

Integrated Diagnostics Holdings Plc

Q1 2023 Results

Thursday, 01 June 2023

Integrated Diagnostics Holdings Plc kicks off 2023 with a solid quarter, recording 43% growth in conventional revenues

(Cairo and London) - Integrated Diagnostics Holdings ("IDH," "the Group," or "the Company"), a leading provider of diagnostic services with operations in Egypt, Jordan, Nigeria and Sudan, released today its reviewed financial statements and operational performance for the quarter ended 31 March 2023, booking revenue of EGP 915 million, 22% higher than the revenues reported in the first quarter of the previous year when Covid-19-related¹ testing had significantly boosted the consolidated figure. Excluding² the contribution made by Covid-19-related testing in the comparable three months ended 31 March 2022, the Group's conventional³ revenues recorded an impressive 43% year-on-year expansion supported by a 43% year-on-year increase in conventional test volumes and a 27% year-on-year increase in average revenue per conventional test for the quarter. IDH recorded a net profit of EGP 168 million, declining 46% from Q1 2022 and associated margin of 18%.

Financial Results (IFRS)⁴

EGP mn	Q1 2022	Q1 2023
Revenues	1,180	1,440
Conventional Revenues	640	915
Covid-19-related Revenues	540	525
Cost of Sales	(649)	(700)
Gross Profit	532	740
Gross Profit Margin	45%	51%
Operating Profit	396	460
EBITDA⁵	468	530
EBITDA Margin	40%	37%
Net Profit	314	168
Net Profit Margin	27%	12%
Cash Balance	2,659	2,659

Note (1): Throughout the document, percentage changes between reporting periods are calculated using the exact value (as per the Consolidated Financials) and not the corresponding rounded figures.

Key Operational Indicators⁶

	Q1 2022	Q1 2023
Branches	520	520
Patients ('000)	2,649	2,649
Revenue per Patient (EGP)	446	544
Tests ('000)	8,402	8,402
Conventional Tests ('000)	7,148	7,148
Covid-19-related Tests ('000)	1,254	1,254

Revenue per Test	140
Revenue per Conventional Test (EGP)	90
Revenue per Covid-19-related Test (EGP)	431
Test per Patient	3.2

¹Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company has opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19. Starting Q1 2023, IDH has opted to stop reporting on its Covid-19-related revenues and test volumes due to their material insignificance to the consolidated financial results of Egypt's and Jordan's country-level results for the quarter. In the comparable period of last year (Q1 2022) IDH had recorded EGP 540 million in Covid-19-related revenues and had performed 1.3 million Covid-19-related tests.

³Conventional (non-Covid) tests include all of the Group's test offering with the exception of its Covid-19-related test offering outlined above.

⁴Important notice: In the Company's earnings releases covering the five quarters starting from Q4 2021 and ending Q4 2022, management had opted to present Performance Measures (APM) alongside IFRS-compliant figures as outlined on page 2 of the Company's FY 2022 Earnings Release. Starting in Q1 2023, due to the insignificance of Covid-19-related revenues on consolidated results, the Company will only report IFRS-compliant figures. It is worth noting that revenues for the period (Q1 2022), include concession fees amounting to EGP 63 million paid by Biolab as part of its agreement with QAIA and Aqaba Port.

⁵EBITDA is calculated as operating profit plus depreciation and amortization.

⁶Key operational indicators are calculated based on revenues for the quarter of EGP 915 million and EGP 1,180 million for Q1 2023 and Q1 2022, respectively.

Introduction

i. Financial Highlights

- **Conventional⁷ revenue** recorded EGP 915 million in Q1 2023 compared to EGP 640 million (including concession fees paid as part of Biolab's agreements with QAIA, KHIA, and Aqaba Port amounting to EGP 100 million) in the same period of the previous year, representing an impressive 43% year-on-year growth.
- Conventional top-line growth continues to be driven by simultaneous rises in test volumes and revenue per test, which in Q1 2023 increased 12% and 27% year-on-year, respectively. It is worth highlighting that a portion of the rise in average revenue per test reflects the translation effect resulting from the devaluations of the Egyptian Pound during FY 2022 and the beginning of FY 2023.
- **Consolidated revenues** recorded EGP 915 million in Q1 2023 contracting 22% from the high base of EGP 1,180 million in Q1 2022. It is important to note that the comparable three months of 2022 included a significant EGP 540 million contribution (46% of Q1 2022 revenues) from IDH's Covid-19-related⁸ offering in Egypt and Jordan (of which EGP 63 million related to concession fees paid by Biolab to Queen Alia International Airport, Aqaba Port).
- **Gross Profit** booked EGP 325 million in Q1 2023, down 39% year-on-year, with a Gross Profit Margin of 35% in Q1 2023 versus 45% in Q1 2022. Lower gross profitability during the quarter primarily resulted from the normalisation of margins following the year-on-year decline in Covid-19-related business which had significantly boosted revenue and profitability in Q1 2022. Gross margins were further diluted by higher direct salaries and wages to counteract the current inflationary pressures and staff the newly rolled out branches.
- **EBITDA⁹** stood at EGP 227 million during Q1 2023, declining 51% year-on-year and recording an EBITDA margin of 25% versus 40% in Q1 2022. Decreased EBITDA profitability for the period came on the back of lower gross profitability combined with increased SG&A outlays including higher salary, marketing, audit and consulting expenses. The rise in auditing and consulting expenses is partially attributable to a weaker Egyptian Pound.
- **Net Profit** for the three-month period ended 31 March 2023 booked EGP 168 million, down 46% year-on-year and with an associated Net Profit Margin (NPM) of 18%.

⁷Conventional (non-Covid) tests include IDH's full service offering excluding the Covid-19 related tests outlined below.

⁸Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company has opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.

⁹EBITDA is calculated as operating profit plus depreciation and amortization.

ii. Operational Highlights

- IDH's **branch network** increased to 576 branches in Q1 2023, up by 56 branches compared to the end of the period of the previous year. Since the start of the year, IDH has inaugurated 24 new branches including 12 in Egypt, three in Jordan, and one in Sudan.
- **Conventional tests** performed during Q1 2023 increased by 12% year-on-year to record 8.0 million tests performed in the quarter. Consolidated tests performed for the period declined 4% year-on-year, as Q1 2022 test volumes included a significant contribution for IDH's Covid-19-related offering.
- **Average net revenue per conventional test** increased a robust 27% (out of which translation effect accounted for 9%) versus Q1 2022 to book EGP 114 in Q1 2023. Consolidated average net revenue per test declined 19% to EGP 114 in Q1 2022 from the EGP 140 recorded in the same quarter a year ago. Consolidated results had been boosted by significant contributions made by IDH's generally higher-priced Covid-19-related offering.

