IDH INTEGRATED DIAGNOSTICS HOLDINGS

FOSTERING SUSTAINABLE GROWTH

2023

ANNUAL REPORT

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STRATEGIC REPORT

EGP 4.1 BN

Revenue in 2023

EGP 468 MN

Net profit in 2023

Who We Are

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, with operations in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia. Boasting a track record stretching over 40 years and multiple international accreditations, the Company stands as a premier and trusted provider of pathology and radiology services across its growing footprint. Today, IDH offers its patients an extensive and continually growing portfolio of approximately 3,000 high-quality diagnostic tests as well as a broad radiology offering ranging from MRI to PET-CT scans. As at year-end 2023, the Group's branch network stood at 601[1] branches spread across four geographies. Additionally, in January 2024, the Company launched operations in its fifth geography, Saudi Arabia, with the roll-out of two branches in the capital city, Riyadh. Throughout its network, IDH continues to employ a Hub, Spoke, and Spike model to ensure scalability and operational efficiency.

Alongside its organic growth, IDH remains on the lookout for strategic acquisition opportunities in new markets where the Company's brand name and business model enable it to effectively capitalise on healthcare and consumer trends to expand its operations. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange since May 2015. Meanwhile, the Company's EGP-denominated and dual-listed ordinary shares have been listed on the Egyptian Exchange since May 2021.

Our Markets

IDH currently boasts operations in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia. The Company's chosen markets present similar characteristics, including fragmented and underpenetrated diagnostic sectors, favourable demographic profiles, and increasingly attractive regulatory and investment environments. Together, these factors ensure ample room for development and provide robust drivers for the Company's future growth.

IDH launched operations in its fifth and latest market of Saudi Arabia in January 2024. The launch of its first two locations in the Kingdom see the Company enter one of the region's most attractive markets, with supportive macroeconomic fundamentals and appealing demographic factors. The venture was launched in partnership with Fawaz Alhokair Group and in the coming period aims to establish a fully fledged pathology diagnostic services brand offering a wide array of services across Saudi Arabia.

[1] *IDH's branch network includes 17 branches in Sudan that have been closed due to ongoing conflict in the country.*

8
key brands with strong awareness in underserved markets

40+
track record at the subsidiary levels

4.1 EGP/BN
in revenue in 2023, +14% versus 2022

EGX
listed since May 2021

LSE
listed since May 2015

601
branches as of 31 December 2023
(of which 17 in Sudan are currently closed)

5
countries across the Middle East & Africa

Our Services

Clinical Pathology Offering

IDH offers approximately 3,000 internationally accredited pathology tests through its brands, ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders. IDH's Mega Lab is a CAP-accredited facility, a testament to IDH's patient care and confidence in its laboratory's practices.

Radiology Offering

In addition to its pathology offering, IDH also offers a host of radiology services through its Al Borg Scan brand in Egypt, as well as its Echo-Lab brand in Nigeria. The Group's new radiology venture, Al Borg Scan, was launched in 2018 with the aim of expanding the Company's service offering, complementing its pathology portfolio, and becoming a one-stop-shop provider of diagnostic services in its home and largest market, Egypt. To date, Al Borg Scan is the only radiology provider in Africa to enjoy the prestigious American College of Radiology (ACR) accreditation, testament to the quality offered across its branches. Today, IDH's radiology services include PET-CT, CT scans, MRI, Mammography, Ultrasound, X-Ray, EMG, EEG, ECG, and Gamma Camera. During 2023, the Company continued to expand its radiology network with the addition of a seventh Al Borg Scan location. From its growing network, its radiology subsidiary has served over 399,000 patients since inception.

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

Our Brands

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

Our Patients

Through its operations, the Company serves two principal client types: contract (corporate) and walk-in (individuals). The Company also provides house call services to each of these client types, in addition to a lab-to-lab service for the corporate segment.

