NEWS RELEASE

Medical Facilities Corporation Announces 2026 First Quarter Results

TORONTO, Ontario, May 7, 2026 – Medical Facilities Corporation ("Medical Facilities," "MFC," or the "Corporation") (TSX: DR), reported its financial results today for the first quarter ended March 31, 2026. All amounts are expressed in U.S. dollars unless indicated otherwise.

Q1 2026 Highlights

(For continuing operations[1], excluding non-controllable, non-cash corporate level charges related to share-based compensation plans, compared to Q1 2025)

- Facility service revenue grew 10.8% to $67.1 million.
- Income from operations increased 17.6% to $12.8 million.
- EBITDA[2] increased 13.8% to $15.7 million.
- Completed the sale of the Corporation's 64.0% ownership interest in Oklahoma Spine Hospital, LLC ("OSH") on January 30, 2026, for gross cash proceeds of $46.0 million, subject to customary adjustments.
- Returned $3.8 million to shareholders through the purchase of 318,400 common shares via its normal course issuer bid ("NCIB").
- Consolidated cash balance of $86.3 million, including a corporate cash balance of $78.1 million, at quarter end.

"We had a strong first quarter, driven by a favourable payor mix as well as higher volumes of orthopedic and spine procedures," said Jason Redman, President and CEO of Medical Facilities. "During the quarter, we continued our several-year track record of returning capital to shareholders through our NCIB. However, the big highlight for the quarter came in January with the sale of our majority interest in OSH for gross cash proceeds of approximately $46 million. We ended the period with a very solid balance sheet and a robust cash position, providing us with significant financial strength and flexibility to continue investing in our hospitals and returning capital to our shareholders."

Financial Results

Financial Results from Continuing Operations	For the three months ended March 31		
(thousands of U.S. dollars, except per share amounts and where otherwise noted)	**2026**	2025	% Change
Facility service revenue	**67,110**	60,557	10.8%
Operating expenses, before non-cash share-based compensation charges	**54,354**	49,709	9.3%
Non-cash share-based compensation charges	**371**	190	95.3%
Income from operations	**12,385**	10,658	16.2%
Finance costs (changes in values of derivative instruments and gain/loss on foreign currency)	**(5,241)**	4,360	(220.2%)
Finance costs (net interest expense)	**164**	(120)	236.7%
Income tax expense (recovery)	**4,329**	(634)	782.8%
Net income[3] from continuing operations	**13,133**	7,052	86.2%
Earnings per share attributable to owners of the Corporation			
Basic	**$0.45**	$0.12	275.0%
Fully diluted	**$0.21**	$0.12	75.0%

Net income fluctuates significantly between the periods, primarily due to variations in non-cash finance costs (change in the value of exchangeable interest liability) and income taxes; these charges are incurred at the corporate level rather than at the facility level.

Reconciliation of Net Income from Continuing Operations to EBITDA	For the three months ended March 31		
(thousands of U.S. dollars, except where otherwise noted)	**2026**	2025	% Change
Net income from continuing operations	**13,133**	7,052	86.2%
Income tax expense (recovery)	**4,329**	(634)	782.8%
Finance costs (income)	**(5,077)**	4,240	(219.7%)
Depreciation and amortization	**2,925**	2,932	(0.2%)
EBITDA	**15,310**	13,590	12.7%

Distributable Cash Flow	For the three months ended March 31		
(thousands of dollars, except per share amounts and where otherwise noted)	**2026**	2025	% Change
Cash available for distribution[2] (C$)	**6,812**	9,091	(25.1%)
Distributions (C$)	**1,580**	1,752	(9.8%)
Distributions per common share (C$)	**0.089**	0.079	12.7%
Payout ratio[2]	**23.1%**	19.3%	19.7%

During the quarter, MFC paid a quarterly cash dividend of C$0.09 per common share (or C$0.36 per share on an annualized basis), which represented an annualized yield of 2.16% on the March 31, 2026, closing price of C$16.68 per common share.

On March 31, 2026, MFC had consolidated net working capital of $67.1 million and cash and cash equivalents of $86.3 million compared to net working capital of $54.0 million and cash and cash equivalents of $43.4 million as at December 31, 2025. The change in consolidated net working capital was mainly due to the impact of the sale of OSH during the quarter, resulting in an increase in cash and cash equivalents from the sale proceeds received, partly offset by a reduction in current assets and current liabilities due to the removal of OSH's balances which were classified as held for sale.

MFC's financial statements and management's discussion and analysis, for the three-month period ended March 31, 2026, will be filed on SEDAR+ at www.sedarplus.ca on Thursday, May 7, 2026, and will also be available on Medical Facilities' website at www.medicalfacilitiescorp.ca.

Notice of Conference Call

MFC will host a conference call today, May 7, 2026, at 8:30 am ET to discuss its first quarter financial results. Interested parties may join the conference call by dialing 1-888-699-1199 approximately 15 minutes prior to the call to secure a line. To join the call without operator assistance, you may register and enter your phone number at https://emportal.ink/4ccPMGO to receive an instant automated call back.

A live audio webcast of the call will be available at https://app.webinar.net/NlJAOlnK408. Please connect at least 15 minutes prior to the call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived on MFC's website following the call date.

About Medical Facilities

Medical Facilities, in partnership with physicians, owns two highly rated, high-quality surgical facilities in the United States. MFC's ownership includes controlling interests in two specialty surgical hospitals located in Arkansas and South Dakota. 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. 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, except as required by applicable law; such statements speak only as of the date made.

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[1] Continuing operations is defined as consolidated operations excluding Oklahoma Spine Hospital, LLC, and the Surgery Center of Newport Coast, LLC, which were treated as discontinued operations in the financial results for the first quarter ended March 31, 2026 and 2025.
[2] EBITDA, cash available for distribution, and payout ratio are non-IFRS financial measures. While Medical Facilities believes that these measures are useful for the evaluation and assessment of its performance, they do not have any standard meaning prescribed by IFRS, are unlikely to be comparable to similar measures presented by other issuers and should not be considered as alternatives to comparable measures determined in accordance with IFRS. For further information on these non-IFRS financial measures, including a reconciliation of each of these non-IFRS financial measures to the most directly comparable measure calculated in accordance with IFRS, please refer to Medical Facilities' most recently filed management's discussion and analysis, available on SEDAR+ at www.sedarplus.ca.
[3] Net income is attributable to the owners of the Corporation and the non-controlling interest holders.