



**SUPPLEMENTAL OPERATING
& FINANCIAL INFORMATION
FOURTH QUARTER 2020**

DOC
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NYSE

PHYSICIANS REALTY TRUST
NYSE: DOC



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FINANCIAL INFORMATION

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FORWARD-LOOKING STATEMENTS

Certain statements made in this supplemental information package constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and our statements regarding anticipated market conditions are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “outlook,” “continue,” “projects,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans, expectations, or intentions.

Forward-looking statements reflect the views of our management regarding current expectations and projections about future events and are based on currently available information. These forward-looking statements are not guarantees of future performance and involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data, or methods which may be incorrect or imprecise and we may not be able to realize them.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this supplemental information package, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. For a discussion of factors that could impact our future results, performance or transactions, see Part I, Item 1A (Risk Factors) of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

NON-GAAP FINANCIAL MEASURES

This presentation includes EBITDA_{re}, Adjusted EBITDA_{re}, EBITDAR, Net Operating Income (or NOI), Cash NOI, MOB Same-Store Cash NOI, Funds From Operations (or FFO), Normalized FFO, and Normalized Funds Available For Distribution (or FAD), which are non-GAAP financial measures. For purposes of the Securities and Exchange Commission’s (“SEC”) Regulation G, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable financial measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets or statements of cash flows (or equivalent statements) of the company, or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable financial measure so calculated and presented. As used in this presentation, GAAP refers to generally accepted accounting principles in the United States of America. Our use of the non-GAAP financial measure terms herein may not be comparable to that of other real estate investment trusts. Pursuant to the requirements of Regulation G, we have provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

ADDITIONAL INFORMATION

The information in this supplemental information package should be read in conjunction with the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, earnings press release dated February 25, 2021, and other information filed with, or furnished to, the SEC. You can access the Company’s reports and amendments to those reports filed or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act in the “Investor Relations” section on the Company’s website (www.docreit.com) under the tab “SEC Filings” as soon as reasonably practicable after they are filed with, or furnished to, the SEC. The information on or connected to the Company’s website is not, and shall not be deemed to be, a part of, or incorporated into this supplemental information package. You also can review these SEC filings and other information by accessing the SEC’s website at <http://www.sec.gov>.



ABOUT PHYSICIANS REALTY TRUST

Physicians Realty Trust (NYSE:DOC) (the “Trust,” the “Company,” “DOC,” “we,” “our” and “us”) is a self-managed health care real estate company organized in 2013 to acquire, selectively develop, own, and manage health care properties that are leased to physicians, hospitals, and health care delivery systems.

We invest in real estate that is integral to providing high quality health care services. Our properties typically are on a campus with a hospital or other health care facilities or strategically located and affiliated with a hospital or other health care facilities.

Our management team has significant public health care REIT experience and long established relationships with physicians, hospitals, and health care delivery system decision makers that we believe will provide quality investment opportunities to generate attractive risk-adjusted returns to our shareholders.

We are a Maryland real estate investment trust and elected to be taxed as a REIT for U.S. federal income tax purposes. We conduct our business through an UPREIT structure in which our properties are owned by Physicians Realty L.P., a Delaware limited partnership (the “operating partnership”), directly or through limited partnerships, limited liability companies, or other subsidiaries. We are the sole general partner of the operating partnership and, as of December 31, 2020, owned approximately 97.3% of the partnership interests in the operating partnership (“OP Units”).

Unless otherwise indicated, portfolio statistics include amounts attributable to the Company's pro-rata share of unconsolidated joint venture assets and exclude the Company's corporate office building.

COMPANY SNAPSHOT

	As of December 31, 2020
Gross real estate investments (thousands)	\$ 5,008,645
Total health care properties	275
% Leased	95.7%
Total portfolio gross leasable area (sq. ft.)	14,584,930
<hr/>	
% of GLA on-campus / affiliated	89%
Average remaining lease term for all buildings (years)	6.8
<hr/>	
Cash and cash equivalents (thousands)	\$ 2,515
Net consolidated debt to firm value	27.1%
Weighted average interest rate per annum on consolidated debt	3.5%
Equity market cap (thousands)	\$ 3,730,001
Quarterly dividend	\$ 0.23
Quarter end stock price	\$ 17.80
Dividend yield	5.17%
Common shares outstanding	209,550,592
OP Units outstanding and not owned by DOC	5,812,293
Dilutive restricted common shares and units	1,373,688
Consolidated firm value (thousands)	\$ 5,335,201

**ABOUT PHYSICIANS REALTY TRUST (CONTINUED)****BOARD OF TRUSTEES**

Tommy G. Thompson Chairman	John T. Thomas President Chief Executive Officer	
Stanton D. Anderson Compensation Committee Chair	Mark A. Baumgartner Audit Committee Chair	Albert C. Black Nominating and Corporate Governance Committee Chair
William A. Ebinger, M.D. Trustee	Pamela J. Kessler Trustee	Richard A. Weiss Finance and Investment Committee Chair

MANAGEMENT TEAM

John T. Thomas President Chief Executive Officer		Jeffrey N. Theiler Executive Vice President Chief Financial Officer	
D. Deeni Taylor Executive Vice President Chief Investment Officer	Mark D. Theine Executive Vice President Asset & Investment Management	John W. Lucey Chief Accounting and Administrative Officer	
Daniel M. Klein Senior Vice President Deputy Chief Investment Officer	Bradley D. Page Senior Vice President General Counsel	Laurie P. Becker Senior Vice President Controller	Amy M. Hall Senior Vice President Leasing & Physician Strategy

LOCATION AND CONTACT INFORMATION

Corporate Headquarters 309 N. Water Street, Suite 500 Milwaukee, WI 53202 (414) 367-5600	Independent Registered Public Accounting Firm Ernst & Young Chicago, IL 60606 (312) 879-2000	Corporate and REIT Tax Counsel Baker & McKenzie LLP Richard Lipton, Senior Counsel Chicago, IL 60601 (312) 861-8000
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COVERING ANALYSTS

C. Kucera - B. Riley
J. Dennerlein - Bank of America Merrill Lynch
C. Siversky - Berenberg Capital Markets LLC
J. Sanabria - BMO Capital Markets Corp.
M. Gorman - BTIG
D. Bernstein - Capital One Securities
N. Joseph - Citi
K. Bauser - Colliers Securities
M. Ross - Compass Point

J. Petersen - Jefferies LLC
J. Sadler - Keybank Capital Markets Inc.
T. Okusanya - Mizuho Securities USA
V. Malhotra - Morgan Stanley
J. Hughes - Raymond James Financial Inc.
M. Carroll - RBC Capital Markets LLC
A. Sweitzer - Robert W. Baird & Co.
S. Manaker - Stifel
M. Lewis - Truist Securities

The equity analysts listed above are those analysts that have published research material on the Company and are listed as covering the Company. Please note that any opinions, estimates, or forecasts regarding the Company's performance made by the analysts listed above do not represent the opinions, estimates, or forecasts of the Company or its management. The Company does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations made by any of such analysts. Interested persons may obtain copies of analysts' reports on their own, as we do not distribute these reports. Several of these firms may, from time to time, own our stock and/or hold other long or short positions on our stock, and may provide compensated services to us.