- Total patients served by the Company during the quarter came in at 1.9 million, down 27% year-on-year. Simultaneously, average test per patient increased to 4.1 in Q1 2023 from 3.2 in Q1 2022 largely reflecting normalisation in IDH's patient mix in favour of conventional patients who typically opt for multiple tests when visiting IDH's branches.
- In **Egypt** (79.9% of consolidated revenues) IDH continued to record robust growth at its conventional business, which expanded 33% year-on-year for the quarter. Conventional revenue growth was supported by a 13% year-on-year rise in test volumes and an 18% year-on-year increase in average revenue per test. Meanwhile, consolidated revenues in IDH's home market declined 17% versus Q1 2022 when results had been boosted by contributions made from the Company's Covid-19-related offering (38% of Egypt revenue in Q1 2022).
- In **Jordan** (15.8% of consolidated revenues), the Group recorded conventional revenue growth in EGP of 105% year-on-year in Q1 2023. In local currency terms, conventional revenues also posted a remarkable 105% year-on-year expansion on the back of higher conventional test. Including contributions from Covid-19-related testing in the first three months of last year, consolidated revenues in Jordan recorded a 48% year-on-year decline during Q1 2023.
- In **Nigeria** (3.4% of consolidated revenue in Q1 2023), the Company continued recording impressive growth, increasing 109% year-on-year to EGP 31 million in Q1 2023. In NGN terms, revenue increased 109% year-on-year to reach NGN 468 million during Q1 2023, supported by a 16% increase in test volumes.
- In **Sudan** (1.0% of consolidated revenue in Q1 2023), IDH posted an impressive year-on-year revenue increase of 55% in EGP terms, and 11% in SDG terms. It is important to note that due to recent political unrest in Sudan, 16 of IDH's 18 branches in Sudan have temporarily ceased operations, with only two branches, in Mafraq and Port Sudan, still operational. The closure of these branches will have a significant impact on Sudan's operations and financial results for the coming quarter.

iii. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "With the first three months of the year now behind us, I am happy to report another quarter of sustained growth at our conventional business and of solid progress on our longer-term value creation and growth strategies. Looking at our results for the first quarter of the year in more detail, I am particularly pleased to note that we recorded solid conventional top-line expansion across all four of our markets in both EGP and local currency terms. At the consolidated level, conventional revenue growth was driven by steady rises in both patient and test volumes coupled with rising average revenue per test as our strategic price hikes come into effect. The 43% year-on-year expansion of our conventional business was especially impressive as it comes in the midst of an increasingly difficult operating environment with our markets, and the Egyptian economy in general, continuing to face rising inflation, tightening monetary policies, and weakening currencies, as in the case in Egypt, Nigeria, and Sudan. On top of this, it is worth noting that our results in March were also impacted by the expected seasonal slowdown related to the holy month of Ramadan which in 2023 weighed on patient volumes starting mid-March.

On a geographic basis, across our two largest markets of Egypt and Jordan, conventional revenues continued to show double-digit growth showcasing the underlying health of both geographies. Since the start of the year, we delivered on several of our key strategic priorities across both markets. In Egypt, in the first three months of the year we rolled out three new branches, taking the total number of branches in the country to 520, and further securing our position as the leading private provider in the country. In parallel, we also introduced planned price hikes across our service portfolio, continuing to prioritise patient retention and loyalty by sharing the inflationary burden with them. During the quarter, we also saw Borg Scan's contribution to the country's top-line double versus the same three months of last year, testament to the effectiveness of our radiology ramp-up strategy, and the contribution of our house call services remain above pandemic averages. Meanwhile, in Jordan, we went ahead with the launch of three new labs, taking the total number of Biolab branches to 26. New branch roll outs have been supporting Biolab's conventional test volumes which we are pleased to see return to double-digit growth following a Covid-19-related slowdown. In both Nigeria and Sudan, we continued to record solid revenue growth in line with recent trends. Here it is important to mention that we expect our second quarter results in Sudan to be significantly impacted by the ongoing political and social unrest, with 16 of our branches in the country currently shut down. We continue to closely monitor the evolving situation and are confident that our management team on the ground has put in place a solid mitigation plan to safeguard our staff, patients, and operations.

On the cost front, I am pleased to note that we recorded only a moderate increase in raw material costs for the year, which is well below the inflation caused by the weakening Egyptian pound. This was possible thanks to successful negotiations with our main test kit providers who continue to value IDH as a long-term partner. Meanwhile, as part of our strategy to retain staff, we adjusted staff compensation packages to ensure we continue to support our people during these challenging times and remain an employer of choice across all of our markets. Further down the income statement, we recorded lower margins at all levels of profitability largely reflecting a post-Covid-19 normalization.

Heading into the second half of 2023, we remain on track to deliver on our financial and operational targets for the year. I am particularly looking forward to the launch of our first branch in Saudi Arabia, which is currently scheduled for September 2023. Meanwhile, across our current markets our priorities remain unchanged as we continue to navigate ongoing macroeconomic turbulence to drive further conventional revenue growth, safeguard our margins, and continue to deliver world-class quality to our patients. In Egypt, we are planning to roll out several more branches as the market progresses, with a particular focus on growing our radiology network to capitalise on the strong momentum currently enjoyed by the segment.

In light of our strong start to the year and the solid strategies in place, we are looking to record year-on-year conventional revenue growth of around 30% in FY 2023."

- End -

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 3pm (Egypt) on Monday, 5 June 2023. You can register for the call by clicking on this [link](#), and you may dial in using the conference call details below:

••••• Webinar ID: 939 3911 9373

••••• Webinar Passcode: 756126

For more information about the event, please contact: amr.amin@cicapital.com

About Integrated Diagnostics Holdings (IDH)

IDH is a leading diagnostics services provider in the Middle East and Africa offering a broad range of pathology and radiology tests to patients in Egypt, Jordan, Sudan and Nigeria. The Group's core brands include Al Borg, Al Borayef and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Emed (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 2,000 diagnostics tests. From its base of 552 branches as of 31 December 2022, IDH served over 8.7 million patients and performs more than 32.7 million tests in 2022. The Group continues to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle East, 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 Toronto Stock Exchange since May 2021 (ticker: IDHC.CA).

Shareholder Information

LSE: IDHC.L

EGX: IDHC.CA

Bloomberg: IDHC:LN

Listed on LSE: May 2015

Listed on EGX: May 2021

Shares Outstanding: 600 million

Contact

Nancy Fahmy

Investor Relations Director

Forward-Looking Statements

These results for the quarter ended 31 March 2023 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. 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 "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "expects", "forecasts", "intends", "is of the 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 that is forward-looking. This applies, in particular, to statements containing information on future financial results, performance expectations regarding business and management, future growth or profitability and general economic and market conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, and are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that could cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of any assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet, the 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 in this communication speak only as of the date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that change in relation to the content of this communication.

Important notice: In the Company's earnings releases covering the five quarters starting from Q4 2021 and ending Q4 2022, management had opted to present Alternative Performance Measures (APM) alongside compliant figures as outlined on page 2 of the Company's FY 2022 Earnings Release. Starting in Q1 2023, the material insignificance of Covid-19-related revenues on consolidated results, the Company will only present IFRS-compliant figures. It is worth noting that revenues for the comparable period (Q1 2022), include consulting fees amounting to EGP 63 million paid by Biolab as part of its agreement with QAIA and Aqaba Port.

