| | SBC MEDICAL GROUP HOLDINGS INCORPORATED UNAUDITED CONSOLIDATED BALANCE SHEETS |
|--|---|
| SSETS | |
| Current assets: | |
| Cash and cash equivalents | |
| Accounts receivable | |
| Accounts receivable – related parties | |
| Inventories | |
| Finance lease receivables, current - related parties | |
| Customer loans receivable, current | |
| Prepaid expenses and other current assets | |
| Total current assets | |
| | |
| Non-current assets: | |
| Property and equipment, net | |
| Intangible assets, net | |
| Long-term investments | |

ASSETS

Deferred tax assets

Long-term prepayments

Total non-current assets

Finance lease receivables, non-current – related parties

Operating lease right-of-use assets

Customer loans receivable, non-current

LIABILITIES AND STOCKHOLDERS' EQUITY

Current portion of long-term loans

Operating lease liabilities, current

Advances from customers

Notes payable, current - related parties

Advances from customers – related parties

Accrued liabilities and other current liabilities

Notes payable, non-current – related parties

Preferred stock (\$0.0001 par value, 20,000,000 shares authorized; no shares issued and outstanding as of September 30,

Common stock (\$0.0001 par value, 400,000,000 shares authorized, 103,020,816 and 94,192,433 shares issued and

(1) Retrospectively restated for effect of recapitalization on equity due to reverse acquisition effective September 17, 2024.

SBC MEDICAL GROUP HOLDINGS INCORPORATED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the Three Months Ended

September 30,

2023

45,119,709

2,158,976

47,278,685

13,780,309

33,498,376

13,446,618

13,475,134

20,023,242

10,234

(3,978)

(98,314)

1,138,869

1,046,811

21,070,053

13,012,262

8,057,791

(298,623)8,356,414

(974,249)

(205,383)

(387,948)

6,878,159

7,266,107

0.09

94,192,433.00

28,516

2024

51,209,243

1,875,640

53,084,883

9,845,793

43,239,090

16.597.032

12,807,455

29,404,487

13,834,603

7,950

(5,466)

65,922

(795, 158)

(726, 752)

13,107,851

10,273,384

2,834,467

2,832,894

20,783,646

23,618,113

23,438,020

95,095,144.00

SBC MEDICAL GROUP HOLDINGS INCORPORATED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

180,093

0.03

1,573

Operating lease liabilities, non-current

Long-term investments in MCs - related parties

Goodwill, net

Other assets

Total assets

Current liabilities:

Accounts payable

Income tax payable

Due to related party

Total current liabilities

Non-current liabilities:

Deferred tax liabilities

Total non-current liabilities

2024 and December 31, 2023) (1)

Accumulated other comprehensive loss

Total liabilities and stockholders' equity

Additional paid-in capital (1)

Retained earnings

Non-controlling interests

Total stockholders' equity

Revenues, net – related parties

Selling, general and administrative expenses

Revenues, net

Cost of revenues

Operating expenses:

Stock-based compensation

Total operating expenses

Misappropriation loss

Income from operations

Other income (expenses):

Interest income

Interest expense

Other income

Income tax expense

Net income

Other expenses

Gain on disposal of subsidiary

Other comprehensive income (loss):

Total comprehensive income

Basic and diluted

Basic and diluted

Weighted average shares outstanding (1)

CASH FLOWS FROM OPERATING ACTIVITIES

Depreciation and amortization expense

Provision for (reversal of) credit losses

Impairment loss on property and equipment

Fair value change of long-term investments

Realized gain on short-term investments

Non-cash lease expense

Stock-based compensation

Gain on disposal of subsidiary

Changes in operating assets and liabilities:

