



PHYSICIANS REALTY TRUST

*Invest in better.*

**Company Update**

October 2021

This document may contain “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern and are based upon, among other things, the possible expansion of the company’s portfolio; the sale of properties; the performance of its operators/tenants and properties; its ability to enter into agreements with new viable tenants for vacant space or for properties that the company takes back from financially troubled tenants, if any; its occupancy rates; its ability to acquire, develop and/or manage properties; the ability to successfully manage the risks associated with international expansion and operations; its ability to make distributions to shareholders; its policies and plans regarding investments, financings and other matters; its tax status as a real estate investment trust; its critical accounting policies; its ability to appropriately balance the use of debt and equity; its ability to access capital markets or other sources of funds; its ability to meet its earnings guidance; and its ability to finance and complete, and the effect of, future acquisitions. When the company uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate” or similar expressions, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The company’s expected results may not be achieved, and actual results may differ materially from expectations. This may be a result of various factors, including, but not limited to: the unknown duration and economic, operational, and financial impacts of the global outbreak of the COVID-19 pandemic and variants, including the Delta variant and any future variants which may emerge, and the actions taken by governmental authorities in connection with the pandemic on the company’s business; material differences between actual results and the assumptions, projections and estimates of occupancy rates, rental rates, operating expenses and required capital expenditures; the status of the economy; the status of capital markets, including the availability and cost of capital; issues facing the healthcare industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the healthcare, seniors housing and life science industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; the company’s ability to complete, successfully integrate, operate, or manage the pending acquisitions described in this document; the company’s ability to transition or sell facilities with profitable results; the failure to make new investments as and when anticipated; acts of God affecting the company’s properties, including extreme weather; the company’s ability to re-lease space at similar rates as vacancies occur; the failure of closings to occur as and when anticipated, including the receipt of third-party approvals and healthcare licenses without unexpected delays or conditions; the company’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; regulatory approval and market acceptance of the products and technologies of life science tenants; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future acquisitions and the integration of multi-property acquisitions; environmental laws affecting the company’s properties; changes in rules or practices governing the company’s financial reporting; the movement of U.S. and foreign currency exchange rates; and legal and operational matters, including real estate investment trust qualification and key management personnel recruitment and retention. Finally, the company assumes no obligation to update or revise any forward-looking statements or to update the reasons why actual results could differ from those projected in any forward-looking statements.

The presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of DOC, or an inducement to enter into investment activity in the United States or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.



# The DOC Investment Thesis

## ***Who We Are***

DOC is a self-managed healthcare REIT focused on the selective acquisition and management of high-quality medical office facilities leased to leading health systems

## ***Experienced Management Team***

Management's long-standing health system relationships provide a strategic advantage in any MOB market

## ***Unmatched Focus on Tenant Credit***

Dedicated credit department provides for robust monitoring of portfolio financial health, with systematic recurring financial statement review of 198 of the Portfolio's Top 200 tenants by GLA

## ***A Portfolio for the Future of Healthcare***

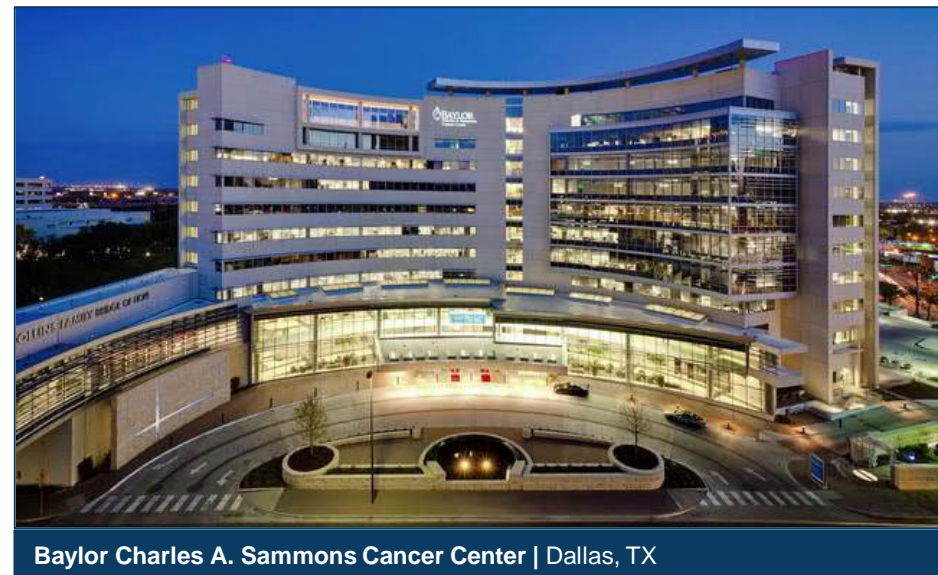
DOC's portfolio is balanced between on- and off-campus outpatient facilities leased to leading healthcare systems that will continue to benefit as procedures move to more efficient sites of care

## ***Proven Cash Flow Growth***

Long-term leases with top quality tenants and careful CapEx management have enabled DOC to achieve historical cash flow growth that outpaces its peers

## **\$5.0bn Healthcare Real Estate Portfolio**

- 275 Assets
- 53,300 sf Average Asset Size
- 96% Leased
- 94% of Cash NOI from MOBs
- 89% Health System Affiliated (GLA)
- 63% Investment Grade Tenancy<sup>(1)</sup>



All values as of June 30, 2021 unless otherwise noted.

(1) Consolidated assets only, by GLA. Includes parent ratings where appropriate plus tenancy attributable to Northside Hospital (*non-rated entity due to no outstanding public debt*).



