

Sila[®]
realty trust

**Nareit REITweek Company Presentation
June 2023**



Disclosures

Forward Looking Statements

Certain statements contained herein, other than historical fact, may be considered “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provided by the same. These statements are based on management’s current expectations and beliefs and are subject to a number of trends and uncertainties. No forward-looking statement is intended to, nor shall it, serve as a guarantee of future performance. You can identify the forward-looking statements by the use of words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will” and other similar terms and phrases. Forward-looking statements are subject to various risks and uncertainties and factors that could cause actual results to differ materially from the company’s expectations, and investors should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond the company’s control and could materially affect the company’s results of operations, financial condition, cash flows, performance or future achievements or events, including those described under the section entitled Part I, Item 1A. “Risk Factors” of the company’s 2022 Annual Report on Form 10-K. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Non-GAAP Measures

This presentation contains certain financial information not derived in accordance with the United States generally accepted accounting principles (GAAP). These items include, but are not limited to, earnings before interest, income taxes, depreciation and amortization (EBITDA), EBITDA for real estate (EBITDAre), funds from operations (FFO), core funds from operations (Core FFO), adjusted funds from operations (AFFO), liquidity, net debt, net operating income (NOI), and cash NOI, as well as ratios derived from the foregoing. These measures (and the methodologies used to derive them) may not be comparable to those used by other companies. Refer to the Appendix for a detailed explanation of these terms and reconciliations to the most directly comparable GAAP measures. Management considers each item an important supplemental measure of operating and financial performance and believes they are frequently used by interested parties in the evaluation of real estate investment trusts. These measures should not be considered as alternatives, or superior measures, to net income or loss as an indicator of the Company’s performance and should be considered only as a supplement to net income or loss and cash flows from operating, investing or financing activities as measures of profitability and/or liquidity, computed in accordance with GAAP.

Unaudited Financial Information

All quarterly information presented in this presentation is unaudited and should be read in conjunction with the Company’s audited consolidated financial statements (and the notes thereto) included in the Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 16, 2023.

Introductions



Michael A. Seton

President & Chief Executive Officer
Founder & Board Member
Over 13 years at Sila



Kay C. Neely

Executive Vice President
& Chief Financial Officer
Over 7 years at Sila



Miles F. Callahan

Senior Vice President,
Capital Markets & Investor Relations
Over 9 years at Sila

Company Overview



At a Glance

Sila Realty Trust, Inc. is a net lease real estate investment trust with a strategic focus on investing in the significant, growing, and resilient healthcare sector of the U.S. economy.

What differentiates us?

- Sila is the only net lease REIT solely dedicated to investing in healthcare real estate
- We invest in healthcare properties along the continuum of care, with an emphasis on lower cost patient settings
- We maintain a conservative capital structure resulting in a strong balance sheet and liquidity position
- Strategic geographical concentration of approximately 68% in the "Smile States" poises Sila for stability and growth given this region contains the highest concentration of the 65+ demographic

Key Company Milestones:

- 2010 – Founding of predecessor company
- 2014 – Founding of Sila Realty Trust, Inc.
- 2019 – Merger with the prior REIT's healthcare portfolio, creating size and scale for the Company
- 2020 – Internalization of management and rebranding to Sila Realty Trust, Inc.
- 2021 – Sale of entire data center portfolio for \$1.32B, resulting in a \$392.7M special cash distribution
- 2022 – Targeted board member additions adding diversity in background, experience, and perspectives

Portfolio Highlights

131
Properties⁽¹⁾

99.4%
Avg. Leased
Rate

\$2.4 B
Real Estate
Investment

5.4 M
Rentable
Square Feet

9.2 Yrs
Avg. Remaining
Lease Term

2.1%
Avg. Annual
Rent Escalation

Financial Highlights

23.2%
Net Debt
Leverage Ratio⁽²⁾

3.9x
Net Debt to
EBITDAre Ratio

\$ 522 M
Liquidity⁽³⁾

(1) Excludes two undeveloped land parcels.

(2) Reflects net debt to adjusted fair value of real estate investments, as adjusted for property acquisitions and dispositions, major capital expenditures and impairments.

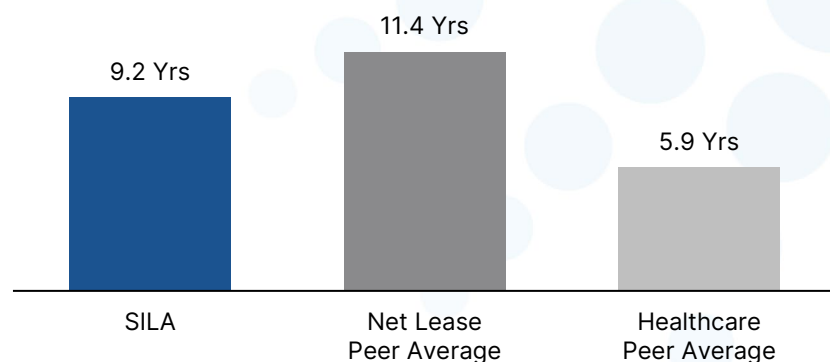
(3) Liquidity represents cash and cash equivalents of \$22.2M and borrowing base availability on the Company's credit facility of \$500M.

All data as of March 31, 2023

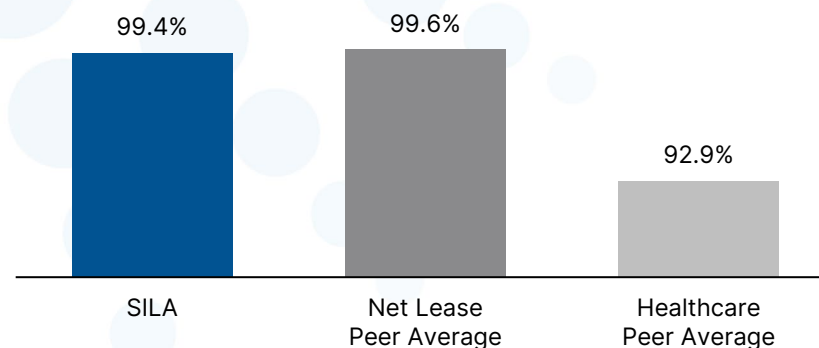
Sila Maintains Strong Metrics as Compared to Peers

Sila's key fundamental metrics closely resemble net lease REIT peers, and rank amongst the top healthcare peers.

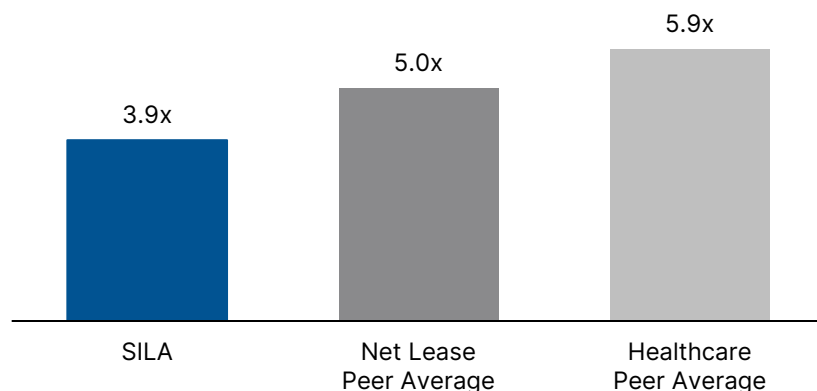
Long Lease Term



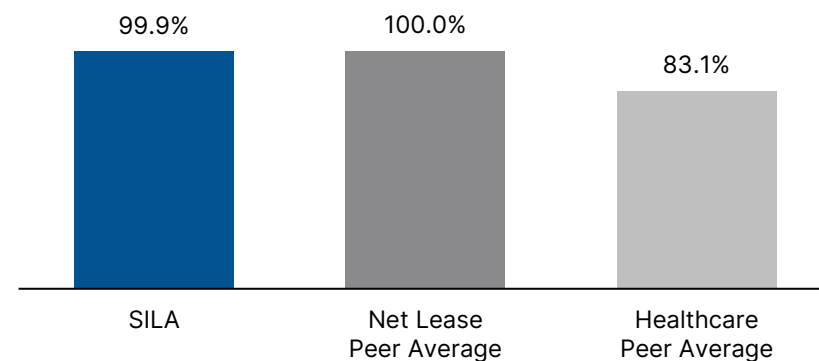
Portfolio Leased



Low Leverage (Net Debt / EBITDAre)



