Sila realty trust

Wells Fargo Real Estate Securities Conference

May 2024

Skillful and Thoughtful Investing

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, including those regarding our positioning for a public market listing and near-term and future growth, healthcare and population trends, and insulation from adverse and unpredictable market dislocation, 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 titled Part I, Item 1A. "Risk Factors" of the Company's 2023 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 may include, but are not limited to, earnings before interest, income taxes, depreciation and amortization (EBITDA), EBITDA for real estate (EBITDAre), earnings before interest, taxes, depreciation, amortization, rent, and management fees (EBITDARM), funds from operations (FFO), core funds from operations (Core FFO), adjusted funds from operations (AFFO), adjusted fair value of real estate investments, total real estate investments at cost, 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. 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, 2023, as filed with the SEC on March 6, 2024.

“Sila Realty Trust is a net-lease REIT specializing in institutional quality healthcare properties with a ‘Shareholder First’ mentality. We’re a pure-play investor in real estate properties across the healthcare continuum of services.

Applying a core sector asset approach, we believe Sila offers investors the best of both worlds: participation in the growing, defensive healthcare sector, and a triple net lease REIT structure with longer lease terms and a conservative leverage methodology.”

Michael A. Seton
President and Chief Executive Officer
Sila Realty Trust, Inc.

Introductions

Michael A. Seton

President and Chief Executive Officer
Founder and Board Member

Kay C. Neely

Executive Vice President
and Chief Financial Officer

Christopher K. Flouhouse

Executive Vice President
and Chief Investment Officer

Miles F. Callahan

Senior Vice President
Capital Markets and Investor Relations

Sila Realty Trust At a Glance

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

What differentiates us?

- The only "pure-play" healthcare net lease REIT focused solely on investing in healthcare real estate
- We strategically invest in a diverse array of assets along the healthcare continuum
- Our overall institutional asset quality demonstrates the Company's sourcing, asset selection, underwriting, and deal execution capabilities
- Well-fortified balance sheet with a low leverage profile, positioning the Company for near-term and future portfolio growth
- With a focus on the "smile states," our portfolio benefits from the fundamental demand drivers inherent in these markets

Portfolio Highlights

136
Properties(1)

99.2%
Weighted Avg. Leased Rate

$2.1 B
Real Estate Investment(2)

5.3 M
Rentable Square Feet

8.4 Yrs
Weighted Avg. Remaining Lease Term

2.2%
Weighted Avg. Annual Rent Escalation

Financial Highlights

20.5%
Net Debt Leverage Ratio(3)

3.0x
Net Debt to EBITDAre Ratio

$590 M
Liquidity(4)

7.4x
Interest Coverage Ratio

100%
Unencumbered ABR

(1) Excludes two undeveloped land parcels.

(2) Adjusted fair value of real estate investments. See appendix for definition.

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

(4) Liquidity represents cash and cash equivalents of $90M and borrowing base availability on the Company's credit facility of $500M.

All data as of March 31, 2024

Key Investment Themes

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

1 Pure-Play in High-Quality Healthcare Assets

Net lease in the defensive healthcare sector which limits high capital costs of real estate ownership and allows macro tailwinds

2 Proven Track Record of Value Creation

Core sector asset investor with a history of accretive acquisitions and dispositions of non-core assets to reinvest in strategic target market

3 Robust Portfolio Delivers Strong Operating Metrics

Through skillful and thoughtful investing, we have amassed a portfolio that consistently delivers strong operating metrics and returns

4 Fortified Balance Sheet to Fund Future Growth

Well positioned to opportunistically enter the equity markets with a low leverage profile, which we believe positions the Company for near-term and future portfolio growth

5 Experienced Leadership Team

Experienced management team and board of directors with proven real estate, capital markets, healthcare experience

6 Commitment to Corporate Responsibility

Committed to practicing strong corporate governance, being socially conscious, and environmentally aware

1 Pure-Play Net Lease REIT Focused on High-Quality Healthcare Assets

Healthcare trends are shifting patients to cost-effective, easy-to-access, healthcare settings, driving our demand for strategic asset classes along the healthcare continuum.

Highest Acuity (Highest Cost Settings) → **Lowest Acuity (Lowest Cost Settings)**

Acute Care
- Surgical and Specialty Facilities
- General Acute Care Hospitals

Post Acute Care
- Long-Term Acute Care
- Rehabilitation
- Behavioral Health
- Skilled Nursing

Outpatient
- Medical Outpatient Buildings
- Surgery Centers, Dialysis, Imaging, Dermatology

Senior Housing
- Independent Living, Assisted Living, Memory Care

Current Investments
Not Targeted for Investment

Surgical Facility
Oklahoma City, Oklahoma


Rehabilitation Facility
Tampa, Florida


Long-Term Acute Care Hospital
New Braunfels, Texas


Medical Outpatient Building
Yukon, Oklahoma

1 Large Growing Market in a Defensible Sector

Capitalizing on favorable macro tailwinds driving demand for healthcare settings that are cost efficient while delivering personalized, quality of care.

Share of Population

By 2030, all baby boomers will be 65+. This will expand the size of the older population so that one in every five Americans is projected to be retirement age.[1]

The nation's 65+ population is projected to double in size in the coming decades, from 49 million in 2016 to 95 million people in 2060. As a result, the share of people in this age group will grow from about 15% in 2016 to a quarter of the population in 2060.[1]

Share of Spending

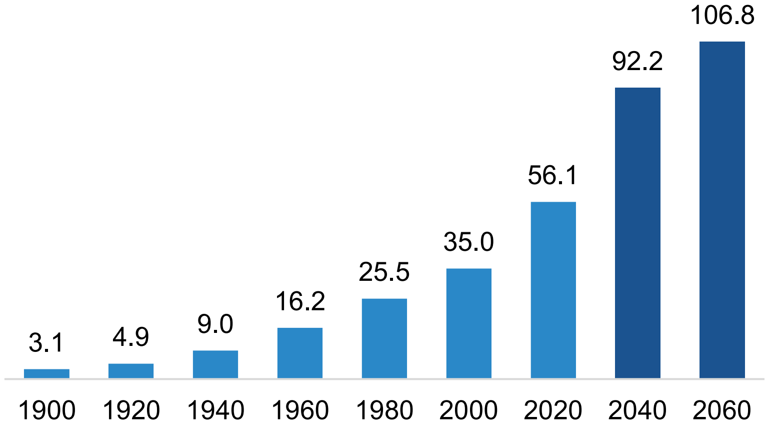
People age 65+, on average, spend more on healthcare than any other age group.[3]