Group Operational & Financial Review

i. Revenue and Cost Analysis

Consolidated Revenue

IDH started the year on a strong note, recording **conventional revenues** of EGP 915 million in Q1 2023, an impressive 43% from the same three months of last year. Sustained top-line growth was driven by increase in test volumes which increased 12% year-on-year. It is important to note that this quarter's top-line partially reflects a translation effect resulting from the multiple devaluations of the Egyptian pound throughout FY 2022.

On a **consolidated level**, IDH recorded revenues of EGP 915 million in Q1 2023, down 22% year-on-year compared to EGP 1,180 million Q1 2022 when consolidated results had included a significant contribution from IDH's Covid-19 testing offering impacting Egyptian and Jordanian operations.

Revenue Analysis			
	Q1 2022	Q1 2023	%
Total revenue (EGP mn)	1,180	915	-22%
Conventional revenue (EGP mn)	640	915	43%
Total Covid-19-related revenue (EGP mn)	540	-	-
Contribution to Consolidated Results			
Conventional revenue	54%	100%	
Total Covid-19-related revenue	46%	-	
Test Volume Analysis			
Total tests (mn)	8.4	8.0	-4%
Conventional tests performed (mn)	7.1	8.0	12%
Total Covid-19-related tests performed (mn)	1.3	-	-
Contribution to Consolidated Results			
Conventional tests performed	85%	100%	
Total Covid-19-related tests performed	15%	-	
Revenue per Test Analysis			
Total revenue per test (EGP)	140	114	-19%
Conventional revenue per test (EGP)	90	114	27%
Covid-19-related revenue per test (EGP)	431	-	-

Revenue Analysis: Contribution by Patient Segment

Contract Segment (63% of Group revenue)

IDH's contract segment recorded conventional revenue of EGP 579 million during the first quarter of 2023, a 46% increase from EGP 396 million in Q1 2022. The increase was driven by a sustained increase in test volumes at the Company's conventional segment from 3.6 million in Q1 2022 to reach 6.5 million and was further bolstered by an increase in average revenue per conventional test, which rose from EGP 109 in Q1 2022 to EGP 107 in Q1 2023.

Walk-in Segment (37% of Group revenue)

In parallel, IDH's walk-in segment also recorded strong conventional revenue growth of 38% in Q1 2023 driven by an increase in average revenue per test. Conventional test volumes at the segment remained largely stable, recording 1.5 million tests in Q1 2023 compared to 1.5 million tests in Q1 2022. Total revenue for the segment recorded EGP 337 million, down 37% year-on-year. Lower walk-in revenues for the quarter mainly reflect the high contribution made by Covid-19-related testing in the comparable three months of 2022.

It is important to highlight that the average number of tests per patient at both the Company's contract and walk-in segments increased in Q1 2023 following a decrease associated with the Covid-19 pandemic. More specifically, test per patients at the contract and walk-in segments increased to 4.3 and 3.6 tests per patient, respectively.

Key Performance Indicators

	Walk-in Segment			Contract Segment		
	1Q22	1Q23	Change	1Q22	1Q23	Change
Revenue (EGP mn)	535	337	-37%	645	579	-10%
Conventional Results (EGP mn)	244	337	38%	396	579	46%
Total Covid-19-related revenue (EGP mn)	291	-	-	250	-	-
Patients ('000)	971	422	-57%	1,678	1,517	-10%
% of Patients	37%	22%		63%	78%	
Revenue per Patient (EGP)	551	798	45%	385	381	-1%
Tests ('000)	2,144	1,519	-29%	6,258	6,517	4%
% of Tests	26%	19%		74%	81%	
Conventional tests ('000)	1,530	1,519	-0.7%	5,618	6,517	16%
Total Covid-19-related tests ('000)	614	-	-	641	-	-

Revenue per Test (EGP)	250	222	-11%	103	89
Conventional Revenue per Test (EGP)	160	222	39%	70	89
Test per Patient	2.2	3.6	63%	3.7	4.3

Revenue Analysis: Contribution by Geography

Egypt (79.9% of Group revenue)

At IDH's home market, Egypt, the Company continued posting strong conventional revenue growth on the back of higher revenue per test. More specifically, Egypt recorded conventional revenue growth of 33% year-on-year, booking revenues of EGP 549 million one year prior. Throughout the quarter, IDH's Egyptian operations recorded conventional test volumes of 3.4 million, a 18% year-on-year increase in average revenue per test. Consolidated revenues in Egypt recorded a 17% year-on-year increase in Q1 2023 when Covid-19-related revenues has significantly boosted the country's consolidated top-line.

AI-Borg Scan

IDH's Egyptian radiology venture, AI Borg Scan, continued its rapid growth trajectory booking revenues of EGP 28 million in Q1 2023 versus Q1 2022. Revenue growth for the quarter was supported by a 37% year-on-year growth in test volumes and a 10% increase in average revenue per test provided. AI Borg Scan continued to see its contribution to Egypt's revenues grow, near doubling its contribution to the top-line in Q1 2023. Patient and test volumes continue to be supported by the successful ramp up of IDH's new AI-Borg Scan units in FY 2021 and FY 2022. Building on this, the Company is looking to grow its current network of six branches with the addition of two more by the end of 2023.

House Calls

IDH's house call service in Egypt recorded revenue of EGP 114.2 million in the first quarter of the year, contributing 13% of the total revenue for the period. The robust contribution, which stands well above IDH's pre-pandemic averages, was recorded despite doctor availability and offering falling to near zero during the quarter.

Wayak

Wayak recorded a 16% year-on-year increase in the number of orders, which came in at 40 thousand in Q1 2023 versus 34 thousand in Q1 2022. EBITDA losses for the quarter recorded EGP 0.4 million, a decline of 21% versus losses recorded in Q1 2022. Management expects losses to decrease further in the coming months as management's strategic efforts continue to pay off.

Detailed Egypt Revenue Breakdown

EGP mn	Q1 2022	Q1 2023	
Total Revenue	879	731	-11%
Conventional Revenue	549	731	33%
<i>Radiology Revenue</i>	17	28	65%
Total Covid-19-related Revenue	330	-	-
Contribution to Consolidated Results			
Conventional revenue	62%	100%	
<i>Radiology revenue</i>	1.9%	3.8%	
Total Covid-19-related revenue	38%	-	

Jordan (15.8% of Group revenue)

IDH's Jordanian subsidiary, Biolab, recorded solid conventional revenue year-on-year growth of 12% in JOD terms (12% year-on-year) supported by higher test volumes for the quarter of 12%. On a consolidated level, in EGP terms, Biolab's revenue for the quarter reflecting the high base effect resulting from results in Q1 2022 having included a significant related offering. Similarly, in JOD terms, Biolab's consolidated revenues declined 73% year-on-year.

Detailed Jordan Revenue Breakdown

EGP mn	Q1 2022	Q1 2023	
Total Revenue	281	144	-41%
Conventional Results	70	144	106%
Total Covid-19-related Revenues (PCR and Antibody)	210	-	-
Contribution to Consolidated Results			
Conventional Results	25%	100%	
Total Covid-19-related Revenue (PCR and Antibody)	75%	-	

Nigeria (3.4% of revenue)

Echo-Lab, IDH's Nigerian subsidiary, saw its revenue for the first quarter of the year more than double to record EGP 371 million in Q1 2023. In local currency terms, revenue expanded a solid 26% year-on-year. Top-line growth for the quarter was supported by an average revenue per test expanded versus the same three months of 2022. More specifically, total tests performed in the quarter were up 9% year-on-year. Meanwhile, average revenue per test increased 80% year-on-year in EGP terms and 9% year-on-year in NGN terms. IDH Nigeria boasts 12 fully operational branches throughout the country, up from 10 branches as of 31 March 2022.