# Management Team



**John Thomas**  
*President and Chief  
Executive Officer, Trustee*

- Former EVP- Medical Facilities Group for Health Care REIT, Inc. (NYSE: WELL); \$5.8 billion portfolio
- Former SVP and General Counsel for Baylor Healthcare System from 2000 to 2005



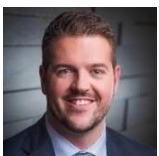
**Jeff Theiler**  
*EVP – Chief Financial  
Officer*

- Former lead Health Care and Lab Space Equity Research Analyst at Green Street Advisors
- Former real estate investment banker at Lehman Brothers and Bank of America



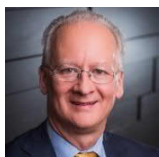
**Deeni Taylor**  
*EVP – Chief Investment  
Officer*

- Former EVP of Duke Realty from 2006 to 2015
- Former EVP and Chief Strategy Officer for St. Vincent Health



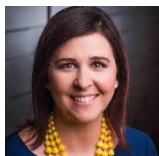
**Mark Theine**  
*EVP – Asset & Investment  
Management*

- Former co-manager of Ziegler Healthcare Real Estate portfolio from 2005 to 2013

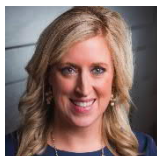


**John Lucey**  
*Chief Accounting &  
Administrative Officer*

- Former Director of Financial Reporting with Assisted Living Concepts, Inc. (NYSE: ALC)
- Former Manager of Financial Reporting and Division Controller for enterprises including Case New Holland, Monster Worldwide, Inc., Alterra Healthcare Corporation (now Brookdale Living Communities, NYSE: BKD)



**Laurie Becker**  
*SVP – Controller*



**Amy Hall**  
*SVP – Leasing &  
Physician Strategy*



**Daniel Klein**  
*SVP – Deputy Chief  
Investment Officer*



**Bradley Page, Esq.**  
*SVP – General  
Counsel*



# A Portfolio for the Future of Healthcare

DOC  
LISTED  
NYSE

The DOC Portfolio has been built with an unmatched emphasis on **investment grade tenants** occupying assets best positioned to capitalize on healthcare's continuing transition **to outpatient sites of care**

## % Portfolio Located Off-Campus<sup>(1)</sup>



46%



33%



14%

## % Investment Grade Tenancy



63%



49%

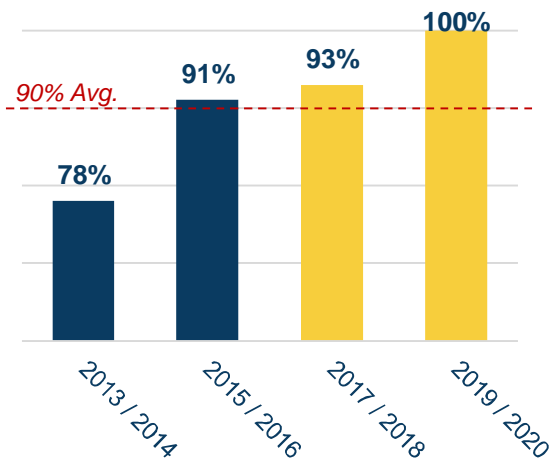


47%

## Acquisition Activity Focus<sup>(2)</sup>

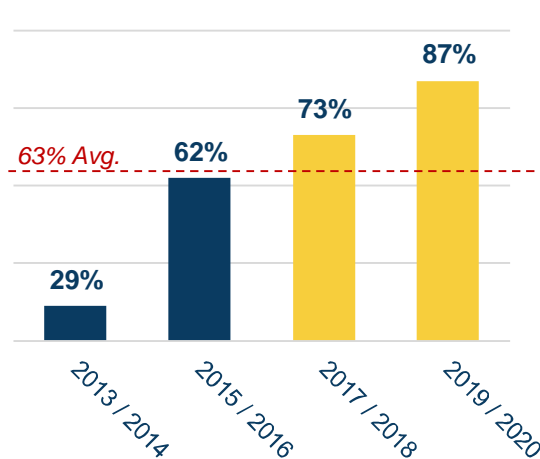
### Leading Tenants

#### % Health-System Affiliated (Asset GLA)



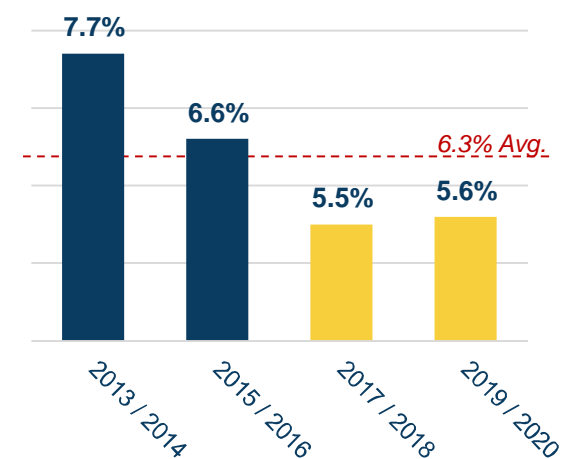
### Stronger Credit

#### % Investment Grade Tenancy (GLA)



### Day-One Accretion

#### Acquisition Cap Rate



Note: Figures exclude unconsolidated JV assets.

(1) By GLA. On-Campus includes 'Adjacent' assets (within 0.25 miles).

(2) Statistics by year acquired for the Company's consolidated properties as of December 31, 2020.