Utilization of healthcare increases with age, driving growing demand for healthcare services

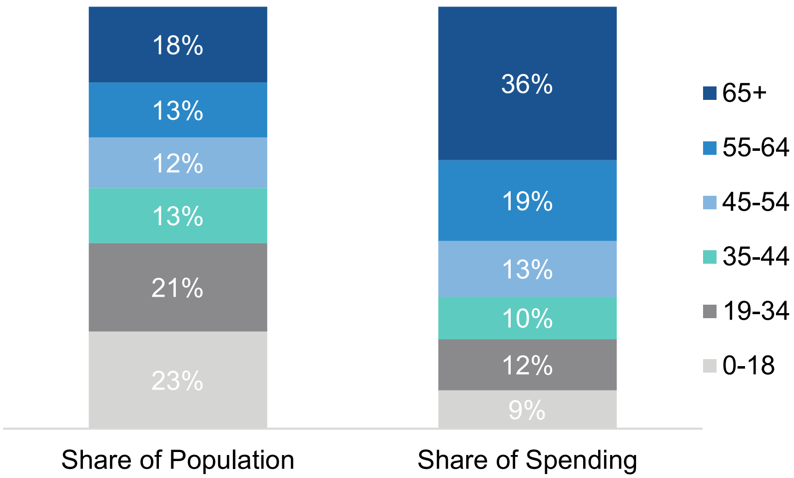
From 2022-2031, average growth healthcare expenditures are expected to outpace GDP growth, resulting in an increase in health spending share of GDP from 18.3% to 19.6%.[2]

Number of Persons 65+

(numbers in millions)[1]



Population vs Spending[3]



(1) U.S. Census Bureau
(2) Center for Medicaid and Medicare Services

(3) Peterson-KFF analysis of 2021 Medical Expenditure Panel Survey

2 Proven Acquisition Track Record

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.

136
Properties[(1)]

$2.2 B
Total Real Estate Investment at Cost

$16.4 M
Avg. Acquisition Cost Per Property[(2)]

2018
Acquired 11 Properties for $105M

2019
Acquired 67 Properties for $1,302M
Sold 1 Property for $3M

2020
Acquired 3 Properties for $16M
Sold 2 Properties for $58M

2021
Acquired 4 Properties for $71M
Sold 31 Properties for $1,333M[(3)]

2022
Acquired 7 Properties for $157M
Sold 1 Property for $24M

2023
Acquired 2 Properties for $70M
Sold 3 Properties for $271M

YTD 2024
Acquired 6 Properties for $125M
Sold 1 Property for $1.5M

(1) Excludes two undeveloped land parcels.
(2) Total real estate investment at cost divided by properties owned, excluding land parcels.
(3) Includes the sale of Sila's 29 property data center portfolio for $1.32 billion.

2 Acquisition and Underwriting Framework

Sila's overall portfolio quality demonstrates the Company's sourcing, asset selection, underwriting, and deal execution capabilities.

Demographics

- Target markets with population growth at or above national average
- Demographic studied based on estimated draw of specific tenant or facility

Financial Review of Tenant

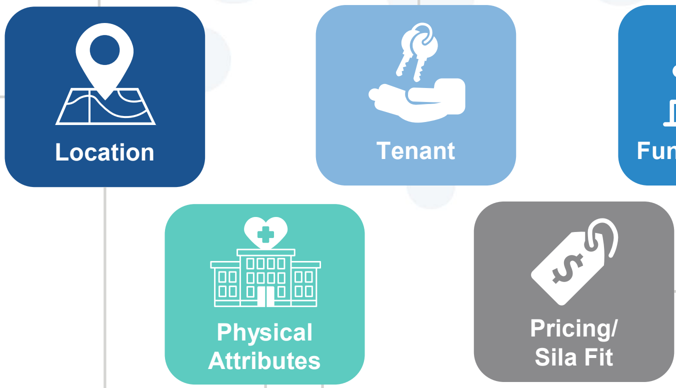
- Review historical/proforma financials and credit rating agency data for creditworthiness and ability to pay rent
- Consider potential reimbursement changes that could affect financial performance of tenant
- Analyze trends of tenant and peers to determine macroeconomic effects on industry

Real Estate/Lease Fundamental Review

- Analysis of in-place lease terms in relation to market
- Consider WALT and likelihood of renewal at end of term
- Determine risk for factors such as termination options, buyouts, ROFR's, extensions, expense structure, etc.

Market Analysis

- Rent growth, supply/demand, absorption, construction, vacancy, etc.
- Markets that have recession resistant attributes such as universities and government presence
- Major employers in the market



Pricing and Fit

- Utilize recent transactions, trends, and internal analysis to determine market price
- Consider timing, availability, cost of capital, and contract terms
- Does asset enhance existing portfolio for key metrics: WALT, credit, diversification, and rent growth

Location

- Proximity to hospitals and other healthcare providers
- Accessibility to highways and other major roadways for easy patient access
- Free from environmental contaminations through tests completed during due diligence

Building Characteristics

- Age, construction quality, aesthetics/mass appeal, condition, etc.
- Potential landlord capex based on age of various short and long-lived improvements (roof, HVAC, parking lot)
- Single tenant to multi-tenant conversion possibility

Specialized Buildout

- Presence of specialized buildout that would make it difficult/expensive for tenant to relocate
- Certificate of Need (CON) protection based on use at building

2 Asset Strategy & Platform Positioned for Growth

Our in-depth, well-disciplined underwriting strategy, executed by a seasoned in-house team, allows the Company to source accretive opportunities that are critical to the business operations of our tenants and the communities they serve.