High Triple Net Lease Exposure



Source of peer metrics: Earnings Supplementals, 10-Qs, and other publicly available information. Net Lease peers include: EPRT, BNL, SRC and NNN. Healthcare peers include: CHCT, DOC, GMRE and HR.

All data as of March 31, 2023

Asset Strategy & Platform Positioned for Growth



Reliable Tenants

- Market leading providers with dominant market share
- Strong financial foundation with high rent coverage ratios or other credit enhancements
- Hospital or health system affiliations
- Providers with demonstrated experience at adapting to the rapidly changing healthcare sector
- Diverse payor mix



Strategic Locations

- On-campus or off-campus facilities in retail-type locations
- Strong visibility and access with ample parking
- High growth areas near population clusters that are convenient to the patients/customers
- Near and convenient to the tenant's patient referral sources
- Large patient catchment areas



High Quality Facilities

- Class A/recent construction or renovation
- Single or multi-tenant facilities with strong anchor tenants
- Specialized facilities with substantial tenant buildout
- Long-weighted average lease terms with annual rent escalations
- Synergistic tenancy with built in referral patterns

Robust In-House Management

53

Total Employees

19

Acquisition, Asset & Property Management Team Members

3

Member Dedicated Credit Team

58

Markets Across the U.S. Managed

5.4 M

Square Feet of Real Estate Managed

As of May 22, 2023

Investment Highlights

We believe that Sila's high quality portfolio, attractive growth characteristics, conservative capital structure, and strong governance have positioned the Company for a potential public listing.

1 High-Quality Asset Portfolio

- 131 properties⁽¹⁾, well-diversified through geography, tenancy, and across the continuum of care
- Portfolio spans 58 markets across the United States
- 35.2% MOB, 25.4% IRF, 16.1% Surgical Hosp., 11.0% LTACH, 10.2% STACH, and 2.1% Specialty Facility

2 Focused Internal and External Growth Opportunities

- \$522M liquidity through credit facility availability and cash provides significant capacity to fund growth
- Strong acquisition pipeline with over \$157 million closed in 2022
- Healthcare Cash NOI increased 16.6% for the three months ended March 31, 2023, vs March 31, 2022

3 Strong Operating Metrics

- 99.4% average leased rate and average remaining lease term of 9.2 years reflect strength of real estate assets and tenancy
- Focus on net leases provides higher cash flow conversion through minimal capex
- Strong tenancy resulted in 100% of healthcare rental revenue collected in 2020, during height of pandemic

4 Conservative Balance Sheet

- Low net debt to EBITDAre of 3.9x
- 100% unencumbered asset base provides substantial operational control and flexibility
- Credit facilities refinanced in H1 2022 to extend tenor, mark-to-market pricing and enhance structure

5 Experienced Leadership Team

- Highly skilled leadership team has more than a century of relevant real estate experience
- Solid track record of creating value for stockholders through internalization and data center sale
- Newly added, highly qualified members to the board of directors enhance diversity and industry insight

6 Environmental, Social and Governance

- Initiated green leasing initiative with standardized lease forms for tenants
- Reduced corporate office footprint by 57% and implemented hybrid work schedule
- Diversity in board makeup: 5 independent members, 60% of independent members are women

(1) Excludes two undeveloped land parcels.

Note: Net debt, EBITDAre and cash net operating income (cash NOI) are non-GAAP measures. Refer to the section titled "Non-GAAP Measures and Definition of Terms" beginning on page 28 for more information.