IDH's walk-in clients, also known as "self-payers", include individuals paying out of pocket for diagnostics services. This category made up 36% of the Group's total revenues in 2023.

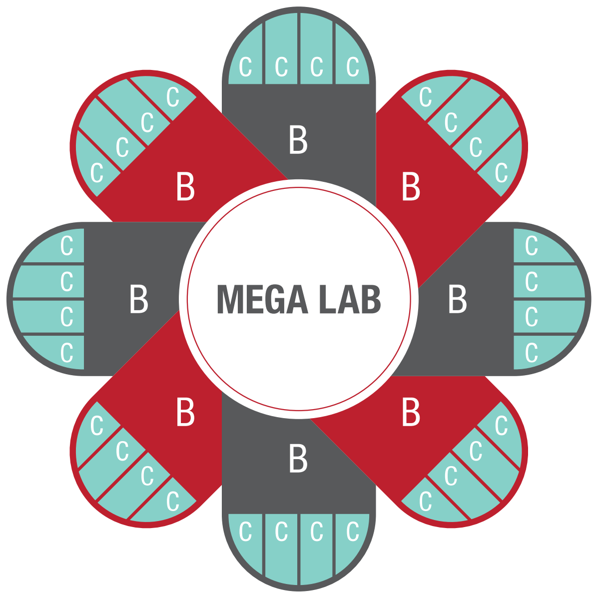
IDH's contract clients, which constituted the remaining 64% of consolidated revenues for the year, encompass institutions that include syndicates, unions, private and public insurance companies, banks, and corporations who enter into one-year renewable contracts at set rates per test and per-client.

An Asset-Light Business Model

IDH is able to grow in a capital-efficient manner, utilising an asset-light business model for its laboratory offering. This model is comprised of two integral components; first, the Company's scalable "Hub, Spoke and Spike" network of branch laboratories. Second, the Group's dynamic and long-lasting relationships with major suppliers, enabling rapid expansion opportunities without the need to purchase expensive medical diagnostic equipment.

