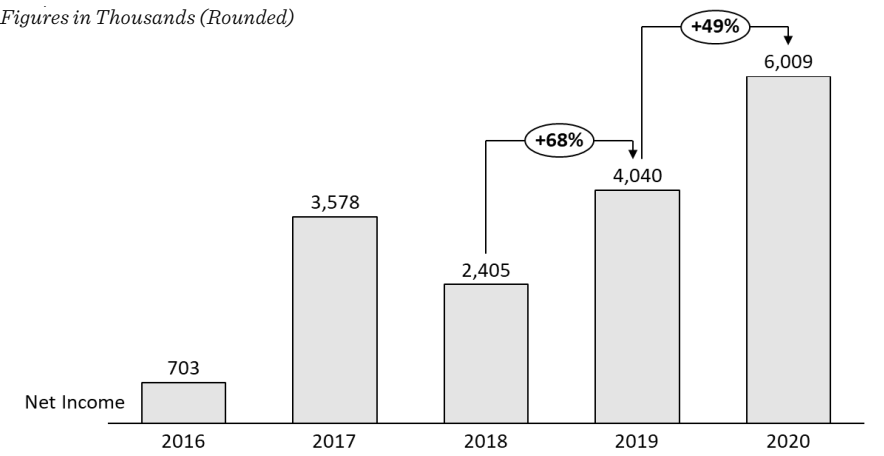




Doctors Hospital announces earnings for Fiscal Year Ending January 31 2020, reports +48.9% year over year improvement in profits, on +9.8% uptick in revenues.

Doctors Hospital announced that its consolidated net profit totaled \$ 6,009,685 or \$0.60 per share, for the year ended January 31, 2020 (“FYE 2020”), compared to a profit of \$4,040,470 or \$0.41 per share per share, for the year ended January 31, 2019 (“FYE 2019”). Net income grew year over year (“YoY”) by approximately 48.7% and reflects the second consecutive year of record financial performance considering the past five (5) years earnings development. Management continued its prior year focus to narrow the losses at Bahamas Medical Centre (“Doctors Hospital West”). Based on the introduction of a primary care outpatient service offering and cost improvement measures, losses narrowed from (\$724,949) in FYE 2019 to (\$504,245) in FYE 2020, representing an improvement of 30.4% YoY.

Figures in Thousands (Rounded)



Revenue Development - For FYE 2020, net patient revenue increased \$5,967,964 or 9.8% vs. the prior year, primarily at Doctors Hospital Bahamas, driven in part by a sharp increase in emergency room visits, which was associated with an increase in revenues of \$1,192,885 or 13.3% vs. the prior year. In FYE 2020, emergency room revenues were \$8,969,890.

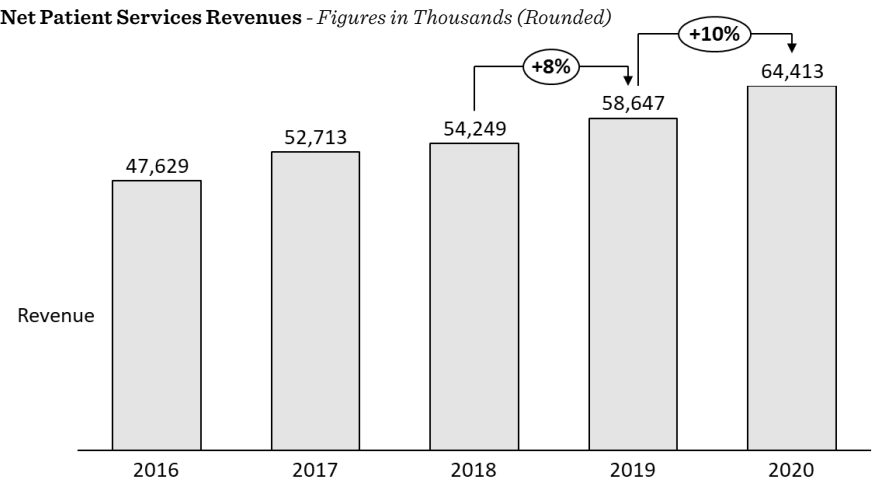
ER visits grew from 10,515 in FYE 2019 to 13,645 in FYE 2020 or 29.7%.