High Quality Facilities

- Class A, recent construction or newly renovated properties, purpose built for healthcare services
- Single or multi-tenant facilities with strong anchor tenants
- Specialized facilities with substantial tenant buildout
- Long-weighted average lease terms with annual rent escalations

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 patients/customers
- Near and convenient to the tenant's patient referral sources
- Large patient catchment areas

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

Robust In-House Management

45	17	2	64	5.3 M
Total Employees	Acquisition, Asset & Property Management Team Members	Member Dedicated Credit Team	Markets Across the U.S. Managed	Square Feet of Real Estate Managed

As of March 31, 2024

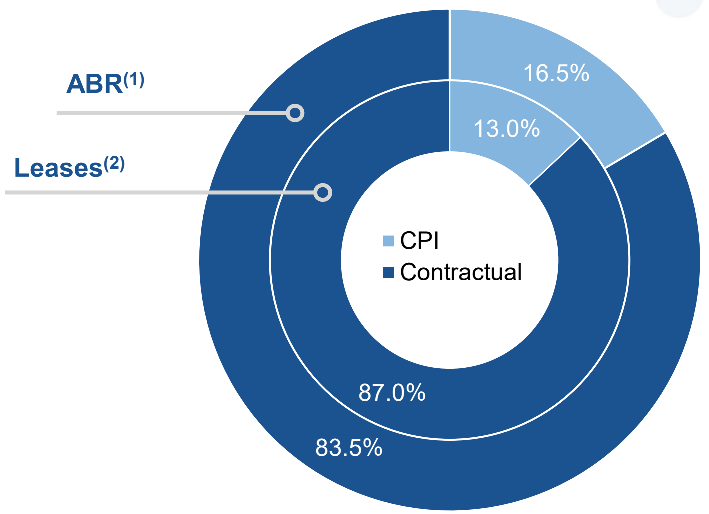
2 Disciplined Capital Allocation

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

Portfolio Growth

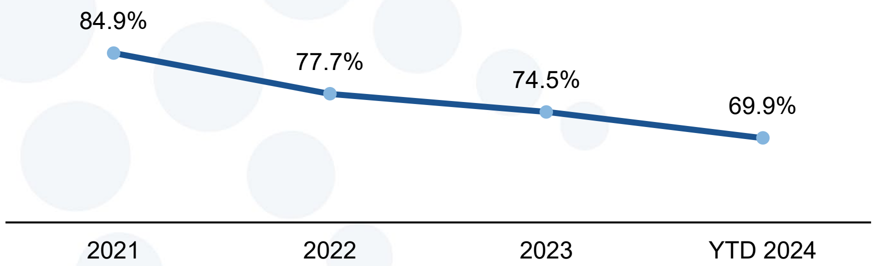
- Experienced management team has a proven record of negotiating and closing on meaningful acquisitions and strategic dispositions
- Supportive year-over-year internal growth through 2.2% weighted average annual contractual escalations, excluding leases with CPI escalations, which accounts for 16.5% of the portfolio on an ABR basis

Annual Lease Escalation Structure

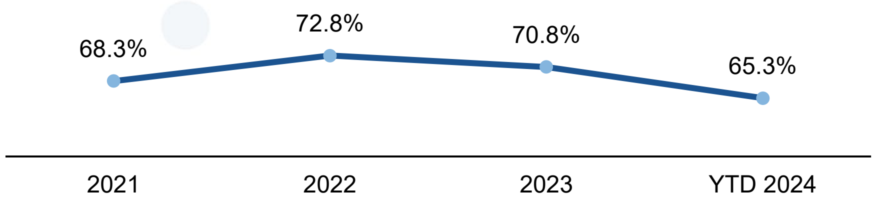


(1) Based on annualized March 2024 contractual base rent.
(2) Master leases account for a single lease.

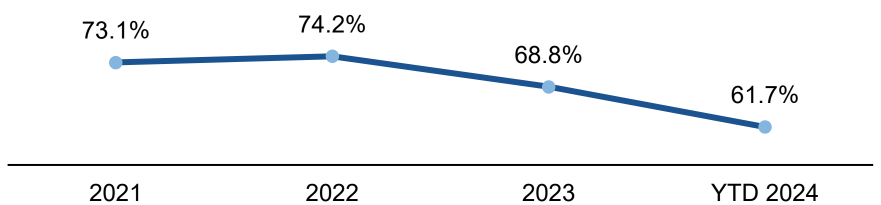
FFO Payout Ratio(3)



Core FFO Payout Ratio(3)



AFFO Payout Ratio(3)



(3) Total portfolio, including data centers through July 2021.
All data as of March 31, 2024

3 Geographic 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)]

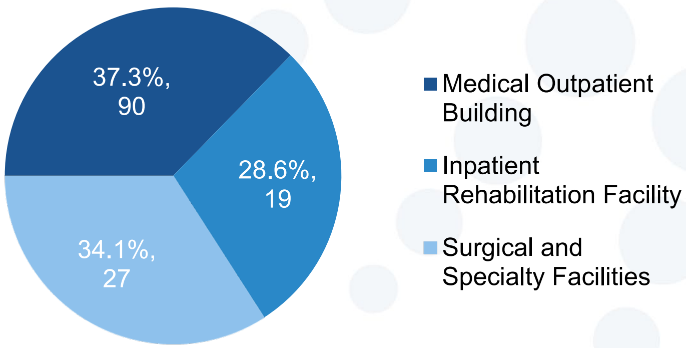
Texas	28.3%
Oklahoma	7.3%
Louisiana	5.8%
Arizona	5.6%
Ohio	4.9%
“Smile States”	63.5%

(1) Represents each state’s annualized March 2024 contractual base rent as a percentage of total annualized March 2024 contractual base rent. All data as of March 31, 2024

