

Integrated Diagnostics Holdings Plc
1H 2023 Results

Thursday, 31 August 2023

Integrated Diagnostics Holdings Plc delivers robust 40% year-on-year conventional revenue growth in 1H 2023

(Cairo and London) - Integrated Diagnostics Holdings ("IDH," "the Group," or "the Company"), a leading provider of diagnostic services with operations in Egypt, Jordan, Nigeria, Sudan, and soon launching in Saudi Arabia, announced today its reviewed financial statements for the six-month period ended 30 June 2023, booking revenues of EGP 1,954 million, down 4% from the figure recorded during the same period of 2022 when Covid-19-related testing significantly boosted results. Excluding the contributions made by IDH's Covid-19-related offering in 1H 2023, the Company's conventional business recorded robust year-on-year growth of 40%, continuing to showcase the overall health of IDH's business.

The strong performance delivered by the Company's conventional segment was driven by 24% and 13% year-on-year increases in average revenue per conventional test and conventional test volumes, respectively. IDH posted a net profit of EGP 211 million in 1H 2023, down 52% year-on-year due to significant contributions from Covid-19-related testing (31% of 1H 2022 revenues) in the same period of the previous year.

On a quarterly basis, IDH recorded total revenues of EGP 957 million in Q2 2023, expanding 24% year-on-year over the same quarter. Similarly, the Company reported a solid 37% year-on-year conventional revenue expansion in Q2 2023. Net profit for the quarter stood at EGP 43 million, 66% below last year's figure.

Financial Results (IFRS)⁴

EGP mn	1H 2023	1H 2022
Revenues	1,954	2,000
Conventional Revenues	1,339	1,339
Covid-19-related Revenues	615	661
Cost of Sales	(1,122)	(1,122)
Gross Profit	832	878
Gross Profit Margin	43%	44%
Operating Profit	562	562
EBITDA⁵	709	709
EBITDA Margin	36%	35%
Net Profit	439	905
Net Profit Margin	22%	45%
Cash Balance	816	816

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 values.

Key Operational Indicators⁶

	1H 2023	1H 2022
Branches	538	538
Patients ('000)	4,541	4,541
Revenue per Patient (EGP)	430	430
Tests ('000)	16,004	16,004
Conventional Tests ('000)	14,547	14,547
Covid-19-related Tests ('000)	1,458	1,458
Revenue per Test	122	122
Revenue per Conventional Test (EGP)	92	92

Test per Patient

3.5

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 in Egypt and Jordan's country-level results for the quarter. In the comparable period of last year (1H 2022) IDH had recorded EGP 615 million in Covid-19-related tests and had performed 1.4 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 Alternative 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 material 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 comparable 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 periods of EGP 1,872 million and EGP 1,954 million for 1H 2023 and 1H 2022, respectively.

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 IFRS-compliant figures as outlined on page 2 of the Company's FY 2022 Earnings Release. Starting in Q1 2023, due to the material 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 comparable period (1H 2022) include concession fees amounting to EGP 63 million paid by Biolab as part of its agreement with QAIA and Aqaba Port.

Introduction

i. Financial Highlights

- Conventional⁷ revenue** booked EGP 1,872 million in the first half of 2023, a year-on-year increase of 13%. Conventional revenue growth was dual driven as conventional test volumes and average revenue per test. Conventional test volume increased 13% and 24%, respectively, with the translation effect from a weaker Egyptian pound contributing just 8% to growth for the period. On a quarterly basis, IDH posted conventional revenues of EGP 462 million during Q2 2023, a 37% year-on-year expansion driven by a 14% rise in test volumes and a 20% increase in average revenue per test.
- Total revenues** stood at EGP 1,872 million during 1H 2023, a 4% year-on-year decline from 1H 2022 on a base when Covid-19-related⁸ testing had made a significant EGP 615 million contribution⁹ to the total revenue figure. On a three-month basis, the Company recorded total revenues of EGP 957 million, representing a 10% year-on-year increase. It is important to note that the Company recorded its strongest monthly revenue figure for the months of May and June (when controlling for the Eid-related slowdown) signalling an acceleration in revenues that is expected to carry into the second half of the year.
- Gross Profit** during 1H 2023 recorded EGP 658 million, a 21% year-on-year decrease versus the comparable period when gross profitability had been boosted by IDH's Covid-19-related test offering. Gross profit margin (GPM) recorded 35% in 1H 2023 versus 43% in 1H 2022. Lower gross profitability in the first half of 2023 was primarily reflected an increase in direct salaries and wages resulting from new staff hires and higher than expected salary increases for existing staff to compensate for increased inflation rates as well as higher depreciation related to the roll out of new branches. On a quarterly basis, gross profit booked EGP 333 million, indicating a 11% year-on-year. GPM recorded 35% in Q2 2023, down from the 39% recorded in Q2 2022 and underpinned compared to the figure reported in Q1 2023.
- EBITDA¹⁰** came in at EGP 462 million during 1H 2023, declining 35% year-on-year yielding an associated margin of 25%. Declining EBITDA profitability for the period was mainly driven by the aforementioned decrease in gross profitability coupled with increased SG&A outlays including higher salary, auditing, and other operating expenses, with the latter two reflecting the impact of a weaker EGP, being USD-based. On a three-month basis, EBITDA remained relatively stable at EGP 234 million in Q2 2023, with an associated margin of 24%.
- Net Profit** for the six-month period ended 30 June 2023 stood at EGP 211 million, down 52% year-on-year and with a net profit margin (NPM) of 11%. On a quarterly basis, net profit booked EGP 43 million in Q2 2023, 66% below the figure reported in Q2 2022. It is important to note that IDH's net profit for 1H 2023 and Q2 2023 included a non-recurring expense of EGP 12 million related to contributions owed to the Egyptian government's vocational training fund for the previous five-year period.
- In light of the ongoing uncertainty and lack of foreign currency availability in Egypt, the Company will not be distributing a **dividend** to shareholders in respect of the financial year ended 31 December 2022. The Company remains committed to its long-term dividend policy that sees it return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations and expansions.

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 in Egypt and Jordan's country-level results for the quarter. In the comparable period of last year (1H 2022) IDH had recorded EGP 615 million in Covid-19-related tests and had performed 1.4 million Covid-19-related tests.

