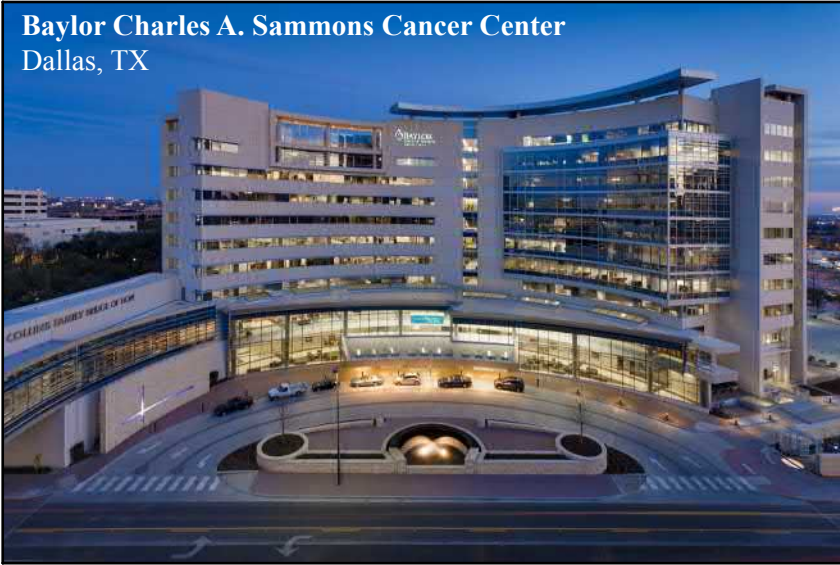




Baylor Charles A. Sammons Cancer Center
Dallas, TX



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

DOC
LISTED
NYSE

PHYSICIANS REALTY TRUST
NYSE: DOC

Pilot Medical Center
Birmingham, AL



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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 II, Item 1A (Risk Factors) of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and, Part I, Item 1A (Risk Factors) of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

NON-GAAP FINANCIAL MEASURES

This presentation includes 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 7, 2020, 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 healthcare real estate company organized in 2013 to acquire, selectively develop, own, and manage healthcare properties that are leased to physicians, hospitals, and healthcare delivery systems.

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

Our management team has significant public healthcare REIT experience and long established relationships with physicians, hospitals, and healthcare 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, 2020, owned approximately 97.3% of the partnership interests in the operating partnership (“OP Units”).

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

COMPANY SNAPSHOT

| | As of |
|---|-----------------------|
| | March 31, 2020 |
| Gross real estate investments (thousands) | \$ 4,789,466 |
| Total healthcare properties | 268 |
| % Leased | 95.9% |
| Total portfolio gross leasable area (sq. ft.) | 14,261,596 |
| <hr/> | |
| % of GLA on-campus / affiliated | 89% |
| Average remaining lease term for all buildings (years) | 7.2 |
| <hr/> | |
| Cash and cash equivalents (thousands) | \$ 2,612 |
| Consolidated debt to firm value | 33.0% |
| Weighted average interest rate per annum on consolidated debt | 3.7% |
| Equity market cap (thousands) | \$ 2,823,626 |
| Quarterly dividend | \$ 0.23 |
| Quarter end stock price | \$ 13.94 |
| Dividend yield | 6.60% |
| Common shares outstanding | 202,555,703 |
| OP Units outstanding and not owned by DOC | 5,663,554 |
| Consolidated firm value (thousands) | \$ 4,374,940 |

**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 |

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 | John W. Lucey Chief Accounting and Administrative Officer |
| | Laurie P. Becker Senior Vice President Controller |

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, Partner Chicago, IL 60601 (312) 861-8000 |
|--|--|---|

COVERING ANALYSTS

| | |
|---|--|
| C. Kucera - B. Riley | J. Sadler - Keybank Capital Markets Inc. |
| J. Dennerlein - Bank of America Merrill Lynch | T. Okusanya - Mizuho Securities USA |
| C. Siversky - Berenberg Capital Markets LLC | V. Malhotra - Morgan Stanley |
| J. Kim - 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. Kubicek - Robert W. Baird & Co. |
| N. Joseph - Citi | S. Manaker - Stifel |
| M. Ross - Compass Point | M. Lewis - SunTrust Robinson Humphrey |
| J. Petersen - Jefferies LLC | |

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 2020 HIGHLIGHTS

OPERATING HIGHLIGHTS

- First quarter 2020 total revenue of \$107.4 million, an increase of 2% compared to the prior year period
- First quarter 2020 rental revenue of \$77.9 million, an increase of 1% compared to the prior year period
- Generated quarterly net income per share of \$0.07 on a fully diluted basis, an increase of \$0.01 to the prior year period
- Generated quarterly normalized funds from operations (Normalized FFO) of \$0.26 per share and OP unit on a fully diluted basis, compared to \$0.25 for the same period last year
- First quarter 2020 net income of \$15.0 million, an increase of 30% compared to the prior year period
- First quarter MOB Same-Store Cash Net Operating Income (Cash NOI) growth of 1.6% year-over-year
- Declared quarterly dividend of \$0.23 per share for the first quarter
- 95.9% of portfolio square footage leased as of March 31, 2020

COMPANY ANNOUNCEMENTS

- March 19, 2020: Announced that our Board of Trustees authorized and declared a cash distribution of \$0.23 per common share and OP Unit for the quarterly period ended March 31, 2020. The distribution was paid on April 16, 2020 to common shareholders and OP Unit holders of record as of the close of business on April 2, 2020.
- March 19, 2020: Provided a supplemental update of financial position pertaining to the ongoing COVID-19 pandemic, including the disclosure of the sale of \$239.3 million in equity under our at the market equity distribution program at a weighted average price of \$19.57 per share, and also eliminated our 2020 acquisition guidance.

