



Doctors Hospital Health System Limited

Interim Report

QUARTER ENDED JULY 31, 2025

Chairman’s Report

Doctors Hospital Health System Limited

Dear Shareholder,

On behalf of the Board of Directors of Doctors Hospital Health System Limited (“The Group” or “the Health System”), I report on The Group’s financial results for the six months ended July 31, 2025.

Consolidated net profit for the six months was \$3,527,377 compared to \$2,738,232 for the comparable period in fiscal 2025. Consolidated net patient services revenue increased \$3,371,479 or 5.63% over the 2nd quarter last year. Kidney Centre Limited, which The Group acquired in the 2nd quarter of fiscal 2025, contributed \$4.4m in net patient services revenues, of which \$2.2m was earned in the 1st quarter. Beyond the effects on The Kidney Center Limited, revenues also grew due to an increase in inpatient activity and ongoing strong demand at The Group’s pre-hospital (outpatient) locations.

Total inpatient days for the six months ended July 31, 2025, were 5,579, an increase of 5.58% from the comparable period last year. Total patient visits for the six months ended July 31, 2025, were 22,608, an increase of 11.52% from the comparable period in the prior year.

The Group’s outpatient clinic on Paradise Island opened in the 3rd quarter of fiscal 2025.

The Group’s net revenues continue to grow based on the Health System’s expansion efforts, notwithstanding that critical care revenues have yet to rebound to pre-COVID levels. In FYE 2025, the Health System commenced a planned changeout to its interventional catheterization laboratory (“Cath Lab”), materially impacting inpatient admissions and revenue in the ICU and IMCU. Management anticipates an expanded revenue structure once the new Cath Lab is online, typically in the 1st quarter of fiscal 2027.

Consolidated expenses increased by \$2,541,567 or 4.36% over the comparable period last year. Notable increases in consolidated expenses were incurred in the following:

- Salaries & benefits (\$1.97 million or 7.3%) – due to increased benefit costs (primarily group medical insurance), combined with the increased salary costs driven by the acquisition of Kidney Centre Limited (“KCL”). Over the comparable period last year, KCL was acquired during the second quarter, so there was no consolidation for 3 months of the prior year.
- Medical services (\$696 thousand or 11.7%) – This expense for contracted physicians is directly related to the change in revenue.
- Contracted Services (\$979 thousand or 61.2%) – During the current year, The Group entered into additional service contracts, some of which are one-time and tied to ongoing expansionary efforts.

Demonstrating increased cost control not tied to expansion specifically, the Group notes there have been declines in other variable expenses, primarily the following:

- Impairment loss (\$1.82 million or 73.7%) – This decline in the current year is primarily due to changes in accounts receivable balances and forward-looking estimates, resulting in an overall reduction in the impairment loss. The rate of uncompensated care remains a material risk for the Health System, impacting financial performance for self-pay customers and partial payments or denials from third-party payors.

The Group continues to exercise expense control and tighten spending in discretionary areas. Focus areas include those that drive/support the business—procurement of quality medical supplies at lower costs, monitoring of and reduction in wastage/excesses throughout the Health System, and sustainability efforts with respect to utilities, which will drive down costs in the longer term.

The Group’s return on sales (net income margin) increased to 5.48% for the six months ended July 31, 2025, an increase of 22.05% compared to the same period last year of 4.49%. This performance reflects efficiency improvements year over year. It is a result of revenue growth combined with overall expense management.

The Board and Management team wish to thank you, our valued shareholders, Physicians, and all Associates for your continued support and loyalty to the Health System.

We look forward to continuing to provide an excellent customer experience to our patients and visitors, whose loyalty we also appreciate and value.

FELIX STUBBS

CHAIRMAN

September 17, 2025

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Financial Position

July 31, 2025 with comparative figures at January 31, 2025
(Expressed in thousands of Bahamian dollars)

	July 31, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,972	8,711
Trade receivables, net (note 2)	46,503	40,031
Inventories	5,387	5,073
Other assets	3,419	1,874
	<u>60,281</u>	<u>55,689</u>
Non-current assets:		
Other assets	687	687
Investments	7,121	7,315
Investment property	874	901
Goodwill, net	3,406	3,406
Other intangible assets	3	3
Right of use assets	3,279	4,241
Property, plant and equipment	83,859	81,546
	<u>99,229</u>	<u>98,099</u>
Total assets	\$ 159,510	153,788
Liabilities and Shareholders’ Equity		
Current liabilities:		
Accounts payable and other liabilities	\$ 31,986	30,580
Provisions	80	80
Lease liabilities, current portion	1,804	1,889
Long-term debt, current portion	361	357
	<u>34,231</u>	<u>32,906</u>
Long-term liabilities:		
Lease liabilities	1,668	2,570
Long-term debt	18,139	16,367
	<u>19,807</u>	<u>18,937</u>
Total liabilities	54,038	51,843
Shareholders’ equity:		
Share capital:		
Authorized 18,750,000 common shares at par value of B\$0.04 each (January 31, 2025 – 18,750,000 shares)		
Issued and fully paid 12,471,634 shares (January 31, 2025 – 12,471,634 shares)	499	499
Share premium	30,748	30,748
Retained earnings	74,225	70,698
	<u>105,472</u>	<u>101,945</u>
Total liabilities and shareholders’ equity	\$ 159,510	153,788

