



**SUPPLEMENTAL OPERATING
& FINANCIAL INFORMATION
SECOND QUARTER 2021**

DOC
LISTED
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/A 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/A, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, earnings press release dated August 4, 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 June 30, 2021, owned approximately 97.6% 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
	June 30, 2021
Gross real estate investments (thousands)	\$ 5,044,970
Total health care properties	275
% Leased	95.6%
Total portfolio gross leasable area (sq. ft.)	14,662,273
% of GLA on-campus / affiliated	89%
Average remaining lease term for all buildings (years)	6.6
Cash and cash equivalents (thousands)	\$ 1,518
Net consolidated debt to firm value	24.5%
Weighted average interest rate per annum on consolidated debt	3.7%
Equity market cap (thousands)	\$ 4,015,425
Quarterly dividend	\$ 0.23
Quarter end stock price	\$ 18.47
Dividend yield	4.98%
Common shares outstanding	217,402,529
OP Units outstanding and not owned by DOC	5,404,237
Dilutive restricted common shares and units	1,419,073
Consolidated firm value (thousands)	\$ 5,496,166

**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
William A. Ebinger, M.D. Trustee	Albert C. Black Nominating and Corporate Governance Committee Chair
	Richard A. Weiss Finance and Investment Committee Chair
	Pamela J. Kessler Trustee

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
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
	John W. Lucey Chief Accounting and Administrative Officer

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. Petersen - Jefferies LLC
J. Dennerlein - Bank of America Merrill Lynch	J. Sadler - Keybank Capital Markets Inc.
C. Siversky - Berenberg Capital Markets LLC	V. Malhotra - Morgan Stanley
J. Sanabria - BMO Capital Markets Corp.	J. Hughes - Raymond James Financial Inc.
M. Gorman - BTIG	M. Carroll - RBC Capital Markets LLC
D. Bernstein - Capital One Securities	A. Sweitzer - Robert W. Baird & Co.
N. Joseph - Citi	S. Manaker - Stifel
D. Toti - Colliers Securities	M. Lewis - Truist Securities
M. Ross - Compass Point	

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.



SECOND QUARTER 2021 HIGHLIGHTS

OPERATING HIGHLIGHTS

- Second quarter 2021 total revenue of \$112.9 million, an increase of 3.5% compared to the prior year period
- Second quarter 2021 rental revenue of \$80.6 million, an increase of 1.0% compared to 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 and construction loan commitments of \$55.0 million during the second quarter
- Second quarter MOB Same-Store Cash Net Operating Income (Cash NOI) growth of 2.4% year-over-year
- Declared quarterly dividend of \$0.23 per share for the second quarter
- 95.6% of portfolio square footage leased as of June 30, 2021

COMPANY ANNOUNCEMENTS

- May 13, 2021: Announced the Company's senior unsecured debt rating from Standard and Poor's Rating Services ("S&P") has been upgraded to 'BBB' with a stable outlook, from the previous rating of 'BBB-'.
- June 7, 2021: Announced the release of our 2020 Environmental, Social, and Governance (ESG) report.
- June 18, 2021: 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 June 30, 2021. The distribution was paid on July 16, 2021 to common shareholders and OP Unit holders of record as of the close of business on July 2, 2021.
- July 1, 2021: Announced the Company's senior unsecured debt rating from Moody's Investors Services ("Moody's") has been upgraded to 'Baa2' with a stable outlook, from the previous rating of 'Baa3'.

SECOND QUARTER INVESTMENT HIGHLIGHTS

- AdventHealth Wesley Chapel MOB II, Wesley Chapel, FL
- TOPA Denton, Denton, TX



TOPA Denton
Denton, TX



AdventHealth Wesley Chapel MOB II
Wesley Chapel, FL



FINANCIAL HIGHLIGHTS

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

INCOME

	Three Months Ended	
	June 30, 2021	March 31, 2021
Revenues	\$ 112,925	\$ 113,339
Net income	18,681	17,805
NOI	82,627	82,496
Annualized Adjusted EBITDA ^{re}	312,944	311,452
Net income available to common shareholders per common share	\$ 0.08	\$ 0.08
Normalized FFO	58,223	57,668
Normalized FFO per common share	\$ 0.26	\$ 0.27
Normalized FAD	55,046	54,463

