IDH INTEGRATED DIAGNOSTICS HOLDINGS

2022
Annual Report

A Year of Sustainable
Growth and Expansion

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Annual Report

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Strategic Report

3.6 EGP/BN
Revenue in 2022

18%
Conventional revenue growth in 2022

527 EGP/MN
Net profit in 2022

IDH at a Glance

Integrated Diagnostics Holdings ("IDH", the "Group", or the "Company") is a leading consumer clinical laboratory, and one of the largest diagnostic players, in the Middle East and Africa (MEA) with operations in Egypt, Jordan, Nigeria, and Sudan. With a track record spanning over 40 years, IDH is a trusted and fully integrated provider of pathology and radiology services with prestigious internationally recognised accreditations. Today, the Group offers patients a broad portfolio of over 2,000 high-quality diagnostic tests, in addition to an encompassing radiology offering ranging from MRI to PET-CT scans. As at 31 December 2022, IDH operated a network of 552 branches across its geographic footprint, utilizing a Hub, Spoke, and Spike business model to fuel its continued expansion.

In parallel with its continuous investment in organic growth, the Group actively pursues strategic acquisition opportunities in new markets where IDH can leverage its business model to capitalise on healthcare and consumer trends in line with those witnessed across its current geographies. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (LSE) since May 2015. The Company's EGP-dominated and dual-listed ordinary shares made their debut on the Egyptian Exchange (EGX) in May 2021.

+40
years track record at the subsidiary levels

7
key brands with strong awareness in underserved markets

552
operational branches as at 31 December 2022

3.6 EGP/BN
in revenue in 2022, -31% vs 2021

EGX
listed since May 2021

LSE
listed since May 2015

Our Brands

IDH's core brands include Al Borg, Al Borg Scan, Al Mokhtabar, and Wayak in Egypt; Biolab in Jordan; Ultralab and Al Mokhtabar Sudan in Sudan; and Echo-Lab in Nigeria.

Our Markets

With a geographic footprint spanning the Middle East and Africa, and including Egypt, Jordan, Nigeria, and Sudan, IDH operates in generally underpenetrated markets. The nature of these underserved markets' diagnostic service industries provides significant drivers for the Group's future growth. In line with the Group's growth ambitions, IDH announced the launch of a new Saudi Arabian venture in October 2022. The new subsidiary, which was launched in partnership with Fawaz Alhokair Group, will begin operations in 2023.

4
countries across the Middle East and Africa

1
greenfield expansion in new market (Saudi Arabia) in 2023

Our Services

Through IDH's brands, the Group offers over 2,000 internationally accredited pathology tests ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders. IDH also offers a full suite of radiology services through Al Borg Scan in Egypt and Echo-Lab in Nigeria. Finally, IDH also offers highly tailored healthcare management services through its Egypt-based subsidiary, Wayak.

01 Immunology
02 Microbiology
03 Haematology
04 Endocrinology
05 Clinical Chemistry
06 Molecular Biology
07 Cytogenetics
08 Histopathology
09 Genetics

Radiology Offering

IDH offers a vast array of radiology services through Al Borg Scan in Egypt and Echo-Lab in Nigeria. Al Borg Scan is also the sole radiology provider in Africa boasting the prestigious American College of Radiology (ACR) accreditation, a testament to the high-quality services delivered by the venture. IDH's Scan services include PET-CT, CT, MRI, Mammography, Ultrasound, X-Ray, EMG, EEG, ECG, and Gamma Camera. Today, Al Borg Scan in Egypt operates six centres, having served more than 230 thousand patients since its establishment.

01 Diagnostic Radiology	02 Interventional Radiology	03 Nuclear Radiology
PET-CT	CT	MRI
Mammography	Ultrasound	X-Ray
EMG	EEG	ECG

Our Clients

IDH serves two principal types of clients: contract (corporate) and walk-in (individuals). The Group also offers house call services to each of these segments, and it provides a lab-to-lab service for the corporate segment.

IDH's walk-in clients, also referred to as "self-payers", represented 42% of the Group's 2022 revenues, and they include individuals who pay out of pocket for diagnostic tests and other services.

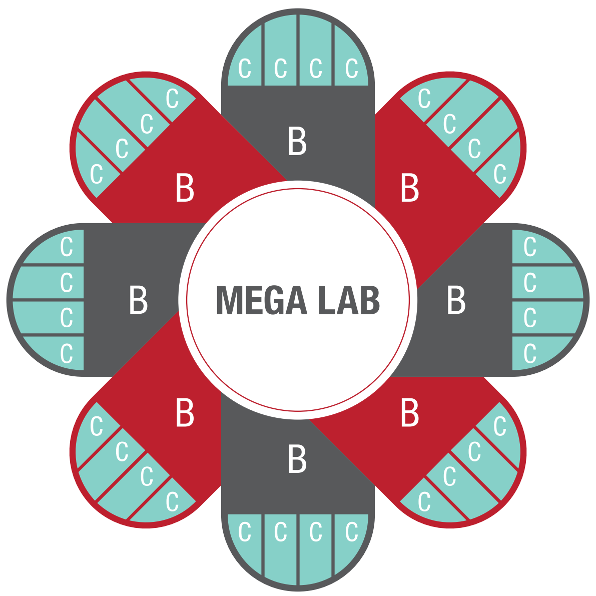
IDH's contract clients, who accounted for the remaining 58% of the Group's revenues in 2022, are comprised of institutions, such as unions, syndicates, private and public insurance companies, banks, and corporations that enter into renewable one-year contracts at agreed rates per-test and on a per-client basis.

An Asset-Light Business Model

Utilizing an asset-light business model for its laboratory offering, IDH can grow in a capital-efficient manner. The model is comprised of two strategic components; first, IDH's easily scalable "Hub, Spoke, and Spike" network of branch laboratories, and second, the Group's key relationships with suppliers facilitate rapid expansion opportunities without the need to purchase expensive medical diagnostic equipment.

Hub, Spoke, and Spike

The Group's CAP-accredited Mega Lab operates as the "Hub" and is equipped with state-of-the-art equipment. This provides the necessary tools and the capacity to process all tests and services for samples collected by the B-Labs (Spokes) and C-Labs (Spikes). The Group utilises its B-Labs to process routine tests and leverages their capacity to manage traffic to IDH's Mega Lab when needed. In parallel, C-Labs or Spikes serve primarily as collection centres and significantly increase the Group's geographic reach to clients nationwide. IDH has also recently launched a full-fledged radiology venture to complement its traditional lab and pathology offering. The new radiology offering not only diversifies the Group's revenue streams but will further fuel growth at its conventional pathology segment. This "plug and play" business model forms the operational backbone of the Group and provides considerable leverage in extracting superior revenue and cost synergies.



Supplier Relationships

IDH's unique business model solidifies the Company's position in its relationship with its suppliers. As one of the MENA region's largest providers of diagnostics, IDH has built strong partnerships that enable the negotiation of favourable contract terms with medical equipment and test kit suppliers. The Group's contracts with its key suppliers of medical testing kits also include the provision of the equipment to analyse the laboratory test results. These agreements have minimum annual commitment payments to cover the medical diagnostic equipment, kits, and chemicals to be used for testing, as well as ongoing maintenance and support services. Additionally, IDH's contract stipulations typically include tenors ranging between five and seven years, with equipment substitution following the renewal of contracts. These extended tenors effectively shield IDH from unexpected temporary price fluctuations, providing a notable advantage considering increasing inflation rates during 2022. Due to IDH's scale and market reputation, the Group works principally with top international suppliers, including Siemens, Roche, Abbott Laboratories, Sysmex, General Electric, and Philips.

As a direct result of the Group's sheer business size and consistently growing test volumes, IDH comfortably covers minimum annual payments. Moreover, economies of scale achieved through the Company's significant operating volumes increases its pricing power, reduces costs per test, and avoids the initial capital outlay typically required for the purchase of medical diagnostic equipment.

Integrated Diagnostics Holdings | **Suppliers**

2022 Highlights

Financial Highlights

Conventional[1] Revenues
posted robust 18% year-on-year growth on the back of a continued normalisation of patient traffic post-Covid-19.

Covid-19-related[2] Revenues
recorded EGP 702 million in 2022, down 75% year-on-year.

Covid-19-related Net Sales[3]
declined sharply, contracting by 75% year-on-year to EGP 639 million in 2022.

Consolidated Revenue
declined 31% year-on-year to record EGP 3,605 million in 2022.

Consolidated Net Sales
recorded EGP 3,542 million during 2022, a 30% year-on-year contraction wholly reflecting the fall in Covid-19-related net sales, which had boosted consolidated results in 2021.

Gross Profit
recorded EGP 1,462 million for 2022, down 48% year-on-year from the EGP 2,804 million recorded in 2021. Gross profit margin on revenue and net sales recorded 41% in 2022 versus a margin of 54% on revenue and 56% on net sales in 2021. Lower gross profitability for the year principally reflects a normalisation of margins following the year-on-year decline in Covid-19-related business.

[1] Conventional (non-Covid-19) tests include IDH's full service offering excluding the Covid-19 related tests outlined below.
[2] Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers, including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin, and C-reactive Protein (CRP), which the Company 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.
[3] A reconciliation between revenues (compliant with IFRS) and net sales is presented on page 64 of this report.
[4] EBITDA is calculated as operating profit plus depreciation and amortization. EBITDA is an important measure as it shows the performance of the Group and the Group's ability to reinvest funds generated, and this is a widely used term for acquisitive businesses such as ourselves.
[5] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX, and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan. Adjusted measures eliminate the one-off impacts of items in the year to provide a measure of underlying performance, which is regularly utilized by management.

EBITDA[4]
recorded EGP 1,150 million in 2022, down 54% from the EGP 2,501 million recorded in 2021. EBITDA margin on revenue and net sales both stood at 32% for the year.

Adjusted EBITDA[5]
which adjusts for non-recurring expenses incurred by IDH in 2021 and 2022, came in at EGP 1,172 million in 2022, representing a 54% year-on-year decrease. Adjusted EBITDA margin on revenue recorded 33% in 2022 versus 48% the previous year. Meanwhile, Adjusted EBITDA margin on net sales came in at 33% versus 50% in 2021. The decline is attributable to lower gross profitability for the year coupled with an increase in SG&A expenses.

Net Profit
recorded EGP 527 million for FY 2022, down 65% year-on-year. Adjusting for losses resulting from transactions completed by the Company to secure the US$ balance needed to fulfil its FY 2021 dividend obligations to shareholders and transaction cost related to the aborted Pakistan acquisition,[6] the Group would have recorded a net profit of EGP 692 million in 2022, with a margin on revenue of 19% and on net sales of 20%.

Earnings per Share
stood at EGP 0.90 in 2022 compared to EGP 2.35 in 2021.

[6] In December 2021, the Company signed a sale and purchase agreement to acquire 50% shareholding in Base Consultancy FZ LLC, the holding company of Islamabad Diagnostic Centre (IDC). While the original SPA expired on 29 August 2022, IDH and the Seller continued negotiations aimed at concluding a transaction on modified terms. Despite the efforts of the parties, extensive delays in the regulatory review process, the challenging global economic environment, and the condition precedent related to repatriating funds have resulted in the discontinuation of negotiations towards completing the transaction in January 2023.

Operational Highlights

Expanding Reach
IDH continued expanding its reach and delivery capabilities, rolling out an additional 52 branches[7] throughout the year across Egypt, Jordan, and Nigeria. In parallel, the Group continued to capitalise on its house call services, which contributed to 18% of Egypt's revenues, well above its pre-pandemic average.

Enhanced Service Offering
The Group continued to develop its service offering, delivering on its ramp-up targets for Al Borg Scan in Egypt. The venture posted impressive 91% year-on-year revenue growth supported by two new branch launches throughout the year. Al Borg Scan also became the first lab in Africa to boast the prestigious American College of Radiology (ACR) accreditation.

Sustained Conventional Growth in Egypt and Jordan
Across both Egypt and Jordan, IDH continued to record sustained growth in conventional revenues as both test volumes and average revenue per conventional test increased versus the previous year. In Egypt, conventional revenues expanded 16% year-on-year, while in Jordan, conventional revenues were up 29% in EGP terms and 2% in JOD terms. This partially offset a contraction in IDH's Covid-19-related business year-on-year to EGP 639 million in 2022.

Steady Growth in Nigeria
In Nigeria, IDH continued to record robust revenue growth, up 47% year-on-year in EGP terms and 24% in NGN terms, supported by an increasingly favourable test mix and higher test volumes. Despite this, Echo-Lab's profitability continued to be impacted by rising diesel prices.

Resilience in Sudan
In Sudan, IDH recorded solid growth in both SDG and EGP terms, supported by rising test prices.

[7] *Net branch additions for the year stood at 50 when considering the closure of two underperforming branches in Sudan during the year.*

Chairman’s Message

I am pleased to report that despite the exceptional challenges faced in 2022, your Company continued to deliver solid results, marked by impressive growth in our traditional non-Covid-19 business.

I am pleased to report that despite the exceptional challenges faced in Egypt and across our other geographies, your Company continued to deliver solid results in 2022, marked by impressive growth in our traditional non-Covid-19 business and clear progress on our longer-term value creation strategy.

Overcoming Challenges

Since March 2022, the fallout from the war in Ukraine and the lingering global impact of Covid-19 have had significant knock-on effects on Egypt: The Egyptian pound (EGP) has devalued by over 50%, inflation has risen sharply, and interest rates are at multi-year highs.

Despite these challenges, we once again demonstrated the resilience of our business model and the appeal of our value proposition, generating double-digit year-on-year growth in conventional revenue, which now stands a remarkable 33% above pre-Covid-19 levels.

Throughout the year, we performed over 31 million conventional tests — the highest test volumes ever recorded by IDH. In parallel, we honoured our responsibility as a leading healthcare company by sharing the burden of inflation with our patients, limiting price increases to ensure our services remained accessible to the millions of patients who entrust us with their health tests every year. We will continue to pass on price rises judiciously and in a manner that preserves our clear leadership in an increasingly competitive market.

Also last year, we added new branches in Egypt, Jordan, and Nigeria, guaranteeing greater accessibility and coverage. We also added new medical services, ensuring that our offering remained competitive and in line with patients’ evolving needs and expectations.

We maintained the service quality for which our brands are known.

In 2022, IDH became the first provider in Africa to earn the American College of Radiology (ACR) accreditation.

Expanding Our Footprint

We continue to enjoy strong organic growth prospects at the same time that we continue to consider M&A opportunities across new African, Middle Eastern, and Asian markets.

We look forward to officially launching operations in Saudi Arabia in the coming months, marking our official entry in the Kingdom’s fast-growing and under-served diagnostic market. We are confident that the strategic partnership of Biolab, IDH, and Izhoor, a company owned by Fawaz Alhokair, will ensure we have the mix of strengths needed to serve the Saudi people and ensure the long-term success of this new venture.

In parallel, after thorough due diligence and in light of social, economic, and political developments in Pakistan, IDH decided not to pursue its planned acquisition of the Islamabad Diagnostics Centre.

We would like to thank Dr. Upal and his team for their continued professionalism throughout the entire process, and we wish them the best in their future endeavours.

Our commitment to ESG

We are committed to expanding our global operations in a sustainable and responsible manner. ESG is of fundamental importance to our long-term strategy. Early last year, we issued our first Sustainability Report, outlining our ESG vision and strategy and providing a clear framework to evaluate our performance and guarantee our accountability. Building on this, we will continue to monitor and address all areas of ESG within our new and existing geographies (for TCFD disclosures, see pages 80 to 84).

Risk Matrix

Management proactively monitors and revises our risk matrix and heat map to ensure we have the right controls and governance in place and ensure business continuity processes.

A Growing Team

Over the last 12 months, we continued to strengthen our management team with several new additions that have brought in new skills and multidisciplinary expertise.

We appreciate our loyal and hard-working workforce and continuously evaluate and monitor their KPIs to help them develop professionally in line with their ambitions. We have prepared an employee incentive plan to reward and incentivize our team for their consistent efforts, and the plan is ready for roll-out, subject to necessary approvals.

Our headquarter office in Smart Village continues to provide significant benefits and economies of scale.

Gratitude to Our Shareholders

Our gratitude goes out to our valued and loyal shareholders. We are confident that the attractive underlying fundamentals of our markets, our unique value proposition, and our proven strategy should translate into an appreciation of our share price over the coming period.

Your Company has always been committed to paying our shareholders a regular dividend. Egypt's current foreign exchange restrictions have posed a temporary challenge that has led your Board to postpone a decision on dividend pay-out for the year ended 31 December 2022. We have not changed our dividend policy. As part of our asset-light strategy, our dividend policy is to return to shareholders the maximum amount of excess cash after taking careful account of the capital needed to support operations, capital expenditure plans, organic expansion opportunities, and potential acquisitions.

We look forward to updating our valued shareholders on developments following our Board meeting in August.

Heading into 2023, your Company is well-placed to deliver new growth and profitability while generating sustainable value for its communities and shareholders.

Lord St John of Bletso
Chairman

> “Heading into 2023, your Company is well-placed to deliver new growth and profitability while generating sustainable value for its communities and shareholders.

Chief Executive's Report

> 2022 has been a year of confirmations for IDH, which saw us demonstrate the resilience and potential of our traditional business, the effectiveness of our post-Covid-19 strategy, and the fundamentals of our markets.

2022 has been a year of confirmations for IDH, which saw us demonstrate the resilience and potential of our traditional business, the effectiveness of our post-Covid-19 strategy, and the fundamentals of our markets. During the past 12 months, the Company reaped the fruits of our tremendous efforts over the last three years and delivered robust, double-digit revenue growth at its conventional business, in line with our guidance to investors and supported by record test volumes. Meanwhile, we continued to push forward our multi-pronged growth strategy, expanding our reach and service offering across existing markets, while penetrating a new geography.

This year's successes came against a difficult operating backdrop with our markets, and particularly our home market of Egypt, facing an unprecedented mix of economic challenges stemming from the ongoing conflict in Ukraine and lingering impacts of the pandemic. Throughout the year, businesses in Egypt had to confront a wide range of troubles, starting with the multiple devaluations of the EGP, which ended the year down more than 50% (and was down 96% as at 12 March 2023); the subsequent rise in inflation and interest rates, with the former reaching multi-year highs and increasingly weighing on patients' purchasing power; and the imposition of capital and import restrictions. In parallel, we also witnessed currency devaluations in both Nigeria and Sudan and continued troubles related to global supply chains.

While economic troubles were on the rise, 2022 brought significant positive developments in the fight against Covid-19. In fact, following a new wave of infections in January and February, we witnessed a widespread decrease of infection rates starting in March of last year as countries made headway on their vaccination campaigns, and individuals became increasingly able to coexist with the virus. This supported the gradual lifting of all remaining Covid-19-related regulations, including the removal of mandatory testing and quarantines. As expected, this translated into a rapid decline in our Covid-19-related revenue and net sales[8] as demand and pricing for Covid-19-related testing fell throughout the year.

Despite these setbacks, the Company successfully leveraged its resilient business model, proven strategies, leading market positioning, and unmatched value proposition to deliver a remarkable set of results in 2022 and position itself for new growth in the coming years.

Sustained Growth of Our Conventional Offering

Over the course of the last three years, despite the pandemic-related challenges and opportunities, IDH never lost sight of its conventional business, continuing to care for its traditional patients' needs even at the height of the Covid-19 crisis. Our efforts not only focused on expanding our service offering and delivery capabilities but also on organising special campaigns and launching dedicated test packages aimed at raising healthcare awareness and ensuring continued affordability for patients suffering from chronic diseases. Simultaneously, we also focused on patient retention, aiming to build long-term relationships with new patients initially acquired through our Covid-19-dedicated offering.

Our efforts delivered the desired results in 2022, with conventional revenue posting sustained growth throughout the year dually driven by rising test volumes and increasingly favourable pricing. More specifically, conventional revenue expanded 18% year-on-year to record EGP 2.9 billion in 2022, on the back of a 9% year-on-year increase in both conventional test volumes and average net sale per test. What is arguably even more impressive, and what clearly displays the effectiveness of our strategy over the last three years, is the fact that our conventional revenue now stands at a remarkable 33% above its pre-pandemic value, with test volumes also recording 11% higher than their corresponding figure in 2019, adjusting for increased testing due to the 100 Million Healthy Lives Campaign during 2019. Sustained growth in our conventional business helped to partially offset a 75% year-on-year decline in Covid-19-related revenue as both tests performed and average revenue per test fell throughout the 12-month period. Overall, we recorded revenues of EGP 3.6 billion, down 31% year-on-year, and net sales[9] of EGP 3.5 billion, down 30% from the previous year when our consolidated results had been boosted by an exceptional contribution made by our Covid-19-related offering.

Robust test volumes growth over the last 12 months, and in the three years since the start of the pandemic, is directly attributable to our investment strategy, which has seen us devote substantial resources to expand our delivery capabilities and reach. In the year ended 31 December 2022, we inaugurated 52 new branches, including 48 in Egypt, two in Jordan, and two in Nigeria. This brought our total network to 552, with our Egyptian network reaching the 500 mark, a historic achievement that saw us reaffirm our leadership position in the local diagnostic market. Of the new additions in Egypt, I was pleased to note the two new Al Borg Scan branches launched in 2022, which took our total radiology network to six branches and enabled us to successfully capitalise on the rapidly growing demand for our radiology offering. In parallel to new branch roll-outs, we have

[8] *A reconciliation between revenues (compliant with IFRS) and net sales is available on page 64 of this report.*
[9] *Net Sales is calculated as revenues excluding commission fees paid by Biolab as part of the company's revenue sharing agreements with QAIA and Aqaba Port.*

also been actively investing to make our services more accessible through non-traditional avenues, including home services and digital. The former, which peaked in popularity during the pandemic, continues to outperform our expectations, contributing 18% of Egypt's revenues in 2022, well above its pre-Covid-19 averages. This demonstrates our ability to transform Covid-19-related opportunities into long-term gains for the Company, which I am confident will continue to support our revenues and profitability in the coming years. Similarly, we continued to invest in our digital capabilities. Our AI-focused subsidiary, Wayak, continued to ramp up operations with total orders completed in 2022 jumping a solid 29% year-on-year and EBITDA losses narrowing further. Meanwhile, we continued to enhance our digital outreach channels, making it increasingly easy for patients to reserve their tests and access their results and reports.

Regionally, in both Egypt and Jordan, we recorded similar trends as those witnessed at the consolidated level. In Egypt, despite the fast-rising inflation, our conventional top line expanded a solid 16% year-on-year to reach EGP 2.4 billion compared to EGP 2.1 billion in 2021. This saw conventional revenue contribute to 84% of our Egyptian top line for the year, significantly above the 51% contribution made in the previous year. Meanwhile, Covid-19-related revenues declined 78% year-on-year, making up just 16% of Egypt's top line compared to 49% in the previous 12 months. Total revenues in Egypt for 2022 subsequently declined 30% versus their corresponding value in 2021, as our test mix normalised throughout the year. Egypt's top line for the year were also buoyed by our fast-growing radiology venture, Al Borg Scan. Revenues at Al Borg Scan expanded an impressive 91% year-on-year in 2022 to reach EGP 85 million supported by new branch launches (four since October 2021) and an aggressive marketing campaign implemented by the team throughout the past year. We expect the rapid growth trend to continue in 2023 as Al Borg Scan cements its position in the highly fragmented Egyptian market.

In Jordan, conventional revenues increased 29% year-on-year in EGP terms, partially reflecting the translation effect resulting from the multiple devaluations of the EGP. We were also pleased to note Biolab's year-on-year expansion in JOD terms supported by rising conventional test volumes. Higher conventional revenues were overshadowed by a 67% year-on-year decline in Covid-19-related revenues (Covid-19-related net sales declined 68% year-on-year) as demand decreased significantly. It is also worth highlighting that due to the lifting of international travel restrictions, Biolab's agreements to provide Covid-19-related testing at Jordan's Queen Alia International Airport (QAIA) and Aqaba Port were terminated at the end of the first quarter of 2022, further weighing on the segment's performance for the year. As such, overall revenue at Biolab declined 41% in EGP terms and 50% in JOD terms. Similarly, net sales[10] decreased 37% year-on-year in EGP terms and 47% in JOD terms.

Our Nigerian subsidiary, Echo-Lab, continued its impressive expansion, growing 24% in NGN terms and up 47% year-on-year in EGP terms. Top-line growth was supported by an increasingly favourable test mix and higher test volumes despite the difficult operating environment. Over the past year, we witnessed sustained growth in Echo-Lab's average net sale per test, reflecting the increase in the number of patients visiting the venture to undergo the generally higher-priced CT and MRI exams, directly in line with our commercial strategy at the venture. It is also worth highlighting that test and patient volumes in the first part of the year were impacted by our decision to shut down two underperforming branches. Volumes picked up again following the launch of two new branches in the second quarter of 2022 and have remained strong since. Echo-Lab's 2022 performance reaffirms our conviction in its growth potential.

Finally, in Sudan, economic and political instability, coupled with the devaluation of the SDG in March 2022, significantly impacted our subsidiaries' operations and results. Nonetheless, our Sudanese operations posted an impressive 63% year-on-year rise in revenue in local currency terms on the back of a 114% rise in the average revenue per test in SDG terms.

Further down the income statement, we observed a contraction in gross, EBITDA, and net profitability, largely reflecting a post-Covid-19 normalisation. Gross profitability was also impacted by increased outlays related to additional staffing requirements for the new branches, annual salary increases, and a marginal increase in raw material prices in the second half of the year following the EGP's devaluation. Our ability to restrict the increase in raw material costs despite the significant devaluation of the EGP reflected both our proactive inventory management strategy and our long-lasting relationships with major test kit providers, which enable us to consistently secure favourable pricing for new stock. Meanwhile, EBITDA profitability was partially impacted by higher marketing spending as we invested to support the ramp-up of new branches and of a new patient loyalty programme. Finally, our bottom line, which contracted 65% year-on-year, was also impacted by losses resulting from transactions completed by the Company to secure the US$ balance needed to fulfil our 2021 dividend obligations to shareholders and transaction costs related to the Pakistan transaction. Adjusting for these, net profit would have recorded EGP 692 million in 2022, with a margin on revenue of 19% and on net sales of 20%.

Expanding Our Footprint

Over the years, we have adhered to a clearly defined inorganic growth strategy centred on identifying and investing in greenfield and brownfield assets in new African, Middle Eastern, and Asian markets where our business model is best suited to capitalize on healthcare trends and serve local communities. With this in mind, in 2022, we signed a landmark agreement with Biolab and Fawaz Alhokair's healthcare subsidiary, Izhoor, to launch a new greenfield diagnostic venture in Saudi Arabia. Ultimately, we are looking to build a full-fledged diagnostic services provider capable of catering to the underserved demand for high-quality services in the Kingdom and supporting the local government's ambitious healthcare agenda. I am particularly excited about starting this journey with our two partners, both of whom bring complementary experiences and resources that will play crucial roles in guaranteeing the venture's success.

The Saudi Arabian market represents an ideal new addition to our portfolio due to its attractive growth profile underpinned by favourable demographics, an increasingly health-conscious patient base, robust macroeconomic fundamentals, changing healthcare sector dynamics in favour of private providers, and a supportive regulatory framework. Overall, Saudi Arabia currently records some of the highest per-capita spending on healthcare in the region, with the number set to rise further in the coming years. Moreover, reforming and developing the Kingdom's healthcare sector is a top priority for the local government, with new regulatory reforms and incentives rolled out to attract private sector participation.

Meanwhile, in Pakistan, we decided in early 2023 to forego negotiations to acquire a 50% stake of the Islamabad Diagnostic Centre (IDC). Despite sustained negotiations and relentless efforts on both sides, the current economic conditions and continued regulatory hurdles have led to the termination of the transaction. Nevertheless, we remain committed to researching and identifying suitable potential markets for future investments, as IDH remains adamant on realising its long-term goal of expanding its footprint to different markets across the Middle East, Africa, and Asia.

[10] Net Sales is calculated as revenues excluding commission fees paid by Biolab as part of the company's revenue sharing agreements with QAIA and Aqaba Port. In 2022, in Jordan, IDH recorded revenue of EGP 612 million (down 42% year-on-year) and net sales of EGP 549 million (down 37% year-on-year).

Our Commitment to Excellence

Sustaining and improving the quality of our services has always been a central priority for the Group. This commitment to excellence has translated in IDH earning prestigious accreditations and certificates over the years, including multiple new ones in 2022.

Most notably, we received the American College of Radiology (ACR) accreditation for both Al Borg Scan's nuclear medicine (NucMed) and ultrasound units in August 2022. This makes Al Borg Scan the first radiology centre in Africa, as well as one of the select few in the Middle East, to boast this prestigious accreditation which complements our previously obtained College of American Pathologists (CAP) accreditation. Meanwhile, we have now secured the Egyptian government's full General Authority for Healthcare Accreditation and Regulation (GAHAR) for 10 of our labs (at the time of writing this report). This makes us the private provider with the most GAHAR-accredited labs in the country and will enable us to play a central role in supporting the roll-out of the Egyptian government's Universal Healthcare Insurance system.

Our Sustainability Journey

As we continue to serve a growing community across four markets, we have only renewed our commitment to building and developing our environmental, social, and governance (ESG) monitoring and compliance framework to ensure we continue to deliver sustainable value to all stakeholders. In 2021, we issued our first ever Sustainability Report, providing investors and stakeholders with an initial strategy and monitoring framework. Meanwhile, we also worked closely with a leading ESG consultant to design an encompassing ESG strategy that will set clear long-term goals and targets to guide our sustainability efforts in the coming years. These goals will not only provide milestones for the Company but will also increase accountability to our investors, stakeholders, and regulators. Once defined, our ESG strategy will be implemented and monitored by a specialized ESG board committee. In addition to publishing a GRI-compliant sustainability report, management is enclosing the Task Force on Climate-Related Financial Disclosures (TCFD) in this annual report in line with listing requirements.

As always, we continue to be supported and guided by our seasoned Board of Directors, which is comprised of leading executives who have been overseeing all aspects of our business and operations since IDH's listing on the LSE in 2015. The Board of Directors is made up mainly of independent, non-executive directors and is further supported by updated and robust policy framework.

2023 Outlook

While progress has been made to overcome the economic challenges faced throughout 2022, it has become increasingly apparent that they will remain with us throughout 2023. Despite this, I am confident that we possess the needed experience, resources, and strategy to continue navigating them successfully. In fact, IDH boasts a long track record of success in manoeuvring through unanticipated times of economic turmoil, including the 2011 Egyptian Revolution and the devaluation of the EGP in 2016. With this in mind, our targets and priorities for the new year remain unchanged, and I look forward to reporting on our progress throughout the coming year.

Front and central will be the continued double-digit growth of our conventional business, in particular across our two largest markets of Egypt and Jordan. To deliver on this, we are targeting the roll-out of an additional 20 to 25 branches, including three new branches in Jordan and two new Al Borg Scan branches in Egypt. Meanwhile, on the pricing front, while throughout 2022 and early 2023 we introduced multiple price adjustments to partially account for the fast-rising inflation in Egypt, we have thus far refrained from passing on the full burden to patients. We believe that as a leading healthcare provider in the country, we have a responsibility to ensure that our services remain accessible to as many patients as possible. Moreover, we are confident that providing additional support to patients in time of financial need will translate into increased loyalty, enhancing long-term patient retention, and revenue generation. Finally, across both geographies, we are looking to leverage our market leading position to continue attracting and retaining new patients to the Group, offering them appealing value propositions that only a Group boasting our scale can offer.

In light of the above and the results recorded in the first three months of the year, we are confident that despite the ongoing economic challenges witnessed in our geographies, we have put in place the necessary strategies and mitigation mechanisms to continue delivering double-digit conventional revenue growth in 2023.

On the profitability front, we expect margins for the coming year to remain healthy and broadly unchanged compared to the year just ended despite rising inflation, in particular in Egypt. Meanwhile, in the longer-term, we see margins converging back to our historical averages as the impacts of the post-Covid-19 normalisation and the recent EGP devaluations subside. As always, a main component of our cost control strategy has been the continued collaboration with our main test kit providers to maintain adequate stocks and secure new stock at competitive prices (with a less than proportionate increase compared to inflation caused by the EGP devaluation). At the same time, we are looking to introduce a wide range of cost optimisation initiatives across the Group's main functions to further streamline operations and extract additional efficiencies where possible.

Dividend Policy and Proposed Dividend

While we maintain our long-term dividend policy that sees us return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations and expansions, our Board of Directors will postpone the dividend decision in light of the ongoing uncertainty and lack of foreign currency availability in Egypt. We will review the situation in our upcoming Board meeting in August and assess the Group's cash position and the macroeconomic situation in Egypt at the time before a decision is made and a distribution date is set.

H. El Sherbini

Dr. Hend El-Sherbini
Chief Executive Officer

Our Markets

The characteristics of the emerging markets in which IDH operates are notably different from those of many Western ones. In these emerging markets, the simultaneous operation of both publicly funded and private healthcare systems is common, giving patients freedom of choice in selecting the service that best suits their personal needs. Moreover, the availability of general practitioners (also referred to as family medicine practitioners or primary care specialists) is not widespread; consequently, they are not the typical gatekeepers through which patients are accustomed to receiving primary or specialist medical care.

Patients seeking medical care in emerging markets may select several routes to do so, including visiting an emergency room or outpatient clinic, referring to a polyclinic, or directly seeking the services of a specialized physician. In turn, physicians ordering tests may recommend a specific service provider to conduct testing, but in the majority of cases, patients enjoy a large degree of freedom in selecting their own service provider. This choice is usually a direct result of perceived quality and safety standards offered by the provider, pricing compared to its competitors, and insurance or corporate arrangements benefitting the patient. Walk-in patients (also referred to as "self-payers") pay out of pocket in advance of the required tests being completed.

Patients usually receive test results in-person (usually accompanied by a specialist report) and return to their referring physician who originally ordered testing. IDH also offers the option of delivering same-day test results to patients electronically via SMS, with test results also available on the mobile app. The Group's sales and marketing activities separately target:

- **Physicians:** through direct sales visits to individual practitioners, educational and peer congresses, client information leaflets, volume-based loyalty programmes, and the organisation or sponsorship of conferences;
- **Walk-in Patients:** through social media channels, mass-market and targeted health awareness campaigns, outdoor advertising, television, radio, and online advertising; and
- **Contract Patients:** through direct outreach to insurers and employers.

Key Market Dynamics

4
countries of operation

+1
new geographical market (Saudi Arabia) in 2023

552
operational branches, +50 versus 2021

Barriers to Market Entry

Brand Equity and Reputation

Patients are loyal to leading brands with a strong track record.

Accreditation of Facilities

Attracting contract clients requires accredited, high-quality testing capabilities and facilities. IDH currently boasts accreditations from CAP, ACR, IDO, JAS, HCAC, and JCI.

Market Reach

Fragmented market necessitates a wide geographic presence to allow for broad customer reach. Today, IDH operates the largest private labs market in Egypt, with established market presence in three other markets.

Relationship with Key Stakeholders

Building a scalable platform requires strong relationships with stakeholders, such as physicians, patients, and hospitals.

Economies of Scale

IT-enabled platform, critical mass (higher margins), decades of know-how, and cutting-edge equipment mitigate against new entrants.