Hub, Spoke, and Spike

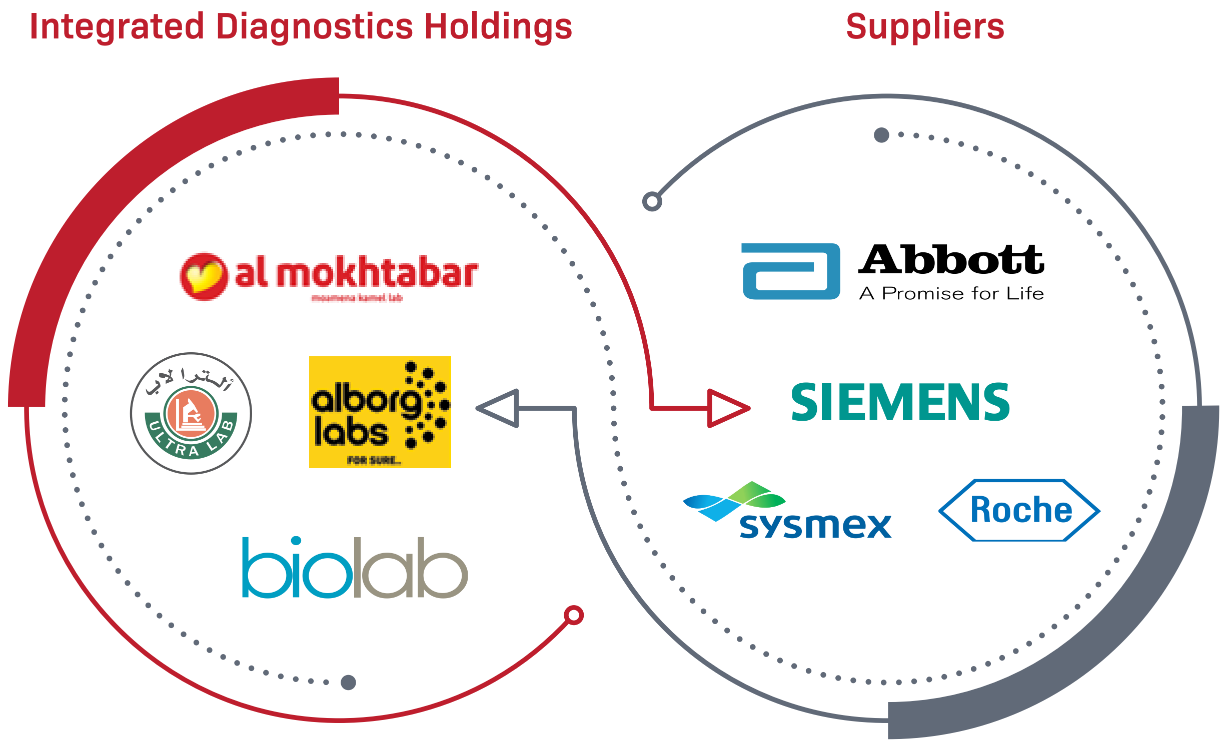
IDH's CAP-accredited Mega Lab functions as the "Hub". The centre is equipped with the latest in diagnostic equipment and provides the necessary tools and capacity to effectively process tests and services for samples collected by the B-Labs (Spokes) and C-Labs (Spikes). Meanwhile, the Group uses its B-Labs to process routine tests, while leveraging their capacities to manage traffic to the Mega Lab as necessary. In parallel, C-Labs serve primarily as collection centres, significantly increasing the Company's reach and allowing it to serve a wider patient base nationwide. The Company also launched an encompassing radiology venture to complement its lab and pathology offering. This venture diversifies the Group's revenue streams while boosting further growth at IDH's conventional pathology segment. This "plug and play" business model is the operational backbone of the Group, providing considerable leverage in extracting revenue while forming long-lasting supplier relationships to create substantial cost synergies at all levels of operation.



Supplier Relationships

As one of the forefront providers of diagnostics services in the MENA region, in both scale and service, the Group enjoys significant bargaining power with suppliers, allowing it to secure favourable terms for both medical equipment and test kits. IDH's supplier contracts, which also include the provision of equipment to analyse laboratory test results, 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. As a direct consequence of its scale and expanding volumes, IDH comfortably covers minimum annual payments. Meanwhile, the Company achieves economies of scale through significant operating volumes and strategic pricing power, reducing costs per test and avoiding the initial outlay usually required for the purchase of additional medical diagnostic equipment.

IDH's agreements with its key suppliers have a typical tenure of five to seven years, with equipment substitution following the renewal of contracts. Extended tenures effectively shield the Company from price fluctuations resulting from a turbulent macroeconomic environment, providing a significant advantage, specifically considering the continued inflationary pressures faced by the Company over the past couple of years. In line with its commitment to stellar service quality, the Group primarily partners with top international suppliers, including Siemens, Roche, Abbott Laboratories, Sysmex, General Electric, and Philips.



2023 Highlights

Financial Highlights

Consolidated Revenue

of EGP 4,123 million was recorded in 2023, representing a 14% year-on-year increase.

Conventional revenue[2]

Excluding Covid-19-related contributions from last year's figure (which amounted to EGP 702 million, or 19% of consolidated revenues in 2022), IDH booked an impressive 42% year-on-year increase in conventional revenue during 2023.

Gross Profit

of EGP 1,524 million was recorded in 2023, up 4% from EGP 1,462 million in 2022. Gross profit margin (GPM) stood at 37% in 2023, down from 41% one year prior.

Adjusted EBITDA[3]

of EGP 1,192 million was recorded in 2023, up 2% year-on-year and with an EBITDA margin of 29% (versus 33% in 2022).

Net Profit

of EGP 468 million was recorded in 2023, down 11% from EGP 527 million in 2022. IDH's net profit margin (NPM) stood at 11% for the year, down from 15% in 2022.

