to redeem our preferred stock in full, 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 and leasing costs at our properties, scheduled debt maturities, general and administrative expenses, including cash severance costs owed to Mr. Busch pursuant to the Transition and Separation Agreement, operating expenses, and distributions. Beyond 2025, we are contractually obligated to pay, or have capital commitments for, principal and interest payments on our outstanding debt and 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.

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. No shares were sold under the 2024 ATM Program during the three months ended March 31, 2025 or from April 1, 2025 through May 6, 2025.

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 May 6, 2025, we had unutilized borrowing capacity under the Credit Facility of $187 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 May 3, 2021), and (iii) five years and six months (beginning on August 1, 2022) for Term Loan B. Interest rates on amounts outstanding under the Credit Facility equal SOFR plus a related spread adjustment of 10 basis points and a borrowing spread based on the current pricing grid in the Credit Facility.

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%, (vii) a maximum cash investment in joint ventures of 10% of total asset value and (viii) a minimum net worth of $573 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2022. As of March 31, 2025, management believed it complied with all of the financial and non-financial covenants contained in the Credit Facility.

Other Fixed Debt. We have $14.3 million in gross notes payable as of March 31, 2025. This debt is comprised of two instruments.

Hedging Instruments. As of March 31, 2025, we 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 $514.3 million on a gross basis at March 31, 2025, with a weighted average interest rate of 3.18% based on our interest rate swaps and at current leverage. The weighted average maturity of our fixed debt was 1.6 years at March 31, 2025.

Cash Flow Information

Net cash provided by operating activities for the three months ended March 31, 2025 was $12.3 million, compared to $14.3 million for the same period in 2024. During the 2025 period, non-cash LTIP compensation expense and amortization expense were lower.

Net cash used in investing activities for the three months ended March 31, 2025 was $27.2 million, compared to $2.7 million for the same period in 2024. During the 2025 period, we used funds to acquire investment properties and more funds were used for capital expenditures on existing real estate investments, partially offset by net proceeds received from the sale of investment properties and less funds used to pay leasing commissions.

Net cash provided by financing activities for the three months ended March 31, 2025 was $13.6 million, compared to net cash used in financing activities of $10.5 million for the same period in 2024. During the 2025 period, we had higher net borrowings on our Credit Facility, partially offset by slightly higher dividends paid to common and preferred stockholders as well as holders of OP Units and LTIP Units.

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 Condensed Consolidated Financial Statements and other financial data included elsewhere in this Report.

Funds from Operations and Adjusted Funds from Operations

Funds from operations attributable to common stockholders and noncontrolling interest (“FFO”) and adjusted funds from operations attributable to common stockholders and noncontrolling interest (“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 calculated to reflect FFO on the same basis. 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 related to unconsolidated partnerships and joint ventures.

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 net income to FFO and AFFO for the three months ended March 31, 2025 and 2024 is as follows:

	Three Months Ended March 31,	
	2025	2024
	(unaudited, in thousands except per share and unit amounts)	
Net income	**$ 3,737**	**$ 2,314**
Less: Preferred stock dividends	(1,455)	(1,455)
Depreciation and amortization expense	13,806	14,024
Depreciation and amortization expense from unconsolidated joint venture	49	—
Gain on sale of investment properties	(1,358)	—
FFO attributable to common stockholders and noncontrolling interest	**$ 14,779**	**$ 14,883**
Amortization of above market leases, net	452	251
Straight line deferred rental revenue	(57)	(400)
Stock-based compensation expense	151	1,233
Amortization of debt issuance costs and other	559	562
Severance and transition related expense	104	—
Other adjustments from unconsolidated joint venture	31	—
AFFO attributable to common stockholders and noncontrolling interest	**$ 16,019**	**$ 16,529**
Net income attributable to common stockholders per share – basic and diluted	**$ 0.03**	**$ 0.01**
FFO attributable to common stockholders and noncontrolling interest per share and unit	**$ 0.20**	**$ 0.21**
AFFO attributable to common stockholders and noncontrolling interest per share and unit	**$ 0.22**	**$ 0.23**
Weighted Average Shares and Units Outstanding – basic and diluted	72,375	70,757
Weighted Average Shares and Units Outstanding:		
Weighted Average Common Shares	66,873	65,573
Weighted Average OP Units	2,244	2,244
Weighted Average LTIP Units	3,258	2,940
Weighted Average Shares and Units Outstanding – basic and diluted	72,375	70,757

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 to reflect EBITDAre on the same basis, 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, adjustments related to our investments in unconsolidated joint ventures, 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 three months ended March 31, 2025 and 2024 is as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(unaudited and in thousands)	
Net income	**$ 3,737**	**$ 2,314**
Interest expense	7,167	6,890
Depreciation and amortization expense	13,827	14,084
Unconsolidated joint venture EBITDAre adjustments [1]	85	—
Gain on sale of investment properties	(1,358)	—
EBITDA*re*	**$ 23,458**	**$ 23,288**
Stock-based compensation expense	151	1,233
Amortization of above market leases, net	452	251
Severance and transition related expense	104	—
Interest rate swap mark-to-market at unconsolidated joint venture	35	—
Adjusted EBITDA*re*	**$ 24,200**	**$ 24,772**

(1) Includes joint venture interest, depreciation and amortization and gain on sale of investment properties, if applicable, included in joint venture net income or loss.

Item 3. 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 March 31, 2025, we had $167.1 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 March 31, 2025, SOFR on our outstanding floating-rate borrowings was 4.32%. 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 $1.7 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 $1.7 million annually.

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.

Item 4. 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 Exchange Act that are designed to ensure that 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 and financial officer as appropriate, to allow timely decisions regarding required disclosures. Our principal executive officer and principal financial officer evaluated the effectiveness of disclosure controls and procedures as of March 31, 2025 pursuant to Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Report, the Company's disclosure controls and procedures were effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Changes in Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. 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 1A. Risk Factors

The following supplements and updates the risk factors in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024. Some statements in this Quarterly Report on Form 10-Q, including statements in the following risk factor, constitute forward-looking statements. Please refer to Part I, Item 2 of this Quarterly Report on Form 10-Q entitled "Special Note Regarding Forward-Looking Statements."

Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance.

The U.S. government has recently announced significant changes in its approach to international trade policy and has announced efforts to renegotiate certain existing trade agreements with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) 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 as 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).
10.1†	Transition and Separation Agreement and General Release of Claims, dated January 8, 2025, by and among Jeffrey Busch, Global Medical REIT Inc., and Inter-American Management LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on January 8, 2025).
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial and Accounting Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, 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.
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.

SIGNATURES

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

GLOBAL MEDICAL REIT INC.

Date: May 8, 2025	By:	/s/ *Jeffrey M. Busch* Jeffrey M. Busch Chief Executive Officer (Principal Executive Officer)
Date: May 8, 2025	By:	/s/ *Robert J. Kiernan* Robert J. Kiernan Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey M. Busch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2025 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: May 8, 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 Quarterly Report on Form 10-Q for the period ended March 31, 2025 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: May 8, 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 Quarterly Report on Form 10-Q of Global Medical REIT Inc. (the “Company”) for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey M. Busch, Chief Executive Officer of the Company and I, Robert J. Kiernan, Chief Financial Officer of the Company, each 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, as amended; 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: May 8, 2025	*/s/ Jeffrey M. Busch* Jeffrey M. Busch, Chief Executive Officer (Principal Executive Officer)
Date: May 8, 2025	*/s/ Robert J. Kiernan* Robert J. Kiernan, Chief Financial Officer (Principal Financial and Accounting Officer)

This certification accompanies this Quarterly Report on Form 10-Q 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.