⁹Covid-19-related revenue in 1H 2022 includes EGP 63 million in concession fees paid by Biolab to Queen Alia International Airport and Aqaba Port as part of its sharing agreement.

¹⁰EBITDA is calculated as operating profit plus depreciation and amortization.

ii. Operational Highlights

- IDH's **branch network** stood at 588 branches as of 30 June 2023, increasing by 50 branches compared to the same time last year. During Q2 2023, IDH inaugurated 12 additional branches, 11 in its home market of Egypt and one in Jordan.
- **Conventional test** volumes recorded 16.5 million tests in 1H 2023, increasing 13% year-on-year. Total test volumes increased 3% year-on-year versus last year's 16.0 million tests which had included 1.4 million Covid-19 related tests.
- **Average revenue per conventional test** reached EGP 114 during 1H 2023, a 24% year-on-year increase (out of which translation effect accounted for 8%). Consolidated average revenue per test decreased 7% year-on-year to EGP 114 from EGP 122 in 1H 2022 when the figure was boosted by contributions from the Covid-19-related offering.
- **Total patients served** by the Company during 1H 2023 came in at 3.9 million, down 14% from 1H 2022 base. Meanwhile, following a post-pandemic normalisation, average test per patient increased to 4.2 tests in 1H 2023 from 3.5 tests in 1H 2022. This stands well above IDH's historical average of 3.9 tests per patient.
- In **Egypt** (80.9% of total revenues) conventional business climbed 33% year-on-year to record revenue of EGP 1,514 million during 1H 2023. Conventional revenues were driven by a 14% year-on-year increase in test volumes, which stood at 15.1 million tests, as well as a 16% year-on-year rise in average revenue per test to EGP 100. Meanwhile, consolidated revenues in Egypt remained largely unchanged, recording EGP 1,514 million for the six-month period.
- In **Jordan** (15.5% of total revenues), Biolab continued its impressive growth trend at its conventional business, posting year-on-year revenue growth in JOD terms of 9% primarily supported by an 8% rise in conventional test volumes performed versus last year. In EGP terms, conventional revenue grew 88% year-on-year to reach EGP 1,514 million in 1H 2023, mainly reflecting the translation effect resulting from a weakening EGP. Total revenue in Jordan in EGP terms declined 25% year-on-year versus 1H 2022 when Biolab's top-line had been boosted by a significant contribution from Covid-19-related testing.
- In **Nigeria** (3.1% of total revenues), Echo-Lab continued to witness sustained growth in line with recent trends, as revenue in NGN terms expanded 19% year-on-year (EGP revenue growth was 73%).
- In **Sudan** (0.5% of total revenues), IDH's subsidiaries recorded a 3% year-on-year revenue decline in EGP terms and 32% drop in SDG terms reflecting the temporary closure of 16 out of 18 branches starting in 1H 2023 following the start of the ongoing conflict in the country. As of 30 June 2023, IDH only had two operational branches in Sudan, in Madani and Port Sudan.

iii. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "I am delighted to report that IDH continued to build on a strong start to the year to deliver yet another set of impressive operational and financial results at our conventional business supported by solid performances across our Egyptian, Jordanian and Nigerian subsidiaries. The robust 40% year-on-year growth in conventional revenues for the six-month period came despite a challenging macroeconomic environment faced across our markets of operation as accelerating inflation, rising interest rates and weakening local currencies continued to impact our patients' purchasing power and our cost base. In parallel, during the second quarter of the year, patient volumes were affected by the expected slowdown associated with the holy Ramadan and Eid vacations which weighed on traffic in April and the last week of June. Despite this, in the first six months of 2023 we performed 13% more conventional tests than in the comparable period of 2022, supported by an expanded branch network and an enhanced service offering. In parallel, we also recorded a 24% year-on-year rise in average revenue per conventional test reflecting the annual price hikes introduced at the start of 2023. On this front, it is important to note that our price increases since the start of the year have lagged behind inflation, a strategic decision taken to help us weather the ongoing difficult times and build long-term loyalty in the process. It is also worth mentioning that total revenue in Egypt for the first half of 2023 declined just 4% year-on-year, a remarkable result when considering the large contribution made by the Covid-19-related test offering during the first part of last year.

Looking at our markets in more detail, in both Egypt and Jordan we continued to observe growing demand for our conventional service offering with test volumes expanding 14% and 8% versus 1H 2022, respectively. Combined with rising average revenue per test, this translated in a robust 33% year-on-year conventional revenue expansion in Egypt and a 9% year-on-year conventional revenue growth in JOD terms in Jordan. Results like these continue to strengthen our confidence in both countries' underlying growth potential and further validate the effectiveness of our post-pandemic growth strategy. We were particularly happy to note that across both markets during the months of May and June (once adjusted for the Covid-19-related slowdown) we recorded the highest monthly revenue figures since the start of 2023. The accelerating demand which we observed continue into July and August, displays the resilience of demand for our service offering despite continued inflationary pressures impacting our patients and leaves us in a strong position heading into the second half of the year. During the six-month period, we continued to expand our branch network rolling out 31 new branches in Egypt and 4 new branches in Jordan, further cementing our leadership position in each market. In line with recent trends, we recorded robust contributions to revenue in Egypt made by our house call service, which remains well-above its pre-pandemic contribution. In Egypt, we also remained committed to ramping up our radiology business, which in the first half of the year reported a 78% year-on-year increase in revenues and nearly doubled its contribution to the total revenue.

top-line. Meanwhile, in Nigeria, Echo-Lab recorded strong revenue growth in both local currency and EGP supported by both its radiology and pathology offerings. Finally, as expected, results in Sudan were significantly impacted by the ongoing conflict which has seen 16 of our 18 branches temporarily shut down starting in April. Our team has in place robust mitigation strategies to protect our people and operations, and regularly updates our response protocols to reflect the evolving conditions on the ground.

Further down the income statement, we reported lower margins at all levels of profitability primarily reflecting Covid-19 normalisation and rising salary and wage expenses as we rolled out higher than usual annual increases to protect our staff against rising inflation as part of our talent retention strategy. Meanwhile, we continued to record moderate increases in raw material outlays during the period, as we successfully leveraged our robust relationships to secure favourable test-kit prices. Despite our cost base continuing to reflect the impacts of rising inflation and a weakening EGP, in the coming months we see them progressively normalising heading into 2024.