Sudan (1.0% of revenue)

IDH's operations in Sudan recorded revenue growth in EGP terms of 55% reflecting a 119% year-on-year increase in revenue in the country. In SDG terms, revenues were up by 11% supported by a 57% year-on-year rise in average revenue per test. As at 31 March 2023, IDH's branches in the country stood at 18 up from 17 this time last year. IDH maintains a detailed emergency response plan in place to safeguard IDH's 18 branches in the country have temporarily halted operations. Only two of the 18 branches are currently operational.

Revenue Contribution by Country

	Q1 2022
Egypt Revenue (EGP mn)	879
Conventional (EGP mn)	549
Radiology Revenue	17
Covid-19-related (EGP mn)	330
Egypt Contribution to IDH Revenue	74.5%
Jordan Revenue (EGP mn)	281
Conventional (EGP mn)	70
Covid-19-related (EGP mn)	210
Jordan Revenues (JOD mn)	12.5
Jordan Revenue Contribution to IDH Revenue	23.8%
Nigeria Revenue (EGP mn)	15
Nigeria Revenue (NGN mn)	371
Nigeria Contribution to IDH Revenue	1.3%
Sudan Revenue (EGP mn)	5.7
Sudan Revenue (SDG mn)	152
Sudan Contribution to IDH Revenue	0.5%

Average Exchange Rate

	Q1 2022
USD/EGP	16.5
JOD/EGP	23.2
NGN/EGP	0.04
SDG/EGP	0.04

Patients Served and Tests Performed by Country

	Q1 2022
Egypt Patients Served (mn)	2.0
Egypt Tests Performed (mn)	7.3
<i>Conventional tests (mn)</i>	6.5
<i>Covid-19-related tests (mn)</i>	0.8
Jordan Patients Served (k)	552
Jordan Tests Performed (k)	991
<i>Conventional tests (k)</i>	519
<i>Covid-19-related tests (k)</i>	472
Nigeria Patients Served (k)	33
Nigeria Tests Performed (k)	62
Sudan Patients Served (k)	28
Sudan Tests Performed (k)	47
Total Patients Served (mn)	2.6
Total Tests Performed (mn)	8.4

Branches by Country

	31 March 2022	3
Egypt	472	
Jordan	21	
Nigeria	10	
Sudan	17	
Total Branches	520	

-Cost of Sales

Cost of sales dropped 9% year-on-year in Q1 2023 to book EGP 591 million. The decline in cost of sales for the quarter was primarily driven by a year-on-year decline in raw material expenses coupled with lower Covid-19-related costs for the three-month period.

Cost of Sales Breakdown as a Percentage of Revenue

	Q1 2022	Q1 2023
Raw Materials	21.4%	20.2%
<i>Conventional raw material costs as % of conventional revenues</i>	17.7%	20.2%
<i>Covid-19-related raw material costs as % of Covid-19-related revenues</i>	25.6%	
Wages & Salaries	14.1%	20.7%
Depreciation & Amortisation	5.5%	9.7%
Other Expenses	14.0%	13.9%
Total	55.0%	64.5%

Raw material costs including the cost of specialized analysis at other laboratories (31% of consolidated cost of sales) was the largest contributor to cost of sales during the quarter, recording EGP 185 million compared to EGP 253 million in Q1 2022. Raw material costs for the quarter were primarily driven by raw materials came in at 20.2%, down from 21.4% in the same period of the previous year. The decline wholly reflects a year-on-year decline in Covid-19-related test kits purchased during Q1 2022, when demand for IDH's Covid-19-related test offering was high. Due to higher prices, it is important to note that the Company did register a rise in average prices for conventional test kits through the quarter, on the back of a weaker EGP and rising inflation. Rising conventional test kit prices were only partially mitigated by free price reductions from one of IDH's largest suppliers, Siemens.

Wages and salaries including employee share of profits (32% share of consolidated cost of sales) made up 20.7% of the consolidated cost of sales during the first quarter of 2023, increasing 14% year-on-year to book EGP 190 million versus EGP 167 million in Q1 2022. Wages and salaries for the period was primarily driven by increases in salaries and wages in Egypt, both due to higher inflation and adjustments to partially compensate for rising inflation as well as extra staffing costs to support the rollout of new branches. It also in part reflected an increase in Jordanian salaries due to the translation impact as a result of the devaluation of the Jordanian Dinar. Finally, wages and salaries in Nigeria also contributed to consolidated wages and salaries expansion due to additional staff and annual salary increases.

Direct Wages and Salaries by Region

	Q1 2022	Q1 2023
Egypt (EGP mn)	127.8	141.1
Jordan (EGP mn)	34.0	39.1
Jordan (JOD mn)	1.5	0.9
Nigeria (EGP mn)	3.7	7.5
Nigeria (NGN mn)	92.4	113.5
Sudan (EGP mn)	1.1	2.0
Sudan (SDG mn)	29.5	38.0

Direct depreciation and amortization costs (15% of consolidated cost of sales) for the period booked EGP 88 million versus EGP 64 million in Q1 2022. Depreciation and amortization expenses witnessed a notable increase from the same period of the previous year, due to the rollout of new branches across IDH's network, as the Company launched 56 new branches, 24 of which were in Q1 2023.

Other expenses (22% of consolidated cost of sales) for the quarter decreased 23% year-on-year, reaching EGP 129 million versus EGP 168 million in Q1 2022. Other expenses for the period came on the back of increased repair & maintenance costs and cleaning costs, which together accounted for 29% of overall other expenses for the quarter. Increases in repair & maintenance costs and cleaning costs were primarily driven by additional branches across IDH's network.

Gross Profit

IDH's gross profit booked EGP 325 million during Q1 2023, down 39% compared to the same period of the previous year. The gross profit margin on revenue came in at 35% decreasing 10 percentage points year-on-year. The drop in gross profitability was primarily driven by post-Covid-19 normalisation in IDH's test mix, as well as the previously discussed cost increases largely related to raw materials.

Selling, General and Administrative Expenses

Total SG&A outlays recorded during Q1 2023 amounted to EGP 196 million, increasing 45% year-on-year. As a result, SG&A expenses came in at 21% compared to 11% in Q1 2022. Increases in SG&A expenses are mainly attributable to:

- An increase in wages and salaries primarily due to an increase in IDH's Board of Directors remuneration for a new member during the second quarter of 2022, as well as increased salaries in Nigeria to support the hire of a new employee.
- An increase in accounting fees related to the external auditor "PwC", reflecting both an increase in the number of branches and the devaluation of the EGP versus the same period of last year (average rate in Q1 2023 was 30.5 EGP/USD).
- Increased consulting fees related to the Company's 2023 sustainability report. Additionally, one-off expenses related to a legal agreement executed in 2023 and legal fees related to the Pakistan transaction. It is important to note that the increase in legal fees is due to several devaluations throughout 2022 in IDH's home market of Egypt.
- Higher marketing and advertisement expenses, which increased 43% year-on-year to reach EGP 32 million in Q1 2023. Increases in advertising expenses were the result of marketing efforts aimed at expediting the rollout of new branches as well as supporting the rollout of new branches in IDH's network.
- During Q1 2023, IDH recorded other income of EGP 5 million versus other expenses of EGP 1 million in Q1 2022. The figure is partially related to a EGP 1.3 million liability pertaining to a contract with Siemens for the installation of PET-CT equipment at the Park branch with PET-CT equipment, which had weighed down other income in the corresponding period of the previous year.