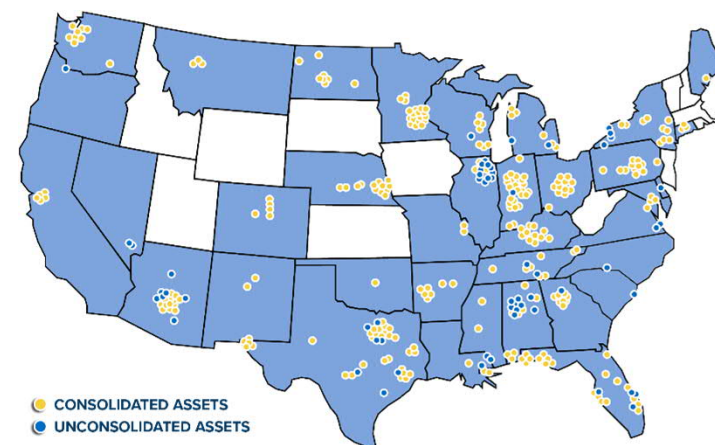


# Diversified Portfolio

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NYSE

Top Ten MSAs <sup>(1)</sup>	MSA Rank	% GLA	% ABR	Internal Management Presence
1 Atlanta / Sandy Springs / Roswell, GA	9	7.6%	8.3%	
2 Dallas / Fort Worth / Arlington, TX	4	7.1%	8.5%	✓
3 Louisville / Jefferson County, KY / IN	46	5.3%	4.6%	✓
4 Phoenix / Mesa / Scottsdale, AZ	10	5.2%	5.3%	✓
5 Minneapolis / St. Paul / Bloomington, MN / WI	16	5.1%	5.2%	
6 Indianapolis / Carmel / Anderson, IN	33	4.8%	4.3%	
7 Omaha / Council Bluffs, NE / IA	57	4.2%	4.0%	✓
8 Columbus, OH	32	4.0%	3.5%	✓
9 Seattle / Tacoma / Bellevue, WA	15	2.7%	2.4%	✓
10 Houston / The Woodlands / Sugar Land, TX	5	2.4%	2.5%	✓

Top Ten Tenants <sup>(1)</sup>	Primary State	Credit Rating <sup>(2)</sup> (Moody's / S&P / Fitch)	% ABR
1 CommonSpirit - CHI - Nebraska	NE	Baa1 / BBB+ / BBB+	5.6%
2 Northside Hospital	GA	Not Rated <sup>(3)</sup>	4.9%
3 University of Louisville Health	KY	Baa1 / A+ / NR	4.0%
4 US Oncology, Inc.	TX	Baa2 / BBB+ / BBB+	3.5%
5 Baylor Scott and White	TX	Aa3 / AA- / NR	2.6%
6 Ascension - St. Vincent's	IN	Aa2 / AA+ / AA+	2.5%
7 CommonSpirit - CHI - St. Alexius	ND	Baa1 / BBB+ / BBB+	2.2%
8 HonorHealth	AZ	A2 / NR / A+	2.1%
9 Great Falls Clinic (Surgery Partners)	MT	Caa1 / B- / NR	1.8%
10 CommonSpirit - CHI - Franciscan	WA	Baa1 / BBB+ / BBB+	1.8%



DOC's consolidated portfolio is diversified across 31 states, with no MSA representing over 8% of leasable square footage or tenant responsible for more than 6% of annual base rent



(1) Figures as of June 30, 2021, excluding unconsolidated JV assets.

(2) Parent rating used where appropriate.

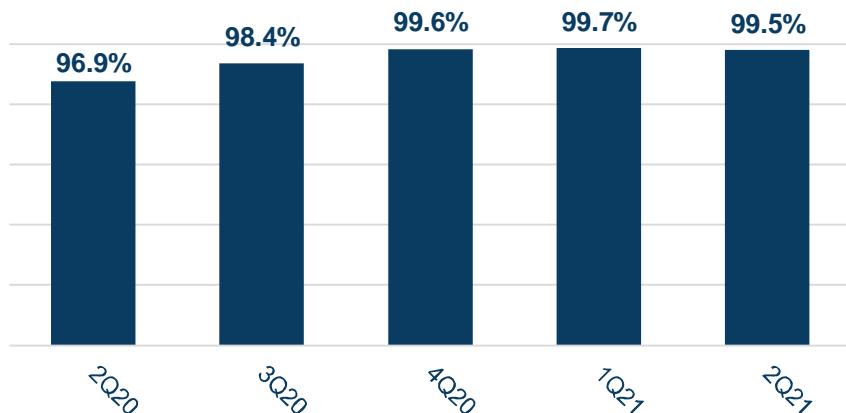
(3) Northside Hospital carries no public debt, but carries a shadow rating of 'A-' per DOC's 5 Credit Model.



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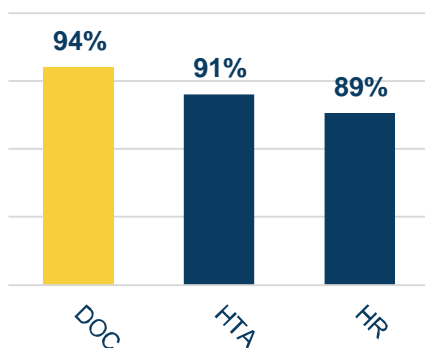
# Leading Pandemic Performance

## Quarterly In-Period Collections

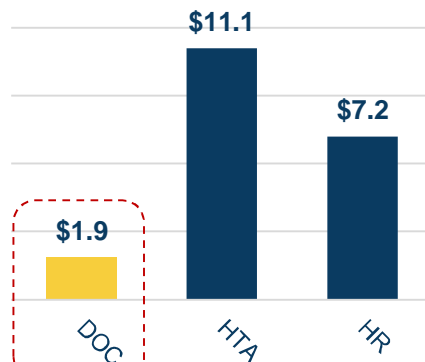


## Comparison to Peers<sup>(1)</sup>

### April 2020 Collections



### 2020 Deferrals (in \$mm)



*The resiliency of the DOC Portfolio has been proven during the COVID Pandemic, with collection outcomes that led the MOB Peer group*

### Deferrals as % of 2020 Cash NOI<sup>(2)</sup>



0.6%

2.2%

2.4%

### DOC Pandemic Deferral Details

- **Deferral Count:** One Tenant / \$1.9mm
- **Current Balance:** Fully repaid
- **Background:**
  - During the COVID Pandemic, a health system JV tenant was ineligible for PPP Relief due to their organizational structure
  - The deferred rent agreement called for repayment in six monthly installments of \$314k beginning Jan '21 (each fully paid on time)
  - The tenant has fully paid all contractual billings since execution of the Deferral Agreement in Sept '20

(1) Figures sourced from company filings.

(2) Cash NOI is a non-GAAP measure. Refer to slide 15 for a reconciliation of Net Income to Cash NOI.