With two thirds of 2023 now behind us, I am confident that we remain well placed to deliver on our operational and financial targets for the year. In the coming months, we are particularly looking forward to launching operations in Saudi Arabia in December, while also making progress on our strategic priorities and value-creation strategies across Egypt, Jordan and Sudan markets. Considering our strong first half results, the solid strategies in place, and the positive momentum enjoyed by our Egyptian and Jordanian subsidiaries, we reaffirm our guidance of full-year conventional revenue (excluding COVID-19 related contributions) year-on-year growth of around 30% for FY 2023."

- End -

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 3pm (Egypt) on Monday, 4 September 2023. You can register for the call by clicking on this [link](#).

For more information about the event, please contact: amoataz@EFG-HERMES.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, Nigeria and Sudan. The Group's core brands include Al Borg, Al Borayda and Al Mokhtabar in Egypt, as well as Biolab (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 evidenced by its 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. IDH 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 NYSE 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

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Forward-Looking Statements

These results for the six-month period ended 30 June 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, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors which may 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.

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Group Operational & Financial Review

i. Revenue and Cost Analysis

Consolidated Revenue

IDH maintained its impressive performance during the first six months of 2023, with revenues and volumes progressed to record their strongest monthly figures in May and June (once adjusting for the Eid-related slow down). **revenues** expanded 40% year-on-year to record EGP 1,872 million. Conventional revenue growth for the period was 24% and a 24% increase in average revenue per test (translation effect only contributed 8% to growth for the period). **revenues** grew 37% year-on-year to EGP 957 million in Q2 2023 driven by increases in test volumes and average revenue per test.

Meanwhile, IDH's total revenues reached EGP 1,872 million in 1H 2023, down 4% year-on-year as Covid-19-related revenues fell 24% to EGP 540 million in 1H 2022. On a three-month basis, IDH recorded total revenues of EGP 957 million, a 24% year-on-year increase over EGP 774 million in Q2 2022.

Revenue Analysis

	Q1 2022	Q1 2023	Q2 2022	Q2 2023	%
Total revenue (EGP mn)	1,180	915	774	957	24%
<i>Conventional revenue (EGP mn)</i>	640	915	699	957	37%
<i>Covid-19-related revenue (EGP mn)</i>	540	-	75	-	-
Contribution to Consolidated Results					
<i>Conventional revenue</i>	54%	100%	90%	100%	
<i>Covid-19-related revenue</i>	46%	-	10%	-	

Test Volume Analysis

Total tests (mn)	8.4	8.0	7.6	8.5	12%
<i>Conventional tests performed (mn)</i>	7.1	8.0	7.4	8.5	13%
<i>Total Covid-19-related tests performed (mn)</i>	1.3	-	0.2	-	-

Contribution to Consolidated Results					
<i>Conventional tests performed</i>	85%	100%	97%	100%	
<i>Total Covid-19-related tests performed</i>	15%	-	3%	-	
Revenue per Test Analysis					
Total revenue per test (EGP)	140	114	102	113	11%
<i>Conventional revenue per test (EGP)</i>	90	114	94	113	20%
<i>Covid-19-related revenue per test (EGP)</i>	431	-	454	-	

Revenue Analysis: Contribution by Patient Segment

Contract Segment (64% of Group revenue)

The Company's contract segment booked conventional revenues of EGP 1,193 million during 1H 2023, a 44% increase from EGP 827 million recorded one year prior. Conventional revenues at IDH's contract segment were driven by increases in the number of conventional tests performed, which increased 18% and 22% year-on-year (of which 4% was related to the translation effect). The segment also recorded a notable increase in total tests per patient at the segment, which reached a record 4.4 tests in 1H 2023 compared to 4.0 tests per patient recorded in 1H 2022. This increase was supported both by a post-Covid-19 patient mix normalisation coupled with the success of a new loyalty program launched in FY 2021.

Walk-in Segment (36% of Group revenue)

Meanwhile, IDH's walk-in segment reported conventional revenue growth of 33% year-on-year during 1H 2023, with EGP 512 million recorded compared to EGP 345 million recorded one year prior. While test volumes remained relatively stable compared to the same period of the previous year, declining 4% year-on-year, the segment was driven by increases in average revenue per conventional test, which expanded 38% year-on-year to EGP 226 (compared to EGP 163 one year prior, including the translation effect) from EGP 163 one year prior. Similar to trends witnessed at the contract segment, total tests per patient recorded in 1H 2023 reached its highest value on record at 3.6 tests up impressively from the 2.5 tests per patient recorded in 1H 2022.

Detailed Segment Performance Breakdown

	Walk-in Segment			Contract Segment		
	1H22	1H23	Change	1H22	1H23	Change
Revenue (EGP mn)	857	679	-21%	1,097	1,193	9%
<i>Conventional Results (EGP mn)</i>	512	679	33%	827	1,193	44%
<i>Total Covid-19-related revenue (EGP mn)</i>	345	-	-	270	-	-
Patients ('000)	1,513	833	-45%	3,027	3,084	2%
<i>% of Patients</i>	33%	21%		67%	79%	
Revenue per Patient (EGP)	565	815	44%	363	387	6%
Tests ('000)	3,849	3,008	-22%	12,155	13,457	11%
<i>% of Tests</i>	24%	18%		76%	82%	
<i>Conventional tests ('000)</i>	3,135	3,008	-4%	11,412	13,457	18%
<i>Total Covid-19-related tests ('000)</i>	714	-	-	744	-	-
Revenue per Test (EGP)	222	226	2%	90	89	-1%
Conventional Revenue per Test (EGP)	163	226	39%	72	89	24%
Test per Patient	2.5	3.6	42%	4.0	4.4	10%

Revenue Analysis: Contribution by Geography

Egypt (80.9% of Group revenue)

IDH's conventional business in Egypt continued delivering notable growth, progressively picking up throughout the year, recording the strongest monthly revenue figures for the year in May and June (once adjusting for the Eid-related dip in revenue) strong during July and August and the Company expects the trend to continue heading further into the second half of the year.

More specifically, the Company recorded conventional revenue growth of 33% year-on-year in 1H 2023, supported by increased test volumes and average revenue per conventional test, which grew 14% and 16% year-on-year, respectively. Total revenue remained relatively unchanged, declining just 1% year-on-year to EGP 1,514 million in 1H 2023.