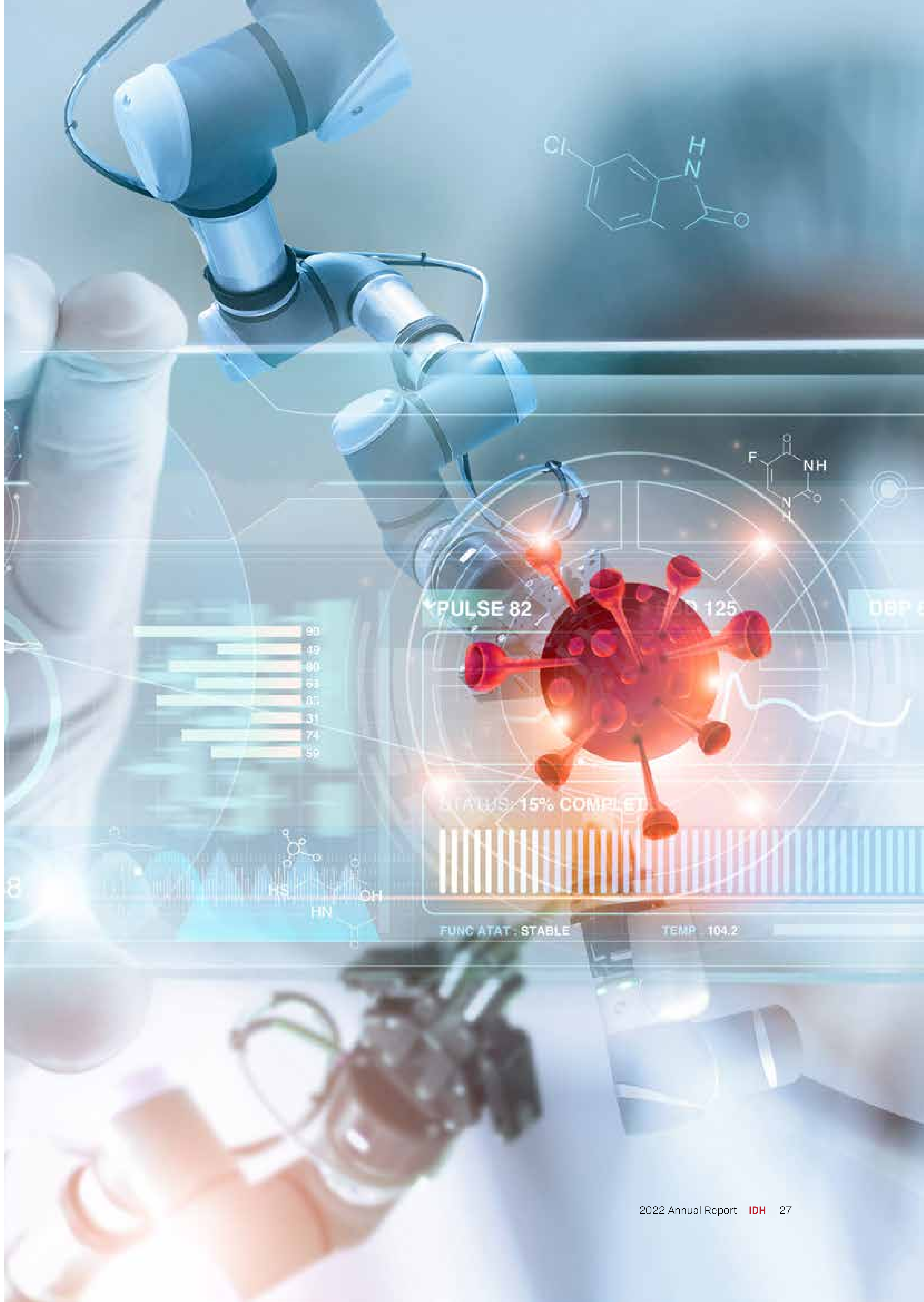
Covid-19 Across IDH's Markets

Following the outbreak of Covid-19, governments across all IDH's countries of operation instituted strict restrictive measures to curb the spread of the virus. These included curfews, the shutting of non-essential business, travel bans, and restrictions on public gatherings. Though these policies were imperative to ensure the safety of citizens, they led to significant disruptions to operations across IDH's geographies, including reduced operating hours and complete branch closures during the first months of the pandemic.

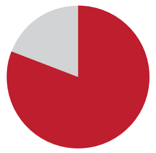
Gradual easing of these restrictive measures began in the latter half of 2020, and vaccine campaigns were launched in early 2021. Towards the end of 2021, patient volumes returned to their pre-pandemic levels across all IDH's geographies. For the remainder of 2021, and carrying on throughout the first few months of 2022, the Group has actively assisted local authorities in their efforts of mitigating the spread of emerging variants by providing PCR testing in Egypt and Jordan. The Company has also supported in the return of international travel, offering PCR testing to travellers in major ports of entry as part of our agreements with airports, airlines, and insurance providers. It is worth noting that in line with trends seen globally, COVID-19 caseloads declined substantially across IDH's markets starting in spring 2022 as vaccine roll-outs accelerated.

High infection rates throughout 2021 led to strong demand for the Company's Covid-19-related test offering. In turn, this significantly boosted IDH's performance in 2021, with the Company booking record-high revenues and profitability throughout the year. As caseloads declined throughout 2022, the Company registered a sharp decline in demand for Covid-19-testing and a normalisation of revenues and profitability in line with the Group's expectations. It is also worth highlighting that IDH's ability to consistently cater to its conventional patients (non-Covid-19) translated in the segment reporting solid growth throughout 2022, with conventional revenues expanding a solid 18% versus 2021 and a remarkable 33% versus their pre-pandemic value in 2019.[11]

[11] 2019 figure excludes revenues generated as part of the Company's 100 Million Healthy Lives Campaign.



Egypt



80%

Contribution to consolidated revenue in 2022

Egypt 2022

Key Highlights

500

Branches as at year-end 2022, +48 versus 2021

2,894 EGP/MN

Revenues in 2022, down 30% y-o-y

7.6 MN

Patients served in 2022, down 10% y-o-y from the 8.5 mn patients seved in 2021

IDH's home market and the largest contributor to consolidated revenues, Egypt has boasted a long track record of over four decades of continued success. The Company's Egyptian operations operate under two distinct segments, pathology and radiology, with IDH operating two leading pathology labs in the country, Al Mokhtabar and Al Borg Laboratories. In 2018, in line with the Group's strategy to provide an encompassing service offering for its patients, IDH embarked on its radiology venture, Al Borg Scan, capturing the attractive opportunities offered by the fast-growing market.

The Egyptian diagnostic market can be broadly divided into public and private sector infrastructures, with the latter including both labs attached to private hospitals and independent standalone labs (chains and single-doctor labs). Egypt's large cities account for the majority of labs, providing considerable opportunity to increase accessibility throughout the country's 27 governorates for greater coverage of the population. In addition, the corporate market is growing as a main driver for diagnostic services as more companies expand healthcare coverage for their employees.

IDH enjoys a strong competitive position in the Egyptian diagnostic industry, creating remarkable barriers to entry by leveraging its successful 40-year track record and wide network of 500 branches at year-end 2022. Although there have been no recent official government statistics released, IDH commissioned the Boston Consulting Group (BCG) in 2016 to complete a comprehensive study of the Egyptian diagnostic market. As a result of this study, BCG estimated IDH's two lab brands accounted for over 50% of revenues in the Egyptian private chain market.

To complement its existing offering and capitalize on the Group's established brand, IDH launched its radiology service offering in Egypt in 2018 under the name Al Borg Scan. The venture has witnessed rapid operational and financial ramp-up, posting volume and revenue growth consistently above the Group's expectations. Today, the venture operates six branches strategically located across Greater Cairo and is the only provider in Africa to boast the prestigious ACR accreditation.

Established brands with stellar reputations that have produced strong patient loyalty

Robust relationships with key stakeholders, including physicians, patients, corporate clients, suppliers, and hospitals

A scalable, asset-light business model that enables expansion in fragmented markets

International accreditations, most notably the coveted College of American Pathologists (CAP) certification of the Mega Lab, as well as the ACR accreditation

Growth in the Egyptian diagnostics industry is supported by robust market fundamentals, including:

- A large and growing population of over 100 million, making Egypt the most populous country in the Middle East North Africa (MENA) region; in terms of demographics, it hosts a significant and growing elderly population.
- An increasing prevalence of diseases, including communicable and non-communicable diseases, tropical diseases, and lifestyle diseases, such as diabetes.
- A growing governmental role to increase awareness on the importance of diagnostic testing in preventative healthcare, supporting the growth in laboratory diagnostics as a tool in clinical practice.
- The roll-out of mandatory health insurance and the subsequent increase in demand for private diagnostic testing.

Macroeconomic Developments

Although Covid-19 preventative measures have largely seceded, and testing significantly declined starting the second quarter of 2022, January and February saw a renewed spread of Covid-19 with a widespread surge in cases. The effects of this outbreak, however, were not long-lasting, with both positive cases and testing demand declining steadily as the year progressed.

Economically, Egypt underwent several hardships over the course of the year as the EGP saw two separate devaluations that pushed the currency to record lows. The first, which was announced in late March 2022, saw the pound weaken by almost 16% to reach 18.3 EGP/US$. The announcement came as the Egyptian government sought to secure a new loan from the International Monetary Fund (IMF). Subsequently, a second devaluation in late October pushed the pound past the 24.5 EGP/US$ threshold, with the currency experiencing an overall devaluation of over 55% throughout the course of the year. It is worth noting that in October 2022, Egypt and the IMF reached a staff-level agreement for a new US$ 3 billion, 46-month extended fund facility (EFF). The facility was approved in December, with the first tranche disbursed soon after. The EGP was devalued for a third time at the start of the new year, reaching 29.5 EGP/US$ by mid-January. It has since continued to weaken and, in mid-March 2023, registered consistently above the 30.0 EGP/US$ mark.

> Despite the multiple challenges faced in 2022 in IDH's home market, conventional revenues continued their steady expansion, supported by rising test volumes and prices.

As a direct consequence of the currency depreciations and worsening global economic conditions, inflation rates in IDH's home and largest market rose steadily during 2022, increasing by 14 percentage points to record 21.3% in December versus 7.3% at the start of the year. In the new year, inflation maintained its rising trend, recording 31.9% in February 2023. In response to the rising inflation, throughout the year the Central Bank of Egypt (CBE) announced an increase in key interest rates by a cumulative 800 basis points. The hikes, which were introduced during four separate meetings, are expected to help rein in inflation down to the CBE's long-term targets. The CBE raised its rates by a further 200 basis points during its March 2023 meeting, taking the main operation and discount rates to 18.75%.

Financial and Operational Highlights

The Company's Egyptian operations delivered solid year-on-year growth in conventional revenues, driven by higher test volumes and average revenue per test. On the other hand, Covid-19-related revenues declined sharply as both demand and prices decreased throughout the year. Lower pricing reflected increased competition. This was particularly visible in the 70% year-on-year drop in PCR test volumes for 2022 and the 44% year-on-year decline in the average revenue per PCR test in 2022 compared to 2021.

Al Borg Scan, IDH's Egyptian radiology venture, recorded an impressive 91% year-on-year increase in revenues to book EGP 85.2 million during 2022. The sustained top-line expansion was primarily driven by a 93% year-on-year rise in case volumes (patients served rose 89% for the year). The continued operational ramp-up during 2022 was supported by the opening of two new branches over the 12-month period, with Al Borg Scan's network now standing at a total of six strategically located branches spanning the full Greater Cairo area. Meanwhile, IDH also successfully obtained the ACR accreditation for both Al Borg Scan's nuclear medicine (NucMed) and ultrasound units, making Al Borg Scan the first radiology centre in Africa, as well as one of the few radiology facilities in the Middle East, to boast this prestigious certification. Throughout the year, IDH supported new branch openings with large-scale marketing campaigns, which played a key role in growing patient volumes at the venture.

IDH's house call service in Egypt recorded revenue of EGP 517 million in 2022, contributing to 18% of Egypt's revenues for the year, well above the service's pre-pandemic contributions. The robust contribution was recorded despite the fall in Covid-19-related revenue generated through the house call service as infection rates in the country declined significantly starting March.

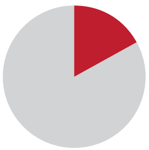
Finally, Wayak recorded a 29% year-on-year increase in the number of orders, which reached 132 thousand for 2022 compared to 102 thousand orders during 2021. Meanwhile, the venture's EBITDA losses declined a solid 33% year-on-year to record EGP 3.8 million compared to negative EGP 5.7 million in 2022.

In Egypt, EBITDA recorded EGP 1,031 million in 2022, down 53% year-on-year and with an associated margin on revenue of 36%. Meanwhile, adjusted EBITDA[12] recorded EGP 1,053 million for 2022, down 52% year-on-year. Adjusted EBITDA margin on revenue in Egypt also stood at 36% for the full year, declining from the high base of 54% recorded in 2021. Adjusted EBITDA from IDH's Egyptian operations contributed 90% to the Company's consolidated Adjusted EBITDA in 2022.

Operationally, IDH rolled out 48 new branches in Egypt during 2022, including two new Al Borg Scan branches rolled out in March and October. Through its expanded branches and house call services, IDH served 7.6 million patients in 2022, down 10% year-on-year, and performed 29.5 million tests, largely in line with last year's figure. Meanwhile, conventional test volumes jumped a solid 9% year-on-year, demonstrating the strong underlying demand for the Company's traditional offering in its home market.

[12] *Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group in Egypt. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan.*

Jordan



17%

Contribution to consolidated revenue in 2022

Jordan 2022

Key Highlights

23

Branches as at year-end 2022, +2 versus 2021

612 EGP/MN

Revenues in 2022, down 42% y-o-y

0.9 MN

Patients served in 2022, down 45% y-o-y from the 1.6 mn patients seved in 2021

IDH first entered the Jordanian market in 2011 when it acquired a 60% stake in Biolab. The private diagnostic testing provider is a market leader in the country, boasting a track record of over 20 years. The company is run by Dr. Abdelnour, who is also the venture's founder, and currently operates a network of 23 branches located both in Amman and across other major cities in Jordan.

Jordan boasts one of the most developed healthcare infrastructures in the Middle East, with Amman consolidating a significant proportion of services and c.70% of Jordanians medically insured. Characterised by strong fundamentals, the Jordanian market allows IDH to deliver continual growth despite strict price regulations on medical laboratories, with a fixed price list that has remained unchanged since its issuance by the Jordanian Ministry of Health in 2008. As a result, Biolab has focused on driving volume growth in the market, utilizing a host of strategies to expand its services portfolio and packages to encourage increased testing per patient. Currently, Biolab, IDH's Jordanian subsidiary, is the largest lab in the Jordanian private sector in terms of profitability.

Unlike its Egyptian counterparts, Al Borg and Al Mokhtabar, Biolab does not operate a Hub, Spoke, and Spike business model. Although Biolab's 23 labs perform many of the 1,000+ pathology tests offered to patients, the specialized tests are performed at the four core labs, considered specialty labs, creating a testing hub in Amman's most acclaimed medical area. Tests performed include, but are not limited to, haematology, endocrinology, immunochemistry, parasitology, oncology, immunology, transfusion medicine, molecular genetics, antenatal diagnostics and gene sequencing. Additionally, Biolab does not share purchasing, supply and logistics, IT, marketing, or sales functions with its Egyptian parent company.

In 2020, Biolab finalized its agreement with Georgia Healthcare Group PLC (GHG) to establish a Mega Laboratory (Mega Lab) in Tbilisi, the Georgian capital. At 7,500 square meters, the multidisciplinary Mega Lab is the largest of its kind in Georgia. Since 2019, Mega Lab has been collaborating with around 100 medical institutions, including several leading hospitals. Today, Mega Lab serves over 3,000 patients daily, although its capacity comfortably surpasses 6 million different profile tests per year. In exchange for the provision of IT and management services, Biolab holds an 8.025% equity stake in the project and receives annual IT support service fees for 10 years, as well as annual management fees for two years.

In light of the global Covid-19 pandemic, its associated impacts, and its restrictions on international travel affecting planned audit visits, logistics, and external quality control, Biolab and GHG had previously reached an agreement to postpone the implementation of the management agreement and previously scheduled payments to 2022. In January 2022, it was mutually decided by both Biolab and Mega Lab to continue management services and resume efforts to achieve Joint Commission International (JCI) accreditation. To expedite efforts, a member of the Quality Assurance Department (QAD) at Biolab was physically re-assigned a role at Mega Lab Georgia for a three-month period, in addition to receiving remote support from Biolab's QAD in the form of online trainings for Mega Lab staff. In parallel, the application for JCI accreditation was submitted in January 2022. During that time, Mega Lab policies were revised, staff underwent rigorous training programmes and competency assessments, and all deviations were addressed and resolved. Additionally, multiple "Mock Audits" were conducted to ensure readiness for JCI inspection. In July 2022, the formal JCI audit was assigned and, following a thorough inspection week, Mega Lab Georgia was awarded the prestigious JCI accreditation. With the accreditation awarded, Biolab has fulfilled the services stipulated in the management agreement.

Despite sustained difficulties in the operating environment throughout 2020 and 2021 due to the Covid-19 pandemic, the planned integration of Mega Lab with GHG's network progressed as scheduled, with mid-2021 marking the successful technology transfer completion of all 76 locations, including the installation of the lab's Laboratory Information Management Systems (LIMS). Initially serving GHG's network, which is expected to utilize only one-third of the facility's total capacity, Mega Lab plans to develop and introduce a B2B network of healthcare providers outside the Group to reach its full operating capacity.

Macroeconomic Developments

To counteract the spread of the Covid-19 virus in 2020, the Jordanian government ordered the closure of all educational institutions and governmental and private entities and introduced a curfew. These restrictions impacted Biolab's branches, which were required to fully shut down or operate at reduced working hours during the first months of the pandemic. The gradual easing of these restrictions in early 2021 saw the normalisation of conventional test volumes and revenues, with total revenues at Biolab remaining elevated on the back of the exceptional contributions made by the venture's Covid-19-related offering. Throughout 2022, all major restrictions on businesses and individuals were lifted. Most notably, in March 2022, the government announced the suspension of mandatory testing for international travellers, an important development that led to a sharp decline in demand at Biolab's testing stations in Queen Alia International Airport (QAIA) and King Hussain International Airport (KHIA).

Economically, Jordan remains on the recovery track post-Covid-19 turbulence. Despite global economic turmoil, the country has continued its upward trend, with GDP expected to grow at 2.7% during 2023, greater than the previous forecast of 2.4%. Meanwhile, inflation for the year is expected to narrow to 3.8% in 2023 from 4.2% in 2022, well below rates recorded by regional peers and continuing to reflect the effectiveness of the country's policy to curb inflation. At the same time, improving economic conditions have supported a rapid rise in Foreign Direct Investment (FDI) in the country, which in the first nine months of 2022 posted an impressive 94% year-on-year increase. The government has also successfully reduced public debt as a proportion of GDP. More specifically, after excluding debt held by the social security investment fund, Jordan's debt to GDP ratio at the end of 2022 stood at 89.7% compared to 91.9% at the end of 2021. This figure is projected to drop further to 88.2% in 2023. On this front, the IMF has reached an agreement with Jordan to target a fiscal deficit of 2.9% for 2023, with a commitment to reduce public debt to 80% of GDP by 2027. This agreement will help ease the country's access to grants and loans at preferential rates to aid in servicing annual debt.

Financial and Operational Highlights

IDH's Jordanian subsidiary, Biolab, delivered conventional revenue year-on-year growth of 2% in JOD terms (in EGP terms, revenues were up 29% year-on-year), supported by a marginal rise in conventional test volumes for the year. On the other hand, similar to trends witnessed in Egypt, Biolab's Covid-19-related revenue and net sales declined substantially throughout the year. As such, total revenue in JOD terms contracted 50% year-on-year and 41% in EGP terms. On a similar note, net sales in JOD terms declined 47% year-on-year in 2022 to record JOD 21.1 million, while in EGP terms, net sales contracted 37% year-on-year in 2022.

Biolab's full-year results were supported by contributions of EGP 189 million from the company's Covid-19-related offering. During the year, net sales generated by Biolab's Covid-19-related offering were boosted by the company's agreements with QAIA, Aqaba Port, and KHIA. More specifically, Biolab generated EGP 140 million in net sales at QAIA and EGP 17 million in net sales at the Aqaba Port. It is worth noting that while the testing stations experienced heavy traffic during the first two months of the year, the lifting of mandatory testing saw volumes decline sharply starting March 2022. Biolab's agreements with all three locations were terminated at the end of Q1 2022.

Biolab, IDH's Jordanian subsidiary, reported an EBITDA contraction of 59% in EGP terms and 63% in JOD terms. Similarly, EBITDA margin was down both on revenues and net sales versus the previous year. Lower EBITDA profitability reflected lower gross profits following a post-Covid-19 normalisation, as well as increased expenses at the Company's testing booths in QAIA and Aqaba Port.

Operationally, Biolab inaugurated two new labs in 2022, taking its total network to 23 branches as at 31 December 2022. During the past year, Biolab served 890 thousand patients, performing nearly 2.8 million tests. Conventional tests performed reached 2.2 million, up marginally from the previous year.

> "Biolab continued to showcase its underlying potential delivering solid growth in both EGP and JOD terms for 2022.

Nigeria

2.2%

Contribution to consolidated revenues in 2022

IDH's operations in Nigeria began in February 2018 following its acquisition of Eagle Eye Echo-Scan Limited (Echo-Scan) through a strategic alliance with Man Capital LLC (Man Capital), the London-based investment arm of the Mansour Group, called Dynasty Holding Group (Dynasty), which is 51% owned and controlled by IDH. Subsequently, Dynasty partnered with the International Finance Corporation (IFC) to invest in Echo-Scan (since rebranded as Echo-Lab) with the aim of capitalizing on the opportunity presented by the country's large diagnostics industry, which was valued at c.US$ 140 million in 2017 and estimated to reach US$ 830 million by 2025 based on research done at the time of the due diligence.[13]

The Nigerian healthcare system is attractive and provides underleveraged opportunities for the Group to capture. Additionally, investment in the Nigerian market supports the Group's overall goal of expanding its regional footprint. The country's underpenetrated and highly fragmented diagnostic services industry provides significant opportunities for growth and achieving economies of scale. Nigeria's diagnostics industry can be broadly divided into three main groups, the largest of which being independent labs (chains and single labs), followed by public and private hospitals. Moreover, Nigeria boasts the largest population in Africa, standing at over 215 million in 2022, and shares several similarities with Egypt's market during the 1980s and 1990s in terms of structure, development pace, and shifting disease profiles.

Nigeria 2022

Key Highlights

12

Branches as at year-end 2022, +2 versus 2021

79 EGP/MN

Revenues in 2022, up 47% y-o-y

149 K

Patients served in 2022, down 3% y-o-y from the 153k patients seved in 2021

Since its acquisition of Echo-Lab, IDH has introduced a comprehensive integration and value-adding plan, including expanding its network to widen coverage throughout Nigeria, renovating existing branches, procuring cutting-edge equipment utilizing the latest medical technology, and growing the lab's pathology and radiology service offerings while strengthening its quality standards. As of year-end 2022, IDH has invested over US$ 13.6 million in the venture. Operations continue to increase in Nigeria, with efforts already producing favourable results in the form of driving notable improvements in Echo-Lab's brand equity and recognition, strong revenue growth, and a steady narrowing of underlying losses (controlling for highly volatile energy prices). In light of the strong momentum enjoyed by the venture, IDH is looking to launch a new investment programme of US$ 2 million aimed at further enhancing existing infrastructure and operations.

Macroeconomic Developments

Over the last three years, IDH's Nigerian operations have been impacted by Covid-19-related lockdowns in several cities, waves of protests and civil unrest that led to branch closures, as well as a volatile economy and rising inflation.

2020 saw Nigeria's worst economic downturn in four decades, in addition to a significant surge in diesel prices, which more than tripled during the year. The economy remains in its recovery phase, with 2021 GDP growth recording 4.0% (exceeding previously forecasted growth of 3%) and 2022 GDP recording 3.2% (versus its previous forecast of 3.4%). Slowing growth over the past year has come mainly on the back of weak oil production and rising insecurity in the country's main oil producing regions. Meanwhile, despite an increase in oil export revenues, surging petrol subsidies, political volatility, and decreasing foreign reserves have seen the Nigerian Naira (NGN) devalue further in line with trends seen in the past seven years, with the currency dropping a further 8.3% since the beginning of 2022. This downturn has further fuelled inflationary pressures, with year-on-year inflation rates reaching 21.8% in December 2022.

Financial and Operational Highlights

Echo-Lab recorded an impressive year-on-year revenue growth rate in NGN terms of 24% in 2022, as average revenue per test increased 15% year-on-year in NGN terms and tests performed rose 8% versus 2021. Sustained growth in Echo-Lab's average revenue per test reflects the increase in the number of patients visiting the venture to undergo the generally higher-priced CT and MRI exams. It is worth highlighting that the termination of operational activities at under-performing branches in Q4 2021 impacted results in Q1 2022. Meanwhile, the launch of two new branches during Q2 2022 generated immediate positive contributions for Echo-Lab, boosting revenues for the second half of the year. Echo-Lab now boasts 12 fully operational branches across Nigeria. In EGP terms, revenues for the year rose 47% to record EGP 79 million.

In Nigeria, EBITDA losses recorded EGP 17.1 million for 2022, widening significantly from EBITDA losses in 2021 despite the strong revenue growth recorded by the venture in the past year. Widening EBITDA losses were largely attributable to rising diesel costs, which posted a three-fold year-on-year increase in 2022 from NGN 250 per litre in 2021 to NGN 805 per litre in 2022. It is worth noting that Echo-Lab's branches in Nigeria require electricity for which the company utilises its own diesel powered generators; therefore, the rise in diesel prices has a significant impact on the business.

During 2022, Echo-Lab served 149 thousand patients and performed 303 thousand tests, up from the 281 thousand tests performed in 2021.

[13] *Source: Boston Consulting Group*

Sudan

0.6%

Contribution to consolidated revenue in 2022

IDH operates under two brand names in Sudan, Ultralab and Al Mokhtabar Sudan. Al Borg acquired a majority interest in Ultralab in 2011, while Al Mokhtabar Sudan was established in 2010 prior to the Group's acquisition of Al Mokhtabar in Egypt.

Sudan's economic development continues to be hindered by the social and political turmoil that has endured since the 2011 secession of South Sudan, as well as the subsequent loss of c.75% of oil production. This unrest has continued to deprive the country of the necessary fundamentals by which economic growth can be realised, including the availability of needed foreign currency sources that culminated in a major currency devaluation in 2018, with the SDG losing c.85% of its value. Economic hardships continued throughout 2019, leading to major protests that resulted in the removal of long-time president Omar Al-Bashir in April 2019.

Sudan 2022

Key Highlights

17

Branches as at year-end 2022, -2 versus 2021

20 EGP/MN

Revenues in 2022, up 22% y-o-y

70 K

Patients served in 2022, unchanged y-o-y

Civil unrest persisted following the removal of President Al-Bashir, culminating in a military coup in October 2021, where the military took control of the government. 2021 also saw the devaluation of the SDG, as the government sought to close the gap between official rates and the parallel market. As a result, the SDG fell by 19% in February 2021. Political turmoil, coupled with the rapid devaluation of the SDG, saw record-high inflation rates, reaching over 380% for the year.

While civil unrest largely persists in Sudan, 2022 brought about a significant easing of tensions as inflation was cut by half, and encouraging steps forward were taken to secure the country's future political stability. More details on major developments are provided in the following section.

Macroeconomic Developments

In December 2020, the US government officially removed Sudan from its States Sponsors of Terrorism list. The change in the country's designation is expected to allow Sudan to have access to international funds and investment, including the IMF, paving the way for the country's economic growth. The lifting of sanctions also opens important growth opportunities for IDH's operations in the coming years. With the country now open to international suppliers, the Group will be able to directly import test kits and, in turn, improve its operational efficiency and profitability.

Record-high inflation rates resulting from the devaluation of the SDG in 2021 have largely smoothened in 2022, with inflation decreasing by half to settle around 150% at the end of 2022. Decreasing inflation is expected to continue through 2023, with inflation expected to fall to c.75%.

In October 2021, a military coup led to the seizure of power from the government and brought about a new round of civil unrest. However, on 7 December 2022, the UN announced the signing of a new framework in Sudan, committing to the formation of a civilian government over the next two years. This ease of tension, coupled with lowering inflation rates, has drastically changed the economic outlook from the past year. Management continues to monitor the situation and has introduced an all-encompassing mitigation strategy to protect staff, ensure the wellbeing of its patients, and safeguard the Group's operations in the country.

Financial and Operational Highlights

IDH's operations in Sudan booked revenue of SDG 547 million in 2022, up 63% year-on-year on the back of a 114% rise in the average revenue per test in SDG terms. In EGP terms, revenue recorded a 22% rise to reach EGP 20 million. Throughout the year, IDH shut down two underperforming branches in the country, taking the total number of operating branches to 17 as at year-end 2022.

In Sudan, the Company booked an EBITDA loss of SDG 1.9 million, a significant improvement from the EBITDA losses of SDG 47 million booked in 2021. In EGP terms, EBITDA recorded a loss of EGP 196 thousand in 2022, up from the EGP 500 thousand loss recorded in 2021.

Overall, IDH served 70 thousand patients in 2022, performing 139 thousand tests during the 12-month period.

Saudi Arabia

(Expected to launch within the first half of 2023)

In October 2022, IDH and Biolab signed a partnership with Izhoor Medical, a company owned by Fawaz Alhokair, aimed at launching a full-fledged pathology diagnostic services provider in Saudi Arabia. This new venture will be owned 50% by IDH, while the remaining 50% will be owned by Izhoor. The venture's total investments are set to reach US$ 19.7 million over the coming four years. IDH will consolidate the results of the new venture.

The new venture will be led by Dr. Amid Abdelnour, Biolab's founder and CEO, with day-to-day operations overseen by the Biolab team that will look to transfer its operational expertise and high-quality standards to the Saudi Arabian market. This deal is in line with the Group's strategy of regional expansion and will see IDH penetrate a fifth geography to expand its customer base worldwide.

Market Overview

Through this strategic partnership, IDH will be entering one of the region's most attractive markets offering solid growth potential underpinned by favourable demographics, an increasingly health-conscious patient base, robust macroeconomic fundamentals, changing healthcare sector dynamics in favour of private providers, and a supportive regulatory framework. Today, the Kingdom boasts a population of 36 million (growing at c.2% per year), and ranks third in the Middle East behind only Iran and Iraq. Meanwhile, the Saudi Arabian diagnostics labs market is set to be one of the fastest growing in the MEA region over the coming six years. Faster growth is expected to be supported by several factors, including robust population growth fuelled by both Saudi and non-Saudi nationals, as well as government efforts to increase the contribution from private sector labs. Overall, the country currently records some of the highest per-capita spending on healthcare in the region, with the number set to rise further in the coming years.

In line with the country's 2030 Vision, reforming and growing the country's healthcare sector is a top priority for the Saudi government. On the reform side, a lot of focus has been put on the sector's privatisation, with nearly 300 hospitals and more than 2,250 healthcare centres to be privatised by 2030. This is expected to create ample opportunities for growth for new and existing private players. The government has been investing significant resources in the sector, with 14.4% of the 2022 budget being spent on healthcare (KSA accounts for 60% of total healthcare spending in the GCC). Despite this, growing demand has seen public facilities rely increasingly on private sector outsourcing, including in the diagnostic testing space.

> "The launch of IDH's KSA venture will see the Company penetrate a fifth, fast-growing, and underserved market with significant future growth potential.

Our Brands

IDH's core brands include Al Mokhtabar, Al Borg, and Al Borg Scan in Egypt; Biolab in Jordan; Ultra-lab and Al Mokhtabar Sudan in Sudan; and Echo-Lab in Nigeria. In 2019, the Group introduced its Egypt-based data analytics venture, Wayak, which utilises a proprietary data analytics tool to offer patients healthcare management services and compile electronic medical records.

Al Mokhtabar – Egypt

Al Mokhtabar was first launched more than four decades ago when Dr. Moamena Kamel, Professor of Immunology at Cairo University, founded MK Lab in 1979. MK Lab was later rebranded in line with Al Mokhtabar and has since built a reputation as a top-notch quality care provider with a portfolio of over 1,200 clinical analyses in the areas of immunology, haematology/coagulation, clinical chemistry, parasitology, microbiology/infectious diseases, toxicology, cytology, surgical pathology, flowcytometry, molecular biology, and cytogenetics. As of 31 December 2022, Al Mokhtabar operated a network of 277 branches across Egypt and has served 4.5 million patients who received more than 17 million tests.

Al Mokhtabar Key Highlights

277
operational branches as at 31 December 2022

4.5 MN
patients served in 2022

17.5 MN
tests performed in 2022

Al Borg Laboratories – Egypt

Founded in 1991, Al Borg Laboratories is the first medical laboratory in the Middle East to successfully implement a fully operational Hub, Spoke, and Spike business model. Al Borg now offers more than 2,000 tests covering all fields of medical testing, both conventional and non-conventional. The company serves outpatient walk-in customers, in addition to corporate, insurance, and lab-to-lab clients.

Al Borg Laboratories Key Highlights

216
operational branches as at 31 December 2022

3.0 MN
patients served in 2022

11.8 MN
tests performed in 2022

Al Borg Scan – Egypt

Established by IDH in 2018 to capture growth opportunities in Egypt's high-value and high-fragmented radiology sector, Al Borg Scan now offers a full range of radiology services. Additionally, it leverages the strong brand equity and reputation associated with Al Borg to access its wide customer base and solidify its position as Egypt's premium provider of medical imaging. Operations at the Group's Egyptian radiology venture continue to ramp up, with the Company investing significant resources to expand Al Borg Scan's branch network. As of year-end 2022, the company operated 216 state-of-the-art facilities in Egypt, with plans to launch an additional two branches in the coming 12 months. Al Borg Scan draws on the latest technology to offer the highest quality in MRI, CT, ultrasound, x-ray, mammogram, and cath lab services. Operated by some of Egypt's forefront radiologists, Al Borg Scan is an integral component of IDH's strategy of building a national brand in Egypt and enables the Group to deliver on its vision of providing patients with a one-stop shop service offering combining both pathology and ACR-accredited radiology.

Al Borg Scans Key Highlights

6
operational branches as at 31 December 2022

116K
patients served in 2022

151K
tests performed in 2022

Wayak – Egypt

Launched in 2019, IDH's Egypt-based subsidiary, Wayak, leverages the Group's vast and growing patient database and wide geographic reach to initiate electronic medical records and offer patients customized services. Wayak has enabled IDH to provide an encompassing service offering to its chronic patients, starting with medication home-delivery and later expanding services to include diagnostic testing reminders, referrals to service providers under the Group's network with discounted prices, and follow-up services.

Wayak Key Highlights

132,215
orders completed in 2022

102,171
orders completed in 2021

29%
year-on-year growth in orders completed in 2022

Biolab – Jordan

Biolab was launched in 2001 as IDH sought to realise its goal of becoming a leader in Jordan's private medical laboratory sector. Through a nationwide network of 23 branches fitted with state-of-the-art medical technology, Biolab offers an encompassing array of over 1,000 diagnostic tests to a customer base comprised of patients, physicians, hospitals, and referring clinical laboratories. Biolab is accredited by the Jordanian Ministry of Health (MOH), with two branches accredited with ISO 15189 and Joint Commission International (JCI) and one branch boasting CAP accreditation since 2018.

Biolab Key Highlights

23
operational branches as at 31 December 2022

890K
patients served in 2022

2.8 MN
tests performed in 2022

Echo-Lab – Nigeria

IDH acquired Nigerian medical diagnostics firm Echo-Lab (previously Echo-Scan) in 2018 to continue the Group's expansion strategy. The acquisition boosted IDH's exposure to the fragmented and underpenetrated Nigerian market, enabling the Group to capitalize on favourable market conditions similar to those prevalent in other geographies in which IDH operates. Echo-Lab boasts a comprehensive suite of pathology and radiology diagnostic testing, bringing together different test categories under the one umbrella.

