

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

October 21, 2022

Item 3 News Release

The Company issued and filed a news release on October 21, 2022. A copy of the news release is attached as Schedule “A” hereto and is available on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

On October 21, 2022, the Company announced the appointment of Jason Redman as its Interim President and Chief Executive Officer, replacing Rob Horrar who has stepped down as President and Chief Executive Officer. Mr. Redman joined the board of directors of the Company earlier in 2022 and will remain a board member.

Item 5 Full Description of Material Change

A full description of the material change is provided in the news release attached as Schedule “A”.

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

The material change report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

For further information, please contact:

David Watson
Chief Financial Officer
Medical Facilities Corporation
416.848.7380

Item 9 Date of Report

October 21, 2022

CAUTION CONCERNING FORWARD LOOKING STATEMENTS

This report may contain “forward-looking information” as defined under applicable securities laws (“**forward-looking statements**”). These statements relate to future events or future performance and reflect management’s expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and the Company’s growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, “could” or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company’s interim condensed and annual consolidated financial statements, its annual report and its annual information form (“**AIF**”) filed on www.sedar.com as well as the factors discussed in the sections entitled “Risk Management” and “Risk Factors” in the AIF, which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking statements contained in this report include, but are not limited to, those set out in the Fiscal 2022 Outlook section in the annual MD&A and those discussed from time to time in the Company’s interim condensed and annual consolidated financial statements, its annual report and the AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive.

Although the forward-looking statements contained in this report are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this report are made as of the date of this report and should not be relied upon as representing the Company’s views as of any date subsequent to the date of this report. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, further developments or otherwise.

Schedule “A”



NEWS RELEASE

Medical Facilities Corporation Announces Change in Leadership

Jason Redman to Lead Healthcare Company

TORONTO, Ontario, October 21, 2022 - Medical Facilities Corporation (TSX: DR) (“Medical Facilities” or the “Company”) announced today the appointment of Jason Redman as its Interim President and Chief Executive Officer, replacing Rob Horrar who has stepped down as President and CEO and as a member of the Board of Directors. Mr. Redman joined the Board of Medical Facilities earlier this year and will remain a board member.

Mr. Redman brings over 20 years experience in operations and financial management. He is an experienced C-suite executive who has served as Chief Financial Officer at Newstrike Brands Ltd., Chief Financial Officer at SiriusXM Canada and President at Armtec Infrastructure Inc.

Mr. Redman is a Canadian Chartered Accountant, Chartered Professional Accountant, and a U.S. Certified Public Accountant-Delaware. He holds a Master of Accounting degree from the University of Waterloo and a Master of Business Administration from the Kellogg School of Management – Northwestern University. He is also the recipient of the Governor General of Canada Medal and a past member of the Young Presidents’ Organization – Toronto Chapter.

“The Board of Directors is confident that we have in Jason an extraordinary individual to lead Medical Facilities toward its strategic goals, while maintaining the support of our Hospitals and Centers and continuing the excellence in patient care for which our institutions are so well-known in their communities,” said Michael Gisser, Chairman of the Board of Directors at Medical Facilities. “Jason has had a distinguished career in executive leadership in which he has demonstrated an exceptional record of success. With the combination of his deep operational and financial skills and commitment to producing results, we are confident the Company is on the right trajectory as we execute on our announced value-enhancing initiatives.”

“I am honored to assume leadership of Medical Facilities during this exciting time,” Mr. Redman said. “The Company has consistently met the stringent demands of the U.S. healthcare environment and is in an excellent position to drive financial performance and deliver value to our stakeholders. In tandem with our Hospital and Center leadership and physician partners, we look forward to unlocking additional shareholder value.”

Rob Horrar served as President and Chief Executive Officer of Medical Facilities since 2017 and as Chief Operating Officer prior to his appointment as CEO.

“On behalf of the Board, I would like to thank Rob Horrar for his years of dedicated leadership and professionalism as CEO of Medical Facilities and for his significant contributions to the Company. We wish Rob all the best in his future endeavors,” Mr. Gisser commented.

About Medical Facilities Corporation

Medical Facilities, in partnership with physicians, owns a diverse portfolio of highly rated, high-quality surgical facilities in the United States. MFC's ownership includes controlling interest in four specialty surgical hospitals located in Arkansas, Oklahoma, and South Dakota, and an ambulatory surgery center ("ASC") located in California. In addition, through a partnership with NueHealth LLC, Medical Facilities owns a controlling interest in five ambulatory surgery centers located in Michigan, Missouri, Nebraska, Ohio, and Pennsylvania. MFC also owns non-controlling interests in a specialty surgical hospital in Indiana and an ASC in Missouri. 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 ASCs 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 and include statements about the Company's normal course issuer bid. 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:

David Watson

Trevor Heisler

Chief Financial Officer

Investor Relations

Medical Facilities Corporation

MBC Capital Markets Advisors

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