



AdventHealth Wesley Chapel MOB II
Wesley Chapel, FL



**SUPPLEMENTAL OPERATING
& FINANCIAL INFORMATION
FIRST QUARTER 2022**

DOC
LISTED
NYSE

PHYSICIANS REALTY TRUST
NYSE: DOC

James Devin Moncus Medical Building
Lafayette, LA



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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, 2021.

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 May 4, 2022, 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 March 31, 2022, owned approximately 95.0% 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 March 31, 2022
Gross real estate investments (thousands)	\$ 5,872,705
Total health care properties ⁽¹⁾	291
% Leased ⁽¹⁾	95.2%
Total portfolio gross leasable area (sq. ft.) ⁽¹⁾	16,194,632
<hr/>	
% of GLA on-campus / affiliated ⁽¹⁾	89%
Weighted average remaining lease term for all buildings (years) ⁽¹⁾	6.2
<hr/>	
Cash and cash equivalents (thousands)	\$ 2,729
Net consolidated debt to firm value	31.3%
Weighted average interest rate per annum on consolidated debt	3.3%
Equity market cap (thousands)	\$ 3,951,640
Quarterly dividend	\$ 0.23
Quarter end stock price	\$ 17.54
Dividend yield	5.25%
Common shares outstanding	225,293,058
OP Units outstanding and not owned by DOC	11,912,516
Dilutive restricted common shares and units	1,358,936
Consolidated firm value (thousands)	\$ 6,101,361

(1) Excludes one asset classified as held for sale.

**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
Ava E. Lias-Booker | 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
W. Mark Dukes | Senior Vice President, Asset Management

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

COVERING ANALYSTS

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
 D. Toti - Colliers Securities
 M. Ross - Compass Point
 T. Okusanya - Credit Suisse

J. Petersen - Jefferies LLC
 A. Wurschmidt - Keybank Capital Markets Inc.
 R. Hill - Morgan Stanley
 J. Hughes - Raymond James Financial Inc.
 M. Carroll - RBC Capital Markets LLC
 D. Rodgers - 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.



FIRST QUARTER 2022 HIGHLIGHTS

OPERATING HIGHLIGHTS

- First quarter 2022 total revenue of \$130.4 million, an increase of 15.0% compared to the prior year period
- First quarter 2022 rental and related revenue of \$126.7 million, an increase of 17.3% compared to the prior year period
- Generated quarterly net income per share of \$0.06 on a fully diluted basis
- Generated quarterly normalized funds from operations (Normalized FFO) of \$0.27 per share on a fully diluted basis
- Completed an investment valued at \$22.0 million to acquire a 49% membership interest in three properties through the Davis Joint Venture, consisting of our pro rata share of debt and a contribution of \$8.0 million
- First quarter MOB Same-Store Cash Net Operating Income (Cash NOI) growth of 2.0% year-over-year
- Declared quarterly dividend of \$0.23 per share for the first quarter
- 95.2% of portfolio square footage leased as of March 31, 2022, which excludes one asset classified as held for sale

COMPANY ANNOUNCEMENTS

- February 23, 2022: Announced that on February 22, 2022, our Board of Trustees (the "Board") appointed Ava E. Lias-Booker to join the Company's Board, effective March 1, 2022. In connection with Ms. Lias-Booker's appointment, the Board increased its size from 8 to 9 trustees.
- March 18, 2022: Announced that the Board authorized and declared a cash distribution of \$0.23 per common share and OP Unit for the quarterly period ended March 31, 2022. The distribution was paid on April 14, 2022 to common shareholders and OP Unit holders of record as of the close of business on March 31, 2022.

FIRST QUARTER INVESTMENT HIGHLIGHTS

- City Place Portfolio (3 MOBs) (Davis JV - 49% interest)
- Disposition of Northern Vision Eye Center

SUBSEQUENT INVESTMENT ACTIVITY

- New Albany Medical Center II, New Albany, OH
- Disposition of New Albany MOB



Beaumont Health & Wellness Center
Rochester Hills, MI



Saint Vincent MOB
Erie, PA

**FINANCIAL HIGHLIGHTS***(Unaudited and in thousands, except sq. ft. and per share data)***INCOME**

	Three Months Ended	
	March 31, 2022	December 31, 2021
Revenues	\$ 130,390	\$ 116,124
Net income	13,943	28,252
NOI	91,894	85,061
Annualized Adjusted EBITDA ^{re}	350,244	351,952
Net income available to common shareholders per common share	\$ 0.06	\$ 0.12
Normalized FFO	63,391	58,394
Normalized FFO per common share	\$ 0.27	\$ 0.26
Normalized FAD	61,542	54,919