# Portfolio vs Competitors

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	Physicians Realty Trust	Healthcare Realty <sup>(1)</sup>	Healthcare Trust of America <sup>(1)</sup>
Period	2Q'21	2Q'21	2Q'21
Credit Rating (Moody's / S&P / Fitch)	Baa2 / BBB / BBB	Baa2 / BBB / BBB+	Baa2 / BBB / NR
Enterprise Leverage (Enterprise Debt / Adjusted EBITDAre) <sup>(2)</sup>	4.7x	5.1x	6.0x
Investment Grade Tenancy <sup>(3)</sup> (% Leased GLA, incl. Northside)	63%	47%	49%
Total Assets	275	236	461
Weighted Lease Term Remaining	6.6 years	4.0 years	5.5 years
Portfolio GLA	14.7mm	16.9mm	25.3mm
Leased GLA	14.0mm	14.7mm	22.6mm
Portfolio % Leased	96%	87%	89%
Portfolio % Net Lease <sup>(4)</sup>	93%	62%	67%

(1) Figures sourced from company filings.

(2) Adjusted EBITDAre is a non-GAAP measure. Refer to slide 16 for a reconciliation of Net Income to Adjusted EBITDAre.

(3) HTA Investment Grade tenancy disclosed as a % of ABR. Parent rating used where appropriate.

(4) DOC and HTA presented as a % of ABR. HR Net Lease share disclosed as a % of GLA.



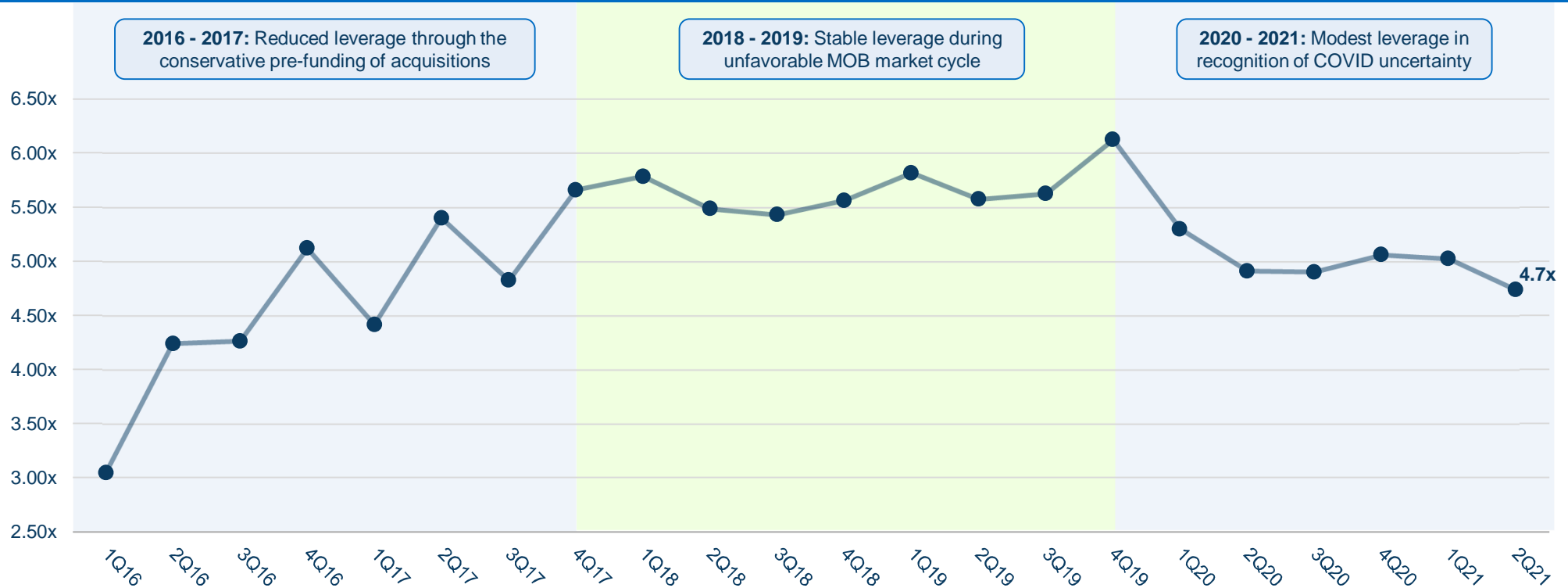
# Historical Leverage Profile

*DOC's outsized external growth has been funded with a responsible mix of debt and equity*

## Recent ATM Issuance

<b>\$239mm</b> @ \$19.57	<b>\$99mm</b> @ \$18.07	<b>\$1mm</b> @ \$18.52	<b>\$24mm</b> @ \$18.44	<b>\$52mm</b> @ \$18.32	<b>\$83mm</b> @ \$18.39
1Q20	2Q20	3Q20	4Q20	1Q21	2Q21

## DOC Historical Run-Rate Leverage<sup>(1)</sup>



(1) "Run-Rate Leverage" represents Enterprise Leverage, adjusted for non-recurring activity and pro-forma investment income.



