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

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 22, 2018 (April 19, 2018)

Global Medical REIT Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-37815
(Commission File Number)

46-4757266
(I.R.S. Employer
Identification No.)

2 Bethesda Metro Center, Suite 440
Bethesda, MD
20814

(Address of Principal Executive Offices)
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(202) 524-6851**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Explanatory Note

On April 24, 2018, Global Medical REIT Inc. (the “Company”) announced that on April 19, 2018 it, through a wholly-owned subsidiary of its operating partnership, Global Medical REIT L.P. (the “OP”), closed on the acquisition of an aggregate 155,600 square-foot portfolio of four medical office buildings (the “Belpre Portfolio”) and a right of first refusal to purchase a fifth, yet to be built, medical office building on the same campus. The aggregate purchase price of the Belpre Portfolio was \$64.2 million, \$5.5 million of which was paid in the form of common units of the OP.

This Current Report on Form 8-K/A amends Item 9.01 of the original Form 8-K filed on April 24, 2018 to present the historical financial statements and the unaudited pro forma financial information required to be filed by Item 9.01 (a) and (b), for the Company’s acquisition of the Belpre Portfolio.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The statements of revenues and certain operating expenses of the Belpre Portfolio for the three months ended March 31, 2018 (unaudited) and the year ended December 31, 2017, along with the accompanying notes to the statements of revenues and certain operating expenses for the periods presented, are filed as Exhibit 99.1 to this Current Report on Form 8-K/A and are incorporated by reference herein.

(b) Unaudited Pro Forma Financial Information

This Current Report on Form 8-K/A includes the Company’s unaudited pro forma consolidated balance sheet as of March 31, 2018, the Company’s unaudited pro forma consolidated statements of operations for the three months ended March 31, 2018 and the year ended December 31, 2017, the notes to the unaudited pro forma consolidated financial statements for those periods, and the unaudited pro forma statement of taxable operating results and cash to be made available by operations for the year ended December 31, 2017. This unaudited consolidated financial information is filed as Exhibit 99.2 to this Current Report on Form 8-K/A and is incorporated herein by reference.

This unaudited pro forma financial information is not necessarily indicative of the expected financial position or results of the Company’s operations for any future period. Differences could result from numerous factors, including future changes in the Company’s portfolio of investments, changes in interest rates, changes in the Company’s capital structure, changes in property level operating expenses, changes in property level revenues, including rents expected to be received from the Company’s existing leases or leases the Company may enter into during and after 2018, and for other reasons.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|-----------------------------|--|
| <u>99.1</u> | <u>Statements of revenues and certain operating expenses of the Belpre Portfolio for the three months ended March 31, 2018 (unaudited) and the year ended December 31, 2017, and the notes to the statements of revenues and certain operating expenses for the periods presented.</u> |
| <u>99.2</u> | <u>Unaudited pro forma consolidated balance sheet as of March 31, 2018, unaudited pro forma consolidated statements of operations for the three months ended March 31, 2018 and for the year ended December 31, 2017, the notes to the unaudited pro forma consolidated financial statements for those periods, and the unaudited pro forma statement of taxable operating results and cash to be made available by operations for the year ended December 31, 2017.</u> |

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 hereunto duly authorized.

Global Medical REIT Inc.

By: /s/ Jamie A. Barber

Jamie A. Barber
Secretary and General Counsel

Dated: June 22, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Global Medical REIT Inc.
Bethesda, Maryland

Opinion on the Financial Statements

We have audited the accompanying statement of revenues and certain operating expenses (the "Historical Summary") of the Facilities located in Belpre, Ohio (collectively the "Property"), which is a portfolio of four medical office buildings for the year ended December 31, 2017. In our opinion, the financial statements present fairly, in all material respects, the revenues and certain operating expenses of the Facilities in Belpre, Ohio, for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in this Form 8-K/A of Global Medical REIT Inc.) as discussed in Note 2 to the Historical Summary and is not intended to be a complete presentation of the Property's revenues and expenses.