Echo-Lab Key Highlights

12
operational branches as at 31 December 2022

149K
patients served in 2022

303K
tests performed in 2022

UltraLab – Sudan

UltraLab was founded in 2008 and quickly evolved to become Sudan's largest and most reputable laboratory chain. As at year-end 2022, UltraLab operated 11 laboratories, including one independent labs and 10 hospital/clinical centre-based labs. The company also has vast exposure across Sudan, with its network of branches spanning Khartoum, Om Dorman, and Port Sudan.

UltraLab Key Highlights

11
operational branches as at 31 December 2022

59K
patients served in 2022

108K
tests performed in 2022

Al Mokhtabar Sudan – Sudan

Established in 2010 prior to IDH's acquisition of Al Mokhtabar in Egypt, Al Mokhtabar Sudan provides a similar diagnostic service offering as that of UltraLab. Similarly, both the Group's Sudanese subsidiaries follow IDH's efficient Hub, Spoke, and Spike model, mimicking the approach utilized by Al Borg and Al Mokhtabar in Egypt.

UltraLab Key Highlights

6
operational branches as at 31 December 2022

11K
patients served in 2022

31K
tests performed in 2022

Our Services

Through IDH's brands, the Group offers a full spectrum of diagnostic testing services, with over 2,000 internationally accredited pathology tests ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders. IDH also offers the full suite of radiology services through Al Borg Scan in Egypt and Echo-Lab in Nigeria. Additionally, IDH's Egypt-based subsidiary, Wayak, leverages the Group's vast and growing patient database and wide geographic reach to initiate electronic medical records and offer patients customized services, including home-delivery of medications, diagnostic testing reminders, and referrals to service providers.

Pathology

IDH's comprehensive pathology product portfolio covers immunology, haematology, endocrinology, clinical chemistry, molecular biology, cytogenetics, histopathology and microbiology.

Immunology	Microbiology	Haematology
Endocrinology	Clinical Chemistry	Molecular Biology
Cytogenetics	Histopathology	Genetics

Radiology

IDH's comprehensive radiology services offered through Al Borg Scan (Egypt) and Echo-Lab (Nigeria) include, but are not limited to, magnetic resonance imaging (MRI), computed tomography (CT), ultrasound, x-ray, mammograms, and cath lab facilities.

Internationally Accredited Test Portfolio

Across its brand portfolio, IDH boasts international-quality accreditations with a stringent internal audit process to ensure it continues to deliver the world-class services patients have come to expect from IDH's facilities.

ISO

ISO accreditation requires an initial inspection of laboratory practices, calibration, and medical analysis by an accreditation body. For Al Mokhtabar and Al Borg, it was URS Certification (accredited internationally by the United Kingdom Accreditation Service). Meanwhile, for Biolab, the initial inspection was carried out by the Jordanian Accreditation System (JAS). The inspection involves the clinical chemistry area, the virology unit, the haematology unit and the general laboratory management practice. The accreditation's standards include both management and technical requirements. The Company's ISO 9001 accreditations for both Al Mokhtabar and Al Borg passed accreditation reviews in December 2020 and are valid for three years. Additionally, in 2022, the Company obtained ISO 45001, pertaining to occupational health and safety, and ISO 14001, pertaining to environmental safety, accreditations for Al Mokhtabar and Al Borg.

College of American Pathologists (CAP)

Unlike ISO accreditation, CAP certification is awarded to individual labs, rather than the Group's operations as a whole, and is widely considered the global leader in laboratory quality assurance. The Group's central Mega Lab in Cairo, which was inaugurated in 2015, first received its CAP certification in February 2018, and the certification is renewable every two years. The Mega Lab replaces two smaller, independent "A-labs", one of which was also CAP-certified. IDH operates the only laboratory in Egypt to receive this distinguished certification, which was renewed in October 2021.

American College of Radiology (ACR)

In 2022, both Al Borg Scan's nuclear medicine (NucMed) and ultrasound units obtained the prestigious ACR accreditation, making Al Borg Scan the first laboratory to earn the accreditation in Africa. ACR accreditation is widely considered one of the most prestigious certifications for radiology service providers in the world. Through a complete review of a facility's equipment, medical personnel, and quality assurance processes, ACR accreditation helps guarantee that patients receive the highest level of image quality and safety. To obtain the certificate, Al Borg Scan underwent a rigorous examination of its facilities and operational practices. Over the last two years, IFC healthcare quality experts worked with Al Borg Scan to evaluate the baseline level of implementation of quality standards and provided guidance on required improvements in infrastructure, policies, and processes to fully comply with ACR standards and requirements.

General Authority for Healthcare Accreditation and Regulation (GAHAR)

Established in step with the Egyptian government's pursuit of ensuring quality healthcare provision for its citizens, and in line with the Egyptian healthcare direction set out under Egypt's 2030 Vision, GAHAR accreditation standards were set forth with a patient-centric focus, matching the highest international accreditation standards, while accounting for Egyptian laws and culture. IDH acquired GAHAR accreditation in 10 labs.

Quality Assurance

IDH's quality assurance programme ensures that all internal diagnostic processes, lab testing procedures, and results analyses are accurate. The quality assurance programme ensures that all the standards of the CAP and ISO accreditations are met by inspecting hardware and equipment, ensuring compliance with procedure manuals, inspecting the accuracy of results, and administering competency assessments for employees. The quality assurance programme also ensures the timely renewal of all accreditations. The internal audit team also maintains a specific audit checklist for the basic and routine tests conducted in the Group's C-labs, including conformity of process; testing the competency of employees through oral, observational, practical, and written tests; and conducting managerial audits to assess the labs' management and administrative efficiency.

Employee Training

The Group views education as an essential means of ensuring quality across its laboratories. To help develop the skills of employees, IDH has a dedicated training facility in Cairo with four training laboratories. In 2022, the training team was composed of one manager, two medical consultants, three supervisors, two administrators, and four full-time training specialists. The centre provides training to around 566 employees per month, including doctors, chemists, receptionists, branch and area managers, sales personnel, and administrators. The training curriculum is determined based on performance KPIs, internal audit reports, management reviews, competency assessment reports, and analysis of customer feedback and complaints. IDH's employee training is structured along four modules covering both technical and non-technical skills: new employee training and competency based, need-based, and practical re-training.

Competitive Strengths & Growth Strategy

IDH's distinguished market position and adaptive business model, coupled with its scalable platform and seasoned management, provide the necessary tools to deliver on the Group's ambitious long-term growth strategy while navigating the challenges posed across its markets.

Competitive Strengths

Exposure to resilient markets with favourable dynamics

The Group operates in markets underpinned by strong structural growth drivers, with generally under-penetrated and underserved diagnostic services sectors. Given the counter-cyclical nature of the diagnostic and healthcare industries, IDH remains resilient in the face of economic and political hurdles across its geographic footprint. This has been displayed by IDH's consistent top- and bottom-line growth in recent years despite the unprecedented challenges posed by global and regional economic hardships.

Strong market position with over four decades of industry experience

Across all its markets, IDH benefits from strong barriers to entry (as detailed in Our Markets on page 24). This provides a significant edge for players who, like IDH, maintain a strong market position. Relying on strong brand equity and a stellar reputation, IDH's subsidiaries have achieved a successful track record spanning more than 40 years, earning patients' trust and loyalty and positioning themselves as the go-to service providers in their respective markets. IDH also leverages its internationally accredited facilities to attract contract clients, while its scalable business model and relationships with key stakeholders enable the Group to extend its reach in a fragmented market.

Scalable asset-light business model

IDH's Hub, Spoke, and Spike business model enables a capital efficient expansion of the Group's geographic footprint. The Group's centralised Mega Lab, which is fitted with modern, high-capacity equipment and enjoys ample throughput, facilitates the rapid deployment of asset-light, plug and play C-labs for sample collection and simple testing across its markets. Safety and testing procedures are continuously enhanced as more tests are performed using the advanced diagnostic tools and state-of-the-art technology installed at IDH's Mega Lab. Given the large volumes required to achieve the economies of scale necessary to implement this asset-light business model, IDH's Mega Lab provides a unique competitive advantage unmatched by any of its regional peers.

Strong balance sheet and cash generation capacity

The Group's asset-light model, which enables minimal borrowing and significant strategic flexibility, allows the Company to maintain a strong financial position with a balance sheet with a low amount of leverage. Meanwhile, core profitability remains strong, with the Group delivering high EBITDA margins and sustaining healthy cash balances despite the challenging operating conditions to which IDH has been subjected throughout the years.

Experienced and entrepreneurial management

IDH has a highly qualified management team with several decades of healthcare experience at its helm, while its seasoned Board of Directors brings a wealth of healthcare, MENA region, and investment experience to the table.

Long-Term Growth Strategy

IDH leverages its competitive advantages to capture significant opportunities and deliver on a four-pillar growth strategy focused on (1) the continued expansion of its customer base; (2) the expansion of its service portfolio to increase tests per patient; (3) the penetration of new geographic markets through selective, value-accretive acquisitions; and (4) the introduction of new medical services by leveraging the Group's network and reputable brand position.

Expand Customer Reach

The Group is constantly searching for opportunities that increase patient accessibility and expand its customer base, capitalising on the favourable market dynamics and strong demand for private healthcare services, which are commonly shared characteristic across its entire geographical footprint. IDH expands at a rate of 25–30 branches per annum, making the Company the largest branded private sector player in Egypt, its largest market. IDH's scalable, asset-light business model allows the quick and efficient roll-out of new labs and the further expansion of its presence in the MEA region. In addition to its core offerings, the Group provides a host of complementary services, including house calls, e-services, and results delivery, which create an easy and well-rounded experience for both existing and prospective patients. IDH's house call services have gained significant traction over the last two years as a result of the Covid-19 pandemic, accounting for 18% of Egypt's revenues in 2022, well above its pre-pandemic averages. In response to higher demand during the Covid-19 pandemic, the Company effectively expanded the service and can now perform up to 5,000 house call visits per day and handle as many as 10,000 daily calls. This has enabled the Company to successfully meet growing demand while still enjoying ample spare capacity to further accelerate the service. The Group also seeks to expand its customer reach through negotiating more deals with institutions for its corporate segment, with institutions ranging from public entities, such as ministries and syndicates, to purely private companies. Additionally, the Company participates in governmental campaigns, such as the 100 Million Healthy Lives Campaign that ran from November 2018 until June 2019 and served 224 thousand patients.

Increase Tests per Patient

The Group's state-of-the-art Mega Lab further facilitates the delivery of a growing number of increasingly complex tests that are not typically available at competing labs. Additionally, IDH bundles testing services into discounted health packages offered to existing customers, further driving volume growth and revenue per patient, a particularly important growth driver during a period of high inflation. Building on this, in 2022, the Group launched its first ever loyalty programme dedicated to the contract segment. The new scheme immediately generated positive results, boosting tests per patient to a record high in the segment. Moreover, IDH actively participates in awareness campaigns focusing on particular illnesses and educating people on lifestyle diseases, such as diabetes and high cholesterol, and highlighting the importance of frequent testing. These efforts and the associated community engagement have successfully boosted IDH's volume growth and bolstered average tests and revenues per patient

52
new branches in 2022

8.7 MN
patients served in 2022

Geographic Expansion

IDH is continuously seeking strategic acquisition opportunities within the MEA region where markets are largely characterised by under-penetration and high fragmentation. IDH's business model is well-positioned to leverage prevailing healthcare and consumer trends in the region. Relying on the strength of its balance sheet, IDH delivers on its strategic objective through value-accretive acquisitions and strategic partnerships. Most recently, the Group announced a landmark partnership (majority owned by IDH) with Biolab and Izhoor Holding to launch a new full-fledged pathology diagnostic service provider in Saudi Arabia. Saudi Arabia presents an attractive market opportunity for IDH, characterised by a growing and ageing population with a high rate of non-communicable diseases due to unhealthy lifestyle choices. Additionally, the Saudi market offers a favourable regulatory environment on the back of the government's resolve to minimise influence in the healthcare field and encourage private investment.

Diversify into New Medical Services

The Group believes that its brand equity, experience, and patient following ideally position it to pursue opportunities in adjacent markets. For this reason, IDH began its expansion into the high-value radiology segment in October 2018 through Al Borg Scan. On top of IDH's revenue streams, Al Borg Scan enabled the Group to capitalise on the important growth opportunities offered by Egypt's fragmented radiology market while delivering on our vision of providing patients with a one-stop shop service offering featuring both pathology and radiology.

Additionally, IDH marked its expansion into data-driven, tailored healthcare management services in September 2019 through Wayak. These new services enable the Group to provide an increasingly well-rounded and tailored experience to its patients, further boosting loyalty and retention rates.

Principal Risks, Uncertainties, & their Mitigation

As in any corporation, IDH has exposure to risks and uncertainties that may adversely affect its performance. IDH Chairman Lord St John of Bletso has emphasised that ownership of the risk matrix is sufficiently important to the Group's long-term success that it must be equally shared by the Board and senior management. While no system can mitigate every risk — and some risks, as at the country level, are largely without potential mitigants — the Group has in place processes, procedures, and baseline assumptions that provide mitigation. The Board and senior management agree that the principal risks and uncertainties facing the Group include:

Specific Risk	Mitigation
Country/regional risk — Economic & Forex	
Egypt: The Group is subject to the economic conditions of Egypt specifically and, to a lesser extent, those of the other geographies. Egypt accounted for c.80% of our revenues in 2022 (2021: c.81%) and 90% of adjusted EBITDA (2021: 87%). While the Russia-Ukraine war has had significant economic repercussions on countries all over the world, Egypt's dependency on both countries for wheat imports and tourism revenues, its high import bill, the widespread outflow of capital from emerging markets at the start of the war, and the tight monetary conditions globally have left the country in a particularly weak position. As part of the government's plans to boost FX reserves and investor confidence, the country finalised a US$ 3 billion loan from the IMF in December 2022. A central condition within the agreement was the move to a flexible exchange rate in the country. As a result of multiple devaluations throughout the year, in March 2023, the EGP was down 97% year-on-year recording an EGP/US$ rate of 30.9 in March 2023 from 15.7 in early March 2022 (prior to the first devaluation). Despite this, pressure on the currency persists stemming from a strong US$, a US$ shortage in the market, and further speculation of a weaker currency. As a result of the devaluation, rising global food and energy prices, and import restrictions imposed throughout most of 2022 by the CBE, Egypt recorded high and rising inflation throughout 2022, with inflation hitting a five-year high in January 2023 of 25.8%. In an attempt to rein in inflation, the central bank has raised rates by 800 bps since the beginning of 2022.	Overall, management notes that IDH has a resilient and defensive business model and that the business continued to grow year-on-year through two revolutions, as well as under the extremely difficult operating conditions faced between 2016 and 2022, during which time the country faced the Covid-19 pandemic and several rounds of currency devaluation. IDH has historically taken a proactive approach to shield the business from exchange rate fluctuations. As part of IDH's mitigation strategy the Company secures contracts with tenors ranging from five to seven years (with semi-fixed FX rates) and purchases laboratory test kits on contract with volume-linked pricing. Moreover, thanks to IDH's significant volume and scale, and its long-lasting supplier relationships, the Company is in a favourable position to negotiate test kit prices with all its major suppliers. During FY 2022, only 12% of IDH's cost of supplies (c.2% of revenues) were payable in US$, minimising the Group's exposure to foreign exchange (FX) scarcity and, in part, the volatility of the EGP. During the first part of 2022, the Group had secured its stock at pre-devaluation rates, helping to further minimise the impact of the devaluation. Moreover, during the course of 2022, the Company was able to renegotiate supplier prices at a lower rate than the devaluation rates, which resulted in an overall increase in the proportion of raw materials to sales of 20.7%, compared to 19.6% in 2021. Going forward, IDH's management will continue to leverage its long-lasting relationships with test kit providers to secure additional stock at competitive prices, shielding our business from the impacts of rising inflation and the EGP devaluation.

Specific Risk	Mitigation
Foreign currency risk: The Group is exposed to foreign currency risk on the cost side of the business. The majority of supplies it acquires are paid in EGP, but given they are imported, their price will vary with the rate of exchange between the EGP and foreign currencies. In addition, a portion of supplies are priced and paid in foreign currencies.	In an effort to mitigate high inflationary environment in Nigeria, management is increasing prices and focusing on cutting unnecessary cost.
Nigeria: Depreciation of the NGN would make imported products and raw materials more expensive and would reduce Nigeria's contribution to consolidated Company revenues. Meanwhile, inflation in Nigeria surged in 2022, reaching 21.3% in December 2022. Higher price levels were driven by the sharp rise in diesel prices, which increased from NGN 250 per litre in 2021 to NGN 805 per litre in 2022.	The Group is closely monitoring the economic situation in Sudan and has implemented several price increases to keep in step with inflationary pressures. IDH is also working to limit expatriate salaries and foreign currency needs by increasing dependence on local hires.
Sudan: Following substantial currency devaluation in Sudan during 2018, the currency lost 85% of its value. In 2019, the SDG's official rate versus the US$ remained relatively stable at 45.11 as at 31 December according to the Central Bank of Sudan. However, in July 2020, the Sudanese government announced it would devalue its currency and cut fuel subsidies due to a huge budget deficit and an economic crisis aggravated by the Covid-19 pandemic. In February 2021, the currency was devalued again, and fuel subsidies were completely removed in June 2021, which led to a further increase in consumer prices. In March 2022, the Sudanese government floated the SDG, which saw the currency end 2022 at a rate of 571.5 versus the US$. Sudan's headline inflation rate has been gradually declining throughout 2022, ending the year at a rate of 87.3%, down from 259.8% in January 2022.	

Specific Risk	Mitigation
Country risk — Political & Security	
Sudan: In 2019, severe political unrest and protests led the military to remove long-time president Omar Al-Bashir. Following his removal, the military signed a power-sharing agreement with an opposition coalition in July 2019, with the aim of eventually transferring power to a civilian government. On 25 October 2021, Sudan's Prime Minister, Abdalla Hamdok, was detained by armed forces, and Army chief General Abdel Fattah al-Burhan announced that the civilian government and other transitional bodies have been dissolved, leading to mass rallies and civilian unrest. The protests led to the temporary closure of all of IDH's Sudanese branches. All locations were reopened within a few days and quickly gained back momentum. On 21 November 2021, Mr. Hamdok took office once again but later stepped down on 2 January 2022. On 5 December 2022, a new deal was signed between military generals and political parties that would pave the way for a civilian-led transition. However, civil unrest and protests are continuing as the country's future remains unclear. The situation in Sudan is volatile, and continued civil unrest could adversely affect IDH's business. It is worth noting that in December 2020, the US removed Sudan from its States Sponsors of Terrorism list. The change in the country's designation is expected to allow Sudan to have access to international funds and investment, including the International Monetary Fund, paving the way for the country's economic growth.	It is important to note that in FY 2022 Sudan made up just 0.6% of IDH's revenues. Moreover, while nationwide protests do affect patient and test volumes in Sudan, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. Additionally, management in Sudan has been successful in offsetting the effect of lower volumes due to protest with higher pricing, and in 2019, 2020, 2021, and 2022, the geography recorded solid year-on-year revenue growth in SDG terms. In FY 2022, IDH's Sudanese operations also returned to growth in EGP terms. IDH's management on the ground continues to monitor the evolving situation and has put in place an all-encompassing mitigation strategy to safeguard staff and patient wellbeing and protect IDH's operations in case of any future unrest.
Nigeria: The country faces security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Against the backdrop of a sluggish economy and the slow implementation of reforms, mounting discontent could translate into further social unrest. Following the disbandment of the special division known as Special Anti-Robbery Squad (SARS) by the Nigerian government in October 2020, protests have decreased significantly across the country, but a potential escalation of civil unrest remains possible. Throughout 2022, there were several instances of escalation following multiple terrorist attacks and widespread cases of kidnapping. Nigeria held elections in the first quarter of 2023.	It is worth highlighting that in FY 2022, Nigeria made up just 2.2% of IDH's consolidated revenues. Moreover, while nationwide security challenges do affect patient and test volumes in the country, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. This is showcased by the healthy rise in both patient and test volumes that has been recorded by the venture since IDH's takeover of operations in 2018. While security challenges and ethnic tensions are relatively hard to mitigate, IDH is continuously evaluating its processes to safeguard its employees and operations. Overall, IDH applies rigorous standards to evaluating all aspects of its business processes in Nigeria to ensure it is well-equipped to respond to the evolving situation.

Specific Risk	Mitigation
Covid-19	
The risks posed by Covid-19 on the business have declined significantly in 2022 as vaccination campaigns ramped up, infection rates declined, and governments and businesses continued to effectively coexist with the virus. As of December 2022, no new restrictions have been imposed following the rise of new Covid-19 variants throughout the past year. As at the end of 2022, the share of the population having received at least one Covid-19 vaccine dose stood at approximately 46% in Egypt, 47% in Jordan, 30% in Nigeria, and 15% in Sudan, and all four countries are currently free from any Covid-19 related restrictions.	All of IDH staff use appropriate protective equipment when interacting with patients, including those suspected of having Covid-19 or any other infectious disease. IDH is currently administering PCR, Antibody, and Antigen testing for Covid-19 in Egypt and Jordan. All of the Group's employees have been fully vaccinated during 2021, and they are subject to regular communications reminding them that they may not report to work if they have symptoms of a Covid-19 infection.
Covid-19 impact on IDH Financials Throughout FY 2022, IDH generated around 18% of its revenues from Covid-19-related testing. In light of the increasing roll-out of vaccines and the widespread decline in infection rates, Covid-19-related revenues rapidly declined as the year progressed and in Q4 2022 made up just 3% of total revenues versus 43% in Q1 2022.	Throughout the Covid-19 crisis, IDH has maintained a strong focus on growing its conventional (non-Covid19-related) business, which expanded 18% in FY 2022 versus FY 2021, and came in 33% above pre-covid levels recorded in FY 2019 (adjusting for the contribution generated by the 100 Million Healthy Lives Campaign in 2019). As part of the Group's post-Covid-19 strategy in both Egypt and Jordan, IDH's focus has now turned to patient retention as it looks to maintain the new relationships established during the pandemic thanks to its Covid-19-dedicated offering.

Specific Risk	Mitigation
The Russia-Ukraine War	
The conflict between Russia and Ukraine, which has been ongoing since February 2022, has negatively impacted the global economy and IDH's markets of operation. In particular, IDH's home and largest market of Egypt saw a rapid rise in inflation and a large outflow of capital following the outbreak of the conflict. This is due to multiple factors, including the country's reliance on the imports of oil and wheat, coupled with a relatively weak FX position. Rising inflation has increasingly eaten away at patients' purchasing power in the country. Fast-rising inflation was also recorded across IDH's other markets.	As with similar situations in the past, IDH expects protracted high inflation, in particular in Egypt, to have the most significant impact on patients who pay for their own healthcare. IDH has been developing marketing programmes targeted to this patient segment with a strong health awareness message in combination with a compelling value component. This includes offering bundled diagnostic test packages for lifestyle-related diseases and chronic health conditions, as well as an in-house point redemption system. The Company is also exploring various solutions to offer more affordable payment plans to retain patients despite rising inflation. At the same time, IDH enjoys a strong brand equity built over many years, which has translated into strong loyalty, ensuring that patients continue to choose the Group as their trusted diagnostic services provider irrespective of the ongoing inflationary pressures. On the costs front, IDH has been actively working with suppliers to negotiate favourable test kit prices and contracts to mitigate the impact of a weaker EGP on its raw material cost base.
Global Supply Chain Disruptions	
The Russia-Ukraine conflict has exacerbated supply chain disruptions that had already come about as a result of restrictions imposed to curb the spread of Covid-19, labour shortages, and fast-rising demand for goods, causing delays and shortages worldwide. The ongoing global supply chain disruptions has had limited impacts on IDH's operations throughout 2022 and in early 2023.	IDH's management team continually monitors the evolving situation and has taken proactive steps to build up its inventory to shield the Group from any potential future disruptions. IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness. Throughout 2022 and in the first part of 2023, thanks to IDH's proactive inventory build-up and sourcing strategy, the Group continued to face no problems acquiring raw materials.

Specific Risk	Mitigation
Supplier Risk	
IDH faces the risk of suppliers re-opening negotiations in the face of cost pressure owing to the prevailing inflationary environment and/or a possible albeit limited devaluation risk.	IDH has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Group purchases, IDH was typically able to negotiate favourable pricing and maintain raw material costs increases at a rate slower than local currency devaluation. It is worth highlighting that IDH's supplier relations were not impacted by Covid-19.
IDH's supplier risk is concentrated among three key suppliers — Siemens, Roche, and Sysmex— who provide it with kits representing 31% of the total value of total raw materials in 2022 (2021: 24%).	Total raw material costs as a percentage of revenues stood at 20.4% in 2022 versus 18.9% in 2021 (raw materials to net sales stood at 20.7% in 2022 compared to 19.6% in 2021).
Remittance of dividend regulations and repatriation of profit risk	
The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions. More specifically, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends. Additionally, in line with the most recent devaluation of the EGP, there have been significant shortages of foreign currency at Egyptian banks, with the ability to source foreign currency becoming more difficult under strict regulations.	As a foreign investor in Egypt, IDH did not have issues with the repatriation of dividends. However, starting in early 2022, the Company has faced significant difficulties in sourcing the US$ balance needed to fulfil its dividend obligations. Heading into 2023, the Company expects the difficulties to persist and is closely monitoring the evolving situation to shield the business from potential challenges.
Legal and regulatory risk to the business	
The Group's business is subject to, and affected by, extensive, stringent, and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.	The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes. On the antitrust front, the private laboratory segment (of which IDH is a part) accounts for a small proportion of the total market, which consists of small private labs, private chain labs, and large governmental and quasi-governmental institutions.

Specific Risk	Mitigation
Risk from contract clients	
Contract clients, including private insurers, unions, and corporations, account for 58% of Group revenues for the year. Should IDH's relationship with these clients deteriorate, for example if the Group were unable to negotiate and retain similar fee arrangements or should these clients be unable to make payments to the Group, IDH's business could be materially and adversely affected.	IDH diligently works to maintain sound relationships with contract clients. All changes to pricing and contracts are arrived at through discussion rather than blanket imposition by IDH. Relations are further enhanced by regular visits to contract clients by the Group's sales staff. In an effort to mitigate risks from contact clients, no single client contract accounts for more than 3% of total revenues or 4% of contract revenues.
Pricing pressure in a competitive, regulated environment	
The Group may face pricing pressure from various third-party payers, including national health insurance, syndicates, and other governmental bodies, which could materially and adversely affect its revenue. Pricing may be restrained in cases by recommended or mandatory fees set by the government's ministries and other authorities. This risk may be more pronounced in the context of the imminent inflationary pressures following the recent depreciation of the EGP. The Group might face pricing pressure from existing competitors and new entrants to the market.	This is an external risk for which there exist few mitigants. In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c.58% of IDH revenues in 2022 is generated by servicing contract clients (private insurer, unions, and corporations) who prefer IDH's national network to patchworks of local players. IDH has a limited ability to influence changes to mandatory pricing policies imposed by government agencies, as is the case in Jordan, where basic tests that account for the majority of IDH's business in that nation are subject to price controls. IDH enjoys a strong brand equity in its markets of operation, which enables all its brands to enjoy a solid positioning in the markets in which it operates. As such, IDH is a price maker, especially in Egypt, where the Group currently controls the largest network of branches among all private sector players. Moreover, in its home market of Egypt, which accounted for 80% of total revenues in FY 2022, the Group faces no potential risk of price regulation by the government.
Cybersecurity risks	
The Company controls a vast amount of confidential data for its patients' records; to this end, there is a cybersecurity risk for both data confidentiality and data security.	The Company has stringent control over its data security and regularly stress tests its IT infrastructure to assess the robustness of its internal controls. Moreover, its cybersecurity controls and protocols are regularly updated to proactively address potential shortcomings, keep them in full adherence with data security regulations in the Group's markets of operation, and maintain them in line with global best practices.

Specific Risk	Mitigation
Business continuity risks	
Management concentration risk: IDH is dependent on the unique skills and experience of a talented management team. The loss of the services of key members of that team could materially and adversely affect the Company's operations and business.	IDH understands the need to support its future growth plans by strengthening its human capital and engaging in appropriate succession planning. The Company is committed to expanding the senior management team, led by its CEO Dr. Hend El Sherbini, to include the talent needed for a larger footprint. The Group has constituted an Executive Committee led by Dr. El Sherbini and composed of heads of departments. The Executive Committee meets every second week.
Business interruption: IT systems are used extensively in virtually all aspects of the Group's business and across each of its lines of business, including test and exam results reporting, billing, customer service, logistics and management of medical data. Similarly, business interruption at one of the Group's larger laboratory facilities could result in significant losses and reputational damage to the Group's business as a result of external factors such as natural disasters, fire, riots, or extended power failures. The Group's operations therefore depend on the continued and uninterrupted performance of its systems. Business Interruption: across its geographies, the reimposition of restrictive measures related to Covid-19 (including curfews and lockdowns) could impact the working hours of branches and in extreme cases could lead to their temporary closure.	The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems, and the use of mobile data systems as alternatives to landlines, among multiple other factors. IDH tests its disaster recovery plans on a regular basis, with regular updating and internal and external audits. In Egypt and Jordan, to mitigate the impact of potential branch closures on operations, the Group has been ramping up its house call services. Moreover, the Group's important role in conducting PCR testing for Covid-19 in both Egypt and Jordan makes it unlikely that branches would be closed, even if new restrictive measures were introduced.
Climate-related risks	
IDH's operations currently face low physical and transitional risks related to climate change.	For the first time, the Company is reporting, based on the Task Force on Climate-Related Financial Disclosures (TCFD) programme, disclosures to provide stakeholders with a clear framework to assess its climate-related risks and opportunities. Overall, the risk and opportunities related to climate change are considered immaterial, especially in the short-to-medium term. For TCFD disclosures, please refer to pages 80 to 84 of this report.

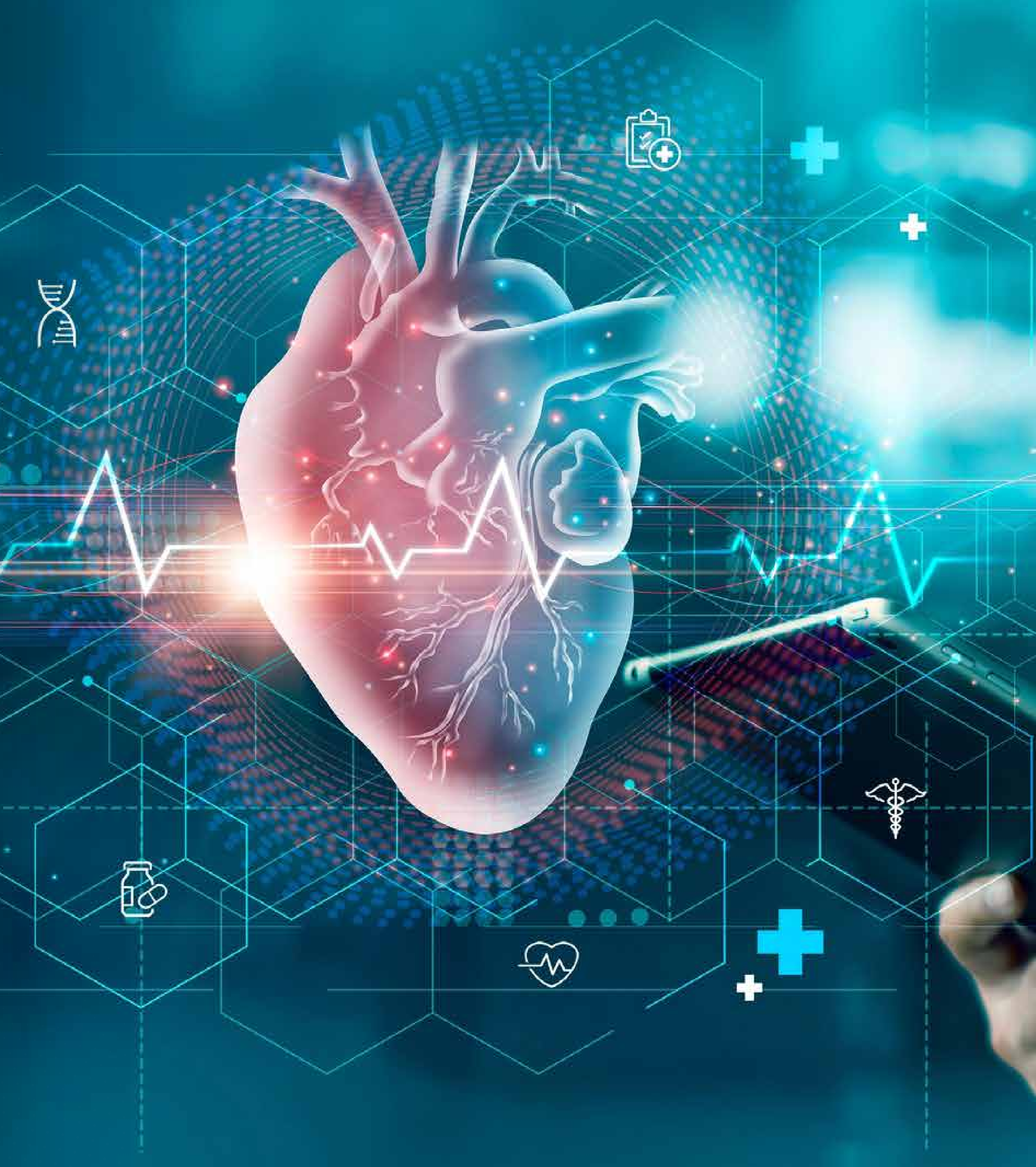
02

Performance

3.5 EGP/BN
Net sales in 2022

1.2 EGP/BN
Adjusted EBITDA in 2022

15%
Net profit margin in 2022



Important Notice

As part of IDH's efforts to support local authorities in Jordan in the fight against the pandemic, Biolab (IDH's Jordanian subsidiary) secured several revenue-sharing agreements to operate testing stations, primarily dedicated to PCR testing for Covid-19, in multiple locations across the country, including Queen Alia International Airport (QAIA) and Aqaba Port. These agreements kicked off in May 2021 at Aqaba Port and in August 2021 at QAIA. However, following the decision by Jordanian authorities on 1 March 2022 to end mandatory testing, testing booths across both locations recorded sharp declines in patient traffic.

Under these agreements, Biolab received the full revenue (gross sales) for each test performed and paid a proportion to QAIA (38% of gross sales excluding sales tax) and Aqaba Port (36% of gross sales) as concession fees to operate in the facilities, thus effectively earning the net of these amounts (net sales) for each test supplied. Starting in Q4 2021, the treatment of these agreements was altered in accordance with IFRS 15 paragraph B34, which considers Biolab as a Principal (and not an Agent). Subsequently, revenues generated from these agreements are reported in the Consolidated Financial Statements as gross (inclusive of concession fees), and the fees paid to QAIA and Aqaba Port are reported as a separate line item in the direct cost. It is important to note that sales generated from these agreements were reflected in the Company's results in Q1 2022 only as the agreements were terminated at the end of the first quarter of 2022.

In an effort to present an accurate picture of IDH's performance for the 12-month period ended 31 December 2022, throughout the report, management utilizes net sales of EGP 3,542 million for FY 2022 (IFRS revenues stand at EGP 3,605 million for the 12-month period). Net sales for the year ended 31 December 2022 are calculated as total gross revenues excluding concession fees and sales taxes paid as part of Biolab's revenue sharing agreements with QAIA and Aqaba Port. This is a similar approach taken by IDH in the Company's FY 2021 Results Announcement.

It is worth nothing that following the reduction in activity, net sales will not be reported as an Alternative Performance Measures (APM) in 2023.