Earnings per Share

stood at EGP 0.85 in 2023 compared to EGP 0.90 in 2022.

[2] *Conventional (non-Covid-19) tests include IDH's full service offering excluding Covid-19 related tests.*
[3] *Adjusted EBITDA is calculated as operating profit plus depreciation and amortization, excluding non-recurring expenses, specifically an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training, EGP 18.2 million in pre-operating expenses in Saudi Arabia, EGP 5.0 million impairment expense in Sudan due to the ongoing situation in the country, and an EGP 18.0 million impairment expense in goodwill and assets in Nigeria.*

Operational Highlights

As of year-end 2023, IDH operated a **total branch network** of 601[4] branches, spread across four markets. This represents a 49-branch increase over the previous year.

Consolidated test volumes for the year reached a record-high 36.1 million test in 2023, up a solid 10% year-on-year on the back of strong growth in Egypt. **Conventional test volumes** were up 17% versus 2022, testament to the strong underlying demand enjoyed by IDH.

Consolidated average revenue per test recorded EGP 114 in 2023, a 4% increase from last year's figure. Meanwhile, **conventional revenue per test** expanded 22% year-on-year.

During 2023, IDH served a total of 8.5 million **patients**, a marginal 2% decline compared to 2022, primarily reflecting last year's Covid-19-related high base. In parallel, the Company booked a record-high 4.2 **average tests per patient** during the year, up significantly from 3.7 tests in 2022.

In **Egypt**, IDH continued to post strong results, with consolidated revenue reaching EGP 3,411 million, an impressive 18% year-on-year rise on the back of increasing test volumes and average revenues per test.

In **Jordan**, IDH reported lower consolidated revenues, reflecting the large contribution made by Covid-19-related testing in the previous year. Meanwhile, conventional revenue in local currency terms for the year recorded a solid 8% rise versus last year's figure, supported by rising test volumes and showcasing the underlying health of IDH's Jordanian operations.

In **Nigeria**, Echo-Lab recorded a 15% year-on-year increase in revenues in local currency terms (up 22% in EGP terms), reaching NGN 2.0 billion in 2023. Meanwhile, inflationary pressures and an expanded cost base in Nigeria weighed down on EBITDA profitability, expanding adjusted EBITDA losses to NGN 498 million in 2023, down from NGN 337 million one year prior.

IDH's **Sudanese** operations booked total revenues for the year of SDG 220 million, down 60% year-on-year (in EGP terms, revenue declined 44% versus 2022) as the country's operations continue to be heavily affected by the ongoing conflict, which has led to the closure of 17 of the country's 18 branches since April 2023.

IDH launched its first two **Saudi Arabian** branches in 2024, one in January and another in March. In the long run, the venture aims to establish itself as a fully fledged clinical pathology diagnostic services provider boasting a branch network covering the entire Kingdom. The new venture will be fully consolidated on IDH's accounts starting in 2024.

[4] *IDH's branch network includes 17 branches in Sudan that have been closed due to the ongoing conflict in the country.*

Chairman’s Message

Lord St John of Bletso
Chairman

Despite a challenging year for the healthcare sector, I am pleased to report that 2023 was a year of sustained growth and solid progress for your Company. IDH’s management team was effective in delivering on the Board’s agreed strategic objectives and remains committed to diversifying into other jurisdictions to deliver and drive further growth.

Navigating Challenges

We continued to face a challenging operating environment across both Egypt and Nigeria, where currency devaluations, persistent inflation, and foreign exchange restrictions were a major impediment to our operational successes.

In Sudan, we decided, following the continued civil war, to halt our operations in the country, cutting all operating expenditure while retaining the business.

Despite these ongoing challenges we are proud to have recorded strong, double-digit revenue growth in 2023 supported by record-high test volumes.