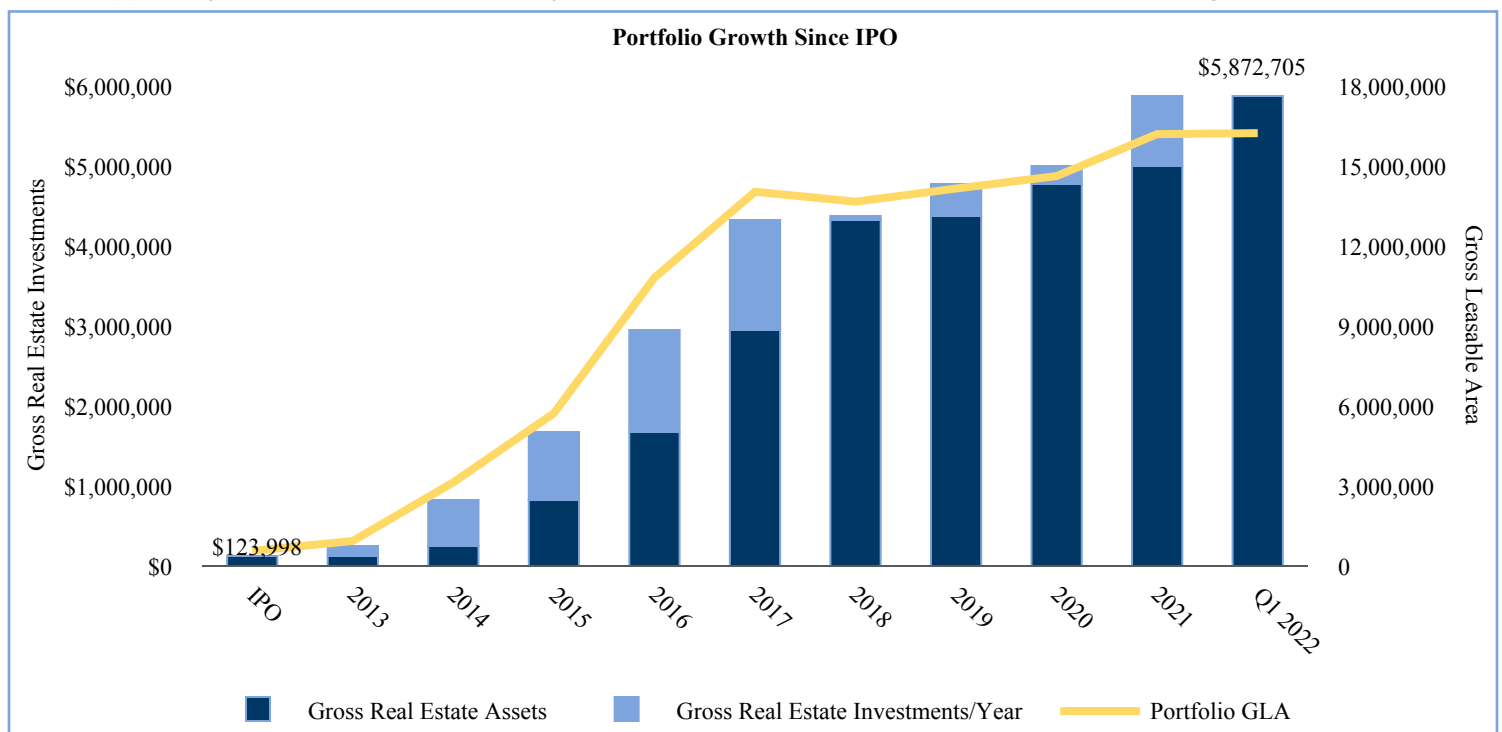
CAPITALIZATION**ASSETS**

	As of	
	March 31, 2022	December 31, 2021
Gross Real Estate Investments (including gross lease intangibles)	5,872,705	5,871,990
Total Assets	5,116,043	5,182,709

DEBT AND EQUITY

Consolidated Debt ⁽¹⁾	1,910,604	1,930,024
Total Equity	2,953,438	2,987,033
Equity Market Capitalization	3,951,640	4,230,689
Consolidated Firm Value	6,101,361	6,412,100
Consolidated Debt / Total Firm Value	31.3%	30.1%