It is important to note that aside from revenue and cost of sales, all other figures related to gross profit, operating profit, EBITDA, and net profit are identical in the APM and IFRS calculations. However, the margins related to the aforementioned items differ between the two sets of performance indicators due to the use of net sales in the APM calculations and the use of revenues for the IFRS calculations.

Adjustments Breakdown

EGP mn	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Net Sales	1,117	774	846	805	3,542
QAIA and Aqaba Port Concession Fees	63	0	0	0	63
Revenues	**1,180**	**774**	**846**	**805**	**3,605**
Cost of Net Sales	(586)	(473)	(497)	(524)	(2,080)
Adjustment for QAIA and Aqaba Port Agreements	(63)	(0)	(0)	(0)	(63)
Cost of Sales	**(649)**	**(473)**	**(497)**	**(524)**	**(2,143)**

Adjustments Breakdown

EGP mn	FY 2022 (IFRS)	FY 2022 (APM)
Egypt	2,894	2,894
Jordan	612	549
Nigeria	79	79
Sudan	20	20
Group total	**3,605**	**3,542**

Note: differences between IFRS and APM figures are highlighted in grey.

Alternative Performance Measures (APM)

EGP mn	FY 2021	FY 2022	Change
Net Sales	**5,048**	**3,542**	***-30%***
Conventional Revenue	2,452	2,903	*18%*
Covid-19-Related Net Sales	2,596	639	*-75%*
Cost of Net Sales	(2,244)	(2,080)	*-7%*
Gross Profit	**2,804**	**1,462**	***-48%***
Gross Profit Margin on Revenue	54%	41%	*-13 pts*
Gross Profit Margin on Net Sales[14]	*56%*	*41%*	*-15 pts*
Operating Profit	2,291	854	*-63%*
EBITDA[15]	**2,501**	**1,150**	**-54%**
Adjusted EBITDA[16]	**2,530**	**1,172**	**-54%**
Adjusted EBITDA Margin on Revenue	48%	33%	*-15 pts*
Adjusted EBITDA Margin on Net Sales	*50%*	*33%*	*-17 pts*
Net Profit	1,493	527	*-65%*
Net Profit Margin on Revenue	*29%*	*15%*	*-14 pts*
Net Profit Margin on Net Sales	*30%*	*15%*	*-15 pts*
Cash Balance	**2,350**	**816**	**-65%**

Note: differences between IFRS and APM figures are highlighted in grey.

[14] Gross profit, EBITDA, and net profit margins are calculated on net sales for APM in both periods.
[15] EBITDA is calculated as operating profit plus depreciation and amortization.
[16] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group.

Financial & Operational Review

EGP mn	FY 2021	FY 2022	Change
Revenues	**5,225**	**3,605**	***-31%***
Conventional Revenues	*2,452*	*2,903*	*18%*
Covid-19-Related Revenues	*2,773*	*702*	*-75%*
Cost of Sales	(2,421)	(2,143)	*-11%*
Gross Profit	**2,804**	**1,462**	***-48%***
Gross Profit Margin	54%	41%	*-13 pts*
Operating Profit	*2,291*	*854*	*-63%*
EBITDA[17]	**2,501**	**1,150**	***-54%***
Adjusted EBITDA[18]	**2,530**	**1,172**	***-54%***
EBITDA Margin	*48%*	*33%*	*-15 pts*
Net Profit	**1,493**	**527**	***-65%***
Net Profit Margin	*29%*	*15%*	*-14 pts*
Cash Balance	**2,350**	**816**	***-65%***

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 figure.

Revenue and Cost Analysis

Consolidated Revenue

IDH witnessed sustained growth at its conventional business (which includes IDH's full test roster except for its Covid-19-related offering) in FY 2022 as patient traffic continued to normalise post-Covid-19 and IDH capitalised on its post-pandemic growth strategy.

Growth for the year was dual driven as conventional test volumes and average revenue per test each posted solid year-on-year expansions. Meanwhile, Covid-19-related[19] revenues declined sharply throughout the year. Demand for Covid-19-related tests fell rapidly starting in the second quarter of this year as infection rates declined and governments lifted mandatory testing. Meanwhile, price drops were primarily seen in the first quarter of the year.

Combined, this saw the Group book consolidated revenue (IFRS) of EGP 3,605 million in FY 2022, a 31% year-on-year decrease, and consolidated net sales[20] of EGP 3,542 million, down 30% year-on-year. It is worth noting that the year-on-year decline in part reflects the high base effect from FY 2021 when the consolidated figure had been boosted by an exceptional contribution made by IDH's Covid-19-related test offering.

[17] *EBITDA is calculated as operating profit plus depreciation and amortization.*
[18] *Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group.*
[19] *Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers, including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin, and C-reactive Protein (CRP), which the Company 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 the Covid-19 pandemic.*
[20] *A reconciliation between revenue and net sales is available earlier in this announcement.*

Revenue Analysis

	FY 2021	FY 2022	Change
Total revenue (EGP mn)	5,225	3,605	-31%
Total net sales (EGP mn)	5,048	3,542	-30%
Conventional revenue (EGP mn)	2,452	2,903	18%
Total Covid-19-related revenue (EGP mn)	2,773	702	-75%
Total Covid-19-related net sales (EGP mn)	2,596	639	-75%
Core Covid-19 net sales (PCR, Antigen, Antibody) (EGP mn)	*2,217*	*556*	*-75%*
Other Covid-19-related net sales (EGP mn)	*379*	*83*	*-78%*
Contribution to Consolidated Results			
Conventional revenue	49%	82%	
Total Covid-19-related net sales	51%	18%	
Core Covid-19 tests (PCR, Antigen, Antibody)	*44%*	*16%*	
Other Covid-19-related tests	*7%*	*2%*	

Test Volume Analysis

	FY 2021	FY 2022	Change
Total tests (mn)	33.6	32.7	-3%
Conventional tests performed (mn)	28.5	31.0	9%
Core Covid-19 tests performed (k)	2,611	1,128	-57%
Other Covid-19-related tests performed (k)	2,507	572	-77%
Contribution to Consolidated Results			
Conventional tests performed	85%	95%	
Core Covid-19 tests performed	8%	3%	
Other Covid-19-related tests performed	7%	2%	

Revenue/Net Sale per Test Analysis

	FY 2021	FY 2022	Change
Total revenue per test (EGP)	**155**	**110**	***-29%***
Total net sale per test (EGP)	**150**	**108**	***-28%***
Conventional revenue per test (EGP)	86	94	*9%*
Covid-19-related net sale per test (EGP)	507	376	*-26%*

Revenue Analysis: Contribution by Patient Segment

Contract Segment (58% of total Group revenue)

Conventional revenue at IDH's contract segment (86% of total contract revenue) recorded a significant expansion of 32% year-on-year to book EGP 1,784 million in FY 2022 on the back of year-on-year increases in test volumes and revenue per test. Test volumes benefitted from several new initiatives introduced by management over the course of 2022, including the inauguration of a new loyalty programme for the first time in the contract segment, as well as a normalisation of IDH's patient mix as Covid-19-related volumes subsided. The immediate effects of the newly introduced loyalty programme were significant, with average tests per patient increasing 14% year-on-year to reach 4.1 in FY 2022 from 3.6 tests per patient in the prior year. Despite the sustained expansion in the contract segment's conventional revenue, a steep 80% year-on-year decrease in Covid-19-related[21] contract revenue resulted in an overall contraction of contract revenue of 28% year-on-year in FY 2022.

Walk-in Segment (42% of total Group revenue)

Meanwhile, at IDH's walk-in segment, conventional revenue (constituting 74% of total walk-in net revenues) reported a 2% year-on-year increase on the back of 9% year-on-year rise in the average revenue per test which more than offset a decline in conventional test volumes at the segment. On the other hand, Covid-19-related revenues at the segment declined 68% year-on-year to record EGP 400 million. Similarly Covid-19-related net sales[22] at the walk-in segment also declined 68% year-on-year to EGP 337 million. As a result, total revenues at the walk-in segment declined to EGP 1,519 million in FY 2022, 35% below last year's figure. Meanwhile, net sales at the walk-in segment decreased to EGP 1,456 million in FY 2022, a 33% year-on-year decline.

[21] *Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody), as well as other routine inflammatory and clotting markers, including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin, and C-reactive Protein (CRP), which the Company 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 the Covid-19 pandemic.*

[22] *Covid-19-related walk-in net sales is calculated as Covid-19-related walk-in revenues excluding concession fees paid as part of Biolab's agreements with QAIA, KHIA, and Aqaba Port.*

Key Performance Indicators

The table presents Alternative Performance Measures (APM) for each period (further information available earlier in the release)

	Walk-in Segment			Contract Segment			Total		
	FY21	FY22	Change	FY21	FY22	Change	FY21	FY22	*Change*
Revenue (EGP mn)	**2,339**	**1,519**	**-35%**	**2,885**	**2,086**	**-28%**	**5,225**	**3,605**	***-31%***
Net Sales (EGP mn)	**2,163**	**1,456**	**-33%**	**2,885**	**2,086**	**-28%**	**5,048**	**3,542**	***-30%***
Conventional Revenue (EGP mn)	1,100	1,119	2%	1,352	1,784	32%	2,452	2,903	*18%*
Total Covid-19-Related Net Sales (EGP mn)	1,063	337	-68%	1,533	302	-80%	2,596	639	*-75%*
Patients ('000)	**3,464**	**2,592**	**-25%**	**6,853**	**6,129**	**-11%**	**10,317**	**8,721**	***-15%***
% of Patients	34%	30%		66%	70%				
Revenue per Patient (EGP)	675	586	-13%	421	340	-19%	506	413	*-18%*
Net sales per Patient (EGP)	624	562	-10%	421	340	-19%	489	406	*-17%*
Tests ('000)	**8,693**	**7,313**	**-16%**	**24,966**	**25,372**	**2%**	**33,659**	**32,685**	***-3%***
% of Tests	26%	22%		74%	78%				
Conventional Tests ('000)	6,948	6,462	-7%	21,594	24,523	14%	28,542	30,985	*9%*
Total Covid-19-Related Tests ('000)	1,745	851	-51%	3,372	849	-75%	5,117	1,700	*-67%*
Revenue per Test (EGP)	269	208	-23%	116	82	-29%	155	110	*-29%*
Net Sales per Test (EGP)	249	199	-20%	116	82	-29%	150	108	*-28%*
Test per Patient	2.5	2.8	12%	3.6	4.1	14%	3.3	3.7	*12%*

Revenue Analysis: Contribution by Geography

Egypt (80.3% of revenue)

The Company's Egyptian operations delivered solid year-on-year growth in conventional revenues, driven by higher test volumes and average revenue per test. On the other hand, Covid-19-related revenues declined sharply as both demand and prices decreased throughout the year. Lower pricing reflected increased competition. This was particularly visible in the 70% year-on-year drop in PCR test volumes for FY 2022 and the 44% year-on-year decline in the average revenue per PCR test in FY 2022 compared to FY 2021.

Al Borg Scan

Al Borg Scan, IDH's Egyptian radiology venture, recorded an impressive 91% year-on-year increase in revenues to book EGP 85.2 million during FY 2022. The sustained top-line expansion was primarily driven by a 93% year-on-year rise in case volumes (patients served rose 89% for the year). The continued operational ramp-up during FY 2022 was supported by the opening of two new branches over the 12-month period, with Al Borg Scan's network now standing at a total of six strategically located branches spanning the full Greater

Cairo area. Meanwhile, IDH also successfully obtained the ACR accreditation for both Al Borg Scan's nuclear medicine (NucMed) and ultrasound units, making Al Borg Scan the first radiology centre in Africa, as well as one of the few radiology facilities in the Middle East, to boast this prestigious certification. Throughout the year, IDH supported new branch openings with large-scale marketing campaigns, which played a key role in growing patient volumes at the venture.

House Calls

IDH's house call service in Egypt recorded revenue of EGP 517 million in FY 2022, contributing to 18% of Egypt's revenues for the year, well above the service's pre-pandemic contributions. The robust contribution was recorded despite the fall in Covid-19-related revenue generated through the house call service as infection rates in the country declined significantly starting March.

Wayak

Wayak recorded a 29% year-on-year increase in the number of orders, which reached 132 thousand for FY 2022 compared to 102 thousand orders during FY 2021. Meanwhile, the venture's EBITDA losses declined a solid 33% year-on-year to record EGP 3.8 million compared to negative EGP 5.7 million in FY 2022.

Detailed Egypt Revenue Breakdown

EGP mn	FY 2021	FY 2022	Change
Total Revenue	**4,108**	**2,894**	**-30%**
Conventional Revenue	2,103	2,444	16%
Radiology Revenue	45	86	91%
Total Covid-19-Related Revenue	2,005	450	-78%
Core Covid-19 Revenue (PCR, Antigen, Antibody)	*1,626*	*367*	*-77%*
Other Covid-19-related Revenue	*379*	*83*	*-78%*
Contribution to Consolidated Results			
Conventional Revenue	51%	84%	
Radiology Revenue	*1.1%*	*2.9%*	
Total Covid-19-Related Revenue	49%	16%	
Core Covid-19 Revenue (PCR, Antigen, Antibody)	*40%*	*13%*	
Other Covid-19-related Revenue	*9%*	*3%*	

Jordan (16.9% of revenue)

IDH's Jordanian subsidiary, Biolab, delivered conventional revenue year-on-year growth of 2% in JOD terms (in EGP terms, revenues were up 29% year-on-year) supported by a marginal rise in conventional test volumes for the year. On the other hand, similar to trends witnessed in Egypt, Biolab's Covid-19-related revenues and net sales[23] declined substantially throughout the year. As such, total revenues in JOD terms declined 50% year-on-year to record JOD 23.9 million (in EGP terms, revenues were down 37% year-on-year). Meanwhile, net sales in JOD terms declined 47% year-on-year in FY 2022 to record JOD 21.1 million (down 37% year-on-year in EGP terms).

[23] Biolab's net sales for the period are calculated as revenues excluding concession fees paid to QAIA and Aqaba Port as part of their revenue sharing agreement.

Biolab's full-year revenues were supported by EGP 253 million in Covid-19-related revenue booked during the year. Meanwhile, Covid-19-related net sales recorded by Biolab in FY 2022 stood at EGP 189 million. During the year, revenues and net sales generated by Biolab's Covid-19-related offering were boosted by the company's agreements with QAIA, Aqaba Port, and KHIA. More specifically, Biolab generated EGP 140 million in net sales at QAIA and EGP 17 million in net sales at Aqaba Port. It is worth noting that while the testing stations experienced heavy traffic during the first two months of the year, the lifting of mandatory testing saw volumes decline sharply starting March 2022. Biolab's agreements with all three locations were terminated at the end of Q1 2022.

Detailed Jordan Revenue/Net Sales Breakdown

EGP mn	FY 2021	FY 2022	Change
Total Revenue	**1,046**	**612**	**-41%**
Total Net Sales	**869**	**549**	**-37%**
Conventional Revenue	278	359	29%
Total Covid-19-related Net Sales (PCR and Antibody)	591	190	-68%
Contribution to Consolidated Results			
Conventional Revenue	32%	65%	
Total Covid-19-related Net Sales (PCR and Antibody)	68%	35%	

Nigeria (2.2% of revenue)

The Company's Nigerian subsidiary, Echo-Lab, recorded an impressive year-on-year revenue growth rate in NGN terms of 24% in FY 2022 as average revenue per test increased 15% year-on-year in NGN terms and tests performed rose 8% versus FY 2021. Sustained growth in Echo-Lab's average revenue per test reflects the increase in the number of patients visiting the venture to undergo the generally higher-priced CT and MRI exams. In EGP terms, revenue for the year rose 47% to record EGP 79 million.

Sudan (0.6% of revenue)

IDH's operations in Sudan booked revenue of SDG 547 million in FY 2022, up 63% year-on-year on the back of a 114% rise in the average revenue per test in SDG terms. In EGP terms, revenue recorded a 22% rise to reach EGP 20 million.

Revenue/Net Sales Contribution by Country

	FY 2021	FY 2022	Change
Egypt Revenue (EGP mn)	**4,108**	**2,894**	***-30%***
Conventional (EGP mn)	2,103	2,444	*16%*
Covid-19-Related (EGP mn)	2,005	450	*-78%*
Egypt Contribution to IDH Revenue	*78.6%*	*80.3%*	
Egypt Contribution to IDH Net Sales	*81.4%*	*81.7%*	
Jordan Revenues (EGP mn) (IFRS)	**1,046**	**612**	***-42%***
Jordan Net Sales (EGP mn)	**869**	**549**	***-37%***
Conventional (EGP mn)	278	359	*29%*
Covid-19-Related (EGP mn)	591	190	*-68%*
Jordan Revenues (JOD mn) (IFRS)	**47.5**	**23.9**	***-50%***
Jordan Net Sales (JOD mn)	**39.4**	**21.0**	***-47%***
Jordan Revenue Contribution to IDH Revenue	20.0%	17.0%	
Jordan Net Sales Contribution to IDH Net Sales	17.2%	15.5%	
Nigeria Revenue (EGP mn)	53	79	*47%*
Nigeria Revenue (NGN mn)	**1,374**	**1,698**	***24%***
Nigeria Contribution to IDH Revenue	1.0%	2.2%	
Nigeria Contribution to IDH Net Sales	1.1%	2.2%	
Sudan Revenue (EGP mn)	16.7	20.3	*22%*
Sudan Revenue (SDG mn)	**335**	**547**	***63%***
Sudan Contribution to IDH Revenue	0.3%	0.6%	
Sudan Contribution to IDH Net Sales	0.3%	0.6%	

Patients Served and Tests Performed by Country

	FY 2021	FY 2022	Change
Egypt Patients Served (mn)	8.5	7.6	*-11%*
Egypt Tests Performed (mn)	29.7	29.5	*-1%*
Conventional tests (mn)	25.9	28.3	*9%*
Covid-19-related tests (mn)	3.8	1.2	*-68%*
Jordan Patients Served (k)	1,627	890	*-45%*
Jordan Tests Performed (k)	3,530	2,789	*-21%*
Conventional tests (k)	2,228	2,243	*1%*
Covid-19-related tests (k)	1,302	546	*-58%*
Nigeria Patients Served (k)	153	149	*-3%*
Nigeria Tests Performed (k)	281	303	*8%*
Sudan Patients Served (k)	70	70	*N/A*
Sudan Tests Performed (k)	182	139	*-24%*
Total Patients Served (mn)	**10.3**	**8.7**	***-16%***
Total Tests Performed (mn)	**33.6**	**32.7**	***-3%***

Branches by Country

	31 December 2021	31 December 2022	Change
Egypt	452	500	48
Jordan	21	23	2
Nigeria	10	12	2
Sudan	19	17	-2
Total Branches	**502**	**552**	**50**

Cost of Sales[24]

Cost of sales declined 11% year-on-year in FY 2022 to reach EGP 2,143 million. Similarly, cost of net sales declined 7% year-on-year to record EGP 2,080 million in FY 2022, reflecting a fall in raw material outlays as net sales dropped.

Cost Breakdown as a Percentage of Net Sales/ Revenue

	% of Revenue		% of Net Sales	
	FY 2021	FY 2022	FY 2021	FY 2022
Raw Materials	-18.9%	-20.4%	19.6%	20.7%
Wages and Salaries	-12.2%	-17.0%	12.6%	17.3%
Depreciation and Amortisation	-4.1%	-7.9%	4.2%	8.0%
Other Expenses	-7.8%	-12.4%	8.1%	12.6%
Total	**-43.0%**	**-57.7%**	**44.5%**	**58.6%**

[24] Cost of net sales is calculated as cost of sales (IFRS) for the period excluding commission fees paid to QAIA and Aqaba Port by Biolab as part of its revenue sharing agreements with the two terminals. According to IFRS 15, cost of sales recorded EGP 2,143 million in FY 2022, down 11% year-on-year.

Raw material costs, including the cost of specialized analysis at other laboratories (35% of consolidated cost of sales), made up the lion share of total cost of net sales, recording EGP 734 million in FY 2022, down 26% year-on-year. Although raw material costs declined in absolute terms, raw material expenses increased as a percentage of net sales to 20.7% in FY 2022 versus 19.6% in FY 2021. The increase primarily reflects high raw material costs incurred in the second half of the year, particularly in the final quarter, in IDH's home market of Egypt following the multiple devaluations of the EGP over the course of 2022. The increase in raw material costs was widespread, impacting both IDH's conventional and Covid-19-related test offering. It is also worth noting that during the first quarter, IDH's raw material to net sales ratio increased significantly, reflecting a large decline in the average selling price of Covid-19-related tests during the quarter.

Wages and salaries, including employee share of profits (29% share of consolidated cost of sales), declined 3% year-on-year, recording EGP 613 million for FY 2022 and representing the second largest share of consolidated cost of net sales. The decrease for the year is attributable to lower employee share of profits, which declined reflecting lower net profits for the 12-month period. Direct wages and salaries (excluding employee profit share), however, increased 17% year-on-year due to staffing requirements at new branches and annual salary increases for existing employees. It is worth noting that there was a 9% quarter-on-quarter increase in direct wages and salaries (excluding profit share) in the final three months of the year versus Q3 2022, in part reflecting the translation effect in Jordan (EGP 9 million).

Direct depreciation and amortization costs (14% of consolidated cost of sales) recorded EGP 285 million for FY 2022, a 33% year-on-year increase from the EGP 214 million recorded in FY 2021. Depreciation and amortization expenses increased on the back of incremental depreciation of new branches (mainly new radiology branches) (IFRS 16 right-of-use assets), as the Company added 50 new branches during FY 2022.

Other expenses (21% of consolidated cost of sales) for the period increased by 10% year-on-year to EGP 447 million. The year-on-year increase was primarily attributable to higher branch cleaning, repair, and maintenance costs, which together increased 41% year-on-year and made up 29% of total other expenses for the year. This reflected both the roll-out of new branches in the year (+50) and the introduction of a new model for the maintenance and cleaning of new and existing branches.

Gross Profit

Gross profit booked EGP 1,462 million for FY 2022, down 48% year-on-year. IDH's gross profit margin[25] on revenue stood at 41% in FY 2022 versus 54% in FY 2021. Similarly, IDH's gross profit margin on net sales recorded 41% FY 2022 versus 56% in FY 2021 when strong results from IDH's Covid-19-related segment had boosted gross profitability. It is worth highlighting that gross profit in absolute terms is identical for both APM and IFRS in both FY 2022 and FY 2021.

Lower gross profitability for the year principally reflected a post-Covid-19 normalisation, with Covid-19-related business declining sharply in FY 2022. Gross profitability was also weighed down by the aforementioned increases in direct salaries and wages, as well as higher direct depreciation expenses following the new branch additions. Gross profit was also partially impacted by an increase in raw material prices in the second half of the year, reflecting the devaluation of the EGP throughout the year.

Selling, General, and Administrative Expenses

Total SG&A outlays amounted to EGP 608 million for the full year, an 18% year-on-year increase from the 513 million recorded in FY 2021. Increases in SG&A expenses for the year are attributable to:

- An increase in accounting fees related to the external auditor "PwC", which reached EGP 38 million in FY 2022 compared to EGP 29 million in FY 2021, as well as a one-off legal consulting fee paid by the Company during FY 2022. Both items were impacted by the multiple devaluations of the EGP.
- Increased advertising expenses, which rose by 28% compared to FY 2021, mainly related to marketing efforts launched to support Al Borg Scan's ramp-up and to boost operations at newly launched branches.
- Due to the economic circumstances faced across the Company's markets of operation, IDH has booked higher provisions, reflecting an increase in the period of time it takes to collect from debtors and a higher provision rate being applied to older balances.

[25] *It is important to note that while in absolute terms the Gross Profit figure is identical when using IFRS or APM, its margin differs between the two sets of performance indicators.*

Selling, General, and Administrative Expenses

	FY 2021	FY 2022	Change
Wages and Salaries	192	197	*3%*
Accounting and Professional Services Fees	114	130	*14%*
Market – Advertisement Expenses	97	123	*27%*
Other Expenses	65	90	*38%*
Depreciation and Amortisation	25	33	*32%*
Impairment Loss on Trade and Other Receivables	25	30	*20%*
Travelling and Transportation Expenses	11	17	*55%*
Other Income	(16)	(12)	*-25%*
Total	**513**	**608**	***18%***

EBITDA

IDH's EBITDA[26] came in at EGP 1,150 million in FY 2022, down 54% from the EGP 2,501 million recorded in the previous 12 months. Meanwhile, adjusted EBITDA, which excludes one-off expenses incurred by the Group in FY 2021 and FY 2022, recorded EGP 1,172 million in FY 2022 compared to EGP 2,530 in FY 2021. Adjusted EBITDA margin on revenues recorded 33% in FY 2022 versus 48% the previous year. Meanwhile, EBITDA margin on net sales recorded 33% for the year down from 50% in FY 2021.[27] Lower EBITDA level profitability is attributable to lower gross profitability for the year, coupled with the aforementioned increase in SG&A expenses and particularly marketing outlays, as well as the launch of a new patient loyalty programme. It is important to mention that the absolute values of EBITDA and Adjusted EBITDA are identical for both IFRS and APM measures.

EBITDA by Country

In **Egypt,** EBITDA came in at EGP 1,031 million, down 53% year-on-year. Similarly, Adjusted EBITDA recorded EGP 1,053 million for FY 2022, down 52% year-on-year. Adjusted EBITDA margin on revenue (IFRS and APM figures are identical) stood at 36% for the full year, declining from the high base of 54% recorded in FY 2021. Adjusted EBITDA from IDH's Egyptian operations contributed 90% to the Company's consolidated Adjusted EBITDA in FY 2022.

Biolab, IDH's Jordanian subsidiary, reported an EBITDA contraction of 59% in EGP terms and 63% in JOD terms. Similarly, EBITDA margin was down both on revenues and net sales (IFRS and APM). Lower EBITDA profitability reflected lower gross profits following a post-Covid-19 normalisation, as well as increased expenses at the Company's testing booths in QAIA and Aqaba Port.

In **Nigeria,** EBITDA losses recorded EGP 17.1 million for FY 2022, widening significantly from EBITDA losses in FY 2021 despite the strong revenue growth recorded by the venture in the past year. Widening EBITDA losses were largely attributable to rising diesel costs, which posted a three-fold year-on-year increase in FY 2022 from NGN 250 per litre in FY 2021 to NGN 805 per litre in FY 2022.

In **Sudan,** the Company booked an EBITDA loss of SDG 1.9 million, a significant improvement from the EBITDA losses of SDG 47 million booked in FY 2021. In EGP terms, EBITDA recorded a loss of EGP 196 thousand in FY 2022, up from the EGP 500 thousand loss recorded in FY 2021.

[26] *EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in FY 2021 related to the Company's EGX listing completed in May 2021.*
[27] *It is important to note that while in absolute terms the EBITDA figure is identical when using IFRS or APM, its margin differs between the two sets of performance indicators.*

Regional EBITDA in Local Currency

mn	FY 2021	FY 2022	Change
Egypt EBITDA	2,177	1,031	*-53%*
EBITDA Margin on Revenue	53%	36%	
Egypt Adjusted EBITDA[28]	2,206	1,053	*-52%*
Adj. EBITDA Margin on Revenue	54%	36%	
Jordan	15.0	5.5	*-63%*
Margin on Net Sales (APM)	*38%*	*26%*	
Margin on Revenues (IFRS)	32%	23%	
Nigeria	-179	-337	*88%*
Margin on Revenue	*-13%*	*-20%*	
Sudan	-10	-1.9	*-81%*
Margin on Revenue	*-3%*	*-0.3%*	

Interest Income / Expense

IDH recorded interest income of EGP 95 million for FY 2022, a 16% decrease from the EGP 113 million recorded during FY 2021. Lower interest income came on the back of lower cash balances over the 12-month period as IDH paid out a record cash dividend for FY 2021.

Interest expense booked EGP 136 million for the full year, increasing 15% year-on-year from EGP 118 million in 2021. The increase in attributable to:

- Higher interest on lease liabilities related to IFRS 16 following the addition of new branches and the renewal of medical equipment agreements with the Group's main equipment suppliers.
- Fees amounting to EGP 12.5 million related to the US$ 45 million facility with the International Finance Corporation (IFC) granted in May 2021 and the US$ 15 million IFC syndicated facility from Mashreq Bank in December 2021. Fees include commitment and supervisory fees. It is worth nothing that fees related to the IFC facility decreased 38% year-on-year.
- Higher interest expenses following the CBE's decision to increase rates by 800 bps over the course of FY 2022. It is worth highlighting that IDH's interest bearing debt balance increased by EGP 18.3 million year-on-year to reach EGP 116 million as at 31 December 2022 related to Ahli United Bank loan granted to finance Al Borg Scan's expansionary plan. The loan will be fully repaid in January 2027.
- Interest expenses related to IDH's Deferral Agreement with Hena Holdings Ltd and Actis IDH Limited for the disbursement of the Company's FY 2021 dividend amounting to EGP 3.4 million.

Interest Expense Breakdown

EGP mn	FY 2021	FY 2022	Change
Interest on Lease Liabilities (IFRS 16)	59.5	73.4	*23%*
Interest Expenses on Leases	8.8	21.4	*143%*
Bank Charges	20.0	12.9	*-36%*
Loan-related Expenses on IFC facility	20.3	12.5	*-38%*
Interest Expenses on Borrowings[29]	9.4	11.9	*27%*
Shareholder Dividend Deferral Agreement[30]	-	3.4	*N/A*
Total Interest Expense	**118.0**	**135.5**	***15%***

[28] Adjusted EBITDA in Egypt is calculated as EBITDA excluding one-off expenses incurred by the Group. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan.

[29] Interest expenses on medium-term loans include EGP 11.6 related to the Group's facility with Ahli United Bank Egypt (AUBE) and interest expense amounting to EGP 3.4 million was booked related to shareholders dividends deferral agreement, and EGP 0.3 million related to CIB facility. Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.

[30] As announced on 27 July 2022, as part of IDH's agreement with Hena Holdings Ltd and Actis IDH Limited (its two largest shareholders) in consideration for the two shareholders agreeing to defer their right to receive their pro rata share of the Dividend Payment, IDH agreed to pay to each interest on the outstanding amounts due at the rate of 10% per annum (with interest accruing on a daily basis) for a two-month period starting 27 July 2022. Payment to both shareholders was successfully completed on 18 August 2022.

Foreign Exchange

The Company recorded a foreign exchange gain of EGP 188 million during FY 2022 compared to a net foreign exchange loss of EGP 18 million recorded in FY 2021.

Fair Value through Profit and Loss (FVTPL)

IDH booked a FVTPL loss related to Global Depository Receipts (GDRs) of EGP 143 million in FY 2022. The loss is associated with transactions undertaken by the Company to secure the necessary US$ balance to fulfil its FY 2021 dividend obligations to shareholders. As part of its strategy to secure the necessary US$ balance, the Company purchased GDRs in EGP on the EGX to later sell them on the LSE for US$.

Taxation

Tax expenses (income tax and deferred tax) recorded in FY 2022 were EGP 327 million compared to EGP 740 million in FY 2021. IDH's effective tax rate stood at 38% in FY 2022 versus 33% in FY 2021. There is no tax payable for IDH's two companies at the holding level, while tax was paid on profits generated by its operating subsidiaries (Egypt 22.5%, Jordan 21%, Nigeria 30%, and Sudan 30%). The increase in effective tax rate is mainly due to the increase in non-deductible expenses within the Group.

Tax Expense Breakdown

EGP mn	FY 2021	FY 2022	Change
Egypt	704.8	274.3	*-61%*
Jordan	54.0	21.8	*-59%*
Nigeria	-20.0	30.6	*N/A*
Sudan	1.0	0.4	*-60%*
Total Tax Expenses	**739.8**	**327.1**	***-56%***

Net Profit

IDH's consolidated net profit for the year booked EGP 527 million, a 65% year-on-year decrease. The Company's net profit margin on revenue stood at 15% versus 29% in the previous year. Net profit margin on net sales also stood at 15% compared to 30% in FY 2021. It should be highlighted that EGP 22.3 million were recorded as transaction costs related to the Pakistan deal.

Meanwhile, excluding FVTPL losses related to securing the US$ balance required for dividend obligations and the one-off item related to Pakistan transaction fees, IDH would have recorded a net profit of EGP 692 million for FY 2022, down 54% year-on-year and with a margin on revenue of 19% and on net sales of 20%.

Balance Sheet Analysis

Assets

Property, Plant, and Equipment

IDH recorded gross property, plant, and equipment (PPE) of EGP 2,219 million as at year-end 2022, up from the EGP 1,659 held as at year-end 2021. The rise in CAPEX as a share of net sales during 2022 is partially attributable to the EGP 138 million spent on new radiology branches in Egypt, as well as the EGP 190 million translation effect (associated with Jordan, Sudan, and Nigeria) that resulted from the EGP devaluation throughout the past 12 months.

Total CAPEX Addition Breakdown

EGP MN	FY 2022	% of Net Sales
Leasehold Improvements/new branches	231.0	6.5%
Al Borg Scan Expansion	138.5	3.9%
Total CAPEX Additions Excluding Translation	**369.5**	**10.4%**

Accounts Receivable and Provisions

As at year-end 2022, IDH's accounts receivable stood at EGP 432 million versus EGP 371 million as at year-end 2021. Meanwhile, receivables' Days on Hand (DOH) booked 124 days versus 107 days in 2021. The increase in DOH for the year reflected a rise in collection periods with corporate customers during FY 2022 due to challenging economic conditions faced in Egypt throughout the past 12 months.

Provision for doubtful accounts for FY 2022 stood at EGP 30 million, a 21% year-on-year increase from the EGP 25 million booked during FY 2021. The rise in provisions reflects an increase in collection periods from debtors and a higher provision rate being applied to older balances.

Inventory

As at 31 December 2022, IDH's inventory balance stood at EGP 265 million, up from the EGP 223 million balance as at year-end 2021. Simultaneously, Days Inventory Outstanding (DIO) increased to 127 days as at 31 December 2022, up from 61 days as at year-end 2021. The increase in DIO is a result of management decisions to proactively accumulate inventory as part of its strategy to hedge against inflation as a result of the ongoing devaluation of the EGP.

Cash and Net Debt/Cash

Cash balances as at year-end 2022 decreased to EGP 816 million, a 65% drop compared to the EGP 2,350 million recorded as at 31 December 2021. The decrease in cash balances is due to the distribution of FY 2021 dividend obligations to shareholders in July and August 2022.

EGP MN	31 Dec 2021	31 Dec 2022
T-Bills	1,461	293
Time Deposits	628	123
Current Accounts	239	382
Cash on Hand	22	18
Total	**2,350**	**816**

IDH's net debt[31] balance as at year-end 2022 stood at EGP 373 million, compared to a net cash balance of EGP 1,483 million as at year-end 2021. For disclosures related to credit risk, please refer to Note 5 in the Company's Financial Statements on page 150 of this report.

EGP MN	31 Dec 2021	31 Dec 2022
Cash and Financial Assets at Amortised Cost[32]	2,350	816
Lease Liabilities Property	(532)	(727)
Total Financial Liabilities (Short-Term and Long-Term)[33]	(229)	(335)
Interest Bearing Debt (Medium-Term Loans)	(106)	(127)
Net Cash/(Debt) Balance	**1,483**	**(373)**

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

Lease liabilities and financial obligations on property increased to EGP 727 million as of 31 December 2022, primarily due to the addition of new branches to IDH's networks throughout the year (+50 new branches).

Meanwhile, financial obligations related to equipment increased to EGP 335 million as of year-end 2022, mainly due to the renewal of Company contracts and equipment upgrades completed throughout the year. Total financial obligations related to equipment also encompasses EGP 212 million spent on Al Borg Scan's equipment.