All data as of March 31, 2023

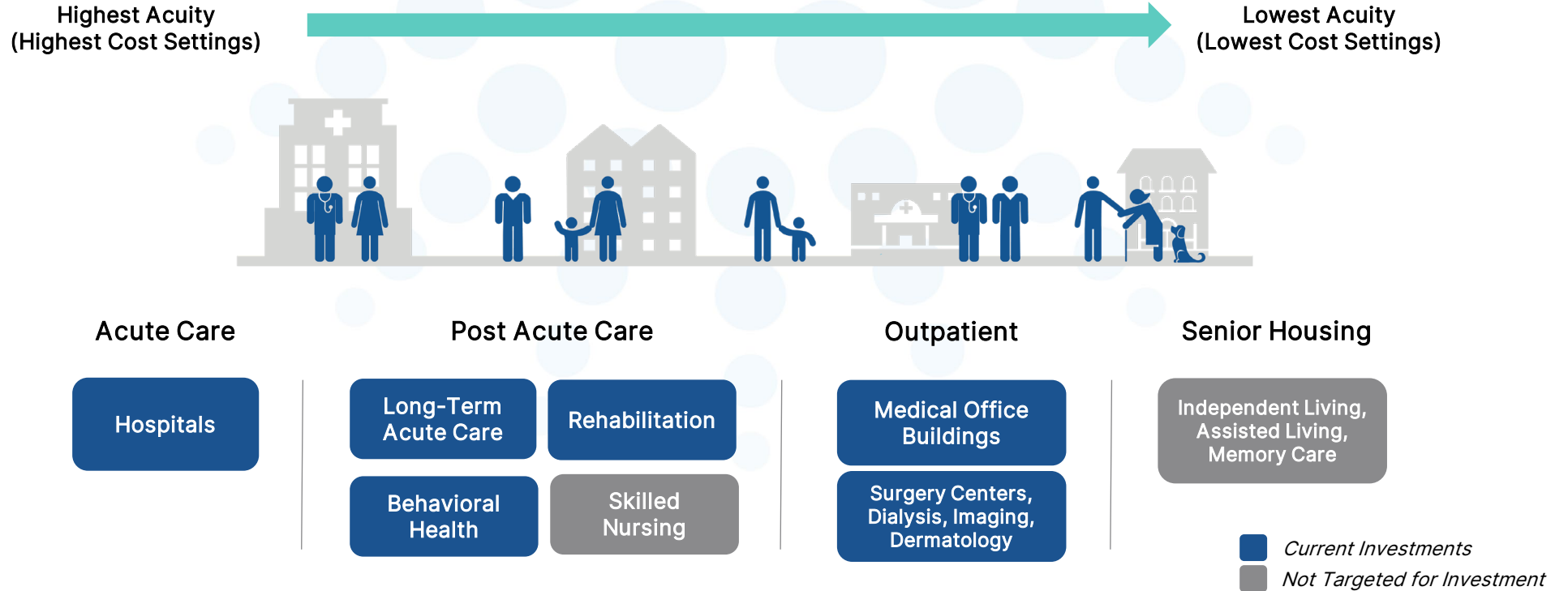
1 Portfolio



Escondido Healthcare Facility, California

1 Asset Focus Strategy

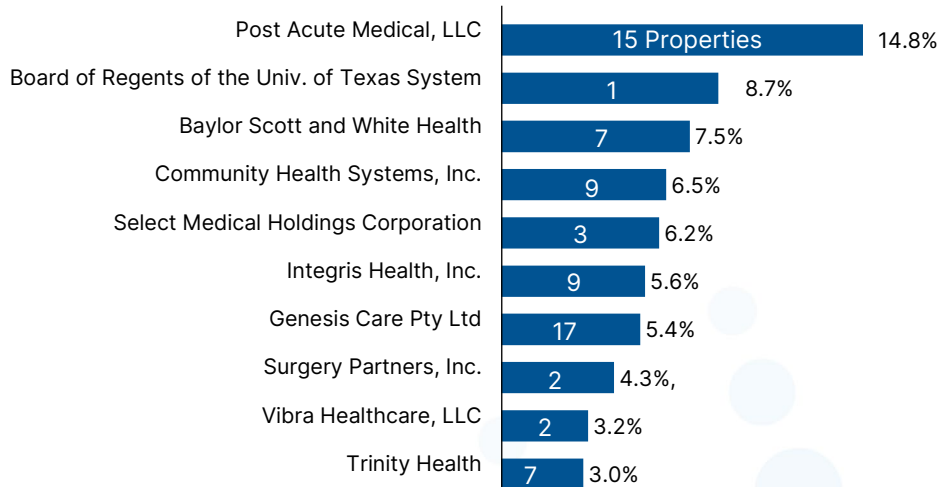
We invest in healthcare properties along the continuum of care, with an emphasis on lower cost patient settings.



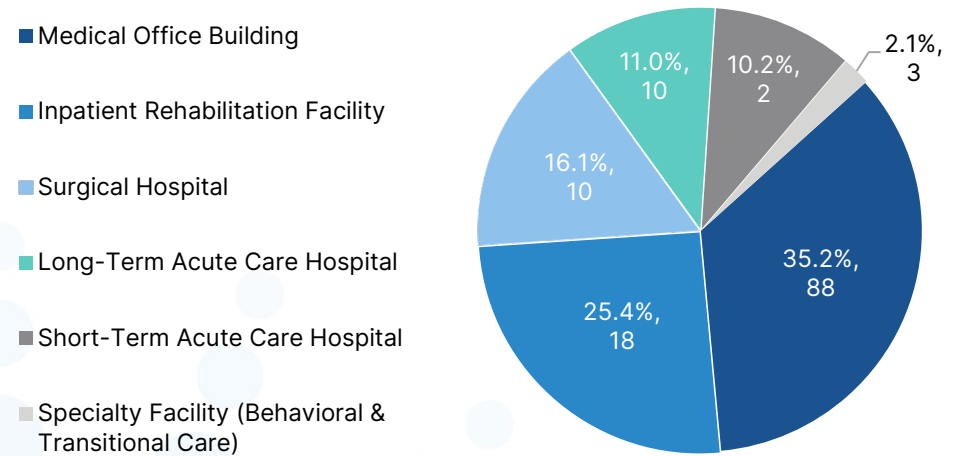
1 Portfolio Statistics

Sila's 131 healthcare properties are well-diversified through tenancy and across the continuum of care.

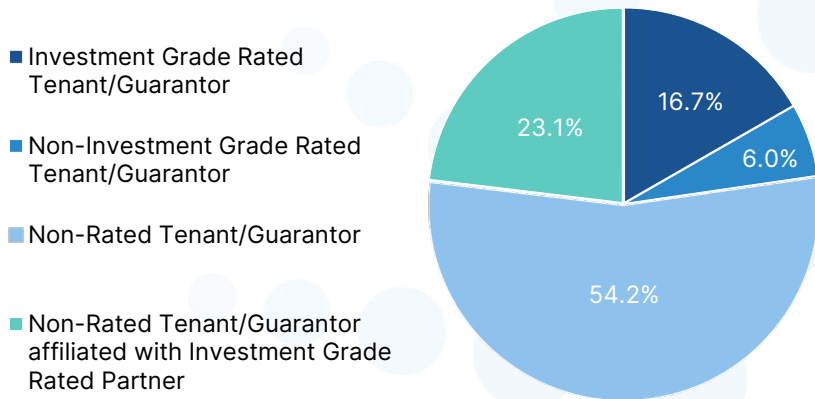
Tenant Diversification (ABR⁽¹⁾⁽²⁾)



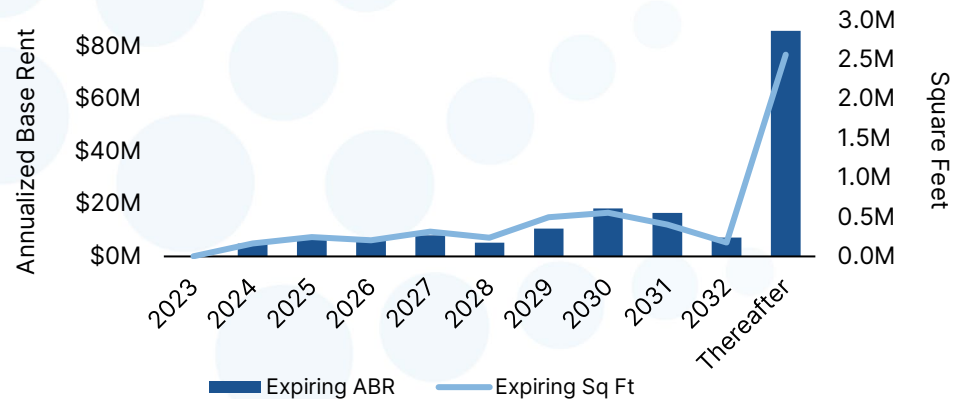
Property Type Diversification (ABR⁽¹⁾, Properties)



Tenant Credit Concentrations⁽¹⁾⁽³⁾



Lease Expiration Schedule



(1) Based on annualized March 2023 contractual base rent. (2) Includes tenants under common control. (3) All credit ratings are from major credit rating agencies. Parent credit is used where tenant is not rated. All data as of March 31, 2023

1 Geographical Diversification

We seek to acquire and own healthcare real estate diversified across the country, with a focus on “Smile State” markets with strong demographic, economic, and social drivers.



Top 5 States by ABR⁽¹⁾

Texas	Oklahoma	California	Louisiana	Florida
35.3%	7.0%	5.8%	5.5%	5.3%

(1) Represents each state's annualized March 2023 contractual base rent as a percentage of total annualized March 2023 contractual base rent. All data as of March 31, 2023

2 Growth Opportunities



← **EMERGENCY**

← MAIN ENTRANCE

200 Blossom St.

Webster Healthcare Facility II, Texas

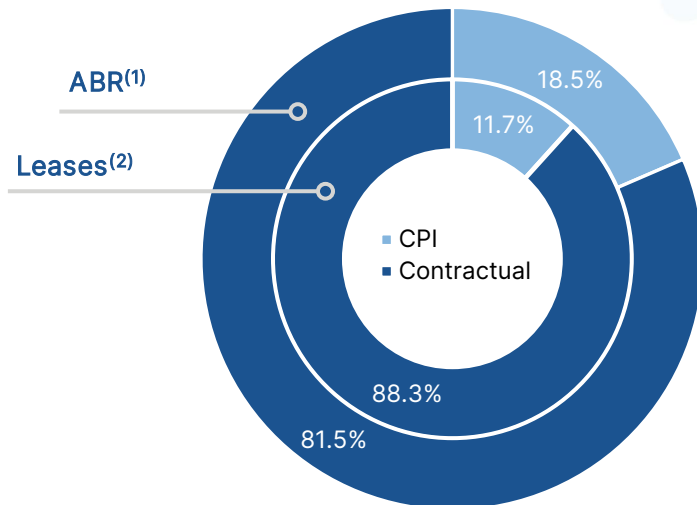
2 Proven Track Record of Capital Allocation

With a multifaceted investment strategy, our seasoned leadership team utilizes our deep industry relationships while being supported by our disciplined underwriting team with a dual focus on both real estate and tenant credit.

