

Medical Properties Trust Responds to Latest WSJ Article

2023-08-18

BIRMINGHAM, Ala.--(BUSINESS WIRE)--Aug. 18, 2023-- Medical Properties Trust, Inc. (the "Company" or "MPT") (NYSE: MPW) today responded to the most recent of several false and misleading articles published by the Wall Street Journal, in this case related to the Company's May 23, 2023 transaction with Prospect Medical Holdings ("Prospect").

While MPT engaged with the author, Jonathan Weil, to ensure full awareness of all the facts surrounding this transaction and the Company's investment in PHP Holdings LLC ("PHP"), Mr. Weil decided to wholly disregard this information in the article that was published. Importantly, the Wall Street Journal proceeded with publication before Prospect was able to provide necessary clarifications, even though Prospect indicated it intended to do so and the article itself acknowledging the extraordinary disruption and distraction that Prospect is currently dealing with following a ransomware attack.

As such, MPT believes it is important to clarify the following facts for the investment community:

- The California Department of Managed Health Care's ("DMHC") hold sent to Prospect on July 20, 2023 is a standard, expected, and non-controversial part of the approval process for this transaction.
- This hold indicates that certain additional information is required prior to the issuance of final approval from the DMHC, which the Company fully expects to obtain in due course as it has been advised it is highly unlikely the regulators would not approve a transaction following receipt of all required information.
- In the unlikely event that the regulator does not grant approval for the transaction, MPT's investment in PHP would remain a convertible note with identical economics to equity ownership.
- As a result, DMHC's request was deemed immaterial to MPT's financials and thus did not require disclosure.
- The Company's recording of its \$68 million equity investment as revenue in the second quarter was fully consistent with accounting requirements and was entirely unrelated to the DMHC approval process. Mr.

Weil's attempt to conflate the two matters has no basis in fact.

Amid a continued chorus of intentionally deceptive claims being perpetuated by individuals with a clear financial incentive to do so, MPT also believes it is notable that the publication of this article coincides with both market hours and the expiration of equity put options which settle on the third Friday of every month. MPT remains focused on creating long-term value for shareholders through its investments in hospital real estate and refuses to be distracted by the continued spread of misinformation.

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 444 facilities and approximately 44,000 licensed 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 operate profitably and generate positive cash flow, 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; (xv) potential environmental contingencies and other liabilities; (xvi) the risk that the expected sale of three Connecticut hospitals currently leased to Prospect does not occur; (xvii) the risk that MPT's expected sale of its remaining Australian portfolio does not occur; (xviii) the risk that MPT is unable to monetize its investment in PHP at full value within a reasonable time period or at all; (xix) the risk that other property sales, loan repayments, and other capital recycling transactions do not occur; and (xx) the risks and uncertainties of litigation.

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, 2022 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/20230818645338/en/>

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

Source: Medical Properties Trust, Inc.