On a quarterly basis, IDH recorded conventional revenues of EGP 783 million in Q2 2023, up a solid 32% year-on-year. Conventional revenues also expanded by 21% year-on-year as the impact of Covid-19-related testing on the comparable period declined starting April.

AI-Borg Scan

IDH's fast-growing radiology venture maintained its growth trend throughout the second quarter of 2023, recording a 78% year-on-year increase. Revenue expansion was primarily driven by increased average revenue per test, volume and increased test volumes, which climbed 23% year-on-year to 78 thousand tests during the six-month period, increasing its contribution to Egypt's top-line figure, constituting 4% of Egypt revenues during the first six months of the previous year. To capitalize on the growing demand for AI-Borg Scan's offering, IDH has, over the last six months, taken the total to six as at 30 June 2023. In the coming months, IDH plans to add an additional seventh branch to the network.

House Calls

Throughout the first six months of the year, IDH's house call service in Egypt continued to make a remarkable contribution to the country. This continues to be well-above the service's pre-pandemic contribution, further showcasing the segment's growth and IDH's investment strategy which has seen it significantly boost the service's capabilities since 2020.

Wayak

During the six-month period ending 30 June 2023, Wayak recorded 83 thousand orders, a 29% year-on-year increase, compared to the same six-month period of the previous year. Meanwhile, the venture's EBITDA losses continued to narrow to EGP 1.7 million booked in the six-month period ending 30 June 2022. It is also worth noting that during the months of May and June, a trend which IDH will look to maintain heading into the second half of the year.

Detailed Egypt Performance Breakdown

Revenue Analysis					
EGP mn	Q1 2022	Q1 2023	Q2 2022	Q2 2023	%
Total Revenue	879	731	645	783	21%
Conventional Revenue	549	731	591	783	32%
Pathology Revenue	532	703	573	748	31%
Radiology Revenue	17	28	19	35	89%
Total Covid-19-related Revenue	330	-	53	-	-
Contribution to Consolidated Results					
Conventional revenue	62%	100%	92%	100%	
Pathology Revenue	61%	96%	89%	96%	
Radiology Revenue	1.9%	3.8%	2.9%	4.5%	
Total Covid-19-related revenue	38%	-	8%	-	
Test Volume Analysis					
Total tests (mn)	7.3	7.3	6.9	7.8	13%
Conventional tests performed (mn)	6.5	7.3	6.7	7.8	16%
Total Covid-19-related tests performed (mn)	0.8	-	0.1	-	-
Contribution to Consolidated Results					
Conventional tests performed	89%	100%	98%	100%	
Total Covid-19-related tests performed	11%	-	2%	-	

Jordan (15.5% of Group revenue)

Similar to trends seen in Egypt, IDH witnessed a steady rise in revenues throughout the first half of 2023, with revenue figures for the year in May and June (adjusting for the Eid-vacation slowdown). Overall, in 1H 2023, Biotech revenue growth of 9% in JOD terms, supported by a solid 8% year-on-year rise in conventional tests performed. IDH posted an 88% year-on-year rise, in part boosted by the translation effect which saw average revenue per conventional test versus 1H 2022.

On a quarterly basis, Biolab recorded year-on-year conventional revenue growth of 6% in JOD terms supported by a 7% rise in test volumes for the quarter. In EGP terms, year-on-year conventional revenue growth in Q2 2023 stood at 7% with an average revenue per test following the devaluations of the EGP.

Detailed Jordan Performance Breakdown

Revenue Analysis					
EGP mn	Q1 2022	Q1 2023	Q2 2022	Q2 2023	%
Total Revenue	280	144	106	146	38%
Conventional Results	70	144	84	146	73%
Total Covid-19-related Revenues (PCR and Antibody)	210	-	21	-	-
Contribution to Consolidated Results					
Conventional Results	25%	100%	79%	100%	
Total Covid-19-related Revenue (PCR and Antibody)	75%	-	20%	-	
Test Volume Analysis					
Total tests (k)	991	582	603	598	-1%
Conventional tests performed (k)	519	582	572	598	4%
Total Covid-19-related tests performed (k)	472	-	30	-	-
Contribution to Consolidated Results					
Conventional tests performed	52%	100%	95%	100%	
Total Covid-19-related tests performed	48%	-	5%	-	

Nigeria (3.1% of revenue)

IDH's Nigerian subsidiary, Echo-Lab, recorded robust revenue growth of 19% year-on-year in NGN terms, booking a six-month period. In EGP terms, the Company booked revenues of EGP 58 million, increasing 73% year-on-year over the same period of the previous year. Revenue growth for the year was driven by a 71% increase in average revenue per test in NGN terms. Test volumes, on the other hand, increased a marginal 1% year-on-year to 136 thousand tests in 1H 2023.

Sudan (0.5% of revenue)

IDH's Sudanese operations recorded revenues of SDG 197 million, down 32% year-on-year in 1H 2023. In EGP terms, revenues fell to reach EGP 10 million from EGP 10.5 million one year prior. The decline in revenues during 1H 2023 was primarily due to 16 of 18 branches in April of this year as a result of the ongoing conflict in the country. The Company continues to update the market should the situation evolve.

Revenue Contribution by Country

	Q1 2022	Q1 2023	Q2 2022	Q2 2023	%
Egypt Revenue (EGP mn)	879	731	645	783	21%
Conventional (EGP mn)	549	731	591	783	32%
Pathology Revenue	532	703	573	748	31%
Radiology Revenue	17	28	19	35	89%
Covid-19-related (EGP mn)	330	-	53	-	-
Egypt Contribution to IDH Revenue	74.5%	79.9%	83.2%	81.8%	
Jordan Revenue (EGP mn)	280	144	106	146	38%
Conventional (EGP mn)	70	144	84	146	73%
Covid-19-related (EGP mn)	210	-	21	-	-
Jordan Revenues (JOD mn)	12.5	3.4	4.0	3.4	-16%
Conventional (JOD mn)	3.0	3.4	3.2	3.4	6%

