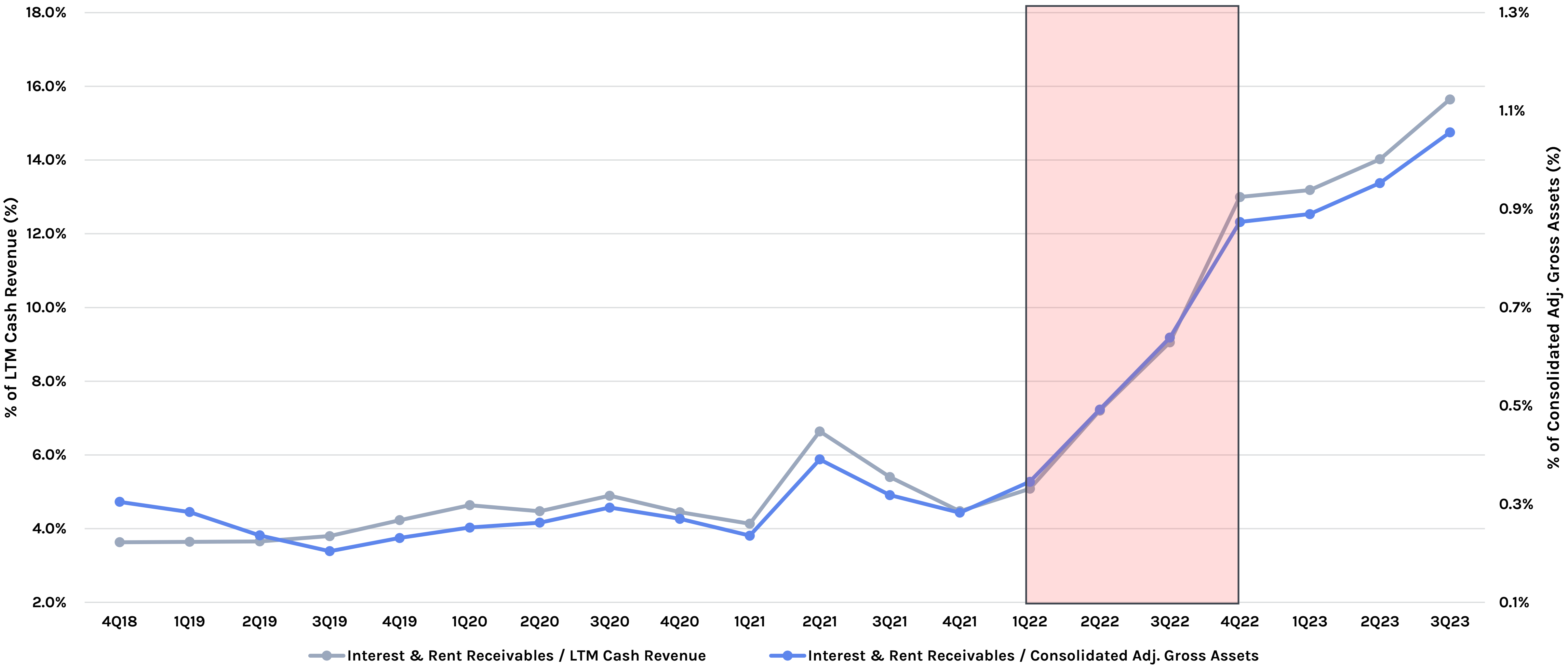
PMH RENT | HOW DOES MPW EXPLAIN THIS A/R BUILD THROUGHOUT 2022?

