

Integrated Diagnostics Holdings Plc

Q1 2024 Results

Thursday, 30 May 2024

Integrated Diagnostics Holdings plc kicks off 2024 with robust results, posting 28% revenue growth

(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 Saudi Arabia, announced today its first quarter financial statements for the quarter ended 31 March 2024, booking revenues of EGP 1,171 million, up 28% year-on-year. Revenue growth continued to be supported by increased test volumes and higher average revenues per test. Looking down the income statement, IDH's cost optimization initiatives resulted in improved profitability at all levels. During the quarter, the Group posted EBITDA of EGP 330 million, up 45% year-on-year and yielding an EBITDA margin of 28.2%. Meanwhile, the Company recorded net profit growth of 139% year-on-year to reach EGP 402 million, and yielding a net profit margin (NPM) of 34%.

Financial Results (IFRS)

EGP mn	Q1 2023
Revenues	915
Cost of Sales	(591)
Gross Profit	325
<i>Gross Profit Margin</i>	35.5%
Operating Profit	129
EBITDA¹	227
<i>EBITDA Margin</i>	24.8%
Net Profit	168
<i>Net Profit Margin</i>	18.4%
Adjusted Net Profit²	59
<i>Adjusted Net Profit Margin</i>	6.5%
Cash Balance³	813

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

Key Operational Indicators⁴

EGP mn	Q1 2023
Branches	576
Patients ('000)	1,939
Revenue per Patient (EGP)	472

Tests ('000)	8,036
Revenue per Test	114
Test per Patient	4.1

^[1] EBITDA is calculated as operating profit plus depreciation and amortization.

² Adjusted net profit excludes foreign exchange gains from both periods. Foreign exchange gains amounted to EGP 301 million in Q1 2024 and EGP 109 million in Q1 2023.

³ Cash balance includes time deposits, treasury bills, current accounts, and cash on hand.

⁴ Key operational indicators are calculated based on revenues for the periods of EGP 1,171 million and EGP 915 million for Q1 2024 and Q1 2023, respectively.

⁵ IDH rolled out 26 new branches in Egypt, 1 in Jordan, and 2 in KSA over the past 12-month period. It is important to note that due to the ongoing conflict in Sudan,

18 branches in the country have been shut down, leading to a net growth in its branch network of only 12 branches.

Introduction

i. Financial Highlights

- IDH recorded **consolidated revenues** of EGP 1,171 million in Q1 2024, up a robust 28% year-on-year from EGP 915 million. Sustained top-line growth continued to be driven by higher test volumes and revenue per test, which increased 8% and 18% year-on-year, respectively.
- **Gross profit** of EGP 428 million was recorded during the first quarter of the year, increasing 32% year-on-year from EGP 325 million in Q1 2023. In parallel, the Company's gross profit margin (GPM) stood at 37% in Q1 2024, up from 35% in the comparable period of the previous year. Increased gross profitability reflected the effectiveness of IDH's cost optimization efforts as well as the normalization of margins as the effect of the devaluation of the Egyptian Pound in 2022 and early 2023 began to fade.
- **EBITDA⁶** amounted to EGP 330 million in Q1 2024, up from EGP 227 million one year prior and representing an increase of 45% year-on-year. IDH's EBITDA margin during the quarter came in at 28%, 3 points higher than the margin recorded in Q1 2023. Higher EBITDA profitability came on the back of increased gross profit combined with lower SG&A outlays as a percentage of revenues as IDH continues to optimize its cost base and reduce expenses where possible. In addition to the Group's optimization efforts, it is important to highlight that outlays in the comparable period had been boosted by higher-than-usual salary increases and depreciation expenses to support the rollout of several new branches in IDH's network.
- **Net profit** during Q1 2024 booked EGP 402 million, increasing a strong 139% year-on-year from the EGP 168 million reported in Q1 2023. Meanwhile, the Net Profit Margin (NPM) stood at 34%, tangibly increasing from 18% in the same period of the previous year.

⁶ EBITDA is calculated as operating profit plus depreciation and amortization.

ii. Operational Highlights

- IDH's **branch network** reached 587 branches at the end of Q1 2024, increasing by 11 branches compared to Q1 2023. Since Q1 2023, IDH has rolled out 26 new branches in its largest market Egypt, one in Jordan and two inaugural branches in its newest geography, Saudi Arabia. It is important to mention that due to the ongoing conflict in Sudan, IDH reported the closure of its 18 branches in the country.
- During the first quarter of the year, IDH performed 8.7 million **tests** across its geographies, increasing 9% year-on-year from 8.0 million tests in Q1 2023.
- Meanwhile, **average revenue per test** stood at EGP 135 during Q1 2024, a 18% year-on-year increase. The growth in average revenue per test was driven by strategic price increases implemented by IDH to counteract inflationary pressures in its home and largest market, Egypt, as well as in Nigeria.
- IDH served a total of 2.0 million **patients** during the first quarter of 2024, reflecting a 5% year-on-year increase. In parallel, IDH continued to record record-high average tests per patient, reaching 4.3 tests per patient in Q1 2024. Continually increasing average tests per patient reflect the effectiveness of IDH's efforts to attract and retain patients while encouraging increased testing. Notably, IDH's loyalty programme, which was introduced in Q4 2023, has contributed to this growth.

FY 2021 as part of the Company's post-pandemic growth strategy has continued boosting patient testing.

iii. Updates by Geography

- In **Egypt** (84.5% of total revenues in Q1 2024), IDH recorded impressive growth during the first quarter of 2024, booking revenues of EGP 989 million and posting a 35% year-on-year increase. Top-line growth in the largest market was primarily driven by increased average revenue per test, which grew 23% year-on-year to reach EGP 123. Secondly, higher test volumes also supported revenue growth, with IDH conducting 8.1 million tests during the three-month period, a 10% year-on-year expansion.
- IDH's **Jordanian** subsidiary (14.1% of total revenues in Q1 2024), Biolab, posted a 4% year-on-year decline in revenues, posting a top-line of JOD 3.2 million on the back of a 3% contraction in test volumes in Q1 2024 due to the effects of the unfolding geopolitical situation in the region temporarily weighing down operations. Meanwhile, average revenue per test in Jordan remained relatively stable due to heavy pricing regulation in the country, recording only a marginal 1% year-on-year decline in Q1 2024. In EGP terms, Jordanian operations reported revenues of EGP 165 million, up 14% year-on-year due to the translation effect from a weakened Jordanian Dinar.
- In **Nigeria** (1.3% of total revenues in Q1 2024), Echo-Lab recorded a 29% year-on-year growth in revenues in local currency terms, reaching NGN 602 million Naira in Q1 2024 on the back of a 65% year-on-year increase in average revenue per test. Test volumes in Nigeria stood at 56 thousand during the quarter, down 22% year-on-year due to ongoing inflationary pressures affecting patients' purchasing power. In EGP terms, revenues in Nigeria booked EGP 16 million, a 49% year-on-year decline, due to lower test volumes and average revenue per test as a result of the devaluation of the Nigerian Naira.
- Biolab KSA, IDH's newest venture in **Saudi Arabia** (0.1% of total revenues in Q1 2024) commenced operations during Q1 2024, with one branch rolled out in January and another in March. The Company booked revenues of SAR 58 thousand in Q1 2024, on the back of 2 thousand tests performed and an average revenue per test of SAR 24. IDH continues to ramp up operations in the geography, running several targeted campaigns to attract patients. The Kingdom's branch network is expected to reach 6 branches by the end of the year through the inauguration of an additional 4 branches. In EGP terms, Saudi operations posted a top line of EGP 16 thousand, with average revenues per test coming in at EGP 285 during the three-month period.
- Finally, due to the ongoing conflict and unrest in the country, IDH has decided to cease all operations in **Sudan**, with the closure of all of IDH's 18 branches in Sudan.