FIRST QUARTER INVESTMENT HIGHLIGHTS

- Westerville MOB, Westerville, OH
- TOPA Fort Worth MOB, Fort Worth, TX

SUBSEQUENT EVENTS

- Columbus, OH Mezz Loan
- [Completed funding of Denton Construction Loan]



Westerville MOB
Westerville, OH



TOPA Fort Worth MOB
Fort Worth, TX



FINANCIAL HIGHLIGHTS

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

INCOME

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2020 | December 31, 2019 |
| Revenues | \$ 107,428 | \$ 107,417 |
| Net income | 14,960 | 42,751 |
| NOI | 78,673 | 77,877 |
| Annualized Adjusted EBITDA ^{re} | 290,516 | 284,508 |
| Net income available to common shareholders per common share | \$ 0.07 | \$ 0.22 |
| Normalized FFO | 52,690 | 52,035 |
| Normalized FFO per common share and OP Unit | \$ 0.26 | \$ 0.27 |
| Normalized FAD | 50,486 | 46,424 |

CAPITALIZATION

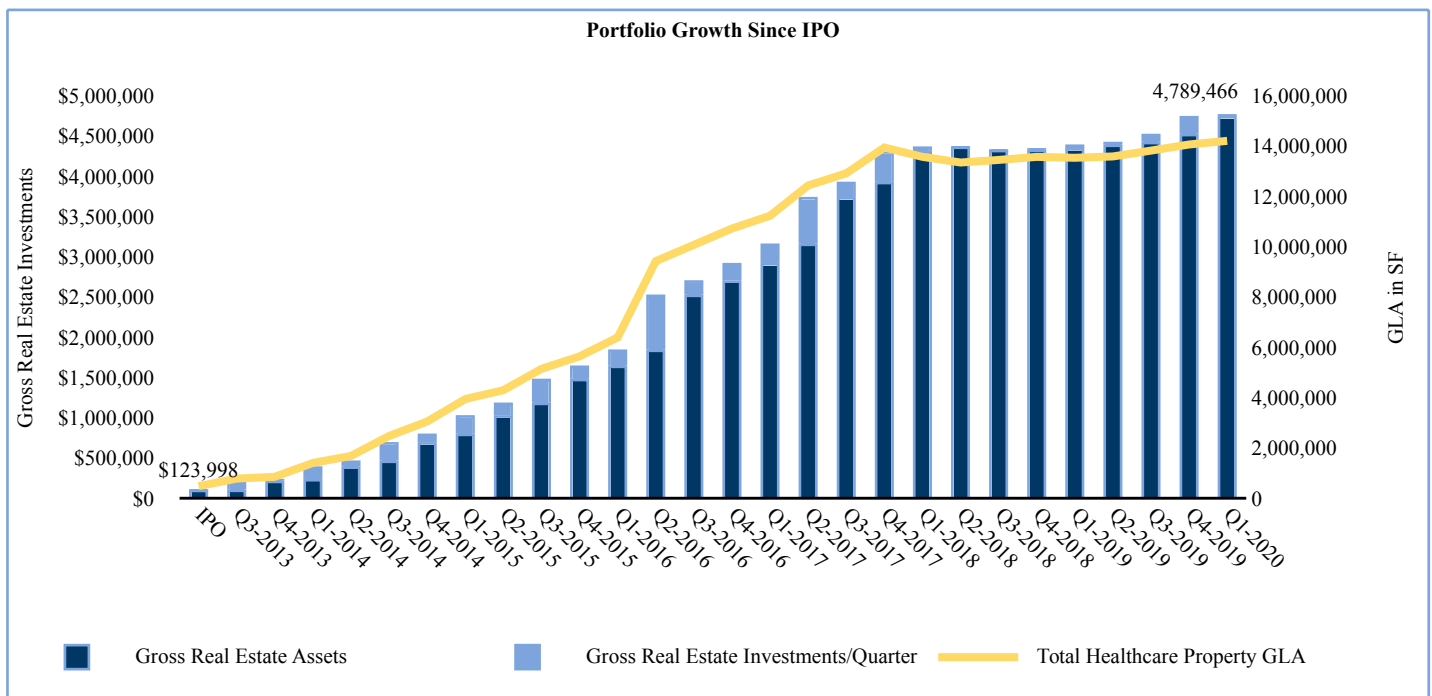
ASSETS

| | As of | |
|---|----------------|-------------------|
| | March 31, 2020 | December 31, 2019 |
| Gross Real Estate Investments (including gross lease intangibles) | 4,789,466 | 4,766,791 |
| Total Assets | 4,340,808 | 4,346,581 |

DEBT AND EQUITY

| | | |
|--------------------------------------|-----------|-----------|
| Consolidated Debt ⁽¹⁾ | 1,444,489 | 1,647,478 |
| Total Equity | 2,675,425 | 2,480,984 |
| Equity Market Capitalization | 2,823,626 | 3,598,134 |
| Consolidated Firm Value | 4,374,940 | 5,380,828 |
| Consolidated Debt / Total Firm Value | 33.0% | 30.6% |

