HTA

Healthcare Trust of America, Inc.

*Dedicated Owner of Best in Class Medical Office*

**NYSE: HTA**

# SUPPLEMENTAL INFORMATION

# 1Q 2019

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Forward-Looking Statements:

Certain statements contained in this report constitute forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by 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, or the Exchange Act). Such statements include, in particular, statements about our plans, strategies, prospects and estimates regarding future medical office building market performance. Additionally, such statements are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially and in adverse ways from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Forward-looking statements are generally identifiable by the use of such terms as “expect,” “project,” “may,” “should,” “could,” “would,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “opinion,” “predict,” “potential,” “pro forma” or the negative of such terms and other comparable terminology. Readers are cautioned not to place undue reliance on these forward-looking statements. We cannot guarantee the accuracy of any such forward-looking statements contained in this report, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Any such forward-looking statements reflect our current views about future events, are subject to unknown risks, uncertainties, and other factors, and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, provide dividends to stockholders, and maintain the value of our real estate properties, may be significantly hindered. Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties that could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, our stockholders are urged not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date made. In addition, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time, except as required by law. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our filings with the SEC.

# Company Information

Healthcare Trust of America, Inc. (NYSE: HTA) is the largest dedicated owner and operator of medical office buildings ("MOBs") in the United States, comprising approximately 23.2 million square feet of gross leasable area ("GLA"), with $6.8 billion invested primarily in MOBs. HTA provides real estate infrastructure for the integrated delivery of healthcare services in highly-desirable locations. Investments are targeted to build critical mass in 20 to 25 leading gateway markets that generally have leading university and medical institutions, which translates to superior demographics, high-quality graduates, intellectual talent and job growth. The strategic markets HTA invests in support a strong, long-term demand for quality medical office space. HTA utilizes an integrated asset management platform consisting of on-site leasing, property management, engineering and building services, and development capabilities to create complete, state of the art facilities in each market. This drives efficiencies, strong tenant and health system relationships, and strategic partnerships that result in high levels of tenant retention, rental growth and long-term value creation. Headquartered in Scottsdale, Arizona, HTA has developed a national brand with dedicated relationships at the local level.

Founded in 2006 and listed on the New York Stock Exchange in 2012, HTA has produced attractive returns for its stockholders that have outperformed the S&P 500 and US REIT indices. More information about HTA can be found on the Company's Website (www.htareit.com), Facebook, LinkedIn, Instagram and Twitter.

## Executive Management

Scott D. Peters I Chairman, Chief Executive Officer and President

Robert A. Milligan I Chief Financial Officer, Secretary and Treasurer

Amanda L. Houghton I Executive Vice President - Asset Management

David A. Gershenson I Chief Accounting Officer

Caroline E. Chiodo I Senior Vice President - Acquisitions and Development

David W. Chung I Senior Vice President - Development

## Contact Information

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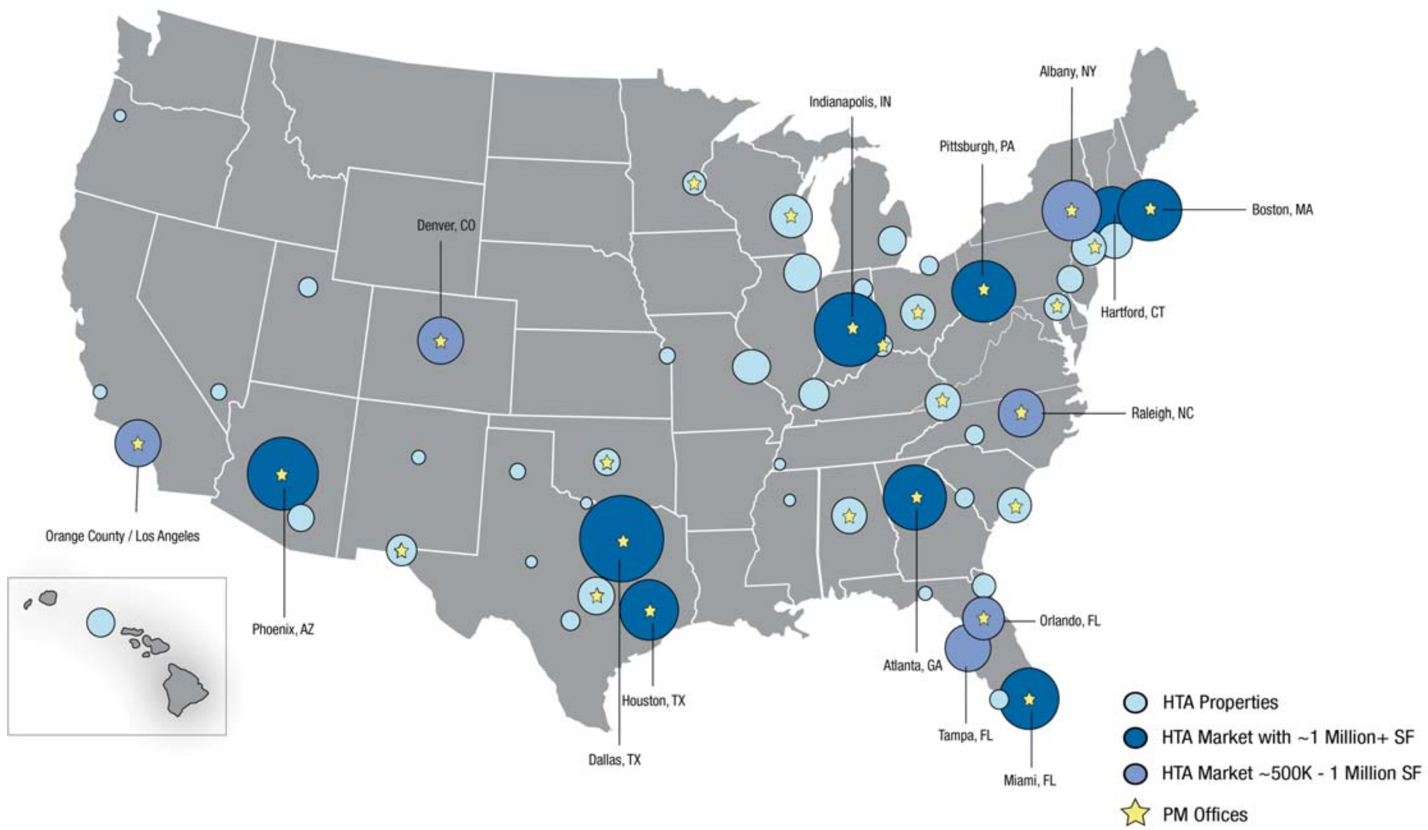
# HTA: LARGEST DEDICATED OWNER OF MEDICAL OFFICE

| | | | |
|---|---|---|---|
| **23+**<br>MILLION SQUARE FEET GLA | **93%**<br>INTERNALLY MANAGED | **~16M SF**<br>ON-CAMPUS<br>(Largest on-campus owner in U.S.) | **5.6x**<br>Net Debt/ Adjusted EBITDA*re* |

## BEST IN CLASS PORTFOLIO FOCUSED IN 20-25 KEY MARKETS




**9 MARKETS ~ 1M+ SF** **15 MARKETS > 500K SF**

| Full-Service Operating Platform | Focus and Scale | Diversification | Investment Grade Balance Sheet |
|---|---|---|---|
| **Best-in-Class Fully Integrated Operations Management** | **94% of Portfolio in Key Markets & Top 75 MSAs** | **431 Buildings throughout 32 States** | **BBB/Baa2**<br>Credit Rating |
| Property Management | Platform with Scale Creates: | Top Tenant < 4.5% of ABR | **5.6x**<br>Net Debt/<br>Adjusted EBITDAre |
| Leasing | Local Expertise | Top Market < 10.4% of ABR | **$1.1B**<br>Liquidity |
| Facilities & Engineering | Strong Relationships | Size & Diversification provides stability of cash flows | |
| Construction & Development | Operational Benefits | | |
| | Access to Better Performing Markets | | |

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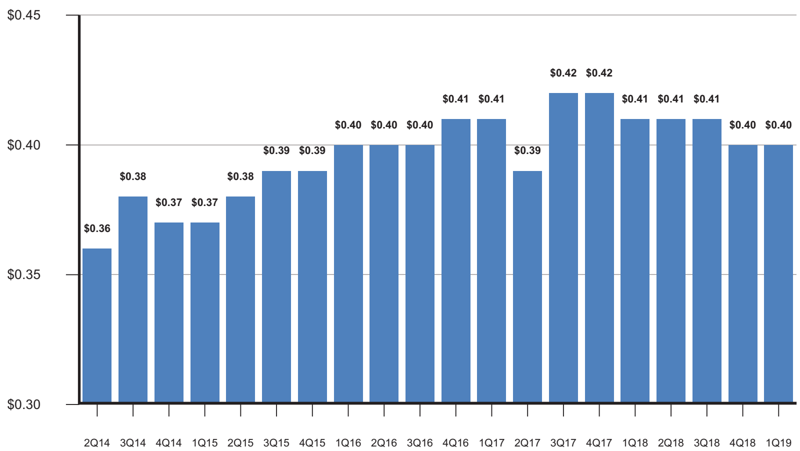
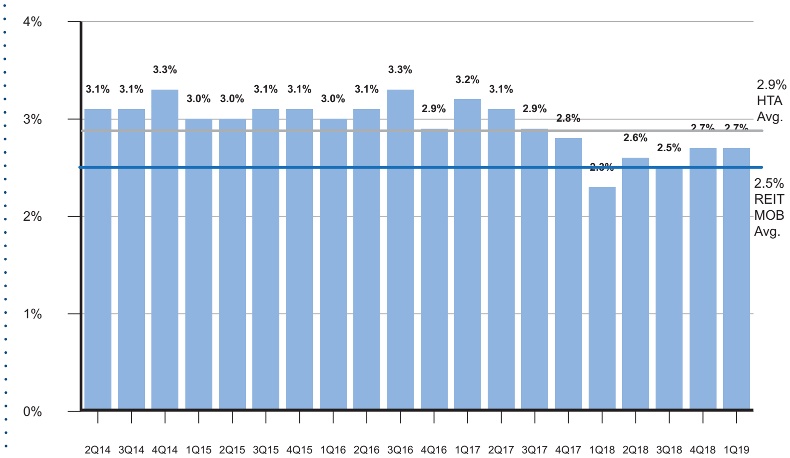
# FINANCIAL PERFORMANCE: DECADE OF VALUE CREATION