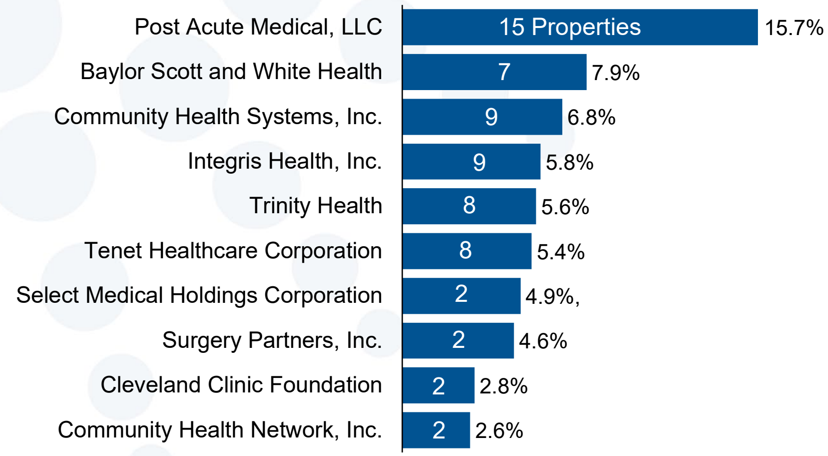
3 Diversified and Secure Tenancy

Sila's 136 healthcare properties are well-diversified through tenancy and across the continuum of care, reducing over exposure to any single healthcare subtype.

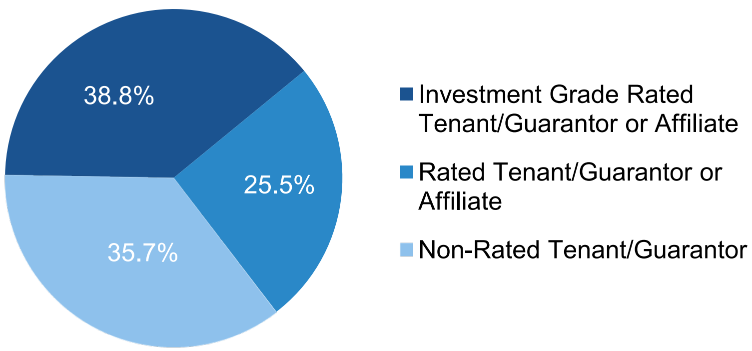
Property Type Diversification(3)
(ABR(1), Properties)



Tenant Diversification(1)(4)



Tenant Credit Profile(1)(2)



EBITDARM Coverage Ratio

	% of ABR(1)	EBITDARM Coverage
Medical Outpatient Building	16.6%	5.90x
Inpatient Rehabilitation Facility	25.2%	3.45x
Surgical and Specialty Facilities(3)	28.2%	5.01x
Reporting Properties	**70.0%**	**4.66x**
Non-Reporting Properties	30.0%	
Total Portfolio	**100.0%**	

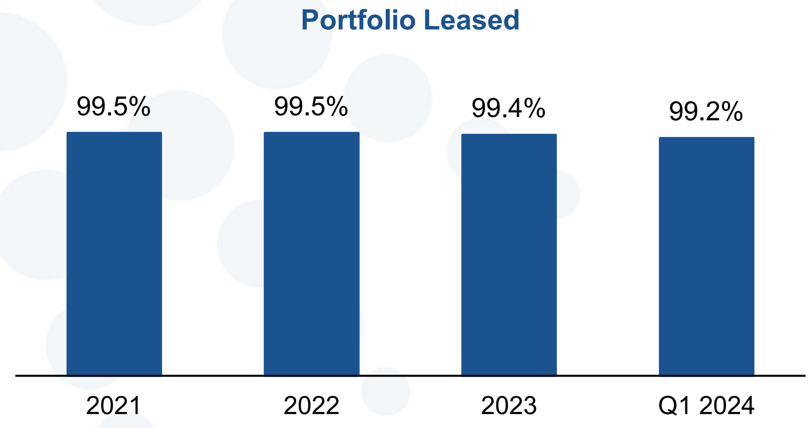
(1) Based on annualized March 2024 contractual base rent.
(2) All credit ratings from major credit rating agencies. Parent credit is used where tenant is not rated.
(3) Surgical and Specialty Facilities includes Surgical Facilities, Long-Term Acute Care Hospitals, Behavioral, Transitional Care, Micro-Hospitals and Short-Term Acute Care Hospitals

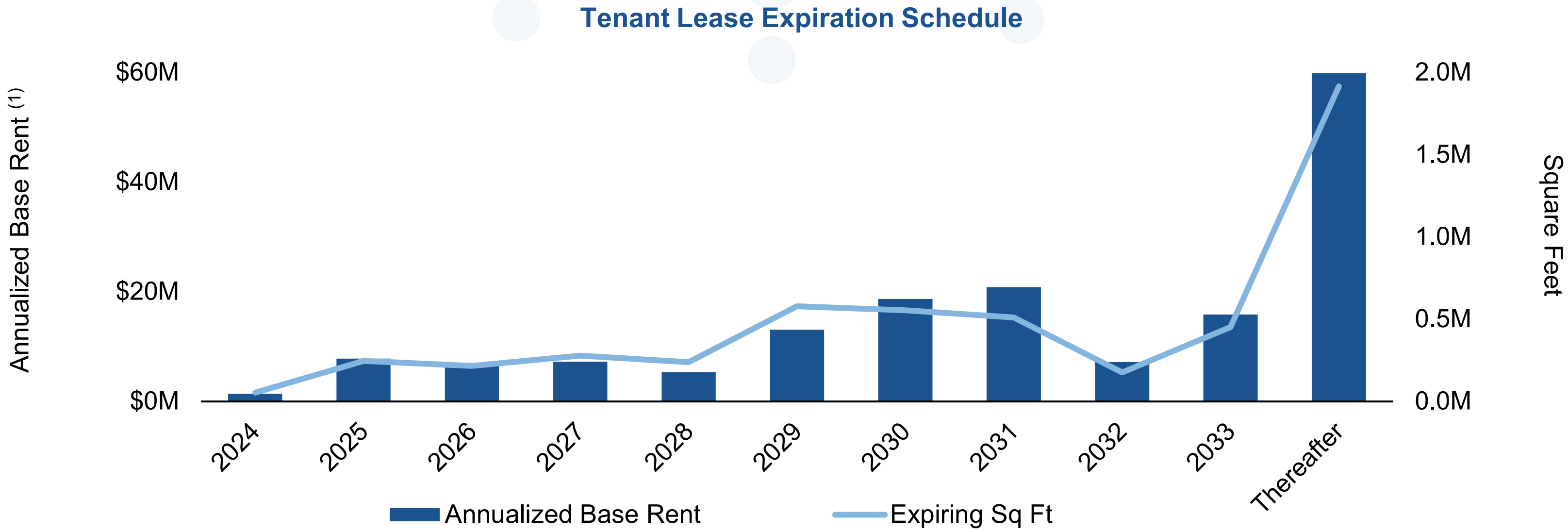
(4) Includes tenants under common control.
All data as of March 31, 2024