(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, 2020 | Three Months Ended December 31, 2019 |
|--|--|---|
| Net income | \$ 14,960 | \$ 42,751 |
| Net income attributable to NCI - partially owned properties | (142) | (138) |
| Preferred distributions | (317) | (317) |
| Depreciation and amortization expense | 36,655 | 36,996 |
| Depreciation and amortization expense - partially owned properties | (75) | (69) |
| Gain on the sale of investment properties | — | (27,867) |
| Proportionate share of unconsolidated joint venture adjustments | 1,700 | 715 |
| FFO applicable to common shares and OP Units | <u>\$ 52,781</u> | <u>\$ 52,071</u> |
| Net change in fair value of derivative | (91) | 1 |
| Net change in fair value of contingent consideration | — | (37) |
| Normalized FFO applicable to common shares and OP Units | <u>\$ 52,690</u> | <u>\$ 52,035</u> |
| Net income available to common shareholders per common share and OP Unit | <u>\$ 0.07</u> | <u>\$ 0.22</u> |
| FFO per common share and OP Unit | <u>\$ 0.26</u> | <u>\$ 0.27</u> |
| Normalized FFO per common share and OP Unit | <u>\$ 0.26</u> | <u>\$ 0.27</u> |
| Normalized FFO applicable to common shares and OP Units | \$ 52,690 | \$ 52,035 |
| Non-cash share compensation expense | 2,996 | 2,254 |
| Straight-line rent adjustments | (3,731) | (3,405) |
| Amortization of acquired above/below market leases/assumed debt | 889 | 910 |
| Amortization of lease inducements | 290 | 296 |
| Amortization of deferred financing costs | 599 | 610 |
| TI/LC and recurring capital expenditures | (3,060) | (6,240) |
| Proportionate share of unconsolidated joint venture adjustments | (187) | (36) |
| Normalized FAD applicable to common shares and OP Units | <u>\$ 50,486</u> | <u>\$ 46,424</u> |
| Weighted average number of common shares and OP Units outstanding | <u>202,842,340</u> | <u>194,961,039</u> |

**RECONCILIATION OF NON-GAAP MEASURES: NET OPERATING INCOME AND ADJUSTED EBITDA_{re}**
(Unaudited and in thousands)

| | Three Months Ended March 31, 2020 | Three Months Ended December 31, 2019 |
|---|--|---|
| NET OPERATING INCOME | | |
| Net income | \$ 14,960 | \$ 42,751 |
| General and administrative | 8,977 | 8,341 |
| Depreciation and amortization expense | 36,747 | 37,088 |
| Interest expense | 15,626 | 16,515 |
| Net change in fair value of derivative | (91) | 1 |
| Gain on the sale of investment properties | — | (27,867) |
| Proportionate share of unconsolidated joint venture adjustments | 2,454 | 1,048 |
| NOI | <u>\$ 78,673</u> | <u>\$ 77,877</u> |
| NOI | \$ 78,673 | \$ 77,877 |
| Straight-line rent adjustments | (3,731) | (3,405) |
| Amortization of acquired above/below market leases | 905 | 925 |
| Amortization of lease inducements | 290 | 296 |
| Net change in fair value of contingent consideration | — | (37) |
| Proportionate share of unconsolidated joint venture adjustments | (165) | (36) |
| Cash NOI | <u>\$ 75,972</u> | <u>\$ 75,620</u> |
| Cash NOI | \$ 75,972 | \$ 75,620 |
| Assets not held for all periods | (4,182) | (5,070) |
| LTACH & Hospital Cash NOI | (3,822) | (3,697) |
| Lease termination fees | (180) | (102) |
| Interest income and other | (3,926) | (3,015) |
| MOB Same-Store Cash NOI | <u>\$ 63,862</u> | <u>\$ 63,736</u> |
| ADJUSTED EBITDA_{re} | | |
| | Three Months Ended March 31, 2020 | |
| Net income | \$ 14,960 | |
| Depreciation and amortization expense | 36,747 | |
| Interest expense | 15,626 | |
| Proportionate share of unconsolidated joint venture adjustments | 2,426 | |
| EBITDA _{re} | <u>\$ 69,759</u> | |
| Non-cash share compensation expense | 2,996 | |
| Net non-cash changes in fair value | (91) | |
| Proforma adjustments for investment activity | (35) | |
| Adjusted EBITDA _{re} | <u>\$ 72,629</u> | |
| Adjusted EBITDA _{re} Annualized ⁽¹⁾ | <u>\$ 290,516</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, 2020 |
|--|-----------------------|
| Unsecured credit facility debt | \$ 410,000 |
| Unsecured notes | 975,000 |
| Mortgage debt | 59,489 |
| Consolidated Debt⁽¹⁾ | 1,444,489 |
| Pro-rata share of unconsolidated joint venture debt | 97,146 |
| Enterprise debt | \$ 1,541,635 |
| Redeemable equity | \$ 27,875 |
| Share price | \$ 13.94 |
| Total common shares outstanding | 202,555,703 |
| Total OP Units outstanding | 5,663,554 |
| Implied equity market capitalization | \$ 2,902,576 |
| Consolidated Firm Value (Debt + Pref. + Equity) | \$ 4,374,940 |
| Consolidated Debt/Gross Assets | 29.4% |
| Consolidated Debt/Total Firm Value | 33.0% |