/s/ MaloneBailey, LLP

www.malonebailey.com

We have served as the Property's auditor since 2018.

Houston, Texas

June 22, 2018

THE PORTFOLIO LOCATED IN BELPRE, OHIO
STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Three Months Ended March 31, 2018 (unaudited) and the Year Ended December 31, 2017
(in thousands)

| | Three Months Ended March 31, 2018 (unaudited) | Year Ended December 31, 2017 |
|--|---|---------------------------------|
| Revenues: | | |
| Rental revenue | \$ 1,347 | \$ 5,103 |
| Certain operating expenses: | | |
| Miscellaneous expense | 8 | 30 |
| Revenues in excess of certain operating expenses | <u>\$ 1,339</u> | <u>\$ 5,073</u> |

See accompanying notes to statements of revenues and certain operating expenses.

THE PORTFOLIO LOCATED IN BELPRE, OHIO
NOTES TO STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Three Months Ended March 31, 2018 (unaudited) and the Year Ended December 31, 2017
(dollar amounts in thousands)

(1) Organization

The portfolio consists of four medical office buildings located in Belpre, Ohio (the "Belpre Portfolio"). On April 19, 2018, Global Medical REIT Inc. ("Global Medical") acquired the Belpre Portfolio from the Minnite Family, LLC, a West Virginia limited liability company; Belpre I, LLC, a West Virginia limited liability company; Belpre II, LLC, a West Virginia limited liability company; Belpre III, LLC, a West Virginia limited liability company and Belpre IV, LLC, a West Virginia limited liability company (collectively, the "Belpre Seller") and assumed the Belpre Seller's interest, as lessor, in four triple-net leases (collectively, the "Belpre Portfolio Leases") with Marietta Memorial Hospital, a subsidiary of Memorial Health System. The Belpre Portfolio Leases have a weighted average remaining lease term of approximately 11.35 years, with each of the Belpre Portfolio Leases containing three, five-year tenant renewal options.

(2) Basis of Presentation

The accompanying statement of revenues and certain operating expenses (the "Historical Summary") has been prepared for the purpose of complying with the provisions of Article 3-14 of Regulation S-X promulgated by the United States Securities and Exchange Commission (the "SEC"), which requires certain information with respect to real estate operations be included with certain filings with the SEC. The Historical Summary includes the historical revenues and operating expenses of the Belpre Seller, exclusive of interest expense, depreciation and amortization expense, management fees, and other nonrecurring owner specific expenses, which may not be comparable to the corresponding amounts reflected in the future operations of the Belpre Seller.

In the opinion of management, all adjustments necessary for a fair presentation of such Historical Summary have been included. Such adjustments consisted of normal recurring items.

(3) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Significant Accounting Policies

Revenue Recognition

The Belpre Sellers' operations consist of rental revenue earned under the leases of the four medical office building which provide for noncontingent annual rent escalations and charges to the tenant for real estate taxes and operating expenses.

Rental revenue for the leases is recognized by amortizing the aggregate lease payments on a straight-line basis over the terms of the leases. The leases are accounted for as operating leases.

(5) Rental Revenue

The aggregate annual minimum cash to be received on the lease as of March 31, 2018, is as follows for the subsequent years ended December 31; as listed below.

| | | |
|------------------------------|----|---------------|
| 2018 (nine months remaining) | \$ | 3,826 |
| 2019 | | 5,217 |
| 2020 | | 5,363 |
| 2021 | | 5,371 |
| 2022 | | 5,430 |
| Thereafter | | 35,780 |
| Total | \$ | <u>60,987</u> |

The aggregate annual minimum cash to be received on the lease as of December 31, 2017, is as follows for the subsequent years ended December 31; as listed below.

| | | |
|------------|----|---------------|
| 2018 | \$ | 5,098 |
| 2019 | | 5,217 |
| 2020 | | 5,363 |
| 2021 | | 5,371 |
| 2022 | | 5,430 |
| Thereafter | | 35,780 |
| Total | \$ | <u>62,259</u> |

GLOBAL MEDICAL REIT INC.
Overview to Unaudited Pro Forma Consolidated Financial Statements

Global Medical REIT Inc. (the “Company,” “our,” “we”) is a Maryland corporation engaged primarily in the acquisition of licensed, state-of-the-art, purpose-built healthcare facilities and the leasing of these facilities to strong clinical operators with leading market share.

