

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED BALANCE SHEETS

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$184,311,213	\$163,773,838
Accounts receivable	2,488,575	2,388,021
Accounts receivable – related parties	40,748,686	27,511,730
Inventories	2,979,818	2,792,617
Short-term investments – related parties	307,922	319,193
Finance lease receivables, current – related parties	13,725,781	12,832,355
Income tax recoverable	1,033,646	1,175,510
Customer loans receivable, current	4,991,848	8,705,999
Prepaid expenses and other current assets	7,239,514	11,724,852
Other receivables - related parties	1,560,521	—
Total current assets	259,387,524	231,224,115
Non-current assets:		
Property and equipment, net	7,414,691	7,539,392
Intangible assets, net	45,686,697	47,742,888
Long-term investments, net	1,287,477	1,299,366
Equity method investments	19,743,990	20,312,642
Goodwill, net	15,179,809	15,432,061
Finance lease receivables, non-current – related parties	11,673,777	13,746,513
Operating lease right-of-use assets	10,147,179	8,366,569
Finance lease right-of-use assets	362,302	450,874
Deferred tax assets	8,103,446	4,014,294
Customer loans receivable, non-current	2,887,006	4,824,977
Long-term prepayments	420,043	393,270
Long-term investments in MCs – related parties	17,207,414	17,837,293
Other assets	7,157,667	7,263,692
Total non-current assets	147,271,498	149,223,831
Total assets	\$406,659,022	\$380,447,946

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$22,832,724	\$16,988,384
Accounts payable – related parties	931,810	651,463
Bank and other borrowings, current	11,816,235	9,099,046
Advances from customers	980,889	1,415,762
Advances from customers – related parties	3,993,850	5,357,221

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED BALANCE SHEETS — (Continued)

	June 30, 2026	December 31, 2025
Income tax payable	19,313,068	8,821,853
Operating lease liabilities, current	5,404,269	4,416,960
Finance lease liabilities, current	99,627	132,946
Accrued liabilities and other current liabilities	13,087,484	11,544,695
Due to related party	—	2,692,673
Total current liabilities	78,459,956	61,121,003
Non-current liabilities:		
Bank and other borrowings, non-current	25,938,581	33,734,438
Deferred tax liabilities	15,777,663	16,374,832
Operating lease liabilities, non-current	4,897,286	4,136,257
Finance lease liabilities, non-current	77,080	116,527
Other liabilities	1,593,314	1,660,183
Total non-current liabilities	48,283,924	56,022,237
Total liabilities	126,743,880	117,143,240
Commitments and contingencies (Note 19)		
Stockholders' equity:		
Preferred stock (\$0.0001 par value, 20,000,000 shares authorized; no shares issued and outstanding as of June 30, 2026 and December 31, 2025)	—	—
Common stock (\$0.0001 par value, 400,000,000 shares authorized, 103,881,251 shares issued, and 102,576,943 shares outstanding as of June 30, 2026 and December 31, 2025)	10,388	10,388
Additional paid-in capital	75,715,942	72,867,424
Treasury stock (at cost, 1,304,308 shares as of June 30, 2026 and December 31, 2025)	(7,749,997)	(7,749,997)
Retained earnings	262,449,513	240,448,620
Accumulated other comprehensive loss	(66,589,505)	(57,294,239)
Total SBC Medical Group Holdings Incorporated stockholders' equity	263,836,341	248,282,196
Non-controlling interests	16,078,801	15,022,510
Total stockholders' equity	279,915,142	263,304,706
Total liabilities and stockholders' equity	\$406,659,022	\$380,447,946