Debt is 33% of Firm Value



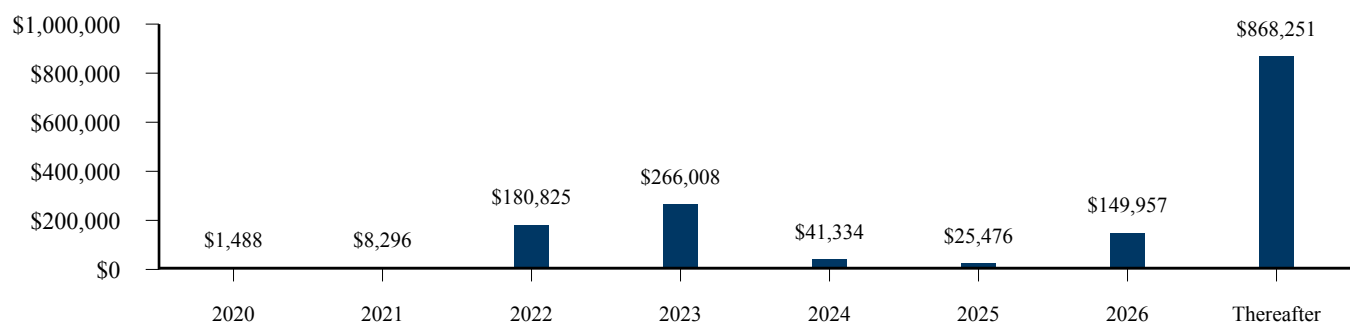
■ Debt ■ Equity

ENTERPRISE DEBT SUMMARY⁽¹⁾

| | Balance as of March 31, 2020 | Interest Rate | Maturity Date |
|--|---|----------------------|----------------------|
| Revolving Credit Facility Debt | \$ 160,000 | 2.0% | 9/18/2022 |
| Credit Facility Term Debt | 250,000 | 2.3% | 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 | 97,146 | 3.2% | Various |
| Mortgage Debt, Maturing⁽²⁾: | | | |
| 2020 | — | —% | |
| 2021 | 6,636 | 4.7% | |
| 2022 | 21,328 | 5.0% | |
| Thereafter | 31,525 | 4.4% | |
| | \$ 1,541,635 | 3.6% | |

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

(2) Weighted average maturity of Mortgage Debt is 3.9 years.

Enterprise Debt Repayment Schedule as of March 31, 2020

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

| | Quarter Ended March 31, 2020 |
|--|---|
| Consolidated debt | \$ 1,444,489 |
| Net consolidated debt (less cash) | 1,441,877 |
| Adjusted EBITDA _{re} | \$ 72,629 |
| Less: Amounts attributable to Unconsolidated Joint Ventures | (2,426) |
| Consolidated Adjusted EBITDA _{re} | \$ 70,203 |
| Consolidated Adjusted EBITDA _{re} (annualized)* | \$ 280,812 |
| Net Consolidated Debt / Consolidated Adjusted EBITDA_{re} Ratio | 5.13x |
| Consolidated Adjusted EBITDA _{re} | \$ 70,203 |
| Cash interest expense | 15,042 |
| Interest Coverage Ratio | 4.67x |
| Consolidated interest expense | \$ 15,626 |
| Capitalized interest | 130 |
| Secured debt principal amortization | 490 |
| Total fixed charges | \$ 16,246 |
| Consolidated Adjusted EBITDA _{re} | 70,203 |
| Consolidated Adjusted EBITDA_{re} / Fixed Charge Coverage Ratio | 4.32x |
| Implied equity market cap | \$ 2,902,576 |
| Redeemable equity | 27,875 |
| Consolidated debt | 1,444,489 |
| Consolidated Firm Value | \$ 4,374,940 |
| Net consolidated debt | \$ 1,441,877 |
| Gross assets | 4,919,082 |
| Net Consolidated Debt / Gross Assets | 29.3% |
| Net Consolidated Debt / Consolidated Firm Value | 33.0% |
| Weighted average common shares | 196,211,728 |
| Weighted average OP Units not owned by DOC | 5,663,124 |
| Dilutive effect of unvested restricted common shares and share units | 967,488 |
| Weighted Average Common Shares and OP Units - Diluted | 202,842,340 |

ENTERPRISE LEVERAGE STATISTICS

| | Quarter Ended March 31, 2020 |
|---|---|
| Enterprise debt | \$ 1,541,635 |
| Net enterprise debt (less cash) | 1,539,023 |
| Adjusted EBITDA _{re} (annualized)* | 290,516 |
| Net Enterprise Debt / Adjusted EBITDA_{re} Ratio | 5.30x |

COVENANT PERFORMANCE

| | Required | March 31, 2020 |
|---|-----------------|-----------------------|
| Total Leverage Ratio | ≤ 60.0% | 31.1% |
| Total Secured Leverage Ratio | ≤ 40.0% | 1.3% |
| Maintenance of Unencumbered Assets | ≥ 1.5x | 3.2x |
| Consolidated Debt Service (Trailing Four Quarters) | ≥ 1.5x | 4.1x |

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

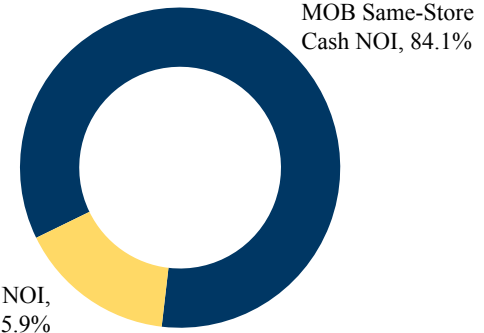


MOB SAME-STORE PORTFOLIO PERFORMANCE AND PORTFOLIO OCCUPANCY

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

MOB SAME-STORE PORTFOLIO ANALYSIS

| | Portfolio Quarter Ended March 31, 2020 | MOB Same-Store Quarter Ended March 31, 2020 |
|---------------------------------|--|---|
| Number of healthcare properties | 268 | 238 |
| Gross leasable area | 14,261,596 | 12,726,182 |
| Cash NOI | \$ 75,972 | \$ 63,862 |
| % Leased | 95.9% | 95.6% |