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





**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 March 31, 2022	Three Months Ended December 31, 2021
Net income	\$ 13,943	\$ 28,252
Net income attributable to NCI - partially owned properties	(159)	(152)
Depreciation and amortization expense	47,149	43,097
Depreciation and amortization expense - partially owned properties	(70)	(70)
Loss (gain) on the sale of investment properties, net	153	(19,054)
Proportionate share of unconsolidated joint venture adjustments	2,383	2,296
FFO applicable to common shares	\$ 63,399	\$ 54,369
Loss on extinguishment of debt	—	4,025
Proportionate share of unconsolidated joint venture adjustments	(8)	—
Normalized FFO applicable to common shares	<u>\$ 63,391</u>	<u>\$ 58,394</u>
Net income available to common shareholders per common share	<u>\$ 0.06</u>	<u>\$ 0.12</u>
FFO per common share	<u>\$ 0.27</u>	<u>\$ 0.24</u>
Normalized FFO per common share	<u>\$ 0.27</u>	<u>\$ 0.26</u>
Normalized FFO applicable to common shares	\$ 63,391	\$ 58,394
Non-cash share compensation expense	4,253	4,192
Straight-line rent adjustments	(2,154)	(1,395)
Amortization of acquired above/below market leases/assumed debt	1,339	902
Amortization of lease inducements	225	235
Amortization of deferred financing costs	579	581
TI/LC and recurring capital expenditures	(5,663)	(7,548)
Loan reserve adjustments	3	(22)
Proportionate share of unconsolidated joint venture adjustments	(431)	(420)
Normalized FAD applicable to common shares	<u>\$ 61,542</u>	<u>\$ 54,919</u>
Weighted average number of common shares outstanding	<u>238,340,243</u>	<u>227,969,369</u>

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

	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021
Net income	\$ 13,943	\$ 28,252
General and administrative	10,293	9,641
Depreciation and amortization expense	47,260	43,207
Interest expense	16,823	19,382
Loss (gain) on the sale of investment properties, net	153	(19,054)
Proportionate share of unconsolidated joint venture adjustments	3,422	3,633
NOI	<u>\$ 91,894</u>	<u>\$ 85,061</u>
NOI	\$ 91,894	\$ 85,061
Straight-line rent adjustments	(2,154)	(1,395)
Amortization of acquired above/below market leases	1,349	917
Amortization of lease inducements	225	235
Loan reserve adjustments	3	(22)
Proportionate share of unconsolidated joint venture adjustments	(71)	(231)
Cash NOI	<u>\$ 91,246</u>	<u>\$ 84,565</u>
Cash NOI	\$ 91,246	\$ 84,565
Assets not held for all periods or held for sale	(12,353)	(4,653)
Hospital Cash NOI	(3,478)	(3,389)
Lease termination fees	(5)	—
Interest income on real estate loans	(2,199)	(3,458)
Joint venture and other income	(3,509)	(3,769)
MOB Same-Store Cash NOI	<u>\$ 69,702</u>	<u>\$ 69,296</u>

EBITDAre

	Three Months Ended March 31, 2022
Net income	\$ 13,943
Depreciation and amortization expense	47,260
Interest expense	16,823
Loss on the sale of investment properties	153
Proportionate share of unconsolidated joint venture adjustments	3,420
EBITDAre	<u>\$ 81,599</u>
Non-cash share compensation expense	4,253
Pursuit costs	74
Non-cash intangible amortization	1,575
Proportionate share of unconsolidated joint venture adjustments	(8)
Pro forma adjustments for investment activity	68
Adjusted EBITDAre	<u>\$ 87,561</u>
Adjusted EBITDAre Annualized ⁽¹⁾	<u>\$ 350,244</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

	March 31, 2022
Unsecured credit facility debt	\$ 255,000
Unsecured notes	1,475,000
Mortgage debt	180,604
Consolidated Debt⁽¹⁾	1,910,604
Pro rata share of unconsolidated joint venture debt	143,819
Enterprise debt	\$ 2,054,423
Redeemable equity	\$ 6,335
Share price	\$ 17.54
Total common shares outstanding	225,293,058
Total OP Units outstanding	11,912,516
Total dilutive restricted common shares and units	1,358,936
Implied equity market capitalization	\$ 4,184,422
Consolidated Firm Value (Debt + Pref. + Equity)	\$ 6,101,361
Consolidated Debt/Gross Assets	31.9%
Consolidated Debt/Total Firm Value	31.3%

