

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE  
MARKET ABUSE REGULATION**

**IDH and its Jordanian subsidiary, Biolab, to Launch Greenfield Diagnostic Venture in Saudi Arabia in Partnership with Izhoor Medical company owned by Fawaz Alhokair**

*Through this strategic partnership, IDH will enter the attractive Saudi Arabian healthcare market, expanding the Company's geographic footprint and patient pool further, and building a platform for exciting future growth opportunities.*

**31 October 2022**

**(Cairo and London)** - Integrated Diagnostics Holdings ("IDH," "the Company" or "the Group"), a leading healthcare company with operations in Egypt, Jordan, Sudan, and Nigeria, announces the signing of a Joint Venture ("JV") Agreement with Al Makhbaryoun Al Arab LLC ("Biolab") and Izhoor Holding Medical Company LLC ("Izhoor") to launch a new diagnostic venture in Saudi Arabia. The new joint venture will be owned 50% by IDH Group (IDH Jordanian's subsidiary Biolab) and 50% by Izhoor, a company owned by Fawaz Alhokair, chairman of the retail Saudi retail group, Fawaz Alhokair Group (together, "the partners").

The management team of the new joint venture will be led by Dr. Amid Abdelnour, Biolab's founder and CEO, with day-to-day operations overseen by the Biolab team who will look to transfer its operational expertise and high standards to the new venture. Ultimately, the partners are looking to develop a full-fledged pathology diagnostic provider offering a wide array of diagnostics services across a far-reaching branch network in the Kingdom.

The proposed transaction has an estimated investment cost of USD 19.7 million (SAR 73.7 million). IDH's investment into the venture is estimated to stand at USD 4.7 million, of which USD 2.8 million will come from the company and USD 1.9 million from Biolab. The new venture's operations are targeted to begin within four to six months from the signing of the agreement on 27 October 2022, subject to the receipt of all the necessary regulatory approvals and licenses.

Founded in 2020 and fully owned by Fawaz Alhokair, Izhoor is a healthcare platform providing innovative solutions in the Saudi market through strategic partnerships with established international healthcare players. The company primarily focuses on market segments with high entry barriers, and digital transformation potential. Fawaz Alhokair Group

Saudi-based franchiser and entertainment centre operator, with a success track record spanning multiple decades, currently operating 22 malls in KSA alone and boasting partnerships with over 80 brands through a network of over 1,700 stores.

Izhoor and its shareholders represent the ideal partners for IDH and Biolab, bringing a deep understanding of the local business dynamics and rapidly growing exposure to the local healthcare sector, as well as the access to local resources to ensure the quick and effective ramp up of the new joint venture. Moreover, IDH and Biolab will be able to leverage Fawaz Alhokair Group's extensive location network of malls and stores to establish a strategic branch network capable of accessing a wide customer base. At the same time, IDH and Biolab bring unmatched expertise in the field of diagnostics, having successfully operated hundreds of branches across four different countries for several decades. Most importantly, leveraging Biolab's multi-decade experience in operating a network of over 20 branches in Jordan, the new venture aims to fill the existing market gap for high-quality testing in the country, bringing to the Kingdom the superior level of service that Biolab's patients in Jordan have been enjoying for years.

### **Investment Rationale and Key Highlights**

- Entering one of the region's most attractive markets with solid growth potential underpinned by favourable demographics, an increasingly health conscious patient base, robust macroeconomic fundamentals, and a growing healthcare sector dynamics in favour of private providers, and a supportive regulatory framework.
- The Saudi Arabian diagnostics labs market is set to be one of the fastest growing in the Middle East and North Africa (MEA) over the coming six years. Faster growth is expected to be supported by several factors including population growth fuelled by both Saudi and non-Saudi nationals, as well as government efforts to increase contribution from private sector labs.
- With a population of 36 million (growing at c. 2% per year), Saudi Arabia ranks third in the Middle East and North Africa (MEA) in terms of population growth.
- Overall, the country currently records some of the highest per-capita spending on healthcare in the region, with the number set to rise further in the coming years.
- In line with the country's 2030 Vision, reforming and growing the country's healthcare sector is a top priority for the Saudi government. On the reform side, a lot of focus has been put on the sector's privatisation, with 300 hospitals and more than 2,250 healthcare centers to be privatised by 2030. This is expected to create significant opportunities for growth for new and existing private players.
- The government has been investing significant resources in the sector, with 14.4% of the 2022 budget spent on healthcare (KSA accounts for 60% of total healthcare spending in GCC). Despite this, growing demand has seen public facilities rely increasingly on private sector outsourcing, including in the diagnostic testing services.
- Growth in the private sector is expected to be boosted by the introduction of mandatory health insurance for private sector employees (provided through their employers) and the removal of regulations on laboratory services covered under private health insurance.

