

INVESTING IN THE FUTURE OF HEALTHCARE



WE INVEST IN THE FUTURE OF HEALTHCARE

Dear Stakeholders,

Global Medical REIT had a remarkable 2019 as we achieved many key milestones propelled by the momentum of prior years and the strong foundation we have built since our IPO in 2016. We invested a record \$250 million in 18 accretive and high-quality medical facility acquisitions at a weighted average cap rate of 7.5 percent. We supported this growth by raising and effectively deploying more than \$200 million in equity, bolstering the scaling of our business while also expanding our shareholder base. We also achieved a significant milestone in December when we announced the formation of a special committee of our Board of Directors to review a potential management internalization transaction.

Disciplined. Tenacious. Nimble.

In 2019, we grew gross real estate assets on our balance sheet approximately 40 percent to more than \$900 million. Since our IPO in 2016, our asset base has grown at a compound annual growth rate of 91 percent from \$94 million to where we are today. Our diverse portfolio is the product of strict adherence to disciplined market selection, stringent underwriting and in-depth diligence.



\$250

Million in acquisitions

The ever-changing healthcare landscape and regulatory environment can influence a tenant's profitability and fiscal health. We believe that our institutional healthcare knowledge, real estate experience and tenacity to dig deeper help to uncover mispriced acquisition opportunities. From our solid knowledge-based foundation, we pride ourselves on being nimble enough to act on transactions that others may miss to capture strong, risk-adjusted returns for our shareholders.

Deliberately Curated Portfolio

As of the end of the year, our 2.8-million-square-foot portfolio was 99.8 percent occupied, had a weighted average lease term of 8.8 years and was diversified by market, operator and medical use. Our portfolio construction is deliberate—we seek to own properties operated by strong healthcare systems and physician

groups that provide essential services to their communities in off-campus facilities. We target bedroom communities within large metropolitan areas as well as secondary markets where services provided are in high demand and where our physician or healthcare systems can operate profitably.

Our strategy is at the forefront of how the delivery of healthcare services is evolving in today's market. Consumers are opting for procedures conveniently offered in expert facilities closer to their homes, and seniors are deciding to age in place. Both contribute to the growth in decentralized medical facilities. Plus, health insurance providers are incentivizing patients to receive medical services on an outpatient basis or dictating that certain procedures be performed without hospitalization.

Conveniently Located Healthcare Will Be In Higher Demand

65+

Year-olds prefer to remain independent

79%

Plan to age in place

96%

Rated location as important to their healthcare decisions

Source: CVS Health Institute 2017.

Outpatient Visits Are Increasing Over Time



Source: AHA Annual Survey 2018.





DIVERSE, HIGH-QUALITY PORTFOLIO

109

BUILDINGS

89

TENANTS

26

STATES

2.1%

WEIGHTED AVERAGE
RENT ESCALATIONS

99.8%

OCCUPANCY

58%

ON-CAMPUS OR HEALTH
SYSTEM AFFILIATED

As of December 31, 2019.



“OUR DISCIPLINED, TENACIOUS AND NIMBLE CULTURE HAS BEEN INSTRUMENTAL IN OUR ABILITY TO EXECUTE AND BUILD A PORTFOLIO THAT GENERATES STRONG RISK-ADJUSTED RETURNS AND A SUSTAINABLE DIVIDEND.”

OUR INVESTMENT METHODOLOGY IN ACTION

Our purchase of Mercy Rehabilitation Hospital in Oklahoma City exemplifies our thesis on healthcare consumption and our disciplined and tenacious investment methodology. This facility was deemed a “non-core” component in a large-scale portfolio transaction with an institutional buyer. We rolled up our sleeves, made note of the high utilization of the facility and dove into its financials. In our discovery process, we learned that Mercy was eager to expand and was looking for additional capital. We quickly were able to capitalize on its “non-core” status at an attractive price and have since agreed to make an incremental investment of \$6 million to support a 30 percent, or 18-bed, expansion to the facility and have recast our 8-year lease to a 15-year lease. This additional investment has not only provided support to our tenant but will also enhance our total return for this acquisition.

Another example of our differentiated strategy is our acquisition of Mission Health Medical Center in Livonia, Michigan, which is a combination facility that features multiple symbiotic healthcare uses comprising clinical offices, urgent care and specialists as well as primary care physicians and an on-site pharmacy. The building was completed in 2008. We purchased the property for \$173 per square foot at a cap rate in excess of 8 percent. The property also features sufficient adjacent land to allow us to add 40,000 square feet to the facility in the coming years as demand dictates.