Debt is 31% of Firm Value



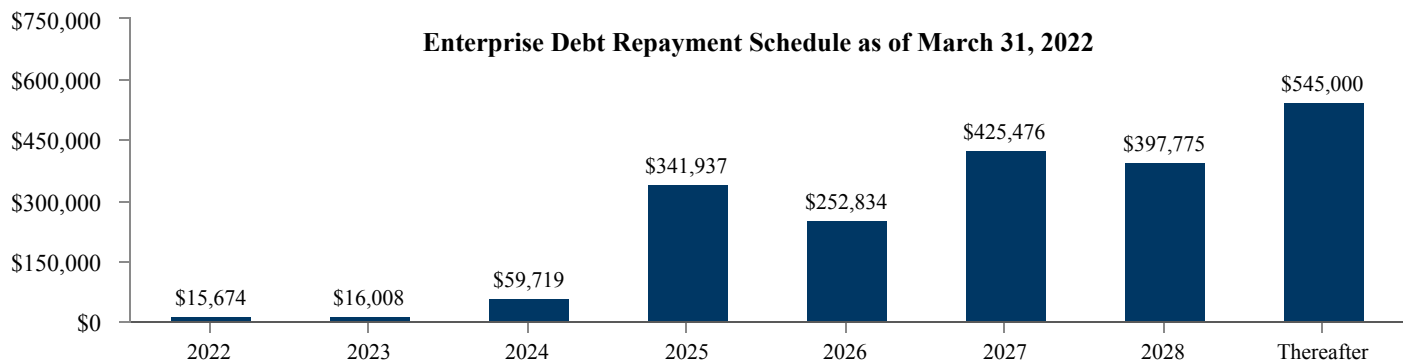
Debt Equity

ENTERPRISE DEBT SUMMARY⁽¹⁾

	Balance as of March 31, 2022	Interest Rate	Maturity Date
Revolving Credit Facility Debt	\$ 255,000	1.3 %	9/24/2025
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
October '21	500,000	2.6 %	11/1/2031
Pro Rata Share Of Unconsolidated Joint Venture Debt	143,819	2.9 %	Various
Mortgage Debt, Maturing:⁽²⁾			
2022	14,939	4.8 %	
2023	—	— %	
2024	60,155	3.9 %	
Thereafter	105,510	2.2 %	
	\$ 2,054,423	3.3 %	

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

(2) Weighted average maturity of Mortgage Debt is 3.7 years.



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

	Quarter Ended March 31, 2022
Consolidated debt	\$ 1,910,604
Net consolidated debt (less cash)	1,907,875
Adjusted EBITDAre	\$ 87,561
Less: Amounts attributable to Unconsolidated Joint Ventures	(3,176)
Consolidated Adjusted EBITDAre	\$ 84,385
Consolidated Adjusted EBITDAre (annualized)*	\$ 337,540
Net Consolidated Debt / Consolidated Adjusted EBITDAre Ratio	5.65x
Consolidated Adjusted EBITDAre	\$ 84,385
Cash interest expense	16,253
Interest Coverage Ratio	5.19x
Consolidated interest expense	\$ 16,823
Capitalized interest	146
Secured debt principal amortization	420
Total fixed charges	\$ 17,389
Consolidated Adjusted EBITDAre	84,385
Consolidated Adjusted EBITDAre / Fixed Charge Coverage Ratio	4.85x
Implied equity market cap	\$ 4,184,422
Redeemable equity	6,335
Consolidated debt	1,910,604
Consolidated Firm Value	\$ 6,101,361
Net consolidated debt (less cash)	\$ 1,907,875
Gross assets	5,983,842
Net Consolidated Debt / Gross Assets	31.9 %
Net Consolidated Debt / Consolidated Firm Value	31.3 %
Weighted average common shares	225,069,208
Weighted average OP Units not owned by DOC	11,912,099
Dilutive effect of unvested restricted common shares and share units	1,358,936
Weighted Average Common Shares and OP Units - Diluted	238,340,243

ENTERPRISE LEVERAGE STATISTICS

	Quarter Ended March 31, 2022
Enterprise debt	\$ 2,054,423
Net enterprise debt (less cash)	2,051,694
Adjusted EBITDAre (annualized)*	350,244
Net Enterprise Debt / Adjusted EBITDAre Ratio	5.86x