Selling, General and Administrative Expenses

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

IDH recorded gross property, plant and equipment (PPE) of EGP 2,425 million as at 31 March 2023, up from EGP 2,275 million as at 31 December 2022. The rise in CAPEX as a share of revenues during Q1 2023 is partially attributable to the EGP 42 million spent on new branches, up from EGP 30 million as at year-end 2022, as the EGP 134 million translation effect (associated with Jordan, Sudan, and Nigeria) which resulted from the EGP 134 million translation effect (associated with Jordan, Sudan, and Nigeria) which resulted from the EGP 134 million translation effect (associated with Jordan, Sudan, and Nigeria) which resulted from the past twelve months.

Total CAPEX Addition Breakdown - Q1 2023

	EGP mn	% of Revenue
Leasehold Improvements/new branches	42.0	4.6%
Al-Borg Scan Expansion	41.7	4.6%
Total CAPEX Additions Excluding Translation	83.8	9.2%
Translation Effect	133.6	14.6%
Total CAPEX Additions	217.4	23.7%

Accounts Receivable and Provisions

As at 31 March 2023, IDH booked accounts receivable of EGP 467 million, up from EGP 395 million as of 31 December 2022. Days on Hand (DoH) recorded 122 days, compared to 124 days at year-end 2022.

Provisions for doubtful accounts recorded during Q1 2023 stood at EGP 11 million, up 49% year-on-year from EGP 7 million as at year-end 2022. Provisions reflect the slowdown in collections driven by the current economic condition in Egypt region.

Inventory

As of the end of Q1 2023, IDH recorded an inventory balance of EGP 296 million, up from EGP 265 million as of year-end 2022. Days Inventory Outstanding (DIO) rose to 144 days from 127 days as at 31 December 2022. The increase in DIO was driven by the increase in inventory as a part of its strategy to hedge against ongoing inflation.

Cash and Net Debt/Cash

Cash balances booked as at 31 March 2023 remained relatively stable compared to those as at year-end 2022, recorded EGP 816 million.

EGP million	31 Dec 2022	31 Mar 2023
T-Bills	296	341
Time Deposits	123	111
Current Accounts	378	341
Cash on Hand	18	11
Total	816	816

IDH's net debt¹⁴ balance as at 31 March 2023 stood at EGP 424 million, compared to a net debt balance of EGP 424 million as at year-end 2022.

EGP million	31 Dec 2022	31 Mar 2023
Cash and Financial Assets at Amortised Cost ¹⁵	816	816
Lease Liabilities Property	(727)	(782)
Total Financial Liabilities (Short-term and Long-term)	(335)	(278)
Interest Bearing Debt ("Medium Term Loans") ¹⁶	(127)	(177)
Net Cash/(debt) Balance	(374)	(424)

Note: Interest Bearing Debt includes accrued interest for each period.

Lease liabilities and financial obligations on property recorded EGP 782 million as at 31 March 2023, up from EGP 727 million as at year-end 2022. Increase in lease liabilities is primarily due to the rollout of 24 new branches across IDH's network.

Meanwhile, **financial obligations related to equipment** decreased to EGP 278 million, from EGP 335 million as at year-end 2022. Financial obligations related to equipment reflects the early repayment of IDH's contractual obligations with General Bank of Egypt, as part of IDH's efforts to limit its foreign currency exposure. To finance the settlement, IDH utilized a bridge loan facility, with half the other half provided by a loan from Ahly United Bank - Egypt.

Finally, **interest bearing debt** recorded EGP 163 million, up from EGP 117 million as at year-end 2022. The increase in interest bearing debt is driven by additional usage of MTL to support Al Borg Scan's expansion. It is worth highlighting that interest-bearing debt is primarily denominated in EGP.

Liabilities

Accounts Payable¹⁷

IDH recorded accounts payable of EGP 277 million as at 31 March 2023, remaining largely stable from the EGP 277 million as at year-end 2022. Simultaneously, the Group's Days Payable Outstanding (DPO) decreased to 140 from 151 as at 31 December 2022.

Put Option

-End-

INTEGRATED DIAGNOSTICS HOLDINGS plc - "IDH"
AND ITS SUBSIDIARIES

Consolidated Financial Statements

for the quarter ended 31 March 2023

Consolidated statement of financial position as at 31 March 2023

	Notes	31 Mar 2023 EGP'000
Assets		
Non-current assets		
Property, plant and equipment	4	1,413,485
Intangible assets and goodwill	5	1,732,745
Right of use assets	6	677,726
Financial assets at fair value through profit and loss	7	22,961
Total non-current assets		3,846,917
Current assets		
Inventories		296,363
Trade and other receivables	8	611,033
Financial assets at amortized cost	9	257,668
Cash and cash equivalents	10	555,373
Total current assets		1,720,437
Total assets		5,567,354
Equity		
Share capital		1,072,500
Share premium reserve		1,027,706
Capital reserves		(314,310)
Legal reserve		51,641
Put option reserve		(298,406)
Translation reserve		(61,726)
Retained earnings		955,990
Equity attributable to the owners of the Company		2,433,395
Non-controlling interests		406,714
Total equity		2,840,109
Non-current liabilities		
Provisions		3,538
Borrowings	13	79,560
Other financial obligations	15	892,894
Non-current put option liability	14	56,992
Deferred tax liabilities	19-C	323,123
Total non-current liabilities		1,356,107
Current liabilities		
Trade and other payables	11	694,177
Other financial obligations	15	167,515
Current put option liability	12	241,414
Borrowings	13	83,320
Current tax liabilities		184,712
Total current liabilities		1,371,138
Total liabilities		2,727,245
Total equity and liabilities		5,567,354

The accompanying notes form an integral part of these consolidated financial statements.