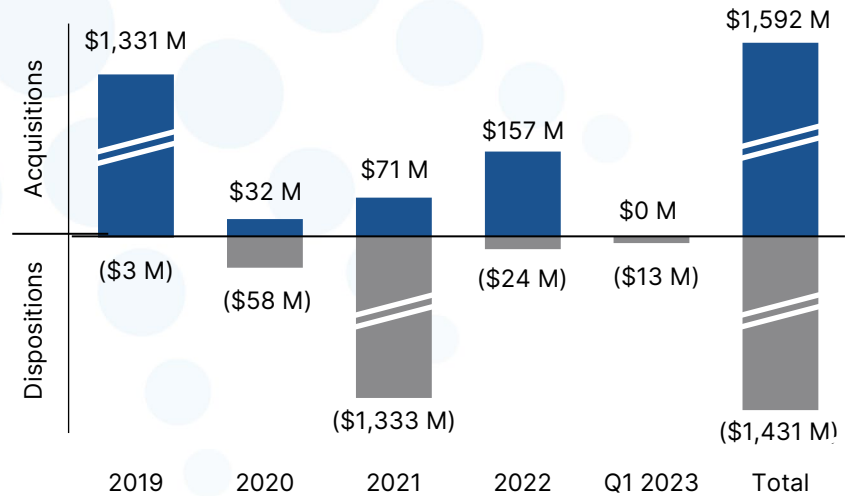
Portfolio Growth

- Experienced management team has a proven record of negotiating and closing on meaningful acquisitions and strategic dispositions
- Supportive year-over-year internal growth through 2.1% average annual contractual escalations
 - 2.1% escalations does not include leases with CPI escalations, which accounts for 18.5% of the portfolio on an ABR basis

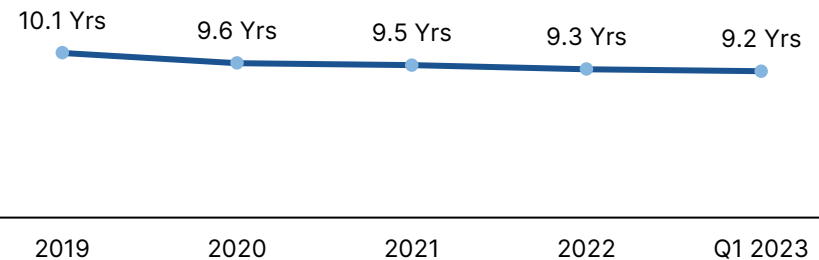
Annual Lease Escalation Structure



Acquisitions & Dispositions⁽³⁾⁽⁴⁾



Historical Weighted Average Lease Term (WALT)



(1) Based on annualized March 2023 contractual base rent. (2) Master leases account for a single lease. (3) 2019 acquisitions include merger with prior REIT's healthcare portfolio. (4) 2021 dispositions include the sale of entire data center portfolio. All data as of March 31, 2023

2 Recent Acquisitions & Developments

Sila continues to acquire and develop institutional quality healthcare facilities that complement its already strong and resilient portfolio. The Company remains focused on creating additional value for stockholders through accretive opportunities in the market, including deployment of construction capital through strategic partnerships.

Recent Acquisitions



Tampa Healthcare Facility II Acquisition – Tampa, FL

- \$51.2 million purchase price
- Acquired July 2022
- 80-bed, 87,649 SF inpatient rehabilitation facility
- 100% leased to joint venture between Tampa General Hospital and LifePoint Rehabilitation Services
- Located near downtown Tampa, less than 2 miles from Sila corporate headquarters



Escondido Healthcare Facility Acquisition – Escondido, CA

- \$63.4 million purchase price
- Acquired July 2022
- 52-bed, 56,800 SF inpatient rehabilitation facility
- 100% leased to joint venture between Palomar Health and LifePoint Rehabilitation Services
- Two-story, build-to-suit property on 4.1 acres
- Located in San Diego-Carlsbad MSA

Recent Developments



Tucson Healthcare Facility II Development – Tucson, AZ

- Total cost of approximately \$26 million
- Rent commenced in April 2021
- On campus, 60,913 SF post acute center of excellence
- 100% leased to a subsidiary of Community Health Systems
- 30 Inpatient Rehab beds and 30 Long Term Acute Care beds
- Completed on time and on budget



Tucson Healthcare Facility IV Development – Tucson, AZ

- Total cost of approximately \$18 million
- Rent commenced in March 2022
- On campus, 44,692 SF, multi-tenant medical office building
- 95.3% leased to three tenants, anchored by subsidiary of Community Health Systems
- Completed on time and on budget

3 Operating Metrics



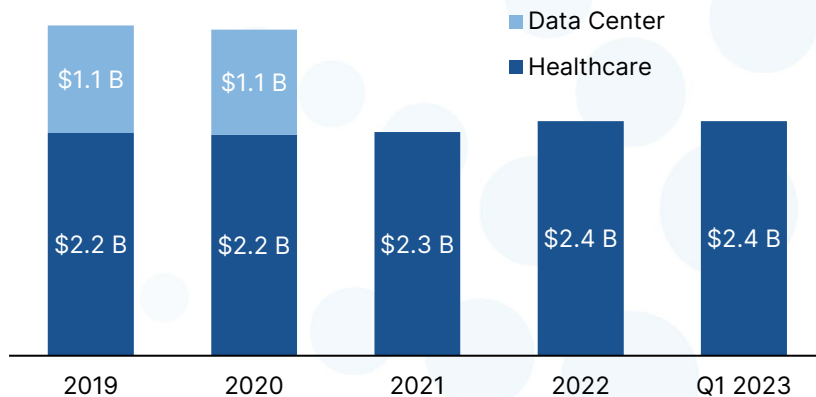
3 Strong Operating Metrics

Year-over-year the Company has demonstrated admirable operating metrics through the combination of a strong and resilient portfolio paired with strategic and meaningful transactions.

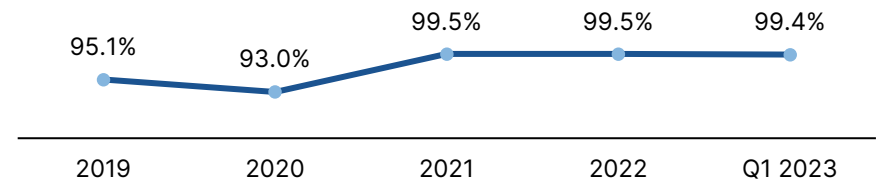
Operational Highlights

- Sila's high quality portfolio of diversified assets is focused on markets and submarkets with growing demographics, which translates to strong operating and leasing metrics
- Our rigorous balance sheet management, coupled with meaningful, yet prudent, portfolio growth, is made evident through our sub-4.0x net debt to EBITDAre ratio
- The Company sold its entire data center portfolio in July 2021, resulting in a gain on sale of approximately \$395.8M
 - Proceeds were used to provide meaningful liquidity to our stockholders through a \$392.7M special cash distribution, and to pay down debt, including all secured debt