COVENANT PERFORMANCE

	Required	March 31, 2022
Total Leverage Ratio	≤ 60.0%	34.5%
Total Secured Leverage Ratio	≤ 40.0%	3.3%
Maintenance of Unencumbered Assets	≥ 1.5x	2.9x
Consolidated Debt Service (Trailing Four Quarters)	≥ 1.5x	4.5x

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



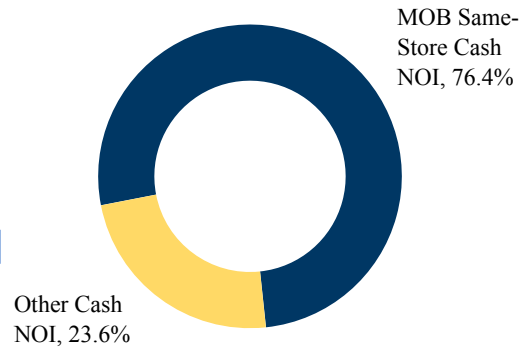
PORTFOLIO PERFORMANCE AND LEASING ROLLFORWARD

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

Same Store data excludes asset Held for Sale)

MOB SAME-STORE PORTFOLIO ANALYSIS

	Portfolio Quarter Ended March 31, 2022	MOB Same-Store Quarter Ended March 31, 2022
Number of health care properties ⁽¹⁾	291	249
Gross leasable area ⁽¹⁾	16,194,632	13,211,370
Cash NOI ⁽¹⁾	\$ 91,246	\$ 69,702
% Leased ⁽¹⁾	95.2 %	95.0 %



MOB SAME-STORE PORTFOLIO PERFORMANCE

	Year-Over-Year Comparison			Sequential Comparison		
	Q1'22	Q1'21	Change	Q1'22	Q4'21	Change
Number of MOBs	249	249	—	249	249	—
Gross leasable area	13,211,370	13,211,370	—	13,211,370	13,211,370	—
% Leased	95.0 %	95.4 %	-40 bps	95.0 %	95.0 %	— bps
Rental and related revenues	\$ 103,706	\$ 101,101	+2.6 %	\$ 103,706	\$ 100,649	+3.0 %
Operating expenses	(34,004)	(32,743)	+3.9 %	(34,004)	(31,353)	+8.5 %
MOB Same-Store Cash NOI	\$ 69,702	\$ 68,358	+2.0 %	\$ 69,702	\$ 69,296	+0.6 %
Cash NOI	\$ 91,246	\$ 80,697		\$ 91,246	\$ 84,565	
Cash NOI from:						
Assets not held for all periods or held for sale	(12,353)	(1,822)		(12,353)	(4,653)	
Repositioning assets	—	—		—	—	
Hospital Cash NOI	(3,478)	(3,139)		(3,478)	(3,389)	
Lease termination fees	(5)	—		(5)	—	
Interest income on real estate loans	(2,199)	(4,107)		(2,199)	(3,458)	
Joint venture and other income	(3,509)	(3,271)		(3,509)	(3,769)	
MOB Same-Store Cash NOI	\$ 69,702	\$ 68,358		\$ 69,702	\$ 69,296	

LEASING ROLLFORWARD

Total GLA

	Quarter Ended March 31, 2022	Percentage of Total GLA March 31, 2022
Total square feet at beginning of quarter	16,156,908	99.8 %
Acquired GLA ⁽²⁾	54,937	0.3 %
Disposed GLA ⁽¹⁾	(17,213)	(0.1)%
Total square feet at end of quarter	16,194,632	100.0 %

Leased GLA

	Quarter Ended March 31, 2022	Percentage of Total GLA March 31, 2022
Leased GLA at beginning of quarter	15,383,390	95.0 %
Expirations	(279,402)	(1.7)%
Renewals	212,459	1.3 %
Retention Rate	76 %	
New leases in quarter	63,483	0.4 %
Net absorption	(3,460)	— %
Net leased GLA acquired / (disposed)	29,407	0.2 %
Leased GLA at end of quarter	15,409,337	95.2 %

(1) Excludes one property classified as held for sale during the period.

(2) Includes remeasurements of existing properties totaling 2,072 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
City Place Portfolio - Davis Joint Venture	(1) Woodbury, MN	1/12/2022	5.2%	88.2%	\$ 22,008	52,864
Construction Loan Draws	Fort Worth, TX	Various	6.0%	—	904	—
Total / Weighted Average			5.2%	88.2%	\$ 22,912	52,864

(1) The Company acquired a 49% membership interest in three properties through the Davis Joint Venture representing 107,886 square feet at an aggregate valuation of \$43.9 million, including an \$8.0 million equity contribution and a \$14.0 million pro rata share of joint venture debt.