Finally, interest bearing debt increased to EGP 127 as of 31 December 2022. The rise is related to additional usage of MTL to finance Al Borg Scan's expansions. It is worth highlighting that interest-bearing debt for both periods included accrued interest. It is also important to note that IDH's facility with the Commercial International Bank (CIB) has been fully repaid as of April 2022.

Liabilities

Accounts Payable[34]

As at 31 December 2022, the Company's accounts payable balance stood at EGP 270 million, a decrease from the EGP 311 million recorded as at 31 December 2021. The Group's Days Payable Outstanding (DPO), on the other hand, increased to 151 days as at year-end 2022 compared to 93 days as at 31 December 2021. The increase in DPO was primarily driven by lower Covid-19-related kits demand.

Put Option

The put option current liability is related to the option granted in 2011 to Dr. Amid, Biolab's CEO, to sell his stake (40%) to IDH. The put option is in the money and exercisable since 2016 and is calculated as 7 times Biolab's LTM EBITDA minus net debt. Biolab's put option liability decreased following the significant decline in the venture's EBITDA for the period.

The put option non-current liability is related to the option granted in 2018 to the International Finance Corporation from Dynasty — shareholders in Echo Lab — and it is exercisable in 2024. The put option is calculated based on fair market value (FMV).

[31] The 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), finance lease, and right-of-use liabilities.
[32] As outlined in Note 18 of IDH's Consolidated Financial Statements, some term deposits and treasury bills cannot be accessed for over three months and are therefore not treated as cash. Term deposits that cannot be accessed for over 3 months stood at EGP 60 million in FY 2022, versus EGP 148 million as at year-end 2021. Meanwhile, treasury bills not accessible for over three months stood at EGP 107 million in FY 2022, down from EGP 1,311 million in FY 2021.
[33] IDH's interest bearing debt as at 31 December 2022 included EGP 116 million to its facility with Ahli United Bank Egypt (AUBE) (outstanding loan balances are excluding accrued interest for the period).
[34] Accounts payable is calculated based on average payables at the end of each year.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) RESPONSE REPORT

At IDH, we embrace that operating without influencing nature is impossible, but we strive to prevent negative impacts and reverse previous damage whenever possible while contributing to protecting and restoring ecosystems. A cornerstone and as part of IDH's climate action, this year marks the first time that IDH has submitted a report in accordance with the TCFD requirements. As a first-time TCFD Reporter, we are committed to implementing the recommendations of the TCFD, which aim to provide investors and other stakeholders with useful information on climate-related risks and opportunities that are relevant to our business.

Overall, we believe that the risks and opportunities related to climate change, in the short-to-medium term (defined as the next five years), are low due to the nature of our business (being a services business operating in the healthcare sector). Our main emissions relate to the running of our 550+ centres (lighting, air conditioning, and electricity utilised by the diagnostic equipment), and for Scope 3, this will be the emissions associated with the manufacture of the machinery utilised at our centres and any emissions associated with other travel / external testing in the performance of our services. In the longer term (defined as ten years+), the main risks / opportunities come from the impact of climate change as a whole in the regions in which we operate (i.e. where climate change results in certain areas becoming uninhabitable).

We set out over the next few pages more details on how we are seeking to align with these recommendations, recognising that this will form an iterative process as we develop our policies, processes, and disclosures over the coming years. We have never reported emissions or similar data before, let alone scenario analysis or the related metrics and targets attached to these as part of the TCFD requirements. In compiling this data and discussing this with our external experts around validation of the accuracy and completeness of data, we have encountered some unexpected challenges. Hence, we have reported a number of areas of non-compliance with the TCFD requirements, as we will only report on this data when we are comfortable of its robustness.

In this context, we have considered our "comply or explain" obligation under the Financial Conduct Authority's Listing Rule 9.8.6R (8) and confirm that we have made disclosures consistent with the TCFD Recommendations and Recommended Disclosures in this Annual Report and Accounts, except in the following areas:

- Strategy – Describing the impact of climate-related risks/opportunities on IDH's business and strategy and describing the resilience of this under different scenarios (e.g. a 2°C or lower scenario).
- Risk management – Describing IDH's processes for managing climate-related risks and the process of how these, and their identification, are integrated into IDH's overall risk management.
- Metrics and targets – Disclosing the metrics used by IDH to assess climate-related risks / opportunities, disclosing Scope 1–3 emissions and the targets used by IDH to assess performance against these targets.
- Governance – While progress has been made, some of the oversight and board committees have not been established as at 31 December 2022. As such, partial compliance has been reported in this area.

We report over the next few pages for the first time against the 11 recommended disclosures under four thematic pillars set out in the TCFD's recommendations, and where we are not currently fully compliant with the TCFD recommendations, we have set out our current position and strategy and timeline for compliance. We are currently considering the guidance included within the TCFD's all sector guidance. While this has not yet been factored into our analysis or following disclosures, we will be factoring this into our plans for further compliance during the coming financial year, with an aim to improve our discourse against these requirements in the coming years.

Recommended Disclosures		Response Status
		IDH is developing a Sustainability Strategy for the years 2023–2030 based on four pillars (Sound Governance, Next Economy, Flourishing Society, and Liveable Planet). The work ensures that the Group could reaffirm and review important points, such as mission and strategy, in addition to ensuring a strategic look at the Group's risks, which will be periodically reported to the Executive Management Team, Audit Committee, and Board of Directors. During the year, this was performed by the Board of Directors as a whole and as part of the normal procedures around assessing the principal risks and uncertainties of the Group and the wider opportunities and strategic goals of the Group, given the low risk / opportunities assessed relating to climate risk / opportunity in the short-to-medium term. Climate Change forms one of the sub-pillars of Liveable Planet, where the following actions and targets have been put in place: 1-Building a comprehensive impact/risk assessment mechanism and adopting a climate scenario; 2- Developing and adopting a corporate-wide GHG data management system; 3- Developing a Decarbonization Plan with clear and feasible carbon reduction targets consistent with the climate risk assessment results. While the pillars of this strategy have been agreed on, we are currently working on collating and validating the data required to monitor and report against these targets (which also includes the data required to perform meaningful scenario analysis). The ESG strategy will be disseminated to all functions and subsidiaries in 2023 with our aim to complete integration by the end of 2024. Adoption and implementation of the strategy is expected to start by the end of 2024 and therefore further reporting will be made on progress of this in our 2023 Annual Report.
Governance a) Describe the board's oversight of climate-related risks and opportunities.	Partially compliant – expected to be fully compliant by 31 Dec 2023	An ESG Committee (Sustainability Steering Committee) on the top management level is being formulated. The committee will be appointed by the CEO and Board and will comprise of representatives from key stakeholder groups. The members of the Steering Committee will be chosen based on their expertise, experience, and ability to provide governance guidance and oversight on sustainability. Roles and responsibilities will be clearly assigned. The committee will oversee the Group's approach to managing climate-related risks and opportunities. It will provide strategic guidance and oversight on IDH's sustainability and impact initiatives, including the development and implementation of IDH's sector programmes and landscape initiatives. The committee will also review and approve IDH's annual sustainability report, which provides an overview of the organization's progress on key sustainability metrics and initiatives. As previously noted this is not currently aligned to the TCFD requirements or issued con-currently with the Annual Report. Going forward this should be addressed for the 31 December 2023 Annual Report. Additionally, it will help to ensure that IDH's activities are aligned with international sustainability standards and guidelines, including the United Nations' SDGs and the Paris Agreement on climate change. On the Board of Directors level, the Audit Committee will oversee and obtain regular updates from the aforementioned management Steering Committee about climate change related issues. The main topics of discussion will revolve around the progress made against achieving the ESG Strategy's targets and action plans, including an update of the climate-related risks and opportunities. ESG and climate disclosure is currently done through the Group's annual sustainability report and general risk assessment processes, developed in accordance with the GRI standards and includes the progress made against the strategy's goals and targets for addressing climate-related issues, and covering all GRI material indicators. While a report was issued during 2022, this was not aligned to TCFD requirements; hence, going forward, we will reflect on this for improvement during 2023.

Recommended Disclosures	Response Status	
Governance b) Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant	➔ Day-to-day responsibility for the management and reporting on IDH's sustainability-related issues in general and climate-related issues falls within the scope of the Investment Relations (IR) Department and are directly supervised by the Group's IR Director. The Group CFO authorizes the yearly sustainability budget, and decarbonization action plans and projects, including energy efficiency projects, and fleet and energy procurement. Specific climate initiatives will be managed by the relevant department, including the Facilities, Supply Chain, and Procurement Departments. Management consider climate-related risks and opportunities in their future cash flow assessments; however, given the aforementioned low risk, these have not had any material impact. ➔ In 2021, the IR Department assigned an external ESG consulting firm for the assurance of its first sustainability report. In 2023, another external ESG consulting firm has been assigned with a larger scope comprising of: 1- Helping management and the Board develop the group's ESG Strategy; 2- Quantifying the GHG emissions for the year 2022 and assisting in developing the group's ESG and GHG data management system; and 3- Assurance of IDH's second sustainability report (ESG Report for 2022). The IR Department has assigned a main ESG focal point for the collection and monitoring of climate-related issues. The IR focal point will be closely working with ESG (and climate) champions at the different departments. All staff involved in the management of climate-related issues will receive a one-day comprehensive training and a capacity building workshop on climate change fundamentals, GHG quantification and identification, and the assessment of climate-related risks and opportunities. As previously noted, the 2022 report will not be aligned with the TCFD requirements, but this will be addressed for the 2023 report.
Strategy a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Compliant	➔ **Overall assessment:** Overall, the Board of Directors and management have deemed that the risks and opportunities relating to climate change are not signifcant, specifically those arising in the short-to-medium term. This is on the basis that IDH is a service-related business operating in the healthcare sector. The main suppliers of our equipment are blue-chip multinational companies and our operations are spread in over 550 branches across four countries. IDH's operations are not energy nor water intensive, with around 2% of total cost of operations spent on energy and water consumption, making it less susceptible to climate risks and impacts related to energy and water supply. In order to tackle policy and reputational risks, IDH has taken actions relating to strategy development, sustainability reporting, and GHG quantification and has put in place appropriate actions for developing practical and feasible decarbonization plans. The aim is to have in place fully developed reporting and climate management systems by the end of 2024. The long-term risks, such as rising sea levels in more susceptible coastal cities and a possible suspension of physical activities due to extreme precipitation events, will necessitate appropriate mitigation action plans to be put in place. ➔ **Risks:** The transition and physical risks associated with climate change have been initially identified and qualitatively assessed. The following represent the initially identified risks on the short, medium, and long term. ➔ Transition Risks: The expected increase in electricity tariffs and fuel prices, and therefore the increase in the expenses associated with energy consumption, represents the most relevant potential transition risk to IDH over the short term. The expenses associated with energy consumption and operational costs in general are expected to increase. However, it is also expected that the tariff increase will be gradually introduced to the Egyptian market, thus allowing sufficient time for impact mitigation to take place. Changes in Policy were the second identified short-term transition risk. The climate-related disclosure requirements and, accordingly, performance and progress towards climate targets, including enhanced emissions-reporting obligations, are increasing significantly. In this regard, IDH has started to take multiple steps, including the ESG Committee initiative, sustainability reporting, GHG accounting, and decarbonization. By the end of 2024, the Group will have in place a data management and sustainability (and climate) reporting system. On the medium term, reputational risks will eventually arise if appropriate actions are not taken. However, it will be mainly affected by the overall ESG performance of the Group. Since IDH has already started to put a strategy and an action plan in place and is planning to allocate sufficient and qualified human resources in place, this impact has also been identified as a low-significance risk. ➔ Physical Risks: Among the medium-term identified physical risks is the effects of water scarcity on operation processes. The long-term risks, such as rising sea levels in more susceptible coastal cities that include Alexandria and Delta and a possible reduction / suspension of physical activities due to extreme precipitation events (storm and flooding), are of high significance and will necessitate a mitigation action plan to be put in place. ➔ Opportunities: Resource efficiency and access to new markets have been identified as the two main climate-related opportunities for IDH.

Recommended Disclosures	Response Status	
Strategy b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Partially Compliant – expected to be compliant by 31 Dec 2024	➔ As described above, the short term identified risks and opportunities were found to be of low significance (with negligible residual impacts after applying the planned mitigation measures). Starting in 2024 and following the full integration of the ESG strategy, the ESG / sustainability steering committee will be routinely revisiting the initially identified climate risks and reassessing their impact on quarterly basis, to take the appropriate mitigation actions when they become of significant impact. ➔ The following have been identified as the main actions to be taken to eliminate the residual impacts and to maximize the identified opportunities over the short and medium term: • Develop a decarbonization plan focused on resource efficiency in terms of managing and reducing the energy and water consumption • Develop a corporate wide ESG data management and monitoring system • Enhance the ESG and climate disclosures. For the latter, the Group is exploring the possibility of disclosing climate data through CDP The mitigation actions indicated above are planned to be completed by the end of 2024
Strategy c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Non-compliant – expected to be compliant by 31 Dec 2024	➔ We do not expect a significant change to our strategy as a result of the initially identified transition climate risks. However, regarding the long-term risks, mostly physical ones, IDH is well aware of the necessity to develop new strategic actions. These will be based on climate scenario analysis, which will be done by 2025 and reported on in 2026 in order to more clearly understand the impacts of climate-related physical risks on IDH's businesses, strategies, and financial performance. Due to the complexity of this analysis, given IDH operates in 550+ branches and across four (soon to be five) countries, there will be significant time required to collate and then validate this data from which our scenarios will be based. As IDH has never before been required to collate or report this data, we have identified initial challenges in obtained reliable data for all of our operations, and for this reason, we employed an external ESG specialist firm in 2022 to assist management and the Board with this assessment.
Risk Management a) Describe the organization's processes for identifying and assessing climate-related risks.	Compliant	➔ During 2022, the process for identifying and assessing all risks was as described in the principal risks and uncertainties section of our Annual Report (see pages 54 to 61). Due to the low risk, there was not a sperate process that was applied to climate-related risks and opportunities. ➔ During 2023, we appointed an ESG and Climate Consultant to conduct a climate impact identification and assessment for IDH. An initial list of risks/impacts has been developed, which covered both transition and physical risks (as presented above). The work also included the development of an impact assessment methodology and process tailored to IDH, which covers both physical and transitional risks and opportunities. All risks were assessed based on the significance of the impacts and likelihood of occurrence.
Risk Management b) Describe the organization's processes for managing climate-related risks.	Partially compliant – expected to be compliant by 31 Dec 2024	➔ Due to the low risk / opportunities arising from climate change, as noted above, there were no separate process specifically for managing climate-related risks. ➔ Going forward, as part of IDH's new strategy and policy, processes are to be adopted to manage climate-related risks will be therefore integrated into our business-as-usual processes. These will include the below four areas: 1. Electricity 2. Policies 3. Water 4. Supply chain
Risk Management c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Partially compliant – expected to be compliant by 31 Dec 2024	The processes for identifying, assessing, and managing climate-related risks are yet to be integrated into the organization's overall risk management, which is expected to be completed by the end of 2024.

Recommended Disclosures		Response Status
Metrics and Targets a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Non compliant – expected to be compliant by 31 Dec 2024	➔ We have appointed a Climate consultant to quantify our GHG emissions. The exercise is expected to be concluded in July 2023 and the relevant metrics will be identified by then. We have some indicative data at present, which will be validated during the GHG quantification process. We are therefore hopeful that this can be reported in the coming financial year, however given the number of sites IDH operates from and the countries in which we operate some additional time may be required to ensure the metrics, and the measurement and definition, is approved by management, the board and we are able to reliably report against these metrics.
Metrics and Targets b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Non compliant – expected to be compliant by 31 Dec 2024	➔ In 2023, the Group started to quantify its GHG emissions (Scope 1 and Scope 2) for the year 2022 starting with its Cairo headquarters, Mega Lab, and a representative sample of its branches. The boundaries are to be expanded to cover all 550 branches in four countries of operation in 2024 and all main categories of Scope 3 will be accounted for by 2025. Besides finding an initial estimate for the business' emissions, the main aim of the 2022 emission inventory is to begin developing the Group's decarbonization plan and putting in place a comprehensive data collection system to enable an accurate quantification of the 2023 emissions. Carbon footprint metrics and targets are currently expected to be disclosed in the 31 December 2024 Annual Report. Scope 3 will be the area of greatest challenge given a number of our suppliers are multinational companies and, therefore, our ability to report on Scope 3 will be predicated on our suppliers' ability to provide us with robust data.
Metrics and Targets c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Non compliant – expected to be compliant by 31 Dec 2024	➔ Carbon reduction targets are expected to be set before the end of 2023, as soon as the baseline emissions are quantified and a decarbonization plan is developed. While we are hopeful that this can be completed by the end of the coming financial year (31 December 2023), we have set a target for compliance with TCFD as at 31 Dec 2024 given the importance of setting appropriate targets / metrics and that reporting against these targets and recommendations will require robust data for both the current and prior year.

Corporate Social Responsibility

IDH is committed to operating in a way that recognises the interconnection between business growth and the needs of the communities in which it operates. In its home and largest market of Egypt, the Company provides medical assistance and services to individuals unable to otherwise afford or access necessary care through its Moamena Kamel Foundation. IDH also provides free or discounted diagnostic services to thousands of people annually. In parallel, it collaborates with charitable organisations around the country to provide access to medical service, nutrition, and education to hundreds of families in need, while also supporting the renovation and expansion of medical facilities around the country.

The Company also carries out several initiatives in its other markets, hosting several medical days throughout schools, associations, and corporations with the specific goal of raising awareness on non-communicable diseases and promoting healthy lifestyles. In Jordan, Biolab is dedicated to supporting and initiating programmes that leave a lasting impact on the communities it serves, launching social development programmes, medical days, and a host of other initiatives. In Nigeria, IDH's subsidiary, Echo-Lab, remains dedicated to introducing accessible healthcare to those who are unable to afford it by waiving associated fees and encouraging healthy lifestyle practices. Echo-Lab's community initiatives also include health screenings in churches, local markets, and colleges across the country. Finally, in Sudan, Ultralab also participates in several community outreach programmes, including free medical services for underserved communities and post-graduate educational and training opportunities for the country's youth.

Egypt

Moamena Kamel Foundation

In line with the Company's guiding principle of providing stellar medical assistance and services to its communities, IDH views corporate social responsibility (CSR) initiatives as an extension of its core operations.

The Moamena Kamel Foundation for Training and Skill Development was established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University, founder of IDH subsidiary Al Mokhtabar Labs, and mother of the CEO, Dr. Hend El Sherbini. In line with IDH's CSR initiatives, the Company commits up to 1% of its net after-tax profit of its subsidiaries Al Borg and Al Mokhtabar to fuel the Foundation's operations. In 2022, this amounted to EGP 8.9 million (based on the Group's net after-tax profits for FY 2021), versus EGP 9.6 million in 2021.

The Foundation's primary focus is on impacting the lives of the residents of Cairo's Al Duweiqa community, in addition to several other villages across Egypt. This is achieved through the implementation of an integrated programme and vision for the communities that the Foundation aids, which include economic, social, and healthcare development initiatives offering several primary services, such as:

- Women's Empowerment
- Healthcare
- Social Development and Inclusion
- Education
- Nutrition
- Preservation of Egyptian Heritage

Women's Empowerment

Supporting Baheya Hospital

IDH has proudly maintained an ongoing relationship with Baheya breast cancer hospital aimed at fully supporting its recovering patients. The partnership has seen IDH sponsor more than 200 chemotherapy sessions and fund the entire recovery journey of 50 breast cancer patients.

In March 2022, Company volunteers organised a special visit to support the hospital's patients in celebration of International Women's Month and held awareness sessions on the importance of nutrition, healthy diets, and active lifestyle choices. Additionally, patients from the Baheya Hospital held an exhibition at IDH headquarters where they showcased their handmade products. The patients also organised an awareness campaign on early detection and self-examination on the same day to promote preventative initiatives to IDH employees.

Empowerment in "افحصي اطمني" – Breast Awareness Campaign

IDH held a breast cancer awareness seminar for over 100 employees. Additionally, the Company organised awareness seminars in Shubra El Kheima, alongside the Baheya Foundation and Waey Foundation. The seminar was attended by over 40 women.

In its efforts to increase awareness and healthy choices, IDH organised several other campaigns throughout Cairo. An awareness seminar was held in collaboration with the Shubra Educational Administration in the Nasser Secondary School for Girls and was attended by over 120 students. Additionally, campaigns were held in Al Mansoreya village, helping educate more than 60 female members of the community, and in Helwan University, which was attended by over 80 students and lecturers. Finally, IDH organised a campaign at its headquarters for its employees in October 2022, which saw the attendance of over 30 employees.

IDH Women Pioneers in Science

To celebrate International Women's Month, the Company shot a documentary video honouring the contributions of women in the advancement of both IDH and the entire scientific field. The documentary highlighted the fact that IDH is a women-led organisation, consistently promoting fair and transparent hiring processes and implementing equal-right practices between its current and prospective staff members. Through the documentary, several leading women in the diagnostic field were given the opportunity to share their experiences and discuss the different potential career paths in the industry in an effort to encourage young women to consider a career in lab analysis.

Healthcare

Supporting Kasr El Aini Hospital

With a relationship dating back to 2019, Al Kasr Al Aini has become an integral aspect of IDH's CSR operations, helping the Company support more than 16,000 patients to date. The Company has undertaken several key projects in Kasr El Aini Hospital, including furnishing the kidney dialysis unit with filters and medical supplies, which are crucial in successful patient treatment, benefitting over 6,000 patients. IDH has also supported the Gastrointestinal and Endoscopy Hospital by providing medicine, medical supplies, and various aid packages. Moreover, the Group has granted support for the intensive care unit by providing medical equipment and extra beds, fuelling the facility's expansion and serving more patients.

Other Healthcare Initiatives

- Renovating and repairing the endoscopy unit of one of Egypt's largest hospitals battling infectious diseases, the Homyat Abbassiya Hospital, enabling it to serve more than 3,072 patients annually.
- Assisting the Assuit University medical convoys sent to Al Shahid school, aimed at providing lab tests to students in rural areas to detect and diagnose diseases relating to the abdomen and kidneys, as well as testing for diabetes. The convoy benefitted 40 students.

Social Development and Inclusion

Supporting the Asmarat Neighborhood

Impacting the lives of over 5,000 patients, the Company supplied the Asmarat Medical Centre with a haematology analyser to test for and cure anaemia. Additionally, IDH supported the neighbourhood's disadvantaged families by distributing thousands of iftar meals during the holy month of Ramadan.

Other Social Initiatives

- IDH collaborated with Misr El Kheir Foundation in its winter campaign to provide food supplies to over 32,000 beneficiaries who were negatively affected by floods in Giza, Upper Egypt, and the Red Sea.
- The Company installed three kiosks along the Mariottia Corridor to provide a sustainable source of income for three local families.
- IDH financially sponsored over 168 families to ensure a decent life for beneficiaries incapable of working. Additionally, the Company sponsored more than 20 families to be able to afford healthcare needs.
- Most recently, the Group completed its Winterization Campaign, providing children with winter clothes during the coldest months of the year, benefitting 420 children in the Bortos village of Giza.

Education

American Society of Clinical Pathology Certification Training

IDH is also adamant in giving back to the community by providing training and personal development opportunities. In line with this belief, the Company has successfully trained 84 chemists and technicians through six training cycles with key training in the fields of haematology, microbiology, and blood banking. IDH also offers on-the-ground training inside its Al Mokhtabar facilities. This training helped candidates receive their American Society of Clinical Pathology certifications.

"Amaly" Training Programme for Fresh Graduates

In its pursuit of providing professional development opportunities for Egyptian youth, the Company provides academic and practical training for students in Cairo University.

Nutrition

"Etameny" Project

Launched by IDH in collaboration with the Egyptian Food Bank, the "Etameny" project, which translates to "Rest Assured", was made to support female-headed households in Giza with 10 months' worth of food baskets to boost food security, stability, and dietary diversity. In line with this project, the Egyptian Food Bank also launched an educational campaign to raise awareness about healthy nutrition practices to women.

Other Nutrition Initiatives

- Collaboration with the Egyptian Food Bank starting in 2020, which has seen the successful delivery of food supplies to more than 123,000 beneficiaries across Egypt.
- Collaboration with Misr El Kheir Foundation starting in 2022, which entailed the provision of food supplies to over 25,000 beneficiaries from underprivileged families in Giza and the Red Sea.

Preservation of Egyptian Heritage

Renovation of the Museum of Prince Mohamed Ali Palace

IDH supported the reconstruction and renovation of the Museum of Prince Mohamed Ali Palace and participated in the annual Al Manial Palace Classical Music Festival as part of the Company's efforts to support Egyptian heritage and contribute to the revival of the palace, which has acted as a cornerstone of Egyptian history and culture.

Jordan

IDH's subsidiary, Biolab, remains dedicated to supporting and initiating programmes that leave a lasting impact on the communities in which it operates. These initiatives include education, medical provision, and social development programmes.

Healthcare

Medical Days & Covid-19 Prevention

Biolab hosts medical days at several schools, associations, and corporations, centred around raising awareness on the prevention of non-communicable diseases, including healthy lifestyle choices. As part of these events, Biolab also distributes medical pamphlets and vouchers for free or discounted diagnostic tests to encourage preventative examination and medical check-ups.

Additionally, during the peak of the Covid-19 outbreak, Biolab supported governmental containment efforts by distributing hand sanitizers to nine public schools to help prevent the spread of the virus and raise awareness on the importance of hygienic practices.

Prevention is the New Healthy

In line with Biolab's resolve to increase community engagement and promote healthy lifestyles, the Company launched the Prevention is the New Healthy initiative dedicated to conducting health awareness seminars. The initiative included workshops at several local schools on 14 November 2022 (World Diabetes Day) to raise awareness about lifestyle choices and diabetes detection and prevention. Additionally, the Company opened an awareness booth at Irbid City Centre, the biggest mall in the Irbid governorate of Jordan, where it provided free haemoglobin and glucose tests, distributed medical pamphlets, and awarded free vouchers to several people in attendance to market for the newly opened Irbid branch of Biolab.

Wellness is the New Luxury

An initiative specifically targeting the younger generation, Wellness is the New Luxury sponsors events related to health, lifestyle, and prevention in schools and conferences while targeting niche members of the community. For example, Biolab was the platinum sponsor for the Amman Academy Creativity and Innovation Fair, where Biolab branded one of the school buses and held an experiment and entertainment section for kids and attendees.

Education

Empowering the Youth

In partnership with several leading organisations, including Education for Employment Jordan (EFE), Injaz, Loyac, and Business Development Centre (BDC), Biolab champions the development and motivation of our communities' youth to become capable leaders of tomorrow.

The team works closely with its partners to foster the youth's potential by offering internships, training programmes, and volunteer programmes to provide practical experiences and kickstart their careers. Additionally, Biolab hosted a Science Day at the Children's Museum with several activities to spark the children's interests in the scientific field.

Donations

Biolab donated digital screens to several public schools in underprivileged and underserved communities in south Jordan.

Social Development and Inclusion

Biolab continually supports local NGOs by purchasing clothing and books for those in need and constantly seeks projects to better serve the community, like renovating children's playgrounds and offering free diagnostic tests.

03

Corporate Governance

6
Experienced professionals on IDH's Board

4
Independent Board Members

Corporate Governance

Board of Directors

IDH's Board of Directors is comprised of four independent members, including the independent non-executive chairman, one non-executive member, and one executive director, all of whom offer significant experience in the healthcare market, MENA region, and investment activities.

Lord St John of Blesto *(Age 65)*

Independent Non-Executive Chairman and Chairman of the Nomination Committee

Lord St John has been an active Crossbench member of the House of Lords, UK Parliament, since 1978. He serves on the boards of several listed and unlisted companies, including Yellow Cake plc, Smithson Investment Trust plc, Gulf Marine Services plc, Strand Hanson Ltd, and Airport Holdings Mauritius. He also holds mentoring advisory roles with Farrant Group Ltd., Qredo Ltd., BetWay Ltd., Geobear Ltd, and ROC Technologies Ltd. Lord St John has a strong interest in the charitable sector and serves as a trustee to several charities focused on wildlife conservation, poverty reduction, education, and healthcare. He graduated with BA Law and BSocSc Psychology from Cape Town University, a BProc i from the University of South Africa, and a Master of law LLM from the London School of Economics. He practised as an attorney before his 25-year career in financial services in the City in London.

Prof. Dr. Hend El Sherbini *(Age 54)*

Group Chief Executive Officer

Dr. Hend El Sherbini has been IDH Group's Chief Executive Officer since 2012, and prior to that, she served as the CEO of Al Mokhtabar — Egypt's oldest diagnostic services brand — between 2004 and 2012. She received her MBBCh and her Master's degree in Clinical and Chemical Pathology from Cairo University in the early 1990s. She also holds a Master's degree in Public Health from Emory University in Atlanta. Dr. El Sherbini obtained her PhD in Immunology from Cairo University in 2000, where she is also a professor of clinical pathology at the university's Faculty of Medicine. She sits on the Board of the American Society of Clinical Pathology (Egypt) and consults on the international certification process. Dr. El Sherbini completed an Executive MBA from the London Business School in 2015 and was featured as one of Forbes' most powerful women between 2016 and 2023.

Hussein Choucri *(Age 72)*

Independent Non-Executive Director and Chairman of the Remuneration Committee

Mr. Choucri is Chairman and Managing Director of HC Securities and Investment, which he established in May 1996. He currently sits on the boards of EDITA Food Industries S.A.E, Fawry Banking and Payment Technology Services Ltd. (Fawry), and Integrated Diagnostic Holdings (IDH). Mr. Choucri served as a Managing Director of Morgan Stanley from 1987 to 1993 and served as Advisory Director at Morgan Stanley from 1993 to 2007. He received his Management Diploma from the American University in Cairo (AUC) in 1978.

Dan Olsson *(Age 57)*

Independent Non-Executive Director and Chairman of the Audit Committee

Mr. Olsson has long and extensive international experience in the diagnostic and healthcare services sector, where he has served in a range of executive positions. Among others, he served as head of diagnostics in the pan-European healthcare group Capio; CEO of Unilabs, a pan-European diagnostic provider; CEO of Helsa, a Swedish healthcare group; as well as CEO of Team Olivia Group, a Nordic care services group. He currently works as an independent advisor and holds non-executive positions at Purch AB, Batten AB, and Ambea AB (Publ). Mr. Olsson has worked in the healthcare sector since 1999. Mr. Olsson studied Economics at the University of Lund in Sweden.

Richard Henry Phillips *(Age 58)*

Non-Executive Director

Mr. Phillips is a founding partner of Actis LLP, the emerging markets private equity group. As Actis LLP is one of the Company's major shareholders, Mr. Phillips is not considered by the Board as being independent. He is the Head of Private Equity for Actis and is a member of the Actis Investment Committee. Mr. Phillips is a director on the board of a number of companies, including Honoris Holding Limited, Les Laboratories Medis SA, and others. Mr. Phillips holds a degree in Economics from the University of Exeter.

Yvonne Stillhart *(Age 55)*

Independent Non-Executive Director

Ms. Yvonne Stillhart has over 30 years of experience as a successful Senior Executive leader and business founder working with growth-driven companies across broad industries and geographical regions in Emerging Markets, USA, Europe, and Sub-Sahara Africa. She has been a non-Executive Director and Audit Committee member for the last 12 years, and she currently serves as an independent non-executive member of the board and audit and risk committee of UBS Asset Management Switzerland AG, and as a non-executive director and member of the audit committee of abrdn Private Equity Opportunities Trust Plc. Ms. Stillhart is also the Chairperson and member of the Social and Ethics Committee of the South African listed EPE Capital Ltd. She holds a Directors Certificate from Harvard Business School and is a Qualified Risk Director from the DCRO Institute. She also holds the ESG Competent Boards Certificate and is fluent in German, English, Spanish, and French.

Corporate Governance Report

Your Board of Directors ("the Board") is responsible for providing strong leadership and effective decision-making, safeguarding in the process the interests of all shareholders of Integrated Diagnostics Holdings (IDH). Under my chairmanship, the Board has maintained an unwavering commitment to providing oversight and guidance to senior management as the Group continues to execute its regional growth strategy.

IDH is a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (LSE) since May 2015 and a secondary listing on the Egyptian Stock Exchange (EGX) since May 2021.

Given the Company's standard listing on the LSE, it is thus not required to comply with the requirements of the 2018 UK Corporate Governance Code ("the Code") as issued by the Financial Reporting Council. During the year to 31 December 2022, IDH did not voluntarily comply with the Code in full; however, the Company had put in place a framework that enables the Company to voluntarily comply with some aspects of the Code that it considers appropriate for the size and nature of the business.

Towards the end of 2022, the Board carried out, through a third-party company, a detailed review of the Company's compliance against the Code. In November 2022, the Board resolved to improve reporting of compliance with the Code over the next few years. We strongly believe that the adoption of best industry practices in governance will assist us in building a profitable and sustainable business, as well as in safeguarding shareholder interests.

We are compliant with Financial Conduct Authority Disclosure Guidance and Transparency Rules (DTR) subchapters 7.1 and 7.2, which set out certain mandatory disclosures: 7.1 concerns audit committees and bodies carrying out equivalent functions; 7.2 concerns corporate governance standards that are included in the Directors Report or, in this case, as part of the Strategic Review (DTR 7.2.1).

To that end, we have an Audit Committee as well as Remuneration and Nomination Committees. The Board may establish additional committees as appropriate going forward. This Annual Report includes reports from both the Audit and Remuneration Committees.

Moreover, over the course of the past year, IDH has worked on complying with EGX listing rules and disclosure and corporate governance requirements that are set for foreign companies with dual listing.

The Board is committed to implementing best practices in corporate governance, calling on both the expertise of individual Directors as well as that of outside parties, including legal counsel and global professional services firms.

Functioning of the Board

We met seven times as a Board during the course of 2022; details of the individual Directors attendance are shown on page 99. The Board has invested significant time discussing and evaluating the Group's strategy and prospects for future growth, the outcome of which is presented in our statement of strategy on page 52. We are confident that we have in place the right strategy and the right management team to deliver shareholder returns going forward.

Composition of the Board

Under its Articles of Association, the Group must have a minimum of two Directors. While there is no maximum number of Directors, the Board presently includes six Board members and at present has no intention of appointing additional Board members. Notably, Directors have no share qualification, meaning they do not need to be shareholders of the Group in order to serve.

I am pleased to report that since March 2022, we have three Independent Non-Executive Directors, excluding the Independent Non-Executive Chairman, with the most recent appointment being that of Yvonne Stillhart as an Independent Non-Executive Director on 1 March 2022, who has further enhanced the skills and diversity on the Board. Together, the Directors offer IDH a world standard mix of expertise in areas including strategy, finance and medical diagnostics — as well as diverse experience in Europe, the Middle East and Africa. We have relevant commercial and technical experience to help direct the Group as it delivers on its strategy in a very technical field and across rapidly changing geographies. Your Board and their biographies are set out on pages 92 to 94 of this Annual Report and are summarised in the following table.

Name	Position (Date of Appointment)
Lord St John of Bletso	Independent Non-Executive Chairman (12 January 2015)
Prof. Dr. Hend El Sherbini	Group Chief Executive Officer (23 December 2014)
Hussein Choucri	Independent Non-Executive Director (12 January 2015)
Dan Olsson	Independent Non-Executive Director (12 January 2015)
Richard Henry Phillips	Non-Executive Director (23 December 2014)
Yvonne Stillhart	Independent Non-Executive Director (1 March 2022)

Leadership

We continue to operate on the basis of a clear division of responsibilities between the role of the Chairman and that of the Group Chief Executive. This segregation of roles was agreed at the Board meeting held on 12 January 2015. The Board continues to believe that this segregation of roles remains appropriate, taking into account the size and structure of the Group.