iv. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "Reflecting on the first quarter of 2024, I am pleased to report yet another robust set of results which have seen us deliver consolidated top-line expansion and improved profitability at all levels. This sustained growth trend continues to showcase the adaptability of IDH's business model in the face of economic and political challenges across various geographies and the potential of our business going forward.

During the three-month period, IDH successfully booked a 28% year-on-year expansion in revenue, driven by both higher test volumes and increased average revenue per test on the back of strategic price hikes implemented across several of our geographies. In addition to the impressive top-line growth, we recorded significant margin improvements throughout the entire income statement, reflecting an improving economic situation in our home market of Egypt as well as the effectiveness of our efforts to hedge against inflation and optimize costs where possible. As a result, IDH posted a remarkable 55% year-on-year growth in EBITDA, with an associated margin of 30%, when excluding contributions from our newest venture in Saudi Arabia which is currently in its early ramp up phase having officially launched in January of this year.

Looking at the performance of our individual markets, Egypt continued to contribute the lion share of our consolidated results throughout the quarter, with revenue posting a robust 35% increase versus the first three months of the previous year. This is a particularly noteworthy result which comes despite the anticipated slowdown in patient traffic associated with the holy month of Ramadan which this year began in the second week of March. During the quarter, we also rolled out 2 new branches across the country taking our total number of branches to 546. The steady expansion of our network not only continues to function as a primary barrier to entry for newer players looking to penetrate the diagnostics market but also ensures we are able to bring our world-class services to as many people as possible in line with our community impact goals. As part of our growth and diversification strategy, during the quarter we continued to drive

growth at our radiology venture, Al-Borg Scan, which is now contributing 5.1% of our Egyptian revenue up from 3 months time last year.

In Jordan, revenue in local currency terms slightly decreased compared to the first quarter of 2023, with the geopolitical instability in the region affecting international medical tourism to the country and weighing on test volumes for the quarter month period. Meanwhile, in Nigeria we recorded revenue growth in local currency terms of 29% driven by higher average revenue per test. This comes as a direct result of our revenue mix optimisation strategy, which over the past few years has seen us pivot our test mix increasingly towards higher-priced tests, and by the annual price increases we continue to introduce to counteract the effects of record-high inflation in the country. It is worth noting that the devaluations of the Nigerian naira over the past two years and the removal of diesel subsidies have placed considerable pressure on our patients' purchasing power, leading to both decreased test volumes and lower revenues in EGP terms.

Turning to our newest geography, I am delighted to announce that operations in Saudi Arabia officially commenced during Q1 2024, with the rollout of two new branches in the Kingdom's capital, Riyadh. The geography, characterised by a young and growing population and by a fragmented diagnostics market, provides the perfect ingredients for our business model to succeed, and we are confident that KSA will quickly become an integral market of operation. During the quarter, as part of our multi-pronged go-to-market strategy we focused on building our brand presence through targeted marketing campaigns across a variety of mediums. These included outdoor advertising, social media campaigns, sponsorship of community events, as well as partnering with several local healthcare providers to increase brand awareness for Biolab KSA. By the end of 2024, we plan to inaugurate an additional four branches in the Kingdom and aim to capture a market share of 1% as we steadily expand our reach and widen our patient base.

Finally, it is with a heavy heart that I announce the complete halting of our operations in Sudan. We initially launched Sudanese operations back in 2011 as part of our first international expansion phase, and the country along with Sudanese brands will always represent an important part of our corporate history. With this in mind, the ongoing conflict and escalating violence have unfortunately prevented us from continuing to operate in a manner that safeguards our patients and staff. As a result of this decision, Sudan, which in 2023 contributed to just 0.3% of our top line, has now ceased to contribute to our financial and operational results starting in January 2024.

Looking ahead, our strategy and priorities at home and across our footprint remain unchanged. In Egypt, we are beginning to see the early signs of a sustained economic recovery supported by the float of the EGP in March 2024 and the policy changes enacted by the government and central bank in recent months. As such, we expect volumes to continue growing steadily as inflation declines and patients' purchasing power improves. Elsewhere across our footprint we are particularly excited to continue ramping up operations in Saudi Arabia and begin to realize our new market potential. In light of the strong results posted during the first quarter of the year, the economic recovery we are witnessing in our home market, and the positive policies set forth by the Egyptian government and central bank, we reaffirm our guidance of approximately 30% revenue growth in FY 2024. In terms of profitability, we expect to record an operating margin around 30% during the year, excluding results from our newly inaugurated venture in Saudi Arabia and non-recurring expenses.

A few weeks ago, we also announced our proposal to delist from the Egyptian Exchange (EGX). While we had previously been listed on the EGX in May 2021 in an effort to improve the liquidity of the Company's shares and give an opportunity for local investors to capitalise on IDH's strong growth prospects, we have since seen lower than expected liquidity and trading volumes on our EGX-listed shares. It is important to specify that this decision has no effects on our operations in Egypt and the remainder of our markets. Additionally, the decision in no way impacts our standard listing on the London Stock Exchange (LSE) where we remain fully committed to meeting all our disclosure requirements. As always, our responsibility remains towards our patients and communities, and we look forward to continuing to deliver world-class quality to our growing patient base across Egypt, Jordan, Nigeria, and Saudi Arabia.