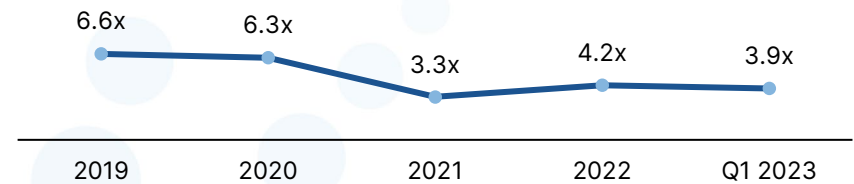
Total Real Estate Investments at Cost



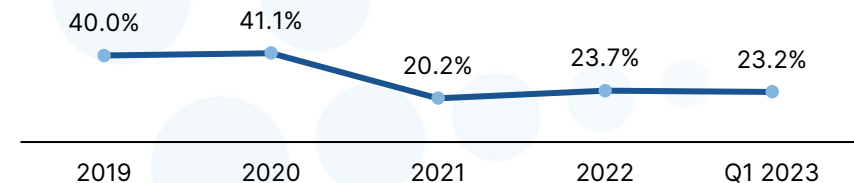
Portfolio Leased



Net Debt / EBITDAre



Net Debt Leverage Ratio⁽¹⁾

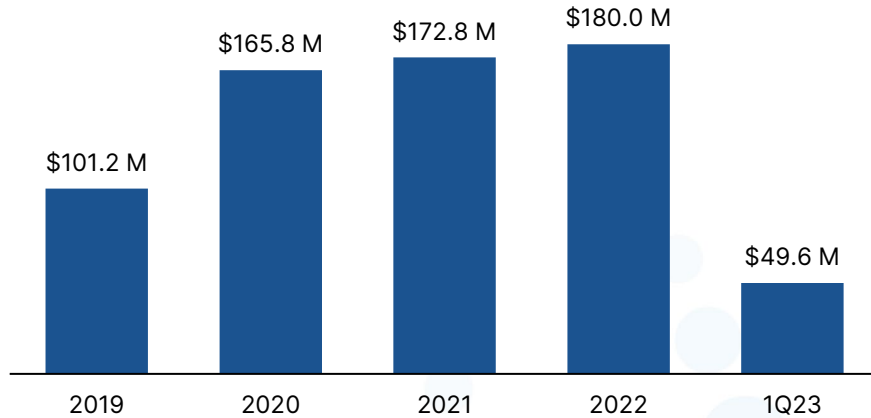


⁽¹⁾ Reflects net debt to adjusted fair value of real estate investments, as adjusted for property acquisitions and dispositions, major capital expenditures and impairments. All data as of March 31, 2023

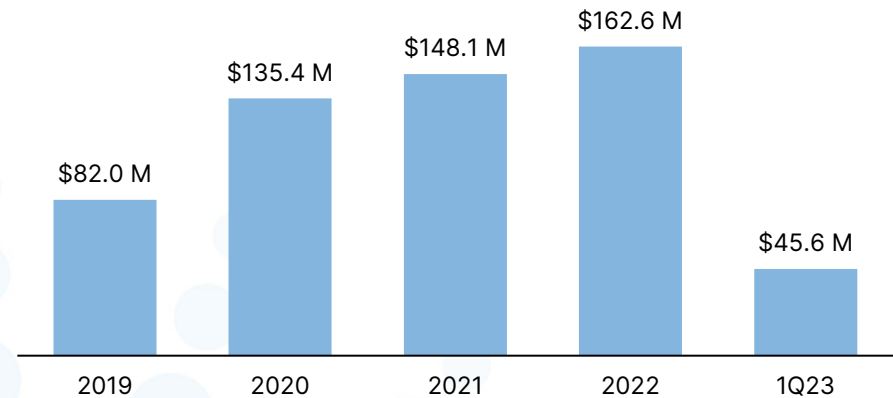
3 Consistent Operating Performance

Sustained operating metrics further demonstrate the dependability of our tenants and assets.

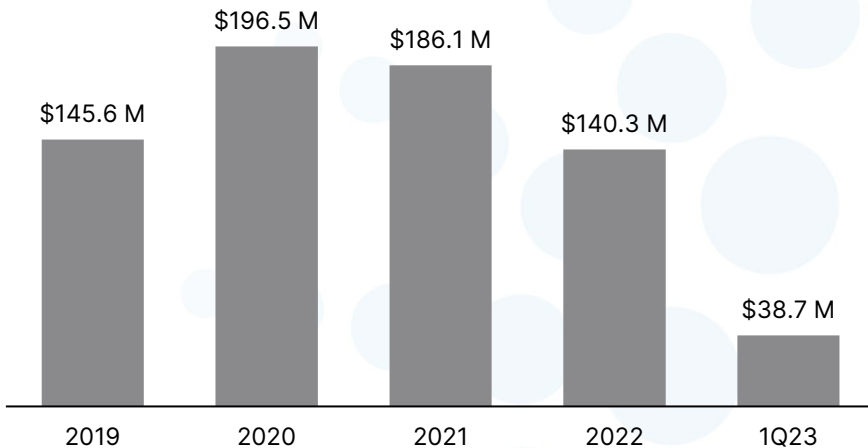
Rental Revenue⁽¹⁾



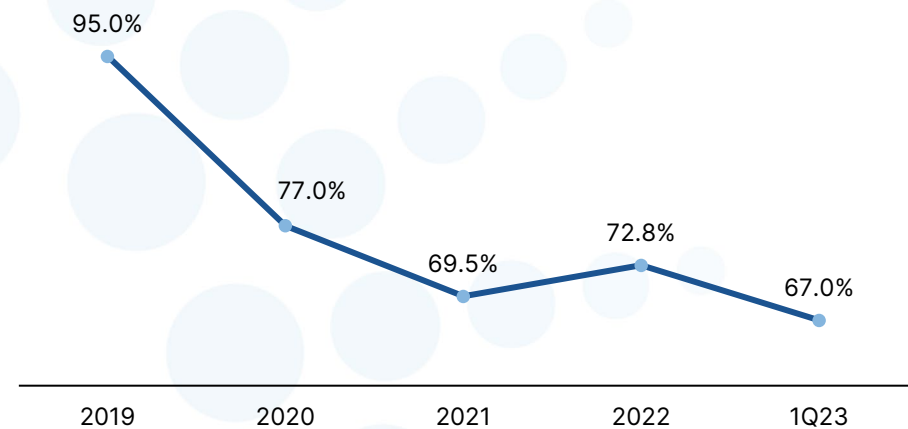
Cash NOI⁽¹⁾



EBITDAre⁽²⁾



Core FFO Payout Ratio⁽²⁾



(1) Healthcare only, excluding data centers.

(2) Total portfolio, including data centers in 2019, 2020 and through July 2021.

4 Balance Sheet



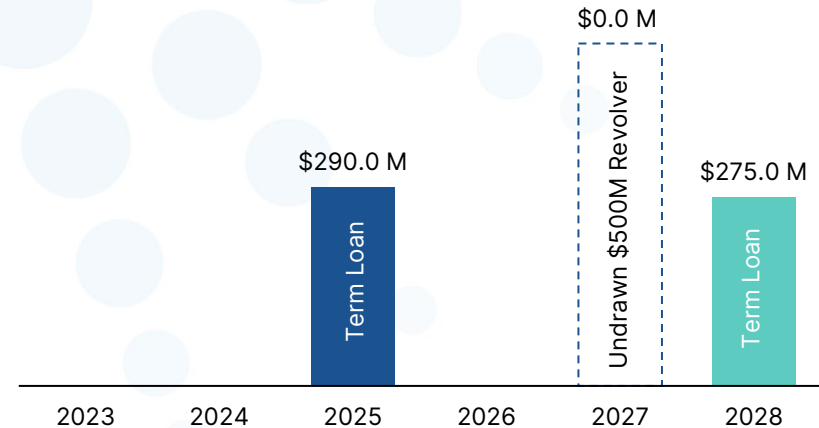
4 Fortified Balance Sheet

Sila's strong balance sheet exhibits efficient use of capital and a disciplined debt strategy, allowing for significant operational flexibility and future growth.