FOURTH QUARTER 2020 HIGHLIGHTS

OPERATING HIGHLIGHTS

- Fourth quarter 2020 total revenue of \$111.4 million, an increase of 3.7% compared to the prior year period
- Fourth quarter 2020 rental revenue of \$79.1 million, consistent with the prior year period
- Generated quarterly net income per share of \$0.08 on a fully diluted basis
- Generated quarterly normalized funds from operations (Normalized FFO) of \$0.26 per share on a fully diluted basis
- Completed investments of \$208.2 million during the fourth quarter
- Fourth quarter MOB Same-Store Cash Net Operating Income (Cash NOI) growth of 1.5% year-over-year
- Declared quarterly dividend of \$0.23 per share for the fourth quarter
- 95.7% of portfolio square footage leased as of December 31, 2020
- Collected 99.6% of fourth quarter rent

COMPANY ANNOUNCEMENTS

- December 18, 2020: Announced that our Board of Trustees authorized and declared a cash distribution of \$0.23 per common share and OP Unit for the quarterly period ended December 31, 2020. The distribution was paid on January 20, 2021 to common shareholders and OP Unit holders of record as of the close of business on January 5, 2021.

FOURTH QUARTER INVESTMENT HIGHLIGHTS SUBSEQUENT EVENTS

- | | |
|---|--|
| <ul style="list-style-type: none">• Health Center at Easton, Easton, PA• Hartford HealthCare Cancer Center, Manchester, CT• Davis Joint Venture - 49% membership interest• Sacred Heart Summit MOB and ASC, Pensacola, FL• Westerville II MOB, Westerville, OH• Landmark Mezzanine Loan Portfolio• Disposition of NOMS portfolio (2 properties) | <ul style="list-style-type: none">• Atlanta Medical Condominium Investments, Atlanta, GA• Mezzanine Loan - Trinitas Regional MOB, Elizabeth, NJ |
|---|--|



Health Center at Easton
Easton, PA



Sacred Heart Summit MOB and ASC
Pensacola, FL



FINANCIAL HIGHLIGHTS

(Unaudited and in thousands, except sq. ft. and per share data)

INCOME

	Three Months Ended	
	December 31, 2020	September 30, 2020
Revenues	\$ 111,445	\$ 109,566
Net income	18,609	16,475
NOI	80,131	79,210
Annualized Adjusted EBITDAre	312,756	298,672
Net income available to common shareholders per common share	\$ 0.08	\$ 0.07
Normalized FFO	56,704	54,940
Normalized FFO per common share	\$ 0.26	\$ 0.26
Normalized FAD	53,001	51,857

CAPITALIZATION

ASSETS

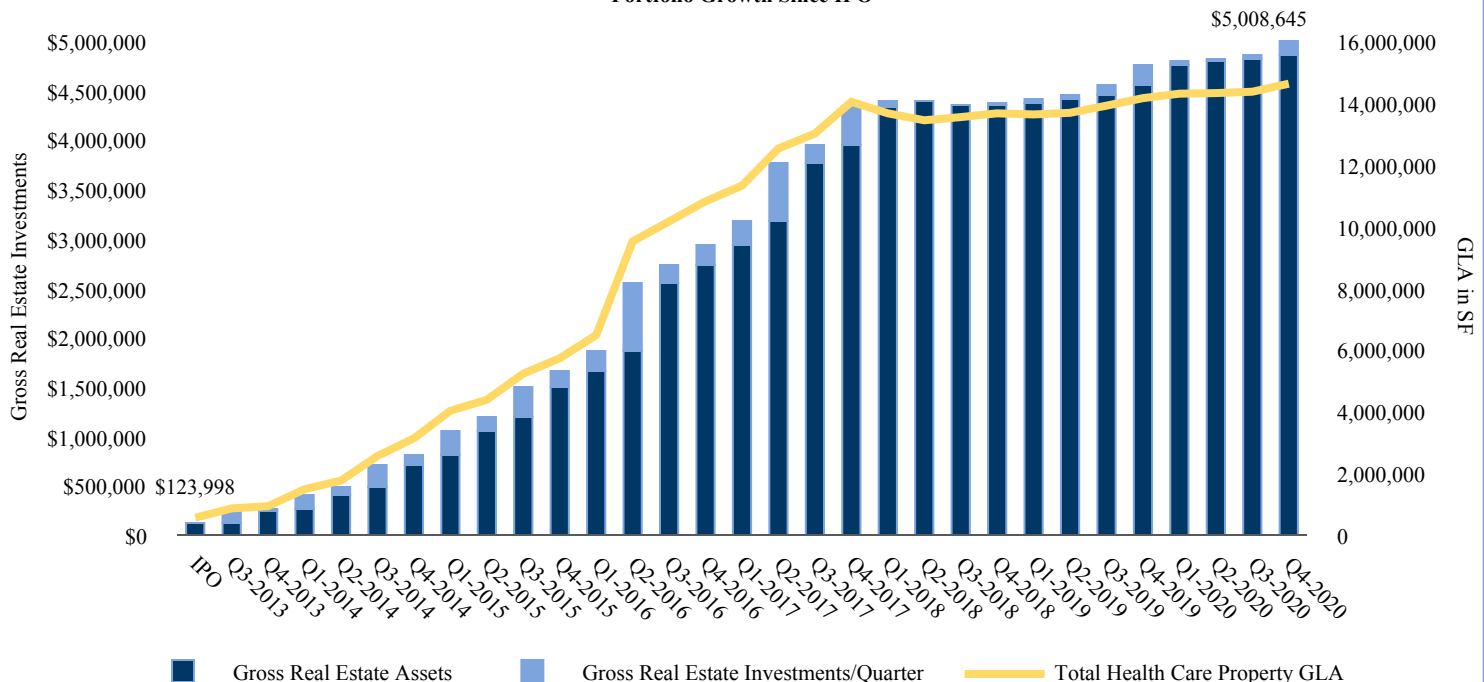
	As of	
	December 31, 2020	September 30, 2020
Gross Real Estate Investments (including gross lease intangibles)	5,008,645	4,856,275
Total Assets	4,413,950	4,331,964

DEBT AND EQUITY

Consolidated Debt ⁽¹⁾	1,449,001	1,378,504
Total Equity	2,715,002	2,715,183
Equity Market Capitalization	3,730,001	3,729,301
Consolidated Firm Value	5,335,201	5,260,635
Consolidated Debt / Total Firm Value	27.2%	26.2%

(1) Unadjusted for unamortized fair value adjustments, unamortized discount, and unamortized deferred financing costs.