- End -

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 3pm (Egypt) on Monday, 3 June 2024. You can learn more details and 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 clinical pathology and radiology tests to patients in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia. The Group's core brands include Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Echo-Lab (Nigeria), Ultralab and Al Mokhtabar in Sudan (both in Sudan), and Biolab KSA (Saudi Arabia). With over 40 years of experience, a long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditation. The Group's portfolio of over 3,000 diagnostics tests. From its base of 601 branches as of 31 December 2023, IDH served over 100 million patients and performed more than 36.1 million tests in 2023. IDH will continue to add laboratories through its Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group targets expansion in appealing markets, including acquisitions in the Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

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 quarter ended 31 March 2024 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", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, performance expectations regarding business and management, future growth or profitability and general economic and regulatory 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.

Group Operational & Financial Review

i. Revenue and Cost Analysis

Consolidated Revenue

IDH recorded a strong start to 2024, posting revenues of EGP 1,171 million, a 28% year-on-year increase. Top-line volumes, which grew 8% year-on-year to reach 8.7 million tests, as well as increased average revenues per test, year rise. Higher average revenues per test continued to reflect the strategic price increases implemented a counteract mounting inflationary pressures in the geographies.

Revenue Analysis	
Q1 2023	
Total revenue (EGP mn)	915
Test Volume Analysis	
Revenue per Test Analysis	
Total tests (mn)	8.0
Total revenue per test (EGP)	114

Revenue Analysis: Contribution by Patient Segment

Contract Segment (66% of Group revenue in Q1 2024)

At IDH's contract segment, revenues recorded EGP 775 million, a year-on-year increase of 34%. Average revenue per test rose year-on-year, reaching EGP 106 in Q1 2024. In parallel, test volumes recorded 7.3 million tests, reflecting a 12% increase in volume over the period of the previous year.

Average tests per patient at the segment maintained its record-high results, recording 4.4 tests in Q1 2024 compared to 4.3 tests in Q1 2023. Average tests per patient was supported by the IDH's loyalty programme, which was rolled out in FY 2023 across the Group.

Walk-in Segment (34% of Group revenue in Q1 2024)

Meanwhile, at IDH's walk-in segment, IDH booked revenues of EGP 396 million during the first three months of 2024, which were boosted by a 28% year-on-year increase in average revenue per test, which booked EGP 283 in Q1 2024. Test volumes recorded 1.4 million tests during the quarter, down 8% year-on-year as more walk-in patients switch to IDH's contract segment. Average revenue per test saw a marginal 2% year-on-year decline, coming in at 3.5 tests during the period.

Detailed Segment Performance Breakdown

	Walk-in Segment			Contract Segment	
	1Q23	1Q24	Change	1Q23	1Q24
Revenue (EGP mn)	337	396	18%	579	775
Patients ('000)	422	395	-6%	1,517	1,643
<i>% of Patients</i>	22%	19%		78%	81%
Revenue per Patient (EGP)	798	1,003	26%	381	471
Tests ('000)	1,519	1,399	-8%	6,517	7,284
<i>% of Tests</i>	19%	16%		81%	84%
Revenue per Test (EGP)	222	283	28%	89	106
Test per Patient	3.6	3.5	-2%	4.3	4.4

Revenue Analysis: Contribution by Geography

Egypt (84.5% of Group revenue)

IDH's home and largest market, Egypt, sustained the growth trend recorded started during the second half of 2023, with a year-on-year growth of 35% to reach EGP 989 million in Q1 2024. Growth at the segment was driven by a 10% increase in test volume and a 25% growth in average revenue per test, as IDH continued to implement strategic price increases in the country.

AI-Borg Scan

IDH's fast-growing radiology venture, AI-Borg Scan, maintained its rapid expansion in the first three months of 2024, with a year-on-year growth of 81% to reach EGP 50 million in Q1 2024. To support this growth, AI-Borg Scan performed 60 thousand tests, a 28% year-on-year rise. Meanwhile, average revenues per test stood at EGP 839, expanding 26% year-on-year. AI-Borg Scan operates through its network of 7 branches spread across the Greater Cairo area, positioning itself as a leader in the fragmented market.

House Calls

During Q1 2024, IDH's house call services continued its significant contribution to the country's results, constituting 4% of total revenue, sitting comfortably above pre-pandemic average, highlighting the segment's growth potential and the effectiveness of its digital strategy.

Wayak

Finally, IDH's Egypt-based subsidiary, Wayak, which seeks to utilize the Company's growing patient database to provide digital health and offer tailor-made services for its patients, completed 51 thousand orders in Q1 2024, an 28% year-on-year increase. The segment is posting improved profitability, with EBITDA turning positive and recording EGP 0.2 million during the quarter, compared to a loss of EGP 0.1 million in Q1 2023.

Detailed Egypt Performance Breakdown

EGP mn	Revenue Analysis	
	Q1 2023	Q1 2024
Total Revenue	731	989
<i>Pathology Revenue</i>	703	839
<i>Radiology Revenue</i>	28	150
	Contribution to Consolidated Results	
<i>Pathology Revenue</i>	96%	84.5%
<i>Radiology Revenue</i>	4%	15.5%
	Test Volume Analysis	
Total Tests	7.3	9.4
	Revenue per Test Analysis	
Total Revenue per Test	99	105

Jordan (14.1% of Group revenue in Q1 2024)

In IDH's second largest market, Jordan, IDH booked revenues of JOD 3.2 million in Q1 2024, down 4% year-on-year, primarily driven by lower test volumes, which stood at 566 thousand tests during the period, a 3% year-on-year decrease, due to the ongoing geopolitical situation in the region, with the most recent escalation in Gaza weighing down on operations.

In EGP terms, Jordanian operations booked a 14% year-on-year increase, booking EGP 165 million in Q1 2024. This was a 18% year-on-year increase in average revenue per test, due to the translation effect from the devaluation of the Egyptian Pound during the period.

Detailed Jordan Performance Breakdown

EGP mn	Revenue Analysis	
	Q1 2023	Q1 2024
Total Revenue	144	165
Test Volume Analysis		
Total Tests ('000)	582	566
Revenue per Test Analysis		
Total Revenue per Test	248	291

Nigeria (1.3% of Group revenue in Q1 2024)

Echo-Lab, IDH's Nigerian subsidiary, posted a 29% year-on-year increase in revenues in NGN terms during the first quarter of 2024, reaching 1.3 million. Higher revenues in local currency terms were entirely driven by a 65% year-on-year increase in average revenue per test, which stood at 1,300 thousand during Q1 2024. Meanwhile, test volumes were down 22% year-on-year compared to the same time last year, standing at 500 thousand tests due to the ongoing economic volatility in the country affecting patient purchasing power.

In EGP terms, Echo-Lab booked EGP 16 million in revenues during Q1 2024, down 49% year-on-year. In local currency terms, the geography, average revenue per test declined to EGP 282 during the first three months of the year, reflecting the devaluations of the Naira over the past year.