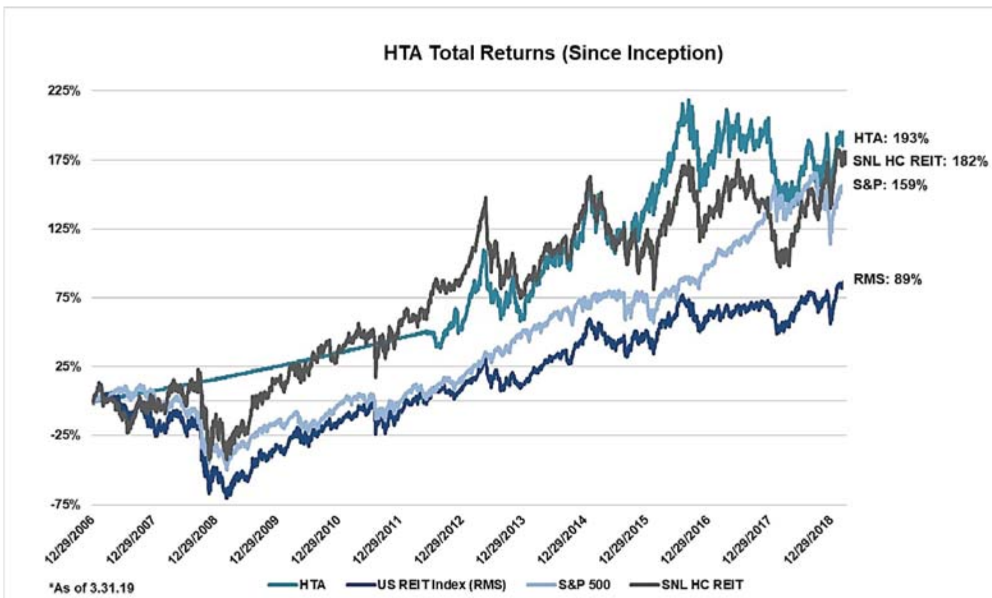
## Normalized FFO/Share




## Same Store Growth




## DELIVERING SHAREHOLDER VALUE

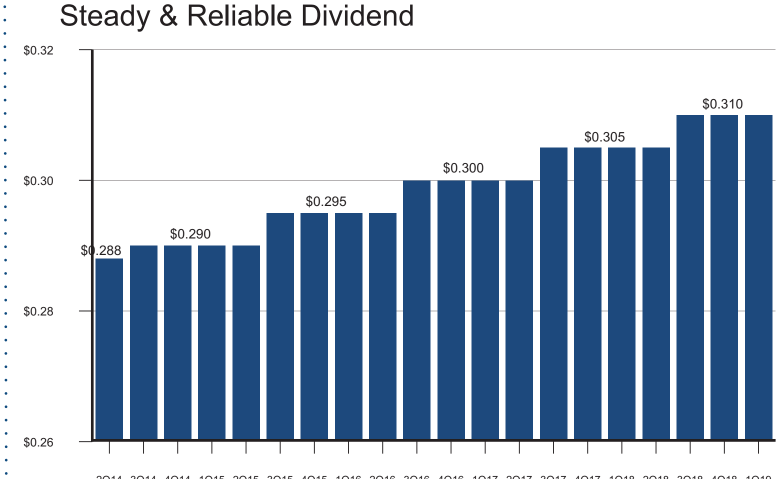



**8.8% Annualized Average Total Returns Since First Distribution in 2006 to March 31, 2019**

## Top Health Systems

- » Adventist Health
- » Atrium Health
- » Ascension Health
- » Baylor Scott & White Health
- » Boston Medical Center
- » Community Health Systems
- » Duke Health
- » Highmark-Allegheny Health Network
- » Hospital Corporation of America
- » Mercy Health
- » Providence St. Joseph Health
- » Steward Health Care System
- » Tenet Healthcare System
- » Trinity Health
- » Tufts Medical Center
- » UNC Health Care

## Steady & Reliable Dividend



## First Quarter 2019 Highlights

- **Net Income Attributable to Common Stockholders** increased $3.6 million, to $13.4 million, compared to Q1 2018. Earnings per diluted share increased $0.01, to $0.06 per diluted share, compared to Q1 2018.
- **Funds From Operations ("FFO")**, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), was $82.9 million, or $0.40 per diluted share, for Q1 2019. Due to the adoption of Topic 842, initial direct costs are now reported in general and administrative expenses. For Q1 2018, we capitalized approximately $1.3 million of initial direct costs.
- **Normalized FFO** was $83.1 million, or $0.40 per diluted share, for Q1 2019.
- **Normalized Funds Available for Distribution ("FAD")** was $73.2 million for Q1 2019.
- **Same-Property Cash Net Operating Income ("NOI")** increased $3.0 million, or 2.7%, to $112.4 million, compared to Q1 2018.
- **Leasing:** HTA's portfolio had a leased rate of 91.8% by gross leasable area ("GLA") and an occupancy rate of 90.6% by GLA for Q1 2019. During Q1 2019, HTA executed 1.1 million square feet of GLA of new and renewal leases. Re-leasing spreads increased to 5.9% and tenant retention for the Same-Property portfolio was 86% by GLA for Q1 2019.

## Balance Sheet and Capital Markets

- **Balance Sheet:** HTA ended Q1 2019 with total liquidity of $1.1 billion, inclusive of $61.1 million of cash and cash equivalents, resulting in total leverage of (i) 29.3%, measured as debt less cash and cash equivalents to total capitalization, and (ii) 5.6x, measured as debt less cash and cash equivalents to Adjusted Earnings before Interest, Taxes, Depreciation and Amortization for real estate ("Adjusted EBITDA*re*").
- **Stock Repurchase Plan:** During Q1 2019, HTA repurchased 345,786 shares of its common stock totaling approximately $8.5 million, at an average price of $24.65 per share.

## Noteworthy Q1 2019 Activities

- **Investments:** In Q1 2019, HTA invested approximately $18.8 million to acquire a medical office building ("MOB") in Westport, Connecticut. In addition, as of April 25, 2019, HTA has an additional $70 million of investments that have closed or are under exclusive contract. These MOBs are located in HTA's existing key markets and will be operated by our asset management and leasing platform. Altogether, these MOBs have a year one capitalization rate of over 5.7%, excluding potential synergies from our full-service operating platform. These investments remain subject to customary closing conditions.
- **Forest Park Update:** In February 2019, it was announced that HCA - Medical City Dallas will open Medical City Heart Hospital and Medical City Spine Hospital this fall on HTA's Forest Park Dallas campus. These hospitals are destination hospitals for highly specialized advanced cardiovascular and spine care consisting of the only dedicated cardiac emergency room in Dallas. In addition, HTA ended Q1 2019 with a total leased rate of approximately 93% for its Forest Park portfolio.
- **Dividends:** On April 25, 2019, HTA's Board of Directors announced a quarterly cash dividend of $0.310 per share of common stock and per OP Unit. The quarterly dividend is to be paid on July 11, 2019 to stockholders of record of its common stock and holders of its OP Units on July 3, 2019.

## Impact of Topic 842 Leases

- The Financial Accounting Standards Board issued Topic 842, which was effective for HTA as of January 1, 2019. Topic 842 modifies the treatment of initial direct costs, which historically under Topic 840 have been capitalized upon meeting criteria provided for in the applicable guidance. Topic 842 also eliminates the accounting recognition of expenses paid directly by tenants and moves certain bad debt costs from expense to revenue. In Q1 2018, HTA capitalized $1.3 million of initial direct leasing costs that would now be expensed. In addition, HTA recognized $3.6 million of tenant paid property taxes in both revenues and expenses and a nominal amount of bad debt costs recognized in expenses.