<i>Jordan Revenue Contribution to IDH Revenue</i>	23.7%	15.7%	13.7%	15.2%	
Nigeria Revenue (EGP mn)	15	31	19	27	44%
Nigeria Revenue (NGN mn)	371	468	416	469	13%
<i>Nigeria Contribution to IDH Revenue</i>	1.3%	3.4%	2.5%	2.8%	
Sudan Revenue (EGP mn)	5.7	8.8	4.8	1.4	-71%
Sudan Revenue (SDG mn)	152	169	137	27	-80%
<i>Sudan Contribution to IDH Revenue</i>	0.5%	1.0%	0.6%	0.1%	

Average Exchange Rate

	1H 2022
USD/EGP	17.6
JOD/EGP	24.7
NGN/EGP	0.04
SDG/EGP	0.04

Patients Served and Tests Performed by Country

	1H 2022
Egypt Patients Served (mn)	3.8
Egypt Tests Performed (mn)	14.2
<i>Conventional tests (mn)</i>	13.2
<i>Covid-19-related tests (mn)</i>	1.0
Jordan Patients Served (k)	670
Jordan Tests Performed (k)	1,594
<i>Conventional tests (k)</i>	1,091
<i>Covid-19-related tests (k)</i>	502
Nigeria Patients Served (k)	70
Nigeria Tests Performed (k)	135
Sudan Patients Served (k)	46
Sudan Tests Performed (k)	84
Total Patients Served (mn)	4.5
Total Tests Performed (mn)	16.0

Branches by Country

	30 June 2022
Egypt	488
Jordan	21
Nigeria	12
Sudan	17
Total Branches	538

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

The Company recorded gross property, plant and equipment (PPE) of EGP 2,411 million as at 30 June 2023, increasing from EGP 2,111 million at year-end 2022. The rise in CAPEX as a share of revenues during 1H 2023 was driven mainly by the addition of new branches (10% of revenues), while the rest is attributable to the translation effect related to Jordan, Sudan, and Nigeria (contracted 9% of revenues).

Total CAPEX Addition Breakdown - 1H 2023

	EGP mn	% of Revenue
Leasehold Improvements/new branches	154.9	8.3%
Al-Borg Scan Expansion	14.1	0.8%
Total CAPEX Additions Excluding Translation	169.5	9.1%
Translation Effect	34.3	1.8%
Total CAPEX Additions	203.4	10.9%

Accounts Receivable and Provisions

Accounts receivable as at 30 June 2023 stood at EGP 532 million, increasing 35% year-to-date from EGP 395 million at year-end 2022. (DoH) came in at 136 days, increasing from 124 days as at 31 December 2022.

Provisions for doubtful accounts recorded EGP 23 million in 1H 2023, up from EGP 16 million in the same period. The increase in provisions and receivable balance during the six-month period are mainly attributable to slower collection rates due to economic downturns in IDH's geographies and, mainly, in the Company's home market of Egypt.

Inventory

IDH's inventory balance as of the end of the first six months of 2023 recorded EGP 361 million, increasing from EGP 311 million at year-end 2022. Meanwhile, Days Inventory Outstanding (DIO) came in at 148 days, up from 127 days on a year-to-date basis. This is due to the Company's management strategy to accumulate inventory as a hedge against inflation over the past year.

Cash and Net Debt/Cash

Cash balances stood at EGP 666 million as of 30 June 2023, declining from EGP 816 million as of year-end 2022. This decline is primarily related to the aforementioned decision for the early repayment of IDH's contractual obligation of USD 5 million in Q2 2023 to reduce exposure to foreign currency risk using internal resources as well as a bridge loan facility provided by AUBE, which was settled in Q2 2023.

EGP million	31 Dec 2022	30 Jun 2023
T-Bills	296	231
Time Deposits	123	91
Current Accounts	378	311
Cash on Hand	18	21
Total	816	666

IDH's net debt¹⁵ balance came in at EGP 482 million as of the end of 1H 2023, increasing 29% year-to-date from EGP 373 million at year-end 2022.

¹⁵The net cash/(debt) balance is calculated as cash and cash equivalent balances including financial assets at amortised cost, less interest-bearing debt (medium term loans).

EGP million	31 Dec 2022	30 Jun 2023
Cash and Financial Assets at Amortised Cost ¹⁶	816	666
Lease Liabilities Property	(727)	(777)
Total Financial Liabilities (Short-term and Long-term)	(335)	(241)
Interest Bearing Debt ("Medium Term Loans")	(127)	(127)
Net Cash/(debt) Balance	(374)	(482)

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

Lease liabilities and financial obligations on property came in at EGP 777 million as at 31 June 2023, up from EGP 727 million at year-end 2022. Higher lease liabilities were driven by the launch of 50 new branches across IDH's branch network in the twelve months period.

Meanwhile, **financial obligations related to equipment** recorded EGP 249 million as at the end of 1H 2023, declining from EGP 311 million at year-end 2022. Declining financial obligations related to equipment is a result of the early repayment of IDH's obligations to AUBE in Q2 2023. This was due to the Company's efforts to hedge against foreign currency risk. Half of the settlement was financed internally by the Company, while the other half was financed through a bridge loan facility from AUBE.

Finally, **interest bearing debt**¹⁷ recorded EGP 108 million, down from EGP 117 million as at year-end 2022. This is due to the early repayment of EGP 8.5 million in accordance with Al-Borg Scan's medium term loan repayment schedule.

Liabilities

Accounts Payable¹⁸

Accounts payable stood at EGP 377 million as at the end of 1H 2023, increasing from EGP 270 million six months

-End-

INTEGRATED DIAGNOSTICS HOLDINGS plc - "IDH"
AND ITS SUBSIDIARIES

Consolidated Financial Statements

for the six-month period ended 30 June 2023

Consolidated statement of financial position as at 30 June 2023

	Notes	31 Mar EGP
Assets		
Non-current assets		
Property, plant and equipment	4	1,399
Intangible assets and goodwill	5	1,723
Right of use assets	6	653
Financial assets at fair value through profit and loss	7	
Total non-current assets		3,766
Current assets		