We also achieved 42% year-on-year growth in our conventional revenue, which counter balances the contribution of Covid-19-related testing in the previous year’s results and reflects the resilience of the business.

Our core focus remains delivering excellence of care to our loyal patients and communities. We are cognisant of the socio-economic challenges of our patients and ensured that our tests remained accessible to as many people as possible.

In response to the ongoing economic challenges, management took proactive measures to shield the business as much as possible from exchange-rate fluctuations and ongoing uncertainty. Our management team leveraged the Company’s solid and long-established relationships with our strategic suppliers to secure long-term contracts with semi-fixed rates.

Heading into 2024, the recent developments in Egypt leave us cautiously optimistic that the country’s economy is in recovery mode with increasing foreign direct investment and a floating exchange rate policy.

New Beginnings

We are also pleased to report that the Group expanded its operations in Saudi Arabia, with the inauguration of two branches in Riyadh, one in January and another in March 2024.

The Kingdom has an impressive record of rapid economic growth, a growing population, and a fragmented diagnostic market that is complimentary with your Company’s integrated and value-added business model.

Driving Change

We are exploring the opportunities to embrace generative artificial intelligence (AI) and drive additional revenue, leveraging the vast data base that we control with stringent security and privacy.

We are enthusiastic about the potential enhancements in the diagnostics field as AI solutions are being incorporated in to traditional testing protocols.

Management is also exploring cost reduction measures and economies of scale, embracing new disruptive technologies.

> “2023 was a year of **sustained growth and solid progress for your Company,** with IDH's management team remaining effective in delivering on the Board's strategic objectives.

Environmental, Social, and Governance (ESG)

We are committed to maintaining transparent and sustainable operations across our markets. Accordingly, we published our second Sustainability Report in January 2024, addressing our ESG practices and the initiatives we take to increase our stakeholder impact.

Risk Matrix

Our Audit Committee consistently monitors our risk matrix, ensuring that we have the right policies in place to ensure business continuity, while promoting a productive work environment for our team.

> “
> We enter 2024 eager to build on the foundation laid in 2023 so that we may **continue to deliver sustainable value** for our shareholders.

We are enormously grateful and proud of our dedicated and loyal workforce, led by our highly experienced management team. Having most of the staff based out of our Smart Village headquarters in Cairo has enhanced staff morale and team building.

Over the past year, we continued to attract and retain the highest calibre of medical and non-medical talent.

In January 2024, we welcomed aboard Sherif El Zeiny as Vice President, Group Chief Financial Officer, and Board Member. Sherif brings a wealth of experience in financial management and corporate strategy and will play a pivotal role in ensuring our future success.

Our Thanks to Our Shareholders

Finally, we would like to extend our thanks to our shareholders and reiterate our commitment that we shall do everything possible to drive maximum value. Despite the challenges we continue to face across our markets, we are confident that our resilient business model and value-creation strategies will assist in this aspiration going forward.

Since our initial public offering back in 2015, your Company has been committed to paying a regular dividend. Foreign exchange restrictions in Egypt meant we were unable to distribute dividends for the year ended 31 December 2022 and have also been unable to distribute dividends for the year that just ended.

Despite this decision, our dividend policy has not changed. As part of our asset-light strategy, our dividend policy is to return to shareholders the maximum amount of excess cash after taking into account the capital needed to support operations, capital expenditure plans, and potential acquisitions.

We enter 2024 eager to build on the foundation laid in 2023 so that we may continue to deliver sustainable value for our shareholders while offering our patients world-class quality and superior experience.

Lord St John of Bletso
Chairman

Chief Executive's Report

Dr. Hend El-Sherbini
Chief Executive Officer

2023 was a year characterised by growth and execution, as the Company delivered robust revenue growth despite a challenging operating environment and took important steps forward on our long-term growth and value creation strategy. After months of preparation, in January 2024, we added a fifth market to our portfolio with the official launch of Biolab KSA in Saudi Arabia. At the same time, we continued to capitalise on the important growth opportunities offered by our existing markets to drive strong year-on-year consolidated revenue growth and continue expanding our reach in the process. We ended the year on very solid footing, having once more demonstrated the resilience of our business model, the potential of our chosen markets, and the effectiveness of our growth strategies.