MOB SAME-STORE PORTFOLIO PERFORMANCE

| | Year-Over-Year Comparison | | | Sequential Comparison | | |
|---------------------------------|---------------------------|------------------|--------------|-----------------------|------------------|--------------|
| | Q1'20 | Q1'19 | Change | Q1'20 | Q4'19 | Change |
| Number of MOBs | 238 | 238 | — | 238 | 238 | — |
| Gross leasable area | 12,726,182 | 12,726,182 | — | 12,726,182 | 12,726,182 | — |
| % Leased | 95.6% | 95.8% | -20 bps | 95.6% | 95.4% | + 20 bps |
| Rental revenues | \$ 93,678 | \$ 93,798 | (0.1)% | \$ 93,678 | \$ 92,500 | +1.3% |
| Lease termination fees | (180) | (40) | +350.0% | (180) | (102) | +76.5% |
| Operating expenses | (29,636) | (30,911) | (4.1)% | (29,636) | (28,662) | +3.4% |
| MOB Same-Store Cash NOI | \$ 63,862 | \$ 62,847 | +1.6% | \$ 63,862 | \$ 63,736 | +0.2% |
| Cash NOI | \$ 75,972 | \$ 69,602 | | \$ 75,972 | \$ 75,620 | |
| Cash NOI from: | | | | | | |
| Assets not held for all periods | (4,182) | (1,653) | | (4,182) | (5,070) | |
| Repositioning assets | — | — | | — | — | |
| LTACH & Hospital Cash NOI | (3,822) | (3,467) | | (3,822) | (3,697) | |
| Lease termination fees | (180) | (40) | | (180) | (102) | |
| Interest income and other | (3,926) | (1,595) | | (3,926) | (3,015) | |
| MOB Same-Store Cash NOI | \$ 63,862 | \$ 62,847 | | \$ 63,862 | \$ 63,736 | |

PORTFOLIO OCCUPANCY

| | Quarter Ended March 31, 2020 | Percentage of Total GLA March 31, 2020 |
|--|---------------------------------|---|
| Total GLA | | |
| Total square feet beginning of quarter | 14,117,386 | 99.0 % |
| Acquired GLA ⁽¹⁾ | 144,210 | 1.0 % |
| Total square feet end of quarter | 14,261,596 | 100.0 % |
| Leased GLA | | |
| Leased GLA beginning of quarter | 13,532,135 | 94.9 % |
| Expirations | (226,956) | (1.6)% |
| Renewals | 194,768 | 1.4 % |
| Retention Rate | 86% | |
| New leases commencing in quarter | 58,109 | 0.4 % |
| Net absorption | 25,921 | 0.2 % |
| Leased GLA acquired | 125,413 | 0.9 % |
| Leased GLA end of quarter | 13,683,469 | 95.9 % |

(1) Includes remeasurements of existing properties totaling 797 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 |
|---------------------------------|-----------------|------------------|-----------------------|--------------|-------------------|----------------|
| El Paso, Texas Land | El Paso, TX | 1/17/2020 | N/A | — | \$ 215 (1) | — |
| Westerville MOB | Westerville, OH | 2/28/2020 | 5.1% | (2) 100.0% | 10,683 | 44,916 |
| TOPA Fort Worth | Fort Worth, TX | 3/16/2020 | 4.1% | 82.0% | 1,500 (3) | 98,497 |
| Construction Loan Draws | Various | Various | 4.8% | — | 6,591 | — |
| Total / Weighted Average | | | 4.9% | 97.8% | \$ 18,989 | 143,413 |

(1) This investment was funded through the conversion and satisfaction of a previously outstanding term loan of \$1.3 million and additional cash consideration of \$0.2 million.

(2) The stabilized yield on this investment is 6.1% following the completion of an initial three month rent abatement.

(3) The Company funded this investment through the conversion and satisfaction of a previously outstanding term loan of \$47.0 million and additional cash consideration of \$1.5 million. First year cash yield is based on the total investment of \$48.5 million. The stabilized yield is projected to be 5.5%.

CONSTRUCTION LOAN SUMMARY

| Construction Loans | Location | Estimated Date of Completion | Interest Rate | Quarterly Fundings | Amount Drawn to Date | Total Commitment | Purchase Option Cap Rate |
|--------------------|----------------|------------------------------|---------------|--------------------|----------------------|------------------|--------------------------|
| Sacred Heart ASC | Pensacola, FL | 3Q20 | 4.8% | \$ 5,889 | \$ 14,871 | \$ 28,814 | 6.3% |
| Cambridge Denton | (1) Denton, TX | 2Q20 | 5.5% | 702 | 10,945 | 15,500 | 6.0% |
| Total | | | | \$ 6,591 | \$ 25,816 | \$ 44,314 | |

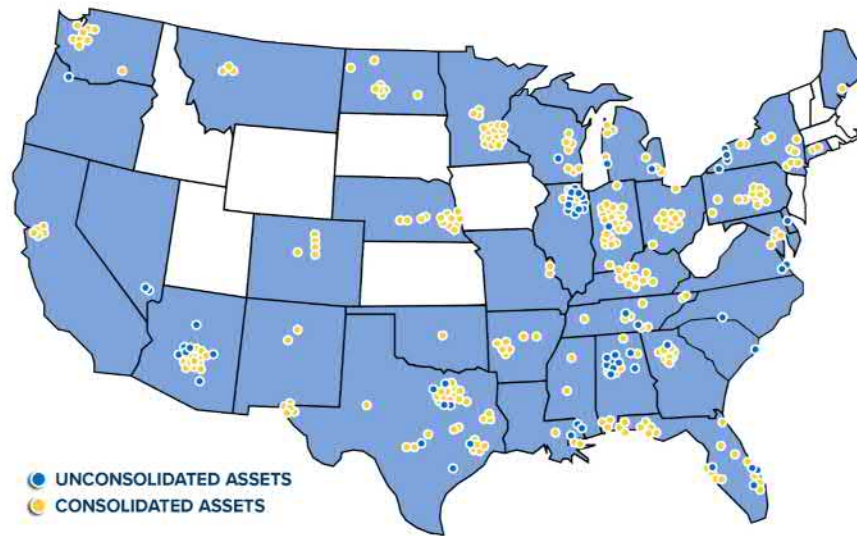
(1) Since March 31, 2020, we have provided final funding and substantial completion has taken place on this loan. The loan includes a fixed purchase option of \$15.5 million, exercisable in May 2021. As of April 30, 2020, a Certificate of Occupancy has been received with rent commencing May 2020 to Physicians Reliance, LLC (McKesson Corporation - Moody's: Baa2). With construction substantially complete, the interest rate on the loan increases from 5.5% to 6.25%.