Portfolio Growth Since IPO





**RECONCILIATION OF NON-GAAP MEASURES:
FUNDS FROM OPERATIONS (FFO),
NORMALIZED FUNDS FROM OPERATIONS (NORMALIZED FFO),
AND NORMALIZED FUNDS AVAILABLE FOR DISTRIBUTION (NORMALIZED FAD)**
(Unaudited and in thousands, except share and per share data)

	Three Months Ended December 31, 2020	Year Ended December 31, 2020
Net income	\$ 18,609	\$ 68,488
Net income attributable to NCI - partially owned properties	(133)	(574)
Preferred distributions	(290)	(1,241)
Depreciation and amortization expense	37,747	149,208
Depreciation and amortization expense - partially owned properties	(90)	(297)
Gain on the sale of investment properties	(5,842)	(5,842)
Impairment loss	4,872	4,872
Proportionate share of unconsolidated joint venture adjustments	1,831	7,063
FFO applicable to common shares	\$ 56,704	\$ 221,677
Net change in fair value of contingent consideration	—	(715)
Normalized FFO applicable to common shares	<u>\$ 56,704</u>	<u>\$ 220,962</u>
Net income available to common shareholders per common share	<u>\$ 0.08</u>	<u>\$ 0.32</u>
FFO per common share	<u>\$ 0.26</u>	<u>\$ 1.05</u>
Normalized FFO per common share	<u>\$ 0.26</u>	<u>\$ 1.05</u>
Normalized FFO applicable to common shares	\$ 56,704	\$ 220,962
Non-cash share compensation expense	3,325	12,486
Straight-line rent adjustments	(2,771)	(12,395)
Amortization of acquired above/below market leases/assumed debt	873	3,462
Amortization of lease inducements	288	1,156
Amortization of deferred financing costs	583	2,372
TI/LC and recurring capital expenditures	(5,872)	(19,042)
Loan reserve adjustments	(19)	84
Proportionate share of unconsolidated joint venture adjustments	(110)	(624)
Normalized FAD applicable to common shares	<u>\$ 53,001</u>	<u>\$ 208,461</u>
Weighted average number of common shares outstanding	<u>215,833,617</u>	<u>211,145,917</u>

**RECONCILIATION OF NON-GAAP MEASURES: NET OPERATING INCOME AND ADJUSTED EBITDAre**
*(Unaudited and in thousands)***NET OPERATING INCOME**

	Three Months Ended December 31, 2020	Year Ended December 31, 2020
Net income	\$ 18,609	\$ 68,488
General and administrative	8,198	33,763
Depreciation and amortization expense	37,846	149,590
Interest expense	13,658	57,179
Gain on the sale of investment properties	(5,842)	(5,842)
Impairment loss	4,872	4,872
Proportionate share of unconsolidated joint venture adjustments	2,790	10,458
NOI	<u>\$ 80,131</u>	<u>\$ 318,508</u>
NOI	\$ 80,131	\$ 318,508
Straight-line rent adjustments	(2,771)	(12,395)
Amortization of acquired above/below market leases	888	3,524
Amortization of lease inducements	288	1,156
Loan reserve adjustments	(19)	84
Net change in fair value of contingent consideration	—	(715)
Proportionate share of unconsolidated joint venture adjustments	(115)	(581)
Cash NOI	<u>\$ 78,402</u>	<u>\$ 309,581</u>
Cash NOI	\$ 78,402	
Assets not held for all periods	(1,834)	
LTACH & Hospital Cash NOI	(4,284)	
Lease termination fees	(117)	
Interest income, JV, and other	(6,434)	
MOB Same-Store Cash NOI	<u>\$ 65,733</u>	

EBITDAre

	Three Months Ended December 31, 2020
Net income	\$ 18,609
Depreciation and amortization expense	37,846
Interest expense	13,658
Gain on the sale of investment properties	(5,842)
Impairment loss	4,872
Proportionate share of unconsolidated joint venture adjustments	2,759
EBITDAre	<u>\$ 71,902</u>
Non-cash share compensation expense	3,325
Pursuit costs	79
Non-cash intangible amortization	1,162
Pro forma adjustments for investment activity	1,721
Adjusted EBITDAre	<u>\$ 78,189</u>
Adjusted EBITDAre Annualized ⁽¹⁾	<u>\$ 312,756</u>

(1) Amounts are annualized and actual full year results may differ significantly from the annualized amounts shown.

**MARKET CAPITALIZATION AND DEBT SUMMARY***(Unaudited and in thousands, except share and per share data)***MARKET CAPITALIZATION**

	December 31, 2020
Unsecured credit facility debt	\$ 416,000
Unsecured notes	975,000
Mortgage debt	58,001
Consolidated Debt ⁽¹⁾	1,449,001
Pro rata share of unconsolidated joint venture debt	135,819
Enterprise debt	\$ 1,584,820
Redeemable equity	\$ 28,289
Share price	\$ 17.80
Total common shares outstanding	209,550,592
Total OP Units outstanding	5,812,293
Total dilutive restricted common shares and units	1,373,688
Implied equity market capitalization	\$ 3,857,911
Consolidated Firm Value (Debt + Pref. + Equity)	\$ 5,335,201
Consolidated Debt/Gross Assets	28.4%
Consolidated Debt/Total Firm Value	27.2%

