Doctors Hospital Health System Limited

Interim report

Quarter ended July 31st, 2026

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 six-month period ended July 31st, 2026.

For the six-month period, the Company reported consolidated net profit of $6,990,184, compared with $3,527,377 during the same period of the previous fiscal year. Consolidated net patient revenue increased by $7.52 million, or 9.21%, compared with the second quarter of the prior year. Inpatient days rose 11%, from 5,579 during the same period last year to 6,174 in the current period.

Consolidated expenses increased by $4.1 million, or 6.67%, compared with the same period last year. The most significant increases were recorded in the following areas:

- **Salaries & Benefits:** Expenses increased by $814K, or 2.81%, from the prior year. This increase was expected and is consistent with revenue growth, largely reflecting higher compensation costs for employees who provide revenue-generating services.

- **Medical Services:** Increased by $1.5 million (22.56%) year over year, primarily due to increased contracted physician services driven by higher patient services.

- **Legal expenses:** Rose by $402K, or 268%, compared with the previous year, primarily because of costs related to the sale of one of the Company's properties.

- **Impairment loss:** Rose by $1.12 million or 236.01% due to higher outstanding receivable balances and changes in the aging profile of accounts, resulting in an increased reserve requirement based on the expected credit loss assessment.

The consolidated return on sales (net income margin) climbed from 5.48% in the prior year to 9.73% this current six-month period, reflecting higher revenue, improved profitability, and more disciplined expense management.

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
November 18, 2026

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Financial Position

July 31, 2026 with comparative figures at January 31, 2026
(Expressed in thousands of Bahamian dollars)

		July 31, 2026	January 31, 2026
Assets			
Current assets:			
Cash and cash equivalents	$	**26,973**	2,478
Trade receivables, net (note 2)		**43,904**	45,517
Inventories		**5,613**	4,642
Other assets		**5,482**	2,541
		81,972	55,178
Non-current assets:			
Other assets		**634**	710
Investments		**3,277**	3,308
Investment property		**820**	847
Goodwill		**3,406**	3,406
Finance lease receivable		**-**	30,108
Right of use assets		**2,315**	3,223
Property, plant and equipment		**82,169**	74,219
		92,621	115,821
Total assets	$	**174,593**	170,999
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and other liabilities	$	**29,469**	34,838
Provisions		**45**	160
Lease liabilities, current portion		**1,288**	1,671
Long-term debt, current portion		**370**	482
		31,172	37,151
Long-term liabilities:			
Lease liabilities		**1,205**	1,827
Long-term debt		**22,107**	18,902
		23,312	20,729
Total liabilities		**54,484**	57,880
Shareholders' equity:			
Share capital:			
Authorized 37,500,000 common shares at par value of $0.02 (2025: 18,750,000 at par value of $0.04); issued and fully paid 24,977,591 (2025: 12,471,634)		**499**	499
Contributed surplus		**30,925**	30,925
Retained earnings		**88,685**	81,695
		120,109	113,119
Total liabilities and shareholders' equity	$	**174,593**	170,999

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Comprehensive Income

Three months ended July 31, 2026 with comparative figures for the three months ended July 31, 2025
(Expressed in thousands of Bahamian dollars)

		July 31, 2026	July 31, 2025
Income			
Patient service revenue, net	**$**	**34,346**	31,340
Interest income		**1,055**	100
Other		**(126)**	393
Total income		**35,275**	31,833
Expenses			
Salaries and benefits		**15,229**	14,737
Medical supplies		**3,852**	4,087
Medical services		**3,895**	3,564
Bad debt expense, net of recoveries		**1,167**	(858)
Depreciation and amortization		**1,096**	1,809
Other operating		**2,261**	2,311
Utilities		**1,005**	979
Government taxes and fees		**334**	428
Outside services		**1,039**	1,171
Insurance		**636**	758
Repairs and maintenance		**625**	708
Rent		**166**	(55)
Dietary expenses		**169**	170
Legal expenses		**537**	10
Interest expense		**58**	79
Loss on sale of property, plant and equipment		**1,045**	-
Total expenses		**33,114**	29,898
Net income & total comprehensive income for the period	**$**	**2,161**	1,935
Earnings per common share (expressed in Bahamian dollars):			
Basic and fully diluted	**$**	**0.17**	0.16