QUARTERLY DISPOSITIONS

Property	Location	Date	Proceeds	GLA
Northern Vision Eye Center	Traverse City, MI	1/19/2022	\$ 1,950	9,997

HELD FOR SALE

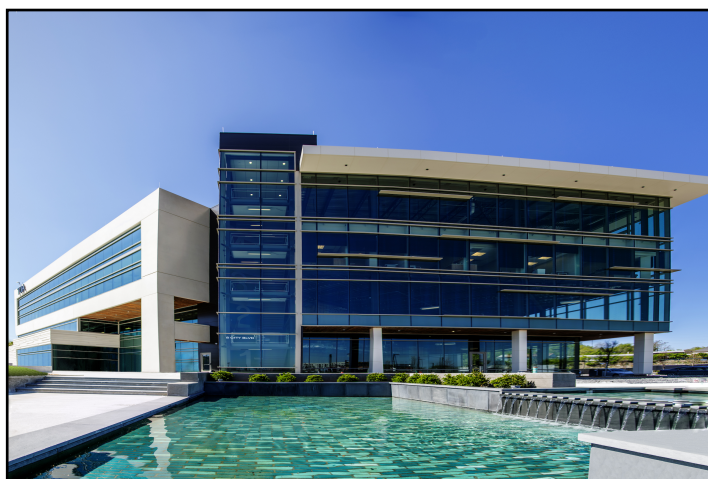
Property	Location	GLA
New Albany MOB	Columbus, OH	17,213

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%	\$ 904	\$ 8,227	\$ 10,500	6.2%



Sacred Heart Summit Medical Office and ASC
Pensacola, FL



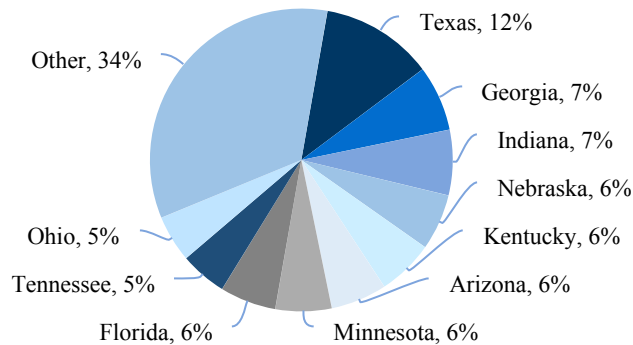
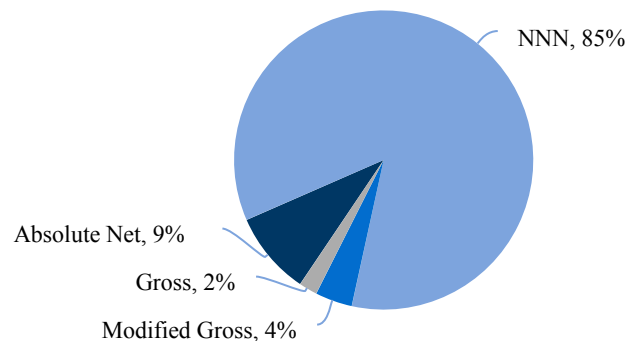
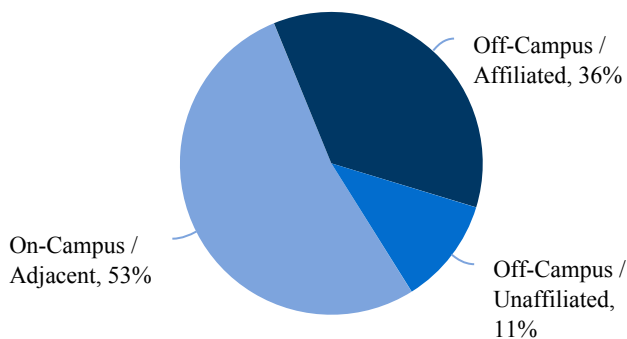
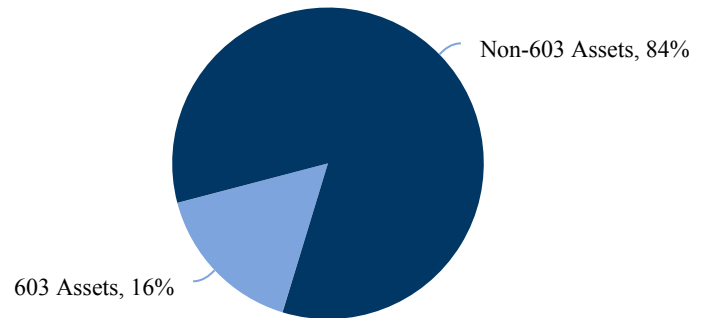
8 C1TY Blvd
Nashville, TN