CAPITALIZATION

ASSETS

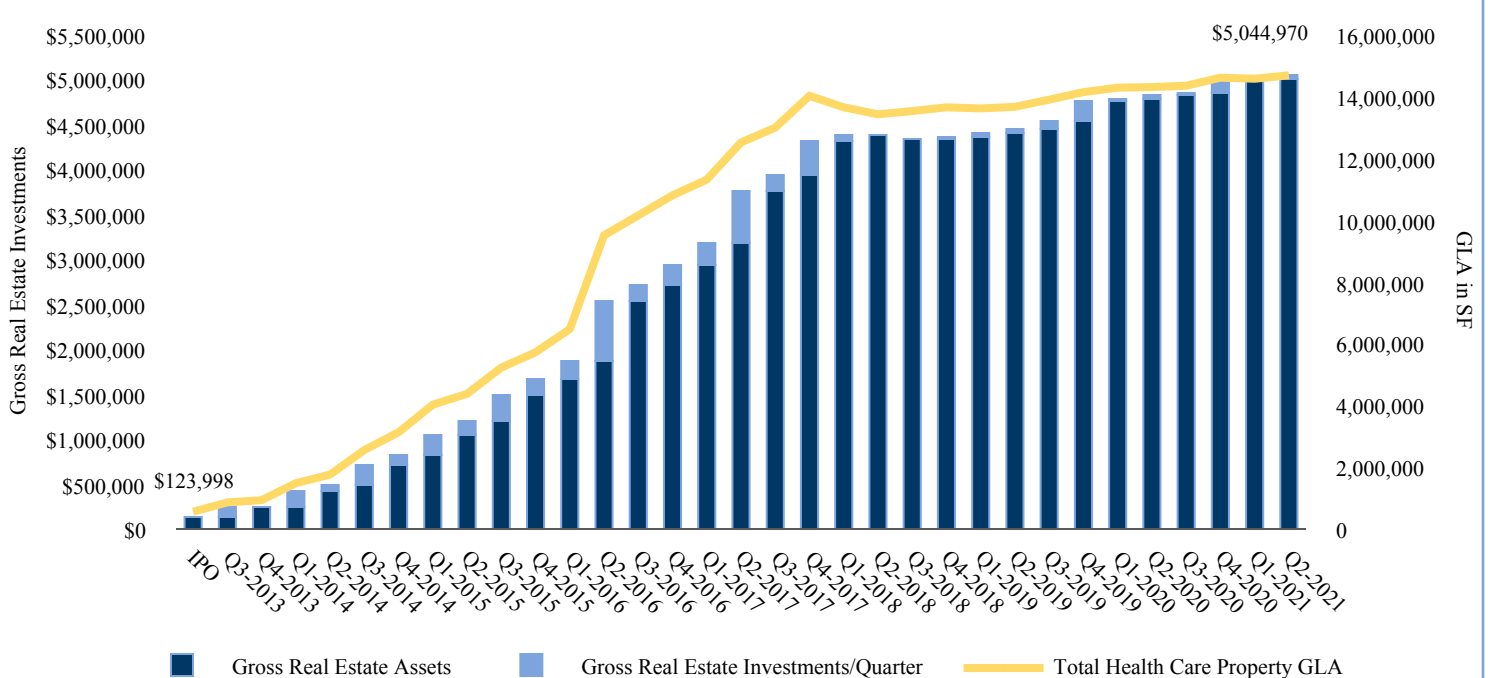
	As of	
	June 30, 2021	March 31, 2021
Gross Real Estate Investments (including gross lease intangibles)	5,044,970	5,019,592
Total Assets	4,357,667	4,370,895

DEBT AND EQUITY

Consolidated Debt ⁽¹⁾	1,347,624	1,432,076
Total Equity	2,783,163	2,735,231
Equity Market Capitalization	4,015,425	3,760,577
Consolidated Firm Value	5,496,166	5,319,355
Consolidated Debt / Total Firm Value	24.5%	26.9%

