

Doctors Hospital Health System Limited

Interim report

Quarter ended April 30, 2025

Chairman's Report

Doctors Hospital Health System Limited

Dear Shareholders,

On behalf of the Board of Directors of Doctors Hospital Health System, I am pleased to present the financial results for the three-month period ended April 30, 2025.

For the quarter, the company reported a consolidated net profit of \$1,591,922, slightly down from \$1,701,782 for the same period in the previous fiscal year. Consolidated net patient revenue increased by \$2.789 mil or 9.6% compared to the first quarter of the prior year. Inpatient days remained stable, with 2,720 days recorded this quarter versus 2,745 in the same period last year.

During the last fiscal year, Doctors Hospital Health acquired The Kidney Centre Limited. As a result, this quarter's financials include its operations, contributing approximately \$2 million to the year-over-year increase in net patient service revenue.

Consolidated expenses grew by \$2.9 million, or 10.4%, compared to the same period last year. Of this, \$2,047,181.09 is directly related to The Kidney Centre's operations. Other drivers of the increase include higher variable costs associated with increased service delivery, such as:

- **Salaries & Benefits:** Increased by \$737K (5.5%) due to the integration of The Kidney Centre's staff.
- **Other Operating Expenses:** Rose by \$166K (8.3%)
- **Outside Services:** Increased by \$616K (77.9%) due to contracted services performed throughout the health system in addition to the consolidation of the Kidney Centre's operations.
- **Bad Debt Expense:** Rose by \$1,056 million (235.4%) as revisions were made to the Expected Credit Loss (ECL) model, with respect to analysis and composition of accounts as well as forward looking information used, to better reflect potential credit losses.

The consolidated return on sales (net income margin) stood at 4.7% for the quarter. This performance reflects the company's successful expansion of services across multiple locations and the positive contribution from The Kidney Centre. As these newer operations continue to mature, we anticipate sustained revenue growth and improved profitability.

The Board and I extend our sincere gratitude to our shareholders, physicians, and associates for your ongoing commitment and support. We remain dedicated to delivering exceptional care and service to our patients and visitors, whose continued loyalty we deeply value.

Felix Stubbs
Chairman
July 15, 2025

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Financial Position

April 30, 2025 with comparative figures at January 31, 2025

(Expressed in thousands of Bahamian dollars)

	April 30, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,426	8,711
Trade receivables, net (note 2)	44,919	40,031
Inventories	5,080	5,073
Other assets	4,747	2,295
	61,172	56,110
Non-current assets:		
Other assets	686	686
Investments	7,096	7,315
Investment property	888	901
Goodwill	3,815	3,815
Other intangible assets	3	3
Right of use assets	3,014	4,241
Property, plant and equipment	80,334	80,488
	95,836	97,449
Total assets	\$ 157,008	153,559
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and other liabilities	\$ 32,445	30,393
Provisions	80	80
Lease liabilities, current portion	1,603	1,889
Long-term debt, current portion	359	357
	34,487	32,719
Long-term liabilities:		
Lease liabilities	1,734	2,570
Long-term debt	17,292	16,367
	19,026	18,937
Total liabilities	53,513	51,656
Shareholders' equity:		
Share capital:		
Authorized 18,750,000 common shares at par value of B\$0.04 each (January 31, 2024 – 18,750,000 shares)		
Issued and fully paid 12,471,634 shares (January 31, 2024 – 12,471,634 shares)	499	499
Contributed surplus	30,748	30,748
Retained earnings	72,248	70,656
	103,495	101,903
Total liabilities and shareholders' equity	\$ 157,008	153,559

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Comprehensive Income

Three months ended April 30, 2025 with comparative figures for the three months ended April 30, 2024
(Expressed in thousands of Bahamian dollars)

	April 30, 2025	April 30, 2024
Revenues		
Patient service revenue, net	\$ 31,928	29,139
Other	567	566
Total revenues	32,495	29,705
Expenses		
Salaries and benefits	14,211	13,474
Medical supplies	3,537	4,011
Medical services	3,109	2,791
Bad debt expense, net of recoveries	1,505	449
Depreciation and amortization	1,438	1,393
Other operating	2,168	2,002
Utilities	900	624
Government taxes and fees	625	652
Outside services	1,407	791
Insurance	815	530
Repairs and maintenance	648	747
Rent	170	35
Dietary expenses	169	183
Legal expenses	140	203
Interest expense	61	118
Total expenses	30,903	28,003
Net income & total comprehensive income for the period	\$ 1,592	1,702
Earnings per common share (expressed in Bahamian dollars):		
Basic and fully diluted	\$ 0.13	0.14

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Changes in Equity

Three months ended April 30, 2025

(Expressed in thousands of Bahamian dollars)

	Number of shares	Share capital	Contributed surplus	Retained earnings	Total
Balance at January 31, 2025	12,471,634	\$ 499	\$ 30,748	\$ 70,656	\$ 101,903
Net income for the period	—	—	—	1,592	1,592
Balance at April 30, 2025	12,471,634	\$ 499	\$ 30,748	\$ 72,248	\$ 103,495

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Cash Flows

Three months ended April 30, 2025 with comparative figures for the three months ended April 30, 2024
(Expressed in thousands of Bahamian dollars)

	April 30, 2025	April 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	\$ 1,592	1,702
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,438	1,393
Loss allowance	1,505	449
Interest income	(88)	(83)
Interest expense	61	118
Operating income before working capital changes	4,508	3,579
(Increase)/decrease in trade receivables	(6,393)	3,259
Decrease in inventories	7	450
(Increase)/decrease in other assets	(1,847)	249
Increase in accounts payable and other liabilities	2,052	5,035
Cash generated (used in)/from operating activities	(1,673)	12,572
Interest paid	(61)	(118)
Net cash (used in)/from operating activities	(1,734)	12,454
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,271)	(10,500)
Maturity of investments	219	195
Interest received	43	43
Net cash used in investing activities	(1,009)	(10,262)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	999	4,197
Repayment of long-term debt	(72)	(65)
Payment of lease liabilities	(469)	(402)
Net cash (used in)/provided by financing activities	458	3,730
Increase/(decrease) in cash and cash equivalents	(2,285)	5,922
Cash and cash equivalents at beginning of period	8,711	1,981
Cash and cash equivalents at end of period	\$ 6,426	7,903

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Notes to Interim Consolidated Financial Statements

Three months ended April 30, 2025

1. Significant accounting policies

These interim financial statements have been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting; using the same accounting policies applied in the January 31, 2025 audited consolidated financial statements.

2. Accounts receivable

Accounts receivable are stated net of provisions for doubtful accounts of \$19.7 million.