## 2019 Guidance

For 2019, HTA reaffirms the following guidance ranges (in millions, except per share data):

| | Annual Expectations | | |
|---|---|---|---|
| | **Low** | **to** | **High** |
| Net income attributable to common stockholders per share | $0.33 | | $0.36 |
| Same-Property Cash NOI | 2.0% | | 3.0% |
| FFO per share, as defined by NAREIT | $1.61 | | $1.66 |
| Normalized FFO per share | $1.62 | | $1.67 |

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## Financial Highlights

*(unaudited and dollars in thousands, except per share data)*

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 1Q19 | 4Q18 | 3Q18 | 2Q18 | 1Q18 |
| **INCOME ITEMS** | | | | | |
| Revenues | $ 168,966 | $ 172,298 | $ 175,135 | $ 173,332 | $ 175,661 |
| NOI (1)(2) | 117,498 | 117,045 | 119,346 | 119,779 | 119,639 |
| Adjusted EBITDA*re*, annualized (1)(3) | 444,692 | 444,036 | 446,928 | 456,596 | 461,212 |
| FFO (1)(3) | 82,875 | 85,194 | 81,362 | 84,394 | 84,615 |
| Normalized FFO (1)(3) | 83,148 | 84,182 | 86,144 | 85,087 | 84,987 |
| Normalized FAD (1)(3) | 73,153 | 68,291 | 68,814 | 72,230 | 75,924 |
| | | | | | |
| Net income attributable to | | | | | |
| common stockholders per diluted share | $ 0.06 | $ 0.07 | $ 0.82 | $ 0.07 | $ 0.05 |
| FFO per diluted share | 0.40 | 0.41 | 0.38 | 0.40 | 0.40 |
| Normalized FFO per diluted share | 0.40 | 0.40 | 0.41 | 0.41 | 0.41 |
| | | | | | |
| Same-Property Cash NOI growth (4) | 2.7% | 2.7% | 2.5% | 2.6% | 2.3% |
| Fixed charge coverage ratio (5) | 4.37x | 4.28x | 4.22x | 4.10x | 4.28x |

| | As of | | | | |
|---|---|---|---|---|---|
| | 1Q19 | 4Q18 | 3Q18 | 2Q18 | 1Q18 |
| **ASSETS** | | | | | |
| Gross real estate investments | $ 6,894,539 | $ 6,873,790 | $ 6,858,468 | $ 7,015,665 | $ 7,000,502 |
| Total assets | 6,242,554 | 6,188,476 | 6,328,684 | 6,302,130 | 6,359,835 |
| | | | | | |
| **CAPITALIZATION** | | | | | |
| Net debt (6) | $ 2,480,546 | $ 2,415,011 | $ 2,384,141 | $ 2,657,340 | $ 2,724,048 |
| Total capitalization (7) | 8,456,142 | 7,709,762 | 8,015,778 | 8,357,574 | 8,257,732 |
| Net debt/total capitalization (6) | 29.3% | 31.3% | 29.7% | 31.8% | 33.0% |

(1) Refer to pages 23 and 24 for the reporting definitions of NOI, Adjusted EBITDA*re*, FFO, Normalized FFO and Normalized FAD.
(2) Refer to page 16 for a reconciliation of GAAP Net Income to NOI.
(3) Refer to page 12 for the reconciliations of GAAP Net Income Attributable to Common Stockholders to FFO, Normalized FFO, Normalized FAD and Adjusted EBITDA*re*.
(4) Calculated as the increase in Same-Property Cash NOI for the quarter as compared to the same period in the previous year.
(5) Calculated as Adjusted EBITDA*re* divided by interest expense and scheduled principal payments.
(6) Refer to page 14 for components of net debt.
(7) Calculated as the common stock price on the last trading day of the period multiplied by the total diluted common shares outstanding at the end of the period, plus net debt. Refer to page 14 for details.

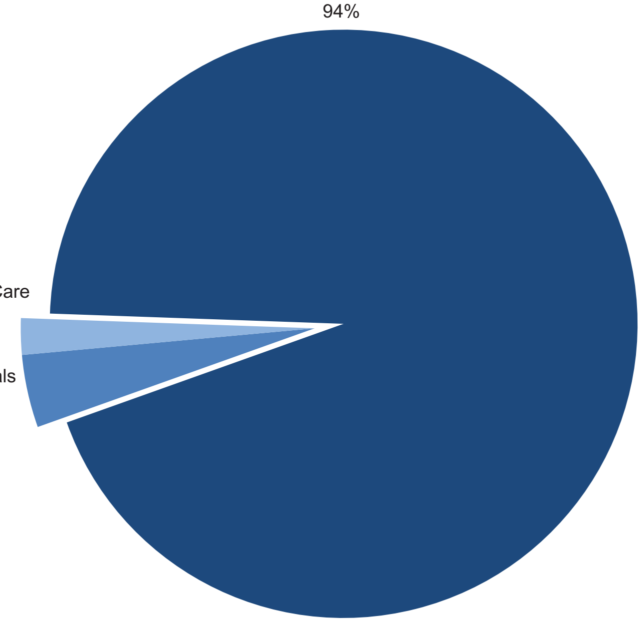
## Company Snapshot

*(as of March 31, 2019)*

| | | |
|---|---|---|
| Investments in Real Estate (1) | $ | 6.8 |
| Total portfolio GLA (2) | | 23.2 |
| Leased rate (3) | | 91.8% |
| Same-Property portfolio tenant retention rate (YTD) (4) | | 86% |
| | | |
| % of GLA managed internally | | 93% |
| % of GLA on-campus/adjacent | | 68% |
| % of invested dollars in key markets & top 75 MSAs (5) | | 94% |
| Investment grade tenants (6) | | 45% |
| Credit rated tenants (6) | | 58% |
| Weighted average remaining lease term for all buildings (7) | | 5.7 |
| Weighted average remaining lease term for single-tenant buildings (7) | | 8.0 |
| Weighted average remaining lease term for multi-tenant buildings (7) | | 4.6 |
| | | |
| Credit ratings (by Moody's and Standard & Poor's) | | Baa2(Stable)/BBB(Stable) |
| Cash and cash equivalents (2) | $ | 61.1 |
| Net debt/total capitalization | | 29.3% |
| Weighted average interest rate per annum on portfolio debt (8) | | 3.47% |

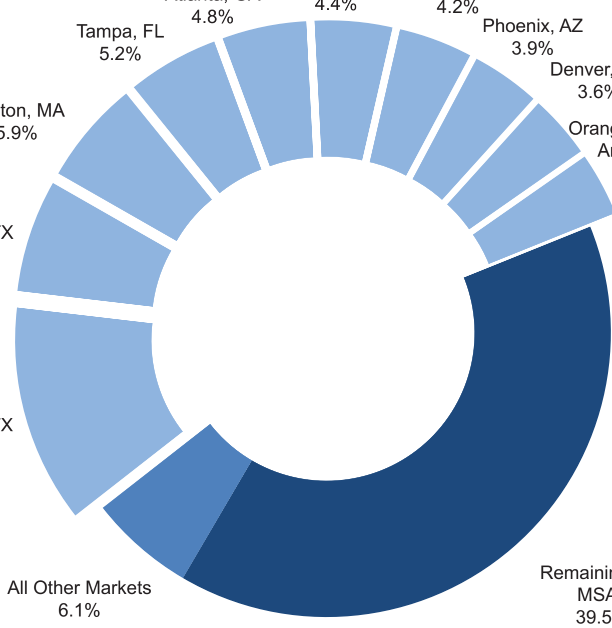
### Building Type

% of Portfolio (based on GLA)




### Presence in Top MSAs (9)

% of Portfolio (based on invested dollars)




(1) Amount presented in billions. Refer to page 23 for the reporting definition of Investments in Real Estate.
(2) Amounts presented in millions. Total portfolio GLA excludes GLA for projects under development and includes 100% of the GLA of its unconsolidated joint venture.
(3) Calculations are based on percentage of total GLA, excluding GLA for development properties.
(4) Refer to page 24 for the reporting definition of Retention.
(5) Refer to page 23 for the reporting definition of Metropolitan Statistical Area.
(6) Amounts based on annualized base rent.
(7) Amounts presented in years.
(8) Includes the impact of cash flow hedges.
(9) Refer to page 19 for a detailed table of HTA' s Key Markets and Top 75 MSA Concentration.

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## Condensed Consolidated Balance Sheets

*(unaudited and in thousands, except share and per share data)*

| | As of | |
|---|---|---|
| | 1Q19 | 4Q18 |
| **ASSETS** | | |
| Real estate investments: | | |
| Land | $ 483,848 | $ 481,871 |
| Building and improvements | 5,807,582 | 5,787,152 |
| Lease intangibles | 596,568 | 599,864 |
| Construction in progress | 6,541 | 4,903 |
| | 6,894,539 | 6,873,790 |
| Accumulated depreciation and amortization | (1,264,637) | (1,208,169) |
| Real estate investments, net | 5,629,902 | 5,665,621 |
| Investment in unconsolidated joint venture | 67,072 | 67,172 |
| Cash and cash equivalents | 61,073 | 126,221 |
| Restricted cash | 7,402 | 7,309 |
| Receivables and other assets, net | 221,202 | 223,415 |
| Right-of-use assets, net | 243,446 | — |
| Other intangibles, net | 12,457 | 98,738 |
| Total assets | $ 6,242,554 | $ 6,188,476 |
| **LIABILITIES AND EQUITY** | | |
| Liabilities: | | |
| Debt | $ 2,541,619 | $ 2,541,232 |
| Accounts payable and accrued liabilities | 139,462 | 185,073 |
| Security deposits, prepaid rent and other liabilities | 42,044 | 59,567 |
| Lease liabilities | 197,313 | — |
| Intangible liabilities, net | 40,820 | 61,146 |
| Total liabilities | 2,961,258 | 2,847,018 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 6,520 | 6,544 |
| Equity: | | |
| Preferred stock, $0.01 par value; 200,000,000 shares authorized; none issued and outstanding | — | — |
| Class A common stock, $0.01 par value; 1,000,000,000 shares authorized; 205,099,708 and 205,267,349 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively | 2,051 | 2,053 |
| Additional paid-in capital | 4,517,961 | 4,525,969 |
| Accumulated other comprehensive (loss) income | (75) | 307 |
| Cumulative dividends in excess of earnings | (1,322,443) | (1,272,305) |
| Total stockholders' equity | 3,197,494 | 3,256,024 |
| Noncontrolling interests | 77,282 | 78,890 |
| Total equity | 3,274,776 | 3,334,914 |
| Total liabilities and equity | $ 6,242,554 | $ 6,188,476 |