Accounts receivable - related parties

Finance lease receivables - related parties

Prepaid expenses and other current assets

Advances from customers - related parties

Accrued liabilities and other current liabilities

NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

Prepayments for property and equipment

Payments made on behalf of a related party

Long-term investments in MCs - related parties

Proceeds from sales of short-term investments

Disposal of subsidiary, net of cash disposed of

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of common stock

Proceeds from exercise of stock warrants

Borrowings from related parties

Repayments of long-term loans

Repayments to related parties

Cash paid for interest expense

Cash paid for income taxes

Income from operations

EBITDA Margin

EBITDA

Depreciation and amortization expense

Proceeds from surrender of life insurance policies

Proceeds from disposal of property and equipment

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

Deemed contribution in connection with reorganization

NET CASH PROVIDED BY FINANCING ACTIVITIES

Effect of changes in foreign currency exchange rate

NET INCREASE IN CASH AND CASH EQUIVALENTS

NON-CASH INVESTING AND FINANCING ACTIVITIES

Issuance of common stock as incentive shares

Non-cash purchase consideration for an asset acquisition

Proceeds from reverse recapitalization, net of transaction costs

Deemed contribution in connection with disposal of property and equipment

CASH AND CASH EQUIVALENTS AS OF THE BEGINNING OF THE PERIOD

CASH AND CASH EQUIVALENTS AS OF THE END OF THE PERIOD

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Property and equipment transferred from long-term prepayments

Settlement of loan payable to a related party in connection with disposal of property and equipment

Remeasurement of operating lease liabilities and right-of-use assets due to lease modifications

Operating lease right-of-use assets obtained in exchange for operating lease liabilities

Issuance of promissory notes to related parties in connection with loan services provided

Settlement of loan payable to a related party in connection with issuance of common stock

SBC MEDICAL GROUP HOLDINGS INCORPORATED Unaudited Reconciliations of GAAP and Non-GAAP Results

2024

13,834,603

1,018,359

14,852,962

28%

For the Three Months Ended

September, 30

2023

20,023,242

3,287,809

23,311,051

49%

Issuance of common stock to a related party from conversion of convertible note

An intangible asset transferred from long-term prepayments

Cash received from acquisition of subsidiary, net of cash received

Purchase of short-term investments

Purchase of long-term investments

Repayments from related parties

Purchase of property and equipment

Purchase of intangible assets

Purchase of convertible note

Advances to related parties

Long-term loans to others

Repayments from others

Accrued retirement compensation expense - related party

Deferred income taxes

Accounts receivable

Customer loans receivable

Long-term prepayments

Notes payable - related parties

Advances from customers

Operating lease liabilities

Inventories

Other assets

Accounts payable

Income tax payable

Other liabilities

Adjustments to reconcile net income to net cash provided by operating activities:

Loss (gain) on disposal of property and equipment and intangible assets

Incorporated

Net income

(1)

Foreign currency translation adjustment

Income before income taxes

Total other income (expenses)

Less: net income (loss) attributable to non-controlling interests

months ended September 30, 2024 and 2023, respectively

Less: comprehensive income (loss) attributable to non-controlling interests Comprehensive income attributable to SBC Medical Group Holdings

Net income attributable to SBC Medical Group Holdings Incorporated

Reclassification of unrealized gain on available-for-sale debt security to net

income when realized, net of tax effect of nil and \$(97,856) for the three months

ended September 30, 2024 and 2023, respectively; nil and \$(97,856) for the nine

Net income per share attributable to SBC Medical Group Holdings Incorporated

(1) Retrospectively restated for effect of recapitalization on equity due to reverse acquisition effective September 17, 2024.

Total revenues, net

Gross profit

outstanding as of September 30, 2024 and December 31, 2023) (1)

Treasury stock receivable (270,000 shares of common stock) - related party

Total SBC Medical Group Holdings Incorporated's stockholders' equity

Long-term loans

Other liabilities

Total liabilities

Stockholders' equity:

| 2,12,1102,0112210 | | | | | |
|-------------------|----|-------------|--------------|-------------|--|
| | 5 | September | | | |
| | | 30, | December 31, | | |
| | | 2024 | 95 | 2023 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | \$ | 137,393,070 | \$ | 103,022,932 | |
| | | 1,944,604 | | 1,437,077 | |

