

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Medical Facilities Corporation (the “Corporation”)
4576 Yonge Street, Suite 701
Toronto, Ontario
M2N 6N4

Item 2 Date of Material Change

July 2, 2020

Item 3 News Release

A press release was issued by the Corporation on July 2, 2020 in Toronto, Ontario and disseminated across Canada by Canada Newswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On July 2, 2020, Medical Facilities Corporation (TSX: DR) announced that it has closed on the sale of the real estate assets underlying Unity Medical and Surgical Hospital for gross proceeds of approximately \$25 million. The agreement for the transaction was first announced on February 26, 2020.

Item 5 Full Description of Material Change

For a full description of the material change, see the press release attached as Schedule A.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Robert O. Horrar
Chief Executive Officer
Tel: 615-610-3700

Item 9 Date of Report

July 6, 2020

SCHEDULE A



NEWS RELEASE

Medical Facilities Corporation Completes Real Estate Sale for \$25 Million

TORONTO, Ontario, July 2, 2020 – Medical Facilities Corporation (“Medical Facilities,” “MFC” or the “Corporation”) (TSX: DR) announced today that it has closed on the sale of the real estate assets underlying Unity Medical and Surgical Hospital. The agreement for the transaction was first announced on February 26, 2020. Gross proceeds of approximately \$25 million will be used to reduce the outstanding balance on MFC’s operating credit facility.

About Medical Facilities

Medical Facilities, in partnership with physicians, owns surgical facilities in the United States. MFC’s portfolio includes controlling interest in four specialty surgical hospitals located in Arkansas, Oklahoma, and South Dakota, and an ambulatory surgery center located in California. MFC also has a non-controlling interest in a specialty surgical hospital in Indiana. In addition, through a partnership with NueHealth LLC, Medical Facilities owns controlling interest in six ambulatory surgery centers located in Michigan, Missouri, Nebraska, Ohio, Oregon, and Pennsylvania. The specialty surgical hospitals perform scheduled surgical, imaging, diagnostic and other procedures, including primary and urgent care, and derive their revenue from the fees charged for the use of their facilities. The ambulatory surgery centers specialize in outpatient surgical procedures, with patient stays of less than 24 hours. For more information, please visit www.medicalfacilitiescorp.ca.

Caution concerning forward-looking statements

Statements made in this news release, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Factors that could cause results to vary include those identified in Medical Facilities' filings with Canadian securities regulatory authorities such as legislative or regulatory developments, intensifying competition, technological change and general economic conditions. All forward-looking statements presented herein should be considered in conjunction with such filings. Medical Facilities does not undertake to update any forward-looking statements; such statements speak only as of the date made.

For further information, please contact:

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