## Condensed Consolidated Statements of Operations

*(unaudited and in thousands, except per share data)*

| | Three Months Ended | |
|---|---|---|
| | 1Q19 | 1Q18 |
| **Revenues:** | | |
| Rental income | $ 168,875 | $ 175,567 |
| Interest and other operating income | 91 | 94 |
| Total revenues | 168,966 | 175,661 |
| **Expenses:** | | |
| Rental | 51,468 | 56,022 |
| General and administrative | 11,290 | 8,786 |
| Transaction | 40 | 191 |
| Depreciation and amortization | 69,481 | 70,392 |
| Interest expense | 23,970 | 26,253 |
| Impairment | — | 4,606 |
| Total expenses | 156,249 | 166,250 |
| Loss on sale of real estate, net | (37) | — |
| Income from unconsolidated joint venture | 486 | 570 |
| Other income | 535 | 35 |
| **Net income** | $ 13,701 | $ 10,016 |
| Net income attributable to noncontrolling interests | (261) | (214) |
| **Net income attributable to common stockholders** | $ 13,440 | $ 9,802 |
| **Earnings per common share - basic:** | | |
| Net income attributable to common stockholders | $ 0.07 | $ 0.05 |
| **Earnings per common share - diluted:** | | |
| Net income attributable to common stockholders | $ 0.06 | $ 0.05 |
| **Weighted average common shares outstanding:** | | |
| Basic | 205,080 | 205,069 |
| Diluted | 208,999 | 209,177 |
| **Dividends declared per common share** | $ 0.310 | $ 0.305 |

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## Condensed Consolidated Statements of Cash Flows

*(unaudited and in thousands)*

| | Three Months Ended | |
|---|---|---|
| | 1Q19 | 1Q18 |
| **Cash flows from operating activities:** | | |
| Net income | $ 13,701 | $ 10,016 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 66,528 | 68,303 |
| Share-based compensation expense | 3,389 | 3,507 |
| Impairment | — | 4,606 |
| Income from unconsolidated joint venture | (486) | (570) |
| Distributions from unconsolidated joint venture | 750 | — |
| Loss on sale of real estate, net | 37 | — |
| Changes in operating assets and liabilities: | | |
| Receivables and other assets, net | 2,546 | 9,277 |
| Accounts payable and accrued liabilities | (40,402) | (30,780) |
| Prepaid rent and other liabilities | 2,492 | (3,479) |
| Net cash provided by operating activities | 48,555 | 60,880 |
| **Cash flows from investing activities:** | | |
| Investments in real estate | (18,592) | (11,887) |
| Development of real estate | (2,014) | (13,235) |
| Proceeds from the sale of real estate | 1,193 | — |
| Capital expenditures | (16,815) | (17,417) |
| Collection of real estate notes receivable | 181 | 172 |
| Net cash used in investing activities | (36,047) | (42,367) |
| **Cash flows from financing activities:** | | |
| Payments on secured mortgage loans | (587) | (1,598) |
| Security deposits | — | 52 |
| Repurchase and cancellation of common stock | (11,926) | (2,709) |
| Dividends paid | (63,686) | (62,546) |
| Distributions paid to noncontrolling interest of limited partners | (1,364) | (1,334) |
| Net cash used in financing activities | (77,563) | (68,135) |
| Net change in cash, cash equivalents and restricted cash | (65,055) | (49,622) |
| Cash, cash equivalents and restricted cash - beginning of period | 133,530 | 118,560 |
| Cash, cash equivalents and restricted cash - end of period | $ 68,475 | $ 68,938 |

# FFO, Normalized FFO, Normalized FAD and Adjusted EBITDA*re*

*(unaudited and in thousands, except per share data)*

| FFO, Normalized FFO and Normalized FAD | Three Months Ended | | | |
|---|---|---|---|---|
| | 1Q19 | | 1Q18 | |
| Net income attributable to common stockholders | $ | 13,440 | $ | 9,802 |
| Depreciation and amortization expense related to investments in real estate | | 68,926 | | 69,856 |
| Loss on sale of real estate, net | | 37 | | — |
| Impairment | | — | | 4,606 |
| Proportionate share of joint venture depreciation and amortization | | 472 | | 351 |
| **FFO attributable to common stockholders** | $ | 82,875 | $ | 84,615 |
| Transaction expenses | | 40 | | 191 |
| Noncontrolling income from OP units included in diluted shares | | 233 | | 181 |
| **Normalized FFO attributable to common stockholders** | $ | 83,148 | $ | 84,987 |
| Non-cash compensation expense | | 3,389 | | 3,479 |
| Straight-line rent adjustments, net | | (3,258) | | (3,166) |
| Amortization of (below) and above market leases/leasehold interests and corporate assets, net | | 332 | | 751 |
| Deferred revenue - tenant improvement related and other income | | (1) | | (66) |
| Amortization of deferred financing costs and debt discount/premium, net | | 1,405 | | 1,289 |
| Recurring capital expenditures, tenant improvements and leasing commissions | | (11,862) | | (11,350) |
| **Normalized FAD attributable to common stockholders** | $ | 73,153 | $ | 75,924 |
| Net income attributable to common stockholders per diluted share | $ | 0.06 | $ | 0.05 |
| FFO adjustments per diluted share, net | | 0.34 | | 0.35 |
| **FFO attributable to common stockholders per diluted share** | $ | 0.40 | $ | 0.40 |
| Normalized FFO adjustments per diluted share, net | | 0.00 | | 0.01 |
| **Normalized FFO attributable to common stockholders per diluted share** | $ | 0.40 | $ | 0.41 |
| Weighted average diluted common shares outstanding | | 208,999 | | 209,177 |

| Adjusted EBITDA*re* [(1)] | Three Months Ended | |
|---|---|---|
| | 1Q19 | |
| Net income | $ | 13,701 |
| Interest expense | | 23,970 |
| Depreciation and amortization expense | | 69,481 |
| Loss on sale of real estate, net | | 37 |
| Proportionate share of joint venture depreciation and amortization | | 472 |
| **EBITDAre** | $ | 107,661 |
| Transaction expenses | | 40 |
| Non-cash compensation expense | | 3,389 |
| Pro forma impact of acquisitions/dispositions | | 83 |
| **Adjusted EBITDA*re*** | $ | 111,173 |
| **Adjusted EBITDA*re*, annualized** | $ | 444,692 |
| As of March 31, 2019: | | |
| Debt | $ | 2,541,619 |
| Less: cash and cash equivalents | | 61,073 |
| **Net Debt** | $ | 2,480,546 |
| **Net Debt to Adjusted EBITDA*re*** | | 5.6x |

(1) Refer to page 23 for the reporting definitions of EBITDA*re*, as defined by NAREIT, and Adjusted EBITDA*re*.

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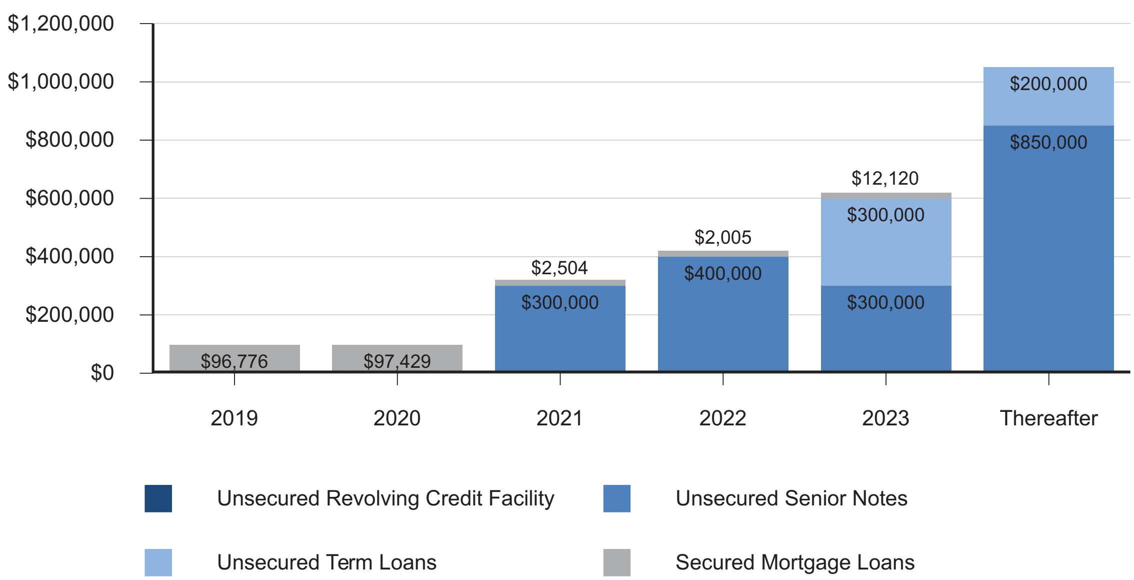
# Debt Composition and Maturity Schedule
*(as of March 31, 2019, dollars in thousands)*

## Debt Composition

| | Principal Balance | Deferred Financing Costs, Net | Discounts | Total | Stated Rate [1] | Hedged Rate [2] |
|---|---|---|---|---|---|---|
| Unsecured senior note due 2021 | $ 300,000 | $ (994) | $ (760) | $ 298,246 | 3.38% | 3.38% |
| Unsecured senior note due 2022 | 400,000 | (2,033) | (165) | 397,802 | 2.95 | 2.95 |
| Unsecured senior note due 2023 | 300,000 | (1,405) | (1,035) | 297,560 | 3.70 | 3.70 |
| Unsecured senior note due 2026 | 350,000 | (1,192) | (1,740) | 347,068 | 3.50 | 3.50 |
| Unsecured senior note due 2027 | 500,000 | (3,500) | (2,152) | 494,348 | 3.75 | 3.75 |
| **Total unsecured senior notes** | $ 1,850,000 | $ (9,124) | $ (5,852) | $ 1,835,024 | | |
| | | | | | | |
| Unsecured term loan due 2023 | 300,000 | (1,894) | — | 298,106 | 3.65% | 3.65% |
| Unsecured term loan due 2024 | 200,000 | (1,987) | — | 198,013 | 3.50 | 2.77 |
| **Total unsecured term loans** | $ 500,000 | $ (3,881) | $ — | $ 496,119 | | |
| | | | | | | |
| Unsecured revolving credit facility due 2022 [3] | — | — | — | — | 3.55% | 3.55% |
| Secured mortgage loans | 210,834 | (43) | (315) | 210,476 | 3.96 | 3.96 |
| **Total debt** | $ 2,560,834 | $ (13,048) | $ (6,167) | $ 2,541,619 | 3.53% | 3.47% |

