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Integrated Diagnostics Holdings PLC

27 July 2022

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**FOR IMMEDIATE RELEASE**

## **Final Dividend Distribution**

**27 July 2022**

**(Cairo and London)** - On 7 June 2022, at the annual general meeting of Integrated Diagnostics Holdings plc ("**the Company**"), the shareholders of IDH approved a final dividend equivalent to Egyptian Pounds ("**EGP**") 2 per share (EGP 1.3 billion in aggregate) in respect of the year ended 31 December 2021 (to be paid in US dollars ("**USD**") at the official exchange rate on that date, which amounts to USD 69.6 million in aggregate) due today to the holders of shares on the register of members as at the close of business on 17 June 2022 ("**Eligible Shareholders**").

**Dividend Payment**").

### **1. Steps taken in respect of the Dividend Payment**

In anticipation of the Dividend Payment and prior to the Company's annual general meeting, IDH's subsidiaries in Egypt and Jordan approved dividend distributions and up-streamed cash to IDH. These funds remain in reserve for the purposes of the dividend (alongside other cash set aside for these purposes). IDH benefits from a strong balance sheet and robust cash management, as evidenced in its recent results announcement published on 8 June 2022, where its net cash balance amounted to EGP 1,724 million as at 31 March 2022. Based on IDH's management accounts, as at 30 June 2022 IDH's cash and cash equivalents amounted to EGP 2,182 million. IDH has therefore sufficient funds in place to pay the dividend of EGP 1.3 billion in aggregate, subject to being able to convert the required amount of EGP into USD on the foreign exchange market.

Since the recommendation of the final dividend by IDH's board of directors and the subsequent declaration of the dividend by IDH's shareholders, the macro-economic situation globally and in Egypt has changed significantly. As a result, despite its financial rigour and planning outlined above, IDH has encountered significant difficulties in sourcing the required amounts of USD to exchange for EGP for the purposes of making the Dividend Payment. This is largely due to the volatility of the foreign exchange market.

consequence of the deteriorating broader macro-economic situation, including inflationary pressures and consequences arising from the conflict in Ukraine, which has led to a scarcity of USD available in the foreign exchange markets for conversion to EGP.

## **2. Payment in full of dividend to minority shareholders today**

Despite the above-mentioned challenges, IDH has sourced sufficient USD to cover the full Dividend Payment due to all Eligible Shareholders with the exception of its two largest shareholders, Hena Holdings Ltd ("**Hena Holdings**") and Actis Limited ("**Actis**"), which have both agreed to defer their entitlement as described in section 3 of this release. IDH will begin paying the Dividend Payment due to all Eligible Shareholders (excluding Hena Holdings and Actis) as it falls due today (27 July 2022).

## **3. Deferral of dividend entitlement by IDH's two largest shareholders**

In light of these aforementioned difficulties in the foreign exchange market, IDH's two largest shareholders, Hena Holdings and Actis (the "**Deferring Shareholders**"), have agreed with IDH to defer the payment of their pro rata share of the Dividend Payment (being USD 17.7 million for Hena Holdings and USD 14.6 million for Actis, respectively) from 27 July 2022 to 27 January 2023 (the "**Hena/Actis Deferral**").

It is IDH's intention to seek to repay the sums due to both Deferring Shareholders as soon as it is practicable to source the required USD currency. At this time, the Company expects the repayment to take place within the coming two months.

In consideration for agreeing to defer their right to receive their pro rata share of the Dividend Payment, IDH has agreed to pay to each Deferring Shareholder interest on the outstanding amounts due at the rate of 5% per annum (with interest accruing on a daily basis) for a two-month period starting 27 July 2022. In the event there are still outstanding amounts following this initial two month period, IDH will have the right (in its sole discretion), to extend the deferral for an additional four months at an increased interest rate. The cost in connection with this deferral will be reflected in the income statement of IDH for the year ending 31 December 2022.

The independent directors of IDH consider that this course of action is in the best interests of IDH and its stakeholders.

## **4. No impact on ongoing operations**

IDH's operations performance have not been materially adversely affected by the lack of availability of USD in the foreign exchange markets for conversion to EGP. Thanks to IDH's proactive inventory sourcing strategy it is facing no significant issues in securing raw materials and continues to hold sufficient inventories to cover three months of operations with its standard operating policy. Going forward, IDH intends to continue leveraging its long-lasting relationships with its suppliers to secure additional stock at competitive prices, with the aim of shielding the business from the impacts of inflation and currency fluctuations.

*In respect of the ordinary shares of IDH listed on the London Stock Exchange, the information contained within this announcement is considered by IDH to constitute inside information as stipulated under the Market Abuse Regulation (EU) No.596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2020 as amended ("UK MAR"). Upon the publication of this announcement via a Regulatory Information Service, this information will be considered to be in the public domain.*

Questions can be directed to IDH's investor relations director, Nancy Fahmy.

-Ends-

## **About Integrated Diagnostics Holdings (IDH)**

IDH is a leading consumer healthcare company in the Middle East and Africa with operations in Egypt, Jordan and Nigeria. IDH's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned IDH a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 1000 diagnostics tests. From its base of 520 branches as of 31 March 2022, IDH will continue to add laboratories through its Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, IDH's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA). For more information, please visit [idhcorp.com](http://idhcorp.com).

### **Contact**

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### **Forward-Looking Statements**

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "anticipates", "estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "may", "opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case, their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies in particular, to statements containing information on future financial results, plans, or expectations regarding business operations, management, future growth or profitability and general economic and regulatory conditions and other matters affecting IDH and its subsidiaries (the "**Group**").

Forward-looking statements reflect the current views of the Group's management ("Management") on future performance, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained

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