Inventories		36
Trade and other receivables	8	65
Financial assets at amortized cost	9	18
Current financial assets at fair value through profit and loss	7	2
Cash and cash equivalents	10	47
Total current assets		1,70
Total assets		5,47
Equity		
Share capital		1,07
Share premium reserve		1,02
Capital reserves		(314
Legal reserve		5
Put option reserve		(286
Translation reserve		(84
Retained earnings		1,00
Equity attributable to the owners of the Company		2,47
Non-controlling interests		37
Total equity		2,85
Non-current liabilities		
Provisions		1
Non-current put option liability	12	
Borrowings	13	7
Other financial obligations	14	87
Deferred tax liabilities	18-C	33
Total non-current liabilities		1,30
Current liabilities		
Trade and other payables	11	76
Other financial obligations	14	15
Current put option liability	12	28
Borrowings	13	2
Current tax liabilities		8
Total current liabilities		1,31
Total liabilities		2,61
Total equity and liabilities		5,47

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 and six-month periods ended
30 June 2023**

	Notes	For the three months period ended 30 June	
		2023 EGP'000	2022 EGP'000
Revenue	21	956,651	773,586
Cost of sales		(623,291)	(473,402)
Gross profit		333,360	300,184
Marketing and advertising expenses		(49,178)	(51,804)
Administrative expenses	16	(127,857)	(77,892)
Impairment loss on trade and other receivable		(12,586)	(8,980)
Other income		(7,260)	4,553
Operating profit		136,479	166,061
Non-operating expense		(12,200)	-
Finance costs	17	(33,084)	(31,087)
Finance income	17	7,746	43,247
Net finance cost		(25,338)	12,160
Profit before tax		98,941	178,221
Income tax expense	18-B	(56,277)	(53,302)
Profit for the period		42,664	124,919
Profit attributed to:			
Equity holders of the parent		50,681	125,611
Non-controlling interests		(8,017)	(692)
		42,664	124,919
Earnings per share (expressed in EGP):			
Basic and diluted earnings per share	20	0.08	0.21

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Consolidated statement of comprehensive income/(expenses) for the quarter and six-month periods ended 30 June 2023

	For the three months period ended 30 June	
	2023 EGP'000	2022 EGP'000
Net profit	42,664	124,919
Items that may be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(42,604)	25,983
Other comprehensive income / (Loss) for the period net of tax	(42,604)	25,983
Total comprehensive income for the period	60	150,902
Attributed to:		
Equity holders of the parent	27,642	138,135
Non-controlling interests	(27,582)	12,767
	60	150,902

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Consolidated statement of cash flows for the six-month period ended 30 June 2023

Notes

30

Cash flows from operating activities

Profit for the period before tax

Adjustments

Depreciation of property, plant and equipment

Depreciation of right of use assets

Amortisation of intangible assets

Unrealised foreign currency exchange (gains) losses

17

Interest income

17

Interest expense

17

Bank Charges

Loss/(Gain) on disposal of Property, plant and equipment

Impairment in trade and other receivables

Equity settled financial assets at fair value

ROU Asset/Lease Termination

Hyperinflation (gains) losses

17

Change in Provisions

Change in Inventories

Change in trade and other receivables

Change in trade and other payables

Cash generated from operating activities before income tax payment

Tax paid during period

Net cash generated from operating activities

Cash flows from investing activities

Interest received on financial asset at amortised cost

Payments for the purchase of financial assets at amortized cost

Proceeds for the sale of financial assets at amortized cost

Payments for acquisition of property, plant and equipment

4

Payments for acquisition of intangible assets

5

Proceeds from sale of Property, plant and equipment

Net cash flows generated (used in) from investing activities

Cash flows from financing activities

Proceeds from borrowings

Repayments of borrowings

Payment of finance lease liabilities

Dividends paid

Interest paid

Bank charge paid

Net cash flows used in financing activities

Net increase in cash and cash equivalent

Cash and cash equivalents at the beginning of the year

Effect of exchange rate

Cash and cash equivalent 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 6
- Property plant and equipment - note 4
- Put option liability - note 12

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Consolidated statement of changes in equity for the six-month period ended 30 June 2023

Attributable to owners of the Parent

EGP '000	Share capital	Share premium reserve	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings
At 1 January 2023	1,072,500	1,027,706	(314,310)	51,641	(490,695)	24,173	783,081
Profit for the period	-	-	-	-	-	-	223,590
Other comprehensive income for the period	-	-	-	-	-	(108,938)	-
Total comprehensive income at 30 June 2023	-	-	-	-	-	(108,938)	223,590
Transactions with owners of the Company							
Contributions and distributions							
Movement in put option liabilities	-	-	-	-	204,543	-	-
Total contributions and distributions	-	-	-	-	204,543	-	-
Balance at 30 June 2023	1,072,500	1,027,706	(314,310)	51,641	(286,152)	(84,765)	1,006,671
At 1 January 2022	1,072,500	1,027,706	(314,310)	51,641	(956,397)	150,730	1,550,976
Profit for the period	-	-	-	-	-	-	422,220
Other comprehensive income for the period	-	-	-	-	-	26,465	-
Total comprehensive income at 30 June 2022	-	-	-	-	-	26,465	422,220
Transactions with owners of the Company							
Contributions and distributions							
Dividends	-	-	-	-	-	-	(1,304,805)
Movement in put option liabilities	-	-	-	-	19,501	-	-
Impact of hyperinflation	-	-	-	-	-	-	(4,705)
Total contributions and distributions	-	-	-	-	19,501	-	(1,309,510)
Balance at 30 June 2022	1,072,500	1,027,706	(314,310)	51,641	(936,896)	177,195	663,686

*Under Egyptian Law, each subsidiary in Egypt must set aside at least 5% of its annual net profit into a legal reserve until such time that it represents 50% of each subsidiary's issued capital. This reserve is not distributable to the owners of the Company.

The accompanying notes form an integral part of these condensed consolidated interim financial information.