## Maturity Schedule



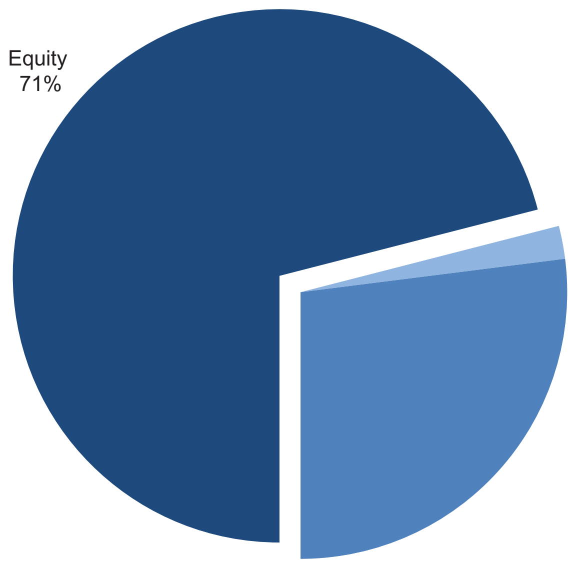

(1) The stated rate on the debt instrument as of the end of the period.
(2) The effective rate incorporates any cash flow hedges that serve to fix variable rate debt, as of the end of the period.
(3) Rate does not include the 20 basis point facility fee that is payable on the entire $1.0 billion revolving credit facility.

## Capitalization and Covenants

*(as of March 31, 2019, dollars and shares in thousands, except stock price)*

### Capitalization

| | 1Q19 |
|---|---|
| Unsecured revolving credit facility | $ — |
| Unsecured term loans | 500,000 |
| Unsecured senior notes | 1,850,000 |
| Secured mortgage loans | 210,834 |
| Deferred financing costs, net | (13,048) |
| Discount, net | (6,167) |
| **Total debt** | $ 2,541,619 |
| Less: cash and cash equivalents | 61,073 |
| **Net debt** | $ 2,480,546 |
| | |
| Stock price (as of March 29, 2019) | $ 28.59 |
| Total diluted common shares outstanding | 209,010 |
| **Equity capitalization** | $ 5,975,596 |
| | |
| **Total capitalization** | $ 8,456,142 |
| | |
| Total undepreciated assets | $ 7,507,191 |
| Gross book value of unencumbered assets | $ 6,610,061 |
| | |
| Total debt/undepreciated assets | 33.9% |
| Net debt/total capitalization | 29.3% |

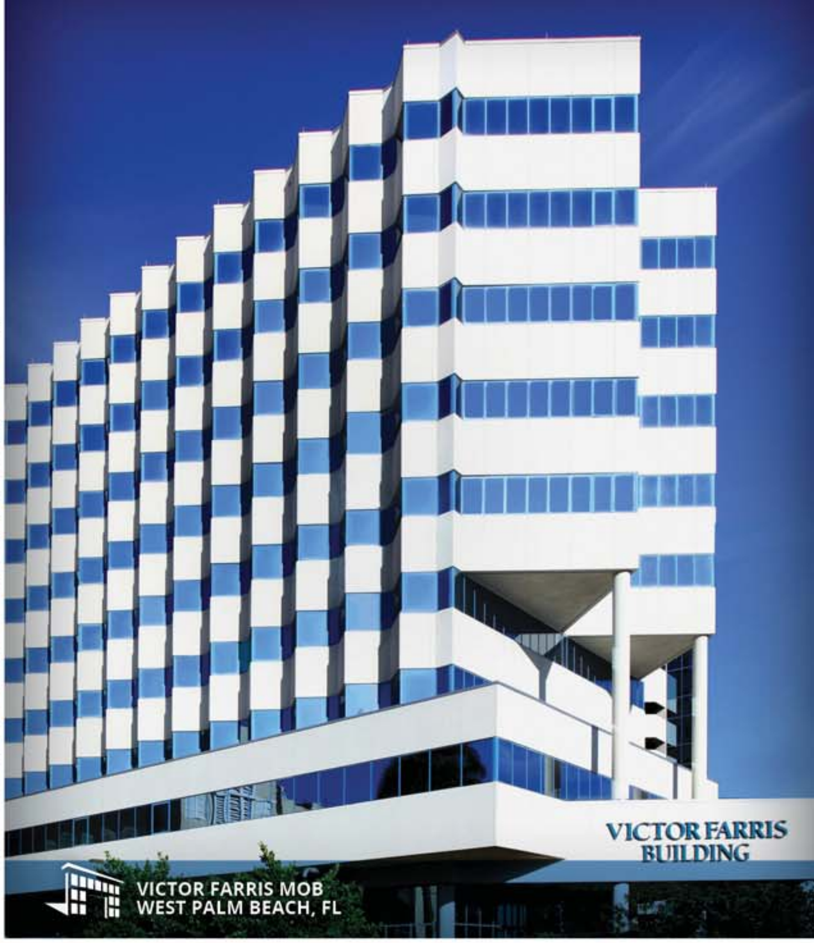



### Covenants

| Bank Loans | Required | 1Q19 |
|---|---|---|
| Total leverage | ≤ 60% | 36% |
| Secured leverage | ≤ 30% | 3% |
| Fixed charge coverage | ≥ 1.50x | 4.37x |
| Unencumbered leverage | ≤ 60% | 35% |
| Unencumbered coverage | ≥ 1.75x | 5.12x |

| Senior Notes | Required | 1Q19 |
|---|---|---|
| Total leverage | ≤ 60% | 35% |
| Secured leverage | ≤ 40% | 3% |
| Unencumbered asset coverage | ≥ 150% | 299% |
| Interest coverage | ≥ 1.50x | 4.41x |


MISSION MEDICAL TOWER
MISSION VIEJO, CA



VICTOR FARRIS MOB
WEST PALM BEACH, FL

RALEIGH MEDICAL CENTER
RALEIGH, NC

## Same-Property Performance and NOI
*(as of March 31, 2019, unaudited and dollars and GLA in thousands)*

### Same-Property Performance

| | Three Months Ended | | | Sequential | | Year-Over-Year | |
|---|---|---|---|---|---|---|---|
| | 1Q19 | 4Q18 | 1Q18 | $ Change | % Change | $ Change | % Change |
| Rental revenue | $ 124,668 | $ 126,172 | $ 122,343 | $ (1,504) | (1.2)% | $ 2,325 | 1.9% |
| Tenant recoveries | 36,397 | 35,032 | 35,330 | 1,365 | 3.9 | 1,067 | 3.0 |
| Total rental income | 161,065 | 161,204 | 157,673 | (139) | (0.1) | 3,392 | 2.2 |
| Expenses | 48,616 | 47,888 | 48,208 | 728 | 1.5 | 408 | 0.8 |
| **Same-Property Cash NOI** [(1)] | $ 112,449 | $ 113,316 | $ 109,465 | $ (867) | (0.8)% | $ 2,984 | 2.7% |
| | | | | | | | |
| **Rental Margin** [(2)] | 90.2% | 89.8% | 89.5% | | | | |

| | As of | | |
|---|---|---|---|
| | 1Q19 | 4Q18 | 1Q18 |
| Number of buildings | 412 | 412 | 412 |
| GLA | 22,251 | 22,249 | 22,235 |
| Leased GLA, end of period | 20,439 | 20,471 | 20,445 |
| Leased %, end of period | 91.9% | 92.0% | 91.9% |
| Occupancy GLA, end of period | 20,213 | 20,294 | 20,175 |
| Occupancy %, end of period | 90.8% | 91.2% | 90.7% |

### NOI [(3)]

| | Three Months Ended | |
|---|---|---|
| | 1Q19 | 1Q18 |
| Net income | $ 13,701 | $ 10,016 |
| General and administrative expenses | 11,290 | 8,786 |
| Transaction expenses | 40 | 191 |
| Depreciation and amortization expense | 69,481 | 70,392 |
| Impairment | — | 4,606 |
| Interest expense | 23,970 | 26,253 |
| Loss on sale of real estate, net | 37 | — |
| Income from unconsolidated joint venture | (486) | (570) |
| Other income | (535) | (35) |
| **NOI** | $ 117,498 | $ 119,639 |
| **NOI percentage growth** | (1.8)% | |
| | | |
| NOI | $ 117,498 | $ 119,639 |
| Straight-line rent adjustments, net | (3,258) | (3,166) |
| Amortization of (below) and above market leases/leasehold interests, net and other GAAP adjustments | 234 | 99 |
| Notes receivable interest income | (27) | (36) |
| Cash NOI | $ 114,447 | $ 116,536 |
| Acquisitions not owned/operated for all periods presented and disposed properties Cash NOI | (783) | (5,000) |
| Redevelopment Cash NOI | (269) | (820) |
| Intended for sale Cash NOI | (946) | (1,251) |
| **Same-Property Cash NOI** | $ 112,449 | $ 109,465 |
| **Same-Property Cash NOI percentage growth** | 2.7 % | |

(1) The presentation includes certain adjustments to allow for the consistent treatment of items impacted by Topic 842-Leases.
(2) Rental margin presents Same-Property Cash NOI divided by Same-Property rental revenue.
(3) Refer to pages 23 and 24 for the reporting definitions of NOI, Cash NOI and Same-Property Cash NOI.