3 Strong Operating Metrics from Long-Term Leases

We believe that long-term leases provide stability with a future ability to capitalize on opportunities.

8.4 Yrs Weighted Avg. Remaining Lease Term	**99.2%** Weighted Avg. Leased Rate	**5.3 M** Rentable Square Feet
17% ABR Maturing within 5 Yrs	**169** Total Leases[2]	**$31.39** Weighted Avg. ABR/Leased SF



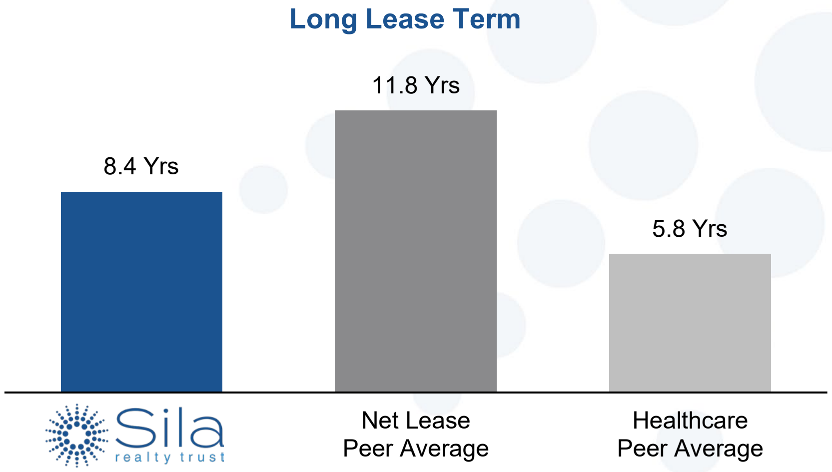


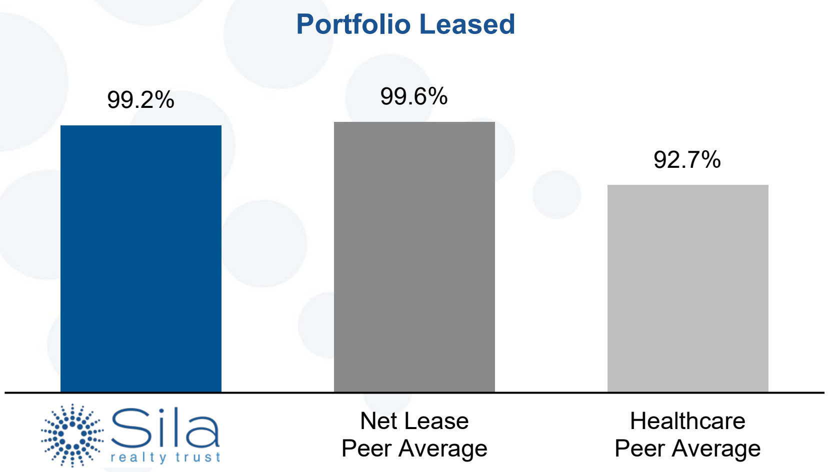
(1) Based on annualized March 2024 contractual base rent.
(2) Master leases account for a single lease.

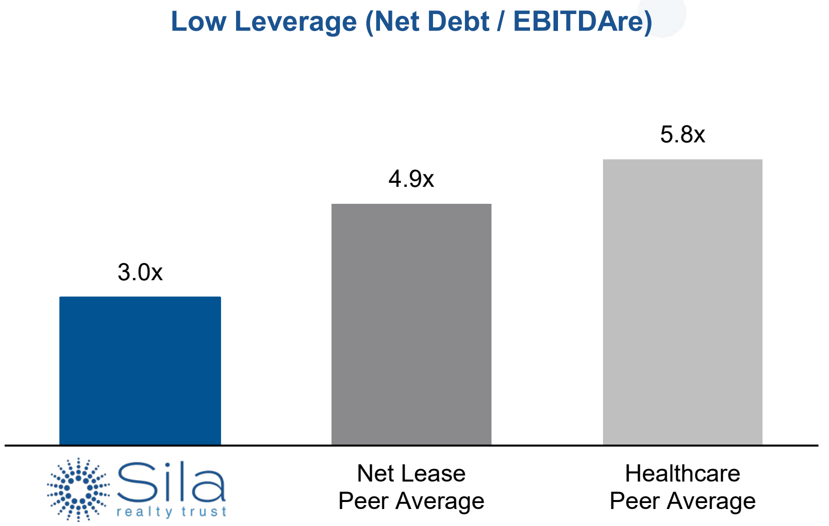
All data as of March 31, 2024

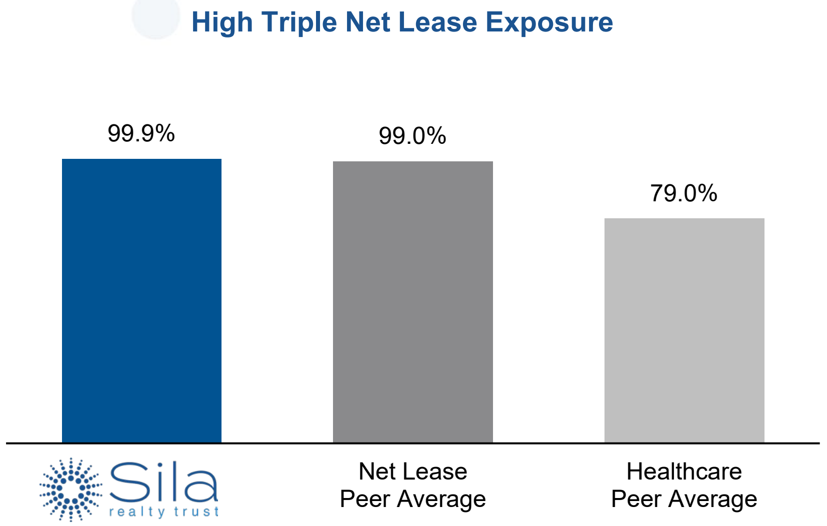
3 Sila Demonstrates Strong Metrics Relative to Peers