# Strong Liquidity with Access to Capital

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**'Baa2' / 'BBB' / 'BBB'**

Moody's / S&P / Fitch  
Investment Grade Ratings

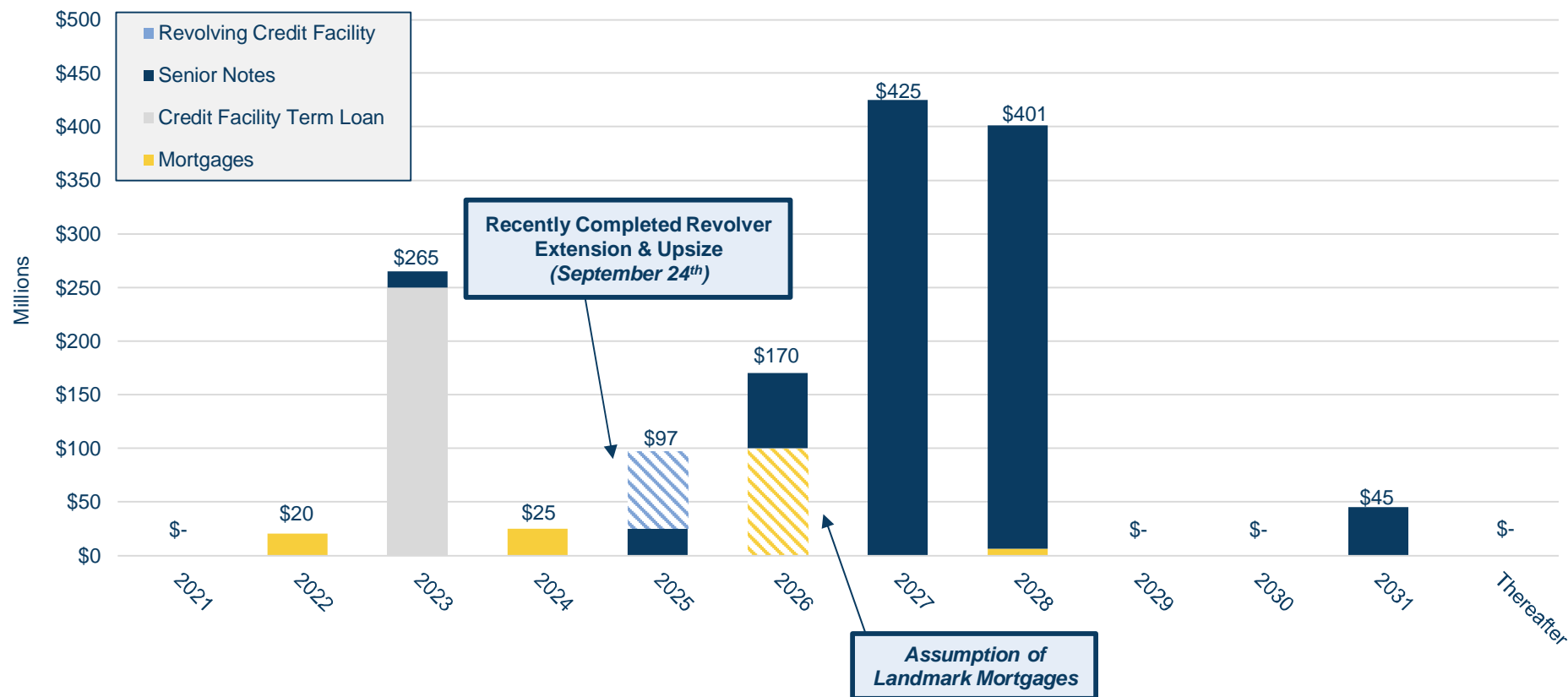
**\$1.0bn**

Capacity of Revolving  
Credit Facility<sup>(1)</sup>

**4.7x**

2Q21 Enterprise Net Debt  
to Adjusted EBITDA<sup>(2)</sup>

## Debt Maturity Schedule<sup>(1)</sup> (As of June 30, 2021)



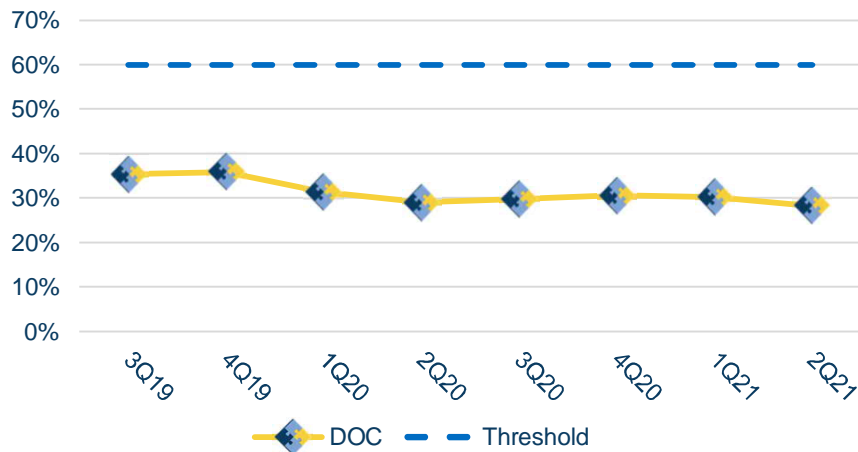
- (1) Adjusted to give effect to (a) the purchase of the Landmark Portfolio and (b) the completed extension and upsize of the Company's revolving credit facility. Landmark Mortgages Assumed are expected to mature in 2026.
- (2) Adjusted EBITDAre is a non-GAAP measure. Refer to slide 16 for a reconciliation of Net Income to Adjusted EBITDAre.