(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 June 30, 2021	Six Months Ended June 30, 2021
Net income	\$ 18,681	36,486
Net income attributable to NCI - partially owned properties	(151)	(303)
Preferred distributions	—	(13)
Depreciation and amortization expense	38,000	75,877
Depreciation and amortization expense - partially owned properties	(70)	(140)
Gain on the sale of investment properties, net	(378)	(354)
Proportionate share of unconsolidated joint venture adjustments	2,141	4,338
FFO applicable to common shares	<u>\$ 58,223</u>	<u>\$ 115,891</u>
Net change in fair value of derivative	—	—
Net change in fair value of contingent consideration	—	—
Normalized FFO applicable to common shares	<u>\$ 58,223</u>	<u>\$ 115,891</u>
Net income available to common shareholders per common share	<u>\$ 0.08</u>	<u>\$ 0.17</u>
FFO per common share	<u>\$ 0.26</u>	<u>\$ 0.53</u>
Normalized FFO per common share	<u>\$ 0.26</u>	<u>\$ 0.53</u>
Normalized FFO applicable to common shares	\$ 58,223	\$ 115,891
Non-cash share compensation expense	3,468	7,175
Straight-line rent adjustments	(2,380)	(5,105)
Amortization of acquired above/below market leases/assumed debt	860	1,724
Amortization of lease inducements	264	528
Amortization of deferred financing costs	582	1,163
TI/LC and recurring capital expenditures	(5,673)	(11,311)
Loan reserve adjustments	(84)	(131)
Proportionate share of unconsolidated joint venture adjustments	(214)	(425)
Normalized FAD applicable to common shares	<u>\$ 55,046</u>	<u>\$ 109,509</u>
Weighted average number of common shares outstanding	<u>222,660,502</u>	<u>220,053,306</u>

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

	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
NET OPERATING INCOME		
Net income	\$ 18,681	\$ 36,486
General and administrative	9,117	18,582
Depreciation and amortization expense	38,105	76,081
Interest expense	13,541	27,256
Gain on the sale of investment properties, net	(378)	(354)
Proportionate share of unconsolidated joint venture adjustments	3,561	7,072
NOI	<u>\$ 82,627</u>	<u>\$ 165,123</u>
NOI	\$ 82,627	\$ 165,123
Straight-line rent adjustments	(2,380)	(5,105)
Amortization of acquired above/below market leases	875	1,755
Amortization of lease inducements	264	528
Loan reserve adjustments	(84)	(131)
Proportionate share of unconsolidated joint venture adjustments	(145)	(316)
Cash NOI	<u>\$ 81,157</u>	<u>\$ 161,854</u>
Cash NOI	\$ 81,157	
Assets not held for all periods	(1,732)	
LTACH & Hospital Cash NOI	(4,375)	
Lease termination fees	(157)	
Interest income on real estate loans	(3,907)	
Joint ventures and other income	(3,241)	
MOB Same-Store Cash NOI	<u>\$ 67,745</u>	
EBITDAre		
Net income	\$ 18,681	
Depreciation and amortization expense	38,105	
Interest expense	13,541	
Gain on the sale of investment properties, net	(378)	
Proportionate share of unconsolidated joint venture adjustments	3,498	
EBITDAre	<u>\$ 73,447</u>	
Non-cash share compensation expense	3,468	
Pursuit costs	70	
Non-cash intangible amortization	1,126	
Pro forma adjustments for investment activity	125	
Adjusted EBITDAre	<u>\$ 78,236</u>	
Adjusted EBITDAre Annualized ⁽¹⁾	<u>\$ 312,944</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

	June 30, 2021
Unsecured credit facility debt	\$ 322,000
Unsecured notes	975,000
Mortgage debt	50,624
Consolidated Debt⁽¹⁾	1,347,624
Pro rata share of unconsolidated joint venture debt	136,396
Enterprise debt	\$ 1,484,020
Redeemable equity	\$ 7,091
Share price	\$ 18.47
Total common shares outstanding	217,402,529
Total OP Units outstanding	5,404,237
Total dilutive restricted common shares and units	1,419,073
Implied equity market capitalization	\$ 4,141,451
Consolidated Firm Value (Debt + Pref. + Equity)	\$ 5,496,166
Consolidated Debt/Gross Assets	26.3%
Consolidated Debt/Total Firm Value	24.5%