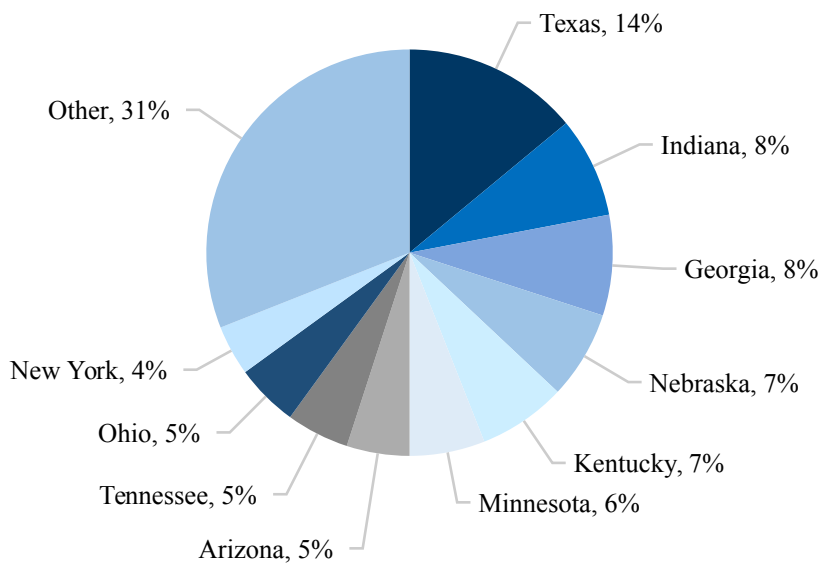
TOPA Denton MOB
Denton, TX



PORTFOLIO GEOGRAPHIC DISTRIBUTION
(As of March 31, 2020)



TOP TEN STATES BY GLA



| State | GLA |
|--------------|-------------------|
| Texas | 2,026,505 |
| Indiana | 1,106,546 |
| Georgia | 1,071,646 |
| Nebraska | 982,738 |
| Kentucky | 979,376 |
| Minnesota | 810,301 |
| Arizona | 759,192 |
| Tennessee | 724,758 |
| Ohio | 695,235 |
| New York | 634,583 |
| Other | 4,470,716 |
| Total | 14,261,596 |



PORTFOLIO DIVERSIFICATION (As of March 31, 2020)

Table with 6 columns: Property Type, # of Properties, GLA, % of Total, % Leased, Coverage Ratio. Rows include Single-tenant MOB, Multi-tenant MOB, Specialty Hospitals, LTACHs, Unconsolidated Joint Venture Assets, and Total.

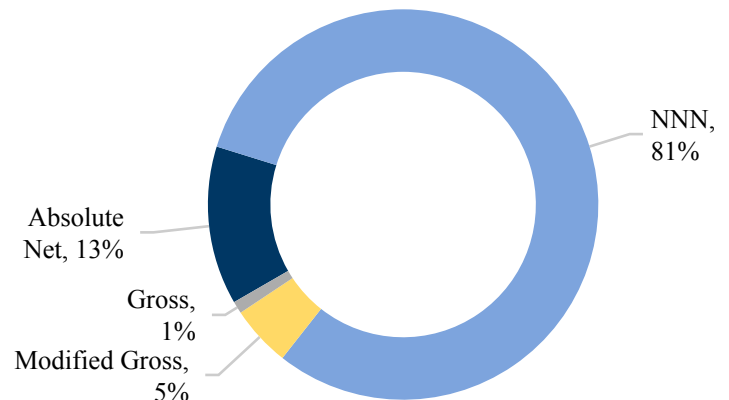
(1) Adjusted for the exclusion of the Company's El Paso Specialty Hospital and one facility previously affiliated with Foundation Healthcare. (2) On September 30, 2019, LifeCare 2.0, LLC, a newly formed affiliate of LeBlanc Healthcare, closed its purchase of the operations of each of the Company's LTACH facilities from LifeCare Holdings LLC, assuming the in-place master lease without change.

THREE MONTHS ENDED MARCH 31, 2020

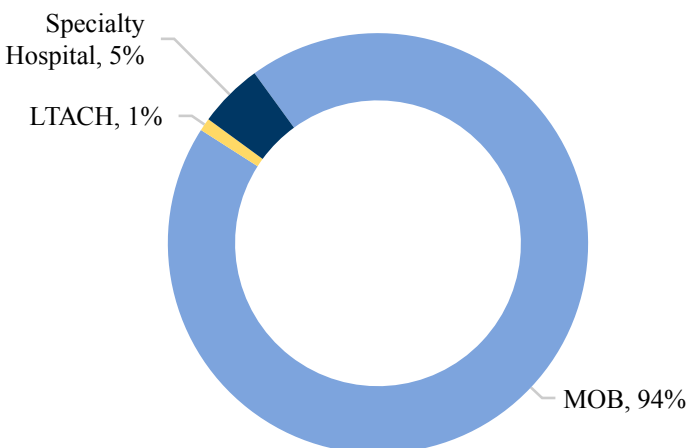
Campus Proximity (Based on Cash NOI)