The accompanying unaudited pro forma consolidated financial statements have been derived from our historical consolidated financial statements. The unaudited pro forma consolidated balance sheet as of March 31, 2018 is presented to reflect pro forma adjustments as if the Company’s acquisition on April 19, 2018 of a portfolio of four medical office buildings located in Belpre, Ohio (collectively the “Belpre Portfolio”), was completed on March 31, 2018. The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2018 and the twelve months ended December 31, 2017 are presented as if the acquisition of the Belpre Portfolio on April 19, 2018 was completed on January 1, 2017. The unaudited pro forma consolidated statements of operations have also been adjusted to reflect the pro forma results of operations of the facilities that we acquired during the year ended December 31, 2017 and during the three months ended March 31, 2018, reflecting the pro forma operations of these acquisitions from the period January 1, 2017 through the respective dates of acquisition (refer to the “Previously Disclosed Acquisitions” columns).

The following unaudited pro forma consolidated financial statements should be read in conjunction with (i) our historical unaudited consolidated financial statements as of March 31, 2018 and for the three months ended March 31, 2018, (ii) our audited consolidated financial statements as of December 31, 2017 and for the twelve months ended December 31, 2017, (iii) the “Cautionary Note Regarding Forward-Looking Statements” contained in those filings, and (iv) the “Risk Factors” sections contained in those filings.

We have based the unaudited pro forma adjustments on available information and assumptions that we believe are reasonable. The following unaudited pro forma consolidated financial statements are presented for informational purposes only and are not necessarily indicative of what our actual consolidated financial position would have been as of March 31, 2018 assuming the transactions and adjustments reflected therein had been consummated on March 31, 2018 and what our actual consolidated results of operations would have been for the three months ended March 31, 2018 and the twelve months ended December 31, 2017 assuming the transactions and adjustments reflected therein had been completed on January 1, 2017, and additionally are not indicative of our consolidated future financial condition, results of operations, or cash flows, and should not be viewed as indicative of our future consolidated financial condition, results of operations, or cash flows.

GLOBAL MEDICAL REIT INC.
Pro Forma Consolidated Balance Sheet
(unaudited and in thousands, except par values)