SCALE WILL PROPEL FUTURE GROWTH

Since our IPO, the Company has grown meaningfully, and we have benefited from our improved scale. Our property revenues have increased from \$8.2 million at the end of 2016 to \$70.7 million in 2019. General and administrative expenses as a percent of revenue have steadily fallen over this time. In the fourth quarter, we issued 6.9 million shares of common stock at \$13.00 per share in a public offering, which generated \$89.7 million of gross proceeds, while our cost of debt capital has dropped 70 basis points over the last 12 months.

GMRE's total shareholder return for 2019 of 59.9 percent reflects our steady progress. Our total shareholder return compares favorably to the MSCI REIT Index total return of 25.8 percent, the Russell 2000 Index total return of 25.5 percent and the S&P 500 Index total return of 31.5 percent. We have shown similar outperformance from the time of our IPO to date with an approximate 78.0 percent total return as compared to 55.0 percent for the Russell 2000 Index, 67.0 percent for the MSCI REIT Index and 22.0 percent for the S&P 500 Index. We have worked hard to achieve these results and embrace the challenge of sustaining positive results for our shareholders as our Company continues to evolve and mature.

SUPERIOR TOTAL SHAREHOLDER RETURN IN 2019

59.9%

GMRE

25.8%

MSCI REIT INDEX

25.5%

RUSSELL 2000 INDEX

31.5%

S&P 500 INDEX



Committed to Corporate Sustainability

Part of this evolution is the nurturing and development of a thriving, sustainable work environment and governance framework. We are dedicated to giving back to our community and are committed to the highest standards of ethics, integrity and corporate governance. Some highlights of our corporate sustainability endeavors include the following:

- Our team, through the organization Friends of Sligo Creek, participated in the preservation of Sligo Creek Park by spending a day removing non-native invasive plants from the park.
- We donated to the Maryland Special Olympics through its Over The Edge event. Our donation helped finance the cost of the event and allowed for every dollar raised through the event to go to sports programming costs, helping athletes to participate free of charge.
- We teamed up with United Way for a Ready, Pack, Go event, whereby we assembled and donated hygiene supply kits for students in need at Loiederman Middle School in Silver Spring, Maryland.

These activities are initial efforts on our journey to developing a robust environmental, social and governance framework. We anticipate building upon this framework in the coming years.

WE ARE PARTICULARLY PROUD OF BEING RECOGNIZED AS A WOMEN ON BOARDS “W” WINNING COMPANY FOR OUR COMMITMENT TO BOARD DIVERSITY, WITH MORE THAN A THIRD OF OUR BOARD COMPOSED OF DISTINGUISHED WOMEN BUSINESS LEADERS.

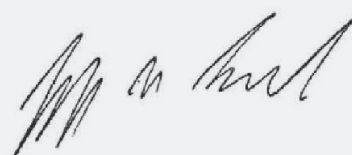
FOCUSED ON LONG-TERM VALUE CREATION

**“WE’RE NOT AFRAID TO ROLL
UP OUR SLEEVES AND TURN
OVER A LOT OF ROCKS LOOKING
FOR THE RIGHT DEAL, IN
THE RIGHT MARKET, WITH
THE RIGHT TENANT.”**

Due to the COVID-19 pandemic, the world has withstood a severe shock to its way of life. We are actively assisting our tenants so they can continue to provide care to their patients during this healthcare crisis. If this pandemic is like others the world has experienced, we are hopeful that human ingenuity and cooperation will help restore stability.

Our achievements in 2019 will serve as a platform for continued success. Without the hard work of our dedicated and tenacious team and the guidance from our Board of Directors, our accomplishments in 2019 could not have been possible. I am grateful to work with such a talented and dedicated group of professionals, and I am thankful for the continued support of our shareholders.

Sincerely,



Jeffrey Busch
Chief Executive Officer, Chairman and President

Executive Team

Jeffrey Busch

Chief Executive Officer, Chairman
and President

Robert Kiernan

Chief Financial Officer

Alfonzo Leon

Chief Investment Officer

Danica Holley

Chief Operating Officer

Jamie Barber

General Counsel and Corporate
Secretary

Allen Webb

Senior Vice President,
SEC Reporting and Technical
Accounting

Board of Directors

Jeffrey Busch

CEO, Chairman and President

Henry Cole

Lead Independent Director and Compensation
Committee Chair

Paula Crowley

Matthew Cypher, PhD

Investment Committee Chair

Zhang Huiqi

Zhang Jingguo

Ronald Marston

Nominating and Corporate Governance
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Dr. Roscoe Moore, Jr.

Lori Wittman

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Annual Meeting

Virtual meeting date: September 2, 2020

Virtual meeting time: 10 a.m. EST

In order to attend the meeting, you must register at <https://viewproxy.com/gmre/2020/htype.asp> by 11:59 PM ET on August 30, 2020. On the day of the Annual Meeting of Stockholders, if you have properly registered, you may enter the meeting by clicking on the link provided and the password you received via email in your registration confirmation.



2019 ANNUAL REPORT

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