

NEWS RELEASE

Medical Properties Trust Announces Successful Operator Transition at Watsonville Community Hospital and Sale of 11 Facilities to Prime Healthcare

2022-09-07

Approximately \$600 Million of Incremental Liquidity Expected, Inclusive of Proceeds from Anticipated Springstone Operating Loan Repayment

Transactions Highlight Enduring Demand for Essential Hospital Real Estate

BIRMINGHAM, Ala.--(BUSINESS WIRE)--Sep. 7, 2022-- Medical Properties Trust, Inc. (the "Company" or "MPT") (NYSE: MPW) today announced that it has successfully re-leased its Watsonville Community Hospital in Watsonville, CA to Pajaro Valley Health Care District Corporation ("Pajaro") and has sold certain facilities to Prime Healthcare ("Prime") pursuant to a tenant purchase option.

In late August, Pajaro, a local not-for-profit organization recently created with strong community and state government financial support, acquired the operations of Watsonville Community Hospital following a relatively short bankruptcy process. As part of this transaction, MPT was repaid more than \$30 million in financing it provided to allow the hospital to remain open to host tens of thousands of emergency department visits, admit thousands of patients and facilitate thousands of surgeries since the default of the original operator. The outcome of this transaction again validates MPT's ability to underwrite hospitals with infrastructure characteristics that are appealing to multiple competent operators.

Also, in early September, MPT sold to Prime nine general acute hospitals and two related medical office buildings in California, Indiana, Nevada and Pennsylvania for net proceeds of roughly \$360 million.

Proceeds from both of these transactions, as well as roughly \$200 million of loan repayment proceeds expected as

the result of LifePoint Health's planned acquisition of a majority interest in Springstone in the first half of 2023, will combine to provide MPT approximately \$600 million in near-term liquidity to reduce leverage and execute select accretive acquisitions. Furthermore, the impact of the Watsonville and Prime transactions is fully considered in MPT's previously communicated per share estimates of full-year 2022 net income and normalized funds from operations.

About Medical Properties Trust, Inc.

Medical Properties Trust, Inc. is a self-advised real estate investment trust formed in 2003 to acquire and develop net-leased hospital facilities. From its inception in Birmingham, Alabama, the Company has grown to become one of the world's largest owners of hospital real estate with roughly 435 facilities and 44,000 beds in ten countries and across four continents. MPT's financing model facilitates acquisitions and recapitalizations and allows operators of hospitals to unlock the value of their real estate assets to fund facility improvements, technology upgrades and other investments in operations. For more information, please visit the Company's website at www.medicalpropertiestrust.com.

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "would", "could", "expect", "intend", "plan", "estimate", "target", "anticipate", "believe", "objectives", "outlook", "guidance" or other similar words, and include statements regarding our strategies, objectives, future expansion and development activities, and expected financial performance. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results or future events to differ materially from those expressed in or underlying such forward-looking statements, including, but not limited to: (i) the economic, political and social impact of, and uncertainty relating to, potential impact from health crises (like COVID-19); (ii) the ability of our tenants, operators and borrowers to satisfy their obligations under their respective contractual arrangements with us, especially as a result of the adverse economic impact of the COVID-19 pandemic, and government regulation of hospitals and healthcare providers in connection with same (as further detailed in our Current Report on Form 8-K filed with the SEC on April 8, 2020); (iii) our expectations regarding annual guidance for net income and NFFO per share; (iv) our success in implementing our business strategy and our ability to identify, underwrite, finance, consummate and integrate acquisitions and investments; (v) the nature and extent of our current and future competition; (vi) macroeconomic conditions, such as a disruption of or lack of access to the capital markets or movements in currency exchange rates; (vii) our ability to obtain debt financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and pay down, refinance, restructure or extend our indebtedness as it becomes due; (viii) increases in our borrowing costs as a result of changes in interest rates and other factors; (ix) international, national and local economic, real estate and other

market conditions, which may negatively impact, among other things, the financial condition of our tenants, lenders and institutions that hold our cash balances, and may expose us to increased risks of default by these parties; (x) factors affecting the real estate industry generally or the healthcare real estate industry in particular; (xi) our ability to maintain our status as a REIT for federal and state income tax purposes; (xii) federal and state healthcare and other regulatory requirements, as well as those in the foreign jurisdictions where we own properties; (xiii) the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain equity or debt financing secured by our properties or on an unsecured basis; (xiv) the ability of our tenants and operators to comply with applicable laws, rules and regulations in the operation of the our properties, to deliver high-quality services, to attract and retain qualified personnel and to attract patients; (xv) potential environmental contingencies and other liabilities; (xvi) the risk that the expected acquisition of a majority interest in Springstone by LifePoint does not occur; and (xvii) the risk that other property sales, loan repayments, and other capital recycling transactions do not occur.

The risks described above are not exhaustive and additional factors could adversely affect our business and financial performance, including the risk factors discussed under the section captioned “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 and as updated in our quarterly reports on Form 10-Q. Forward-looking statements are inherently uncertain and actual performance or outcomes may vary materially from any forward-looking statements and the assumptions on which those statements are based. Readers are cautioned to not place undue reliance on forward-looking statements as predictions of future events. We disclaim any responsibility to update such forward-looking statements, which speak only as of the date on which they were made.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20220906006136/en/>

Drew Babin, CFA, CMA
Senior Managing Director – Corporate Communications
Medical Properties Trust, Inc.
(646) 884-9809
dbabin@medicalproptiestrust.com

Source: Medical Properties Trust, Inc.