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









Source of peer metrics: Earnings Supplementals, SEC filings, and other publicly available information. Net Lease peers include: EPRT, BNL, NTST and NNN. Healthcare peers include: CHCT, DOC, GMRE and HR. Used year--end metrics for GMRE and HR due to timing of first quarter filings.

All data as of March 31, 2024, unless noted otherwise.

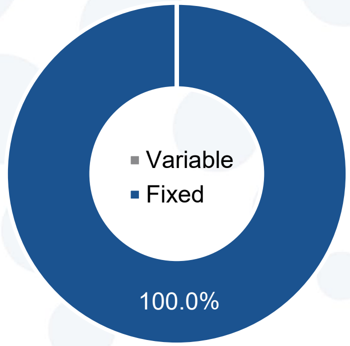
4 Fortified Balance Sheet

Sila's management team has built a public-markets-worthy balance sheet that we believe is positioned for growth and insulated from adverse and unpredictable market dislocations.

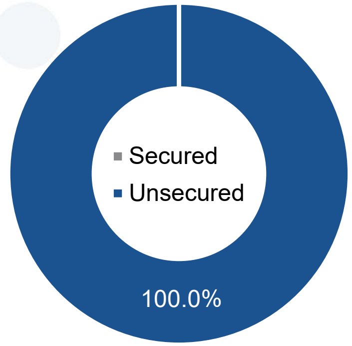
Balance Sheet Highlights

$590 M Liquidity[3]	**20.5%** Net Debt Leverage Ratio[2]	**3.0x** Net Debt to EBITDAre Ratio
3.3% Weighted Avg. Rate on O/S Debt	**7.4x** Interest Coverage	**3.6 Yrs** Weighted Avg. Loan Agreement Maturity[2]

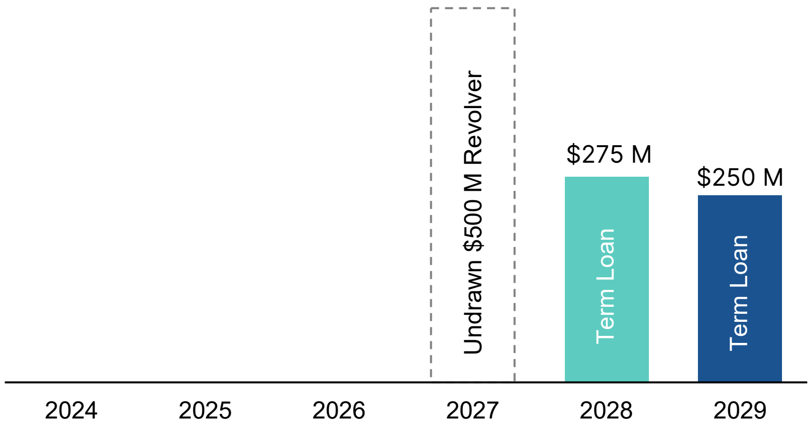
Fixed[1] vs. Variable Rate Exposure



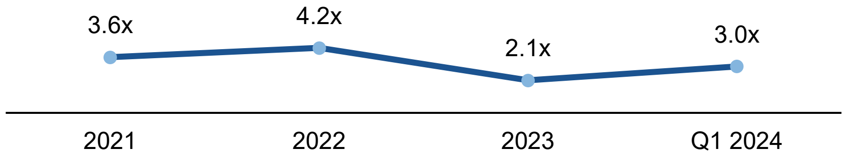
Unsecured vs. Secured Debt



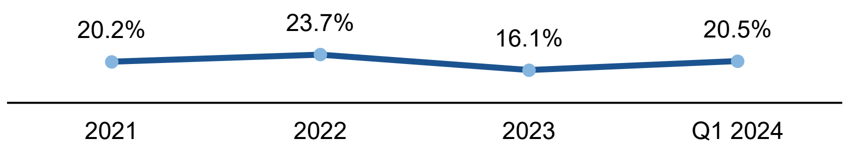
Debt Maturity Schedule[2]



Net Debt / EBITDAre[1]



Net Debt Leverage Ratio[2]



(1) Variable rate debt fixed through interest rate swaps.
(2) Assumes the full exercise of all available extension options.
(3) Liquidity represents cash and cash equivalents of $90M and borrowing base availability on the Company's credit facility of $500M.
All data as of March 31, 2024

4 Select Properties Demonstrating Investment Strategy

Sila has an opportunistic ability to continue optimizing our portfolio composition on top of already possessing a curated and sizable assortment of high-quality and diversified healthcare net lease assets.