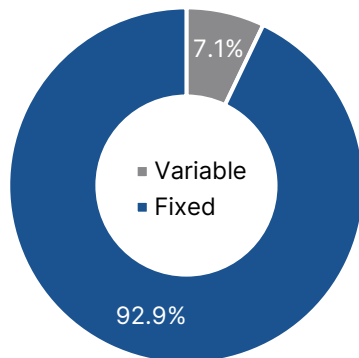
Balance Sheet Highlights

- Approximately \$522M liquidity available
 - Liquidity includes approximately \$22.2M of cash and \$500M remaining capacity on revolving credit facility as of March 31, 2023
- Weighted average interest rate of 3.3%, with 7.1% outstanding debt exposed to variable rates, and 92.9% fixed through interest rate swaps⁽¹⁾
- Low net debt leverage ratio and net debt to EBITDA of 23.2% and 3.9x, respectively
- Strong 6.9x interest coverage ratio
- In H1 2022, the Company closed on a new revolving credit agreement and two term loan agreements, extending our debt maturities out to 2028 and significantly reducing our marginal debt cost of capital

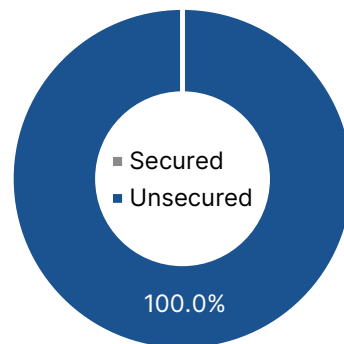
Debt Maturity Schedule⁽²⁾⁽³⁾



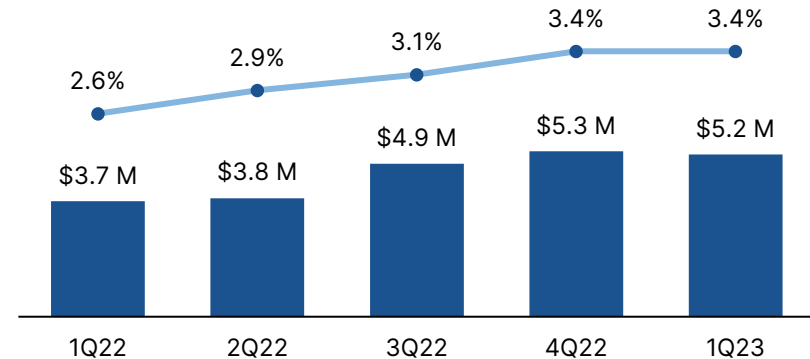
Fixed⁽¹⁾ vs. Variable Rate Exposure



Unsecured vs. Secured Debt



Interest Expense⁽⁴⁾ & WA Rate on O/S Debt



(1) Variable rate debt fixed through interest rate swaps. As of April 13, 2023.

(2) Assumes the full exercise of all available extension options. As of March 31, 2023, unless noted otherwise.

(3) On April 13, 2023, the Company paid down the \$300M Term Loan by \$10M.

(4) Excludes loss on debt extinguishment, amortization of debt issue costs and swap termination fees.

5 Leadership



5 Experienced Management Team

Our accomplished leadership team has more than a century of relevant industry experience.



Michael A. Seton

President and Chief Executive Officer

30+ years of experience in real estate investment and finance, completing billions of dollars in real estate transactions



Kay C. Neely

Executive Vice President and Chief Financial Officer

25+ years of experience in real estate accounting, finance, and operations



Jon C. Sajeski

Chief Investment Officer

18+ years of healthcare real estate acquisitions, development, management, and financing experience



Jason C. Reed

Chief Administrative Officer

20+ years of experience in complex global real estate transactions, law, planning, and management



Robert R. Labenski

Chief Accounting Officer

35+ years of real estate, accounting, and audit experience

5 Robust Corporate Governance Lead by Experienced Board of Directors

Our Board of Directors brings a diverse array of industry insights and business experience and perspectives to the Company.



Jonathan Kuchin, *Chairman of the Board**

Member of Audit Committee

- Formerly Tax Partner at PWC - Focused on public and private REITS, SEC reporting for public REITS and income tax accounting
- Prior experience includes accounting for IPOs, public financings, mergers and acquisitions



Michael A. Seton, *Director*

President and Chief Executive Officer of Sila Realty Trust, Inc.

- Lead Sila Realty Trust, Inc. and its predecessors since its founding
- Previously served as Managing Director and Division Head at Eurohypo AG, now part of Commerzbank AG, leading in the origination, structuring, closing, and syndication of real estate findings for private developers, real estate companies, and trusts



Z. Jamie Behar, *Director**

Audit Committee Chair and Member of Nominating & Corporate Governance Committee

- Board member for Armour Residential REIT, Shurgard Self Storage, Broadstone Real Estate Access Fund, and Benefit Street Partners Multifamily Trust
- Formerly Managing Director for GM Investment Management Corp, previously serving as Portfolio Manager and responsible for the management of approximately \$12 Billion of primarily private and publicly traded real estate



Adrienne Kirby, *Director**

Compensation Committee Chair and Member of Nominating & Corporate Governance Committee

- Board member for MedVet, Greenway Health, TigerConnect, and TrellisRX until its sale in 2022
- Formerly Executive Chairman and CEO of Cooper University Health Care where she led the implementation and transformation from a safety net hospital to a regional academic tertiary care center and medical school



Verett Mims, *Director**

Member of Audit Committee and Compensation Committee

- CFO at Blum Capital Partners, LP, responsible for Financial, Operations, Compliance, and Tax functions of the firm
- Previously Assistant Treasurer at The Boeing Company where she oversaw their Global Treasury and International Finance Operations



Roger Pratt, *Director**

Nominating & Corporate Governance Committee Chair and Member of Compensation Committee

- Formerly Managing Director for Prudential Real Estate Investors where he oversaw the global management of over \$50 Billion in gross assets
- Also serves on the Wood Center Real Estate Studies Advisory Board at the University of NC, the Board of Directors of the Schumann Fund for NJ, and the Board of Directors of The George Washington University Museum and The Textile Museum in Washington, D.C.