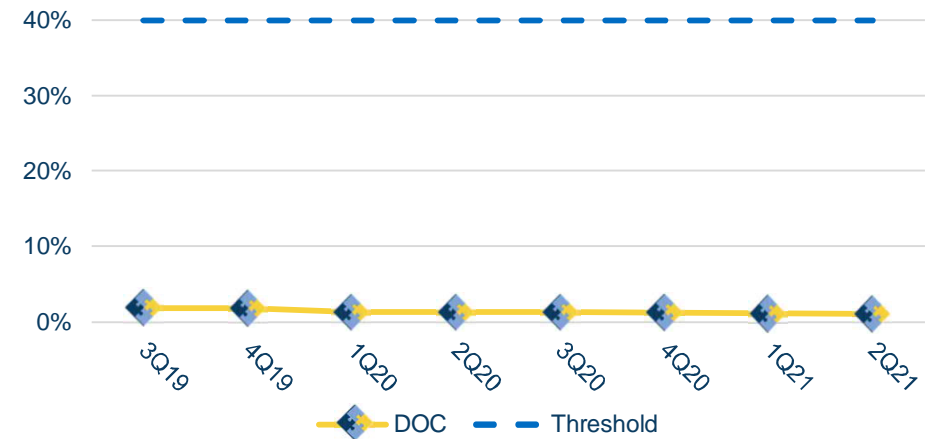
# Public Note Covenant Compliance

*DOC remains disciplined in its use of leverage*

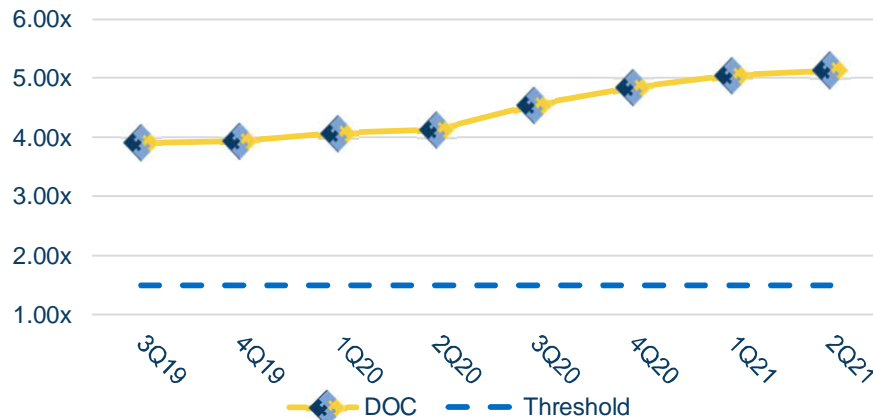
## Consolidated Leverage Ratio



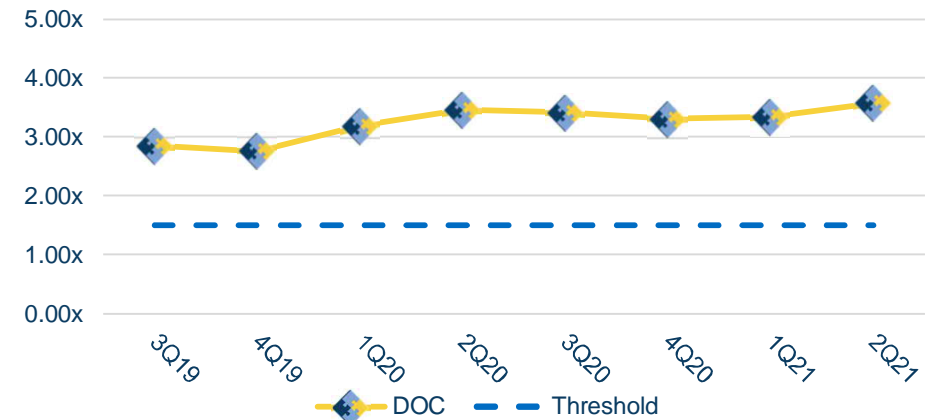
## Secured Leverage Ratio



## Consolidated Debt Service



## Maintenance of Unencumbered Assets



Note: Covenants as determined by the Company's March 2017 and December 2017 notes.



# Credit Rating History

*DOC's credit ratings have continued to move higher through high-quality portfolio growth and disciplined use of leverage*

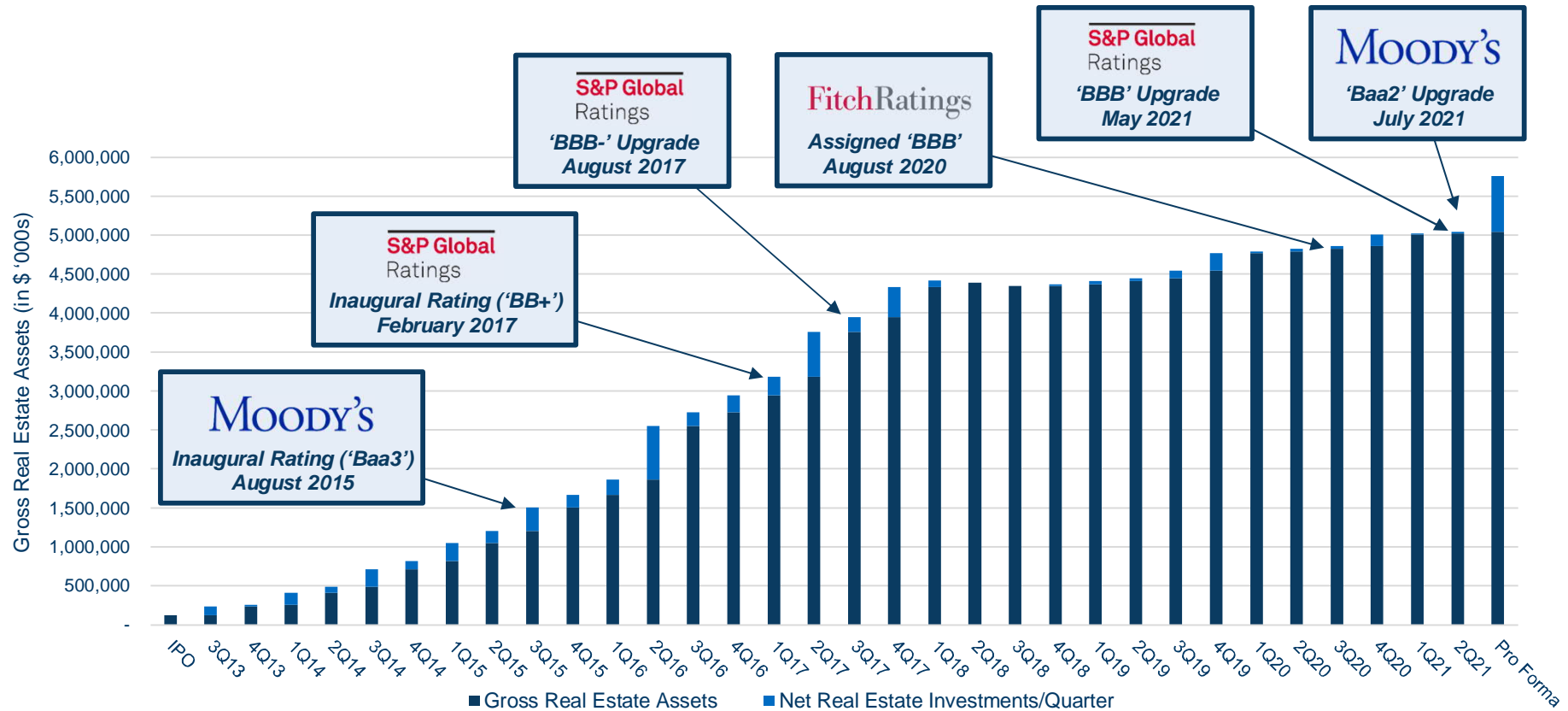
Current  
Credit  
Ratings

**'Baa2'**  
MOODY'S

**'BBB'**  
S&P Global  
Ratings

**'BBB'**  
Fitch Ratings

DOC  
Credit  
Ratings  
History



Note: Pro forma gross assets are an estimate, adjusted for the addition of the Landmark Portfolio.