- The new venture will benefit from the access and resources of Mr. Fawaz Alhokair and the wider Alhokair Group, as well as the technical know-how in the delivery of high-quality diagnostic services from IDH and Biolab.
- Under the agreement, four of the eight seats on the new company's board will be held by the Group, with the other four held by Izhoor. Meanwhile, with the Group holding two of three seats on the company's executive committee, the new joint venture is to be fully consolidated on IDH's accounts.

### **Structure and Financing of the Proposed Transaction**

- The new joint venture will be owned 50% by IDH Group (30% controlled by IDH and 20% controlled by Izhoor), with the remaining 50% owned by Izhoor.
- Over the coming four years, total investments in the venture are set to reach USD 19.7 million (SAR 72 million).
- Completion of the transaction is subject to the receipt of a number of key regulatory approvals and licenses, which the Company expects to receive within four to six months of the signing of the JV Agreement (27 February 2022).

**Dr. Hend El Sherbini, IDH CEO, said:** "I am pleased to announce the signing of this landmark partnership, and I am excited to add Saudi Arabia to our existing footprint. The Kingdom represents an attractive new market for IDH, with ample room for future growth, and provides us with an opportunity to positively impact the lives of hundreds of thousands of patients over the coming years. This deal is directly in line with our long-term regional expansion strategy which is to pursue high-growth markets where our platform and proven expertise are well-suited to deliver high-quality care to as many patients as possible. We are also particularly delighted to be partnering with Izhoor, a company with whom we share many common values and a shared long-term vision. I am certain that together with our partners, we bring the complementary strengths and experiences needed to guarantee the long-term success of our new Saudi Arabia joint venture."

**Dr. Amid Abdelnour, Biolab's founder and CEO, added:** "This deal represents an important opportunity for Biolab to replicate our success in Jordan in another high potential market like that of Saudi Arabia, and it is with great pride that we take on the operator role in this new venture. Over the last two decades, we have built a reputation for providing high-quality services to millions of patients, and we are eager to leverage our on-the-ground expertise to play a frontline role in plugging the existing supply gap for high quality diagnostics services in the Kingdom. When combined with the resources and knowledge brought by IDH and Izhoor, I am confident that we have all the necessary ingredients to ensure we can deliver on our promises to shareholders while generating long-term, sustainable value to Saudi Arabia's economic growth."

**Fawaz Alhokair, Izhoor's founder and chairman, commented:** "We are delighted to team-up with IDH and Biolab to expand into the Saudi medical diagnostic sector. This transaction represents a significant milestone for our Saudi Arabia launched healthcare initiative, and a key step in the development of our unique healthcare ecosystem. We believe the combination of Biolab/IDH's operational and medical capabilities with our successful track record in developing and operating diagnostic centers in the Middle East and Africa, will enable us to deliver high-quality diagnostic services to Saudi Arabia's population."

expanding retail concepts in the Kingdom are key success factors. Our ambition is to disrupt the medical diagnostic sector by bringing a successful concept into the Saudi market, with the focus to provide better service and customer experience to the Saudi patient."

### **Advisors**

IDH and Biolab have appointed Khalifeh & Partners to act as their legal advisors on the transaction. Meanwhile, Biolab has appointed The Law Firm of Wael A. Alissa in association with Dentons as their legal advisors.

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### **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. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Al Borg (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its laboratory of over 2,000 diagnostics tests. From its base of 538 branches as of 30 June 2022, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. In 2021, across its four countries of operation, IDH served more than 10.3 million patients and performed over 33.7 million tests. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern, African, and European 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). Learn more at [idhcorp.com](http://idhcorp.com).

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### **About Al Makhbaryoun Al Arab LLC (Biolab)**

Biolab Medical Laboratory is considered one of the pioneers in the field of medical diagnostics and laboratory testing in Jordan, providing patients across the country with access to a portfolio of more than 700 medical tests. Today, Biolab is one of the largest private sector players in Jordan operating a network of 21 branches, and in 2021 served over 10 million patients and performed more than 3.6 million tests. Biolab's laboratories boast accreditations with five international quality accreditation bodies, including the College of American Pathologists (CAP), the Joint Commission International (JCI), the Jordanian Accreditation System (JAS), the Health Care Accreditation Council (HCAC), and the ISO 27001 certification for International Standard for Information Security.

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### **About Izhoor Holding Medical Company LLC**

Izhoor Holding Medical Company LLC is wholly owned by Fawaz Alhokair. Izhoor was established in 2020, with a mission to leverage the unique commercial experience of its sister companies to fulfil the unmet need of the healthcare community. Izhoor has established a range of partnerships with reputable international players to develop a fully integrated healthcare ecosystem to serve the Saudi population.

Along with its partners, Izhoor is engaged in telehealth consultation, extended long-term care and rehabilitation services, laboratories, derma, and special needs for autism. These partnerships will establish a strong presence and footprint in primary care via the outpatient, virtual, and home care settings with integrated low-risk, high-value medical services verticals for the most common issues in healthcare.

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### **Forward-Looking Statements**

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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.

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