Investor Update

FEBRUARY 2018

The Preferred Physician Partner™

TSX: DR

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and other provincial securities law in Canada. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the risk factors related to these forward-looking statements, please refer to the management’s discussion and analysis, annual information form and ongoing quarterly filings of Medical Facilities Corporation available on SEDAR at www.sedar.com.

MFC Overview

- **HIGHER PATIENT SATISFACTION** ratings resulting from **HIGHER QUALITY OF CARE RECEIVED**
- **DIRECT PHYSICIAN INVOLVEMENT** in facility management, resulting in **SUPERIOR PROCESSES AND EFFICIENCIES**

*Estimate as of Q4 2017

MEDICAL FACILITIES CORPORATION

Our Facilities

Facility	Operating Since	Acquired	Operating Rooms	Overnight Rooms
Arkansas Surgical Hospital	2005	2012	**11**	**41**
Unity Medical and Surgical Hospital	2009	2016	**6**	**29**
Oklahoma Spine Hospital	1999	2005	**7**	**25**
Black Hills Surgical Hospital	1997	2004	**11**	**26**
Sioux Falls Specialty Hospital	1985	2004	**13**	**35**
The Surgery Center of Newport Coast	2004	2008	**2**	**0**

MEDICAL FACILITIES CORPORATION

2018 Strategic Guiding Principles

MFC delivers value from a strong foundation of high-quality facilities providing exceptional patient care while maintaining a conservative approach to financial management that has resulted in a long track record of solid returns.

Industry leading quality and service

Strong physician-centric management model

Organic and acquisition growth strategies

Maximize operating efficiencies

MEDICAL FACILITIES CORPORATION

Strict Acquisition Criteria

- Accretion, with growth available from a local strong provider base, attractive demographics, and opportunities for operating enhancements
- High quality and optimum clinical outcomes
- Continued strong earnings and opportunity for growth
- Controlling position by MFC

MEDICAL FACILITIES CORPORATION

Investing in Growth

- Formed Joint Venture with NueHealth in January 2018
  - National surgical center operator
  - Has developed, managed or owned >150 facilities
  - Provides day-to-day management and operations support
- Acquired majority interest in 7 ambulatory surgical centers for total price of US$46.5 million
- Establishes a platform for growth that enables further acquisitions

MEDICAL FACILITIES CORPORATION

Our Newly Acquired Facilities

11

STATES

Newly Acquired Ambulatory Surgery Centers

Brookside Surgery Center
Central Arkansas Surgical Center
City Place Surgery Center
Eastwind Surgical
Miracle Hills Surgery Center
Riverview Ambulatory Surgical Center
Two Rivers Surgery Center

Ambulatory Surgery Center

The Surgery Center of Newport Coast

Specialty Surgical Hospitals

Arkansas Surgical Hospital | Unity Medical and Surgical Hospital | Oklahoma Spine Hospital
Black Hills Surgical Hospital | Sioux Falls Specialty Hospital

MEDICAL FACILITIES CORPORATION

Capital Markets Profile as at February 1, 2018

Delivering Shareholder Value

Stock Symbol:	TSX: DR
Shares Outstanding:	31.0 million
Price:	$15.44
52-Week Low / High:	$11.14/$19.90
Market Capitalization:	$477.9 million
Annualized Distribution (per share):	$1.125
Current Yield:	7.3%
Payout Ratio (TTM):**	69.0%

*All figures in Canadian dollars
**As at December 31, 2016

MEDICAL FACILITIES CORPORATION

Strong Cash Flow[1]

Payout Ratio[2]	83.3%	84.3%	85.2%	76.7%	69.0%

1. Distributions, cash available for distribution and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations for the respective periods.
2. Including realized gains/losses of FX forward contracts for years 2012-2015.

MEDICAL FACILITIES CORPORATION

Operating Results – Q3 2017[1]

(US$ millions, except where noted otherwise)	Q3 2017	Q3 2016	Change %	YTD[2]	FY2016
REVENUE	**89.0**	78.8	12.9%	**274.1**	339.5
INCOME FROM OPERATIONS	**12.4**	14.2	(12.3%)	**41.9**	68.1
OPERATING MARGIN	**13.9%**	18.0%	(22.2%)	**15.3%**	20.1%
EBITDA	**19.3**	19.6	(1.4%)	**62.6**	90.7
CASH DISTRIBUTIONS (C$ MILLIONS)	**8.7**	8.7	—	**26.2**	34.9
PAYOUT RATIO	**70.7%**	83.1%	(14.9%)	**74.9%**	69.0%

1 EBITDA, cash distributions and payout ratio are non-IFRS financial measures. Please refer to "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures" sections in the Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations for the three-month and nine-month periods ended September 30, 2017.

2 Nine months ended September 30, 2017.

MEDICAL FACILITIES CORPORATION

Strong Payor Mix

MEDICAL FACILITIES CORPORATION

Growing Demand for Healthcare

DRIVERS:

- Overall population growth
- Aging population

Source: U.S. Census Bureau, 2014 National Population Projections
Centers for Medicare & Medicaid Services, National Health Expenditure Projections 2015 -2025

MEDICAL FACILITIES CORPORATION

The U.S. Healthcare Landscape

Facility type	Number	Services	MFC's position
Acute Care Hospital	Approx. 5,500	General medicine and surgery, including emergency and maternity care, open 24/7	
Specialty Surgical Hospital	<300 physician-owned	Selected elective procedures (e.g. orthopedics, neurosurgery, pain management)	Owns 5 in conjunction with physician partners
Ambulatory Surgery Center	Approx. 5,500	Selective elective procedures Day surgery only	Owns 8, one as a department of specialty surgical hospital

MEDICAL FACILITIES CORPORATION

Well Resourced for Continued Growth

$52.1 million
Cash and Cash Equivalents

2.4x
Current Ratio

48.8%
Net Debt / Equity

1.6x
Debt/EBITDA (LTM)

MEDICAL FACILITIES CORPORATION

As at September 30, 2017.

Investment Highlights

- Long-term track record of delivering stable returns to shareholders
- Highly rated, high quality facilities with strong organic growth opportunities
- Favorable industry consolidation trends
- Resources in place to execute on growth strategy
- Experienced, entrepreneurial management team

mfc MEDICAL FACILITIES CORPORATION

Management Team

Robert O. Horrar
President and Chief Executive Officer
Formerly: Community Health Systems, Humana

Tyler C. Murphy
Chief Financial Officer
Formerly: Tenet Healthcare, HealthSouth

James D. Rolfe
Chief Development Officer
Formerly: VMG Health, Community Health Systems

Jimmy Porter
VP of Operations
Formerly: Community Health Systems

MEDICAL FACILITIES CORPORATION

To learn more, contact

Craig MacPhail

NATIONAL Equicom

416-586-1938

cmacphail@national.ca

mfc MEDICAL FACILITIES CORPORATION

The Preferred Physician Partner™