As Chairman, I ensure the Board is effective in the execution of all aspects of its role. The Group Chief Executive Officer, meanwhile, is responsible for managing the day-to-day running of the business. In this, she is supported by a senior management team. The Group Chief Executive and I have a good working relationship and discuss matters of Group strategy and performance on a regular basis. We also work together to ensure that Board meetings cover relevant matters, including a quarterly review of financial and operational performance (including key performance indicators), and in partnership with the Group Secretary ensure that all Directors:

- are kept advised of key developments;
- receive accurate, timely and clear information upon which to call in the execution of their duties; and
- actively participate in the decision-making process.

Agendas for meetings of the Board are reviewed and agreed in advance to ensure each Board meeting is efficiently run, allowing all Directors to openly and constructively challenge the proposals made by the Group's senior management. I am pleased to report that throughout the year, each Director has properly exercised those powers with which they have been vested by the Group's Articles of Association and relevant laws.

The Board operates under a Schedule of Matters Reserved, the details of which are unchanged since our last Annual Report. Matters reserved to the Board means any decision that may affect the overall direction, supervision and management of the Group, including, but not limited to:

- approving annually a strategic plan and objectives for the following year for the Group;
- approving any decision to cease to operate all or any material part of the Group's business or to enter into any new business or geographic areas;
- monitoring the delivery of the Group's strategy, objectives, business plan and budget;
- adopting or amending the Group's business plan or annual budget;
- approving the Group's annual report and accounts and half-yearly financial statements and/or any change in the accounting principles or tax policies of any member of the IDH group and/or any change in the end of the financial year of any member of the IDH group except as contemplated by the business plan or annual budget, as required by law or to comply with a new accounting standard;
- any member of the IDH group declaring or paying any dividend or distribution;
- approving the issue of all circulars, prospectuses, listing particulars and general meeting notices to shareholders of the Group;
- ensuring the Group has effective systems of internal control and risk management in place by (i) approving the Group's risk appetite statements and (ii) approving policies and procedures for the detection of fraud, the prevention of bribery and other areas considered by the Board to be material;
- undertaking an annual review of the effectiveness of the Group's risk management and internal control and reporting on that review in the Group's annual report. The review should cover all controls, including financial, operational and compliance controls and risk management;
- carrying out a robust assessment of the principal risks facing the Group, including those that threaten its business, future performance, solvency or liquidity and to report on such assessment in the Group's annual report;
- adopting or amending the Group's environmental policy and monitoring its delivery; and
- reviewing the Group's overall corporate governance arrangements and approving any changes thereto.

Apart from these Reserved matters, the Board delegates specific items to its principal committees, namely the committees on Audit, Remuneration and Nomination. Each Committee is authorised to seek any information it requires from senior management.

Below are brief recaps on each of these committees. Reports from the Chairmen of the Audit and Remuneration Committees appear starting pages 104 and 108 of this Annual Report, respectively.

Board Meetings During 2022

The Board met seven times during the year, four of which were held on an ad hoc basis to consider the Group acquisitions and consideration of the dividend. Details of our Directors' attendance at Board and Committee meetings are shown in the table below. In the event that any Director is unable to attend a meeting of the Board or Committee of which they are a member, he or she receives the necessary papers, including agendas, meeting outcomes and any documents presented for review or information. Furthermore, I endeavour to discuss with them in advance of the meeting to obtain their views and decisions on the proposals to be considered.

Table of Director Attendance at 2022 Meetings

Name	Board	Audit (a)	Remuneration (c)	Nomination
Number of Meetings	7	8	2	2
Directors:				
Lord St John of Bletso	7	n/a	n/a	2
Prof. Dr. Hend El Sherbini	7	n/a	n/a	n/a
Hussein Choucri	7	8	2	1
Dan Olsson	7	8	2	2
Richard Henry Phillips	7	n/a	n/a	n/a
Yvonne Stillhart *	7	6*	1*	n/a

** Yvonne Stillhart was appointed on 1 March 2022 and has attended all meetings since her appointment.*

Effectiveness

Having spent considerable time in both formal meetings and in learning about the skills of our Directors one-on-one — and drawing on my past experience as a Director — I am confident that the Board has the skills, talent, and industry knowledge it needs to effectively deliver the Group's agreed strategy. The Board, facilitated by the Company Secretary, carries out regular internal evaluations and consider the feedback from each Director in setting the agenda and strategic direction of the Company. In addition, training requirements for each Director are considered, and the Board receive regular updates from the Company Secretary or specific training from external legal counsel as deemed appropriate.

It is my considered judgement that the Board receives from senior management sufficiently detailed budgets, forecasts, strategy proposals, reviews of the Group's financial position and operating performance, and annual and half yearly reports to ensure that it may be effective. This enables us to effectively ask questions of senior management and to hold discussions on the Group's strategy and performance. In 2022, senior management delivered regular reports to the Board ahead of regularly scheduled Board meetings.

Any concerns raised by Directors are clearly recorded in the minutes of each meeting. I review Board minutes in my capacity as Chairman before these minutes are circulated to all Directors in attendance and then tabled for approval at the next meeting, at which time any necessary amendments are made.

The Group has obtained customary directors' and officers' indemnity insurance covering the Chairman and the Non-Executive Directors.

The Board has delegated several areas of responsibility to its committees. The composition of the Board's committees was considered during the year and subsequently Yvonne Stillhart became a member of the Audit and Remuneration Committees.

Nomination Committee

The Nomination Committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive and other senior management.

I note in this instance that all members of the Nomination Committee are Non-Executive Directors. At the date of this report the following were members of the Nomination Committee:

Name	Position
Lord St John of Bletso	Chairman of the Committee
Hussein Choucri	Committee Member
Dan Olsson	Committee Member

Remuneration Committee

The Remuneration Committee recommends the Group's policy on executive remuneration determines the levels of remuneration for Executive Directors and the Chairman and other senior management and prepares an annual remuneration report.

The full report of the Remuneration Committee for 2022 appears starting on page 108 of this Annual Report. At the date of this report, the following were members of the Remuneration Committee:

Name	Position
Hussein Choucri	Chairman of the Committee
Dan Olsson	Committee Member
Yvonne Stillhart	Committee Member

Audit Committee

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including: reviewing the Group's annual and half-year financial statements and accounting policies and internal and external audits and controls; reviewing and monitoring the independence and scope of the annual audit and the extent of the non-audit work undertaken by external auditors; advising on the appointment of external auditors; and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The committee also oversees the Group's cybersecurity strategy ensuring it is regularly updated and systematically adhered to.

The Audit Committee will meet not less than three times a year. The Audit Committee comprises three Independent Non-Executive Directors who hold the necessary competence in accounting and /or auditing, recent financial experience and have competence relevant to the sector in which the Group is operating.

The full report of the Audit Committee for 2022 appears starting on page 104 of this Annual Report. At the date of the report, the following were members of the Audit Committee:

Name	Position
Dan Olsson	Chairman of the Committee
Hussein Choucri	Committee Member
Yvonne Stillhart	Committee Member

Given the business and geographies in which the Group operates, I believe as Chairman that risk mitigation will be key not just to the creation and preservation of shareholder value, but in the Group's growth going forward. The Company's risk matrix, outlined on pages 54-61, is sufficiently vital that it must be owned equally by the management team and members of the Board.

Our view as a Board is that the Group must be proactive on risk in order to meet shareholder expectations, and I have advised that I expect the IDH management team to be ahead of the curve in this area. You may expect risk and its mitigation will be a theme to which your Board returns repeatedly in 2023, as we did in 2022.

The Board has ultimate responsibility for the Group's internal controls; however, they have delegated oversight of the Group's system of internal controls to the Audit Committee so as to safeguard the assets of the Group and the interests of shareholders. The Audit Committee thus reviews the effectiveness of the Group's internal controls on an ongoing basis to ensure the keeping of proper accounting records, safeguarding the assets of the Group and detecting fraud and other irregularities. The Audit Committee reports back to the Board with their findings and recommendations.

The Board has accordingly established that the Group has in place internal controls to manage risk, including:

- the identification and management of risk at the level of operating departments by the heads of those departments; and
- regular Board level discussion of the major business risks of the Group, together with measures being taken to contain and mitigate those risks.
- The Group's principal risks and uncertainties and mitigation for them are set out on pages 54–61 of this Annual Report.
- Your Board has furthermore put in place a control framework at the Group level that applies to all subsidiaries, including:
- Board approval of the overall Group budget and strategic plans;
- a clear organisational structure delineating lines of responsibility, authorities and reporting requirements;
- defined expenditure authorisation levels;
- a regular process for operational reviews at the senior management level on a weekly, monthly and quarterly basis covering all aspects of the business;
- a strategic planning process that defines the key steps senior management must take to deliver on the Group's long-term strategy;
- a comprehensive system of financial reporting including weekly flash reports to management, monthly reporting to management and an annual budget process involving both senior management and the Board; the Board received reports on a quarterly basis in 2022; and
- as part of the reporting process in 2022, management reviewed monthly and year-to-date actual results against prior year, against budget and against forecast; these reports were circulated to the Board; any significant changes and adverse variances are reviewed by the Group Chief Executive and by senior management and remedial action is taken where appropriate.

Investor Relations

Engagement with shareholders continues to be a key function at both the senior management and the Board level. Our investor relations function held hundreds of meetings with current and potential investors during the course of the year. Management met with investors at several investor conferences and roadshows during 2022, in addition to handling hundreds of one-on-one call requests and queries throughout the year.

In 2022, we published three-month, half-year, nine-month reviewed results in addition to audited full-year results and further released a trading update on performance at the three-month periods. We intend to continue publishing reviewed results for the first, second and third-quarter marks in 2023, to abide by the Egyptian Exchange's listing rules.

The Board communicates with shareholders through public announcements disseminated via the London Stock Exchange, analyst briefings, roadshows and press interviews. Copies of public announcements and financial results are published on the Group's website,

> Engagement with shareholders continues to be a key function at both the senior management and the Board levels with the company holding hundreds of meetings with current and potential investors during 2022.

along with a number of other investor relations tools. It is worth highlighting that the Group launched new corporate and investor relations websites in 2018, offering more comprehensive and better structured information on the Group along with additional shareholder tools and a richer interface.

The Board receives regular updates from the senior management team on the views of major shareholders and on milestones in the investor relations programme. We will continue throughout 2023 to grow our investor relations programme to ensure that our shareholders and stakeholders remain informed of the Group's strategy and ongoing financial and business performance.

Annual Reporting and Annual General Meeting of Shareholders

We publish our Annual Report by the end of April in respect of the prior year ended 31 December. Where possible we follow corporate governance best practice to send a Notice of Meeting of an Annual General Meeting (AGM) and related papers to shareholders at least 20 working days prior to the meeting.

The Group will hold its seventh Annual General Meeting as a listed company on 30 May 2023 in London, UK.

Details of the AGM are included in the Notice of Meeting that accompanies this Annual Report and which is available on our website.

At the AGM, all of the Group's Directors will retire and submit themselves for re-election.

The outcome of the voting at the AGM will be announced by way of a London/Egypt Stock Exchange announcements and full details will be published on the Group's website shortly after the AGM.

Limitations of this Report

As I noted earlier, the Group is not bound to adhere to the requirements of the 2018 UK Corporate Governance Code. Nevertheless, we have endeavoured to ensure that this Annual Report is, as a whole, fair, balanced and understandable.

In formulating this Annual Report, we have called on the Group Chief Executive and her senior management staff to provide us with clear documentary evidence of the Group's performance and policies for 2022. The Audit Committee has confirmed to us that the financial statements as contained in the 2022 Annual Report are true and fair and that the work of the external auditors has been accurate and effective.

Lord St John of Bletso
Chairman
5 April 2023

Audit Committee Report

Dan Olsson
Independent Non-Executive Director

The Audit Committee is responsible for overseeing IDH's internal financial reporting and ensuring the integrity of the Group's financial statements. The Committee is also responsible for reviewing and monitoring the effectiveness of the Group's risk management processes and internal controls, as well as for ensuring that audit processes are robust.

At the date of this report, the Audit Committee comprises three Non-Executive Directors, all of whom are considered independent. In addition to myself as Chair of the Committee, Hussein Choucri and Yvonne Stillhart are also members of the Committee. The Committee as a whole considers it has the relevant financial experience in financial and healthcare industry matters to carry out its duties with the appropriate knowledge and challenge as set out under the 2018 UK Corporate Governance Code ("the Code") as issued by the Financial Reporting Council. The Committee has also been actively working to ensure IDH's financial reporting complies with EGX rules and requirements set out for foreign companies with a dual listing.

During 2022, the Audit Committee met eight times. The Committee members reviewed the integrity and content of external financial reporting, risk management and internal controls and reported the findings and recommendations to the Board. Outside of scheduled meetings, the Audit Committee also communicated regularly throughout 2022 with the Group Chief Financial Officer and Vice President of Finance and Strategies and the external auditors. The external auditors are invited to attend meetings of the Committee on a regular basis. The Group Chief Financial Officer and Vice President of Finance and Strategies, who is not a member of the Board, also attends the meetings by invitation, and other members of the senior management team attend as required; these include the Director of Investor Relations, the Chief Internal Audit Director and the Group Secretary.

There are also private meetings between the Audit Committee and the external auditors outside the audit timetable at which senior management is not present. The Committee will continue with the practice of meeting in private with the external auditors in the future.

Roles and Duties of the Audit Committee

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including:

- reviewing the Group's annual report and financial statements;
- reviewing the Group's accounting policies, internal and external audits and controls;
- reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors; and
- advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group.

Audit Committee Meetings During 2022

During 2022 the Audit Committee had eight scheduled meetings. At each scheduled meeting, the Committee considers the matters outlined above under the subheading "Roles and Duties of the Audit Committee."

Committee Member	Meeting attended
Dan Olsson	8/8
Hussein Choucri	8/8
Yvonne Stillhart*	6/8

** Yvonne Stillhart became a member of the Audit Committee on 1 March 2022 and has attended all meetings since her appointment.*

Significant Issues

The audit committee have held regular meetings across the period with the external auditors. In these meetings the external auditors have presented their audit plan and shared their assessment of financial statement risks. Areas of risk and focus for the audit include revenue recognition, procedures around management override of controls, assessments of control over our subsidiaries and valuations of options over non-controlling interests. Detailed discussions have been held around corporate governance and steps being taken to strengthen the control environment.

Internal Auditor

The scope of internal auditor encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the Group's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the Group's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the Group.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- Monitoring and evaluating governance processes.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board / Audit Committee.
- Monitoring, evaluating, and reporting on Group's environmental strategy and progress.
- Evaluating specific operations at the request of the Board / Audit Committee or management, as appropriate.

The Internal Auditor reports to the Audit Committee and the Committee received four reports on the findings of the internal audit in 2022. The Committee also received a report from internal audit on their annual review of the system of internal control and risk management. The Committee continues to monitor and reviews the effectiveness and capabilities of the internal audit during the year.

External Auditor Independence

PwC has acted as the Group's external auditor since their appointment in June 2021. The Auditors' independence was considered by the Committee during the year and following careful consideration, it was agreed that the Auditors remained independent.

The Audit Committee reviewed the work completed by the external auditors. The Audit Committee confirms that during 2022, PwC audit services amounted to EGP 37.7 million (2021: EGP 28.8 million) The external auditors fees include those related to the dual-listing of IDH's shares on both the LSE and the EGX which necessitates the publishing of three reviewed financial statements for 1Q, 2Q, and 3Q in addition to audited financial statements for the full year in consolidated and standalone forms.

Non-audit fees during 2022 totalled EGP 197,000 relating to other assurance services that were required to be performed by the auditor relating to Corporate Governance in Egypt.

External Auditor

Following consideration of the performance of the Auditors, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of PwC as Auditor to the Company. As such, the notice of the 2023 Annual General Meeting includes a resolution, to be approved by shareholders, that PwC be re-appointed as Auditor.

Recommendation

Ultimately, it is the Board's responsibility to review and approve the Group's full-year and half-year financial statements, as well as to determine that, taken as a whole, the Annual Report is balanced, understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. It is the Audit Committee's role to assist the Board in discharging its responsibilities with regards to financial reporting, external and internal audits and controls. Following a review of the process around the annual audit and the content of the financial statements, the Audit Committee advised the Board at its meeting on 27 March 2023 that is their opinion that the financial statements as at 31 December 2022 provide a true and fair view of the financial performance of the Group and recommend that it be adopted by the Board and recommended to shareholders for approval at the forthcoming Annual General Meeting.

Dan Olsson

Chairman, Audit Committee

5 April 2023

Remuneration Committee Report

Hussein Choucri
Independent Non-Executive Director

In this report from the Remuneration Committee, I outline on behalf of my colleagues and myself the basis on which Directors and select members of senior management will be remunerated for their service in 2022. A detailed discussion of the basis on which the aforementioned (as well as one key member of senior management) were remunerated for their service in 2022 appears below.

During 2021, the Committee commissioned a consultant to review the non-executive remuneration to ensure these were aligned to the market. Following this review, it was agreed to increase the fees for the independent non-executive directors with effect from 1 September 2021. There has been no increase in fees since this date.

Chairman: Lord St John of Bletso is entitled to receive an annual salary of US$ 100,000. He is entitled to the reimbursement of reasonable expenses; independent Non-Executive Directors: Hussein Choucri, Dan Olsson, and Yvonne Stillhart have been engaged by the Group as Independent Non-Executive Directors under letters of appointment. Hussein Choucri and Yvonne Stillhart are each entitled to an annual fee of US$ 65,000, while Dan Olsson is entitled to an annual fee of US$ 70,000, in recognition of his role as Chairman of the Audit Committee. The Independent Non-Executive Directors are all entitled to the reimbursement of reasonable expenses; non-Executive Directors: Richard Henry Phillips has been engaged by the Group as a Non-Executive Director under letter of appointment. He will not be entitled to receive any fee from the Group for this role. The Non-Executive Directors are all entitled to the reimbursement of reasonable expenses.

Remuneration of Directors in 2022[35]

Figures in EGP[36]	Base Salary / Fees 2022	Base Salary / fees 2021	Annual Bonus 2022^	Annual Bonus 2021^	Total 2022	Total 2021
Executive Director						
Dr. Hend El Sherbini[37]	10,398,605	8,495,102	450,000	450,000	10,848,605	8,945,102
Non-Executive Directors						
Lord St John of Bletso	1,967,268	1,303,371	-	-	1,967,268	1,303,371
Hussein Choucri	1,278,726	912,358	-		1,278,726	912,358
Dan Olsson	1,381,215	912,358	-	-	1,381,215	912,358
Yvonne Stillhart *	1,065,605	-		-	1,065,605	-

**Yvonne Stillhart was appointed on 1 March 2022 and, therefore, did not receive any fees for the year ended 2021.*

Hussein Choucri
Chairman, Remuneration Committee
5 April 2023

[35] There are no taxable benefits, corporate pensions or long-term incentive plans for the Company's directors.
[36] Average US$:EGP exchange rate was 19.67in 2022 and 15.64 in 2021.
[37] Dr. Hend El Sherbini receives part of her annual bonus in the form of an annual award amounting to EGP 450,000.
^BOD members are not eligible for profit share distributions.

Directors' Report

The statements and reviews on pages 4 to 61 comprise the Strategic Report, which contains certain information that is incorporated into this Directors' Report by reference, including indications as to the Group's likely future business developments.

Directors

The Directors who held office at 31 December 2022 and up to the date of this report are set out on pages 92 and 94 along with their biographies. The remuneration of the Board of Directors is set out in the Remuneration Report on page 109.

Directors' and Officers' Liability Insurance and Indemnification of Directors.

Subject to the conditions set out in the Companies (Jersey) Law 1991 (as amended), the Group has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

Principal Activities

The Group's principal activity is the provision of medical diagnostics services. An overview of the Group's principal activities is an integral component of the Strategic Review included in this Annual Report beginning on page 4.

Business Review and Future Developments

A review of the development and performance of the Group's business forms an integral part of this Annual Report in sections including the Chairman's Message (page 14), Chief Executive's Report (pages 18 to 23), Strategic Report (beginning page 4) and particularly the Performance section (beginning on page 64). Financial statements for 2022 appear in the Audited Financial Statements (starting on page 118).

Results and Dividends

The Group's Results for 2022 are set out in the Audited Financial Statements starting on page 118. While IDH maintains its long-term dividend policy that sees the Company return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations and expansions, the Board of Directors has decided to postpone the dividend decision in light of the ongoing uncertainty and lack of foreign currency availability in Egypt. The Board of Directors will review the situation in its upcoming Board meeting in September and assess the Group's cash position and the macroeconomic situation in Egypt at the time before a decision is made and a distribution date is set.

Principal Risks and Uncertainties

The principal risks and uncertainties that may affect IDH's business, as well as their potential mitigants, are outlined on pages 54 to 61 of this Annual Report.

Share Capital

The Group has 600,000,000 ordinary shares, each with a nominal value of US$ 0.25. There are no other shares in issue other than ordinary shares.

Substantial Share Holdings

As at 31 December 2022, the Company ascertained from its own analysis that the following held interests of 3% or more of the voting rights of its issued share capital:

Shareholder	Number of Voting Rights	% of Voting Rights
Hena Holdings Ltd.	160,250,305	26.71
Actis IDH B.V.	126,000,000	21.00
International Finance Corporation (IFC) and IFC MENA Fund	34,755,198	5.79
T. Rowe Price International	25,310,157	4.22
Fidelity Investments	22,065,972	3.68

Note (1): The table displays the top five shareholders in IDH across both exchanges (LSE and EGX).

Note (2): As at year-end 2022, 94.7% of IDH's shares were listed on the LSE, with the remaining 5.3% listed on the EGX. The table above demonstrates the top five shareholders across both the LSE and EGX.

The Directors certify that there are no issued securities that carry special rights with regard to control of the Company. There are similarly no restrictions on voting rights. Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the shares held by Henna holdings which include the described voting rights.

The Company has not been informed of any changes to the above interests between 31 December 2022 and the date of this Report.

Committees of the Board

The Board has established Audit, Nomination and Remuneration Committees. Details of these Committees, including membership and their activities during 2022, are contained in the Corporate Governance section of this Annual Report and in the Remuneration and Audit Reports.

Corporate Responsibility

The Group's report on Corporate Responsibility is set out starting on page 86.

Corporate Governance

The Group's report on Corporate Governance is on pages 92 to 115.

Articles of Association

The Company's Articles of Association set out the rights of shareholders including voting rights, distribution rights, attendance at general meetings, powers of Directors, proceedings of Directors as well as borrowing limits and other governance controls. A copy of the Articles of Association can be requested from the Group Company Secretary.

The Articles of Association may be amended by members of the Company via special resolution at a General Meeting of the Company, the Company is not seeking any amendments at the forthcoming annual general meeting.

Rules on the Appointment and Replacement of Directors

Rules on the appointment and replacement of Directors are set out in the Group's Articles of Association, a copy of which may be requested from the Group Company Secretary.

Agreements Related to Change of Control of the Group

As at 31 December 2022, there was an agreement related to the IFC's US$ 45 million loan agreement whereby within 60 days of receipt of notice from IFC that a Major Shareholder Event has occurred, IDH should prepay the aggregate outstanding principal amount of the loan in full together with accrued interest and Increased Costs (if any) thereon and all other amounts payable under the agreement, including the amount payable under unwinding costs if the prepayment is not made on an Interest Payment Date.

Major Shareholder Event means the aggregate economic and voting interests (a) directly held by the Major Shareholder and (b) indirectly held by Dr. Hend El Sherbini and Dr. Moamena Kamel in the Parent's share capital falling below 12.5% (determined on a fully diluted basis).

This facility was cancelled in March 2023.

Conflicts of Interest

During the year, no Director held any beneficial interest in any contract significant to the Group's business, other than a contract of employment. The Company has procedures set out in the Articles of Association for managing conflicts of interest. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they are required to notify the Board as soon as reasonably practicable.

Political Donations

The Group made no political donations in 2022 (2021: nil).

Financial Instruments

The Group's principal financial instruments comprise cash balances, balances with related parties, trade receivables and payables and other payables and receivables that arise in the normal course of business. The Group's financial instruments risk management objectives and policies are set out in Note 3 and Note 5 to the Financial Statements.

Employees

The Group has one (1) Executive Director, namely Group Chief Executive Dr. Hend El Sherbini, as identified in the Corporate Governance section. Her biographical information appears on page 92 of this Annual Report, and her compensation is reported in the Remuneration Committee Report on page 109. IDH has service agreements with the Group Chief Executive and with the Group Chief Financial Officer and Vice President of Finance and Strategies, Mr. Omar Bedewy, who is not a Company Director. Dr. Hend El Sherbini leads the Company's Executive Committee, which also includes all heads of departments and meets every second week to review and discuss performance, priorities and upcoming events in light of the Group's strategic plan. In view of the Company's regional growth plans, IDH is committed to building out its senior management team in preparation for a larger footprint. The Group and its subsidiaries total an average of 6,718 employees in 2022 (2021: 6,388) employed in Egypt, Jordan, Sudan and Nigeria.

Creditor Payment Policy

Individual subsidiaries of the Group are responsible for agreeing on the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions.

Going Concern

The Directors have considered a number of downside scenarios, including the most severe but plausible scenario, for a period of 16 months from the signing of the financial statements. They have also assessed the likelihood of any key one-off payments arising such as dividends or those in respect of M&A activity. Under all of these scenarios there remains significant headroom from a liquidity and covenant perspective. Reverse stress tests have been performed to determine the level of downside required to cause a liquidity or covenant issue with these scenarios not considered plausible. Therefore, the Directors believe the Group has the ability to meet its liabilities as they fall due and the use of the going concern basis in preparing the financial statements is appropriate.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991.

The directors are responsible for the maintenance and integrity of the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirm that, to the best of their knowledge:

- the Group's financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the Financial and Operational Review includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Annual General Meeting (AGM)

The Company will hold its 2023 AGM on 30 May 2023 in London, UK. The Board remains keen to encourage engagement with Shareholders. To that end, the Directors would like to invite questions from Shareholders in advance of and during the AGM. Should Shareholders wish to submit questions to the Board prior to the deadline for proxy voting they can do so, and these will be responded to on an individual basis. In addition, the Board will offer shareholders the opportunity to dial into the AGM, at which time they can also submit questions to the Board.

Details of the AGM are included in the Notice of Meeting that accompanies this Annual Report and which is available on our website.

At the AGM, all of the Group's Directors will retire and submit themselves for re-election.

The outcome of the voting at the AGM will be announced by way of a London/Egypt Stock Exchange announcements and full details will be published on the Group's website shortly after the AGM.

Auditors

PwC have confirmed their willingness to act as the Company's external auditors, and a separate resolution will be proposed at the forthcoming AGM concerning their appointment and to authorise the Board to agree their remuneration.

By order of the Board

H. El Sherbini

Dr. Hend El Sherbini
Executive Director
5 April 2023

04

Financial Statements

Independent auditors' report to the members of Integrated Diagnostics Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion, Integrated Diagnostics Holdings plc's group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated statement of financial position as at 31 December 2022; the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of cash flows, and Consolidated statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8.5 to the consolidated financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Context

Integrated Diagnostics Holdings plc ("IDH") is a company incorporated in Jersey with shares listed on the London Stock Exchange ("LSE") and the Egyptian Exchange ("EGX"). PricewaterhouseCoopers LLP ("PwC UK") are appointed to audit the consolidated financial statements of IDH for the purposes of the requirements of the LSE and Jersey Law. All trading operations of IDH are outside of the UK (generally in the Middle East and Africa). Therefore, the role of PwC UK is predominantly that of a group auditor with other PwC network firms acting as component auditors.

Overview

Audit scope

- Components were considered to be individual legal entities within the group. Full scope audits were performed on 4 significant components which covered 97% of reported revenues and 96% of reported profits. The four components included the 3 main trading subsidiary companies in Egypt and the trading subsidiary company in Jordan. These were selected due to their relative size (i.e. being more than 10% of the reported profits before tax).
- Additional testing by the Group audit team was performed on balances within subsidiaries that were not in scope where these represented at least 5% of the consolidated balance and were above group materiality.
- Procedures over the consolidation, the Annual Report and consolidated financial statements was all performed by the group auditor.

Key audit matters

- Accuracy of revenue recognised from customers

Materiality

- Overall materiality: EGP 44,847,000 based on 4.5% of consolidated profit before tax and fair value losses on financing US dollar dividends.
- Performance materiality: EGP 33,635,000.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of Integrated Diagnostics Holdings plc

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenue recognised from customers The Group reported revenue of EGP 3,605,047,000 from health diagnostics related activities, during the year ended 31 December 2022. There is an inherent risk around the accuracy of revenue recorded from the services rendered, as revenue consists of a high volume of transactions involving different products, services, and pricing mechanisms. Consequently, a significant portion of our audit effort was directed towards the accuracy of revenue. Refer to the following notes to the consolidated financial statements for further details: Note 3: Significant accounting policies Note 6: Revenue	We performed audit procedures over this significant area, which included a combination of tests of controls and substantive procedures as described below: • We obtained an understanding of the various significant revenue streams and identified the relevant controls, IT systems and reports. • We assessed the Group's revenue accounting policies, including the key judgments and estimates applied by management in consideration of the requirements of IFRS 15. • We performed manual controls testing and substantive procedures, to verify accuracy of revenue. This included testing the end-to-end reconciliations of data records extracted from the source system to the cash / credit balances ledger. • We used data analytic tools to assess the reasonableness of the total value of the revenue recorded based on price lists and traced the revenue back to that charged to customers. • We performed a reconciliation between revenue transactions and cash collected and selected a sample of the revenue transactions and tested the accuracy and validity of the underlying source documentation and its related postings, including those journals we considered unusual in nature. • We also assessed the adequacy of the Group's disclosures in the consolidated financial statements with respect to revenue. Based upon the procedures performed above we concluded that sufficient and appropriate audit evidence was obtained in relation to this risk.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

IDH is headquartered in Egypt, where the finance team manages the group operations and those of the Egyptian subsidiaries. Jordan is the largest non-Egyptian operations. There are other operations in Sudan and Nigeria. All of these operate under common systems and controls, but with separate local management and finance teams reporting into the Egyptian head office team.

Components were considered to be individual legal entities within the group. There were 14 individual components within the group (including the company). Those components which represented at least 10% of the reported profit before tax were considered to be significant components. Full scope audits were performed on these components (4 in total) which covered 97% of reported revenues and 96% of reported profits. The four components included 3 trading companies in Egypt and the trading company in Jordan.

We considered the out of scope components and the potential for material error. Additional procedures were performed where the balances represented a significant proportion of the relevant consolidated balance (deemed to be 5%) and the balance was above materiality.

For each individual Financial Statement Line Item ("FSLI") we considered if sufficient coverage was obtained from the combination of the above two areas. Sufficient coverage was deemed to be 45% for a normal risk, 55% for an elevated risk and 65% for a significant risk. Based upon this final assessment no other areas were brought into the scope of our audit.

For all other balances not included in the above, analytical review procedures and enquiries of management were performed. We also considered if any other risk criteria would result in additional areas being included within the scope of our audit. We concluded that, based upon the coverage obtained above and our understanding of the group, that no further components or balances were included in our scope.

All initial underlying audit work on the significant components and additional areas selected on the out of scope components, was performed by component auditors. The work was planned, directed, supervised and reviewed by the group auditor through regular meetings (both on video calls and through visits to the local territory) throughout the audit. These discussions included risk assessment, materiality, testing approaches (i.e. the nature, extent and timing of audit testing and expected controls reliance) and the response to fraud and completeness of related party transactions.

Working papers for the component auditors were reviewed by the group auditor for all significant components and local management and the auditors were challenged regarding the conclusions reached and evidence obtained. Where significant, further consultations were also performed by the group auditor regarding significant accounting matters or judgements.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's financial statements. We met with management and its external expert on climate change to obtain support for the disclosures made within the TCFD report.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent auditors' report to the members of Integrated Diagnostics Holdings plc

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	EGP 44,847,000.
How we determined it	4.5% of consolidated profit before tax and fair value losses on financing US dollar dividends
Rationale for benchmark applied	We believe this benchmark is the key measure used by the shareholders in assessing the performance of the group. It is widely accepted to use a profit based benchmark when assessing materiality for listed groups.There was a significant one-off loss incurred in obtaining US dollars to satisfy dividend obligations.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was EGP 36,900,000 to EGP 17,600,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to EGP 33,635,000 for the group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above EGP 2,242,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Discussions with management and those charged with governance around the performance in 2022, the budgets for 2023 and beyond and the performance in the 2023 financial year to date. These discussions included the impact of current events on management's forecasts and the key drivers behind any expected changes to the current level of performance;
- We compared the forecasts profits and cashflows to the latest approved budgets and considered actual results achieved in the year to date and sought evidence for any unexpected trends. We considered the level of underperformance required prior to their being insufficient facilities. We considered the competency of management to prepare accurate forecasts by reviewing past levels of budget accuracy;
- We validated management's assessment of available cash and debt facilities to bank confirmations and committed debt facilities, including recalculating covenants and considering compliance with covenants or ability to repay borrowings if required, based on management's forecasts;
- We considered the plausible but severe downsides included in management's model for reasonableness based upon our understanding of the group and known commitments such as any remaining amounts related to prior acquisitions including the likelihood of options being exercised;
- Testing the accuracy of the model containing management's forecasted future financial performance and cashflows; and
- Reviewing the disclosures made within the Annual Report for consistency with our audit work and compliance with the respective legal and accounting requirements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion any form of assurance thereon.

Independent auditors' report to the members of Integrated Diagnostics Holdings plc

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with healthcare and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with taxation law and legislation, the Listing Rules, and the Companies (Jersey) Law 1991. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of revenues or the financial performance/position of the group through inappropriate use of journal entries, manipulation of significant accounting estimates or inappropriate recording of significant or unusual transactions/events. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management and those charged with governance regarding any known or suspected instances of fraud, non-compliance with laws and regulations or claims being made against the group. Where claims were noted, management had taken legal advice in the respective jurisdiction regarding the impact (if any) on the financial position of the group. We have confirmed matters directly with group's legal counsel and considered the recording and disclosure of these matters, in light of the requirements of IFRS and the respective legal requirements;
- Reviewing board minutes and performing legal confirmations to ascertain the completeness of the above disclosures made to us;
- Auditing key management estimates and judgements, including assessment of compliance with the accounting requirements and validity of the estimates (underlying data and accuracy of past assumptions);
- Reviewing the disclosures within these consolidated financial statements for appropriateness based upon the group's legal and accounting requirements; and
- Testing journal entries made during the year, using a risk-based target testing approach, focusing on those which impacted reported revenues or had unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Integrated Diagnostics Holdings plc

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 2 July 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 December 2021 to 31 December 2022.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

David Teager
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognized Auditor
East Midlands
5 April 2023

Consolidated statement of financial position

As at 31 December 2022

	Notes	2022 EGP'000	2021 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,326,262	1,061,808
Intangible assets and goodwill	12	1,703,636	1,658,867
Right of use assets	26	622,975	462,432
Financial assets at fair value through profit and loss	14	18,064	10,470
Total non-current assets		**3,670,937**	**3,193,577**
Current assets			
Inventories	15	265,459	222,612
Trade and other receivables	16	543,887	469,727
Financial assets at amortized cost	18	167,404	1,458,724
Cash and cash equivalents	17	648,512	891,451
Total current assets		**1,625,262**	**3,042,514**
Total assets		**5,296,199**	**6,236,091**
Equity			
Share capital	19	1,072,500	1,072,500
Share premium reserve	19	1,027,706	1,027,706
Capital reserves	19	(314,310)	(314,310)
Legal reserve	19	51,641	51,641
Put option reserve	19	(490,695)	(956,397)
Translation reserve	19	24,173	150,730
Retained earnings		783,081	1,550,976
Equity attributable to the owners of the Company		**2,154,096**	**2,582,846**
Non-controlling interests	2	292,885	211,513
Total equity		**2,446,981**	**2,794,359**
Non-current liabilities			
Provisions	21	3,519	4,088
Borrowings	24	93,751	76,345
Other financial obligations	26	914,191	645,196
Non-current put option liability	25	51,000	35,037
Deferred tax liabilities	9	321,732	332,149
Total non-current liabilities		**1,384,193**	**1,092,815**
Current liabilities			
Trade and other payables	22	701,095	777,354
Other financial obligations	26	148,705	115,478
Current put option liability	23	439,695	921,360
Borrowings	24	22,675	21,721
Current tax liabilities	29	152,855	513,004
Total current liabilities		**1,465,025**	**2,348,917**
Total liabilities		**2,849,218**	**3,441,732**
Total equity and liabilities		**5,296,199**	**6,236,091**

The accompanying notes on pages 132-182 form an integral part of these consolidated financial statements.