Saudi Arabia (0.1% of Group revenue in Q1 2024)

IDH's newest geography, Saudi Arabia, officially commenced operations in Q1 2024 with the rollout of 2 Biolab branches in Riyadh. One branch was inaugurated in January while the other opened in March 2024. The Kingdom is characterized by a growing economy, and a fragmented diagnostics market posing significant potential for IDH. This new venture is a clinical pathology diagnostic services provider, with an extensive branch network covering the entire Kingdom.

In its inaugural quarter, Biolab KSA posted revenues of SAR 58 thousand, performing 2 thousand tests and booking an average revenue per test of SAR 29. In EGP terms, Saudi operations yielded revenues of EGP 677 thousand with average revenues per test amounting to EGP 338.5.

Sudan

Due to the ongoing situation in Sudan, which started with the eruption of violent conflict in April 2023, IDH has ceased operations starting in Q1 2024. All 18 of IDH's branches in the country have now been indefinitely shut down.

Revenue Contribution by Country

	Q1 2023
Egypt Revenue (EGP mn)	731
<i>Pathology Revenue (EGP mn)</i>	703
<i>Radiology Revenue (EGP mn)</i>	28
<i>Egypt Contribution to IDH Revenue</i>	79.9%
Jordan Revenue (EGP mn)	144
Jordan Revenues (JOD mn)	3.4
<i>Jordan Revenue Contribution to IDH Revenue</i>	15.8%
Nigeria Revenue (EGP mn)	31
Nigeria Revenue (NGN mn)	468

<i>Nigeria Contribution to IDH Revenue</i>		3.4%
Saudi Arabia Revenue (EGP k)		
Saudi Arabia Revenue (SAR k)		-
<i>Saudi Arabia Contribution to IDH Revenue</i>		-
Average Exchange Rate		
		Q1 2023
USD/EGP		30.5
JOD/EGP		42.9
NGN/EGP		0.07
SAR/EGP		-
Patients Served and Tests Performed by Country		
		Q1 2023
Egypt Patients Served (mn)		1.8
Egypt Tests Performed (mn)		7.3
Jordan Patients Served (k)		92
Jordan Tests Performed (k)		582
Nigeria Patients Served (k)		35
Nigeria Tests Performed (k)		72
Saudi Arabia Patients Served (k)		-
Saudi Arabia Tests Performed (k)		-
Total Patients Served (mn)		1.9
Total Tests Performed (mn)		8.0
Branches by Country		
		31 March 2023
Egypt		520
Jordan		26
Nigeria		12
Saudi Arabia		-
Sudan ⁷		18
Total Branches		576

⁷ Due to the ongoing conflict in Sudan, IDH has terminated operations in the country, with the closure of all 18 branches.

Cost of Goods Sold

IDH booked cost of goods sold of EGP 742 million during the first quarter of the year, a 25.7% year-on-year increase. Cost of goods sold constituted 63.4% in Q1 2024, down from 64.5% one year prior. Lower cost of goods sold as a share of revenue was due to lower raw materials and salaries and depreciation expenses as a share of revenue.

Cost of Goods sold Breakdown as a Percentage of Revenue

Raw Materials
Wages & Salaries
Depreciation & Amortisation
Other Expenses
Total

Raw material costs (33% of consolidated cost of goods sold in Q1 2024) the largest contributor to cost of goods sold, recording EGP 245 million, reflecting a 34% year-on-year increase. As a share of revenue, raw materials stood at 21% of revenue, up from 19.6% in the same period of the previous year.

Wages and salaries including employee share of profits (31% share of consolidated cost of goods sold) recording EGP 230 million during the quarter, a 21% year-on-year increase. As a share of revenue, wages and salaries stood at 19.6%, down from 20.7% in the same period of the previous year. Declining wages as a share of revenue are due to declining headcount compared to the previous year.

Direct Wages and Salaries by Region

	Q1 2023
Egypt (EGP mn)	141
Jordan (EGP mn)	39
Jordan (JOD k)	912
Nigeria (EGP mn)	7.5
Nigeria (NGN mn)	114
Saudi Arabia (EGP mn)	-
Saudi Arabia (SAR k)	-

Direct depreciation and amortization costs (13% of consolidated cost of goods sold) reached EGP 100 million in Q1 2024, up from EGP 90 million in Q1 2023. As a share of revenues, depreciation and amortization costs decreased by 1.1 points year-on-year to 8.6% during the three-month period. This was due to the expansion of IDH's branch network, including the rollout of 26 branches in Egypt as well as an additional Al-Borg Scan branch in Saudi Arabia.

Other expenses (22% of consolidated cost of goods sold) amounted to EGP 165 million in Q1 2024, reflecting a 10% year-on-year increase. As a share of revenues, other expenses remained relatively stable as a share of revenues, constituting 14% during both Q1 2024 and the comparable period of Q1 2023. This was due to increased contracts, and cleaning expenses remained the largest contributors to other expenses during the period.

Gross Profit

The Company booked a gross profit of EGP 428 million during the first three months of the year, recording a 30% year-on-year increase. Gross Profit Margin (GPM) stood at 37%, up from 35% in Q1 2023. Increased gross profitability reflected the price increase as a share of revenues during the period, utilizing its fixed assets to decrease depreciation and optimizing its headcount as a share of revenues.

Selling, General and Administrative (SG&A) Expenses

SG&A outlays during Q1 2024 came in at EGP 208 million, up 6% year-on-year. As a share of revenues, SG&A expenses stood at 17%, down from 21% one year prior. Increased SG&A expenses in absolute terms were mainly driven by the following:

- Higher indirect wages and salaries, which recorded EGP 79 million, a 15% year-on-year increase. This was due to annual wage increases as well as the translation effect from Jordanian salaries as a result of a weakened Jordanian dinar. Indirect salaries and wages as a share of revenues declined to 6.8% during the quarter, compared to 7.5% in Q1 2023, due to declining headcount across its operations.
- Increased impairment loss on trade and other receivables, which booked a 63% year-on-year increase. This was due to reflecting a conservative approach by management due to economic headwinds and increased inflation in the region.

Selling, General and Administrative Expenses

Wages & Salaries	Q1 2024
Accounting Fees	Q1 2024
Market - Advertisement expenses	Q1 2024
Other Expenses	Q1 2024
Depreciation & Amortisation	Q1 2024

Impairment loss on trade and other receivable
Travelling and transportation expenses
Other (income)/expense
Total

EBITDA

During Q1 2024, IDH booked an EBITDA⁸ of EGP 330 million, a 45% year-on-year increase reflecting the continuation of 12 months. In parallel, the EBITDA margin stood at 28% up from 25% in Q1 2023.