**PORTFOLIO DIVERSIFICATION***(As of March 31, 2022, \$ in thousands, excludes asset Held for Sale)*

	# of Properties	GLA	% of Total	% of Q1 Cash NOI	% Leased
Single-tenant MOBs	124	5,574,492	34.4%	35.9%	99.7%
Multi-tenant MOBs	149	9,687,941	59.9%	56.7%	92.5%
Specialty Hospitals	5	313,959	1.9%	3.9%	100.0%
Consolidated Total	278	15,576,392	96.2%	96.5%	95.2%
Pro Rata Unconsolidated Joint Venture Assets	13	618,240	3.8%	3.5%	92.7%
Portfolio Total	291	16,194,632	100.0%	100.0%	95.2%

UNCONSOLIDATED JOINT VENTURE SUMMARY

Joint Venture	% Ownership	# of Properties	GLA	Q1 Cash NOI	% Leased
PMAC Joint Venture	12.3%	60	2,923,589	\$ 13,984	89.9%
Davis Joint Venture	49.0%	12	524,891	2,831	96.6%

**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 March 31, 2022, \$ in thousands, excludes asset Held for Sale)***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/A-	2,770,856	18.7%	\$ 52,033	14.6%
University of Louisville	Baa1/A+	617,157	4.2%	12,750	3.6%
Ascension Health Alliance	Aa2/AA+	606,229	4.1%	15,405	4.3%
HonorHealth	A2/NA	426,715	2.9%	11,143	3.1%
McKesson Corporation	Baa2/BBB+	403,751	2.7%	11,059	3.1%
Baylor Scott and White Health	Aa3/AA-	268,639	1.8%	8,356	2.3%
UnitedHealth Group Incorporated	A3/A+	226,004	1.5%	6,934	1.9%
UF Health - Jacksonville	Baa3/NA	223,748	1.5%	7,923	2.2%
Trinity Health Credit Group	Aa3/AA-	176,649	1.2%	4,350	1.2%
McLaren Healthcare	A1/NA	167,517	1.1%	3,412	1.0%
Other		3,073,972	20.7%	75,682	21.4%
Total		8,961,237	60.4% ⁽²⁾	\$ 209,047	58.7% ⁽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	4.7	899,928	6.1%	\$ 17,739	5.0%
Northside Hospital	8.7	678,094	4.6%	15,703	4.4%
UofL Health - Louisville, Inc.	4.9	617,157	4.2%	12,750	3.6%
HonorHealth	7.5	426,715	2.9%	11,143	3.1%
US Oncology	5.7	403,751	2.7%	11,059	3.1%
Baylor Scott and White Health	3.8	268,639	1.8%	8,356	2.4%
Ascension - St. Vincent's - Indianapolis	5.6	363,118	2.4%	8,010	2.3%
UF Health - Jacksonville	7.4	223,748	1.5%	7,923	2.2%
CommonSpirit - CHI - St. Alexius	4.3	359,209	2.4%	6,816	1.9%
UnitedHealth Group Incorporated	11.9	191,171	1.3%	5,922	1.6%
Total / Weighted Average	6.1	4,431,530	29.9%	\$ 105,421	29.6%

LEASE EXPIRATION SCHEDULE

Expiration Year	Expiring Leases	Expiring Lease GLA	% of Total GLA	Expiring Lease ABR	% of Total ABR	Average Rent per SF
2022	105	394,074	2.5%	\$ 9,240	2.6%	\$23.45
2023	139	757,970	4.9%	17,928	5.0%	23.65
2024	131	983,105	6.3%	23,646	6.6%	24.05
2025	155	1,030,026	6.6%	25,940	7.3%	25.18
2026	178	3,405,176	21.9%	76,613	21.5%	22.50
2027	120	1,603,005	10.3%	35,803	10.1%	22.34
2028	100	1,579,275	10.1%	35,904	10.1%	22.73
2029	53	877,429	5.6%	27,175	7.6%	30.97
2030	57	743,592	4.8%	17,591	4.9%	23.66
2031	41	975,799	6.3%	22,586	6.3%	23.15
Thereafter	107	2,436,001	15.6%	62,873	17.8%	25.81
MTM	41	50,850	0.3%	638	0.2%	12.55
Vacant		740,090	4.8%			
Total / W.A.	1,227	15,576,392	100.0%	\$ 355,937	100.0%	\$23.99

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

(2) Investment grade quality companies without public debt outstanding would add an additional 5.1% and 5.0%, respectively, to Investment Grade GLA and Investment Grade ABR.