These consolidated financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 05 April 2023 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated income statement

For the year ended 31 December 2022

	Notes	2022	2021
		EGP'000	EGP'000
Revenue	6	3,605,047	5,224,712
Cost of sales	8.1	(2,142,984)	(2,420,647)
Gross profit		**1,462,063**	**2,804,065**
Marketing and advertising expenses	8.2	(213,151)	(163,163)
Administrative expenses	8.3	(398,533)	(370,014)
Impairment loss on trade and other receivable	16	(29,914)	(24,656)
Other Income		11,726	15,828
Operating profit		**832,191**	**2,262,060**
Net fair value losses on financial assets at fair value through profit or loss	8.8	(142,950)	-
Finance costs	8.6	(135,586)	(142,917)
Finance income	8.6	299,992	113,178
Net finance income /(costs)	8.6	**164,406**	**(29,739)**
Profit before income tax		853,647	2,232,321
Income tax expense	9	(327,064)	(739,815)
Profit for the year		**526,583**	**1,492,506**
Profit attributed to:			
Owners of the Company		541,110	1,412,609
Non-controlling interests		(14,527)	79,897
		526,583	**1,492,506**
Earnings per share	10		
Basic and diluted		0.90	2.35

The accompanying notes on pages 132-182 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	2022	2021
	EGP'000	EGP'000
Net profit for the year	**526,583**	**1,492,506**
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	69,081	7,808
Other comprehensive income for the year, net of tax	**69,081**	**7,808**
Total comprehensive income for the year	**595,664**	**1,500,314**
Attributable to:		
Owners of the Company	414,553	1,417,722
Non-controlling interests	181,111	82,592
	595,664	**1,500,314**

The accompanying notes on pages 132-182 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 EGP'000	2021 EGP'000
Cash flows from operating activities			
Profit before tax		853,647	2,232,321
Adjustments for:			
Depreciation of property, plant and equipment	11	206,993	151,826
Depreciation of right of use assets	26	103,099	79,617
Amortisation of intangible assets	12	7,251	7,201
Unrealised foreign exchange gains and losses	8.6	(188,442)	17,912
FV Through P&L		142,950	-
Finance income	8.6	(95,371)	(113,178)
Finance Expense	8.6	135,586	118,029
Loss/(gain) on disposal of PPE		200	(78)
Impairment in trade and other receivables	16	29,914	24,656
Impairment in goodwill		1,755	-
Equity settled financial assets at fair value		(7,594)	(866)
ROU Asset/Lease Termination		305	1,351
Hyperinflation		(16,179)	6,976
Change in Provisions	21	(569)	681
Change in Inventories		(30,159)	(127,643)
Change in Trade and other receivables		(53,445)	(106,458)
Change in Trade and other payables		(166,130)	351,803
Cash generated from operating activities before income tax payment		**923,811**	**2,644,150**
Taxes paid		**(715,082)**	**(374,305)**
Net cash generated from operating activities		**208,729**	**2,269,845**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		10,212	6,627
Interest received on financial asset at amortised cost		95,897	111,367
Payments for acquisition of property, plant and equipment		(299,762)	(253,385)
Payments for acquisition of intangible assets		(9,076)	(10,354)
Payments for the purchase of financial assets at amortised cost		(267,819)	(1,599,238)
Proceeds from the sale of financial assets at amortized cost		1,603,611	417,139
Payment for purchase of global depository receipts (short-term investment)	8.8	(1,011,376)	-
Proceeds from sale of global depository receipts (short-term investments)	8.8	868,426	-
Net cash generated from/(used in) investing activities		**990,113**	**(1,327,844)**
Cash flows from financing activities			
Proceeds from borrowings	28	40,081	30,450
Repayment of borrowings	28	(21,721)	(25,416)
Proceeds loan received from related party	27	17,025	-
Repayment loan paid to related party	27	(17,025)	-
Payments of lease liabilities	28	(71,635)	(50,227)
Payment of financial obligations	28	(29,206)	(9,383)
Dividends paid		(1,411,752)	(478,748)
Interest paid	28	(119,308)	(93,799)
Bank charge paid		(12,909)	(20,026)
Cash injection by owner of non-controlling interest		8,763	-
Net cash flows used in financing activities		**(1,617,687)**	**(647,149)**
Net (decrease) increase in cash and cash equivalents		(418,845)	294,852
Cash and cash equivalents at the beginning of the year		891,451	600,130
Effect of exchange rate		175,906	(3,531)
Cash and cash equivalents at the end of the year	17	**648,512**	**891,451**

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

- acquisition of right-of-use assets – note 26
- Put option liability – note 23 and 25

The accompanying notes on pages 132-182 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2022

EGP'000	Share Capital	Share premium	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed to the owners of the Company	Non-Controlling interests	Total Equity
As at 1 January 2022	1,072,500	1,027,706	(314,310)	51,641	(956,397)	150,730	1,550,976	2,582,846	211,513	2,794,359
Profit / (loss) for the year	-	-	-	-	-	-	541,110	541,110	(14,527)	526,583
Other comprehensive (expense)/ income for the year	-	-	-	-	-	(126,557)	-	(126,557)	195,638	69,081
Total comprehensive income	-	-	-	-	-	**(126,557)**	**541,110**	**414,553**	**181,111**	**595,664**
Transactions with owners in their capacity as owners										
Dividends	-	-	-	-	-	-	(1,304,805)	(1,304,805)	(106,947)	(1,411,752)
Impact of hyperinflation	-	-	-	-	-	-	(4,200)	(4,200)	(1,555)	(5,755)
Movement in put option liabilities for the year	-	-	-	-	465,702	-	-	465,702	-	465,702
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	8,763	8,763
Total	-	-	-	-	465,702	-	(1,309,005)	(843,303)	(99,739)	(943,042)
At 31 December 2022	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(490,695)**	**24,173**	**783,081**	**2,154,096**	**292,885**	**2,446,981**
As at 1 January 2021	1,072,500	1,027,706	(314,310)	49,218	(314,057)	145,617	603,317	2,269,991	156,383	2,426,374
Profit for the year	-	-	-	-	-	-	1,412,609	1,412,609	79,897	1,492,506
Other comprehensive income for the year	-	-	-	-	-	5,113	-	5,113	2,695	7,808
Total comprehensive income	-	-	-	-	-	**5,113**	**1,412,609**	**1,417,722**	**82,592**	**1,500,314**
Transactions with owners in their capacity as owners										
Dividends	-	-	-	-	-	-	(455,182)	(455,182)	(23,566)	(478,748)
Legal reserve formed during the year*	-	-	-	2,423	-	-	(2,423)	-	-	-
Impact of hyperinflation	-	-	-	-	-	-	(7,345)	(7,345)	(3,896)	(11,241)
Movement in put option liabilities for the year	-	-	-	-	(642,340)	-	-	(642,340)	-	(642,340)
Total	-	-	-	2,423	(642,340)	-	(464,950)	(1,104,867)	(27,462)	(1,132,329)
At 31 December 2021	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(956,397)**	**150,730**	**1,550,976**	**2,582,846**	**211,513**	**2,794,359**

** 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 issued capital. This reserve is not distributable to the owners of the Company*

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

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

1. Corporate information

The consolidated financial statements of Integrated Diagnostics Holdings plc and its subsidiaries (collectively, "the Group") for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 05 April 2023. Integrated Diagnostics Holdings plc "IDH" or "the company" is a public company incorporated in Jersey. Has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257. The registered office address of the Company is 12 Castle Street, St Helier, Jersey, JE2 3RT. The Company is a dually listed entity, in both London stock exchange (since 2015) and in the Egyptian stock exchange (in May 2021).

The principal activity of the Company is investments in all types of the healthcare field of medical diagnostics (the key activities are pathology and Radiology related tests), either through acquisitions of related business in different jurisdictions or through expanding the acquired investments IDH has. The key jurisdictions that the group operates are in Egypt, Jordan, Nigeria, and Sudan

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

2. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% Equity interest 2022	% Equity interest 2021	Non-Controlling interest 2022	Non-Controlling interest 2021
Al Borg Laboratory Company ("Al-Borg")	Medical diagnostics service	Egypt	99.3%	99.3%	0.7%	0.7%
Al Mokhtabar Company for Medical Labs ("Al Mokhtabar")	Medical diagnostics service	Egypt	99.9%	99.9%	0.1%	0.1%
Medical Genetic Center	Medical diagnostics service	Egypt	55.0%	55.0%	45.0%	45.0%
Al Makhbariyoun Al Arab Group	Medical diagnostics service	Jordan	60.0%	60.0%	40.0%	40.0%
Golden Care for Medical Services	Holding company of SAMA	Egypt	100.0%	100.0%	0.0%	0.0%
Integrated Medical Analysis Company (S.A.E)	Medical diagnostics service	Egypt	99.6%	99.6%	0.4%	0.4%
SAMA Medical Laboratories Co. ("Ultralab medical laboratory ")	Medical diagnostics service	Sudan	80.0%	80.0%	20.0%	20.0%
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	65.0%	65.0%	35.0%	35.0%
Integrated Diagnostics Holdings Limited	Intermediary holding company	Caymans Island	100.0%	100.0%	0.0%	0.0%
Dynasty Group Holdings Limited	Intermediary holding company	England and Wales	51.0%	51.0%	49.0%	49.0%
Eagle Eye-Echo Scan Limited	Intermediary holding company	Mauritius	77.18%	76.5%	22.82%	23.5%
Echo-Scan*	Medical diagnostics service	Nigeria	100.0%	100.0%	0.0%	0.0%
WAYAK Pharma	Medical services	Egypt	99.99%	99.99%	0.01%	0.01%

** The group consolidate "Echoscan" a subsidiary based in Nigeria despite of 39.4% indirect ownership.*

for more details refer to note 4.1.

Non-Controlling interest

Non-Controlling Interest is measured at the proportionate share basis.
Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2022	2021
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	20.0%
Al Borg Laboratory Company	Egypt	0.7%	0.7%
Dynasty Group Holdings Limited	England and Wales	49%	49%
Eagle Eye-Echo Scan Limited	Mauritius	22.82%	23.53%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Medical Genetic Center	Al Makh-bariyoun Al Arab Group (Hashemite Kingdom of Jordan	Alborg Laboratory Company	Other individually immaterial subsidiar-ies	Dynasty Group EGP'000	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
Summarised statement of profit or loss for 2022:						
Revenue	383	611,840	1,210,716	2,348,371	78,864	4,250,174
(loss)/Profit	(10,339)	57,917	266,201	470,492	(54,602)	729,669
Other comprehensive (expense)/ income		134,909		(3,796)	248,726	379,839
Total comprehensive (expense)/ income	**(10,339)**	**192,826**	**266,201**	**466,696**	**194,124**	**1,109,508**
(loss)/Profit allocated to non-controlling interest	(4,655)	23,167	1,884	555	(11,913)	9,038
Other comprehensive income/ (expense) allocated to non-control-ling interest	-	53,964	-	(876)	140,041	193,129
Summarised statement of financial position as at 31 December 2022:						
Non-current assets	670	367,404	710,836	775,581	121,770	1,976,261
Current assets	1,909	247,636	428,668	1,212,429	14,130	1,904,772
Non-current liabilities	(27)	(164,478)	(516,784)	(351,111)	(11,286)	(1,043,686)
Current liabilities	(15,409)	(189,371)	(244,970)	(449,373)	(33,181)	(932,304)
Net (liabilities)/assets	**(12,857)**	**261,191**	**377,750**	**1,187,526**	**91,433**	**1,905,043**
Net (liabilities)/assets attributable to non-controlling interest	**(5,788)**	**104,476**	**2,674**	**(993)**	**16,608**	**116,977**

	Medical Genetic Center	Al Makh-bariyoun Al Arab Group	Alborg Laboratory Company	Other subsidiar-ies with immaterial NCI	Dynasty Group	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
Summarised statement of Income for 2021:						
Revenue	3,092	1,046,107	1,594,275	3,821,004	53,604	6,518,082
(loss)/Profit	(2,627)	214,588	401,401	1,162,009	(8,795)	1,766,576
Other comprehensive (expense)/income	-	(56)	-	10,935	(4,733)	6,146
Total comprehensive (expense)/income	**(2,627)**	**214,532**	**401,401**	**1,172,944**	**(13,528)**	**1,772,722**
(loss)/Profit allocated to non-controlling interest	(1,193)	86,747	2,841	(3,261)	(5,237)	79,897
Other comprehensive income/(expense) allo-cated to non-controlling interest	-	64	-	5,667	(3,036)	2,695
Summarised statement of financial position as at 31 December 2021:						
Non-current assets	682	211,430	541,782	707,847	90,509	1,552,250
Current assets	3,975	432,149	598,084	2,017,197	24,356	3,075,761
Non-current liabilities	(27)	(76,599)	(361,520)	(303,142)	20,743	(720,545)
Current liabilities	(7,148)	(237,206)	(266,796)	(701,516)	28,313	(1,184,353)
Net (liabilities)/assets	**(2,518)**	**329,774**	**511,550**	**1,720,386**	**163,921**	**2,723,113**
Net (liabilities)/assets attributable to non-controlling interest	**(1,143)**	**133,310**	**3,621**	**(4,626)**	**80,351**	**211,513**

3. Basis of preparation

Statement of compliance

Integrated Diagnostics Holdings plc "IDH" or "the company" has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257. The Company is a dually listed entity, in both London stock exchange and in the Egyptian stock exchange. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Companies (Jersey) Law 1991.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except where adopted IFRS mandates that fair value accounting is required which is related to financial assets and liabilities measured at fair value.

New standards and interpretations adopted

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16,
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37, and
- Annual Improvements to IFRS Standards 2018–2020.

The amendments listed above did not have any impact on current and prior years and not expected to affect future years.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Going concern

These consolidated financial statements have been prepared on the going concern basis. On 31 December 2022, the Group had (cash and cash equivalent balance plus treasury bills / deposits minus borrowing) amounting to KEGP 699,490. The Directors have considered a number of downside scenarios, including the most severe but plausible scenario, for a period of 16 months from the signing of the financial statements. They have conducted multiple sensitivity analyses to assess the impact of inflationary pressures, particularly on the line items that are denominated in hard currency also during the going concern assessment for the next 16 months. We did not consider the Biolab put option since it is improbable that the option will be exercised refer to (note 23). They have also assessed the likelihood of any key one-off payments arising such as dividends or those in respect of merger and acquisition 'M&A' activity. Under all of these scenarios, there remains significant headroom from a liquidity and covenant perspective. Reverse stress tests have been performed to determine the level of downside required to cause a liquidity or covenant issue with these scenarios not considered plausible. Therefore, the Directors believe the Group has the ability to meet its liabilities as they fall due and the use of the going concern basis in preparing the financial statements is appropriate.

3.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

ii. Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the group.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3.2. Significant accounting policies

The accounting policies set out below have been consistently applied to all the years presented in these consolidated financial statements.

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

b) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

c) Fair value measurement

The Group measures financial instruments such as non-derivative financial instruments and contingent consideration assumed in a business combination at fair value at each balance sheet date.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value less any estimated credit adjustments for financial assets and liabilities with maturity dates less than one year is assumed to approximate their carrying value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Group for similar transactions.

d) Revenue recognition

Revenue represents the value of medical diagnostic services rendered in the year and is stated net of discounts. The Group has two types of customers: Walk-in patients and patients served under contracts. For patients under contracts, rates are agreed in advance on a per-test, client-by-client basis based on the pricelists agreed within these contracts.

The following steps are considered for all types of patients:

1. Identification of the Contracts: written contracts are agreed between IDH and customers. The contracts stipulate the duration, price per test and credit period.
2. Determining performance obligations are the diagnostics tests within the pathology and radiology services. The performance obligation is achieved when the customer receives their test results, and so are recognised at point in time.
3. Transaction price: Services provided by the Group are distinct in the contract, as the contract stipulates the series of tests' names/types to be conducted along with its distinct prices.
4. Allocation of price to performance obligations: Stand-alone selling price per test is stipulated in the contract. In case of discounts, it is allocated proportionally to all of tests prices in the contract.
5. Revenue is being recorded after the satisfaction of the above mentioned conditions.

The group considers whether it is the principal or the agent in each of its contractual arrangements. In line with IFRS 15 "Revenue from contracts" in assessing the appropriate treatment of each contract, factors that are considered include which party is controlling the service being performed for the customer and bears the inventory risk. Where the group is largely controlling the service and bearing the inventory risk it is deemed to be the principal and the full consideration received from the customer is recognised as revenue, with any amounts paid to third parties treated as cost of sales.

Customer loyalty program:

The group operates a loyalty program where customers accumulate points for purchases made which entitle them to a discount on future purchases. The points are valid for 12 months from the time they are awarded. The value of points to be provided is based on the expectation of what level will be redeemed in the future before their expiration date. This amount is netted against revenue earned and included as a contract liability and only recognised as revenue when the points are then redeemed or have expired.

e) Income Taxes

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

f) Foreign currency translation

i) Functional and presentation currency

Each of the Group's entities is using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Egyptian Pounds, being the reporting currency of the main Egyptian trading subsidiaries within the Group and the primary economic environment in which the Group operates.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

g) Hyperinflationary Economies

The financial statements of "SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co." report their financial statements in the currency of a hyperinflationary economy. In accordance with IAS 29 financial reporting in Hyperinflationary Economies, the financial statements of those subsidiaries were restated by applying the consumer price index at closing rates in December 2022 65,137 (2021 December, 31,423) before they were included in the consolidated financial statements.

h) Property, plant and equipment

All property and equipment are stated at historical cost or fair value at acquisition, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred. Land is not depreciated.

Depreciation expense is calculated using the straight-line method to allocate the cost or to their residual value over their estimated useful lives, as follows:

Buildings	50 years
Medical, electric and information systems equipment	4-10 years
Leasehold improvements	4-5 years
Fixtures, fittings & vehicles	4-16 years

The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the consolidated statement of income.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of income in the expense category that is consistent with the function of the intangible assets. The Group amortises intangible assets with finite lives using the straight-line method over the following periods:

- IT development and software 4-5 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquire.

Goodwill is stated at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. the impairment assessment is done on an annual basis.

Brand

Brand names acquired in a business combination are recognised at fair value at the acquisition date and have an indefinite useful life.

The Group brand names are considered to have indefinite useful life as the Egyptian brands have been established in the market for more than 40 years and the health care industry is very stable and continues to grow.

The brands are not expected to become obsolete and can expand into different countries and adjacent businesses, in addition, there is a sufficient ongoing marketing efforts to support the brands and this level of marketing effort is economically reasonable and maintainable for the foreseeable future.

Impairment of intangible assets

The Group tests annually whether goodwill and other intangibles with indefinite lives have suffered any impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The recoverable amounts of cash generating units have been determined based on value in use. The value in use calculation is based on a discounted cash flow ("DCF") model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

We test for impairment at the smallest grouping of CGUs at which a material impairment could arise or at the lowest level at which goodwill is monitored. References to testing being performed at a CGU level throughout the rest of the financial statements is referring to the grouping of CGUs at which at the test is performed. The grouping of CGUs is shown in note 13 where the assumptions for the impairment assessment are disclosed.

I) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Classification

The group reclassifies debt investments when and only when its business model for managing those assets changes.

The group classifies its investments in debt Instruments in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through income statement), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investment is equity instrument measured at fair value, gains and losses will either be recorded in income statement or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

According to the standard purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Management has assessed the underlying nature of the investments and designated upon investment that this should be treated as an investment held at fair value with movements going through the income statement on the basis of the size of the investment and the reasons for making the investment.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosures for significant estimates and assumptions	Note 4.2
Financial assets	Note 5
Trade receivables	Note 16

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on credit risk characteristics, age of customer relationship.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Groups view of economic conditions over the expected lives of the receivables.

ii. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expenses are recognised in profit or loss.

Put options included in put option liabilities are carried at the present value of the redemption amount in accordance with IAS 32 in regard to the guidance on put option on an entity's own equity shares. The group has written put options over the equity of its (Bio Lab and Echo Scan) subsidiaries the option on exercise is initially recognised at the present value of the redemption amount with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options reserve and that this is in line with paragraph 23 of IFRS 10 with the non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

All of the Group's financial liabilities are classified as financial liabilities carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

The Group's financial liabilities include trade and other payables, put option liabilities, borrowings, and other financial obligations.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

iii. Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Impairment of non-financial assets
Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

Disclosures for significant assumptions and estimates	Note 4.2
Goodwill and intangible assets	Note 13

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and indefinite lived intangible assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired. Management takes into consideration any changes that occur and have impacts between the impairment report date of 31 October and date of end year of 31 December.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGU). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

k) Inventories

Raw materials are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

n) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

p) Pensions and other post-employment benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement in the periods during which services are rendered by employees.

q) Segmentation

The Group has four operating segments based on geographical location rather than two operating segments based on service provided and considered as one reportable segment due to having similar characteristics.

r) Leases as lessee (IFRS 16)

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components. However, for the non-leases element of the underlying asset, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate for the IFRS 16 calculations. This is set based upon the interest rate attached to the groups financing and adjusted, where appropriate, for specific factors such as asset or company risk premiums..

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Key judgments and critical accounting estimates

4.1. Judgement

Useful economic lives of Brands

Management have assessed that the brands within the group which have a value have an indefinite life. This is based on their strong history and existence in the market over a large number of years, in addition to the fact that these brands continue to grow and become more profitable. As the brands have been assigned an indefinite life then they are not amortised and assessed for impairment on an annual basis.

Control over subsidiaries

The group makes acquisitions that often see a non-controlling interest retained by the seller. The assessment of if the group has control of these acquisitions in order to consolidate is a critical judgement in these financial statements.

The group consolidate the subsidiaries assessed for the following reasons:

1. The group has the majority on shareholder stake
2. The group has the majority on the board of subsidiaries
3. The group has full control of the operations and is involved in all decisions.

The group consolidate "Echoscan" a subsidiary based in Nigeria despite of 39.4% indirect ownership for the following reasons:

1. The group has control over all intermediate entities between the parent and Echoscan
2. The group has a technical service agreement which enables them to direct and control the operations in Nigeria.

4.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of intangible assets

The Group tests annually whether goodwill and other intangibles with indefinite lives have suffered any impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The recoverable amounts of cash generating units have been determined based on value in use. The value in use calculation is based on a discounted cash flow ("DCF") model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. For more detailed assumptions refer to (note 13).

Customer loyalty program

The group operates a loyalty program where customers accumulate points for purchases made which entitle them to a discount on future purchases to be utilised within one year. A contract liability is recognised for the points awarded at the time of the sale based on the expected level of redemption. At 31 December 2022 the level of points accumulated by customers which had not expired was equivalent to 160 MEGP. The estimate made by management is how much of this amount ought to be recognised as a liability based on future usage. The level of future redemption is estimated using historical data and adjustments for likely future trends in usage. Therefore, upon initial recognition of the sale to a customer, if management expects the group to be entitled to a breakage amount (i.e., not all points will be redeemed and so it is highly probable that there will be no significant reversal of revenue) this breakage amount is recognised within revenue. This assessment is reviewed periodically, to ensure that only revenue which is highly probable not to result in a significant reversal in future periods is recognised. Management has estimated that 61 MEGP out of the total potential amount that could be redeemed is likely to be utilised by customers. If the points utilised during the year were 10% more than estimated, this would result in an additional charge of 6m EGP.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 16.

5. Financial assets and financial liabilities

	2022	2021
	EGP'000	EGP'000
Cash and cash equivalents	648,512	891,451
Term deposits and treasury bills	167,404	1,458,724
Trade and other receivables (Note 16)	509,806	447,080
Total financial assets	**1,325,722**	**2,797,255**

	2022	2021
	EGP'000	EGP'000
Trade and other payables (Note 22)	628,313	749,272
Put option liability	490,695	956,397
Financial obligations	1,062,896	760,674
Loans and borrowings (Note 28)	127,420	105,694
Total other financial liabilities	**2,309,324**	**2,572,037**
Total financial instruments*	**(983,602)**	**225,218**

** The financial instruments exclude prepaid expenses, deferred revenue, and tax (current tax, payroll tax, withholding tax,…etc).*

The fair values of financial assets and liabilities are considered to be equivalent to their book value.
The fair values measurements for all the financial assets and liabilities have been categorized as Level 3, it is fair value can't be determined by using readily observable measures and Echo-Scan put option (note 25) has been categorized as Level 3 as the fair value of the option is based on un-observable inputs using the best information available in the current circumstances, including the company's own projection and taking into account all the market assumptions that are reasonably available.

Financial instruments risk management objectives and policies

The Group's principal financial liabilities are trade and other payables, put option liabilities, borrowings and other financial liabilities. The Group's principal financial assets include trade and other receivables, financial assets at amortised cost, financial asset at fair value and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

-Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at 31 December 2022 and 2021. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on provisions, and the non-financial assets and liabilities of foreign operations. The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2022 and 31 December 2021.

-Interest rate risk

The Group is trying to minimize its interest rate exposure, especially in Egypt region, which has seen several interest rate rises over the year. Minimising interest rate exposure has been achieved partially by entering into fixed-rate instruments.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the group is as follows:

	2022	2021
	EGP'000	EGP'000
Fixed-rate instruments		
Financial obligations (note 26)	1,062,896	760,674
CIB - BANK Loans and borrowings (note 24)	-	13,238
Variable-rate instruments		
AUB - BANK Loans and borrowings (note 24)	116,426	84,828

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 1,164K (2021: EGP 980K). This analysis assumes that all other variables, remain constant.

-Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Sudanese Pound, the Jordanian Dinar and Nigerian Naira. Foreign exchange risk arises from the Group's operating activities (when revenue or expense is denominated in a foreign currency), recognized assets and liabilities and net investments in foreign operations. However, management aims to minimize open positions in foreign currencies to the extent that is necessary to conduct its activities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The rapid depreciation of the Egyptian pound in 2022 resulted in an increase in expenses denominated in foreign currencies. The total amount of these expenses in 2022 amounted to 15M EGP.

At year end, major financial assets / (liabilities) denominated in foreign currencies were as follows:

	31-Dec-22							
	Assets			Liabilities				
	Cash and cash equiva-lents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	Net exposure
US	13,112	-	13,112	-	(299,128)	(8,840)	(307,968)	(294,856)
JOD	-	-	-	(439,695)	-	-	(439,695)	(439,695)

	31-Dec-21							
	Assets			Liabilities				
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	Net exposure
US	364	9,481	9,845	-	(56,744)	(123,618)	(180,362)	(170,517)
JOD	-	-	-	(921,360)	-	-	(921,360)	(921,360)

The following is the exchange rates applied:

	Average rate for the year ended	
	31-Dec-22	31-Dec-21
US Dollars	19.67	15.64
Euros	20.59	18.46
GBP	24.02	21.51
JOD	27.71	22.03
SAR	5.24	4.17
SDG	0.04	0.06
NGN	0.05	0.04

	Spot rate for the year ended	
	31-Dec-22	31-Dec-21
US Dollars	24.70	15.65
Euros	26.27	17.73
GBP	29.70	21.12
JOD	34.78	22.05
SAR	6.57	4.17
SDG	0.04	0.04
NGN	0.06	0.04

At 31 December 2022, if the Egyptian Pound had weakened/strengthened by 40% against the US Dollar with all other variables held constant, total equity for the year would have increased/decreased by EGP (118m) (2021: EGP 68m), mainly as a result of foreign exchange gains/losses and translation reserve on the translation of US dollar-denominated financial assets and liabilities as at the financial position of 31 December 2022.

At 31 December 2022, if the Egyptian Pound had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, total equity for the year would have increased/decreased by EGP (44m) (2021: EGP (92m)), mainly as a result of foreign exchange gains/losses and translation reserve on translation of JOD -denominated financial assets and liabilities as at the financial position of 31 December 2022.

- Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet as at fair value through profit or loss (FVPL) (note 14).

- Credit risk

Credit risk is the risk a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from under the Groups receivables. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and financial assets at amortised cost, such as term deposits and treasury bills.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The cash balance and financial assets at amortized cost within the group is held within financial institutions, 85% with a rating of B3 and 7% is rated at least Aa3.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country or region in which customers operate. Details of concentration of revenue are included in the operating segment note (see Note 6).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered and credit limit is set for each customer. The Group's review includes external ratings, if available, financial statements, industry information and in some cases bank references. Receivable limits are established for each customer and reviewed quarterly. Any receivable balance exceeding the set limit requires approval from the risk management committee. Outstanding customer receivables are regularly monitored and the average general credit terms given to contract customers are 45 - 60 days.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data and expected future credit losses. The Group does not hold collateral as security. That maximum exposure to credit risk is disclosed in note 16.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents disclosed in Note 17.

- Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted cashflows:

31 December 2022	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	285,962	1,030,750	227,715	1,544,427
Put option liabilities	439,695	51,000	-	490,695
Borrowings	41,681	119,673	-	161,354
Trade and other payables	628,313	-	-	628,313
	1,395,651	**1,201,423**	**227,715**	**2,824,789**

31 December 2021	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	211,242	701,084	191,229	1,103,555
Put option liabilities	921,360	35,037	-	956,397
Borrowings	31,107	94,490	-	125,597
Trade and other payables	749,272	-	-	749,272
	1,912,981	**830,611**	**191,229**	**2,934,821**

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the group's compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The group's management retain cash balances in order to allow repayment of obligations in due dates, without taking into account any unusual effects which it cannot be predicted such as natural disasters. All suppliers and creditors will be repaid over a period not less 30 days from the date of the invoice or the date of the commitment.

6. 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 preparation of the Group's consolidated financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities.

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 CODM does not separately review assets and liabilities of the group by reportable segment.

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 adjusted EBITDA split (being the key profit measure reviewed by CODM), impairment loss on trade receivables and net profit and loss between the four regions is set out below.

	Revenue by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-22	2,894,042	20,301	611,840	78,864	3,605,047
31-Dec-21	4,108,357	16,644	1,046,107	53,604	5,224,712

	Adjusted EBITDA by geographic location					
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Nonre-curring items	Total
31-Dec-22	1,030,622	(196)	136,195	(17,087)	22,259	1,171,793
31-Dec-21	2,177,160	(500)	331,042	(6,998)	29,033	2,529,737

	Impairment loss /(reversed of impairment) on trade receivables by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-22	27,734	3	(628)	2,805	29,914
31-Dec-21	21,537	-	1,412	1,707	24,656

	Net profit and loss by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-22	514,353	16,978	53,065	(57,813)	526,583
31-Dec-21	1,309,247	(22,533)	214,588	(8,796)	1,492,506

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

	2022	2021
	EGP'000	EGP'000
Profit from operations	832,191	2,262,060
Property, plant and equipment and right of use depreciation	310,092	231,443
Amortization of Intangible assets	7,251	7,201
EBITDA	**1,149,534**	**2,500,704**
Nonrecurring items	22,259	29,033
Adjusted EBITDA	**1,171,793**	**2,529 ,737**

The non- current assets reported to CODM is in accordance with IFRS are as follows:

	Non-current assets by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-22	3,039,930	14,993	494,244	121,770	3,670,937
31-Dec-21	2,803,954	7,234	291,880	90,509	3,193 ,577

7. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The repatriation of a declared dividend from Egyptian group entities are subject to regulation by Egyptian authorities. The outcome of an Ordinary General Meeting of Shareholders declaring a dividend is first certified by the General Authority for Investment and Free Zones (GAFI).

Approval is subsequently transmitted to Misr for Central Clearing, Depository and Registry (MCDR) to distribute dividends to all shareholders, regardless of their domicile, following notification of shareholders via publication in one national newspapers.

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as (short-term and long-term financial obligation plus short-term and long term borrowings) less cash and cash equivalents and financial assets at amortised cost.

	2022	2021
	EGP'000	EGP'000
Financial obligations (note 26)	1,062,896	760,674
Borrowings (note 28)	127,420	105,694
Less: Financial assets at amortised cost (note 18)	(167,404)	(1,458,724)
Less: Cash and cash equivalents (Note 17)	(648,512)	(891,451)
Net debt / (cash)	**374,400**	**(1,483,807)**
Total Equity	**2,446,981**	**2,794,359**
Net debt / (cash) to equity ratio	15.3%	(53.1%)

No changes were made in the objectives, Policies, or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

8. Expense

Included in consolidated income statement are the following:

8.1 Cost of sales

	2022	2021
	EGP'000	EGP'000
Raw material	703,693	962,748
Cost of specialized analysis at other laboratories	30,756	24,086
Wages and salaries	613,495	635,407
Property, plant and equipment, right of use depreciation and Amortisation	284,740	213,919
Other expenses	510,300	584,487
Total	**2,142,984**	**2,420,647**

8.2 Marketing and advertising expenses

	2022	2021
	EGP'000	EGP'000
Advertisement expenses	123,442	96,745
Wages and salaries	54,750	44,739
Property, plant and equipment and amortisation	739	518
Other expenses	34,220	21,161
Total	**213,151**	**163,163**

8.3 Administrative expenses

	2022	2021
	EGP'000	EGP'000
Wages and salaries	142,689	146,929
Property, plant and equipment and right of use depreciation	31,864	24,207
Transactions fees related to aborted Pakistan acquisition	22,259	-
Other expenses	201,721	198,878
Total	**398,533**	**370,014**

8.4 Expenses by nature

	2022	2021
	EGP'000	EGP'000
Raw material	703,693	962,748
Wages and Salaries	810,934	827,075
Property, plant and equipment, right of use depreciation and amortisation	317,343	238,644
Advertisement expenses	123,442	96,745
Cost of specialized analysis at other laboratories	30,756	24,086
Transportation and shipping	87,490	101,239
Cleaning expenses	74,290	60,488
Call Center	32,976	33,531
Hospital Contracts	14,357	39,051
Consulting Fees	142,012	112,398
Transactions fees related to aborted Pakistan acquisition	22,259	-
Utilities	49,453	28,307
License Expenses	30,492	19,792
Other expenses	315,171	409,720
Total	**2,754,668**	**2,953,824**

8.5 Auditors' remuneration

The group paid or accrued the following amounts to its auditor for the financial year ended 31 December 2022 and 2021 and its associates in respect of the audit of the financial statements and for other services provided to the group

	2022	2021
	EGP'000	**EGP'000**
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	28,919	21,759
The audit of the Company's subsidiaries pursuant to legislation	9,443	6,998
Assurance services	197	302
	38,559	**29,059**

8.6 Net finance income/(costs)

	2022 EGP'000	2021 EGP'000
Loss on hyperinflationary net monetary position	-	(6,976)
Interest expense	(122,677)	(98,003)
Net foreign exchange loss	-	(17,912)
Bank Charges	(12,909)	(20,026)
Total finance costs	**(135,586)**	**(142,917)**
Interest income	95,371	113,178
Gain on hyperinflationary net monetary position	16,179	-
Net foreign exchange Gain	188,442	-
Total finance income	**299,992**	**113,178**
Net finance income / (cost)	**164,406**	**(29,739)**

8.7 Employee numbers and costs

The average number of persons employed by the Group (including directors) during the year and the aggregate payroll costs of these persons, analysed by category, were as follows:

	2022			2021		
	Medical	Admin-istra-tion and market	Total	Medical	Admin-istra-tion and market	Total
Average number of employees	5,428	1,290	6,718	5,364	1,024	6,388

	2022 EGP'000			2021 EGP'000		
	Medical	Admin-istration and market	Total	Medical	Admin-istration and market	Total
Wages and salaries	566,385	185,628	752,013	600,527	183,611	784,138
Social security costs	36,053	8,925	44,978	26,735	6,003	32,738
Contributions to defined contribution plan	11,057	2,886	13,943	8,145	2,054	1 0,199
Total	**613,495**	**197,439**	**810,934**	**635,407**	**191,668**	**827,075**

Details of Directors' and Key Management remuneration and share incentives are disclosed in the Remuneration Report, the Remuneration Committee Report on note 27.