* Denotes Independent Director

5 Corporate Governance



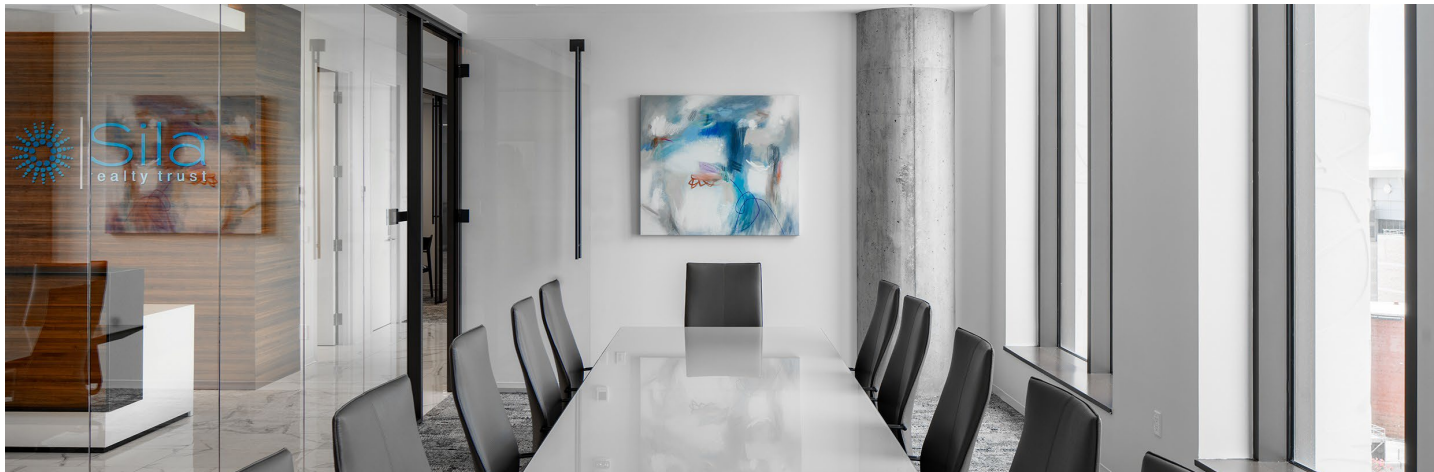
- ✓ 10+ years as an SEC registrant (since inception)
- ✓ Experienced Board of Directors, Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee
- ✓ Committee Charters (available on website)



- ✓ Non-staggered annual elections of Board of Directors
- ✓ Code of Business Conduct and Ethics (available on website)
- ✓ Whistleblower procedures in place



- ✓ Insider trading and minimum stock ownership policies
- ✓ Annual certifications and adherence to Company policies
- ✓ Majority independent Board of Directors (83%), of which 60% are women



6 Environmental, Social & Governance



6 Environmental, Social & Governance

Sila believes in maintaining a healthy, prosperous, and sustainable work environment through stewardship of the environment, the community, the employees, and strong corporate governance practices.



Environmental

- Implemented green leasing initiative with standardized lease forms for tenants in our healthcare portfolio
- Reduced corporate office footprint by 57% and implemented hybrid work schedule
- New corporate office is in the world's first WELL pre-certified community, designed to connect occupants with nature, and support the health and well-being of tenants and the wider community



Social

- Sila promotes community involvement with contributions and charitable efforts
- All employees complete annual training to prevent harassment and discrimination
- Our compensation and benefits program is designed to attract and retain talented personnel
- We strive to create and maintain an inclusive work environment that values the uniqueness of each individual



Governance

- Diversity in board makeup: 5 independent members, 60% of independent members are women
- Annual election of board members by stockholders
- Annually, all employees and the board must attest to the code of conduct and information systems policies
- All employees and the board complete ongoing monthly and quarterly cybersecurity training, respectively

Corporate Office Certifications



Philanthropic Initiatives



Appendix



Non-GAAP Measures and Definition of Terms

Adjusted Fair Value of Real Estate Investments

Adjusted fair value of real estate investments is calculated using the real estate values determined as of the most recent NAV (as defined below), adjusted for property acquisitions and dispositions, major capital expenditures and impairments.

Contractual Annualized Base Rent (ABR)

The sum of each tenant's contractual base rent in the last month of the period multiplied by twelve, unless otherwise specified.

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

These supplemental non-GAAP performance measures are defined as net income or loss, computed in accordance with GAAP, adjusted for interest expense, income tax expense (benefit), depreciation and amortization. EBITDAre also includes adjustments for impairments of real estate assets and gains or losses from the disposition of properties. EBITDAre is a definition promulgated by the National Association of Real Estate Investment Trusts (NAREIT). The Company believes these metrics are important indicators of the Company's operating performance and its ability to service debt.

The following is a reconciliation of net income (loss) attributable to common stockholders, which is the most directly comparable GAAP financial measure, to EBITDA and EBITDAre for the following quarterly periods (amounts in thousands):

	Year Ended ⁽²⁾				Quarter Ended
	2019	2020	2021	2022	March 31, 2023
Net income (loss) attributable to common stockholders	\$ 2,782	\$ 36,776	\$ 402,660	\$ (7,978)	\$ 14,200
Adjustments:					
Interest expense ⁽¹⁾	47,780	57,428	69,465	24,077	5,622
Depreciation and amortization	74,104	105,483	82,018	77,199	18,552
EBITDA	\$ 124,666	\$ 199,687	\$ 554,143	\$ 93,298	\$ 38,374
Gain on real estate disposition	(79)	(3,142)	(89)	(460)	(21)
Gain on real estate dispositions from discontinued operations	-	-	(395,801)	-	-
Impairment losses	21,000	-	27,837	47,424	344
EBITDAre	\$ 145,587	\$ 196,545	\$ 186,090	\$ 140,262	\$ 38,697

(1) Interest expense for the year ended 2022 includes loss on extinguishment of debt of \$3.4M in connection with the repayment of our prior credit facility. 2021 interest expense includes loss on debt extinguishment of \$28.8M associated with the sale of the data center portfolio, payoff of all our healthcare notes payable and repayment of a term loan of our prior credit facility and consisted of non-recurring costs, including defeasance, other loan costs and unamortized deferred financing costs.

(2) Includes data centers prior to July 2021.

Non-GAAP Measures and Definition of Terms

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO)

FFO, a non-GAAP financial measure, is calculated consistent with NAREIT's definition, as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of real estate assets and impairments of real estate assets, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. It should be noted, however, that other REITs may not define FFO in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently than the Company does, making comparisons less meaningful. In addition to FFO, the Company uses Core FFO as a supplemental non-GAAP financial performance measure because the Company believes it provides investors with additional information to understand the Company's sustainable performance. The Company calculates Core FFO by adjusting FFO to remove the effect of items that are not expected to impact its operating performance on an ongoing basis and consider it to be a useful supplemental measure because it provides investors with additional information to understand our sustainable performance. These include severance arrangements, internalization transaction expenses, write-off of straight-line rent receivables related to prior periods, amortization of above- and below-market leases (including ground leases), and loss on extinguishment of debt. Other REITs may use different methodologies for calculating Core FFO and, accordingly, the Company's Core FFO may not be comparable to other REITs. In addition to FFO and Core FFO, the Company uses AFFO as a non-GAAP supplemental financial performance measure because the Company believes it provides to investors appropriate supplemental information to evaluate the ongoing operations of the Company. AFFO is a metric used by management to evaluate the Company's dividend policy. The Company calculates AFFO by further adjusting Core FFO for the following items: deferred rent, current period straight-line rent adjustments, amortization of deferred financing costs and stock-based compensation. Other REITs may use different methodologies for calculating AFFO and, accordingly, the Company's AFFO may not be comparable to other REITs.

FFO, Core FFO and AFFO should not be considered to be more relevant or accurate than the GAAP methodology in calculating net income (loss) or in its applicability in evaluating our operational performance. The method used to evaluate the value and performance of real estate under GAAP should be considered as a more relevant measure of operating performance and considered more prominent than the non-GAAP FFO, Core FFO and AFFO measures and the adjustments to GAAP in calculating FFO, Core FFO and AFFO.