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

	March 31, 2022 (unaudited)	December 31, 2021
ASSETS		
Investment properties:		
Land and improvements	\$ 235,216	\$ 235,453
Building and improvements	4,612,574	4,612,561
Tenant improvements	89,768	86,018
Acquired lease intangibles	498,221	498,221
	<u>5,435,779</u>	<u>5,432,253</u>
Accumulated depreciation	(867,799)	(821,036)
Net real estate property	4,567,980	4,611,217
Real estate held for sale	2,113	1,964
Right-of-use lease assets, net	234,345	235,483
Real estate loans receivable, net	93,176	117,844
Investments in unconsolidated entities	75,669	69,793
Net real estate investments	<u>4,973,283</u>	<u>5,036,301</u>
Cash and cash equivalents	2,729	9,876
Tenant receivables, net	5,783	4,948
Other assets	134,248	131,584
Total assets	<u>\$ 5,116,043</u>	<u>\$ 5,182,709</u>
LIABILITIES AND EQUITY		
Liabilities:		
Credit facility	\$ 249,075	\$ 267,641
Notes payable	1,464,358	1,464,008
Mortgage debt	179,886	180,269
Accounts payable	1,399	6,651
Dividends and distributions payable	56,689	57,246
Accrued expenses and other liabilities	79,013	86,254
Lease liabilities	104,739	104,957
Acquired lease intangibles, net	21,111	21,569
Total liabilities	<u>2,156,270</u>	<u>2,188,595</u>
Redeemable noncontrolling interests - partially owned properties	6,335	7,081
Equity:		
Common shares, \$0.01 par value, 500,000,000 common shares authorized, 225,293,058 and 224,678,116 common shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	2,253	2,247
Additional paid-in capital	3,615,884	3,610,954
Accumulated deficit	(814,492)	(776,001)
Accumulated other comprehensive income (loss)	487	(892)
Total shareholders' equity	<u>2,804,132</u>	<u>2,836,308</u>
Noncontrolling interests:		
Operating Partnership	148,226	150,241
Partially owned properties	1,080	484
Total noncontrolling interests	<u>149,306</u>	<u>150,725</u>
Total equity	<u>2,953,438</u>	<u>2,987,033</u>
Total liabilities and equity	<u>\$ 5,116,043</u>	<u>\$ 5,182,709</u>

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

	Three Months Ended March 31,	
	2022	2021
Revenues:		
Rental revenues	\$ 91,550	\$ 80,395
Expense recoveries	35,126	27,560
Rental and related revenues	126,676	107,955
Interest income on real estate loans and other	3,714	5,384
Total revenues	130,390	113,339
Expenses:		
Interest expense	16,823	13,715
General and administrative	10,293	9,465
Operating expenses	41,752	33,934
Depreciation and amortization	47,260	37,976
Total expenses	116,128	95,090
Income before equity in loss of unconsolidated entities and loss on sale of investment properties, net:	14,262	18,249
Equity in loss of unconsolidated entities	(166)	(420)
Loss on sale of investment properties, net	(153)	(24)
Net income	13,943	17,805
Net income attributable to noncontrolling interests:		
Operating Partnership	(692)	(459)
Partially owned properties (1)	(159)	(152)
Net income attributable to controlling interest	13,092	17,194
Preferred distributions	—	(13)
Net income attributable to common shareholders	\$ 13,092	\$ 17,181
Net income per share:		
Basic	\$ 0.06	\$ 0.08
Diluted	\$ 0.06	\$ 0.08
Weighted average common shares:		
Basic	225,069,208	210,529,698
Diluted	238,340,243	217,322,425
Dividends and distributions declared per common share	\$ 0.23	\$ 0.23

(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 March 2022 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.

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)

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. Our Normalized FFO computation includes our share of required adjustments from our unconsolidated joint ventures and 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.

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.