8.8 Fair value losses on financial assets at fair value through profit or loss

During the third quarter of 2022, ALmokhtabar and Alborg companies invested in Global Depositary Receipt (GDR) tradable in stock exchanges, where the companies purchased 27,304 million shares, EGP 1,011.4 M from the Egyptian Stock Exchange and sold them during the same period on the London Stock exchange at USD 45.8 M excluding the transaction cost.

		Number of shares'000	2022 EGP'000
listed equity securities	Shares bought	27,304	(1,011,376)
	Shares sale	27,304	868,426
			(142,950)

9. Income tax

a) Amounts recognised in profit or loss.

	2022 EGP'000	2021 EGP'000
Current year tax	(210,477)	(579,262)
WHT suffered	(122,731)	(68,737)
Current tax	**(333,208)**	**(647,999)**
DT on undistributed reserves	46,554	(106,767)
DT on reversal of temporary differences	(40,410)	14,951
Total Deferred tax	**6,144**	**(91,816)**
Tax expense recognized in profit or loss	**(327,064)**	**(739,815)**

The company is considered to be a UK tax resident, and subject to UK taxation. Dividend income into the company is exempt from taxation when received from a wholly controlled subsidiary, and costs incurred by the company are considered unlikely to be recoverable against future UK taxable profits and therefore form part of our unrecognised deferred tax assets. Our judgement on tax residency has been made based on where we hold board meetings, our listing on the London Stock Exchange and interactions with investors, and where our company secretarial function is physically based. Our external company secretarial function manages a number of activities of our parent and its board. Board meetings are chaired in London and are now largely taking place physically in London with the expectation of one physical board meeting a year in Cairo.

	2022 EGP'000	2021 EGP'000
Profit before tax	853,647	2,232,321
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2021: 22.5%)	192,071	502,272
Effect of tax rate in UK of 19% (2021: UK 19%)	1,871	3,445
Effect of tax rates in Jordan, Sudan, and Nigeria of 21%, 30% and 30% respectively (2021: 21%, 30% and 30%)	(3,317)	(6,676)
Tax effect of:		
Recognition of previously unrecognised deferred tax	-	(24,435)
Deferred tax not recognised	19,960	28,132
Deferred tax arising on undistributed dividend	76,177	175,504
Non-deductible expenses for tax purposes - employee profit share	16,653	39,419
Non-deductible expenses for tax purposes - other	23,649	22,154
Tax expense recognised in profit or loss	**327,064**	**739,815**

Deferred tax

Deferred tax relates to the following:

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	EGP'000	EGP'000	EGP'000	EGP'000
Property, plant and equipment		(35,804)	-	(28,925)
Intangible assets		(109,118)	-	(105,358)
Undistributed reserves from group subsidiaries		(176,871)	-	(223,425)
Tax Losses	61		25,559	-
Total deferred tax assets – (liability)	**61**	**(321,793)**	**25,559**	**(357,708)**
		(321,732)		**(332,149)**

All deferred tax amounts are expected to be recovered or settled more than twelve months after the reporting period.

The difference between net deferred tax balances recorded on the income statement is as follows:

2022	Net Balance 1 January	Deferred tax recognized in profit or loss	Effect of translation to presentation currency	WHT tax paid	Net Balance 31 December
Property, plant and equipment	(28,925)	(6,315)	(564)	-	(35,804)
Intangible assets	(105,358)	(3,760)	-	-	(109,118)
Undistributed dividend from group subsidiaries	(223,425)	(76,177)	-	122,731	(176,871)
Tax losses	25,559	(30,335)	4,837	-	61
	(332,149)	**(116,587)**	**4,273**	**122,731**	**(321,732)**

2021	Net balance at 1 January	Deferred tax recognised in profit or loss	Effect of translation to presentation currency	WHT tax paid	Net balance 31 December
Property, plant and equipment	(18,333)	(10,592)	-	-	(28,925)
Intangible assets	(106,702)	1,344	-	-	(105,358)
Undistributed dividend from group subsidiaries	(116,658)	(175,504)	-	68,737	(223,425)
Tax losses	1,360	24,199	-	-	25,559
	(240,333)	**(160,553)**	**-**	**68,737**	**(332,149)**

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account. Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2022 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2021: 22.5%), Jordan 21% (2021: 21%), Sudan 30% (2021: 30%) and Nigeria 30% (2021: 30%).

* Undistributed reserves from group subsidiaries

The Group's dividend policy is to distribute any excess cash after taking into consideration all business cash requirements and potential acquisition considerations. The expectation is to distribute profits held within subsidiaries of the Group in the near foreseeable future. During 2015 the Egyptian Government imposed a tax on dividends at a rate of 5% of dividends distributed from Egyptian entities. On September 30, 2020, the Egyptian government issued a law to increase the tax rate to 10%. As a result, a deferred tax liability has been recorded for the future tax expected to be incurred from undistributed reserves held within the Group which will be taxed under the new legislation imposed and were as follows:

	2022	2021
	EGP'000	EGP'000
Al Mokhtabar Company for Medical Labs	44,640	85,546
Alborg Laboratory Company	31,035	38,545
Integrated Medical Analysis Company	83,277	75,841
Al Makhbariyoun Al Arab Group	17,919	23,493
	176,871	**223,425**

Unrecognized deferred tax assets

The following items make up unrecognised deferred tax assets. The local tax law does not permit deductions for provisions against income tax until the provision becomes realised. No deferred tax asset has been recognised on tax losses for both Echo-Scan Nigeria and Wayak Egypt due to the uncertainty of the available future taxable profit, which the Group can use the benefits therefrom.

	2022	2022	2021	2021
	Gross Amount	Tax Effect	Gross Amount	Tax Effect
	EGP'000	EGP'000	EGP'000	EGP'000
Impairment of trade receivables (Note 16)	136,981	30,821	101,183	22,766
Impairment of other receivables (Note 16)	8,604	1,936	8,585	1,932
Provision for legal claims (Note 21)	3,519	792	4,088	920
Tax losses*	382,999	93,768	320,391	78,142
	532,103	**127,317**	**434,247**	**103,760**
Unrecognized deferred tax asset		127,317		103,760

There is no expiry date for the Unrecognized deferred tax assets.

* The company has carried forward tax losses on which no deferred tax asset is recognised as follows:

Company	Country	2022 Gross Amount EGP'000	2022 Tax Effect EGP'000	2021 Gross Amount EGP'000	2021 Tax Effect EGP'000
Integrated Diagnostics Holdings plc	Jersey	325,155	81,289	271,689	67,922
Dynasty Group Holdings Limited	England and Wales	11,359	2,158	13,446	2,555
Eagle Eye-Echo Scan Limited	Mauritius	1,839	276	3,556	533
WAYAK Pharma	Egypt	20,564	4,627	16,269	3,660
Medical Genetic Center	Egypt	15,156	3,410	6,421	1,445
Golden care	Egypt	8,926	2,008	9,010	2,027
		382,999	**93,768**	**320,391**	**78,142**

10. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no dilutive effects from ordinary share and no adjustment required to weighted-average numbers of ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computation:

	2022	2021
Profit attributable to ordinary equity holders of the parent for basic earnings EGP'000	541,110	1,412,609
Weighted average number of ordinary shares for basic and dilutive EPS'000	600,000	600,000
Basic and dilutive earnings per share EGP'000	**0.90**	**2.35**

Earnings per diluted share are calculated by adjusting the weighted average number of shares by the effects resulting from all the ordinary potential shares that causes this dilution.

The Company has no potentially dilutive shares as of the 31 December 2022 and 31 December 2021, therefore; the earnings per diluted share are equivalent to basic earnings per share.

11. Property, plant and equipment

	Land & Buildings EGP'000	Medical, & electric equipment EGP'000	Leasehold improve-ments EGP'000	Fixtures, fittings & vehicles EGP'000	Building & Leasehold improve-ments in construction EGP'000	Payment on account EGP'000	Total EGP'000
Cost							
At 1 January 2021	332,345	565,697	254,473	73,261	21,208	5,423	1,252,407
Additions*	51,357	285,848	75,993	25,630	4,016	1,338	444,182
Hyper inflation	-	(8,740)	-	-	-	-	(8,740)
Disposals	(2,471)	(8,042)	(1,092)	(1,567)	-	-	(13,172)
Exchange differences	(348)	(10,135)	(2,317)	(1,358)	(1,141)	-	(15,299)
Transfers	-	-	8,146	-	(8,146)	-	-
At 31 December 2021	**380,883**	**824,628**	**335,203**	**95,966**	**15,937**	**6,761**	**1,659,378**
Additions*	38,275	179,954	114,235	25,287	17,258	3,853	378,862
Hyper inflation	-	6,628	-	-	-	-	6,628
Disposals	-	(6,877)	(523)	(8,617)	-	-	(16,017)
Exchange differences	7,803	107,534	53,675	20,559	246	-	189,817
Transfers	-	-	4,852	-	(4,852)	-	-
At 31 December 2022	**426,961**	**1,111,867**	**507,442**	**133,195**	**28,589**	**10,614**	**2,218,668**
Depreciation and impairment							
At 1 January 2021	47,724	245,929	138,512	27,229	-	-	459,394
Depreciation charge for the year	5,797	97,386	40,569	8,074	-	-	151,826
Disposals	-	(4,522)	(916)	(1,185)	-	-	(6,623)
Exchange differences	(31)	(4,987)	(935)	(1,074)	-	-	(7,027)
At 31 December 2021	**53,490**	**333,806**	**177,230**	**33,044**	**-**	**-**	**597,570**
Depreciation charge for the year	6,765	131,569	58,404	10,255	-	-	206,993
Disposals	-	(3,414)	(457)	(1,734)	-	-	(5,605)
Exchange differences	1,323	51,908	26,528	13,689	-	-	93,448
At 31 December 2022	**61,578**	**513,869**	**261,705**	**55,254**	**-**	**-**	**892,406**
Net book value							
At 31-12-2022	**365,383**	**597,998**	**245,737**	**77,941**	**28,589**	**10,614**	**1,326,262**
At 31-12-2021	**327,393**	**490,822**	**157,973**	**62,922**	**15,937**	**6,761**	**1,061,808**

**During year 2022 the additions include EGP 171 m related to Alborg Scan branches, including 79m related to new equipment and other 33m related to a new branch at Nasr city. This amount does not Include any capitalised borrowing costs and is ready to use.*

During year 2021 the additions include EGP 154m related to Alborg Scan branches, EGP 79.3m related to medical equipment and new branch Capital Business EGP 48.7m. This amount does not Include any capitalised borrowing costs and is ready to use.

12. Intangible assets and goodwill

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2021	1,261,808	383,922	67,157	1,712,887
Additions	-	-	10,354	10,354
Effect of movements in exchange rates	(843)	(13)	(117)	(973)
At 31 December 2021	**1,260,965**	**383,909**	**77,394**	**1,722,268**
Additions	-	-	9,076	9,076
Effect of movements in exchange rates	30,858	11,642	6,366	48,866
At 31 December 2022	**1,291,823**	**395,551**	**92,836**	**1,780,210**
Amortisation and impairment				
At 1 January 2021	1,849	-	51,283	53,132
Impairment*	341	47	-	388
Amortisation	-	-	7,201	7,201
Effect of movements in exchange rates	2,362	325	(7)	2,680
At 31 December 2021	**4,552**	**372**	**58,477**	**63,401**
Impairment*	1,755	-	-	1,755
Amortisation	-	-	7,251	7,251
Effect of movements in exchange rates	66	9	4,092	4,167
At 31 December 2022	**6,373**	**381**	**69,820**	**76,574**
Net book value				
At 31 December 2022	**1,285,450**	**395,170**	**23,016**	**1,703,636**
At 31 December 2021	**1,256,413**	**383,537**	**18,917**	**1,658,867**

** The Group sees there is an impairment indicator on the goodwill related to Medical Genetics Center company due to the negative free cash flow and EBITDA of the company.*

13. Goodwill and intangible assets with indefinite lives (note 3.2-h)

Goodwill acquired through business combinations and intangible assets with indefinite lives are allocated to the Group's CGUs as follows:

	2022 EGP'000	2021 EGP'000
Medical Genetics Center		
Goodwill	-	1,755
	-	**1,755**
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	72,783	46,145
Brand name	31,785	20,152
	104,568	**66,297**
Alborg Laboratory Company ("Al-Borg")		
Goodwill	497,275	497,275
Brand name	142,066	142,066
	639,341	**639,341**
Al Mokhtabar Company for Medical Labs ("Al-Mokhtabar")		
Goodwill	699,102	699,102
Brand name	221,319	221,319
	920,421	**920,421**
Echo-Scan		
Goodwill	16,290	12,136
	16,290	**12,136**
Balance at 31 December	**1,680,620**	**1,639,950**

The Group performed its annual impairment test in October 2022. Nothing occurred between the impairment test and the balance sheet date that would require the assumptions in the models to be updated. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Assumptions used in value in use calculations and sensitivity to changes in assumptions

IDH worked with Alpha Capital, management's expert, to prepare an impairment assessments of the Group's CGUs. The assessment was carried out based on business plans provided by IDH.

These plans have been prepared based on criteria set out below:

	Year 2022			
	Bio Lab	**Al-Mokhtabar**	**Al-Borg**	**Echo-Scan**
Average annual patient growth rate from 2023 -2029	5%	8%	8%	21%
Average annual price per test growth rate from 2023 -2029	0%	6%	7%	5%
Annual revenue growth rate from 2023 -2029	3%	13%	13%	33%
Average gross margin from 2023 -2029	46%	51%	45%	81%
Terminal value growth rate from 1 January 2029	3%	5%	5%	4%
Discount rate	19%	25%	25%	28%

	Year 2021				
	Ultra Lab	**Bio Lab**	**Al-Mokh-tabar**	**Al-Borg**	**Echo-Scan**
Average annual patient growth rate from 2022 -2026	4%	0.2%	-0.1%	2%	26%
Average annual price per test growth rate from 2022 -2026	49%	-7%	-2%	3%	7%
Annual revenue growth rate from 2022 -2026	56%	-5%	0.4%	6%	40%
Average gross margin from 2022 -2026	35%	38%	52%	48%	39%
Terminal value growth rate from 1 January 2027	3%	3%	5%	5%	3%
Discount rate	40.6%	14.8%	20.19%	20.4%	21.7%

Management have compared the recoverable amount of CGUs to the carrying value of CGUs. The recoverable amount is the higher of value in use and fair value less costs of disposal. In the exercise performed and the assumptions noted above the value in use was noted to be higher than the fair value less costs of disposal.

During year 2022, The management has conducted business plan projection with the help of a management's expert, (Alpha Capital), using the assumptions above to be able to calculate the net present value of the asset in use and determine the recoverable amount. The projected cash flows from 2024- 2029 have been based on detailed forecasts prepared by management for each CGU and a terminal value thereafter. Management have used experience and historical trends achieved to determine the key growth rate and margin assumptions set out above. The terminal value growth rate applied is not considered to exceed the average growth rate for the industry and geographic locations of the CGUs.

The Group performed a distinct sensitivity analysis for the December 31, 2022 balances related to the Goodwill recorded for Echo-Scan due to the challenges faced by the business given the Nigerian market situation. The analysis is demonstrated as follows:

	Year 2022		
Scenario	**Enterprise Value**	**CGU carrying Value**	**Headroom**
	EGP'000	EGP'000	EGP'000
Pathology number of patients growth was decreased starting FY25, with an average of -4% from FY25-29	145,480	35,253	110,227
The total number of patients growth was decreased starting FY25, with an average of -4% from FY25-29	133,774	35,253	98,521
Senstising Revenues by -20% across all years	97,341	35,253	62,088

As a sensitivity analysis, Management considered a change in the discount rates of 2% increase to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This did not result in an impairment under any of the CGUs.

Management has also considered a change in the terminal growth rate by 1% decrease to reflect additional risk, which did not result in any impairment under any of the CGUs.

This recoverable amount is then compared to the carrying value of the asset as recorded in the books and records of IDH plc. The WACC has been used considering the risks of each CGU. These risks include country risk, currency risk as well as the beta factor relating to the CGU and how it performs relative to the market.

The headroom between the carrying value and value in use as follows:

Company	**Value in use**	**CGU carrying value**	**Headroom**
	EGP'000	EGP'000	EGP '000
Almokhtabar	3,757,764	1,421,626	2,336,138
Alborg	2,459,724	1,458,547	1,001,177
Bio Lab	513,395	295,185	218,210
Echo Scan	159,299	35,253	124,046

14. Financial asset at fair value through profit and loss

	2022	2021
	EGP'000	EGP'000
Equity investment*	18,064	10,470
Balance at 31 December	**18,064**	**10,470**

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

- ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of December 31, 2022, was 8.25%.
- On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five(5) year period from the signing date, which allows BioLab stake to be bought out by CHG at a price of the equity value of BioLab Shares/total stake (being USD 400,000.00) plus 15% annual IRR (including preceding 5 Financial years). After the expiration of above 12 months from the date of the put option period expiration, which allows CHG to purchase Biolab's all shares at a price of equity value of Biolab's stake (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. In case the Management Agreement or the Purchase Agreement and/or the SLA is terminated/cancelled within 6 months period from the date of such termination/cancellation, CHG shall have a call option, which allows the CHG to purchase Biolab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,000.00) plus 205 annual IRR. If JCI accreditation is not obtained, immediately after the expiration of the additional 12 months period of the CHG shall have a call option (the Accreditation Call option), exercisable within 6 months period, which allows CHG to purchase BioLab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,00.00) plus 20% annual IRR.

15. Inventories

	2022	2021
	EGP'000	EGP'000
Chemicals and operating supplies	265,459	222,612
	265,459	**222,612**

During 2022, EGP 703,693K (2021: EGP 962,748k) was recognised as an expense for inventories, this was recognised in cost of sales. The major balance of the raw material is represented in the Kits, slow-moving items of those Kits are immaterial. It is noted that day's inventory outstanding (based on the average of opening and closing inventory) stands as 127 days at 31 Dec 2022. There has been no impairment of inventory during 2022 (2021: EGP nil).

16. Trade and other receivables

	2022	2021
	EGP'000	EGP'000
Trade receivables – net	395,220	371,051
Prepayments	34,081	22,647
Due from related parties note (27)	5,930	5,237
Other receivables	106,363	67,974
Accrued revenue	2,293	2,818
	543,887	**469,727**

As at 31 December 2022, the expected credit loss related to trade and other receivables was EGP 145,586K (2021: EGP 109,768k). Below show the movements in the provision for impairment of trade and other receivables:

	2022	2021
	EGP'000	EGP'000
At 1 January	109,768	86,237
Charge for the year	29,914	24,656
Utilised	-	-
Unused amounts reversed	-	(32)
Exchange differences	5,904	(1,093)
At 31 December	**145,586**	**109,768**

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (historical customer's collection, Customers' contracts conditions) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Expected credit loss assessment is based on the following:

1. The customer list was divided into 9 sectors,
2. Each sector was divided according to customers aging,
3. Each sector was studied according to the historical events of each sector. According to the study conducted, the expected default rate was derived from each of the aforementioned period,
4. General economic conditions.

The results of the quarterly assessment will increase/decrease the percentage allocated to each period. Balances overdue by at least one year are fully provided for. On a quarterly basis, IDH revises its forward-looking estimates and the general economic conditions to assess the expected credit loss.

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 136,981K (31 December 2021: EGP 101,183K)

A reasonable possible change of 100 basis points in the expected credit loss at the reporting date would have increased (decreased) profit or loss by the amount of EGP 5,241K. This analysis assumes that all other variables remain constant.

The following table provides information about the exposure to expected credit loss (ECL) for trade receivables from individual customers for the nine segments at:

31-Dec-22	Weighted average loss rate	Gross carrying amount	Loss allowance
	EGP'000	EGP'000	EGP'000
Current (not past due)	1.11%	174,249	(1,927)
1–30 days past due	4.06%	85,072	(3,451)
31–60 days past due	4.55%	65,470	(2,982)
61–90 days past due	13.61%	32,563	(4,433)
91–120 days past due	18.12%	25,868	(4,688)
121–150 days past due	27.81%	19,275	(5,360)
More than 150 -365 days past due	88.00%	129,704	(114,140)

31-Dec-21	Weighted average loss rate	Gross carrying amount	Loss allowance
	EGP'000	EGP'000	EGP'000
Current (not past due)	0.00%	151,592	-
1–30 days past due	1.79%	85,764	(1,532)
31–60 days past due	5.25%	74,505	(3,911)
61–90 days past due	5.89%	31,028	(1,828)
91–120 days past due	9.06%	17,469	(1,582)
121–150 days past due	18.45%	8,576	(1,582)
More than 150 -365 days past due	87.89%	103,300	(90,748)

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	< 30 days	30-60 days	61-90 days	> 90 days
2022	395,220	253,943	62,488	28,130	50,659
2021	371,051	235,824	70,594	29,200	35,433

17. Cash and cash equivalents

	2022	2021
Cash at banks and on hand	399,957	261,430
Treasury bills (less than 3 months)	185,513	150,431
Term deposits (less than 3 months)	63,042	479,590
	648,512	**891,451**

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 short-term deposit weighted average rate 6.56% (2021: 7.75%) and Treasury bills 13.30% (2021: 12.44%) per annum.

18. Financial assets at amortised cost

	2022	2021
	EGP'000	EGP'000
Term deposits (more than 3 months)	60,200	148,136
Treasury bills (more than 3 months)	107,204	1,310,588
	167,404	**1,458,724**

The maturity date of the fixed term deposit and treasury bills is between 3–12 months and the effective interest rate on the treasury bills is 12.92% (2021: 12.44%) and deposits is 5.34% (2021: 7.75%).

19. Share capital and reserves

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.
All shares are authorised and fully paid and have a par value $0.25.

	Ordinary shares	Ordinary shares
	31-Dec-22	31-Dec-21
In issue at beginning of the year	600,000,000	600,000,000
In issue at the end of the year	**600,000,000**	**600,000 ,000**

The table below shows the number of shares held by Hena Holdings Limited and Actis IDH BV as well as how many shares are then held which are floating and not held by companies that do not have individuals on the board of the Group.

Ordinary share capital Name	Number of shares	% of contribution	Par value
Hena Holdings Limited	160,250,305	26.71%	40,062,576
Actis IDH B V	126,000,000	21%	31,500,000
Free floating	313,749,695	52.29%	78,437,424
	600,000,000	**100%**	**150,000,000**

Capital reserve

The capital reserve was created when the Group's previous parent company, Integrated Diagnostics Holdings LLC – IDH (Caymans) arranged its own acquisition by Integrated Diagnostics Holdings PLC, a new legal parent. The balances arising represent the difference between the value of the equity structure of the previous and new parent companies.

Legal reserves

Legal reserve was formed based on the legal requirements of the Egyptian law governing the Egyptian subsidiaries. According to the Egyptian subsidiaries' article of association 5% (at least) of the annual net profit is set aside to from a legal reserve. The transfer to legal reserve ceases once this reserve reaches 50% of the entity's issued capital. If the reserve falls below the defined level, then the entity is required to resume forming it by setting aside 5% of the annual net profits until it reaches 50% of the issued share capital.

Put option reserve

Through acquisitions made within the Group, put option arrangements have been entered into to purchase the remaining equity interests in subsidiaries from the vendors at a subsequent date. At acquisition date an initial put option liability is recognised and a corresponding entry recognised within the put option reserve. After initial recognition the accounting policy for put options is to recognise all changes in the carrying value of the liability within put option reserve. When the put option is exercised by the vendors the amount recognised within the reserve will be reversed.

Translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

20. Distributions made and proposed

	2022 EGP'000	2021 EGP'000
Cash dividends on ordinary shares declared and paid:		
US$ 0.116 per qualifying ordinary share (2021: US$ 0.0485)	1,304,805	455,182
	1,304,805	**455,182**
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):	-	1,300,000
Nil per share (2021: EGP 2.17) per share	**-**	**1,300,000**

21. Provisions

	Provision for legal claims EGP'000
At 1 January 2022	**4,088**
Provision made during the year	3,950
Provision used during the year	(3,997)
Provision reversed during the year	(522)
At 31 December 2022	**3,519**
Current	-
Non- Current	3,519

	Provision for legal claims EGP'000
At 1 January 2021	**3,217**
Provision made during the year	2,146
Provision used during the year	(993)
Provision reversed during the year	(282)
At 31 December 2021	**4,088**
Current	-
Non- Current	4,088

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2022.

22. Trade and other payables

	2022 EGP'000	2021 EGP'000
Trade payables	269,782	311,321
Accrued expenses	241,060	325,677
Due to related parties note (27)	25,058	13,234
Other payables	98,204	99,040
Deferred revenue	60,948	24,603
Accrued finance cost	6,043	3,479
	701,095	**777,354**

23. Current put option liability

	2022 EGP'000	2021 EGP'000
Put option – Biolab Jordan	439,695	921,360
	439,695	**921,360**

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

Through the historical 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 has been recognised for the net present value for the exercise price of the option.

The options is calculated at seven times EBITDA of the last 12 months – Net Debt and exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2022. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 21 months. The option has no expiry date.

24. Borrowings

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	31 Dec 22	31 Dec 21
A) CIB - BANK	EGP	Secured rate 9.5%	5 April 2022	-	13,238
B) AUB - BANK	EGP	CBE corridor rate*+1%	26 January 2027	116,426	84,828
				116,426	**98,066**
Amount held as:					
Current liability				22,675	21,721
Non- current liability				93,751	76,345
				116,426	**98,066**

A) In April 2017 AL-Mokhtabar for medical lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 110m from Commercial International Bank "CIB Egypt" to finance the purchase of the new administrative building for the group. Starting May 2021, the loan has been secured through restricted time deposits, It is also important to note that the Company's facility with the Commercial International Bank (CIB) was fully repaid as of April 2022.

B) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli United Bank "AUB Egypt" to finance the investment cost related to the expansion into the radiology segment. As at 31 December 2022 only EGP 125 M had been drawn down from the total facility available with 9m had been repaid. Loan withdrawal availability period was extended till July 2023 and the loan will be fully repaid by January 2027.

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

1. The financial leverage shall not exceed 0.7 throughout the period of the loan

"Financial leverage": total bank debt divided by net equity

2. The debt service ratios (DSR) shall not be less than 1.35 starting 2020

"Debt service ratio": cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance (cash and cash equivalents) divided by total financial payments.

"Cash operating profit": Operating profit after tax, interest expense, depreciation and amortization, 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 interest expense and fees and dividends distributions.

3. The current ratios shall not be less than 1.

"Current ratios": Current assets divided current liabilities.

**As at 31 December 2022 corridor rate 17.25% (2021: 9.25%)*

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

During 2021 the group signed two agreements of debt facilities. The debt package includes the US$ 45.0 million facilities secured an 8-year period starting from International Finance Corporation (IFC), and an additional US$ 15.0 million IFC syndicated facility from Mashreq Bank in Dec 2022 debt has not been withdrawn by IDH. The company incurred 12.5 M EGP for the year ended 31 December 2022, and 20.3M EGP for the year ended 31 December 2021. as commitment Fees and supervisory fees related to this agreement.

25. Non-current put option liability

	2022	2021
	EGP'000	EGP'000
Put option liability*	51,000	35,037
	51,000	**35,037**

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

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 51 million was calculated as the valuation as at 31 December 2022 (2021; EGP 35m). In line with applicable accounting standards with IAS 32 the entity has recognised a liability for the present value of the exercise price of the option price. The ramp-up of Echo-Scan operations driven by the new radiology equipment installed during Q4 2019 in Lagos and the following years yielding a Compounded Annual Growth Rate of 36% from 2023 to 2025.

26. Financial obligations

The Group leases property and equipment. Property leases include branches, warehouse, parking and administration buildings. The leases typically run for average period from 5-10 years, with an option to renew the lease after that date. Lease payments are renegotiated with renovation after the end of the lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The property leases were entered into as combined leases of land and buildings.

Adding to remaining agreement signed in 2015, to service the Group's state-of-the-art Mega Lab. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. The finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The averaged implicit interest rate of finance obligation has been estimated to be 9.85%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment.

Information about the agreements for which the Group is lessee is presented below.

a) Right-of-use assets

	Buildings 2022 EGP'000	Buildings 2021 EGP'000
Balance at 1 January	462,432	354,688
Addition for the year	214,846	198,402
Depreciation charge for the year	(103,099)	(79,617)
Terminated Contracts	(13,564)	(7,643)
Exchange differences	62,360	(3,398)
Balance at 31 December	**622,975**	**462,432**

b) Other Financial obligations

Future minimum financial obligation payments under leases and sales purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	2022 EGP'000	2021 EGP'000
*Financial liability– laboratory equipment	335,470	228,870
*Lease liabilities building	727,426	531,804
	1,062,896	**760,674**

**The financial obligation liabilities for the laboratory equipment and building are payable as follows:*

At 31 December 2022	Minimum payments 2022 EGP'000	Interest 2022 EGP'000	Principal 2022 EGP'000
Less than one year	285,962	137,257	148,705
Between one and five years	1,030,750	314,656	716,094
More than 5 years	227,715	29,618	198,097
	1,544,427	**481,531**	**1,062,896**

At 31 December 2021	Minimum payments 2021 EGP'000	Interest 2021 EGP'000	Principal 2021 EGP'000
Less than one year	211,242	95,764	115,478
Between one and five years	701,084	227,314	473,770
More than 5 years	191,229	19,803	171,426
	1,103,555	**342,881**	**760,674**

c) Amounts other financial obligations recognised in consolidated income statement

	2022 EGP'000	2021 EGP'000
Interest on lease liabilities	73,393	68,352
Expenses related to short-term lease	87,962	18,875

27. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2022 and 2021 are as follows:

Related Party	Nature of transaction	Nature of relationship	2022 Transaction amount of the year EGP'000	2022 Amount due from / (to) EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate**	-	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate***	4	1,771
H.C Security	Provide service	Entity owned by Company's board member	220	(99)
Life Health Care	Provided service	Entity owned by Company's CEO	424	2,518
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	481,665	(439,695)
	Current account	Bio. Lab C.E.O and shareholder	(20,008)	(20,008)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(15,963)	(51,000)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	12,292	(623)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	116	1,290
	Medical Test analysis		381	
Dr. Hend El Sherbini***	Loan arrangement	CEO**	17,025	-
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	(2,373)	(2,373)
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	(1,955)	(1,955)
				(509,823)

Related Party	Nature of transaction	Nature of relationship	2021 Transaction amount of the year EGP'000	2021 Amount due from /to EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	1	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	-	1,767
Life Health Care	Provide service	Entity owned by Company's CEO	(11,232)	2,094
Life Health Care	Provide service	Entity owned by Company's CEO	(11,232)	2,094
International Finance corporation (IFC)	Put option liability	Eagle Eye – Echo Scan limited shareholder	(3,247)	(35,037)
International Finance corporation (IFC)	Put option liability	Eagle Eye – Echo Scan limited shareholder	(3,247)	(35,037)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	(298)	1,025
	Medical Test analysis		530	
Total				**(964,394)**

** ALborg Scan is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).*
*** International Fertility (IVF) is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).*
**** During the year 2022, Dr. Hend (C.E.O) granted a loan to IDH Cayman amounting to USD 750K. and the loan was settled by Al Mokhtabar on behalf of IDH Cayman for EGP 17m at the prevailing exchange rate of US$/EGP 22.70 . The loan was not interest bearing.*

Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 26.7% of shares held by Hena Holdings Limited, Hena Holdings Limited is a related party and received dividends of USD 17,745,953 in year 2022 and USD 7,419,644 received in year 2021.

During the year payments relating to lease obligations of Biolab were made to entities considered to be related parties due to the interest in them held by Dr Amid Abd Elnour. Payments made during 2022 were JOD 241,038 (EGP 6,679,163) and during 2021 were JOD 665,461 (EGP 14,660,106).

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH opts to pay up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2022 EGP 8,934 K (2021: EGP 9,578K) was paid to the foundation by the IDH Group in relation to profits earned for companies Al Borg and Al Mokhtabar in the prior year.

Compensation of key management personnel of the Group

Key management people can be defined as the people who have the authority and responsibility for planning, directing, and controlling some of the activities of the Company, directly or indirectly.

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

	2022 EGP'000	2021 EGP'000
Short-term employee benefits	48,078	55,082
Total compensation paid to key management personnel	**48,078**	**55,082**

28. Reconciliation of movements of liabilities to cash flows arising from financing activities

EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2022	105,694	760,674
Proceeds from loans and borrowings	40,081	-
Repayment of borrowings	(21,721)	-
Payment of liabilities	-	(100,841)
Interest paid	(24,513)	(94,795)
Exchange differences	-	122,376
Total changes from financing cash flows	**(6,153)**	**(73,260)**
New agreements signed in the period	-	293,946
Terminated contracts during the year	-	(13,259)
Interest expense	27,879	94,795
Total liability-related other changes	**27,879**	**375,482**
Balance at 31 December 2022	**127,420**	**1,062,896**

EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2021	96,455	459,043
Proceeds from loans and borrowings	30,450	-
Repayment of borrowings	(25,416)	-
Payment of liabilities	-	(59,610)
Interest paid	(25,446)	(68,354)
Total changes from financing cash flows	**(20,412)**	**(127,964)**
New agreements signed in the period	-	367,534
Terminated contracts during the year	-	(6,292)
Interest expense	29,651	68,353
Total Liability – related other changes	**29,651**	**429,595**
Balance as at 31 December 2021	**105,694**	**760,674**

29. Current tax liabilities

	2022	2021
	EGP'000	EGP'000
Debit withholding Tax (Deduct by customers from sales invoices)	(26,166)	(34,166)
Income Tax	162,773	521,929
Credit withholding Tax (Deduct from vendors invoices)	7,719	17,922
Other	8,529	7,319
	152,855	**513,004**

30. Post Balance Sheet Events

- Subsequent to the year end-the Company completed the incorporation of medical health development a limited liability company located in the kingdom of Saudi Arabia with a total stake of 51% directly or indirectly. The new company will be operated in the same field as the group proclitic health care diagnostics service.
- IDH management has decided to irrevocably terminate the IFC loan agreement as the intended purpose of the loan, which was to finance an acquisition in Pakistan, was not realized.
- The Group has effectively reduced its exposure to foreign currency risk by coming to an agreement with General Electric (GE) for the early repayment of its contractual obligation of USD 5.7 million. As of March 28, 2023, the remaining obligation balance stood at USD 5.0 million, with USD 0.7 million having been repaid since the contract was initiated in 2020. The Group and GE have agreed to settle this balance early for USD 3.55 million, payable in EGP, equivalent to EGP 110 million.
  To finance the settlement, The Group will utilize a bridge loan facility, with half of the amount being funded internally and the other half provided by a loan from Ahly United Bank - Egypt. The management anticipates fully repaying the loan before the end of the second quarter of 2023.

31. Contingent liabilities

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