Total admissions to the facility nonetheless fell, and were 3,870 in FYE 2020, compared to 4,634, driven mainly by a less acute emergency room requiring hospitalization, and a decline in patient activity from the Turks and Caicos Islands. Adult patient days, a core measure of activity was 14,262 for FYE 2020, compared to 14,410 the year prior, a modest decrease.

Net patient services revenue nonetheless grew by 9.8%, driven by:

- 1. The onboarding of several specialist physicians, namely in anesthesia and neurosurgery;
- 2. A robust and organic pick-up in imaging studies, which grew to 28,163 in FYE 2020 vs. 25,063 in FYE 2019;
- 3. (Re)launch of a speech therapy service line, and strong growth in inpatient and outpatient rehab;
- 4. Strong development in laboratory services based on higher testing activity and charge master updates;
- 5. An uptick in OR activity, which grew by 5%

Net Patient Services Revenues - Figures in Thousands (Rounded)



Expenses - Total expenses for the year were \$60,740,078 vs. \$56,741,329 in the prior year, an increase of \$3,998,749 or 7.0%. The key drivers of higher overall expenses are salaries and benefits (“staffing costs”) which were \$27,327,365 in FYE 2020 and increase of \$1,059,355 or 4.0% YoY. The increase is primarily due to management’s ratification of an associate profit sharing program, which involved an accrual of \$619,555 in FYE 2020, and a performance bonus program which involved an expense of \$338,885. Excluding these effects, staffing costs grew by \$100,915 or 0.4%, demonstrating improved efficiency.

Both associate profit sharing and performance bonuses are vital parts of Doctors Hospital’s overall strategy to align the financial interests of the company with those of its associates, by allowing associates to directly and tangibly participate in the Hospital’s financial success. Ratification of these programs in FYE 2020 is indicative of Management’s strategy to incentivize associate performance and manage cost in this area by shifting a higher portion of overall compensation to a variable component.

Loss Allowance - The loss allowance on the income statement recognized in the current year was \$1,843,197 or 2.9% of net patient services revenue, vs. \$470,086 or 0.8% of net patient services revenue in FYE 2019. Because the adoption of IFRS 15 which occurred in FYE 2019 in part shifts both the geography and timing of when financial risk is recognized, Management summarizes a comparative analysis of the amounts adjusted out of revenues under IFRS 15 as well as the loss allowance booked on the income statement.

	FYE 2020	FYE 2019
Adjusted revenue and reduced trade receivables (Under IFRS 15)	\$798,880	\$2,415,650
Loss allowance on the income statement (Under IFRS 9)	\$1,843,197	\$470,086
Total financial risk reflected on the income statement	\$2,642,077	\$2,885,736
Percentage of net patient services revenue	4.1%	4.9%

On a net basis considering both effects as shown in the table above, the total financial risk borne on the income statement declined as a percentage of net patient services revenues from 4.9% in FYE 2019 to 4.1% in FYE 2020.

In addition to the financial risk presented on the income statement, management recorded a period ending allowance of \$2,278,498 for FYE 2020, compared with \$1,792,644 in the period prior. Doubtful receivables written off in the year were \$1,908,423 vs. \$3,169,980 in the year prior.

Liquidity - Cash and cash equivalents grew strongly in FYE 2020 and stood at \$7,915,281 vs. \$5,328,590 at the end of FYE 2019. Excluded from cash and cash equivalents as presented, The Group held its excess cash in fixed income investments of \$4,956,758, which grew from \$2,147,088 in the prior year.

In addition to available cash and cash equivalents and fixed income investments, the group maintained an overdraft facility in the amount of \$2,700,000 at period end, which it subsequently increased to \$5,000,000. The facility at period end was undrawn.

Capital expenditure for fiscal 2021 is projected at \$2.0 million for replacement equipment and facility improvements and will be funded with internal cash-flow.

No new borrowings were undertaken in FYE 2020.

The annual report for FYE 2020 and audited financial statements for the period are available on the company’s website at www.doctorshosp.com.