These condensed consolidated interim financial information were approved and authorized for issue by the Board of Directors and signed on their behalf on 2023 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated income statement for the quarter ended 31 March 2023

	Notes	31 Mar EGP
Revenue	22	9
Cost of sales		(59)
Gross profit		3
Marketing and advertising expenses		(6)
Administrative expenses	17	(12)
Impairment loss on trade and other receivable		(1)
Other Income		1
Operating profit		1
Finance costs	18	(4)
Finance income	18	1
Net finance income /(costs)		(3)
Profit before income tax		2
Income tax expense	19-B	(4)
Profit for the year		1
Profit attributed to:		
Owners of the Company		1
Non-controlling interests		(
		1
Earnings per share		
Basic and diluted	21	

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the quarter ended 31 March 2023

	31 Mar EGP
Net profit for the year	168
Other comprehensive income:	
Items that may be reclassified to profit or loss:	
Exchange difference on translation of foreign operations	32
Other comprehensive income for the period, net of tax	32
Total comprehensive income for the period	200
Attributable to:	
Owners of the Company	87

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the quarter ended 31 March 2023

	Note
Cash flows from operating activities	
Profit before tax	
Adjustments for:	
Depreciation of property, plant and equipment	
Depreciation of right of use assets	
Amortisation of intangible assets	
Gain on disposal of Property, plant and equipment	
Impairment in trade and other receivables	
Impairment in goodwill	
Interest income	18
Interest expense	18
Bank Charges	
Equity settled financial assets at fair value	
ROU Asset/Lease Termination	
Hyperinflation	18
Unrealised foreign currency exchange loss	18
Change in Provisions	
Change in Inventories	
Change in trade and other receivables	
Change in trade and other payables	
Net cash generated from operating activities	
Cash flows from investing activities	
Proceeds from sale of Property, plant and equipment	
Interest received on financial asset at amortised cost	
Payments for acquisition of property, plant and equipment	4
Payments for acquisition of intangible assets	5
Payments for the purchase of financial assets at amortized cost	
Proceeds for the sale of financial assets at amortized cost	
Net cash generated from/(used in) investing activities	
Cash flows from financing activities	
Proceeds from borrowings	
Repayments of borrowings	
Payment of finance lease liabilities	
Interest paid	
Bank charge paid	
Net cash flows used in financing activities	
Net (decrease) increase in cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	
Effect of exchange rate	
Cash and cash equivalents at the end of the period	10

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets - note 26
- Property, plant and equipment - note 11
- Put option liability - note 23 and 25

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the quarter ended 31 March 2023

EGP'000	Share Capital	Share premium	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed the owners of the Company
As at 1 January 2023	1,072,500	1,027,706	(314,310)	51,641	(490,695)	24,173	783,081	2,154,096
Profit / (loss) for the year	-	-	-	-	-	-	172,909	172,909
Other comprehensive (expense)/ income for the year	-	-	-	-	-	(85,899)	-	(85,899)
Total comprehensive income	-	-	-	-	-	(85,899)	172,909	87,010
Transactions with owners in their capacity as owners								
Contributions and distributions								
Movement in put option liabilities for the year	-	-	-	-	192,289	-	-	192,289
Total	-	-	-	-	192,289	-	-	192,289
At at 31 March 2023	1,072,500	1,027,706	(314,310)	51,641	(298,406)	(61,726)	955,990	2,433,306
As at 1 January 2022	1,072,500	1,027,706	(314,310)	51,641	(956,397)	150,730	1,550,976	2,582,870
Profit for the year	-	-	-	-	-	-	296,609	296,609
Other comprehensive loss for the year	-	-	-	-	-	13,941	-	13,941
Total comprehensive income	-	-	-	-	-	13,941	296,609	310,550
Transactions with owners in their capacity as owners								
Contributions and distributions								
Movement in put option liabilities for the year	-	-	-	-	(170,940)	-	-	(170,940)
Impact of hyperinflation	-	-	-	-	-	-	1,570	1,570
Total	-	-	-	-	(170,940)	-	1,570	(169,370)
At 31 March 2022	1,072,500	1,027,706	(314,310)	51,641	(1,127,337)	164,671	1,849,155	2,724,000

* Under Egyptian Law each subsidiary must set aside at least 5% of its annual net profit into a legal reserve until such time that this represents 50% of each subsidiary distributable to the owners of the Company

The accompanying notes form an integral part of these consolidated financial statements.

(In the notes all amounts are shown in Egyptian Pounds "EGP'000" unless otherwise stated)

1. Reporting entity

Integrated Diagnostics Holdings plc "IDH" or "the Company" is a Company which was incorporated in Jersey on December 2014 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 117257. These condensed consolidated interim financial information as at and for the three months ended 31 March 2023 comprise the Company and its subsidiaries (together referred as the 'Group'). The Company is a dual listed entity, in both London Stock Exchange (since 2015) and in the Egyptian Exchange (during May 2021).

The principal activities of the Company and its subsidiaries (together "The Group") include investments in all types of the healthcare field of medical diagnostics (the key activities are pathology and Radiology related tests), either through acquisitions of related business in different jurisdictions or through expanding the acquired investments they have. The key jurisdictions that the Group operates are in Egypt, Jordan, Nigeria and Sudan.

The Group's financial year starts on 1 January and ends on 31 December of each year.

These condensed consolidated interim financial information were approved for issue by the Directors of the Company on 30 May 2023.

2. Basis of preparation

A. Statement of compliance

These condensed consolidated interim financial information have been prepared as per IAS 34 'Interim Financial Reporting' (As adopted by the IASB), as the accounting policies adopted are consistent with those of the previous financial year ended 31 December 2022 and corresponding interim reporting period.

These condensed consolidated interim financial information do not include all the information and disclosures in the annual consolidated financial Statement, and should be read in conjunction with the financial Statement published at and for the year ended 31 December 2022 which is available at www.idhcorp.com. In addition, results of the three month period ended 31 March 2023 are not necessary indicative for the results that may be expected for the financial year ending 31 December 2023.

B. Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except where adopted IFRS mandates that fair value accounting is required which is related to the financial assets and liabilities measured at fair value.

C. Functional and presentation currency

These condensed consolidated interim financial information is presented in Egyptian Pounds (EGP'000). The functional currency of the majority of the Group's entities is the Egyptian Pound (EGP) and is the currency of the primary economic environment in which the Group operates.

The Group also operates in Jordan, Sudan and Nigeria and the functional currencies of those foreign operations are the local currencies of those respective territories, however due to the size of these operations, there is no significant impact on the functional currency of the Group, which is the Egyptian Pound (EGP).

3. Significant accounting policies

In preparing these condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial information for the year ended 31 December 2022."The preparation of these condensed consolidated interim financial information requires management to make judgement estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the condensed consolidated interim financial statement is described in note 2.2 of the annual consolidated financial information published for the year ended 31 December 2022. In preparing these condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial information for the year ended 31 December 2022".

4. Property, plant and equipment

	Land & buildings	Medical, electric & information system equipment	Leasehold improvements	Fixtures, fittings & vehicles	Property, plant and equipment
Cost					
At 1 January 2023	426,961	1,111,867	507,442	133,195	
Additions	-	29,937	5,051	10,172	
Disposals	-	(825)	(317)	(601)	
Transfers	-	-	8,948	-	
Exchange differences	5,158	74,204	37,095	16,116	
At 31 March 2023	432,119	1,215,183	558,219	158,882	

Depreciation				
At 1 January 2023	61,578	513,869	261,705	55,254
Depreciation for the period	1,768	38,330	19,761	3,858
Disposals	-	(501)	(262)	(403)
Exchange differences	901	38,044	19,029	9,611
At 31 March 2023	64,247	589,742	300,233	68,320
Net book value at 31 March	367,872	625,441	257,986	90,562
At 31 December 2022	365,383	597,998	245,737	77,941

5. Intangible assets and goodwill

Intangible assets represent goodwill acquired through business combinations and brand names.