(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 4 December 2014 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 142014. These condensed consolidated interim financial information as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred as the 'Group'). The Company is a dually 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 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 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 3 August 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 consolidated financial Statement, and should be read in conjunction with the financial Statement published as at and for the year ended 31 December 2022 which is available at www.idhcorp.com. In addition, results of the six-month period ended 30 June 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 management in applying the Group's accounting policies and the key sources of estimation uncertainty were 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 judgements, 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 is provided in the notes to the financial statements.

condensed consolidated interim financial statement is described in note 3.2 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	Project under construction
Cost					
At 1 January 2023	426,961	1,111,867	507,442	133,195	28,000
Additions	8,554	64,416	35,237	14,783	50,000
Disposals	-	(2,578)	(317)	(1,192)	-
Exchange differences	2,278	5,398	20,320	6,266	-
Transfers	-	-	15,276	-	(15,276)
At 30 June 2023	437,793	1,179,103	577,958	153,052	63,000
Depreciation					
At 1 January 2023	61,578	513,869	261,705	55,254	63,000
Depreciation for the period	3,548	75,350	39,950	7,907	-
Disposals	-	(1,643)	(262)	(911)	-
Exchange differences	568	5,053	7,006	1,185	-
At 30 June 2023	65,694	592,629	308,399	63,435	63,000
Net book value at 30 June	372,099	586,474	269,559	89,617	63,000
At 31 December 2022	365,383	597,998	245,737	77,941	28,000

5. Intangible assets and goodwill

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

	Goodwill	Brand name
Cost		
Balance at 1 January 2023	1,291,823	395,551
Additions	-	-
Effect of movements in exchange rates	13,176	7,315
Balance at 30 June 2023	1,304,999	402,866
Amortisation and impairment		
Balance at 1 January 2023	6,373	381
Amortisation	-	-
Effect of movements in exchange rates	86	12
Balance at 30 June 2023	6,459	393
Carrying amount		
Balance at 30 June 2023	1,298,540	402,473
Balance at 31 December 2022	1,285,450	395,170

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate potential impairment. No indicators of impairment have been identified during the three months ended 30 June 2023.

6. Right-of-use assets

	30 June 2023
Balance at 1 January	622,975
Addition for the period / year	60,074
Depreciation charge for the period / year	(65,632)
Terminated contracts	(4,246)
Exchange differences	39,837
Balance	653,008

7. Financial asset at fair value through profit and loss

	30 June 2023
Non-current equity investments	-
Current equity investments	23,590

- * On August 17, 2017, Almakhabariyoun AL Arab (seller) has signed IT purchase Agreement with JSC Mega Lab to transfer and install the Laboratory Information Management System (LIMS) for a purchase price amounted 400 000, which will be in the form of 10% equity stake in JSC Mega Lab. In case the valuation of the project is more than USD 4,000,000, the seller stake will be adjusted accordingly, in a way that the seller equity stake shall be below 5% of JSC Mega Lab.
- Ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of June 30, 2023, was 100%.
- On April 8, 2019, Al Mokhabariyoun Al Arab (BioLab) has signed a Shareholder Agreement with JSC Mega Lab and 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, These assets have therefore been reclassified as intangible assets in the financial information as of June 30, 2023, which allows BioLab 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 put option, which allows the CHG to purchase Biolab's Strake in JSC Megalab having value of USD 400,000.00 plus 15% 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 put option (the Accreditation Call option), exercisable within 6 months period, allowing CHG to purchase BioLab's Stake in JSC Mega Lab at a price of the equity value of USD 400,00.00 plus the 20% annual IRR.
- After 12 months from the date of the put option period expiration, CHG to purchase Biolab's Stake in JSC Mega Lab having value of USD 400,000 plus higher of 20% annual IRR or 6X EV/EBITDA (of the financial year immediately preceding the call option exercise date).

8. Trade and other receivables

	30 June 2023
Trade receivables - net	532,482
Prepayments	41,247
Due from related parties note (15)	4,366
Other receivables	71,559
Accrued revenue	1,874
	651,528

9. Financial assets at amortised cost

	30 June 2023
Term deposits (more than 3 months)	47,977
Treasury bills (more than 3 months)	141,954
	189,931

The maturity date of the treasury bills and Fixed-term deposits are between 3-12 months and have average interest rates of 10.50% for EGP, and JOD 21.75% and 5.50% respectively.

10. Cash and cash equivalents

	30 June 2023
Cash at banks and on hand	333,201
Treasury bills (less than 3 months)	95,611
Term deposits (less than 3 months)	46,768
	475,580

11. Trade and other payables

	30 June 2023
Trade payable	377,453
Accrued expenses	185,930
Due to related parties note (15)	25,242
Other payables	122,602
Deferred revenue	47,192
Accrued finance cost	8,354
	766,773

12. Put option liability

	30 June 2023
Current put option - Biolab Jordan	249,947
Current put option - Eagle Eye-Echo scan	36,205
	286,152

	30 June 2023
Non-current put option - Eagle Eye-Echo scan	-
	-

Put option - Biolab Jordan

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 Makhbariyoun 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 had 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 at the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor exercised this right at 30 June 2023. It is important to note that the put option liability is treated as current as it can 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 months. The option has no expiry date.

Put option - Eagle Eye-Echo scan

According to the definitive agreements signed on 15 January 2018 between Dynasty Group Holdings Limited International Finance Corporation (IFC) related to the Eagle Eye-Echo scan transaction, IFC has the option to 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. This commitment has been reclassified as a working obligation as the put option ends with the year of the Group's financial position on June 30, 2023.

13. Loans and borrowings

	Currency	Nominal interest rate	Maturity	30 June 2023
AUB - Bank	EGP	CBE corridor rate+1%	26 January 2027	107
				107
<u>Amount held as:</u>				
Current liability				28
Non- current liability				79
				107

A) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 108 M from Ahli United Bank "AUB Egypt" to finance the investment cost related to the expansion into the real estate segment. As at 30 June 2023 only EGP 108 M had been drawn down from the total facility available with 8.5% interest rate. 8.5 M has 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.

- The financial leverage shall not exceed 0.7 throughout the period of the loan
"Financial leverage": total bank debt divided by net equity.
- 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 maintenance on machinery and equipment adding cash balance (cash and cash equivalent) divided by 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 30 June 2023 corridor rate 20.25% (2022: 17.25%)

13. Loans and borrowings (continued)

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

IDH opted to reduce its exposure to foreign currency risk by agreeing with General Electric (GE) for the early repayment of its dollar obligation. The Group and GE have agreed to settle this balance early for USD 3.55 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 in USD and the other half (EGP 55 million) provided by a loan from Ahly United Bank - Egypt, this credit facility was fully utilized during the six-month period ending 30 June 2023.