| | As of March 31, 2018 | | |
|---|----------------------|-----------------------|------------|
| | Historical (a) | Pro Forma Adjustments | Pro Forma |
| Investment in real estate: | | | |
| Land | \$ 52,301 | 3,023 (b) | \$ 55,324 |
| Building | 436,185 | 50,506 (b) | 486,691 |
| Site improvements | 5,590 | 971 (b) | 6,561 |
| Tenant improvements | 9,201 | 2,992 (b) | 12,193 |
| Acquired lease intangible assets | 34,034 | 7,162 (b) | 41,196 |
| | 537,311 | 64,654 | 601,965 |
| Less: accumulated depreciation and amortization | (17,420) | - | (17,420) |
| Investment in real estate, net | 519,891 | 64,654 | 584,545 |
| Cash and cash equivalents | 3,351 | (950) (c) | 2,401 |
| Restricted cash | 4,050 | - | 4,050 |
| Tenant receivables | 1,253 | - | 1,253 |
| Escrow deposits | 2,508 | - | 2,508 |
| Deferred assets | 5,171 | - | 5,171 |
| Deferred financing costs, net | 3,105 | - | 3,105 |
| Other assets | 527 | (330) (d) | 197 |
| Total assets | \$ 539,856 | 63,374 | \$ 603,230 |
| Liabilities and Stockholders' Equity | | | |
| Liabilities: | | | |
| Revolving credit facility | \$ 229,150 | 58,000 (c) | \$ 287,150 |
| Notes payable, net of unamortized discount of \$898 at March 31, 2018 | 38,577 | - | 38,577 |
| Accounts payable and accrued expenses | 4,125 | - | 4,125 |
| Dividends payable | 5,826 | - | 5,826 |
| Security deposits and other | 4,912 | - | 4,912 |
| Due to related parties, net | 1,035 | - | 1,035 |
| Acquired lease intangible liability, net | 1,488 | 632 (b) | 2,120 |
| Total liabilities | 285,113 | 58,632 | 343,745 |
| Stockholders' equity: | | | |
| Preferred stock, \$0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at March 31, 2018 (liquidation preference of \$77,625 at March 31, 2018) | 74,959 | - | 74,959 |
| Common stock \$0.001 par value, 500,000 shares authorized; 21,631 shares issued and outstanding at March 31, 2018 | 22 | - | 22 |
| Additional paid-in capital | 205,788 | - | 205,788 |
| Accumulated deficit | (38,349) | - | (38,349) |
| Total Global Medical REIT Inc. stockholders' equity | 242,420 | - | 242,420 |
| Noncontrolling interest | 12,323 | 4,742 (c) | 17,065 |
| Total stockholders' equity | 254,743 | 4,742 | 259,485 |
| Total liabilities and stockholders' equity | \$ 539,856 | 63,374 | \$ 603,230 |

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

GLOBAL MEDICAL REIT INC.
Pro Forma Consolidated Statement of Operations
(unaudited and in thousands, except per share amounts)

For the Three Months Ended March 31, 2018

| | Historical (a) | Previously Disclosed Acquisitions (b) | Historical plus Previously Disclosed Acquisitions | Belpre Portfolio Pro Forma | Pro Forma |
|--|-----------------|---|--|-------------------------------|-----------------|
| Revenue | | | | | |
| Rental revenue | \$ 10,488 | 1,032 | 11,520 | 1,232 (c) | \$ 12,752 |
| Expense recoveries | 1,068 | 34 | 1,102 | 8 (d) | 1,110 |
| Other income | 8 | - | 8 | - | 8 |
| Total revenue | 11,564 | 1,066 | 12,630 | 1,240 | 13,870 |
| Expenses | | | | | |
| Acquisition fees | 117 | - | 117 | - | 117 |
| General and administrative | 1,005 | - | 1,005 | - | 1,005 |
| Operating expenses | 1,105 | 34 | 1,139 | 8 (d) | 1,147 |
| Management fees – related party | 1,081 | - | 1,081 | - | 1,081 |
| Depreciation expense | 2,906 | 276 | 3,182 | 339 (e) | 3,521 |
| Amortization expense | 765 | 92 | 857 | 187 (f) | 1,044 |
| Interest expense | 2,684 | 376 | 3,060 | 555 (g) | 3,615 |
| Total expenses | 9,663 | 778 | 10,441 | 1,089 | 11,530 |
| Net income | \$ 1,901 | 288 | 2,189 | 151 | \$ 2,340 |
| Less: Preferred stock dividends | (1,455) | - | (1,455) | - | (1,455) |
| Less: Net income attributable to noncontrolling interests | (35) | (22) | (57) | (12) | (69) |
| Net income attributable to common stockholders | 411 | 266 | 677 | 139 | 816 |
| Net income attributable to common stockholders per share – basic and diluted | \$ 0.02 | | | | \$ 0.04 |
| Weighted average shares outstanding – basic and diluted | 21,631 | | | | 21,631 |