Debt is 25% of Firm Value



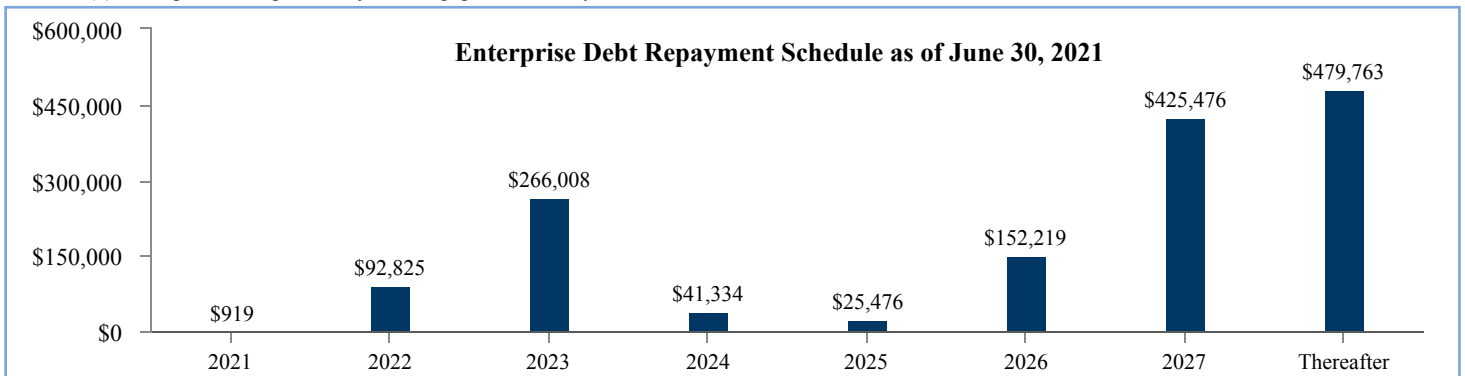
■ Debt ■ Equity

ENTERPRISE DEBT SUMMARY⁽¹⁾

	Balance as of June 30, 2021	Interest Rate	Maturity Date
Revolving Credit Facility Debt	\$ 72,000	1.0 %	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	136,396	3.7 %	Various
Mortgage Debt, Maturing:⁽²⁾			
2021	—	— %	
2022	20,280	5.0 %	
2023	—	— %	
Thereafter	30,344	4.3 %	
	\$ 1,484,020	3.7 %	

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

(2) Weighted average maturity of Mortgage Debt is 3.0 years.



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

	Quarter Ended June 30, 2021
Consolidated debt	\$ 1,347,624
Net consolidated debt (less cash)	1,346,106
Adjusted EBITDA _{re}	\$ 78,236
Less: Amounts attributable to Unconsolidated Joint Ventures	(3,498)
Consolidated Adjusted EBITDA _{re}	\$ 74,738
Consolidated Adjusted EBITDA _{re} (annualized)*	\$ 298,952
Net Consolidated Debt / Consolidated Adjusted EBITDA_{re} Ratio	4.50x
Consolidated Adjusted EBITDA _{re}	\$ 74,738
Cash interest expense	12,974
Interest Coverage Ratio	5.76x
Consolidated interest expense	\$ 13,541
Capitalized interest	115
Secured debt principal amortization	452
Total fixed charges	\$ 14,108
Consolidated Adjusted EBITDA _{re}	74,738
Consolidated Adjusted EBITDA_{re} / Fixed Charge Coverage Ratio	5.30x
Implied equity market cap	\$ 4,141,451
Redeemable equity	7,091
Consolidated debt	1,347,624
Consolidated Firm Value	\$ 5,496,166
Net consolidated debt (less cash)	\$ 1,346,106
Gross assets	5,116,830
Net Consolidated Debt / Gross Assets	26.3 %
Net Consolidated Debt / Consolidated Firm Value	24.5 %
Weighted average common shares	215,837,520
Weighted average OP Units not owned by DOC	5,403,909
Dilutive effect of unvested restricted common shares and share units	1,419,073
Weighted Average Common Shares and OP Units - Diluted	222,660,502

ENTERPRISE LEVERAGE STATISTICS

	Quarter Ended June 30, 2021
Enterprise debt	\$ 1,484,020
Net enterprise debt (less cash)	1,482,502
Adjusted EBITDA _{re} (annualized)*	312,944
Net Enterprise Debt / Adjusted EBITDA_{re} Ratio	4.74x

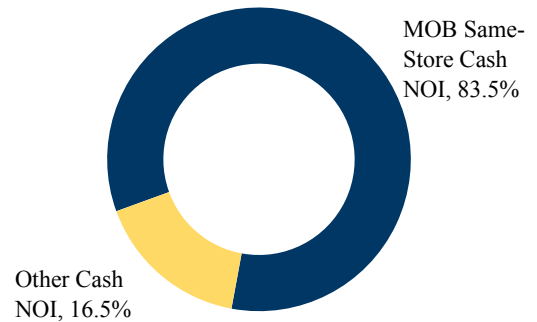
COVENANT PERFORMANCE

	Required	June 30, 2021
Total Leverage Ratio	≤ 60.0%	28.3%
Total Secured Leverage Ratio	≤ 40.0%	1.1%
Maintenance of Unencumbered Assets	≥ 1.5x	3.6x
Consolidated Debt Service (Trailing Four Quarters)	≥ 1.5x	5.1x