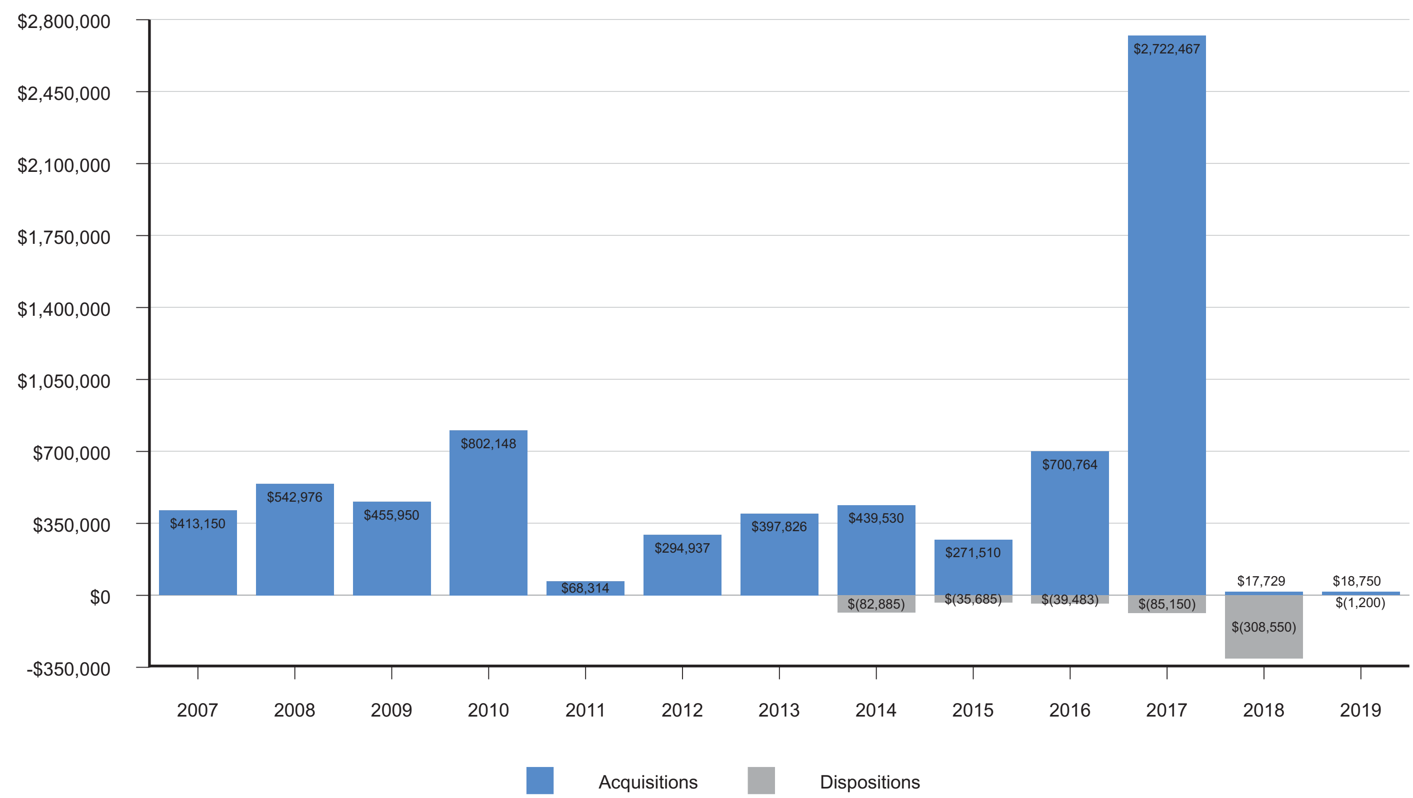
## Investment Activity
*(as of March 31, 2019, dollars and GLA in thousands)*

### 2019 Acquisitions

| Property | Market | Date Acquired | % Leased at Acquisition | Purchase Price (1) | GLA |
|---|---|---|---|---|---|
| Westport Center | Westport, CT | January | 82 | $18,750 | 38 |

### Annual Investments (1)

As of March 31, 2019, HTA has invested $6.8 billion primarily in MOBs, development properties and other healthcare assets comprising 23.2 million square feet of GLA.




(1) Excludes real estate note receivables and corporate assets.

## Development/Redevelopment Summary and Capital Expenditures

*(as of March 31, 2019, dollars and GLA in thousands)*

### Development/Redevelopment Summary - Property Information

| Development/Redevelopment | MSA | Total GLA | % Leased |
|---|---|---|---|
| Memorial Hermann Plaza II MOB | Houston, TX | 100 | 100% |
| **Total Stabilized** | | 100 | 100 |
| **Development:** | | | |
| Jackson South MOB | Miami, FL | 51 | 70 |
| **Redevelopment:** | | | |
| Cary MOB | Raleigh, NC | 125 | 72 |
| **Total Construction in Progress** | | 176 | 71 |
| **Total Development and Redevelopment** | | 276 | 82% |

### Development/Redevelopment Summary - Financial Information

| Development/ Redevelopment | Completion/ Estimated Completion | Redevelopments Removed From Operations [1] | Total Construction Cost | Construction in Progress | Costs to Complete |
|---|---|---|---|---|---|
| Memorial Hermann Plaza II MOB [2] | 2Q18 | | $ 21,159 | $ 13,314 | $ 7,845 |
| **Total Stabilized** | | | $ 21,159 | $ 13,314 | $ 7,845 |
| **Development:** | | | | | |
| Jackson South MOB | 3Q20 | | $ 21,634 | $ 1,224 | $ 20,410 |
| **Redevelopment:** | | | | | |
| Cary MOB | 1Q21 | $ 6,430 | 42,965 | 1,631 | 41,334 |
| **Total Construction in Progress** | | $ 6,430 | $ 64,599 | $ 2,855 | $ 61,744 |
| **Total Development and Redevelopment** | | $ 6,430 | $ 85,758 | $ 16,169 | $ 69,589 |
| Total construction costs/gross real estate investments | | 1.2% | | | |

### Development/Redevelopment Summary - Costs

| | Three Months Ended 1Q19 |
|---|---|
| Development/redevelopment | $ 2,014 |
| **Capital Expenditures** | |
| Recurring capital expenditures | $ 3,951 |
| Tenant improvements - 2nd generation | 5,672 |
| Lease commissions | 2,239 |
| **Total recurring capital expenditures** | $ 11,862 |
| Capital expenditures - 1st generation/acquisition | 941 |
| Tenant improvements - 1st generation | 1,946 |
| **Total capital expenditures** | $ 14,749 |

(1) Represents the net book value for buildings placed in redevelopment and removed from HTA's Same-Property pool.
(2) Costs to complete for Memorial Hermann Plaza II MOB relates to remaining tenant improvements. The building is 100% leased and fully operational.

## Key Markets/Top 75 MSA Concentration and Regional Portfolio Distribution

*(as of March 31, 2019, dollars and GLA in thousands)*

### Key Markets and Top 75 MSA Concentration (1)

| Key Markets | Investment | % of Investment | Total GLA (2) | % of Portfolio | Annualized Base Rent (3) | % of Annualized Base Rent |
|---|---|---|---|---|---|---|
| Dallas, TX | $ 843,274 | 12.4% | 2,053 | 8.9% | $ 52,959 | 10.3% |
| Houston, TX | 430,979 | 6.4 | 1,585 | 6.8 | 35,931 | 7.0 |
| Boston, MA | 396,530 | 5.9 | 965 | 4.2 | 32,160 | 6.3 |
| Tampa, FL | 350,746 | 5.2 | 954 | 4.1 | 23,759 | 4.6 |
| Atlanta, GA | 325,186 | 4.8 | 1,088 | 4.7 | 24,165 | 4.7 |
| Hartford/New Haven, CT | 296,681 | 4.4 | 1,014 | 4.4 | 21,581 | 4.2 |
| Indianapolis, IN | 281,768 | 4.2 | 1,396 | 6.0 | 25,048 | 4.9 |
| Phoenix, AZ | 267,781 | 3.9 | 1,316 | 5.7 | 25,229 | 4.9 |
| Denver, CO | 246,957 | 3.6 | 538 | 2.3 | 11,681 | 2.3 |
| Orange County/Los Angeles, CA | 241,242 | 3.6 | 550 | 2.4 | 15,622 | 3.0 |
| Miami, FL | 228,624 | 3.4 | 994 | 4.3 | 22,699 | 4.4 |
| Raleigh, NC | 199,889 | 2.9 | 668 | 2.9 | 16,620 | 3.2 |
| Chicago, IL | 190,778 | 2.8 | 382 | 1.6 | 11,702 | 2.3 |
| Albany, NY | 170,071 | 2.5 | 833 | 3.6 | 16,186 | 3.1 |
| Austin, TX | 164,425 | 2.4 | 409 | 1.8 | 8,955 | 1.7 |
| Orlando, FL | 156,300 | 2.3 | 513 | 2.2 | 11,134 | 2.2 |
| Pittsburgh, PA | 148,612 | 2.2 | 1,095 | 4.7 | 18,352 | 3.6 |
| White Plains, NY | 126,144 | 1.9 | 333 | 1.5 | 8,332 | 1.6 |
| Milwaukee, WI | 116,082 | 1.7 | 368 | 1.6 | 6,505 | 1.3 |
| Charlotte, NC | 94,697 | 1.4 | 334 | 1.4 | 7,772 | 1.5 |
| **Top 20 MSAs** | 5,276,766 | 77.9 | 17,388 | 75.1 | 396,392 | 77.1 |
| Additional Top MSAs | 1,085,689 | 16.0 | 4,097 | 17.7 | 80,642 | 15.7 |
| **Total Key Markets/Top 75 MSAs** | $ 6,362,455 | 93.9% | 21,485 | 92.8% | $ 477,034 | 92.8% |

### Regional Portfolio Distribution

| Region | Investment | % of Investment | Total GLA (2) | % of Portfolio | Annualized Base Rent (3) | % of Annualized Base Rent |
|---|---|---|---|---|---|---|
| Southwest | $ 2,617,815 | 38.6% | 8,172 | 35.3% | $ 184,452 | 35.9% |
| Southeast | 1,815,212 | 26.8 | 6,296 | 27.2 | 144,624 | 28.1 |
| Northeast | 1,271,010 | 18.8 | 4,631 | 20.0 | 104,672 | 20.4 |
| Midwest | 1,064,193 | 15.7 | 4,038 | 17.4 | 79,731 | 15.5 |
| Northwest | 7,750 | 0.1 | 22 | 0.1 | 561 | 0.1 |
| **Total** | $ 6,775,980 | 100% | 23,159 | 100% | $ 514,040 | 100% |

(1) Key markets are titled as such based on HTA's concentration in the respective MSA.
(2) Total portfolio GLA excludes GLA of projects under development and includes 100% of the GLA of its unconsolidated joint venture.
(3) Refer to page 23 for the reporting definition of Annualized Base Rent.