# Recently Announced Acquisitions

## Landmark Portfolio Acquisition

On October 1<sup>st</sup>, DOC announced the execution of a Master Transaction Agreement related to the **\$764mm acquisition of 15 Class-A Medical Office Facilities** with a total of 1.5mm GLA (the “Landmark Portfolio”)

## Superior Asset Quality

The Landmark Portfolio embodies the criteria proven to be most predictive of investment success:

- Health System Affiliation (100% On Campus / Affiliated)
- Significant Remaining Lease Term (7.4 years)
- High Occupancy (95% Leased Rate)
- Exceptional Tenant Credit (74% Investment Grade)

### Anticipated Capitalization Sources (in '000s)

OPU Issuance	\$ 128,000
Assumed Secured Debt <sup>(1)</sup>	100,000
Mezzanine Loan Redemption	54,250
Other	482,000

### Landmark Portfolio

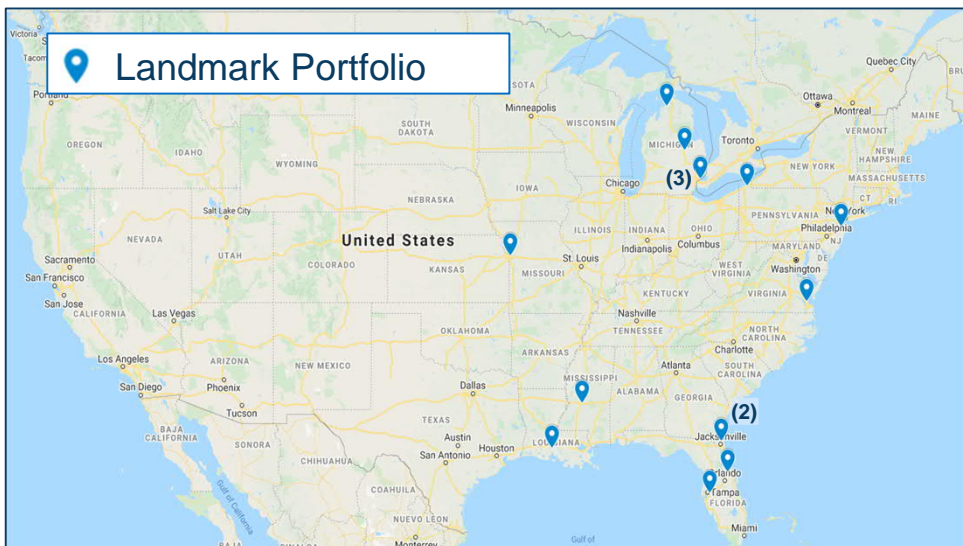
Asset List	Size (GLA)	Age	Primary Tenant	Investment Grade?	MSA
1 	200,600	6 yrs	UF Health	Yes	Jacksonville, FL
2 	89,200	6 yrs	Raritan Bay MC	Yes	New York, NY
3 	121,800	4 yrs	Tampa General Hospital	Yes	Tampa, FL
4 	90,200	6 yrs	Truman MC	No	Kansas City, MO
5 	164,200	8 yrs	MS Baptist MC	Yes	Jackson, MS
6 	94,600	10 yrs	Beaumont Health	Yes	Detroit, MI
7 	99,100	11 yrs	Our Lady of Lourdes MC	Yes	Lafayette, LA
8 	73,500	5 yrs	McLaren HC	Yes	Bay City, MI
9 	57,000	5 yrs	Beaumont Health	Yes	Detroit, MI
10 	85,600	14 yrs	Allegheny Health Network	Yes	Erie, PA
<b>5 Others (Avg)</b>	76,800	17 yrs	Various	<b>Yes (5 of 5)</b>	Various

Note: The acquisition of the Landmark Portfolio as described in this presentation is subject to customary closing conditions. There can be no assurance the Company will complete the acquisition of any properties within the Landmark Portfolio under the expected terms, or at all.

(1) Anticipated maturity in 2026



# Landmark Portfolio Diversification

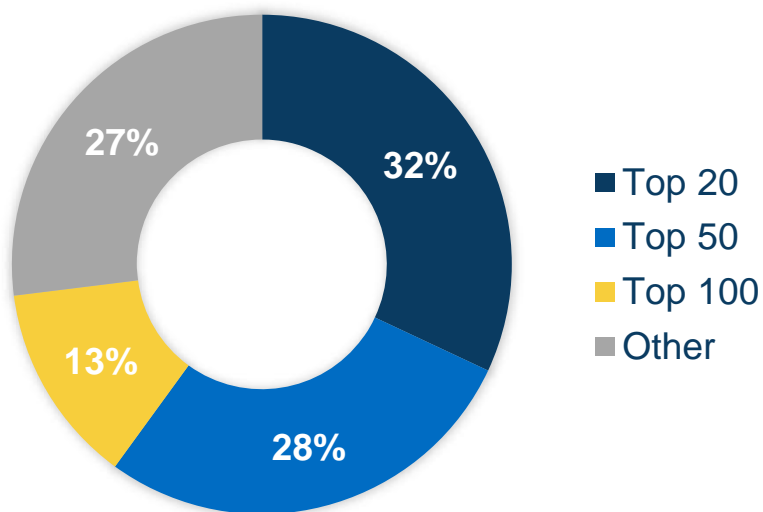


The Landmark Portfolio introduces **ten new** health system relationships to DOC

## Top Tenant Distribution (Landmark Portfolio)

Top-Ten Tenants	Credit Rating <sup>(1)</sup>	% GLA
1  UFHealth	'BBB-'	18%
2  Beaumont	'A+'	11%
3  McLaren	'AA-'	11%
4  TGH Tampa General Hospital	'A'	7%
5  BAPTIST	'BBB+'	6%
6  Allegheny Health Network	'A'	6%
7  TMC TRUMAN MEDICAL CENTERS	Not Rated	6%
8  RIVERSIDE	'A' (Implied)	6%
9  Hackensack Meridian Health	'AA-'	5%
10  OUR LADY OF LOURDES	'A'	3%