* 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 June 30, 2021	MOB Same-Store Quarter Ended June 30, 2021
Number of health care properties	275	248
Gross leasable area	14,662,273	13,115,438
Cash NOI	\$ 81,157	\$ 67,745
% Leased	95.6 %	95.4 %

**MOB SAME-STORE PORTFOLIO PERFORMANCE**

	Year-Over-Year Comparison			Sequential Comparison		
	Q2'21	Q2'20	Change	Q2'21	Q1'21	Change
Number of MOBs	248	248	—	248	248	—
Gross leasable area	13,115,438	13,115,438	—	13,115,438	13,115,438	—
% Leased	95.4 %	95.4 %	— bps	95.4 %	95.4 %	— bps
Rental revenues	\$ 99,593	\$ 96,177	+3.6 %	\$ 99,593	\$ 100,133	(0.5) %
Operating expenses	(31,848)	(29,993)	+6.2 %	(31,848)	(32,593)	(2.3) %
MOB Same-Store Cash NOI	\$ 67,745	\$ 66,184	+2.4 %	\$ 67,745	\$ 67,540	+0.3 %
Cash NOI	\$ 81,157	\$ 78,106		\$ 81,157	\$ 80,697	
Cash NOI from:						
Assets not held for all periods	(1,732)	(561)		(1,732)	(1,444)	
Repositioning assets	—	—		—	—	
LTACH & Hospital Cash NOI	(4,375)	(5,497)		(4,375)	(4,336)	
Lease termination fees	(157)	(235)		(157)	—	
Interest income on real estate loans	(3,907)	(3,061)		(3,907)	(4,107)	
Joint ventures and other income	(3,241)	(2,568)		(3,241)	(3,270)	
MOB Same-Store Cash NOI	\$ 67,745	\$ 66,184		\$ 67,745	\$ 67,540	

PORTFOLIO OCCUPANCY

	Quarter Ended June 30, 2021	Percentage of Total GLA June 30, 2021
Total GLA		
Total square feet beginning of quarter	14,550,809	99.2 %
Acquired GLA ⁽¹⁾	131,264	0.9 %
Disposed GLA	(19,800)	(0.1)%
Total square feet end of quarter	14,662,273	100.0 %
Leased GLA		
Leased GLA beginning of quarter	13,938,101	95.1 %
Expirations	(415,061)	(2.8)%
Renewals	361,175	2.5 %
Retention Rate	87 %	
New leases commencing in quarter	44,819	0.3 %
Net absorption	(9,067)	(0.1)%
Net leased GLA acquired / (disposed)	95,121	0.6 %
Leased GLA end of quarter	14,024,155	95.6 %

(1) Includes remeasurements of existing properties totaling 1,504 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
Atlanta Medical Condominium Investment	(1) Atlanta, GA	4/7/2021	N/A	—%	\$ 943	3,260
AdventHealth Wesley Chapel MOB II	Wesley Chapel, FL	4/21/2021	5.4%	88%	35,251	96,768
Mezzanine Loan - Brooklyn Park	Brooklyn Park, MN	5/6/2021	8.0%	—	1,850	—
TOPA Denton	(2) Denton, TX	6/11/2021	6.0%	100%	15,500	29,732
Construction Loan Draws	Fort Worth, TX	Various	6.0%	—	1,426	—
Total / Weighted Average			5.7%	90.0%	\$ 54,970	129,760

(1) With this acquisition, the units purchased by the Company represent 28% of the larger building square feet and are 83% occupied. This property is 105,000 square feet and consists of additional condominium units the Company intends to pursue in the near future.

(2) The Company funded this investment through the conversion and satisfaction of a previously outstanding construction loan of \$15.5 million.