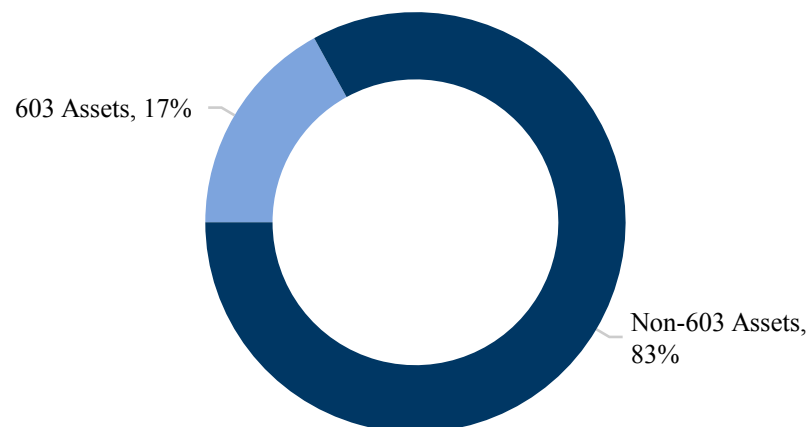
Lease Type (Based on Annualized Base Revenue)



Building Type (Based on Cash NOI)



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





CONSOLIDATED LEASING RELATIONSHIPS AND EXPIRATION SCHEDULE

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

INVESTMENT GRADE TENANCY ⁽¹⁾

| Relationship | Credit Rating (Moody's / S&P) | Leased GLA | % of Leased GLA | Annualized Base Rent | % of Total Annualized Base Rent |
|--------------------------------------|----------------------------------|------------------|--------------------|-------------------------|---------------------------------------|
| CommonSpirit Health | Baa1/BBB+ | 2,775,778 | 20.9% | \$ 49,756 | 16.6% |
| University of Louisville | Baa1/A+ | 596,021 | 4.5% | 11,862 | 4.0% |
| Ascension Health | Aa2/AA+ | 499,658 | 3.8% | 11,164 | 3.7% |
| McKesson Corporation | Baa2/BBB+ | 367,235 | 2.8% | 9,520 | 3.2% |
| Baylor Scott and White Health | Aa3/AA- | 268,639 | 2.0% | 7,960 | 2.7% |
| HonorHealth | A2/NA | 243,500 | 1.8% | 6,058 | 2.0% |
| Other Investment Grade Relationships | | 2,472,829 | 18.5% | 58,380 | 19.5% |
| Total | | 7,223,660 | 54.3% | \$ 154,700 | 51.7% |

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 | 6.6 | 899,129 | 6.8% | \$ 16,865 | 5.6% |
| Northside Hospital | 8.7 | 637,999 | 4.8% | 14,176 | 4.7% |
| UofL Health - Louisville, Inc. | 6.0 | 596,021 | 4.5% | 11,862 | 4.0% |
| US Oncology | 7.1 | 367,235 | 2.8% | 9,520 | 3.2% |
| Baylor Scott and White Health | 5.8 | 268,639 | 2.0% | 7,960 | 2.7% |
| Ascension - St. Vincent's - Indianapolis | 7.0 | 357,110 | 2.7% | 7,533 | 2.5% |
| CommonSpirit - CHI - St. Alexius (ND) | 6.3 | 359,284 | 2.7% | 6,551 | 2.2% |
| HonorHealth | 9.9 | 243,500 | 1.8% | 6,058 | 2.0% |
| Great Falls Clinic | 15.3 | 185,085 | 1.4% | 5,570 | 1.9% |
| CommonSpirit - CHI - Franciscan | 6.1 | 280,907 | 2.1% | 5,147 | 1.7% |
| Total / Weighted Average | 7.4 | 4,194,909 | 31.6% | \$ 91,242 | 30.5% |

LEASE EXPIRATION SCHEDULE

| Expiration Year | Expiring Leases | Expiring Lease GLA | % of Total GLA | Expiring Lease ABR | % of Total ABR | Average Rent per SF |
|---------------------|--------------------|-----------------------|-------------------|-----------------------|-------------------|------------------------|
| 2020 | 87 | 298,738 | 2.2% | \$ 6,240 | 2.1% | \$20.89 |
| 2021 | 146 | 555,895 | 4.0% | 12,185 | 4.1% | 21.92 |
| 2022 | 109 | 610,930 | 4.4% | 14,659 | 4.9% | 24.00 |
| 2023 | 115 | 609,013 | 4.4% | 14,135 | 4.7% | 23.21 |
| 2024 | 98 | 827,503 | 6.0% | 18,574 | 6.2% | 22.45 |
| 2025 | 161 | 1,079,872 | 7.8% | 25,281 | 8.5% | 23.41 |
| 2026 | 120 | 3,340,094 | 24.1% | 70,202 | 23.5% | 21.02 |
| 2027 | 76 | 1,313,160 | 9.5% | 27,729 | 9.3% | 21.12 |
| 2028 | 66 | 1,319,968 | 9.5% | 29,870 | 10.0% | 22.63 |
| 2029 | 34 | 587,997 | 4.2% | 15,918 | 5.3% | 27.07 |
| Thereafter | 87 | 2,688,012 | 19.5% | 62,698 | 20.9% | 23.32 |
| MTM | 35 | 68,207 | 0.5% | 1,564 | 0.5% | 22.92 |
| Vacant | | 540,076 | 3.9% | | | |
| Total / W.A. | 1,134 | 13,839,465 | 100.0% | \$ 299,055 | 100.0% | \$22.49 |