27,835,179

1,985,883

8,443,338

16,125,086

8,372,668

202,099,828

13,194,414

16,218,233

4,905,115

3,545,391

4,629,047

5,251,418

6,590,301

4,308,810

19,561,069

15,550,402

94,378,764

14,873,829

10,202,360

18,994,015

8,000,808

4,060,844

12,054,047

3,532,453

72,420,534

686,470

11,659,022

3,515,825

1,528,972

1,147,345

18,537,634

90,958,168

10,302

60,825,115

(2,700,000)182,923,786

(36,078,149)

204,981,054

205,520,424

\$ 296,478,592

2024

\$ 152,718,488

8,276,517

160,995,005

38,816,865

122,178,140

43,784,637 12,807,455

56,592,092

65,586,048

37,283

(15,898)

721,894

(2,746,450)

3,813,609 1.810.438

67,396,486

27,254,478

40,142,008

40,075,054

1,543,245

41,685,253

41,575,160

94,495,533.00

2024

40,142,008

2,867,781

2,908,990

12,807,455

1,682,282

(3,813,609)185,284

(2,154,837)

(804,000)

763,075

4,971,911

(3,430,267)

12,860,220

902,230

432,380

(348, 178)

(10,511,619)

(14,030,092)

(1,401,437)

(3,565,778)

(2,971,946)

(9,010,270)

81,290

27,886,231

(1,974,285)

(1,700,000)

(843,740)

(617,804)

(331,496)

(80,793)

62,927

(815, 819)

(5,554,039)

11,707,417

31,374

(89,448)

(65,305)

11,584,038

453,908

34,370,138

103,022,932

137,393,070

15.898

31,332,123

164,781

2,408,752

20,398,301

2,700,000

For the Nine Months Ended

September, 30

34

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

2023

46,670,759

9,688,640

56,359,399

43%

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

2024

65,586,048

2,867,781

68,453,829

42%

1,971

5,990,990

(5,245,990)

(549,446)

(127, 196)

110,093

0.42

For the Nine Months Ended

September 30,

66,954

539,370

For the Nine Months Ended

September 30,

136,683

565,495

\$ 296,478,592

624,564

33,676,672

3,090,923

6,143,564

8,484,753

10,050,005

165,905,926

13,582,017

19,739,276

849,434

3,590,791 3,420,489

5,919,937

6,444,025 4.099.763

19,811,555

15,442,058

92,899,345

258,805,271

26,531,944

156,217

3,369,203

2,074,457

23,058,175 8,782,930

3,885,812

21,009,009

3,583,523

92,451,270

1,062,722

11,948,219

6,013,565

2,444,316

1,074,930

22,543,752

114,995,022

9,419

36,879,281

142,848,732

(37,578,255)

142,159,177

143,810,249

\$ 258,805,271

2023

125,336,653

131,192,729

37,256,066

93,936,663

46.885.138

47,265,904

46,670,759

86,345

(37,380)

3,875,723

3,343,449

50,014,208

25,683,244

24,330,964

25,027,776

(19,825,222)

(8,760)

4,496,982

(1,129,475)

5,626,457

0.27

94,192,433.00

2023

24,330,964

9,688,640

2,424,220

282,934

204,026

(223, 164)

(249,532)

(924,061)

(19,979,099)

(4,038,874)

17,241,740

8,173,153

(1,991,626)

(1,884,352)

6,712,977

(681,973)

(7,430,332)

16,518,062

(2,335,113)

(22,082,643)

22,753,983

(2,299,045)

(1,683,030)

(1,000,000)

(1,017,292)

(2,106,720)

(26,780)722,551

(421,429)

734,358

47,356

4,125,813 3,954,760

8,046,007

8,659,196

12,310,106

(8,691,462)

(7,619,266)

9,620,453

6,262,589

(11,982,793)

25,692,975 51,737,994

77,430,969

37,380

12,608,072

7,681,830

17,666,115

4,163,604

1,029,518

2,110,079

795

705,528

642,748

10

(417, 353)

298,743

79,215

(1,379,922)

(696,812)

(581, 239)

380,766

5,856,076

1,651,072