Medical Outpatient Building

Burr Ridge Healthcare Facility
Burr Ridge, IL

- $59.9 million purchase price
- Acquired September 2023
- ~105,000 SF multi-specialty medical outpatient building
- 100% leased to Loyola University Medical Center
- Three-story building on 6.9 acres
- Tenant is academic subsidiary of Trinity Health, the fifth largest health system in the US by net patient revenue and the eighth largest by number of hospitals

Inpatient Rehabilitation Facility

Brownsburg Healthcare Facility
Brownsburg, IN

- $39.0 million purchase price
- Acquired February 2024
- ~56,000 SF inpatient rehabilitation facility
- 100% leased to Community Health Network Rehabilitation Hospital West
- Two-story building on 12.2 acres
- Tenant is a joint venture between Community Health Network, a non-profit health system with 200+ facilities in central Indiana, and Lifepoint, a leading national provider with 62 community hospitals and 30+ rehab/behavioral health facilities

Micro-Hospitals and Freestanding ED

Five-Property Healthcare Portfolio
Arizona and Texas

- $85.5 million purchase price
- Acquired March 2024
- ~158,000 SF, 4 micro-hospitals and 1 freestanding emergency department
- 100% leased to Tenet Healthcare Corporation
- 5 buildings on a combined 17.5 acres
- Tenant is one of the nations largest healthcare systems, with over 15,000 licensed beds

5 Management with a History of Executing on Shareholder Friendly Initiatives

We believe past behavior is the best predictor of future behavior.

2010
Founding of predecessor company.

2014
Founding of Sila Realty Trust, Inc.

2018
Sale of predecessor company's data center portfolio

2019
Merger with predecessor company, creating size and scale of healthcare portfolio

2020
Internalization of management and rebranding to Sila Realty Trust, Inc.

2021
Sale of Sila's data center portfolio

2022
Targeted board member additions

Putting Shareholders First

2018	$556.2M special cash distribution ($3.00/share) paid to predecessor company shareholders from data center portfolio sale proceeds
2019	$178.8M cash consideration ($1.00/share) paid to predecessor company shareholders through merger
2020	Cash paid for internalization was recouped in less than 2 years due to savings from asset management, property management, acquisition, disposition, and other fees
2021	$392.7M special cash distribution ($1.75/share) paid to Sila shareholders from data center portfolio sale proceeds
2021 & 2022	Added new board members, bringing together a diverse array of backgrounds, experience, and perspectives

- Dedicated in-house investor relations team to timely and accurately answer any shareholder inquiries
- A history of transparency through public announcements regarding material events
- Conservative payout ratio providing comfort in the stability of our dividend

5 Experienced Management Team

Cycle-tested management team with proven operating experience and extensive knowledge of the existing portfolio and tenant partners.

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*
- *Formerly served as Managing Director and Division Head of Originations at Eurohypo AG (now part of Commerzbank AG) and began his career at The Sumitomo Bank*

Kay C. Neely
Executive Vice President and Chief Financial Officer
- *25+ years of experience in real estate accounting, finance and operations*
- *Career began with KPMG LLP, responsible for various functions within the audit practice including oversight of engagements for public and private entities, primarily in the real estate sector, including REITs and investment funds.*

Christopher K. Flouhouse
Executive Vice President and Chief Investment Officer
- *25+ years of investment banking experience, including public company corporate finance, institutional investor strategies, equity listings, and strategic transactions and financings*
- *Formerly served at Wells Fargo Securities as Managing Director and Head of Real Estate, Gaming & Lodging Equity Capital Markets, responsible for equity capital markets transactions for real estate gaming and lodging*

Michael P. McCarthy
Senior Vice President – Investment Management
- *30+ years of experience in healthcare real estate, corporate finance and corporate banking*
- *Began his commercial banking career with Bank of America, followed by several regional banking positions at U.S. Bank, KeyBank and SunTrust Bank.*

Miles F. Callahan
Senior Vice President – Capital Markets & Investor Relations
- *15+ years of experience in real estate financing, underwriting, and banking*
- *Previously managed both commercial and residential development loans with U.S. Bank on its construction lending team and has since served in many capacities since joining the Company in 2013*

5 Robust Corporate Governance Led 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.

- *Led Sila Realty Trust, Inc. and its predecessors since their 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, and Benefit Street Partners Multifamily Trust*
- *Former board member of Sunstone Hotel Investors, Forest City Realty Trust, Gramercy Property Trust, and Broadstone Real Estate Access Fund*
- *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

- *Board member of Sunstone Hotel Investors and the Steppenwolf Theatre of Chicago*
- *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 Commitment to Corporate Governance

Board Composition

- ✓ Experienced Board of Directors, Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee
- ✓ Majority independent Board of Directors (83%), who bring a diverse array of backgrounds, experience, and perspectives
- ✓ 10+ years as an SEC registrant (since inception)

Board Procedures

- ✓ Non-staggered annual elections of Board of Directors
- ✓ Committee Charters (available on website)
- ✓ Code of Business Conduct and Ethics (available on website)

Board Policies

- ✓ Insider trading and minimum stock ownership policies
- ✓ Annual certifications and adherence to Company policies
- ✓ Whistleblower policy in place

6 Responsibility and Philanthropy

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.

Governance

- Diversity in board makeup: 5 independent members
- 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

Social

- Sila seeks to own healthcare properties that are important to the communities they serve
- Sila promotes community involvement with monetary contributions and charitable efforts, with 88.5 hours volunteered thus far in 2024
- 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

Environmental

- Implemented green leasing initiative with standardized lease forms for tenants in our healthcare portfolio
- Planted over 60 native trees and shrubs for a corporate volunteer event
- 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

Corporate Office Certifications

WELL CORE

WELL COMMUNITY GOLD

WiredScore PLATINUM

LEED

Philanthropic Initiatives

METRO MINISTRIES

Humane Society Tampa Bay Since 1912

TAKE MAR MORE ACTION FOR REGENERATION

LEUKEMIA & LYMPHOMA SOCIETY®

Appendix

Tampa Healthcare Facility II, Florida

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, calculated 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 periods (amounts in thousands):

	Year Ended(2)			Three Months Ended
	2021	**2022**	**2023**	**March 31, 2024**
Net income (loss) attributable to common stockholders	$ 402,660	$ (7,978)	$ 24,042	$ 14,980
Adjustments:				
Interest expense(1)	69,465	24,077	23,110	5,294
Depreciation and amortization	82,018	77,199	74,293	18,898
EBITDA	$ 554,143	$ 93,298	$ 121,445	$ 39,172
Gain on real estate disposition	(89)	(460)	(22)	(76)
Gain on real estate dispositions from discontinued operations	(395,801)	-	-	-
Impairment losses	27,837	47,424	24,252	-
EBITDAre	$ 186,090	$ 140,262	$ 145,675	$ 39,096

(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

Earnings Before Interest, Taxes, Depreciation, Amortization, Rent and Management Fees (EBITDARM)

The Company utilizes EBITDARM, a supplemental non-GAAP performance measure, to evaluate the core operations of our tenants and/or guarantors (together, the “Obligor”) of our properties. An Obligor’s reported EBITDARM may be adjusted for certain non-recurring items or items not core to operations. Management believes such adjustments are reasonable and necessary to evaluate Obligor performance. Most Obligor financial statements are unaudited, and we have not independently verified any financial information received from Obligors and, therefore, we cannot confirm that such information is accurate or complete.