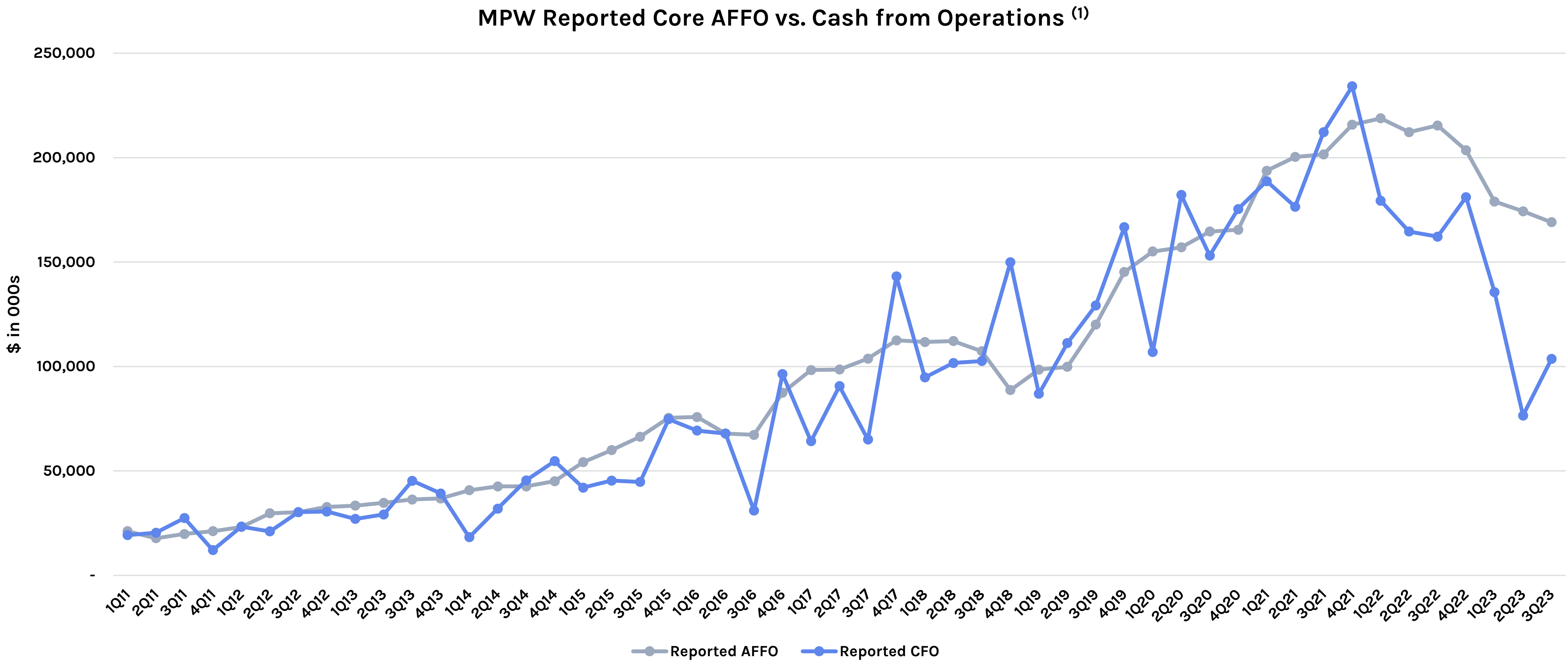
HEDGEYE

We continue to believe that Prospect deferrals accounted for a significant portion, if not all, of this cash A/R build throughout 2022. If MPW's management is going to argue otherwise, we believe they should then explain what *did* cause the build.



PMH RENT | OR THIS DIVERGENCE BETWEEN REPORTED "AFFO" AND CFO THAT BEGAN IN 1Q22?

Given that MPW's reported "AFFO" does not reflect capex, "AFFO" should roughly track CFO from the CF statement. This was true until 1Q22. At that point the figures began diverging materially. We believe Prospect drove this. How does MPW management explain this?



(1) CFO is adjusted to exclude YTD 2022 and YTD 2023 distributions from UJVs of ~$51.7 million and ~$54.6 million, respectively. Hedgeye believes these amounts (1) were recorded primarily in 3Q22 and 3Q23, and (2) are driven, at least in part, by capital events / refinancings at Infracore / Swiss Medical.

PMH RENT | OR THESE "AFFO" DEFINITION CHANGES? PROSPECT WAS A FINANCING LEASE...

HEDGEYE

1 1Q22: Deducts all "non-cash revenue"

"We calculate adjusted funds from operations, or AFFO, by subtracting from or adding to normalized FFO (i) non-cash revenue, (ii) non-cash share-based compensation expense, and (iii) amortization of deferred financing costs." – 1Q22 Supplemental HERE

2 2Q22: Deducts "non-cash revenue such as straight-line rent"

"We calculate adjusted funds from operations, or AFFO, by subtracting from or adding to normalized FFO (i) non-cash revenue such as straight-line rent, (ii) non-cash share-based compensation expense, and (iii) amortization of deferred financing costs. AFFO is an operating measurement that we use to analyze our results of operations based more on the receipt, rather than the accrual, of our rental revenue and on certain other adjustments." – 2Q22 Supplemental HERE

3 3Q22: Deducts only "straight-line rent"

"We calculate adjusted funds from operations, or AFFO, by subtracting from or adding to normalized FFO (i) straight-line rent, (ii) non-cash share-based compensation expense, and (iii) amortization of deferred financing costs." – 3Q22 Supplemental HERE

Definitions NEVER change unless there is a reason… so what was the reason?