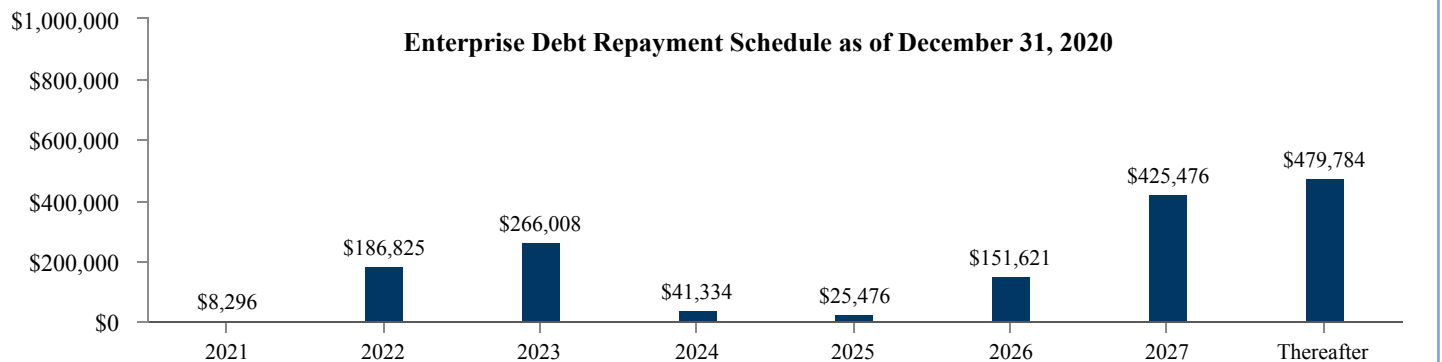
Debt is 27% of Firm Value


■ Debt
■ Equity
ENTERPRISE DEBT SUMMARY ⁽¹⁾

	Balance as of December 31, 2020	Interest Rate	Maturity Date
Revolving Credit Facility Debt	\$ 166,000	1.1 %	9/18/2022
Credit Facility Term Debt	250,000	2.1 %	6/10/2023
Senior Unsecured Notes			
January '16 - Series A	15,000	4.0 %	1/7/2023
January '16 - Series B	45,000	4.4 %	1/7/2026
January '16 - Series C	45,000	4.6 %	1/7/2028
January '16 - Series D	45,000	4.7 %	1/7/2031
August '16 - Series A	25,000	4.1 %	8/11/2025
August '16 - Series B	25,000	4.2 %	8/11/2026
August '16 - Series C	25,000	4.2 %	8/11/2027
March '17	400,000	4.3 %	3/15/2027
December '17	350,000	4.0 %	1/15/2028
Pro Rata Share Of Unconsolidated Joint Venture Debt	135,819	3.7 %	Various
Mortgage Debt, Maturing ⁽²⁾:			
2021	6,471	4.7 %	
2022	20,707	5.0 %	
2023	—	— %	
Thereafter	30,823	4.3 %	
	\$ 1,584,820	3.5 %	

(1) Unadjusted for unamortized fair value adjustments, unamortized discount, and unamortized deferred financing costs.

(2) Weighted average maturity of Mortgage Debt is 3.1 years.



**LEVERAGE STATISTICS AND COVENANT PERFORMANCE***(Unaudited and in thousands, except share and per share data)***CONSOLIDATED LEVERAGE STATISTICS**

	Quarter Ended December 31, 2020
Consolidated debt	\$ 1,449,001
Net consolidated debt (less cash)	1,446,486
Adjusted EBITDAre	\$ 78,189
Less: Amounts attributable to Unconsolidated Joint Ventures	(2,759)
Consolidated Adjusted EBITDAre	\$ 75,430
Consolidated Adjusted EBITDAre (annualized)*	\$ 301,720
Net Consolidated Debt / Consolidated Adjusted EBITDAre Ratio	4.79x
Consolidated Adjusted EBITDAre	\$ 75,430
Cash interest expense	13,091
Interest Coverage Ratio	5.76x
Consolidated interest expense	\$ 13,658
Capitalized interest	120
Secured debt principal amortization	503
Total fixed charges	\$ 14,281
Consolidated Adjusted EBITDAre	75,430
Consolidated Adjusted EBITDAre / Fixed Charge Coverage Ratio	5.28x
Implied equity market cap	\$ 3,857,911
Redeemable equity	28,289
Consolidated debt	1,449,001
Consolidated Firm Value	\$ 5,335,201
Net consolidated debt (less cash)	\$ 1,446,486
Gross assets	5,101,504
Net Consolidated Debt / Gross Assets	28.4 %
Net Consolidated Debt / Consolidated Firm Value	27.1 %
Weighted average common shares	208,790,315
Weighted average OP Units not owned by DOC	5,669,614
Dilutive effect of unvested restricted common shares and share units	1,373,688
Weighted Average Common Shares and OP Units - Diluted	215,833,617

ENTERPRISE LEVERAGE STATISTICS

	Quarter Ended December 31, 2020
Enterprise debt	\$ 1,584,820
Net enterprise debt (less cash)	1,582,305
Adjusted EBITDAre (annualized)*	312,756
Net Enterprise Debt / Adjusted EBITDAre Ratio	5.06x

COVENANT PERFORMANCE

	Required	December 31, 2020
Total Leverage Ratio	≤ 60.0%	30.6%
Total Secured Leverage Ratio	≤ 40.0%	1.2%
Maintenance of Unencumbered Assets	≥ 1.5x	3.3x
Consolidated Debt Service (Trailing Four Quarters)	≥ 1.5x	4.8x

* Amounts are annualized and actual results may differ significantly from the annualized amounts shown.

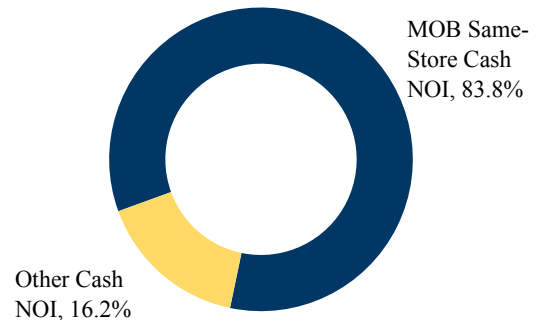


MOB SAME-STORE PORTFOLIO PERFORMANCE AND PORTFOLIO OCCUPANCY

(Unaudited and in thousands, except property count and sq. ft. data.)

MOB SAME-STORE PORTFOLIO ANALYSIS

	Portfolio Quarter Ended December 31, 2020	MOB Same-Store Quarter Ended December 31, 2020
Number of health care properties	275	246
Gross leasable area	14,584,930	12,978,909
Cash NOI	\$ 78,402	\$ 65,733
% Leased	95.7 %	95.3 %



MOB SAME-STORE PORTFOLIO PERFORMANCE

	Year-Over-Year Comparison			Sequential Comparison		
	Q4'20	Q4'19	Change	Q4'20	Q3'20	Change
Number of MOBs	246	246	—	246	246	—
Gross leasable area	12,978,909	12,978,909	—	12,978,909	12,978,909	—
% Leased	95.3 %	95.5 %	-20 bps	95.3 %	95.5 %	-20 bps
Rental revenues	\$ 97,535	\$ 93,895	+3.9 %	\$ 97,535	\$ 96,221	+1.4 %
Operating expenses	(31,802)	(29,140)	+9.1 %	(31,802)	(30,732)	+3.5 %
MOB Same-Store Cash NOI	\$ 65,733	\$ 64,755	+1.5 %	\$ 65,733	\$ 65,489	+0.4 %
Cash NOI	\$ 78,402	\$ 75,620		\$ 78,402	\$ 77,101	
Cash NOI from:						
Assets not held for all periods	(1,834)	(3,157)		(1,834)	(1,394)	
Repositioning assets	—	—		—	—	
LTACH & Hospital Cash NOI	(4,284)	(3,697)		(4,284)	(4,326)	
Lease termination fees	(117)	(102)		(117)	(53)	
Interest income, JV, and other	(6,434)	(3,909)		(6,434)	(5,839)	
MOB Same-Store Cash NOI	\$ 65,733	\$ 64,755		\$ 65,733	\$ 65,489	

PORTFOLIO OCCUPANCY

	Quarter Ended December 31, 2020	Percentage of Total GLA December 31, 2020
Total GLA		
Total square feet beginning of quarter	14,324,783	98.2 %
Acquired GLA ⁽¹⁾	323,929	2.2 %
Disposed GLA	(63,782)	(0.4)%
Total square feet end of quarter	14,584,930	100.0 %
Leased GLA		
Leased GLA beginning of quarter	13,727,760	94.1 %
Expirations	(195,734)	(1.3)%
Renewals	104,655	0.7 %
Retention Rate	53 %	
New leases commencing in quarter	80,345	0.6 %
Net absorption	(10,734)	(0.1)%
Net leased GLA acquired	243,329	1.7 %
Leased GLA end of quarter	13,960,355	95.7 %

(1) Includes remeasurements of existing properties totaling 2,493 square feet.