	Goodwill	Brand name	So
Cost			
Balance at 1 January 2023	1,291,823	395,551	
Additions	-	-	
Effect of movements in exchange rates	20,320	7,588	
Balance at 31 March 2023	1,312,143	403,139	
Amortisation and impairment			
Balance at 1 January 2023	6,373	381	
Amortisation	-	-	
Effect of movements in exchange rates	-	-	
Balance at 31 March 2023	6,373	381	
Carrying amount			
Balance at 31 December 2022	1,285,450	395,170	
Balance at 31 March 2023	1,305,770	402,758	

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. No indicators of impairment have been identified during the three months ended 31 March 2023.

6. Right-of-use assets

	31 March 2023
Balance at 1 January	622,975
Addition for the period / year	44,903
Depreciation charge for the period / year	(32,938)
Terminated contracts	(3,584)
Exchange differences	46,370
Balance	677,726

7. Financial asset at fair value through profit and loss

	31 March 2023
Equity investments*	22,961
	22,961

* On August 17, 2017, Almakhabariyoun AL Arab (seller) has signed IT purchase Agreement with JSC Mega Lab (Buyer) to transfer and install the Laboratory Information Management System (LIMS) for a purchase price amounted to USD 400 000, which will be in the form of 10% equity stake in JSC Mega Lab. In case the valuation of the project is less or more than USD 4,000,000, the seller stake will be adjusted accordingly, in a way that the seller equity stake shall not fall below 5% of JSC Mega Lab.

- ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of March 31, 2023 was 8.25%.
- On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five(5) year period from the signing date, which allows BioLab's stake to be bought out by CHG at a price of the equity value being USD 400,000 plus 15% annual Interred Rate of Return (IRR). In case the Management Agreement or the Purchase Agreement and/or the Service Level Agreement is terminated/cancelled within 6 months period from the date of such termination/cancellation CHG shall have a call option, which allows the CHG to purchase Biolab's Strake in JSC Megalab having value of USD 400,000.00 plus 20% annual Interred Rate of Return (IRR). If JCI accreditation is not obtained immediately after the expiration of the 12 months period, CHG shall have a call option (the Accreditation Call option), exercisable within 6 months period, allowing CHG to purchase BioLab's Shares in JSC Mega Lab at price of the equity value of USD 400,00.00 plus the 20% annual IRR.

8. Trade and other receivables

	31 March 2023
Trade receivables - net	46,125
Prepayments	3,250
Due from related parties note (16)	5,000
Other receivables	9,000
Accrued revenue	2,000
	<u>65,375</u>

9. Financial assets at amortised cost

	31 March 2023
Term deposits (more than 3 months)	1,000
Treasury bills (more than 3 months)	1,000
	<u>2,000</u>

The maturity date of the treasury bills and Fixed-term deposits are between 3-12 months and have average interest rates of EGP, and JOD 18.99% and 5.23% respectively.

10. Cash and cash equivalents

	31 March 2023
Cash at banks and on hand	35,000
Treasury bills (less than 3 months)	19,000
Term deposits (less than 3 months)	1,000
	<u>55,000</u>

11. Trade and other payables

	31 March 2023
Trade payable	277,462
Accrued expenses	210,957

Due to related parties note (16)	35,490
Other payables	114,140
Deferred revenue	52,564
Accrued finance cost	3,564
	<u>694,177</u>

12. Current put option liability

	31 March 2023
Put option - Biolab Jordan	<u>241,414</u>
	<u>241,414</u>

The accounting policy for put options after initial recognition is to recognise all changes in the carrying value of the put option liability within equity.

Through the historic acquisitions of Makhbaryoun Al Arab the Group entered into separate put option arrangements to purchase the remaining equity interests from the vendors at a subsequent date. At acquisition, a put option liability has been recognised at the net present value of the exercise price of the option.

The option is calculated at seven times EBITDA of the last 12 months minus Net Debt and its exercisable in whole starting the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 March 2023. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However,

based on discussions and ongoing business relationship, there is no expectation that this will happen in next 12 months. The option has no expiry date.

13. Loans and borrowings

	Currency	Nominal interest rate	Maturity	31 March 2023
AUB - Bank	EGP	CBE corridor rate+1%	26 January 2027	107.8
AUB - Bank	EGP	CBE corridor rate+1%	29 June 2023	54.8
				<u>162.6</u>
Amount held as:				
Current liability				83.0
Non-current liability				79.6
				<u>162.6</u>

- A)** In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 185 M from Ahli United Bank "AUB Egypt" to finance the investment cost related to the expansion into the radiology segment. As at 31 March 2023 only EGP 179.8 M had been drawn down from the total facility available with 17m had been repaid. Loan withdrawal availability period was extended till July 2023 and the loan will be fully repaid by January 2027.

The loan contains the following financial covenants which if breached will mean the loan is repayable on demand:

1. The financial leverage shall not exceed 0.7 throughout the period of the loan
"Financial leverage": total bank debt divided by net equity
2. The debt service ratios (DSR) shall not be less than **1.35 starting 2020**
"Debt service ratio": cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance (cash and cash equivalent) divided by total financial payments.

"Cash operating profit": Operating profit after tax, interest expense, depreciation and amortisation, calculated as follows: Net income after tax and unusual items adding Interest expense, Depreciation, Amortisation and provisions excluding tax related provisions less interest income and Investment income and gains from extraordinary items.

"Financial payments": current portion of long-term debt including finance lease payments, interest expense and fees and dividends distributions.
3. The current ratios shall not be less than 1.
"Current ratios": Current assets divided current liabilities.

The terms and conditions of outstanding loans are as follows:

* As at 31 March 2023 corridor rate 20.25% (2022: 17.25%)

AL- Borg company didn't breach any covenants for MTL agreements.

- B)** IDH opted to reduce its exposure to foreign currency risk by coming to an agreement with General Electric (GE) for the early repayment of its contractual obligation of USD 5.7 million. As of March 28, 2023, the remaining obligation balance stood at USD 5.0 million, with USD 0.7 million having been repaid since the contract was initiated in 2020. The Group and GE have agreed to settle this balance early for USD 3.5 million, payable in EGP, equivalent to EGP 110 million.

To finance the settlement, IDH utilized a bridge loan facility, with half of the amount (EGP 55 million) being funded internally and the other half (EGP 55 million) provided by a loan from Ahly United Bank - Egypt, with due to the date on 29 June 2023.

14. Non-current put option liability

	31 March 2023
Put option liability*	56,992
	56,992

* According to the definitive agreements signed on 15 January 2018 between Dynasty Group Holdings Limited and the International Finance Corporation (IFC) related to the Eagle Eye-Echo scan transaction, IFC has the option to put its shares to Dynasty in year 2024. The put option price will be calculated on the basis of the fair market value determined by an independent valuator.

