

NEWS RELEASE

# Medical Properties Trust Releases Findings of Independent Investigation Into Short-seller Allegations

2024-10-14

## Independent Members of MPT's Board of Directors Stand Firmly Behind Management

BIRMINGHAM, Ala.--(BUSINESS WIRE)--Oct. 14, 2024-- The independent members of the Board of Directors of Medical Properties Trust, Inc. (the "Company" or "MPT") (NYSE: MPW) today released a letter to shareholders regarding the findings of an independent, forensic investigation into short-seller allegations, including with respect to transactions between the Company and Steward Healthcare ("Steward"). The Board's Audit Committee engaged Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton") to conduct this investigation, which was completed in February 2023.

The full text of the letter is included below.

Dear fellow shareholder,

Over much of the past two years, Medical Properties Trust has been the target of considerable scrutiny from short-selling hedge funds as well as certain media outlets. As fiduciaries for our shareholders, the Board treats these matters with the utmost seriousness.

In response to certain claims asserted by Viceroy Research, the Board's Audit Committee engaged Wachtell Lipton in early 2023 to conduct an independent investigation into the short-seller allegations, including with respect to MPT transactions involving Steward Healthcare beginning in 2016. Wachtell Lipton in turn retained a leading global consulting firm to assist with financial forensics as part of this investigation. No limitations or restrictions were placed on the scope of the investigation and management cooperation with the investigation was exemplary.

As has been previously reported, in March 2023 MPT filed suit against Viceroy for defamation, civil conspiracy, and tortious interference (among other claims). Due to the active and sensitive nature of this litigation, our Board kept the investigation findings confidential at that time. However, as the OCCRP and Boston Globe resurfaced many of those same allegations in their respective stories published on October 9, 2024, we believe it is now critically important for all investors to have access to this information.

The key findings from the investigation are as follows:

The investigation identified no evidence that MPT gratuitously overpays its operator-tenants for real estate.

The investigation identified no evidence of improper round-tripping.

The investigation found no evidence of improper recognition of “uncollectable” rent through GAAP-mandated straight-line revenue recognition. The investigation also found no evidence to substantiate the allegation that MPT was required to consolidate Steward’s financial results.

The investigation concluded that neither Manolete Health nor MPT has an ownership interest in any Malta property or hospital.

The investigation yielded no evidence that management manipulated acquisitions or other metrics to meet compensation targets.

The investigation yielded no evidence of concerns regarding management integrity.

Our Board continues to stand firmly behind our management team.

During Steward’s lengthy bankruptcy process, MPT’s team worked tirelessly to avoid hospital closures, protect jobs, and ensure continuity of care for patients. Our recently announced global settlement agreement with Steward and its creditors, which was approved by the bankruptcy court in September 2024, enabled MPT to take back control of its real estate, immediately transition operations to quality replacement operators, and sever its relationship with Steward.

With Steward’s removal from our portfolio, we look forward to demonstrating the strength and resilience of MPT’s diversified portfolio of hospital real estate, our ability to create value for shareholders over the long-term, and the importance of our business model to an industry in dire need for more capital solutions.

Sincerely,

Michael G. Stewart, Lead Independent Director

G. Steven Dawson, Independent Director

Caterina A. Mozingo, Independent Director

Emily W. Murphy, Independent Director



Elizabeth N. Pitman, Independent Director  
D. Paul Sparks, Jr., Independent Director  
G. Reynolds Thompson, III, Independent Director

## 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 435 facilities and approximately 42,000 licensed beds in nine countries and across three continents as of June 30, 2024. 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](http://www.medicalpropertiestrust.com).

## Forward-Looking Statements

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, asset sales and other liquidity transactions (including the use of proceeds thereof), expected re-tenanting of vacant facilities and any related regulatory approvals, and expected outcomes from Steward's Chapter 11 restructuring process, including the terms of the agreement described in this press release. 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 risk that the outcome and terms of the bankruptcy restructuring of Steward will not be consistent with those anticipated by the Company; (ii) the risk that the Company is unable to successfully re-tenant the Steward portfolio hospitals, on the terms described herein or at all; (iii) the risk that previously announced or contemplated property sales, loan repayments, and other capital recycling transactions do not occur as anticipated or at all; (iv) the risk that MPT is not able to attain its leverage, liquidity and cost of capital objectives within a reasonable time period or at all; (v) MPT's ability to obtain debt financing on attractive terms or at all, as a result of changes in interest rates and other factors, which may adversely impact its ability to pay down, refinance, restructure or extend its indebtedness as it becomes due, or pursue acquisition and development opportunities; (vi) the ability of our tenants, operators and borrowers to satisfy their obligations under their respective contractual arrangements with us; (vii) the ability of our tenants and operators to operate profitably and generate positive cash flow, remain solvent, comply with applicable laws, rules and

regulations in the operation of our properties, to deliver high-quality services, to attract and retain qualified personnel and to attract patients; (viii) the risk that we are unable to monetize our investments in certain tenants at full value within a reasonable time period or at all, (ix) our success in implementing our business strategy and our ability to identify, underwrite, finance, consummate and integrate acquisitions and investments; and (x) the risks and uncertainties of litigation or other regulatory proceedings.

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 most recent Annual Report on Form 10-K and our Form 10-Q, and as may be updated in our other filings with the SEC. 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.

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