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## Portfolio Diversification by Type, Historical Campus Proximity and Tenant Specialty

*(as of March 31, 2019, dollars and GLA in thousands, except as otherwise noted)*

### Portfolio Diversification by Type

| | Number of Buildings | Number of States | GLA (1) | % of Total GLA | Annualized Base Rent (2) | % of Annualized Base Rent |
|---|---|---|---|---|---|---|
| **Medical Office Buildings** | | | | | | |
| Single-tenant | 107 | 21 | 5,901 | 25.5% | $ 131,149 | 25.5% |
| Multi-tenant | 306 | 31 | 15,949 | 68.9 | 344,875 | 67.1 |
| **Other Healthcare Facilities** | | | | | | |
| Hospitals | 15 | 7 | 954 | 4.1 | 32,643 | 6.4 |
| Senior care | 3 | 1 | 355 | 1.5 | 5,373 | 1.0 |
| Total | 431 | 32 | 23,159 | 100% | $ 514,040 | 100% |
| **Net-Lease/Gross-Lease** | | | | | | |
| Net-lease | 275 | 29 | 14,362 | 62.0% | $ 334,252 | 65.0% |
| Gross-lease | 156 | 19 | 8,797 | 38.0 | 179,788 | 35.0 |
| **Total** | 431 | 32 | 23,159 | 100% | $ 514,040 | 100% |

### Historical Campus Proximity (3)

| | As of | | | | |
|---|---|---|---|---|---|
| | 1Q19 | 4Q18 | 3Q18 | 2Q18 | 1Q18 |
| Off-Campus Aligned | 28% | 28% | 28% | 26% | 26% |
| On-Campus | 68 | 68 | 68 | 70 | 70 |
| On-Campus/Aligned | 96% | 96% | 96% | 96% | 96% |
| Off-Campus/Non-Aligned | 4 | 4 | 4 | 4 | 4 |
| **Total** | 100% | 100% | 100% | 100% | 100% |

### Tenant Specialty (4)

| Specialty | On-Campus | Off-Campus | Total |
|---|---|---|---|
| Primary Care (5) | 16.3% | 20.2% | 17.5% |
| Orthopedics/Sports Medicine | 9.7% | 10.7% | 10.0% |
| Obstetrics/Gynecology | 7.8 | 3.4 | 6.4 |
| Cardiology | 6.5 | 3.5 | 5.6 |
| Oncology | 4.5 | 2.4 | 3.9 |
| Imaging/Diagnostics/Radiology | 3.4 | 4.9 | 3.8 |
| Eye and Vision | 3.0 | 3.8 | 3.3 |
| General Surgery | 2.7 | 2.1 | 2.5 |
| Other Specialty | 32.4 | 32.9 | 32.6 |
| **Specialty** | 70.0% | 63.7% | 68.1% |
| Ambulatory Surgery Center | 4.9% | 7.1% | 5.6% |
| Education/Research | 4.3 | 1.8 | 3.5 |
| Pharmacy | 1.2 | 0.4 | 1.0 |
| Other | 3.3 | 6.8 | 4.3 |
| **Total** | 100.0% | 100.0% | 100.0% |

(1) Total portfolio GLA excludes GLA of projects under development and includes 100% of the GLA of its unconsolidated joint venture.
(2) Refer to page 23 for the reporting definition of Annualized Base Rent.
(3) Percentages shown as percent of total GLA. Refer to page 24 for the reporting definitions of Off-campus/Non-Aligned and On-Campus/Aligned.
(4) Tenant Specialty includes the percentage of total GLA of multi-tenanted clinical MOBs.
(5) Primary Care includes Pediatrics, family and internal medicine.

## New and Renewal Leasing Activity, Historical Leased Rate and Tenant Lease Expirations

*(as of March 31, 2019, dollars and GLA in thousands)*

### New and Renewal Leasing Activity

| | Total GLA | Average Term (1) | Average Base Rent (2) Expiring | Average Base Rent (2) Starting | Tenant Improvements (2) | Leasing Commissions (2) |
|---|---|---|---|---|---|---|
| **1Q 2019** | | | | | | |
| New Leases | 207 | 7.5 | | $ 24.13 | $ 35.40 | $ 1.88 |
| Renewal Leases | 892 | 9.6 | $ 16.39 | 17.35 | 15.63 | 0.41 |
| **Total 1Q 2019** | 1,099 | 9.2 | | $ 17.77 | $ 19.34 | $ 0.69 |

### Historical Leased Rate (3)

| | As of 1Q19 | 4Q18 | 3Q18 | 2Q18 | 1Q18 |
|---|---|---|---|---|---|
| Total portfolio leased rate | 91.8% | 92.0% | 92.1% | 91.9% | 91.8% |
| On-campus/aligned leased rate | 91.8 | 92.1 | 92.2 | 91.9 | 91.8 |
| Off-campus/non-aligned leased rate | 92.7 | 89.3 | 91.1 | 90.8 | 91.9 |
| Total portfolio occupancy rate | 90.6 | 91.0 | 90.9 | 90.9 | 90.7 |

### Tenant Lease Expirations

| Expiration | Number of Expiring Leases | Total GLA of Expiring Leases (4) | % of GLA of Expiring Leases | Annualized Base Rent of Expiring Leases (5) | % of Total Annualized Base Rent |
|---|---|---|---|---|---|
| Month-to-month | 144 | 482 | 2.3% | $ 10,055 | 2.0% |
| 2019 | 462 | 1,841 | 8.7 | 49,782 | 9.7 |
| 2020 | 475 | 1,939 | 9.1 | 47,727 | 9.3 |
| 2021 | 616 | 2,463 | 11.6 | 60,360 | 11.7 |
| 2022 | 414 | 2,139 | 10.1 | 52,171 | 10.1 |
| 2023 | 323 | 1,915 | 9.0 | 42,442 | 8.3 |
| 2024 | 223 | 1,364 | 6.4 | 33,825 | 6.6 |
| 2025 | 175 | 1,142 | 5.4 | 27,218 | 5.3 |
| 2026 | 167 | 1,282 | 6.0 | 27,092 | 5.3 |
| 2027 | 159 | 1,978 | 9.3 | 54,093 | 10.5 |
| 2028 | 107 | 989 | 4.6 | 22,303 | 4.3 |
| Thereafter | 262 | 3,737 | 17.5 | 86,972 | 16.9 |
| **Total** | 3,527 | 21,271 | 100% | $ 514,040 | 100% |

(1) Amounts presented in years.
(2) Amounts presented per square foot.
(3) Calculations are based on percentage of total GLA, excluding GLA for projects under development and including 100% of the GLA of its unconsolidated joint venture.
(4) Total portfolio GLA excludes GLA of projects under development and includes 100% of the GLA of its unconsolidated joint venture.
(5) Refer to page 23 for the reporting definition of Annualized Base Rent.

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# Key Health System Relationships and Ownership Interests

*(as of March 31, 2019, dollars and GLA in thousands, except as otherwise noted)*

## Key Health System Relationships (1)

| Health System | Weighted Average Remaining Lease Term (2) | Credit Rating | Total Leased GLA (3) | % of Leased GLA | Annualized Base Rent (4) | % of Annualized Base Rent |
|---|---|---|---|---|---|---|
| Baylor Scott & White Health | 7 | Aa3 | 849 | 4.0% | $ 22,810 | 4.4% |
| Highmark-Allegheny Health Network (5) | 10 | Baa1 | 923 | 4.3 | 15,150 | 3.0 |
| Hospital Corporation of America | 5 | Ba1 | 532 | 2.5 | 14,846 | 2.9 |
| Tenet Healthcare System | 7 | B2 | 487 | 2.3 | 11,821 | 2.3 |
| Community Health Systems (TN) | 8 | Caa3 | 541 | 2.5 | 11,312 | 2.2 |
| Tufts Medical Center | 8 | BBB+ | 255 | 1.2 | 10,616 | 2.1 |
| Providence St. Joseph Health | 3 | Aa3 | 299 | 1.4 | 10,542 | 2.1 |
| Ascension Health | 5 | Aa2 | 446 | 2.1 | 10,047 | 2.0 |
| Steward Health Care System | 8 | NR | 383 | 1.8 | 9,864 | 1.9 |
| Adventist Health | 3 | Aa2 | 331 | 1.6 | 7,533 | 1.5 |
| Harbin Clinic | 9 | NR | 313 | 1.5 | 6,809 | 1.3 |
| Mercy Health | 8 | Aa3 | 251 | 1.2 | 6,320 | 1.2 |
| Atrium Health | 2 | Aa3 | 197 | 0.9 | 6,039 | 1.2 |
| UNC Health Care | 8 | Aa3 | 217 | 1.0 | 5,750 | 1.1 |
| Trinity Health | 9 | Aa3 | 187 | 0.9 | 5,404 | 1.1 |
| **Total** | | | 6,211 | 29.2% | $ 154,863 | 30.3% |