QUARTERLY DISPOSITIONS

Property	Location	Date	Proceeds	GLA
Brookstone Physician Center	Jacksonville, AL	6/7/2021	\$ 2,600	19,800
Vacant El Paso Land (three parcels)	El Paso, TX	6/10/2021	1,206	—
Total			\$ 3,806	19,800

CONSTRUCTION LOAN SUMMARY

Construction Loan	Location	Estimated Date of Completion	Interest Rate	Quarterly Fundings	Amount Drawn to Date	Total Commitment	Purchase Option Cap Rate
TOPA Hillwood	Fort Worth, TX	2Q 2022	6.0%	1,426	3,983	10,500	6.2%



Woodlands Medical Arts Center
The Woodlands, TX



St. Vincent Carmel Women's Clinic
Carmel, IN



PORTFOLIO DIVERSIFICATION

(As of June 30, 2021, \$ in thousands)

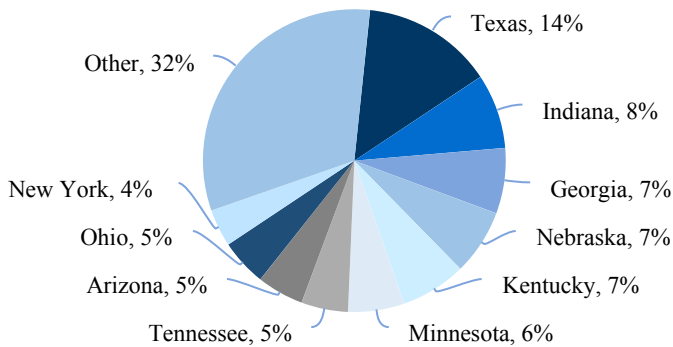
	# of Properties	GLA	% of Total	% of Q2 Cash NOI	% Leased	Coverage Ratio
Single-tenant MOBs	124	5,323,174	36.3%	38.5%	99.7%	N/A
Multi-tenant MOBs	131	8,133,254	55.5%	52.0%	92.9%	N/A
Specialty Hospitals	5	313,959	2.1%	4.1%	100.0%	6.2x ⁽¹⁾
LTACHs	3	310,352	2.1%	1.6%	100.0%	2.6x
Consolidated Total	263	14,080,739	96.0%	96.2%	95.8%	
Pro Rata Unconsolidated Joint Venture Assets	12	581,534	4.0%	3.8%	92.6%	N/A
Portfolio Total	275	14,662,273	100.0%	100.0%	95.6%	

(1) Excludes the Company's El Paso Specialty Hospital.

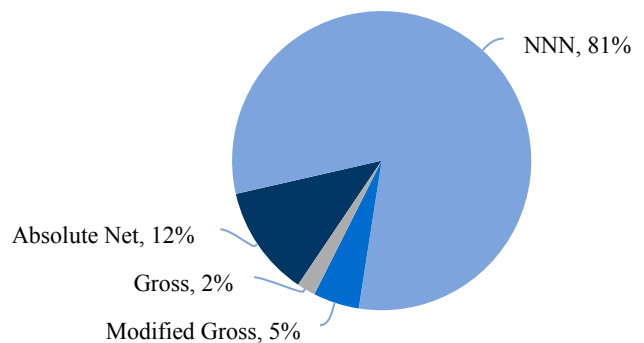
UNCONSOLIDATED JOINT VENTURE SUMMARY

Joint Venture	% Ownership	# of Properties	GLA	Q2 Cash NOI	% Leased
PMAK Joint Venture	12.3%	60	2,923,589	\$ 14,052	90.2%
Davis Joint Venture	49.0%	8	309,777	1,683	98.4%
MedCore Realty Eden Hill, LLC	49.0%	1	140,205	800	92.1%
DOC's Pro Rata Share	17.2%	12	581,534	\$ 2,949	92.6%

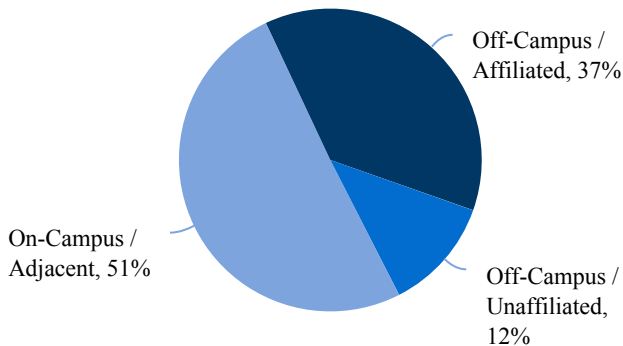
**Top Ten States
(Based on GLA)**



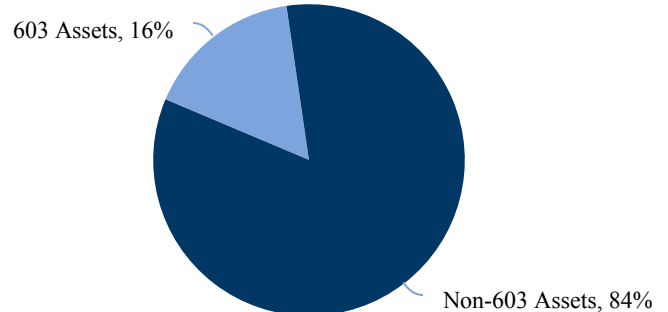
**Lease Type
(Based on Annualized Base Revenue)**