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Comprehensive Income

Three months ended July 31, 2025 with comparative figures for the three months ended July 31, 2024
(Expressed in thousands of Bahamian dollars)

	July 31, 2025	July 31, 2024
Revenues		
Patient service revenue, net	\$ 31,340	30,758
Other	493	535
Total revenues	31,833	31,293
Expenses		
Salaries and benefits	14,737	13,505
Medical supplies	4,087	3,666
Medical services	3,564	3,166
Impairment loss	(858)	2,016
Depreciation and amortization	1,809	1,784
Other operating	2,311	2,441
Utilities	979	874
Government taxes and fees	428	447
Contracted services	1,171	808
Insurance	758	710
Repairs and maintenance	708	431
Rent	(55)	(55)
Dietary expenses	170	125
Legal expenses	10	196
Interest expense	79	144
Total expenses	29,898	30,258
Net income & total comprehensive income for the period	\$ 1,935	1,035
Earnings per common share (expressed in Bahamian dollars):		
Basic and fully diluted	\$ 0.16	0.09

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Changes in Equity

Six months ended July 31, 2025
(Expressed in thousands of Bahamian dollars)

	Number of shares	Share capital	Share premium	Retained earnings	Total
Balance at January 31, 2025	12,471,634	\$ 499	\$ 30,748	\$ 70,698	\$ 101,945
Net income for the period	–	–	–	3,527	3,527
Balance at July 31, 2025	12,471,634	\$ 499	\$ 30,748	\$ 74,225	\$ 105,472

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Cash Flows

Six months ended July 31, 2025 with comparative figures for the six months ended July 31, 2024
(Expressed in thousands of Bahamian dollars)

	July 31, 2025	July 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,527	2,738
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,247	3,176
Impairment loss	648	2,465
Interest income	(181)	(167)
Interest expense	140	262
Operating income before working capital changes	7,381	8,474
Increase in accounts receivable	(7,120)	(1,524)
(Increase)/decrease in inventories	(314)	75
(Increase)/decrease in other assets	1,520	791
Increase in accounts payable and other liabilities	1,406	7,645
Cash (used in)/generated from operating activities	2,873	15,461
Interest paid	(349)	(262)
Net cash (used in)/from operating activities	2,524	15,199
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment, net	(4,571)	(16,171)
Purchase of investments	(249)	–
Proceeds from maturity of investments	55	274
Interest received	81	82
Net cash used in investing activities	(4,684)	(15,815)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(1,525)	(191)
Proceeds from issuance of long-term debt	956	6,975
Payment of lease liabilities	(1,010)	(823)
Net cash used in financing activities	(1,579)	6,007
Increase/(decrease) in cash and cash equivalents	(3,739)	5,391
Cash and cash equivalents at beginning of period	8,711	1,981
Cash and cash equivalents at end of period	\$ 4,972	7,372

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

Consolidated Statement of Comprehensive Income

Six months ended July 31, 2025 with comparative figures for the six months ended July 31, 2024
(Expressed in thousands of Bahamian dollars)

	July 31, 2025	July 31, 2024
Revenues		
Patient service revenue, net	\$ 63,269	59,897
Interest income	181	167
Other	878	933
Total revenues	64,328	60,997
Expenses		
Salaries and benefits	28,948	26,979
Medical supplies	7,624	7,676
Medical services	6,672	5,957
Impairment loss	648	2,465
Depreciation and amortization	3,247	3,176
Other operating	4,479	4,444
Utilities	1,880	1,499
Government taxes and fees	1,053	1,098
Contracted services	2,578	1,599
Insurance	1,573	1,240
Repairs and maintenance	1,355	1,177
Rent	115	(20)
Dietary expenses	339	308
Legal expenses	150	399
Interest expense	140	262
Total expenses	60,801	58,259
Net income & total comprehensive income for the period	\$ 3,527	2,738
Return on sales (net income margin)	5.5%	4.5%
Earnings per common share (expressed in Bahamian dollars):		
Basic and fully diluted	\$ 0.28	0.23

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Notes to Interim Consolidated Financial Statements

Six months ended July 31, 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 \$19.0 million.



DOCTORS HOSPITAL

Trusted and Best Care NOW. Isn't Your Health Worth It?



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