The following is a reconciliation of net income (loss) attributable to common stockholders, which is the most directly comparable GAAP financial measure, to FFO, Core FFO and AFFO for the following quarterly periods (amounts in thousands):

Non-GAAP Measures and Definition of Terms

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO) (Cont'd)

	Year Ended				Quarter Ended
	2019	2020	2021	2022	March 31, 2023
Net income (loss) attributable to common stockholders	\$ 2,782	\$ 36,776	\$ 402,660	\$ (7,978)	\$ 14,200
Adjustments:					
Depreciation and amortization	74,104	105,476	81,999	77,099	18,531
Gain on real estate disposition	(79)	(3,142)	(89)	(460)	(21)
Gain on real estate dispositions from discontinued operations	-	-	(395,801)	-	-
Impairment losses	21,000	-	27,837	47,424	344
FFO	\$ 97,807	\$ 139,110	\$ 116,606	\$ 116,085	\$ 33,054
Adjustments:					
Severance arrangements	-	29	56	889	32
Internalization transaction expenses	-	3,640	-	-	-
Write-off of straight-line rent receivables related to prior periods	-	-	70	2,434	139
Amortization of above (below) market lease intangibles, including ground leases	(3,671)	(3,738)	(434)	1,044	285
Loss on extinguishment of debt	-	-	28,751	3,367	-
Core FFO	\$ 94,136	\$ 139,041	\$ 145,049	\$ 123,819	\$ 33,510
Adjustments:					
Deferred rent	-	-	-	1,535	519
Straight-line rent adjustments	(14,180)	(21,323)	(15,665)	(9,695)	(1,437)
Amortization of discount of deferred liability	-	54	272	-	-
Amortization of deferred financing costs	2,825	3,884	3,425	1,679	413
Stock-based compensation	89	437	2,379	4,180	1,242
AFFO	\$ 82,870	\$ 122,093	\$ 135,460	\$ 121,518	\$ 34,247

Non-GAAP Measures and Definition of Terms

Liquidity

A financial metric that represents the outstanding cash and cash equivalents combined with the remaining borrowing base availability on the Company's credit facility at the end of the period.

Net Asset Value (NAV)

NAV is determined by the board of directors, at the recommendation of the Company's audit committee, and based on the estimated value of the Company's assets, less the estimated value of the Company's liabilities, divided by the number of shares outstanding on a diluted basis. This valuation is performed in accordance with the provisions of Practice Guideline 2013-01, Valuations of Publicly Registered Non-Listed REITs, issued by the IPA in April 2013, in addition to guidance from the SEC. The Company used the NAV in effect as of the period presented within this presentation.

Net Debt

Net debt, a non-GAAP financial measure, represents principal debt outstanding less cash and cash equivalents. Net debt provides useful information by calculating and monitoring the Company's leverage ratio.

The following is a reconciliation of total credit facility debt, net, which is the most directly comparable GAAP financial measure to net debt, for the following quarterly periods (amounts in thousands):

	Year Ended				Quarter Ended
	2019	2020	2021	2022	March 31, 2023
Total notes payable, net	\$ 454,845	\$ 451,617	\$ -	\$ -	\$ -
Total credit facility debt, net	900,615	932,100	496,774	580,588	572,734
Total debt, net	1,355,460	1,383,717	496,774	580,588	572,734
Deferred financing costs, net	9,885	7,705	3,226	2,412	2,266
Principal debt outstanding	1,365,345	1,391,422	500,000	583,000	575,000
Less: cash and cash equivalents	69,342	53,174	32,359	12,917	22,230
Net Debt	\$ 1,296,003	\$ 1,338,248	\$ 467,641	\$ 570,083	\$ 552,770

Non-GAAP Measures and Definition of Terms

Net Operating Income (NOI) and Cash NOI

NOI, a non-GAAP financial measure, is defined as rental revenue, less rental expenses, on an accrual basis, excluding general and administrative expenses, depreciation and amortization, impairment losses, gain on real estate disposition, and interest and other expenses, net. Cash NOI is calculated to exclude the impact of GAAP adjustments to rental revenue and rental expense, consisting of straight-line rent adjustments, net of write-offs, amortization of lease related intangibles and ground leases, and intercompany property management fees, then including deferred rent received in cash, and is used to evaluate the cash-based performance of the Company's real estate portfolio. The Company believes that NOI and Cash NOI both serve as useful supplements to net income (loss) because they allow investors and management to measure unlevered property-level operating results and to compare these results to the comparable results of other real estate companies on a consistent basis. The Company uses both NOI and Cash NOI to make decisions about resource allocations and to assess the property-level performance of the real estate portfolio. As an indicator of financial performance, neither metric should be considered as an alternative to net income (loss), determined in accordance with GAAP. The Company believes that in order to facilitate a clear understanding of the consolidated historical operating results, both metrics should be evaluated in conjunction with net income (loss) as presented in the consolidated financial statements included on the Company's Annual Report on Form 10-K filed with the SEC on March 16, 2023.

The following is a reconciliation from net income (loss) attributable to common stockholders, which is the most directly comparable GAAP financial measure, to NOI and Cash NOI, for the following periods (amounts in thousands):

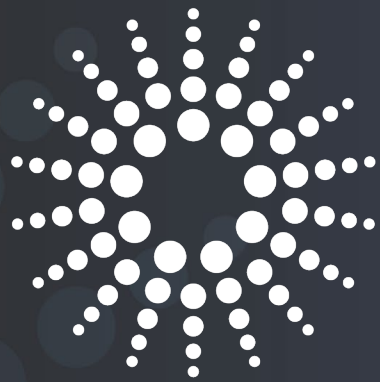
Non-GAAP Measures and Definition of Terms

Net Operating Income (NOI) and Cash NOI (Cont'd)

	Year Ended				Quarter Ended
	2019	2020	2021	2022	March 31, 2023
Healthcare:					
Rental revenue	\$ 101,212	\$ 165,781	\$ 172,838	\$ 179,986	\$ 49,644
Rental expenses	(10,714)	(16,397)	(17,712)	(17,950)	(4,850)
Net operating income	90,498	149,384	155,126	162,036	44,794
Adjustments:					
Straight-line rent adjustments, net of write-offs	(8,246)	(15,575)	(13,156)	(7,261)	(1,298)
Amortization of above (below) market lease intangibles, including ground leases	(270)	1,587	1,108	1,044	285
Intercompany property management fee	-	-	5,007	5,220	1,336
Deferred rent	-	-	-	1,535	519
Cash NOI	81,982	135,396	148,085	162,574	45,636
General and administrative expenses	(8,421)	(15,471)	(21,388)	(22,079)	(6,103)
Internalization transaction expenses	-	(3,640)	-	-	-
Asset management fees	(9,422)	(12,604)	-	-	-
Depreciation and amortization	(39,977)	(69,849)	(70,259)	(77,199)	(18,552)
Impairment losses	(21,000)	-	(27,837)	(47,424)	(344)
Gain on real estate disposition	79	3,142	89	460	21
Interest and other expenses, net	(33,563)	(42,025)	(34,515)	(23,772)	(5,616)
Income from discontinued operations	24,588	27,839	401,444	-	-
Straight-line rent adjustments, net of write-offs	8,246	15,575	13,156	7,261	1,298
Amortization of above (below) market lease intangibles, including ground leases	270	(1,587)	(1,108)	(1,044)	(285)
Intercompany property management fee	-	-	(5,007)	(5,220)	(1,336)
Deferred rent	-	-	-	(1,535)	(519)
Net income (loss) attributable to common stockholders	\$ 2,782	\$ 36,776	\$ 402,660	\$ (7,978)	\$ 14,200

Total Real Estate Investments at Cost

Represents the contractual purchase price of real estate properties acquired, including capitalized acquisition costs, and capital expenditures incurred since inception, reduced by the cost basis of properties sold.



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