*The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

GLOBAL MEDICAL REIT INC.
Pro Forma Consolidated Statement of Operations
(unaudited and in thousands, except per share amounts)

| For the Year Ended December 31, 2017 | | | | | |
|--|----------------|---|--|-------------------------------|--------------|
| | Historical (a) | Previously Disclosed Acquisitions (b) | Historical plus Previously Disclosed Acquisitions | Belpre Portfolio Pro Forma | Pro Forma |
| Revenue | | | | | |
| Rental revenue | \$ 28,511 | 18,310 | 46,821 | 4,928 (c) | \$ 51,749 |
| Expense recoveries | 1,712 | 1,267 | 2,979 | 30 (d) | 3,009 |
| Other income | 121 | - | 121 | - | 121 |
| Total revenue | 30,344 | 19,577 | 49,921 | 4,958 | 54,879 |
| Expenses | | | | | |
| Acquisition fees | 2,523 | - | 2,523 | - | 2,523 |
| General and administrative | 5,489 | - | 5,489 | - | 5,489 |
| Operating expenses | 1,860 | 1,267 | 3,127 | 30 (d) | 3,157 |
| Management fees – related party | 3,123 | - | 3,123 | - | 3,123 |
| Depreciation expense | 7,929 | 4,846 | 12,775 | 1,355 (e) | 14,130 |
| Amortization expense | 2,072 | 1,364 | 3,436 | 750 (f) | 4,186 |
| Interest expense | 7,435 | 4,797 | 12,232 | 2,209 (g) | 14,441 |
| Total expenses | 30,431 | 12,274 | 42,705 | 4,344 | 47,049 |
| Net (loss) income | \$ (87) | 7,303 | 7,216 | 614 | \$ 7,830 |
| Less: Preferred stock dividends | (1,714) | - | (1,714) | - | (1,714) |
| Less: Net loss (income) attributable to noncontrolling interests | 49 | (199) | (150) | (17) | (167) |
| Net (loss) income attributable to common stockholders | (1,752) | 7,104 | 5,352 | 597 | 5,949 |
| Net (loss) income attributable to common stockholders per share – basic and diluted | \$ (0.09) | | | | \$ 0.30 |
| Weighted average shares outstanding – basic and diluted | 19,617 | | | | 19,617 |

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

GLOBAL MEDICAL REIT INC.
Notes to the Unaudited Pro Forma Consolidated Financial Statements

Note 1 — Overview of Unaudited Pro Forma Consolidated Financial Statements

The accompanying unaudited pro forma consolidated balance sheet and unaudited pro forma consolidated statements of operations for Global Medical REIT Inc. (the “Company”) presents the pro forma impact of the acquisition of a portfolio of four medical office buildings located in Belpre, Ohio (collectively the “Belpre Portfolio”). The unaudited pro forma consolidated statements of operations have also been adjusted to reflect the pro forma results of operations of the facilities that the Company acquired during the year ended December 31, 2017 and during the three months ended March 31, 2018, reflecting the pro forma operations of these acquisitions from the period January 1, 2017 through the respective dates of acquisition (refer to the “Previously Disclosed Acquisitions” columns). On April 19, 2018, the Company, through a wholly-owned subsidiary of Global Medical REIT L.P., the Company’s operating partnership (the “OP”) acquired the Belpre Portfolio and assumed the sellers’ interest, as lessor, in four triple-net leases (collectively, the “Belpre Portfolio Leases”) with Marietta Memorial Hospital, a subsidiary of Memorial Health System. The Belpre Portfolio Leases have a weighted average remaining lease term of approximately 11.35 years, with each of the Belpre Portfolio Leases containing three, five-year tenant renewal options. The aggregate purchase price for the Belpre Portfolio was \$64.2 million, \$5.5 million of which was paid in the form of common units (“OP Units”) in the Company’s OP.