14. Other Financial obligations

	<u>30 June 2023</u>
Lease liabilities building	777,198
Financial liability- laboratory equipment	248,959
	<u><u>1,026,157</u></u>

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

	<u>Minimum payments</u>	<u>30 June 2023</u> <u>Interest</u>
Less than one year	254,680	102,345
Between one and five years	1,010,080	287,123
More than five years	185,611	34,567
	<u><u>1,450,371</u></u>	<u><u>424,035</u></u>
		<u>31 December 2022</u>
	<u>Minimum payments</u>	<u>Interest</u>
Less than one year	285,962	137,890
Between one and five years	1,030,750	314,567

More than Five years

227,715	29,
1,544,427	481,

14. Other Financial obligations (continued)

Amounts recognised in profit or loss:

	For the three months ended 30 June		F
	2023	2022	202
Interest on lease liabilities	22,898	18,065	
Expenses related to short-term lease	2,515	9,387	

15. Related party transactions

The significant transactions with related parties, their nature volumes and balance during the period 30 June 2023 follows:

Related Party	Nature of transaction	Nature of relationship	Trans o
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	
	Current account	Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	
Integrated Treatment for Kidney Diseases (S.A.E)	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	

15. Related party transactions (continued)

Related Party	Nature of transaction	Nature of relationship	Tr
AL borg 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 Current account	Bio. Lab C.E.O and shareholder Bio. Lab C.E.O and shareholder	
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	
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 AI-Mokhtabar Labs).

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

15. 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 to the compensation of key management personnel.

30 June 2023

Short-term employee benefits

22,203

22,203

16. General and administrative expenses

	For the three months ended 30 June		For the 20
	2023	2022	
Wages and salaries	55,449	32,979	
Depreciation	8,181	6,432	
Amortisation	1,535	1,008	
Consulting fees	31,503	17,184	
Other expenses	31,189	20,289	
Total	127,857	77,892	

17. Net finance cost

	For the three months ended 30 June		Fo
	2023	2022	
Finance income			
Interest income	14,907	30,196	
Net foreign exchange gain	(7,161)	8,244	
Gain on hyperinflationary net monetary position	-	4,807	
Total finance income	7,746	43,247	
Finance cost			
Bank charges	(2,975)	(1,661)	
Interest expense	(30,109)	(29,426)	
Total finance cost	(33,084)	(31,087)	
Net finance (cost)/income	(25,338)	12,160	

18. 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 30 June		For the 20
	2023	2022	
Current tax:			
Current period	(46,432)	(58,479)	

Deferred tax:

Deferred tax arising on undistributed reserves in subsidiaries

(11,097)

6,672

Relating to origination and reversal of temporary differences

1,252

(1,495)

Total Deferred tax expense

(9,845)

5,177

Tax expense recognised in profit or loss

(56,277)

(53,302)

C) Deferred tax liabilities

Deferred tax relates to the following:

Property, plant and equipment

(33,890)

Intangible assets

(111,345)

Undistributed reserves from Group subsidiaries

(187,779)

Provisions and financial obligation

61

Net deferred tax liabilities

(332,953)

30 June 2023

19. Financial instruments

The Group has reviewed the financial assets and liabilities held at 30 June 2023. It has been deemed that the amounts for all financial instruments are a reasonable approximation of fair value. All financial instruments are Level 3.

20. Earnings per share

	For the three months ended 30		For the
	2023	June 2022	
Profit attributed to owners of the parent	50,681	125,611	
Weighted average number of ordinary shares in issue	600,000	600,000	
Basic and diluted earnings per share	0.08	0.21	

The Company has no potential diluted shares as at 30 June 2023 and 30 June 2022, therefore; the earnings per diluted share are equivalent to basic earnings per share.

21. 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 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 performance 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	Nigeria
30-Jun-23	782,633	1,414	145,782	
30-Jun-22	644,550	4,797	105,621	

For the six months period ended	Revenue by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria
30-Jun-23	1,513,673	10,194	290,255	
30-Jun-22	1,524,040	10,469	386,135	

For the three months ended	EBITDA by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria
30-Jun-23	208,915	(373)	32,670	
30-Jun-22	226,684	(23)	16,478	

For the six months period ended	EBITDA by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria
30-Jun-23	406,862	12,49	68,502	
30-Jun-22	621,740	63	90,790	

21. Segment reporting (continued)

For the three months ended	Net profit / (loss) by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria

30-Jun-23	54,684	(435)	4,920
30-Jun-22	124,044	1,522	2,441

For the six months period ended	Net profit / (loss) by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria
30-Jun-23	225,921	3,637	11,312	
30-Jun-22	393,560	4,278	47,471	

	Revenue by type For the three months ended 30 June		2023
	2023	2022	
Pathology	894,756	736,467	
Radiology	61,895	37,119	
	956,651	773,586	

	Revenue by type For the six months ended 30 June		2023
	2023	2022	
Pathology	1,751,192	1,885,271	
Radiology	120,750	68,794	
	1,871,942	1,954,065	

	Non-current assets by geographic location			
	Egypt region	Sudan region	Jordan region	Nigeria
30 June 2023	3,064,395	16,988	602,761	
31 December 2022	3,039,930	14,993	494,244	

21. Segment reporting (continued)

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

	For the three months ended 30 June		For six months ended 30 June
	2023	2022	
Profit from operations	136,479	166,061	
Property, plant and equipment depreciation	63,038	49,136	

Right of use depreciation	32,694	24,289
Amortization of Intangible assets	1,959	1,490
EBITDA	234,170	240,976

22. Important events

On March 8, 2023, the Group completed the establishment of Medical Health Development Company, a limited company based in Saudi Arabia with a total stake of 51% directly and indirectly through one of the Group's subsidiaries where Integrated Diagnostics Holdings (IDH) owns 31% and Al Makhbaryoun Al Arab LLC ("Biolab")-Jordan a subsidiary owns 20%. The company's activity did not begin until the period ending June 30, 2023.

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

During April 2023, an armed conflict began in Sudan that led to security unrest across the country. Business has temporarily frozen in the branches of the Sudan Laboratory Company and Ultra Lab until further notice, which will affect the profits of the geographical sector in the subsequent period. There is no damage to the material assets to date. 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.

23. Subsequent event

The Central Bank of Egypt increased the interest rate by 100 points, to reach 20.25% instead of 19.25%. This was a decision of the Monetary Policy Committee, according to the meeting held on 6 August 2023.

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