It is important to note that EBITDA has been partially weighed down due to the recent ramp-up of operations. Accounting for Saudi operations, IDH would have recorded an EBITDA of EGP 352 million and yielded a margin of 29%.

EBITDA by Country

In **Egypt**, IDH recorded an EBITDA of EGP 320 million in Q1 2024, up 61% year-on-year. The EBITDA margin stood at 28% compared to 25% last year. Higher EBITDA profitability in the region reflected lower SG&A expenses, which declined 8% year-on-year, and depreciation expenses.

In **Jordan**, IDH's subsidiary, Biolab, posted an EBITDA of JOD 753 thousand in Q1 2024, down 10% year-on-year. In EGP terms, EBITDA recorded 39 million, up 9% year-on-year and yielding a margin of 23%. This is due to the translation effect from the devaluation of the EGP during the past twelve months.

In **Nigeria**, continued economic downturns in the country, leading to increasing inflation, has affected IDH's cost of sales during the first quarter of the year. In Q1 2024, EBITDA losses recorded NGN 244 million, widening from NGN 100 million in Q1 2023. In EGP terms, EBITDA losses stood at EGP 7 million in Q1 2024, narrowing from EGP 8 million one year prior. Narrowing is due to the translation effect following the devaluation of the Nigerian Naira.

In **Saudi Arabia**, EBITDA losses recorded SAR 2 million as the venture begins to ramp up its operations. Meanwhile, in EGP terms, EBITDA losses stood at EGP 22 million.

Regional EBITDA in Local Currency

		Q1 2024	Q1 2023
Egypt EBITDA	EGP mn	320	199
Margin		28%	25%
Jordan EBITDA	JOD k	753	837
Margin		23%	25%
Nigeria EBITDA	NGN mn	(244)	(100)
Margin		(12%)	(10%)
Saudi Arabia EBITDA	SAR k	(2)	(2)
Margin		(0.0001%)	(0.0001%)

⁸ EBITDA is calculated as operating profit plus depreciation and amortization.

Interest Income / Expense

IDH's interest income recorded EGP 25 million, increasing considerably from EGP 15 million in Q1 2023. Higher interest income is due to an increase in interest rates imposed by the CBE during the past 12 months, in addition to increased cash balances. Interest expense recorded EGP 44 million, up 2% year-on-year in Q1 2024. The marginal increase in interest expense is due to:

Interest expense⁹ stood at EGP 44 million, up 2% year-on-year in Q1 2024. The marginal increase in interest expense is due to:

- Higher interest on lease liabilities related to IFRS 16 due to the addition of new branches to IDH's network.
- Higher interest expenses following the CBE decision to increase rates in December 2023 and February 2024. As of 31 March 2024, interest bearing debt balance decreased to EGP 104 million as at 31 March 2024, from EGP 111 million in Q1 2023. To reduce foreign currency risk, the Company agreed with General Electric (GE) for the early repayment of a loan of EGP 5.7 million. To finance the settlement, IDH utilized a bridge loan facility, with half the amount being funded by IDH (EGP 2.85 million) and the other half (EGP 2.85 million) was provided through a bridge loan by Ahly United Bank- Egypt (AUBE). Interest expenses recorded EGP 5 million in Q1 2024. The bridge loan was fully settled in Q2 2023.
- Fast track payments worth EGP 1.6 million, which encompass discounts provided for the rapid payment of invoices.

Interest Expense Breakdown

EGP mn	Q1 2023
Interest on Lease Liabilities (IFRS 16)	22.3
Interest Expenses on Leases	8.4
Interest Expenses on Borrowings ¹⁰	5.1
Bank Charges	2.4
Loan-related Expenses on IFC facility ¹¹	4.6
Fast Track Payment	-
Total Interest Expense	42.8

⁹ Interest expenses on medium-term loans include EGP 5 million related to the Group's facility with Ahly United Bank Egypt (AUBE).

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

IDH recorded property, plant and equipment (PPE) cost of EGP 2,903 million as of 31 March 2024, up from EGP 2,711 million at the end of 2023. The increase in CAPEX as a share of revenue during the past three-month period is mainly attributable to the addition of new equipment and improvements of IDH's headquarters (constituting 4.3% of revenues), in addition to the translation effect recorded in Q1 2024 (comprising 25.5% of revenues).

Total CAPEX Addition Breakdown - Q1 2024

Leasehold Improvements/new branches
AI-Borg Scan Expansion
Total CAPEX Additions Excluding Translation
Translation Effect
Total CAPEX Additions

Accounts Receivable and Provisions

Accounts receivable at 31 March 2023 amounted to EGP 703 million, up 23% year-to-date. Meanwhile, IDH's receivable turnover ratio improved to 134 days, up from 134 days at the end of 2023.

Provision for doubtful accounts during Q1 2024 recorded EGP 17 million, up from EGP 11 million one year ago. The provision continues to reflect slower collection rates due to inflationary pressures in IDH's markets, particularly Egypt and North Africa.

Inventory

At 31 March 2024, IDH booked an inventory balance of EGP 480 million, up 28% compared to the end of 2023. Inventory turnover ratio increased to 164 days, from 133 days at 31 December 2023. Increased DIO showcases management's proactive measures to manage inventory against inflationary pressures.

Cash and Net Debt

Cash balances and financial assets at amortised cost at 31 March 2024 reached EGP 944 million, up from EGP 811 million at the end of 2023.

EGP million
Treasury Bills
Time Deposits
Current Accounts
Cash on Hand
Total

IDH's net debt balance came in at EGP 359 million as of the end of Q1 2024, remaining relatively stable compared to the end of 2023.

EGP million	31 Dec 2023
Cash and Financial Assets at Amortised Cost ¹³	811
Lease Liabilities Property*	(82)
Total Financial Liabilities (Short-term and Long-term)	(24)
Interest Bearing Debt ("Medium Term Loans")	(12)
Net Debt Balance	(36)

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

*If excluding Lease Liabilities Property (IFRS 16), IDH would have recorded net cash of EGP 578 million

Lease liabilities and financial obligations on property came in at EGP 937 million at the end of Q1 2024, with a rise in JOD-denominated liabilities in Jordan following the devaluation of the EGP in early 2024.

Meanwhile, **financial obligations related to equipment** stood at EGP 250 million as at 31 Mar 2024, with the increase due to contracts with equipment suppliers following the devaluation of the Egyptian Pound.

Finally, **interest bearing debt**¹⁴(excluding accrued interest) reached EGP 104 million at the end of Q1 2024, down from EGP 116 million at the end of 2023.