**INVESTMENT ACTIVITY AND CONSTRUCTION LOAN SUMMARY***(Unaudited and in thousands, except sq. ft. data)***QUARTERLY INVESTMENTS**

Investment	Location	Acquisition Date	First Year Cash Yield	% Leased	Investment Amount	GLA
Health Center at Easton	Easton, PA	11/23/2020	5.3%	100.0%	\$ 15,775	40,000
Hartford HealthCare Cancer Center	Manchester, CT	12/8/2020	5.5%	100.0%	16,855	37,581
Davis Joint Venture	(1) Various	12/11/2020	6.2%	(2) 95.8%	55,262	151,791
Sacred Heart Summit Medical Office and ASC	(3) Pensacola, FL	12/18/2020	6.3%	100.0%	32,409	56,800
Westerville II MOB	Westerville, OH	12/23/2020	6.1%	(4) 77.0%	5,350	35,264
Landmark Mezzanine Loan Portfolio	Various	Various	7.9%	—	54,250	—
Loan Investments	Various	Various	7.6%	—	22,550	—
Construction Loan Draws	Various	Various	4.8%	—	5,790	—
Total / Weighted Average			6.7%	97.2%	\$ 208,241	321,436

- (1) The Company purchased a 49% membership interest in this joint venture. The Company's investment includes an \$18.3 million equity contribution and a \$37.0 million pro rata share of joint venture debt. The newly formed JV owns 8 assets, representing 0.3 million square feet at an aggregate valuation of \$112.6 million.
- (2) The Company reported first year cash yield includes fees generated from the performance of property management services on behalf of the joint venture.
- (3) The Company funded this investment through the conversion and satisfaction of a previously outstanding construction loan of \$29.1 million and additional consideration of \$3.3 million consisting of an aggregate 167,779 OP Units issued by the Operating Partnership valued at approximately \$3.1 million on the date of issuance and \$0.2 million of cash.
- (4) The yield on this investment reflects the completion of a first year rent abatement.

QUARTERLY DISPOSITIONS

Property	Location	Date	Proceeds	GLA	Gain on Sale
Northern Ohio Medical Center	Sheffield, OH	12/22/2020	\$ 13,619	40,782	\$ 4,953
NOMS - Clyde	Clyde, OH	12/22/2020	6,833	23,000	889
Total			\$ 20,452	63,782	\$ 5,842

CONSTRUCTION LOAN SUMMARY

Construction Loans	Location	Construction Completion Date	Interest Rate	Quarterly Fundings	Amount Drawn to Date	Total Commitment	Purchase Option Cap Rate
Sacred Heart ASC	(1) Pensacola, FL	September 2020	4.8%	\$ 5,790	\$ 29,145	\$ 29,145	6.3%
Cambridge Denton	(2) Denton, TX	May 2020	6.3%	—	15,500	15,500	6.0%
Total				\$ 5,790	\$ 44,645	\$ 44,645	

- (1) The Company has provided the final funding on this loan and construction was completed in September 2020. The loan included a fixed purchase option which the Company exercised in December 2020.
- (2) The Company has provided final funding on this loan and construction was completed in May 2020. The loan includes a fixed purchase option of \$15.5 million, exercisable in May 2021.



PORTFOLIO DIVERSIFICATION

(As of December 31, 2020, \$ in thousands)

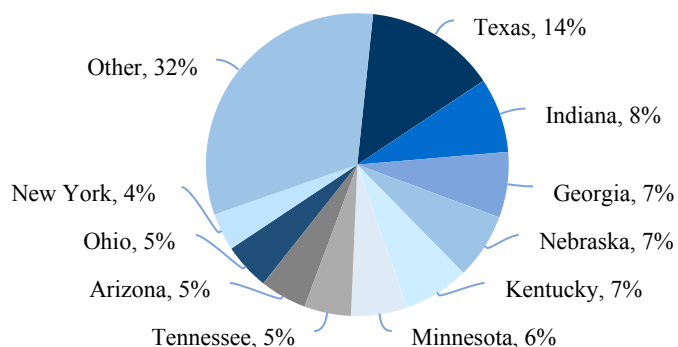
	# of Properties	GLA	% of Total	% of Q4 Cash NOI	% Leased	Coverage Ratio
Single-tenant MOBs	124	5,276,312	36.2%	38.6%	99.4%	N/A
Multi-tenant MOBs	131	8,110,385	55.6%	52.6%	93.2%	N/A
Specialty Hospitals	5	313,959	2.2%	4.2%	100.0%	6.1x ⁽¹⁾
LTACHs	3	310,352	2.1%	1.6%	100.0%	2.0x
Consolidated Total	263	14,011,008	96.1%	97.0%	95.9%	
Pro Rata Unconsolidated Joint Venture Assets	12	573,922	3.9%	3.0%	92.2%	N/A
Portfolio Total	275	14,584,930	100.0%	100.0%	95.7%	

(1) Adjusted for the exclusion of the Company's El Paso Specialty Hospital.