(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)

| | March 31, 2020 | December 31, 2019 |
|--|---------------------|----------------------|
| | (unaudited) | |
| ASSETS | | |
| Investment properties: | | |
| Land and improvements | \$ 228,067 | \$ 225,540 |
| Building and improvements | 3,754,098 | 3,700,009 |
| Tenant improvements | 55,524 | 53,931 |
| Acquired lease intangibles | 397,135 | 390,450 |
| | <u>4,434,824</u> | <u>4,369,930</u> |
| Accumulated depreciation | (578,274) | (540,928) |
| Net real estate property | 3,856,550 | 3,829,002 |
| Right-of-use lease assets, net | 138,864 | 127,933 |
| Real estate loans receivable | 135,818 | 178,240 |
| Investment in unconsolidated entities | 64,319 | 66,137 |
| Net real estate investments | 4,195,551 | 4,201,312 |
| Cash and cash equivalents | 2,612 | 2,355 |
| Tenant receivables, net | 9,211 | 7,972 |
| Other assets | 133,434 | 134,942 |
| Total assets | <u>\$ 4,340,808</u> | <u>\$ 4,346,581</u> |
| LIABILITIES AND EQUITY | | |
| Liabilities: | | |
| Credit facility | \$ 404,838 | \$ 583,323 |
| Notes payable | 968,001 | 967,789 |
| Mortgage debt | 59,354 | 83,341 |
| Accounts payable | 2,709 | 6,348 |
| Dividends and distributions payable | 49,138 | 46,272 |
| Accrued expenses and other liabilities | 72,945 | 81,238 |
| Lease liabilities | 74,121 | 63,290 |
| Acquired lease intangibles, net | 6,402 | 6,096 |
| Total liabilities | <u>1,637,508</u> | <u>1,837,697</u> |
| Redeemable noncontrolling interest - Series A Preferred Units and partially owned properties | 27,875 | 27,900 |
| Equity: | | |
| Common shares, \$0.01 par value, 500,000,000 common shares authorized, 202,555,703 and 189,975,396 common shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively | 2,026 | 1,900 |
| Additional paid-in capital | 3,169,670 | 2,931,921 |
| Accumulated deficit | (563,742) | (529,194) |
| Accumulated other comprehensive (loss) income | (5,665) | 4,321 |
| Total shareholders' equity | <u>2,602,289</u> | <u>2,408,948</u> |
| Noncontrolling interests: | | |
| Operating Partnership | 72,771 | 71,697 |
| Partially owned properties | 365 | 339 |
| Total noncontrolling interests | <u>73,136</u> | <u>72,036</u> |
| Total equity | <u>2,675,425</u> | <u>2,480,984</u> |
| Total liabilities and equity | <u>\$ 4,340,808</u> | <u>\$ 4,346,581</u> |



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

| | Three Months Ended March 31, | |
|--|---------------------------------|--------------------|
| | 2020 | 2019 |
| Revenues: | | |
| Rental revenues | \$ 77,870 | \$ 77,083 |
| Expense recoveries | 24,876 | 26,042 |
| Interest income on real estate loans and other | 4,682 | 2,243 |
| Total revenues | <u>107,428</u> | <u>105,368</u> |
| Expenses: | | |
| Interest expense | 15,626 | 16,269 |
| General and administrative | 8,977 | 8,972 |
| Operating expenses | 30,963 | 32,208 |
| Depreciation and amortization | 36,747 | 36,449 |
| Total expenses | <u>92,313</u> | <u>93,898</u> |
| Income before equity in (loss) income of unconsolidated entities: | 15,115 | 11,470 |
| Equity in (loss) income of unconsolidated entities | (155) | 30 |
| Net income | <u>14,960</u> | <u>11,500</u> |
| Net income attributable to noncontrolling interests: | | |
| Operating Partnership | (404) | (305) |
| Partially owned properties | (142) | (138) |
| Net income attributable to controlling interest | <u>14,414</u> | <u>11,057</u> |
| Preferred distributions | (317) | (284) |
| Net income attributable to common shareholders | <u>\$ 14,097</u> | <u>\$ 10,773</u> |
| Net income per share: | | |
| Basic | <u>\$ 0.07</u> | <u>\$ 0.06</u> |
| Diluted | <u>\$ 0.07</u> | <u>\$ 0.06</u> |
| Weighted average common shares: | | |
| Basic | <u>196,211,728</u> | <u>182,672,863</u> |
| Diluted | <u>202,842,340</u> | <u>188,497,308</u> |
| Dividends and distributions declared per common share and OP Unit | <u>\$ 0.23</u> | <u>\$ 0.23</u> |



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 acquisition-related expenses, non-cash compensation, other non-recurring items, 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 March 2020 by 12 (but excluding the impact of concessions and 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 below and above 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, and payment received from a seller master lease. We believe that Cash NOI provides an accurate measure of the operating performance of its 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. However, 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 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 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, REIT expenses, interest expense and net change in the fair value of derivative financial instruments, and gains or loss on the sale of discontinued properties, including our share of all required adjustments from our unconsolidated joint ventures. We believe that NOI provides an accurate measure of operating performance of its operating assets because NOI excludes certain items that are not associated with management of the properties. Additionally, DOC's 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 or below market leases and assumed debt, amortization of deferred financing costs, amortization of lease inducements, and recurring capital expenditures related to tenant improvements and leasing commissions, and includes cash payments from seller master leases and rent abatement payments, including our share of all required adjustments from unconsolidated joint ventures. Other REITs or real estate companies may use different methodologies for calculating Normalized FAD, and accordingly, our computation may not be comparable to those reported by other REITs. Although the Company's computation of Normalized FAD may not be comparable to that of other REITs, the Company believes Normalized FAD provides a meaningful supplemental measure of its 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 the Company's financial performance. Normalized FAD should be reviewed in connection with other GAAP measurements.

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

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

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

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

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