¹² The net debt balance is calculated as cash and cash equivalent balances including financial assets at amortised cost, less interest-bearing debt (medium term loans).

¹³As outlined in Note 18 of IDH's Consolidated Financial Statements, some term deposits and treasury bills cannot be accessed for over 3 months and are therefore classified as non-current assets. At the end of Q1 2024, term deposits and treasury bills not accessible for over 3 months stood at EGP 67 million at March 2023 (2022: EGP 60 million). Meanwhile, treasury bills not accessible for over 3 months stood at EGP 139 million at the end of Q1 2024.

¹⁴IDH's interest bearing debt as at 31 March 2024 included EGP 107 million to its facility with Ahli United Bank Egypt (AUBE) (outstanding loan balances are excluded from net debt) and EGP 104 million to its facility with General Electric (GE) (outstanding loan balances are excluded from net debt). In order to finance the early repayment settlement with General Electric, the Company utilized a bridge loan facility of EGP 55 million. The facility was withdrawn in Q1 2024.

Liabilities

Accounts Payable¹⁵

Accounts payable as of 31 March 2024 stood at EGP 300 million, up from EGP 272 million at the end of 2023. The increase in accounts payable came in at 110 days, down from 113 days at 31 December 2023.

Put Option

The put option current liability stood at EGP 441 million as at 31 March 2024, up from EGP 314 million at 31 December 2023.

• The option granted in 2011 to Dr. Amid, Biolab's CEO, to sell his stake (40%) to IDH. The put option liability is calculated as 7 times Biolab's LTM EBITDA minus net debt. Biolab's put option liability decreased from EGP 314 million at the end of 2023 to EGP 441 million at the end of Q1 2024.

INTEGRATED DIAGNOSTICS HOLDINGS plc - "IDH"
AND ITS SUBSIDIARIES

Consolidated Financial Statements

for the quarter ended 31 March 2024

Consolidated statement of financial position as at 31 March 2024

	Notes	31 March EGP
Assets		
Non-current assets		
Property, plant and equipment	4	1,540
Intangible assets and goodwill	5	1,780
Right of use assets	6	780
Total non-current assets		4,110

Current assets			
Inventories			480
Trade and other receivables		8	907
Financial assets at fair value through profit and loss		7	38
Financial assets at amortized cost		9	206
Cash and cash equivalents		10	737
Total current assets			2,370
Total assets			6,487
Equity			
Share capital			1,072
Share premium reserve			1,027
Capital reserves			(314)
Legal reserve			51
Put option reserve			(501)
Translation reserve			(354)
Retained earnings			1,697
Equity attributable to the owners of the Company			2,678
Non-controlling interests			734
Total equity			3,413
Non-current liabilities			
Provisions			21
Borrowings		13	53
Other financial obligations		14	966
Non-current put option liability		12	47
Deferred tax liabilities		18-C	411
Total non-current liabilities			1,500
Current liabilities			
Trade and other payables		11	699
Other financial obligations		14	221
Current put option liability		12	454
Borrowings		13	49
Current tax liabilities			149
Total current liabilities			1,574

Total liabilities	3,074
Total equity and liabilities	6,487

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

These condensed consolidated interim financial information were approved and authorised for issue by the Board of Directors and signed on t

Dr. Hend El Sherbini
Chief Executive Officer

Indep

Consolidated income statement for the quarter ended 31 March 2024

	Notes	
Revenue	21	
Cost of sales		
Gross profit		
Marketing and advertising expenses		
Administrative expenses	16	
Impairment loss on trade and other receivable		
Other (expenses)/income		
Operating profit		
Finance costs	17	
Finance income	17	
Net finance (costs)/income		
Profit before income tax		
Income tax expense	18-B	
Profit for the period		
Profit attributed to:		
Owners of the Company		
Non-controlling interests		
Earnings per share	20	
Basic and diluted		

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

Consolidated statement of comprehensive income for the quarter ended 31 March 2024

Net profit for the period

Other comprehensive income:

Items that may be reclassified to profit or loss:

Exchange difference on translation of foreign operations

Other comprehensive income for the period, net of tax

Total comprehensive income for the period

Attributable to:

Owners of the Company

Non-controlling interests

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

Consolidated statement of cash flows for the quarter ended 31 March 2024

	Note	31 March 2024 Euro
Cash flows from operating activities		
Profit before tax		5,000
Adjustments for:		
Depreciation of property, plant and equipment	4	600
Depreciation of right of use assets	6	300
Amortisation of intangible assets	5	100
Interest income	17	(200)
Interest expense	17	300
Bank Charges		400
Gain on disposal of Property, plant and equipment		100
Impairment in trade and other receivables		100
impairment in goodwill		(100)
Equity settled financial assets at fair value		(100)
ROU Asset/Lease Termination		100
Hyperinflation losses	17	(300)
Unrealised foreign currency exchange (gains) losses	17	(300)
Change in Provisions		(800)
Change in Inventories		(100)
Change in trade and other receivables		(100)
Change in trade and other payables		(100)
Net cash generated from operating activities		1,000
Cash flows from investing activities		
Interest received on financial asset at amortised cost		200
Payments for the purchase of financial assets at amortized cost		(700)
Proceeds for the sale of financial assets at amortized cost		400
Payments for acquisition of property, plant and equipment	4	(500)
Payments for acquisition of intangible assets	5	(500)
Proceeds from sale of Property, plant and equipment		100
Net cash flows generated (used in) from investing activities		(500)

Cash flows from financing activities

Proceeds from borrowings

Repayments of borrowings

Interest paid

Bank charges paid

Payment of finance lease liabilities

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 6

• Property, plant and equipment - note 4

• Put option liability - note 12

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

Consolidated statement of changes in equity for the quarter ended 31 March 2024

EGP'000	Share Capital	Share premium reserve	Capital reserves	Legal reserve*	Put option reserve	Translation reserve
At 1 January 2023	1,072,500	1,027,706	(314,310)	51,641	(356,583)	(82,341)
Profit for the period	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	(272,504)
Total comprehensive income at 31 March 2024	-	-	-	-	-	(272,504)
Transactions with owners of the Company						
Contributions and distributions						
Dividends	-	-	-	-	-	-
Legal reserve formed during the period	-	-	-	-	-	-
Movement in put option liabilities	-	-	-	-	(145,317)	-
Impact of hyperinflation	-	-	-	-	-	-
paid share from non-controlling interest	-	-	-	-	-	-
Non-controlling interests cash injection in subsidiaries during the period	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	(145,317)	-
Balance at 31 March 2024	1,072,500	1,027,706	(314,310)	51,641	(501,900)	(354,845)
As at 1 January 2023	1,072,500	1,027,706	(314,310)	51,641	(490,695)	24,173
Profit for the period	-	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	(85,899)
Total comprehensive income at 31 March 2022	-	-	-	-	-	(85,899)
Transactions with owners of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	-	-
Legal reserve formed during the period	-	-	-	-	-	-
Movement in put option liabilities	-	-	-	-	192,289	-
Impact of hyperinflation	-	-	-	-	-	-
Non-controlling interest cash injection in subsidiaries during the period	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	192,289	-
Balance at 31 March 2023	1,072,500	1,027,706	(314,310)	51,641	(298,406)	(61,726)