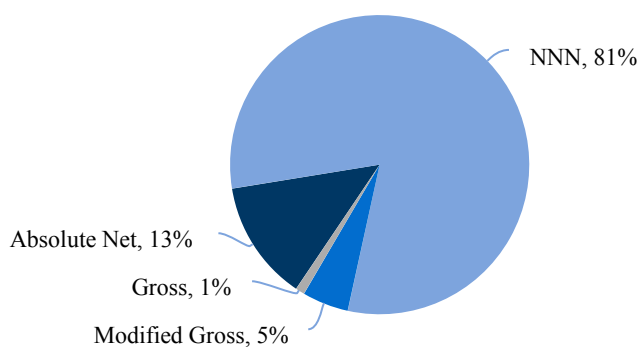
UNCONSOLIDATED JOINT VENTURE SUMMARY

Joint Venture	% Ownership	# of Properties	GLA	Q4 Cash NOI	% Leased
PMAK Joint Venture	12.3%	59	2,861,952	\$ 13,961	90.3%
Davis Joint Venture	49.0%	8	309,777	278	95.8%
MedCore Realty Eden Hill, LLC	49.0%	1	140,205	781	94.3%
DOC's Pro Rata Share	17.3%	12	573,922	\$ 2,243	92.2%

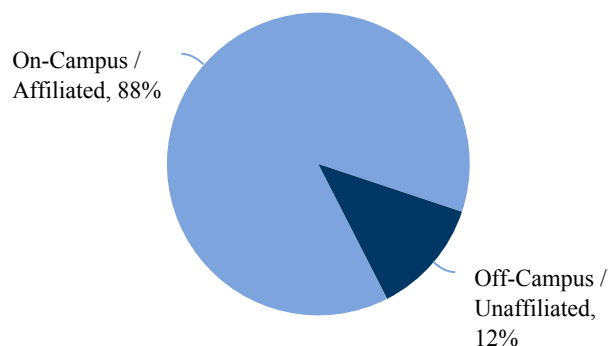
**Top Ten States
(Based of GLA)**



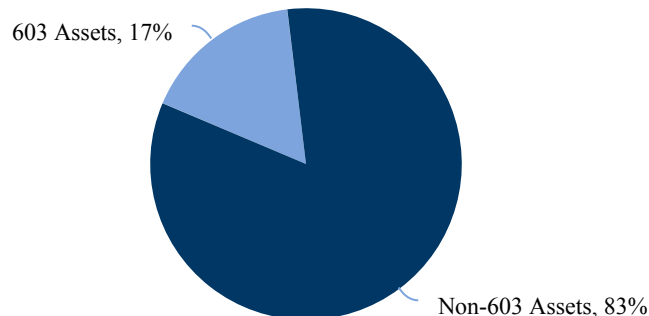
**Lease Type
(Based of Annualized Base Revenue)**



**Campus Proximity
(Based of Annualized Base Revenue)**



**Consolidated 603 Asset Mix
(Based of Annualized Base Revenue)**



**CONSOLIDATED LEASING RELATIONSHIPS AND EXPIRATION SCHEDULE***(As of December 31, 2020, \$ in thousands)***INVESTMENT GRADE TENANCY ⁽¹⁾**

Relationship	Credit Rating (Moody's / S&P)	Leased GLA	% of Leased GLA	Annualized Base Rent	% of Total Annualized Base Rent
CommonSpirit Health	Baa1/BBB+	2,774,657	20.7%	\$ 51,058	16.7%
University of Louisville	Baa1/A+	596,021	4.4%	12,151	4.0%
Ascension Health	Aa2/AA+	592,414	4.4%	14,457	4.7%
McKesson Corporation	Baa2/BBB+	367,235	2.7%	9,758	3.2%
Baylor Scott and White Health	Aa3/AA-	268,639	2.0%	7,960	2.6%
HonorHealth	A2/NA	257,506	1.9%	6,382	2.1%
Trinity Health	Aa3/AA-	213,166	1.6%	5,001	1.6%
United Healthcare	A3/A+	207,117	1.5%	6,191	2.0%
Other		2,311,942	17.3%	55,050	17.9%
Total		7,588,697	56.5%	\$ 168,008	54.8%

TOP 10 TENANTS BY ABR

Tenant	Weighted Avg. Remaining Lease Term	Leased GLA	% of Leased GLA	Annualized Base Rent	% of Total Annualized Base Rent
CommonSpirit - CHI - Nebraska	5.9	899,129	6.7%	\$ 17,229	5.6%
Northside Hospital	8.0	662,816	4.9%	14,879	4.9%
UofL Health - Louisville, Inc.	5.3	596,021	4.4%	12,151	4.0%
US Oncology	6.6	367,235	2.7%	9,758	3.2%
Baylor Scott and White Health	5.0	268,639	2.0%	7,960	2.6%
Ascension - St. Vincent's - Indianapolis	6.4	363,976	2.7%	7,736	2.5%
CommonSpirit - CHI - St. Alexius (ND)	5.6	359,209	2.7%	6,650	2.2%
HonorHealth	9.4	257,506	1.9%	6,382	2.1%
Great Falls Clinic	14.6	185,085	1.4%	5,575	1.8%
CommonSpirit - CHI - Franciscan	5.4	292,736	2.3%	5,455	1.7%
Total / Weighted Average	6.7	4,252,352	31.7%	\$ 93,775	30.6%

LEASE EXPIRATION SCHEDULE

Expiration Year	Expiring Leases	Expiring Lease GLA	% of Total GLA	Expiring Lease ABR	% of Total ABR	Average Rent per SF
2021	161	580,827	4.1%	\$ 12,555	4.1%	\$21.61
2022	110	591,137	4.2%	14,238	4.6%	24.09
2023	120	642,232	4.6%	14,922	4.9%	23.24
2024	97	822,014	5.9%	18,822	6.1%	22.90
2025	161	1,038,005	7.4%	24,993	8.2%	24.08
2026	123	3,203,579	22.9%	69,244	22.6%	21.61
2027	86	1,369,699	9.8%	29,341	9.6%	21.42
2028	75	1,358,010	9.7%	30,248	9.9%	22.27
2029	34	581,790	4.2%	15,779	5.2%	27.12
2030	49	583,171	4.2%	12,334	4.0%	21.15
Thereafter	75	2,608,111	18.5%	62,988	20.5%	24.15
MTM ⁽²⁾	36	52,375	0.4%	889	0.3%	16.97
Vacant		580,058	4.1%			
Total / W.A.	1,127	14,011,008	100.0%	\$ 306,353	100.0%	\$22.81

(1) Represents direct leases to investment grade entities and their subsidiaries. Parent rating used where direct tenant is not rated.

(2) Includes 12 leases that expired December 31, 2020, representing 0.2% of portfolio leasable square feet.