15. Other Financial obligations

	31 March 2023
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Financial liability- laboratory equipment	278,319
Lease liabilities building	782,090
	<u>1,060,409</u>

The financial obligations for the laboratory equipment and building are payable as follows:

	Minimum payments	31 March 2023 Interests
Less than one year	299,559	132,041
Between one and five years	1,001,389	293,118
More than five years	228,482	43,861
	<u>1,529,430</u>	<u>469,020</u>

	Minimum payments	31 December 2022 Interests
Less than one year	285,962	137,251
Between one and five years	1,030,750	314,650
More than Five years	227,715	29,618
	<u>1,544,427</u>	<u>481,519</u>

Amounts recognised in profit or loss:

	For the three months 2023
Interest on lease liabilities	<u>22,323</u>
Expenses related to short-term lease	2,676

16. Related party transactions

The significant transactions with related parties, their nature volumes and balance during the period 31 March 2022 are as follows:

Related Party	Nature of transaction	Nature of relationship	Transaction y EG
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	
H.C Security	Provide service	Entity owned by Company's board member	
Life Health Care	Provided service	Entity owned by Company's CEO	
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Current account	Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	
Integrated Treatment for Kidney Diseases (S.A.E)	Current account	Echo-Scan shareholder	
	Collection	Entity owned by Company's CEO	
	Medical Test analysis		
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	

Related party transactions (continued)

Related Party	Nature of transaction	Nature of relationship	Transaction y EG
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	
H.C Security	Provide service	Entity owned by Company's board member	
Life Health Care	Provided service	Entity owned by Company's CEO	
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Current account	Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	
Integrated Treatment for Kidney Diseases (S.A.E)	Current account	Echo-Scan shareholder	
	Rental income	Entity owned by Company's CEO	
	Medical Test analysis		
Dr. Hend El Sherbini	Loan arrangement	CEO	

HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder

* ALborg Scan is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary A Mokhtabar Labs).

** International Fertility (IVF) is a company whose shareholders include Dr. Moamena Kamel (founder of ID subsidiary AI-Mokhtabar Labs).

Related party transactions (continued)

Compensation of key management personnel of the Group

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related key management personnel.

	31 March 2023
Short-term employee benefits	20,192
	20,192

17. General and administrative expenses

	For the three months ended 2023
Wages and salaries	51,762
Depreciation	8,459
Amortisation	1,554
Other expenses	64,708
Total	126,483

18. Net finance cost

	For the three months 2023
Finance income	
Interest income	15,168
Net foreign exchange gain	109,320
Gain on hyperinflationary net monetary position	-
Total finance income	124,488
Finance cost	
Bank charges	(2,408)
Interest expense	(40,387)
Total finance cost	(42,795)
Net finance income	81,693

19. Tax

A) Tax expense

Tax expense is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

B) Income tax

Amounts recognised in profit or loss as follow:

	For the three months ended 2023
Current tax:	
Current period	(41,136)
Deferred tax:	
Deferred tax arising on undistributed reserves in subsidiaries	190
Relating to origination and reversal of temporary differences	(1,171)
Total Deferred tax expense	(981)
Tax expense recognised in profit or loss	(42,117)

Tax (continued)

C) Deferred tax liabilities

Deferred tax relates to the following:

	31 March 2023
Property, plant and equipment	(34,409)
Intangible assets	(112,094)

Undistributed reserves from Group subsidiaries	(176,681)
Provisions and financial obligation	6
Net deferred tax liabilities	(323,123)

20. Financial instruments

The Group has reviewed the financial assets and liabilities held at 31 March 2023. It has been deemed that the carrying amounts for all financial instruments are a reasonable approximation of fair value. All financial instruments are deemed Level 3.

Contingent liabilities

As required by article 134 of the labour law on Vocational Guidance and Training issued by the Egyptian Government in 2003, Al Borg Laboratory Company and Al Mokhtabar Company for Medical Labs are required to conform to the requirements set out by that law to provide 1% of net profits each year into a training fund. Integrated Diagnostic Holdings plc have taken legal advice and considered market practice in Egypt relating to this and more specifically whether the vocational training courses undertaken by Al Borg Laboratory Company, Al Mokhtabar Company for Medical Labs and Integrated medical analysis suggest that obligations have been satisfied through training programmes undertaken in-house by those entities. Since the issue of the law on Vocational Guidance and Training, Al Borg Laboratory Company, Al Mokhtabar Company for Medical Labs and Integrated medical analysis have not been requested by the government to pay or have voluntarily paid any amounts into the external training fund. Should a claim be brought against Al Borg Laboratory Company, Al Mokhtabar Company for Medical Labs and Integrated medical analysis, an amount up to 46m EGP could become payable, however this is not considered probable.

21. Earnings per share

	For the three months 2023
Profit attributed to owners of the parent	172,909
Weighted average number of ordinary shares in issue	600,000
Basic and diluted earnings per share	0.29

The Company has no potential diluted shares as at 31 March 2023 and 31 March 2022, therefore; the earnings per diluted share are equivalent to basic earnings per share.

22. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The Group has four operating segments based on geographical location rather than two operating segments based on service provided, as the Group's Chief Operating Decision Maker (CODM) reviews the internal management reports and KPIs of each geography.

The Group operates in four geographic areas, Egypt, Sudan, Jordan, and Nigeria. As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. The revenue split, EBITDA split (being the key profit measure reviewed by CODM) net profit and loss between the four regions is set out below.

For the three months ended	Revenue by geographic location		
	Egypt region	Sudan region	Jordan region
31 March 2023	731,040	8,780	144,473
31 March 2022	879,490	5,672	280,514

For the year ended	EBITDA by geographic location		
	Egypt region	Sudan region	Jordan region
31 March 2023	197,947	1,622	35,832
31 March 2022	395,056	86	74,312

Segment reporting (continued)

For three-month period ended	Net profit / (loss) by geographic location		
	Egypt region	Sudan region	Jordan region
31 March 2023	171,237	4,072	6,350
31 March 2022	269,516	2,756	45,000

	Revenue by type		For the three months ended 31 March 2022
	For the three months ended 2023	2022	
Pathology	856,436	1,148,804	
Radiology	58,855	31,675	
	915,291	1,180,479	

	Revenue by category	
	For the three months ended 31 March 2023	
Walk-in	336,740	
Corporate	578,551	
	915,291	

Non-current assets by geographic location

	Egypt region	Sudan region	Jordan region
31 March 2023	3,073,330	17,096	614,413
31 December 2022	3,039,930	14,993	494,244

The operating segment profit measure reported to the CODM is EBITDA, as follows:

	For the three months period 2023
Profit from operations	128,810
Property, plant and equipment depreciation	63,717
Right of use depreciation	32,938
Amortisation of Intangible assets	1,913
EBITDA	227,378

23. Important events

The Central Bank of Egypt increased the interest rate by 200 points, to reach 19.25% instead of 17.25%. This was by a decision of the Monetary Policy Committee, according to the meeting held on March 30, 2023

24. Subsequent event

During April 2023, an armed conflict began in Sudan that led to security unrest across the country. Business has been temporarily frozen in the branches of the Sudan Laboratory Company and Ultra Lab until further notice, which will greatly affect the profits of the geographical sector in the subsequent period. There is no damage to the material assets to date. The Group's management is closely monitoring the situation and is currently evaluating the impact of these events on the Group's business results and activities.

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