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Comprehensive Income

Six months ended July 31, 2026 with comparative figures for the six months ended July 31, 2025
(Expressed in thousands of Bahamian dollars)

		July 31, 2026	July 31, 2025
Income			
Patient service revenue, net	**$**	**69,094**	63,269
Interest income		**1,132**	181
Other		**1,619**	878
Total income		**71,845**	64,328
Expenses			
Salaries and benefits		**29,762**	28,948
Medical supplies		**7,332**	7,624
Medical services		**8,177**	6,672
Bad debt expense, net of recoveries		**1,852**	648
Depreciation and amortization		**2,797**	3,247
Other operating		**4,549**	4,479
Utilities		**1,835**	1,880
Government taxes and fees		**1,201**	1,053
Outside services		**2,265**	2,578
Insurance		**1,437**	1,573
Repairs and maintenance		**1,174**	1,355
Rent		**454**	115
Dietary expenses		**316**	339
Legal expenses		**552**	150
Interest expense		**107**	140
Loss on sale of property, plant and equipment		**1,045**	-
Total expenses		**64,855**	60,801
Net income & total comprehensive income for the period	**$**	**6,990**	3,527
Earnings per common share (expressed in Bahamian dollars):			
Basic and fully diluted	**$**	**0.56**	0.28

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Changes in Equity

Six months ended July 31, 2026
(Expressed in thousands of Bahamian dollars)

	Number of shares	Share capital	Contributed surplus	Retained earnings	Total
Balance at January 31, 2026	24,977,591	$ 500	$ 30,925	$ 81,695	$ 113,120
Net income for the period	–	–	–	6,990	6,990
Balance at July 31, 2026	24,977,591	$ 500	$ 30,925	$ 88,685	$ 120,110

(Unaudited)

DOCTORS HOSPITAL HEALTH SYSTEM LIMITED

Consolidated Statement of Cash Flows

Six months ended July 31, 2026 with comparative figures for the six months ended July 31, 2025
(Expressed in thousands of Bahamian dollars)

		July 31, 2026	July 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period	**$**	**6,990**	3,527
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		**2,797**	3,247
Loss allowance		**1,852**	648
Loss on sale of property, plant and equipment		**1,045**	-
Interest income		**(1,132)**	(181)
Interest expense		**107**	140
Operating income before working capital changes		**11,659**	7,381
(Increase)/decrease in trade receivables		**(239)**	(7,120)
Increase in inventories		**(971)**	(314)
(Increase)/decrease in other assets		**(2,865)**	1,520
Decrease in accounts payable and other liabilities		**(5,484)**	1,406
Cash generated (used in)/from operating activities		**2,100**	2,873
Interest paid		**(381)**	(349)
Net cash from operating activities		**1,719**	2,524
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(8,857)**	(4,571)
Proceeds from sale of property, plant and equipment		**29,000**	-
Purchase of investments		**-**	(249)
Maturity of investments		**-**	55
Interest received		**1,485**	81
Net cash generated from/(used in) investing activities		**21,628**	(4,684)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt		**3,834**	(1,525)
Repayment of long-term debt		**(1,632)**	956
Payment of lease liabilities		**(1,054)**	(1,010)
Net cash generated from/(used in) financing activities		**1,148**	(1,579)
Increase/(decrease) in cash and cash equivalents		**24,495**	(3,739)
Cash and cash equivalents at beginning of period		**2,478**	8,711
Cash and cash equivalents at end of period	**$**	**26,973**	4,972

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

Six months ended July 31, 2026

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, 2026 audited consolidated financial statements.

2. Accounts receivable

Accounts receivable are stated net of provisions for doubtful accounts of $19.3 million.