## MSA Distribution (Landmark Portfolio)



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

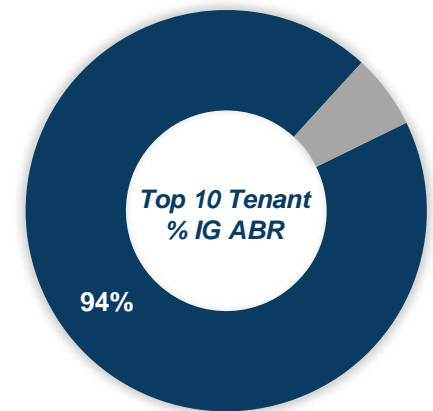
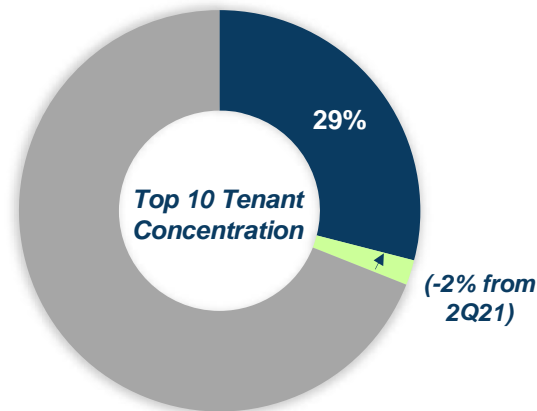


# Pro Forma Consolidated Portfolio

Pro Forma Top Ten Tenants		Primary State	% ABR
1	CommonSpirit - CHI - Nebraska	NE	5.0%
2	Northside Hospital	GA	4.3%
3	University of Louisville Health	KY	3.6%
4	US Oncology, Inc.	TX	3.1%
5	<b>UF Health - Jacksonville</b>	<b>FL</b>	<b>2.5%</b>
6	Baylor Scott and White	TX	2.3%
7	Ascension - St. Vincent's	IN	2.3%
8	CommonSpirit - CHI - St. Alexius	ND	2.0%
9	HonorHealth	AZ	1.9%
10	Great Falls Clinic (Surgery Partners)	MT	1.6%

*new*

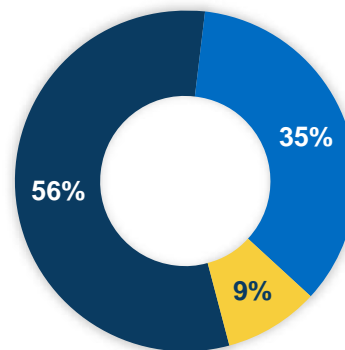
## Reduced Tenant Concentration, Superior Credit Quality



### General Statistics

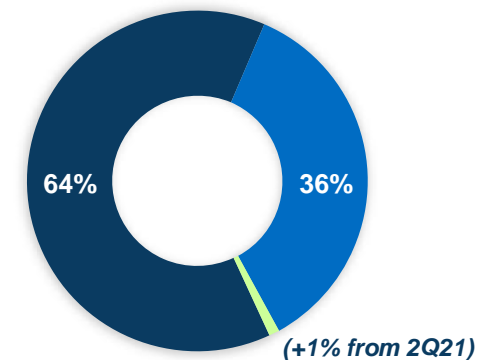
Consolidated Building Count	278
Portfolio GLA	15,540,000
Average Asset Size	55,900
% Leased Rate	96%
% Net Leased	95%
Wtd. Remaining Lease Term	6.7 yrs

### Campus Distribution (GLA)



■ On-Campus ■ Off / Affiliated ■ Off / Not Affiliated

### Investment Grade Tenancy<sup>(1)</sup> (GLA)



■ IG ■ Non-IG

Note: All figures represent DOC Consolidated Portfolio as of June 30 2021, pro forma for the addition of the Landmark Portfolio.

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



# Reconciliation of Non-GAAP Measures

<i>Calculation of Cash NOI</i>	Quarter Ended June 30, 2021
<b>Net Income</b>	\$ 18,681
General and Administrative Expense	9,117
Depreciation and Amortization Expense	38,105
Interest Expense	13,541
Gain on the Sale of Investment Properties, Net	(378)
Straight-line Rent Adjustments	(2,380)
Amortization of Acquired Above / Below Market Leases	875
Amortization of Lease Inducements	264
Loan Reserve Adjustments	(84)
Proportionate Share of Unconsolidated JV Adjustments	3,416
<b>Cash NOI</b>	<b>\$ 81,157</b>

This presentation includes disclosure of Cash Net Operating Income (Cash NOI), which is a non-GAAP financial measure. We define Cash NOI 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, impairment losses, 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. 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.

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.



# Reconciliation of Non-GAAP Measures

<i>Calculation of Enterprise Net Debt</i>	<i>June 30, 2021</i>
<b>Enterprise Debt</b>	\$ 1,484,020
Less: Cash and Cash Equivalents	(1,518)
<b>Enterprise Net Debt</b>	<b>\$ 1,482,502</b>

<i>Calculation of Enterprise Net Debt to Enterprise Adjusted EBITDAre</i>	<i>Quarter Ended June 30, 2021</i>
<b>Net Income</b>	\$ 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 JV Adjustments	3,498
<b>EBITDAre</b>	<b>\$ 73,447</b>
Non-Cash Share Compensation Expense	3,468
Pursuit Costs	70
Non-Cash Intangible Amortization	1,126
Pro Forma Adjustments for Investment Activity	125
<b>Enterprise Adjusted EBITDAre</b>	<b>\$ 78,236</b>
<i>Annualized</i>	<i>\$ 312,944</i>
<b>Enterprise Net Debt / Enterprise Annualized Adjusted EBITDAre</b>	<b>4.74x</b>

This presentation includes disclosure of Adjusted EBITDAre, which is a non-GAAP financial measure. 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, pursuit costs, non-cash intangible amortization, the pro forma impact of investment activity, and other non-recurring items. 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.





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