**CONSOLIDATED BALANCE SHEETS***(In thousands, except share data)*

	December 31, 2020	December 31, 2019
ASSETS		
Investment properties:		
Land and improvements	\$ 231,621	\$ 225,540
Building and improvements	3,824,796	3,700,009
Tenant improvements	73,145	53,931
Acquired lease intangibles	406,935	390,450
	<u>4,536,497</u>	<u>4,369,930</u>
Accumulated depreciation	(687,554)	(540,928)
Net real estate property	3,848,943	3,829,002
Right-of-use lease assets, net	137,180	127,933
Real estate loans receivable, net	198,800	178,240
Investments in unconsolidated entities	77,755	66,137
Net real estate investments	<u>4,262,678</u>	<u>4,201,312</u>
Cash and cash equivalents	2,515	2,355
Tenant receivables, net	4,757	7,972
Other assets	144,000	134,942
Total assets	<u>\$ 4,413,950</u>	<u>\$ 4,346,581</u>
LIABILITIES AND EQUITY		
Liabilities:		
Credit facility	\$ 412,322	\$ 583,323
Notes payable	968,653	967,789
Mortgage debt	57,875	83,341
Accounts payable	7,007	6,348
Dividends and distributions payable	52,116	46,272
Accrued expenses and other liabilities	91,929	81,238
Lease liabilities	74,116	63,290
Acquired lease intangibles, net	6,641	6,096
Total liabilities	<u>1,670,659</u>	<u>1,837,697</u>
Redeemable noncontrolling interests - Series A Preferred Units and partially owned properties	28,289	27,900
Equity:		
Common shares, \$0.01 par value, 500,000,000 common shares authorized, 209,550,592 and 189,975,396 common shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	2,096	1,900
Additional paid-in capital	3,303,231	2,931,921
Accumulated deficit	(658,171)	(529,194)
Accumulated other comprehensive (loss) income	(5,859)	4,321
Total shareholders' equity	<u>2,641,297</u>	<u>2,408,948</u>
Noncontrolling interests:		
Operating Partnership	73,302	71,697
Partially owned properties	403	339
Total noncontrolling interests	<u>73,705</u>	<u>72,036</u>
Total equity	<u>2,715,002</u>	<u>2,480,984</u>
Total liabilities and equity	<u>\$ 4,413,950</u>	<u>\$ 4,346,581</u>



CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Revenues:				
Rental revenues	\$ 79,084	\$ 79,058	\$ 314,846	\$ 303,264
Expense recoveries	27,245	24,607	103,344	101,115
Interest income on real estate loans and other	5,116	3,752	19,315	10,902
Total revenues	111,445	107,417	437,505	415,281
Expenses:				
Interest expense	13,658	16,515	57,179	65,022
General and administrative	8,198	8,341	33,763	33,099
Operating expenses	33,703	30,471	128,198	124,819
Depreciation and amortization	37,846	37,088	149,590	146,436
Impairment loss	4,872	—	4,872	—
Total expenses	98,277	92,415	373,602	369,376
Income before equity in loss of unconsolidated entities and gain on sale of investment properties, net:	13,168	15,002	63,903	45,905
Equity in loss of unconsolidated entities	(401)	(118)	(1,257)	(28)
Gain on sale of investment properties, net	5,842	27,867	5,842	31,309
Net income	18,609	42,751	68,488	77,186
Net income attributable to noncontrolling interests:				
Operating Partnership	(492)	(1,216)	(1,797)	(2,155)
Partially owned properties (1)	(133)	(138)	(574)	(548)
Net income attributable to controlling interest	17,984	41,397	66,117	74,483
Preferred distributions	(290)	(317)	(1,241)	(1,209)
Net income attributable to common shareholders	<u>\$ 17,694</u>	<u>\$ 41,080</u>	<u>\$ 64,876</u>	<u>\$ 73,274</u>
Net income per share:				
Basic	<u>\$ 0.08</u>	<u>\$ 0.22</u>	<u>\$ 0.32</u>	<u>\$ 0.39</u>
Diluted	<u>\$ 0.08</u>	<u>\$ 0.22</u>	<u>\$ 0.32</u>	<u>\$ 0.39</u>
Weighted average common shares:				
Basic	<u>208,790,315</u>	<u>188,767,069</u>	<u>204,243,768</u>	<u>185,770,251</u>
Diluted	<u>215,833,617</u>	<u>194,961,039</u>	<u>211,145,917</u>	<u>191,626,320</u>
Dividends and distributions declared per common share	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.92</u>	<u>\$ 0.92</u>

(1) Includes amounts attributable to redeemable noncontrolling interests.



REPORTING DEFINITIONS

Adjusted Earnings Before Interest Taxes, Depreciation and Amortization for Real Estate (Adjusted EBITDAre): We define Adjusted EBITDAre as EBITDAre, computed in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"), plus non-cash compensation, other non-recurring items, pursuit costs, non-cash intangible amortization, and pro forma impact of investment activity. We consider Adjusted EBITDAre an important measure because it provides additional information to allow management, investors, and our current and potential creditors to evaluate and compare our core operating results and our ability to service debt.

Annualized Base Rent (ABR): Annualized base rent is calculated by multiplying reported base rent for December 2020 by 12 (but excluding the impact of straight-line rent).

Cash Net Operating Income (NOI): Cash NOI is a non-GAAP financial measure which excludes from NOI straight-line rent adjustments, amortization of acquired above and below market leases, and other non-cash and normalizing items, including our share of all required adjustments from unconsolidated joint ventures. Other non-cash and normalizing items include items such as the amortization of lease inducements, loan reserve adjustments, payments received from seller master leases and rent abatements, and changes in fair value of contingent consideration. We believe that Cash NOI provides an accurate measure of the operating performance of our operating assets because it excludes certain items that are not associated with management of the properties. Additionally, we believe that Cash NOI is a widely accepted measure of comparative operating performance in the real estate community. Our use of the term Cash NOI may not be comparable to that of other real estate companies as such other companies may have different methodologies for computing this amount.

Coverage Ratio: Reflects the ratio of full-year EBITDAR to rent of indicated properties. Coverage ratios are calculated one quarter in arrears, beginning the first full quarter after acquisition, for all properties the company has owned for fifteen months. Management fee is standardized to 4% of revenues for LTACHs.

Earnings Before Interest Taxes, Depreciation, Amortization and Rent (EBITDAR): We define EBITDAR as net (loss) income computed in accordance with GAAP plus depreciation, amortization, interest expense and net change in the fair value of derivative financial instruments, net (loss) included from discontinued operations, stock based compensation, acquisition-related expenses and lease expense. We consider EBITDAR an important measure because it provides additional information to allow management, investors, and our current and potential creditors to evaluate and compare our tenants ability to fund their rent obligations.

Earnings Before Interest Taxes, Depreciation and Amortization for Real Estate (EBITDAre): In 2017, Nareit issued a white paper defining EBITDA for real estate as net income or loss computed in accordance with GAAP plus interest expense, income tax expense, depreciation and amortization expense, impairment, gains or losses from the sale of real estate; and the proportionate share of joint venture depreciation, amortization and other adjustments. We adopted the use of EBITDAre in the first quarter of 2018.