* 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's share capital. 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 4 December 2011 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 117257. These condensed consolidated interim financial information as of and for the three months ended 31 March 2024 comprise the Company and its subsidiaries (together referred as the 'Group'). The Company is a dually listed entity, in both London Stock Exchange (since May 2021) 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 health field of medical diagnostics (the key activities are pathology and Radiology related tests), either through acquisitions of new business in different jurisdictions or through expanding the acquired investments they have. The key jurisdictions that the Group operates are in Egypt, Jordan, Nigeria, Sudan and Saudi Arabia.

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

This condensed consolidated interim financial information were approved for issue by the Directors of the Company on 28 March 2024.

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 2023 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 as at and for the year ended 31 December 2023 which is available at www.idhcorp.com. In addition, results of the three months period ended 31 March 2024 are not necessary indicative for the results that may be expected for the financial year ending 31 December 2024.

B) Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except where adopted in accordance with 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, Nigeria and Saudi Arabia 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 in the consolidated financial statements for the year ended 31 December 2023. 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 could affect the most significant effect on the amount recognised in the condensed consolidated interim financial statement is described in note 4 to the annual consolidated financial statements published for the year ended 31 December 2023. 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 statements for the year ended 31 December 2023".

4. Property, plant and equipment

	Land & buildings	Medical, electric & information system equipment	Leasehold improvements	Fixtures, fittings & vehicles
Cost				
At 1 January 2024	460,869	1,254,894	644,956	155,168
Additions	-	35,133	6,965	6,554
Hyperinflation effect	-	-	-	-
Disposals	-	(769)	(2,926)	(1,247)
Exchange differences	23,772	123,543	106,657	39,949
Transfers			29,516	
At 31 March 2024	484,641	1,412,801	785,168	200,424
Depreciation				
At 1 January 2024	69,311	655,649	353,808	71,503
Depreciation for the period	2,050	38,528	24,818	4,430
Disposals	-	(158)	(408)	(850)
Exchange differences	2,409	74,705	49,724	22,292
At 31 March 2024	73,770	768,724	427,942	97,375
Net book amount				
At 31 March 2024	410,871	644,077	357,226	103,049
At 31 December 2023	391,558	599,245	291,148	83,665

5. Intangible assets and goodwill

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

	Goodwill	Brand n
Cost		
Balance at 1 January 2024	1,304,967	
Additions	-	
Disposals	-	
Exchange differences	48,645	
Balance at 31 March 2024	1,353,612	
Amortisation and impairment		
Balance at 1 January 2024	17,718	
Amortisation	-	
Disposals	-	
Exchange differences	541	

Balance at 31 March 2024	18,259
Net book amount	
At 31 March 2024	1,335,353
At 31 December 2023	1,287,249

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a impairment. No indicators of impairment have been identified during the three months ended 31 March 2024.

6. Right-of-use assets

	31 March
Balance at 1 January	
Addition for the period / year	
Depreciation charge for the period / year	
Terminated contracts	
Exchange differences	
Balance	

7. Financial asset at fair value through profit or loss

	31 March
Current equity investments	

- * On August 17, 2017, Almahbariyoun AL Arab (seller) has signed IT purchase Agreement with JSC Mega Lab (E transfer and install the Laboratory Information Management System (LIMS) for a purchase price amounted to USD 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 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 Lab.
- Ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of March 31, 2024, was 8.25%.
 - On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately expiration of five(5) year period from the signing date, which allows BioLab stake to be bought out by CHG at a price of equity value being USD 400,000 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 call option (Accreditation Call option), exercisable within 6 months period, allowing CHG to purchase BioLab's Shares 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 Megalab at a value of USD 400,000 plus higher of 20% annual IRR or 6X EV/EBITDA (of the financial year immediately preceding the option exercise date).

- In case the Management Agreement or the Purchase Agreement and/or the Service level Agreement is terminated/within 6 months period from the date of such termination/cancellation, CHG shall have a call option, which allows the purchase Biolab's Strake in JSC Megalab having value of USD 400,000.00 plus 20% annual Interred Rate of Return (IRR)

8. Trade and other receivables

	31 March
Trade receivables - net*	
Prepayments	
Due from related parties note (15)	
Other receivables - net*	
Accrued revenue	

* The expected credit loss related to trade and other receivables was EGP 216,938K (2023: EGP 191,580K). Below movements in the provision for impairment of trade and other receivables:

	31 M
At 1 January	
Charge for the period	
Exchange differences	

9. Financial assets at amortised cost

	31 March
Term deposits (more than 3 months)	
Treasury bills (more than 3 months)	

The maturity date of the treasury bills and Fixed-term deposits are between more than 3 months and 12 months and have interest rates treasury bills of EGP 26.53% and Fixed-term deposits of EGP and JOD 5.59% and 5.38% respectively.

10. Cash and cash equivalents

	31 March
Cash at banks and on hand	537,2
Treasury bills (less than 3 months)	151,1
Term deposits (less than 3 months)	49,1
	737,4

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and treasury bills are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective weighted average rate. Of the above Short-term deposits relates to amounts held in Egypt with a weighted average rate of 16.61% (2023: 16.40%), Short-term deposits relates to amounts held in Nigeria with a weighted average rate of 5% (2023: 5%) and Short-term deposits relates to amounts held in Nigeria with a weighted average rate of 5.6% (2023:5.6%). Treasury bills are denominated in EGP and earn interest at a weighted average rate of 24.19% (2023: 24.95%) per annum.

11. Trade and other payables

	31 March 2024
Trade payable	300,000
Accrued expenses	174,000
Due to related parties note (15)	9,000
Other payables	144,000
Deferred revenue	68,000
Accrued finance cost	3,700
	<u>699,000</u>

12. Put option liability

	31 March 2024
Current put option - Biolab Jordan	441,200
Current put option - Eagle Eye-Echo scan	12,800
	<u>454,000</u>

	31 March 2023
Non-current put option - Medical Health Development	47,500
	<u>47,500</u>

12. Put option liability (continued)

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 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 from the anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this

31 March 2024. It is important to note that the put option liability is treated as current as it could be exercised at any time by However, based on discussions and ongoing business relationships, there is no expectation that this will happen in next 21 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 and the Inter Finance Corporation (IFC) related to the Eagle Eye-Echo scan transaction, IFC has the option to put its shares to Dynasty 2024. The put option price will be calculated on the basis of the fair market value determined by an independent valuator.