## Ownership Interests (6)

| | Number of Buildings | GLA (3) | Annualized Base Rent | % of Annualized Base Rent | As of (7) 1Q19 | 4Q18 | 3Q18 | 2Q18 | 1Q18 |
|---|---|---|---|---|---|---|---|---|---|
| **Fee Simple** | 284 | 13,952 | $ 311,890 | 61% | 60% | 60 % | 65 % | 62 % | 62 % |
| Customary Health System Restrictions | 140 | 8,837 | 192,088 | 37 | 38 | 38 | 34 | 34 | 34 |
| Economic with Limited Restrictions | 6 | 333 | 9,540 | 2 | 2 | 2 | 1 | 1 | 1 |
| Occupancy Health System Restrictions | 1 | 37 | 522 | — | — | — | — | 3 | 3 |
| **Leasehold Interest Subtotal** | 147 | 9,207 | 202,150 | 39 | 40 | 40 | 35 | 38 | 38 |
| **Total** | 431 | 23,159 | $ 514,040 | 100% | 100% | 100 % | 100 % | 100 % | 100 % |

(1) The amounts in this table illustrate only direct leases with selected top health systems in the HTA portfolio and is not inclusive of all HTA's health system tenants.
(2) Amounts presented in years.
(3) Total leased and total portfolio GLA excludes GLA of projects under development and includes 100% of the GLA of its unconsolidated joint venture.
(4) Refer to page 23 for the reporting definition of Annualized Base Rent.
(5) Credit rating refers to Highmark, Inc.
(6) Refer to pages 23 and 24 for the reporting definitions of Customary Health System Restrictions, Economic with Limited Restrictions, and Occupancy Health System Restrictions.
(7) Percentages shown as percent of total GLA.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("Adjusted EBITDA*re*"): Adjusted EBITDA*re* is presented on an assumed annualized basis. HTA defines Adjusted EBITDA*re* as EBITDA*re* (computed in accordance with NAREIT as defined below) plus: (i) transaction expenses; (ii) gain or loss on extinguishment of debt; (iii) non-cash compensation expense; (iv) pro forma impact of its acquisitions/dispositions; and (v) other normalizing items. HTA considers Adjusted EBITDA*re* an important measure because it provides additional information to allow management, investors, and its current and potential creditors to evaluate and compare its core operating results and its ability to service debt.

Annualized Base Rent: Annualized base rent is calculated by multiplying contractual base rent for the end of the period by 12 (excluding the impact of abatements, concessions, and straight-line rent).

Cash Net Operating Income ("Cash NOI"): Cash NOI is a non-GAAP financial measure which excludes from NOI: (i) straight-line rent adjustments; (ii) amortization of below and above market leases/leasehold interests and other GAAP adjustments; and (iii) notes receivable interest income. Contractual base rent, contractual rent increases, contractual rent concessions and changes in occupancy or lease rates upon commencement and expiration of leases are a primary driver of HTA's revenue performance. HTA believes that Cash NOI, which removes the impact of straight-line rent adjustments, provides another measurement of the operating performance of its operating assets. Additionally, HTA believes that Cash NOI is a widely accepted measure of comparative operating performance of real estate investment trusts ("REITs"). However, HTA's use of the term Cash NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of its financial performance. Cash NOI should be reviewed in connection with other GAAP measurements.

Credit Ratings: Credit ratings of HTA's tenants or their parent companies.

Customary Health System Restrictions: Ground leases with a health system ground lessor that include restrictions on tenants that may be considered competitive with the hospital, including provisions that tenants must have hospital privileges.

Economic with Limited Restrictions: Ground leases that are primarily economic in nature and contain no material restrictions on tenancy.

Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDA*re*"): As defined by NAREIT, EBITDA*re* is computed as net income or loss (computed in accordance with GAAP) plus: (i) interest expense; (ii) income tax expense (not applicable to HTA); (iii) depreciation and amortization; (iv) impairment; (v) gain or loss on the sale of real estate; and (vi) and the proportionate share of joint venture depreciation and amortization.

Funds from Operations ("FFO"): HTA computes FFO in accordance with the current standards established by NAREIT. NAREIT defines FFO as net income or loss attributable to common stockholders (computed in accordance with GAAP), excluding gains or losses from sales of real estate property and impairment write-downs of depreciable assets, plus depreciation and amortization related to investments in real estate, and after adjustments for unconsolidated partnerships and joint ventures. HTA presents this non-GAAP financial measure because it considers it an important supplemental measure of its operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Historical cost accounting assumes that the value of real estate assets diminishes ratably over time. Since real estate values have historically risen or fallen based on market conditions, many industry investors have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Because FFO excludes depreciation and amortization unique to real estate, among other items, it provides a perspective not immediately apparent from net income or loss attributable to common stockholders.

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

Investments in Real Estate: Based on acquisition price.

Leased Rate: Leased rate represents the percentage of total GLA that is leased (excluding GLA for properties under development), including month-to-month leases and leases which have been executed, but which have not yet commenced, as of the date reported.

Metropolitan Statistical Area ("MSA"): Is a geographical region with a relatively high population density at its core and close economic ties throughout the area. MSAs are defined by the Office of Management and Budget.

Net Operating Income ("NOI"): NOI is a non-GAAP financial measure that is defined as net income or loss (computed in accordance with GAAP) before: (i) general and administrative expenses; (ii) transaction expenses; (iii) depreciation and amortization expense; (iv) impairment; (v) interest expense and net change in fair value of derivative financial instruments; (vi) gain or loss on sales of real estate; (vii) gain or loss on extinguishment of debt; (viii) income or loss from unconsolidated joint venture; and (ix) other income or expense. HTA believes that NOI provides an accurate measure of the operating performance of its operating assets because NOI excludes certain items that are not associated with the management of its properties. Additionally, HTA believes that NOI is a widely accepted measure of comparative operating performance of REITs. However, HTA's use of the term NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of its financial performance. NOI should be reviewed in connection with other GAAP measurements.

Normalized Funds Available for Distribution (“Normalized FAD”): HTA computes Normalized FAD, which excludes from Normalized FFO: (i) non-cash compensation expense; (ii) straight-line rent adjustments; (iii) amortization of below and above market leases/leasehold interests and corporate assets; (iv) deferred revenue - tenant improvement related and other income; (v) amortization of deferred financing costs and debt premium/discount; and (vi) recurring capital expenditures, tenant improvements and leasing commissions. HTA believes this non-GAAP financial measure provides a meaningful supplemental measure of its operating performance. Normalized FAD should not be considered as an alternative to net income or loss attributable to common stockholders (computed in accordance with GAAP) as an indicator of its financial performance, nor is it indicative of cash available to fund cash needs. Normalized FAD should be reviewed in connection with other GAAP measurements.

Normalized Funds From Operations (“Normalized FFO”): HTA computes Normalized FFO, which excludes from FFO: (i) transaction expenses; (ii) gain or loss on extinguishment of debt; (iii) noncontrolling income or loss from partnership units included in diluted shares; and (iv) other normalizing items, which include items that are unusual and infrequent in nature. HTA presents this non-GAAP financial measure because it allows for the comparison of its operating performance to other REITs and between periods on a consistent basis. HTA’s methodology for calculating Normalized FFO may be different from the methods utilized by other REITs and, accordingly, may not be comparable to other REITs. Normalized FFO should not be considered as an alternative to net income or loss attributable to common stockholders (computed in accordance with GAAP) as an indicator of its financial performance, nor is it indicative of cash available to fund cash needs. Normalized FFO should be reviewed in connection with other GAAP measurements.

Occupancy Health System Restrictions: Ground leases with customary health system restrictions whereby the restrictions cease if occupancy in the buildings/on-campus fall below stabilized occupancy, which is generally between 85% and 90%.

Off-Campus/Non-Aligned: A building or portfolio that is not located on or adjacent to a healthcare or hospital campus or does not have full alignment with a recognized healthcare system.

On-Campus/Aligned: On-campus refers to a property that is located on or adjacent to a healthcare or hospital campus. Aligned refers to a property that is not on a healthcare or hospital campus, but is anchored by a healthcare system.

Recurring Capital Expenditures, Tenant Improvements and Leasing Commissions: Represents amounts paid for: (i) recurring capital expenditures required to maintain and re-tenant its properties; (ii) second generation tenant improvements; and (iii) leasing commissions paid to secure new tenants. Excludes capital expenditures and tenant improvements for recent acquisitions that were contemplated in the purchase price or closing agreements.

Retention: Represents the sum of the total leased GLA of tenants that renewed a lease during the period over the total GLA of leases that renewed or expired during the period.

Same-Property Cash Net Operating Income (“Same-Property Cash NOI”): To facilitate the comparison of Cash NOI between periods, HTA calculates comparable amounts for a subset of its owned and operational properties referred to as “Same-Property”. Same-Property Cash NOI excludes (i) properties which have not been owned and operated by HTA during the entire span of all periods presented and disposed properties, (ii) HTA’s share of unconsolidated joint ventures, (iii) development, redevelopment and land parcels, (iv) properties intended for disposition in the near term which have (a) been approved by the Board of Directors, (b) is actively marketed for sale, and (c) an offer has been received at prices HTA would transact and the sales process is ongoing, and (v) certain non-routine items. Same-Property Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of its financial performance. Same-Property Cash NOI should be reviewed in connection with other GAAP measurements.

Tenant Recoveries: Tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for real estate taxes, common area maintenance and other certain operating expenses are recognized as revenue on a gross basis in the period in which the related recoverable expenses are incurred. HTA accrues revenue corresponding to these expenses on a quarterly basis to adjust recorded amounts to its best estimate of the final annual amounts to be billed. Subsequent to year-end, on a calendar year basis, HTA performs reconciliations on a lease-by-lease basis and bill or credit each tenant for any differences between the estimated expenses HTA billed and the actual expenses that were incurred.

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