EBITDARM Coverage

Represents the ratio of EBITDARM of our reporting Obligors, divided by either (i) in the case of tenant individual property level reporting, the rent payable to the Company for the related period, or (ii) in the case of tenant multiple property level reporting, or in the case of guarantor reporting, total rent reported in its financial statements. EBITDARM Coverage is one indicator of an Obligor’s ability to generate sufficient cash flows to cover its rental obligations. This ratio is based on the latest financial statements available to the Company and is calculated on a trailing twelve-month basis, when available and appropriate. For reporting purposes, the ratio for each Obligor is then weighted based on the annualized base rent of the reporting property. Properties for which Obligor financial statements are excluded include those (i) that are either not available or not sufficiently detailed, (ii) are not operating or are currently unoccupied, (iii) where the Obligor has filed for bankruptcy, or (iv) properties which are not stabilized. Properties with new operations are considered stabilized only upon the earlier to occur of (i) the Obligor generating a 1.25x EBITDARM Coverage ratio, or (ii) twenty-four months after the property has been open for operations.

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. 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 or effect comparability to prior periods 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, listing related expenses, accelerated stock-based compensation, 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 discount of deferred liability, 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 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[1]			Three Months Ended
	2021	2022	2023	March 31, 2024
Net income (loss) attributable to common stockholders	$ 402,660	$ (7,978)	$ 24,042	$ 14,980
Adjustments:				
Depreciation and amortization	81,999	77,099	74,202	18,875
Gain on real estate dispositions	(89)	(460)	(22)	(76)
Gain on real estate dispositions from discontinued operations	(395,801)	-	-	-
Impairment losses	27,837	47,424	24,252	-
FFO	$ 116,606	$ 116,085	$ 122,474	$ 33,779
Adjustments:				
Listing related expenses	-	-	-	56
Severance	56	889	1,401	1,863
Write-off of straight-line rent receivables related to prior periods	70	2,434	3,268	-
Accelerated stock-based compensation	-	402	318	863
Amortization of above (below) market lease intangibles, including ground leases	(434)	1,044	1,386	(629)
Loss on extinguishment of debt	28,751	3,367	-	228
Core FFO	$ 145,049	$ 124,221	$ 128,847	$ 36,160
Adjustments:				
Deferred rent	-	1,535	1,644	2,388
Straight-line rent adjustments	(15,665)	(9,695)	(5,465)	(1,176)
Amortization of discount of deferred liability	272	-	-	-
Amortization of deferred financing costs	3,425	1,679	1,665	452
Stock-based compensation	2,379	3,778	5,966	461
AFFO	$ 135,460	$ 121,518	$ 132,657	$ 38,285

(1) Includes data centers prior to July 2021.

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 current period presented.

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 metrics.

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 periods (amounts in thousands):

	Year Ended			Three Months Ended
	2021	**2022**	**2023**	**March 31, 2024**
Total credit facility debt, net	496,774	580,588	523,153	521,009
Deferred financing costs, net	3,226	2,412	1,847	3,991
Principal debt outstanding	500,000	583,000	525,000	525,000
Less: cash and cash equivalents	32,359	12,917	202,019	90,242
Net Debt	$ 467,641	$ 570,083	$ 322,981	$ 434,758

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. Cash NOI is calculated to exclude the impact of GAAP adjustments to rental revenue and rental expenses, consisting of straight-line rent adjustments, net of write-offs, amortization of lease related intangibles and ground leases, and internal 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 6, 2024.

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)[1]

	Year Ended 2021	Year Ended 2022	Year Ended 2023	Three Months Ended March 31, 2024
Rental revenue	$ 172,838	$ 179,986	$ 189,065	$ 50,639
Rental expenses	(17,712)	(17,950)	(20,196)	(5,554)
Net operating income	155,126	162,036	168,869	45,085
Adjustments:				
Straight-line rent adjustments, net of write-offs	(13,156)	(7,261)	(2,197)	(1,176)
Amortization of above (below) market lease intangibles, including ground leases	1,108	1,044	1,386	(629)
Intercompany property management fee	5,007	5,220	5,250	1,272
Deferred rent	-	1,535	1,644	2,388
Cash NOI	148,085	162,574	174,952	46,940
General and administrative expenses	(21,388)	(22,079)	(23,896)	(8,230)
Depreciation and amortization	(70,259)	(77,199)	(74,293)	(18,898)
Impairment losses	(27,837)	(47,424)	(24,252)	-
Gain on real estate disposition	89	460	22	76
Interest and other income	-	305	702	2,241
Interest expense	(34,515)	(24,077)	(23,110)	(5,294)
Income from discontinued operations	401,444	-	-	-
Straight-line rent adjustments, net of write-offs	13,156	7,261	2,197	1,176
Amortization of above (below) market lease intangibles, including ground leases	(1,108)	(1,044)	(1,386)	629
Internal property management fee	(5,007)	(5,220)	(5,250)	(1,272)
Deferred rent	-	(1,535)	(1,644)	(2,388)
Net income (loss) attributable to common stockholders	$ 402,660	$ (7,978)	$ 24,042	$ 14,980

(1) NOI and Cash NOI calculations represent the Company's healthcare portfolio only. These calculations exclude the data centers owned prior to July 2021.

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 acquisition, reduced by the cost basis of properties sold.

Sila realty trust

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