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



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



**CONSOLIDATED LEASING RELATIONSHIPS AND EXPIRATION SCHEDULE***(As of June 30, 2021, \$ 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+	2,776,384	20.6%	\$ 51,959	16.6%
Ascension Health Alliance	Aa2/AA+	612,675	4.5%	15,250	4.9%
University of Louisville	Baa1/A+	598,560	4.4%	12,526	4.0%
McKesson Corporation	Baa2/BBB+	396,967	2.9%	10,940	3.5%
Baylor Scott and White Health	Aa3/AA-	268,639	2.0%	8,156	2.6%
HonorHealth	A2/NA	257,506	1.9%	6,485	2.1%
UnitedHealth Group Incorporated	A3/A+	226,004	1.7%	6,769	2.2%
Trinity Health Credit Group	Aa3/AA-	176,649	1.3%	4,328	1.4%
Fairview Health Services	A3/A+	157,730	1.2%	4,258	1.4%
University of Pittsburg Medical Center	A2/A	149,492	1.1%	3,196	1.0%
Other		2,166,474	16.1%	51,537	16.5%
Total		7,787,080	57.7%	\$ 175,404	56.2%

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	5.4	898,975	6.7%	\$ 17,591	5.6%
Northside Hospital	9.4	662,816	4.9%	15,175	4.9%
UofL Health - Louisville, Inc.	5.1	598,560	4.4%	12,526	4.0%
US Oncology	6.3	396,967	2.9%	10,940	3.5%
Baylor Scott and White Health	4.5	268,639	2.0%	8,156	2.6%
Ascension - St. Vincent's - Indianapolis	5.9	366,096	2.7%	7,877	2.5%
CommonSpirit - CHI - St. Alexius (ND)	5.1	359,209	2.7%	6,816	2.2%
HonorHealth	8.9	257,506	1.9%	6,485	2.1%
Great Falls Clinic	14.1	185,085	1.4%	5,607	1.8%
CommonSpirit - CHI - Franciscan	4.9	292,736	2.2%	5,588	1.8%
Total / Weighted Average	6.6	4,286,589	31.8%	\$ 96,761	31.0%

LEASE EXPIRATION SCHEDULE

Expiration Year	Expiring Leases	Expiring Lease GLA	% of Total GLA	Expiring Lease ABR	% of Total ABR	Average Rent per SF
2021	91	275,425	2.0%	\$ 6,346	2.0%	\$23.04
2022	112	576,013	4.1%	14,000	4.5%	24.30
2023	122	656,340	4.7%	15,253	4.9%	23.24
2024	104	825,068	5.9%	19,083	6.1%	23.13
2025	135	869,188	6.2%	21,492	6.9%	24.73
2026	125	3,237,792	23.0%	71,349	22.9%	22.04
2027	94	1,420,793	10.1%	30,889	9.9%	21.74
2028	81	1,389,062	9.9%	31,333	10.0%	22.56
2029	37	588,895	4.2%	15,685	5.0%	26.64
2030	50	612,903	4.4%	13,533	4.3%	22.08
Thereafter	127	2,974,108	20.9%	72,161	23.2%	24.26
MTM	37	60,231	0.4%	948	0.3%	15.73
Vacant		594,921	4.2%			
Total / W.A.	1,115	14,080,739	100.0%	\$ 312,072	100.0%	\$23.14