Unaudited Pro Forma Consolidated Balance Sheet

The accompanying unaudited pro forma consolidated balance sheet assumes the acquisition was completed on March 31, 2018. Pro forma adjustments include only adjustments that give effect to events that are (1) directly attributable to the transaction and (2) factually supportable regardless of whether they have a continuing impact or are nonrecurring.

All pro forma adjustments are presented on the face of the accompanying unaudited pro forma consolidated balance sheet.

Unaudited Pro Forma Consolidated Statements of Operations

The accompanying unaudited pro forma consolidated statement of operations for the three months ended March 31, 2018 and the year ended December 31, 2017, assumes the acquisition of the Belpre Portfolio and all “Previously Disclosed Acquisitions” were completed on January 1, 2017 and the effect of all adjustments are computed through the end of the three and twelve-month periods presented. Pro forma adjustments include only adjustments that give effect to events that are (1) directly attributable to the transaction, (2) expected to have a continuing impact on the registrant, and (3) factually supportable.

All pro forma adjustments are presented on the face of the accompanying unaudited pro forma consolidated statements of operations for each period presented.

Note 2 — Unaudited Pro Forma Consolidated Balance Sheet Adjustments

- (a) This column represents the historical amounts contained in the Company’s consolidated balance sheet as of March 31, 2018 as presented in its Form 10-Q as of March 31, 2018.
- (b) Represents the preliminary fair value purchase price allocation of the tangible and intangible assets and intangible liability acquired in connection with the acquisition of the Belpre Portfolio.
- (c) Represents the following funding sources utilized for the acquisition of the Belpre Portfolio (1) cash paid from the Company’s available cash on hand, (2) borrowings received from the revolving credit facility, and (3) equity issued from the Company’s wholly owned subsidiary operating partnership that were valued at \$7.76 per unit, the Company’s closing stock price on April 19, 2018, the date the Belpre Portfolio was acquired.
- (d) Represents capitalized pre-acquisition costs related to the Belpre Portfolio that are removed from “other assets” commensurate with the completed acquisition and included in the allocated tangible and intangible assets acquired.

Note 3 — Unaudited Pro Forma Consolidated Statement of Operations Adjustments – Three Months Ended March 31, 2018

- (a) This column represents the historical amounts contained in the Company's consolidated statement of operations for the three months ended March 31, 2018 as presented in its Form 10-Q for the quarter ended March 31, 2018.
- (b) This column presents the results of operations for acquisitions that were completed during the three months ended March 31, 2018 as if the acquisitions occurred on January 1, 2017. The facilities acquired and the related acquisition completion dates are listed in the table below:

2018 Acquisitions:

| <u>Facility</u> | <u>Date Acquired</u> | <u>Facility</u> | <u>Date Acquired</u> |
|-----------------|----------------------|-----------------|----------------------|
| Moline / Silvis | January 24, 2018 | Dallas | March 1, 2018 |
| Freemont | February 9, 2018 | Orlando | March 22, 2018 |
| Gainesville | February 23, 2018 | | |

- (c) Represents rental revenue earned on the Belpre Portfolio Leases using the straight-line basis over the terms of the leases.
- (d) Represents expense recoveries related to tenant reimbursement of real estate taxes, insurance, and certain other operating expenses. We recognize these reimbursements on a gross basis meaning there is an equal impact on revenue and expense.
- (e) Represents depreciation expense incurred on the buildings using an estimated remaining useful life of 45 years, on the site improvements over their estimated remain life of 10 years, and on the tenant improvements over the remaining lease term of approximately 11.35 years.
- (f) Represents amortization expense incurred on the acquired lease intangible assets computed over the remaining lease term of approximately 11.35 years.
- (g) Represents interest expense incurred on the borrowings from the revolving credit facility used to fund the acquisition at an interest rate of approximately 3.7%, as well as the amortization of the related deferred financing costs.