SBC MEDICAL GROUP HOLDINGS INCORPORATED

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues, net – related parties	\$43,732,194	\$38,944,898	\$81,687,254	\$84,202,043
Revenues, net	5,455,874	4,413,949	10,561,376	6,485,505
Total revenues, net	49,188,068	43,358,847	92,248,630	90,687,548
Cost of revenues (including cost of revenues from related parties of \$138,593 and \$4,669,602 for the three months ended June 30, 2026 and 2025, and \$262,982 and \$8,126,530 for the six months ended June 30, 2026 and 2025, respectively)	13,210,752	13,348,270	25,924,580	22,943,887
Gross profit	35,977,316	30,010,577	66,324,050	67,743,661
Operating expenses:				
Selling, general and administrative expenses (including selling, general and administrative expenses from related parties of \$341,510 and \$415,767 for the three months ended June 30, 2026 and 2025, and \$684,903 and \$415,767 for the six months ended June 30, 2026 and 2025, respectively)	17,016,766	15,456,385	29,643,485	28,987,395
Total operating expenses	17,016,766	15,456,385	29,643,485	28,987,395
Income from operations	18,960,550	14,554,192	36,680,565	38,756,266
Other income (expenses):				
Interest income	8,520	22,882	129,889	78,215
Interest expense	(128,629)	(49,651)	(243,435)	(55,858)
Foreign currency exchange gain (loss), net	1,032,259	(769,720)	1,893,937	(1,828,246)
Other income	137,056	145,403	628,620	296,731
Other expenses	(455,070)	(362,745)	(678,279)	(1,001,478)
Gain on redemption of life insurance policies	—	—	—	8,746,138
Total other income (expenses)	594,136	(1,013,831)	1,730,732	6,235,502
Income before income taxes and equity in losses of equity method investees				
Income tax expense	7,823,743	11,100,509	15,351,334	21,059,966
Equity in losses of equity method investees, net of tax	(568,652)	—	(568,652)	—
Net income	11,162,291	2,439,852	22,491,311	23,931,802
Less: net income (loss) attributable to non-controlling interests	469,469	(18,388)	490,418	(28,884)
Net income attributable to SBC Medical Group Holdings Incorporated	\$10,692,822	\$2,458,240	\$22,000,893	\$23,960,686

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

Other comprehensive income (loss):				
Foreign currency translation adjustment	<u>\$(5,319,471)</u>	<u>\$8,623,269</u>	<u>\$(9,569,020)</u>	<u>\$18,431,596</u>
Total comprehensive income	<u>5,842,820</u>	<u>11,063,121</u>	<u>12,922,291</u>	<u>42,363,398</u>
Less: comprehensive income attributable to non-controlling interests	<u>198,369</u>	<u>184,411</u>	<u>216,664</u>	<u>147,579</u>
Comprehensive income attributable to SBC Medical Group Holdings Incorporated	<u>\$5,644,451</u>	<u>\$10,878,710</u>	<u>\$12,705,627</u>	<u>\$42,215,819</u>
Net income per share attributable to SBC Medical Group Holdings Incorporated				
Basic and diluted	<u>\$0.10</u>	<u>\$0.02</u>	<u>\$0.21</u>	<u>\$0.23</u>
Weighted average shares outstanding				
Basic and diluted	<u>102,576,943</u>	<u>103,507,249</u>	<u>102,576,943</u>	<u>103,392,580</u>

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$22,491,311	\$23,931,802
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	1,802,958	1,264,405
Non-cash lease expense	2,861,022	2,185,744
Provision for (reversal of) credit losses	(44,753)	283,752
Equity in losses of equity method investees	568,652	—
Stock-based compensation	7,854	—
Fair value change of long-term investments	(34,905)	384,523
Gain on redemption of life insurance policies	—	(8,746,138)
Loss (gain) on disposal of property and equipment	9,397	(10,804)
Change in fair value of cryptocurrencies	—	(111,632)
Deferred income taxes	(4,545,948)	7,452,983
Changes in operating assets and liabilities:		
Accounts receivable	(184,336)	(789,577)
Accounts receivable - related parties	(14,570,601)	(17,039,113)
Inventories	(279,190)	(717,972)
Finance lease receivables - related parties	247,191	(6,482,967)
Customer loans receivable	5,357,608	8,081,703
Other receivables - related parties	(1,602,304)	—
Prepaid expenses and other current assets	4,173,911	(1,349,225)
Long-term prepayments	59,145	211,988
Other assets	(185,014)	85,907
Accounts payable	6,593,276	1,165,217
Accounts payable - related parties	307,962	2,455,865
Notes payables - related parties	—	(5,031,570)
Advances from customers	(395,704)	(369,616)
Advances from customers - related parties	(1,205,634)	(2,363,891)
Income tax payable	11,194,897	(6,030,526)
Operating lease liabilities	(2,876,789)	(2,275,398)
Accrued liabilities and other current liabilities	2,008,843	(2,508,035)
Other liabilities	(17,601)	(88,593)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	31,741,248	(6,411,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(209,391)	(560,431)
Prepayments for property and equipment	(804,423)	(705,351)