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

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

	June 30, 2021	December 31, 2020
	(unaudited)	
ASSETS		
Investment properties:		
Land and improvements	\$ 233,073	\$ 231,621
Building and improvements	3,873,370	3,824,796
Tenant improvements	78,423	73,145
Acquired lease intangibles	409,156	406,935
	<u>4,594,022</u>	<u>4,536,497</u>
Accumulated depreciation	(759,163)	(687,554)
Net real estate property	3,834,859	3,848,943
Right-of-use lease assets, net	140,860	137,180
Real estate loans receivable, net	176,819	198,800
Investments in unconsolidated entities	73,406	77,755
Net real estate investments	4,225,944	4,262,678
Cash and cash equivalents	1,518	2,515
Tenant receivables, net	4,846	4,757
Other assets	125,359	144,000
Total assets	<u>\$ 4,357,667</u>	<u>\$ 4,413,950</u>
LIABILITIES AND EQUITY		
Liabilities:		
Credit facility	\$ 319,331	\$ 412,322
Notes payable	969,087	968,653
Mortgage debt	50,498	57,875
Accounts payable	5,424	7,007
Dividends and distributions payable	53,852	52,116
Accrued expenses and other liabilities	84,605	91,929
Lease liabilities	78,615	74,116
Acquired lease intangibles, net	6,001	6,641
Total liabilities	<u>1,567,413</u>	<u>1,670,659</u>
Redeemable noncontrolling interests - Series A Preferred Units (2020) and partially owned properties	7,091	28,289
Equity:		
Common shares, \$0.01 par value, 500,000,000 common shares authorized, 217,402,529 and 209,550,592 common shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	2,174	2,096
Additional paid-in capital	3,440,314	3,303,231
Accumulated deficit	(722,587)	(658,171)
Accumulated other comprehensive loss	(4,519)	(5,859)
Total shareholders' equity	<u>2,715,382</u>	<u>2,641,297</u>
Noncontrolling interests:		
Operating Partnership	67,349	73,302
Partially owned properties	432	403
Total noncontrolling interests	<u>67,781</u>	<u>73,705</u>
Total equity	<u>2,783,163</u>	<u>2,715,002</u>
Total liabilities and equity	<u>\$ 4,357,667</u>	<u>\$ 4,413,950</u>

**CONSOLIDATED STATEMENTS OF INCOME***(Unaudited and in thousands, except share and per share data)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Rental revenues	\$ 80,572	\$ 79,801	\$ 160,967	\$ 157,671
Expense recoveries	27,176	24,952	54,736	49,828
Interest income on real estate loans and other	5,177	4,313	10,561	8,995
Total revenues	112,925	109,066	226,264	216,494
Expenses:				
Interest expense	13,541	14,197	27,256	29,823
General and administrative	9,117	8,242	18,582	17,219
Operating expenses	33,456	31,029	67,390	61,992
Depreciation and amortization	38,105	37,045	76,081	73,792
Total expenses	94,219	90,513	189,309	182,826
Income before equity in loss of unconsolidated entities and gain on sale of investment properties, net:	18,706	18,553	36,955	33,668
Equity in loss of unconsolidated entities	(403)	(109)	(823)	(264)
Gain on sale of investment properties, net	378	—	354	—
Net income	18,681	18,444	36,486	33,404
Net income attributable to noncontrolling interests:				
Operating Partnership	(417)	(476)	(876)	(880)
Partially owned properties (1)	(151)	(148)	(303)	(290)
Net income attributable to controlling interest	18,113	17,820	35,307	32,234
Preferred distributions	—	(317)	(13)	(634)
Net income attributable to common shareholders	\$ 18,113	\$ 17,503	\$ 35,294	\$ 31,600
Net income per share:				
Basic	\$ 0.08	\$ 0.09	\$ 0.17	\$ 0.16
Diluted	\$ 0.08	\$ 0.09	\$ 0.16	\$ 0.16
Weighted average common shares:				
Basic	215,837,520	203,692,604	213,198,272	199,952,166
Diluted	222,660,502	210,405,776	220,053,306	206,699,177
Dividends and distributions declared per common share	\$ 0.23	\$ 0.23	\$ 0.46	\$ 0.46

(1) Includes amounts attributable to redeemable noncontrolling interests.



REPORTING DEFINITIONS

Adjusted Earnings Before Interest Taxes, Depreciation and Amortization for Real Estate (Adjusted EBITDA_{re}): We define Adjusted EBITDA_{re} as EBITDA_{re}, 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 EBITDA_{re} 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 June 2021 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 (EBITDA_{re}): 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 EBITDA_{re} 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, and loan reserve adjustments, including our share of all required adjustments from unconsolidated joint ventures. We also adjust for recurring capital expenditures related to tenant improvements and leasing commissions, and cash payments from seller master leases and rent abatement payments, including our share of all required adjustments for 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, acceleration of deferred financing costs, net change in fair value of 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-campuses.

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.