Note 4 — Unaudited Pro Forma Consolidated Statement of Operations Adjustments – Year Ended December 31, 2017

- (a) This column represents the historical amounts contained in the Company's consolidated statement of operations for the year ended December 31, 2017 as presented in its Form 10-K for the year ended December 31, 2017.
- (b) This column presents the results of operations for acquisitions that were completed during year ended December 31, 2017 and the three months ended March 31, 2018 as if the acquisitions occurred on January 1, 2017. The facilities acquired and the related acquisition completion dates are listed in the table below:

2018 Acquisitions:

| <u>Facility</u> | <u>Date Acquired</u> | <u>Facility</u> | <u>Date Acquired</u> |
|-----------------|----------------------|-----------------|----------------------|
| Moline / Silvis | January 24, 2018 | Dallas | March 1, 2018 |
| Freemont | February 9, 2018 | Orlando | March 22, 2018 |
| Gainesville | February 23, 2018 | | |

2017 Acquisitions:

| Facility | Date Acquired | Facility | Date Acquired |
|-----------------|----------------------|-----------------|----------------------|
| Cape Coral | January 10, 2017 | Sandusky | August 15, 2017 |
| Lewisburg | January 12, 2017 | Lubbock | August 18, 2017 |
| Las Cruces | February 1, 2017 | Germantown | August 30, 2017 |
| Prescott | February 9, 2017 | Austin | September 25, 2017 |
| Clermont | March 1, 2017 | Fort Worth | November 10, 2017 |
| Sandusky | March 10, 2017 | Alberville | November 10, 2017 |
| Great Bend | March 31, 2017 | Moline | November 10, 2017 |
| Oklahoma City | March 31, 2017 | Lee's Summit | December 18, 2017 |
| Sandusky | April 21, 2017 | Amarillo | December 20, 2017 |
| Flower Mound | June 27, 2017 | Wyomissing | December 21, 2017 |
| Brockport | June 27, 2017 | Saint George | December 22, 2017 |
| Sherman | June 30, 2017 | | |

- (c) Represents rental revenue earned on the Belpre Portfolio Leases using the straight-line basis over the terms of the leases.
- (d) Represents expense recoveries related to tenant reimbursement of real estate taxes, insurance, and certain other operating expenses. We recognize these reimbursements on a gross basis meaning there is an equal impact on revenue and expense.
- (e) Represents depreciation expense incurred on the buildings using an estimated remaining useful life of 45 years, on the site improvements over their estimated remain life of 10 years, and on the tenant improvements over the remaining lease term of approximately 11.35 years.
- (f) Represents amortization expense incurred on the acquired lease intangible assets computed over the remaining lease term of approximately 11.35 years.
- (g) Represents interest expense incurred on the borrowings from the revolving credit facility used to fund the acquisition at an interest rate of approximately 3.7%, as well as the amortization of the related deferred financing costs.

GLOBAL MEDICAL REIT INC.
Pro Forma Statement of Taxable Operating Results and Cash to be Made Available by Operations
(unaudited and in thousands)

The following represents an estimate of the taxable operating results and cash to be made available by operations of the Company based upon the unaudited pro forma consolidated statement of operations for the year ended December 31, 2017. These estimated results do not purport to represent the results of operations for the Company in the future and were prepared based on the assumptions outlined in the unaudited pro forma consolidated statement of operations, which should be read in conjunction with this statement.

| | |
|---|-------------------------|
| Net income attributable to common stockholders | \$ 5,949 |
| Net book depreciation in excess of tax depreciation | 704 |
| Net book amortization in excess of tax amortization | 2,142 |
| Tax expenditures capitalized in excess of book expenditures | 2,359 |
| Other book / tax differences | (432) |
| Estimated taxable operating income | <u>10,722</u> |
| <i>Adjustments:</i> | |
| Depreciation | 14,130 |
| Net book depreciation in excess of tax depreciation | (704) |
| Amortization | 4,186 |
| Net book amortization in excess of tax amortization | (2,142) |
| Estimated cash to be made available from operations | <u>\$ 26,192</u> |