Funds From Operations (FFO): Funds from operations, or FFO, is a widely recognized measure of REIT performance. We believe that information regarding FFO is helpful to shareholders and potential investors because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which assumes that the value of real estate assets diminishes ratably over time. We calculate FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income or loss (computed in accordance with GAAP) before noncontrolling interests of holders of OP units, excluding preferred distributions, gains (or losses) on sales of depreciable operating property, impairment write-downs on depreciable assets, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs). Our FFO computation includes our share of required adjustments from our unconsolidated joint ventures and may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the Nareit definition or that interpret the Nareit definition differently than we do. The GAAP measure that we believe to be most directly comparable to FFO, net income, includes depreciation and amortization expenses, gains or losses on property sales, impairments, and noncontrolling interests. In computing FFO, we eliminate these items because, in our view, they are not indicative of the results from the operations of our properties. To facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income (determined in accordance with GAAP) as presented in our financial statements. FFO does not represent cash generated from operating activities in accordance with GAAP, should not be considered to be an alternative to net income or loss (determined in accordance with GAAP) as a measure of our liquidity and is not indicative of funds available for our cash needs, including our ability to make cash distributions to shareholders.

Gross Leasable Area (GLA): Gross leasable area (in square feet).

Gross Real Estate Investments: Based on acquisition price (and includes lease intangibles).

Health System: We define an entity to be a health system if each of the following criteria are met: 1) the entity provides inpatient or outpatient services in the primary course of business; 2) services are provided at more than one campus or site of care; and 3) if the entity only provides outpatient services, they must employ a minimum of 50 physicians.

Health System-Affiliated: Properties are considered affiliated with a health system if one or more of the following conditions are met: 1) the land parcel is contained within the physical boundaries of a hospital campus; 2) the land parcel is located adjacent to the campus; 3) the building is physically connected to the hospital regardless of the land ownership structure; 4) a ground lease is maintained with a health system entity; 5) a master lease is maintained with a health system entity; 6) significant square footage is leased to a health system entity; 7) the property includes an ambulatory surgery center with a hospital ownership interest; or 8) a significant square footage is leased to a physician group that is either employed, directly or indirectly by a health system, or has a significant clinical and financial affiliation with the health system.

Hospitals: Hospitals refer to specialty surgical hospitals. These hospitals provide a wide range of inpatient and outpatient services, including but not limited to, surgery and clinical laboratories.

Hospital Campus: We define a hospital campus to be the physical area immediately adjacent to a hospital institution's main buildings, including other areas and structures that are located within 250 yards of the main buildings.



REPORTING DEFINITIONS (continued)

LTACHs: Long-term acute care hospitals (LTACH) provide inpatient services for patients with complex medical conditions who require more sensitive care, monitoring or emergency support than that available in most skilled nursing facilities.

Medical Office Building (MOB): Medical office buildings are office and clinic facilities, often located near hospitals or on hospital campuses, specifically constructed and designed for use by physicians and other health care personnel to provide services to their patients. They may also include ambulatory surgery centers that are used for general or specialty surgical procedures not requiring an overnight stay in a hospital. Medical office buildings may contain sole and group physician practices and may provide laboratory and other patient services.

MOB Same-Store Cash Net Operating Income (NOI): MOB Same-Store Cash NOI is a non-GAAP financial measure which excludes from Cash NOI assets not held for the entire preceding five quarters, non-MOB assets, lease termination fees, and other normalizing items not specifically related to the same-store property portfolio. Management considers MOB Same-Store Cash NOI a supplemental measure because it allows investors, analysts, and Company management to measure unlevered property-level operating results. Our use of the term MOB Same-Store Cash NOI may not be comparable to that of other real estate companies, as such other companies may have different methodologies for computing this amount.

MOB Same-Store Portfolio: The MOB same-store portfolio consists of medical office properties held by the Company for the entire preceding five quarters.

Net Operating Income (NOI): NOI is a non-GAAP financial measure that is defined as net income or loss, computed in accordance with GAAP, generated from our total portfolio of properties and other investments before general and administrative expenses, depreciation and amortization expense, interest expense, net change in the fair value of derivative financial instruments, gain or loss on the sale of investment properties, and impairment losses, including our share of all required adjustments from our unconsolidated joint ventures. We believe that NOI provides an accurate measure of operating performance of our operating assets because NOI excludes certain items that are not associated with management of the properties. Our use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

Normalized Funds Available for Distribution (Normalized FAD): We define Normalized FAD, a non-GAAP measure, which excludes from Normalized FFO non-cash share compensation expense, straight-line rent adjustments, amortization of acquired above-market or below-market leases and assumed debt, amortization of lease inducements, amortization of deferred financing costs, recurring capital expenditures related to tenant improvements and leasing commissions, loan reserve adjustments, and cash payments from seller master leases and rent abatement payments, including our share of all required adjustments from unconsolidated joint ventures. Other REITs or real estate companies may use different methodologies for calculating Normalized FAD, and accordingly, our computation may not be comparable to those reported by other REITs. Although our computation of Normalized FAD may not be comparable to that of other REITs, we believe Normalized FAD provides a meaningful supplemental measure of our performance due to its frequency of use by analysts, investors, and other interested parties in the evaluation of our performance as a REIT. Normalized FAD should not be considered as an alternative to net income or loss attributable to controlling interest (computed in accordance with GAAP) or as an indicator of our financial performance. Normalized FAD should be reviewed in connection with other GAAP measurements.

Normalized Funds From Operations (Normalized FFO): Changes in the accounting and reporting rules under GAAP have prompted a significant increase in the amount of non-operating items included in FFO, as defined. Therefore, we use Normalized FFO, which excludes from FFO net change in fair value of derivative financial instruments, acquisition expenses, acceleration of deferred financing costs, write off contingent consideration and other normalizing items. However, our use of the term Normalized FFO may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount. Normalized FFO should not be considered as an alternative to net income or loss (computed in accordance with GAAP), as an indicator of our financial performance or of cash flow from operating activities (computed in accordance with GAAP), or as an indicator of our liquidity, nor is it indicative of funds available to fund our cash needs, including its ability to make distributions. Normalized FFO should be reviewed in connection with other GAAP measurements.

Occupancy: Occupancy represents the percentage of total gross leasable area that is leased, including month-to-month leases, leases in holdover status, and leases that are signed but not yet commenced, as of the date reported.

Off-Campus: A building portfolio that is not located on or adjacent to key hospital based-campus.

On-Campus / Affiliated: Refers to a property that is either located within a quarter mile of a hospital campus or is located more than a quarter mile from a hospital campus but is affiliated with a health system.

Section 603 Assets: For the purposes of this Supplemental Information, "603 Asset" is defined to be our estimate of Annualized Base Revenue (ABR) as a percentage of all our ABR, derived from leases to hospitals for hospital outpatient department space located in an off-campus medical office building at least 250 yards from the hospital's main campus inpatient location, and that was billing Medicare for outpatient department services provided in that off-campus location as of November 2, 2015. ABR that is "not-603" for the purposes of this Supplemental Information could and would include ABR from space leased to a hospital outpatient department services provided in leased space within the 250 yard requirement for on-campus locations or in buildings that are more than 250 yards from the hospital service provider's main campus, but the hospital did not start billing for that service in the location until after November 2, 2015.