Put option - Medical Health Development

Based on the agreement made on October 27th, 2022, between Business Flower Holding LLC, Integrated Diagnostics Holding and Al Makhbaryoun Al Arab there is a clause that in cases of bankruptcy and defaulting, a non-defaulting party is entitled to implement any of the following options for a defaulting party's share without reference to it:

(A) sell to the Non-Defaulting Party its Shares at the Fair Price of such Shares.

(B) buy the Non-Defaulting Party's Shares at the Fair Price of such Shares.

(C) requesting the dissolution and liquidation of the Company.

It's important to note that the put option, which grants these rights to the non-defaulting party, does not have a specific expiration date.

13. Loans and borrowings

	Currency	Nominal interest rate	Maturity
AUB ??? BANK	EGP	CBE corridor rate*+1%	26 January 2027
AUB - BANK	EGP	Secured 5%	3 May 2024
Bank: Sterling BANK	NGN	Secured 22%	26 May 2024

Amount held as:

Current liability

Non- current liability

A) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from United Bank "AUB Egypt" to finance the investment cost related to the expansion into the radiology segment. As of March 2024 only EGP 124.9 M had been drawn down from the total facility available with 43.9 M had been repaid. 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 annual maintenance of 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, is 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 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 2024 corridor rate 28.25% (2023: 20.25%)

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

14. Other financial obligations

	31 March 2024
Financial liability- laboratory equipment	249,983
Lease liabilities building	937,365
	<u>1,187,348</u>

The un-discounted financial obligations for the laboratory equipment and building are as follows:

	<u>Minimum payments</u>
Less than one year	344,195
Between one and five years	1,147,627
More than five years	179,130
	<u>1,670,952</u>

	<u>Minimum payments</u>
Less than one year	291,342
Between one and five years	1,054,902
More than Five years	166,965
	<u>1,513,209</u>

Amounts recognised in profit or loss:

Interest on lease liabilities	<u> </u>
Expenses related to short-term lease	<u> </u>

15. Related party transactions

The significant transactions with related parties, their nature volumes and balance during the period 31 March 2024 are as follows:

Related Party	Nature of transaction	Nature of relationship
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
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
Business Flowers Holding	Put option liability	shareholder

15. Related party transactions (continued)

Related Party	Nature of transaction	Nature of relationship
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 board member
Life Health Care	Provided service	Entity owned by Company 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)	Rental income	Entity owned by Company CEO
	Medical Test analysis	
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder
Business Flowers Holding	Put option liability	shareholder

* ALborg Scan is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar I

** 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 key management personnel.

	31 March 2023
Short-term employee benefits	2,000
	2,000

16. General and administrative expenses

	2
	<hr/>
Wages and salaries	61
Depreciation	7
Amortisation	1
Consulting fees	24
Other expenses	37
Total	<hr/> 133 <hr/> <hr/>

17. Net finance cost

Finance income

Interest income	
Net foreign exchange gain	

Total finance income

Finance cost

Bank charges	
Interest expense	

Total finance cost

Net finance income

The increase is mainly driven from the change of exchange rate between EGP and other currencies that took place in March 2024, which resulted into foreign exchange gain during the period ended 31 March 2024.

A) Tax expense

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

B) Income tax

Amounts recognised in profit or loss as follow:

Current tax:

Current period	(66,
----------------	------

1

20

(66,

Current tax	(66,
Deferred tax:	
Deferred tax arising on undistributed reserves in subsidiaries	(31,
Relating to origination and reversal of temporary differences	(3,9
Total Deferred tax expense	(34,
Tax expense recognised in profit or loss	(101

C) Deferred tax liabilities

Deferred tax relates to the following:

Property, plant and equipment	
Intangible assets	(
Undistributed reserves from Group subsidiaries	(
Provisions	
Net deferred tax liabilities	(

19. Financial instruments

The Group has reviewed the financial assets and liabilities held at 31 March 2024. It has been deemed that the carrying amount of all financial instruments are a reasonable approximation of fair value. All financial instruments are deemed Level 3.

20. Earnings per share

Profit attributed to owners of the parent	
Weighted average number of ordinary shares in issue	
Basic and diluted earnings per share	

The Company has no potential diluted shares as at 31 March 2024 and 31 March 2023, therefore; the earnings per diluted share is 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 five 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 geographical area.

The Group operates in five geographic areas, Egypt, Sudan, Jordan, Nigeria and Saudi Arabia. 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 driver reviewed by CODM) net profit and loss between the five regions is set out below.

For the three months ended	Revenue by geographical region			
	Egypt region	Sudan region	Jordan region	Nigeria
31 March 24	988,936	-	165,191	
31 March 2023	731,040	8,780	144,473	

For the three months ended	EBITDA by geographical region			
	Egypt region	Sudan region	Jordan region	Nigeria
31 March 2024	319,594	(18)	39,131	
31 March 2023	197,947	1,622	35,832	

21. Segment reporting (continued)

For the three months ended	Net profit / (loss) by geographical region			
	Egypt region	Sudan region	Jordan region	Nigeria
31 March 2024	423,245	10,703	(1,193)	
31 March 2023	171,237	4,072	6,392	

	Revenue by type	
	31 March	
	2024	2023
Pathology	1,104,449	856,436
Radiology	66,124	58,855
	1,170,573	915,291

	Non-current assets by geographical region			
	Egypt region	Sudan region	Jordan region	Nigeria
31 March 2024	3,067,334	5,896	898,069	
31 December 2023	3,091,485	3,848	609,699	

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

Profit from operations

Property, plant and equipment depreciation

Right of use depreciation

Amortization of Intangible assets

EBITDA

22. Significant events during the period

The Monetary Policy Committee of the Central Bank of Egypt decided to raise the deposit and lending interest rates by 200 basis points on 1 February 2024, then by 600 basis points on 6 March 2024. The credit and discount rates were also raised by 600 basis points on 6 March 2024.

The Central Bank of Egypt announced that it would allow the foreign exchange rate to be determined against the Egyptian pound per market mechanisms, starting from 6 March 2024.

23. Subsequent events

In the Board of Directors meeting of Integrated Diagnostics Holdings plc "IDH" on May 15, 2024, the company approved the delisting of its shares from the Egyptian Stock Exchange. The decision shall be presented to the company's general assembly during its annual meeting.

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