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	For the Six Months Ended June 30,	
	2026	2025
Payments made on behalf of related parties	—	(1,836,541)
Purchase of long-term investments	—	(652,555)
Purchase of cryptocurrencies	—	(424,250)
Long-term loans to others	—	(13,134)
Repayments from related parties	—	70,000
Repayments from others	31,111	56,307
Proceeds from redemption of life insurance policies	—	17,735,717
Deconsolidation of VIE, net of cash disposed of	1,019,909	—
Proceeds from disposal of property and equipment	—	1,728,236
NET CASH PROVIDED BY INVESTING ACTIVITIES	37,206	15,397,998
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from related parties	—	15,000
Proceeds from exercise of stock acquisition rights in subsidiary by non-controlling interests	31,866	—
Repayments of bank and other borrowings	(3,740,739)	(74,256)
Repayments of finance lease liabilities	(71,942)	(278,097)
Repayments to related parties	(22,657)	(27,943)
Repurchase of common stock	—	(2,415,262)
Deemed contribution in connection with price modification on disposal of property and equipment	—	9,682,277
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(3,803,472)	6,901,719
Effect of exchange rate changes	(7,437,607)	11,808,241
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,537,375	27,696,790
CASH AND CASH EQUIVALENTS AS OF THE BEGINNING OF THE PERIOD	163,773,838	125,044,092
CASH AND CASH EQUIVALENTS AS OF THE END OF THE PERIOD	\$184,311,213	\$152,740,882
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$243,435	\$55,858
Cash paid for income taxes, net	\$8,660,822	\$19,637,454
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment transferred from long-term prepayments	\$703,529	\$246,188

SBC MEDICAL GROUP HOLDINGS INCORPORATED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	For the Six Months Ended June 30,	
	2026	2025
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$67,106	\$104,437
Finance lease right-of-use assets obtained in exchange for finance lease liabilities	\$—	\$612,466
Remeasurement of operating lease liabilities and right-of-use assets due to lease modifications	\$4,844,803	\$1,160,680
Payables to related parties in connection with loan services provided	\$—	\$8,175,342
Issuance of common stock as incentive shares	\$—	\$86

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

SBC MEDICAL GROUP HOLDINGS INCORPORATED

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Total Revenues, net	\$ 49,188,068	\$43,358,847	\$92,248,630	\$90,687,548
Net income attributable to SBC Medical Group Holdings Incorporated	10,692,822	2,458,240	22,000,893	23,960,686
Adjusted to exclude the following:				
Net income (loss) attributable to non-controlling interests	469,469	(18,388)	490,418	(28,884)
Equity in losses of equity method investees, net of tax	568,652	—	568,652	—
Income tax expense	7,823,743	11,100,509	15,351,334	21,059,966
Gain on redemption of life insurance policies	—	—	—	(8,746,138)
Other expenses	455,070	362,745	678,279	1,001,478
Other income	(137,056)	(145,403)	(628,620)	(296,731)
Foreign currency exchange gain (loss), net	(1,032,259)	769,720	(1,893,937)	1,828,246
Interest expense	128,629	49,651	243,435	55,858
Interest income	(8,520)	(22,882)	(129,889)	(78,215)
Depreciation and amortization expense	1,132,524	636,101	1,802,958	1,264,405
Adjusted EBITDA	20,093,074	15,190,293	38,483,523	40,020,671
<i>Net income margin</i>	22 %	6 %	24 %	26 %
<i>Adjusted EBITDA margin</i>	41 %	35 %	42 %	44 %

Adjusted EBITDA is a non-GAAP financial measure defined as net income attributable to SBC adjusted for net income (loss) attributable to non-controlling interests, equity in losses of equity method investees, net of tax, income tax expense, gain on redemption of life insurance policies, other expenses, other income, foreign currency exchange gain (loss), net, interest expense, interest income, and depreciation and amortization expense.

Net income margin is defined as net income attributable to SBC divided by total revenues, net. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenues, net.

Contacts

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