A Year of Macroeconomic Turbulence

As a business operating in this part of the world, we are no strangers to macroeconomic volatility. 2023 was no different, as our markets of operation were confronted with devaluation, record-high inflation, tightening monetary policies, and fluctuating energy prices. Over the last two years, our home and largest market of Egypt has been particularly impacted by global economic headwinds stemming from the post-Covid-19 recovery, the Russia-Ukraine conflict, and the most recent escalation in the Israeli-Palestinian conflict. Meanwhile, inflation has remained at record-highs throughout 2023, continuing to put increasing pressure on consumers and businesses alike. On a similar note, following a devaluation of the Nigerian Naira (NGN) in early 2023, Nigerians have been confronted with rising inflation and soaring diesel prices. Finally, the eruption of a civil war in one of our oldest geographies, Sudan, resulted in the near complete halt of IDH's operations in the country, with the majority of our branches indefinitely shut down.

Despite all this, our two largest markets, Egypt and Jordan, remained resilient, supported by attractive fundamentals that are set to drive their long-term growth over the coming decade. Leveraging our established brand name and strong market positioning, we are ideally positioned to capitalise on these fundamentals, drive future growth, and generate sustainable value for all stakeholders.

A Year of Sustainable Growth and Value Creation

Throughout 2023, IDH continued delivering on its promise of caring for its patients, providing unparalleled quality and accuracy in its testing, and building long-term relationships across its communities. At the same time, in line with our commitment to shareholders, we continued to drive growth and profitability across the business, recording remarkable results throughout the year.

Looking at our results in more detail, in the 12 months ended 31 December 2023, we recorded total revenues in excess of EGP 4,100 million, up a solid 14% from last year's figure that had included significant contributions from Covid-19-related testing. Excluding Covid-19-related contributions from the comparable period, revenue growth at our conventional business was even more notable, coming in at 42% for the year and sitting 89% above pre-pandemic revenues of EGP 2,179[5] million in 2019. Conventional revenue growth was supported by steady rises in test volumes; increased contributions from our house call services, which sit comfortably above pre-pandemic averages at 14%; and increased growth momentum from our fast-growing radiology venture, Al Borg Scan, which saw the launch of a seventh branch in 2023. More specifically, in 2023, we performed 17% more conventional tests compared to the previous

> “Throughout 2023, IDH continued **delivering on its promise of caring for its patients**, providing unparalleled quality, and **building long-term relationships across its communities.**

12 months. Conventional revenue growth was also supported by our strategic price increases, which saw average revenue per conventional test increase to EGP 114 versus EGP 94 last year. These increases, which remain below market averages, not only ensured that our tests continued to be affordable for as many people as possible but also enabled us to build stronger relationships with our patients, boosting long-term retention. As a result of these efforts, one of our most important operational metrics, average tests per patient, reported its highest figure on record, coming in at 4.2 tests in 2023 up from 3.7 in 2022.

[5] *Excluding contributions from the 100 million lives campaign in 2019*

On a geographic basis, we recently launched operations in our fifth geography, Saudi Arabia, expanding our geographic reach in one of the region's fastest-growing economies characterised by favourable demographics. Meanwhile, Egypt, our largest market, continued to represent the lion share of consolidated revenues, contributing 82.7% in 2023. Total revenues in our home market rose by 18% for the year to record EGP 3.4 billion, supported by higher volumes and prices. Similar to trends seen at the consolidated level, conventional revenues in Egypt rose by an impressive 40% versus 2022. Throughout the year, we performed 33.4 million tests, a robust 13% year-on-year increase, testament to the growing attractiveness of our offering. We also recorded the highest ever number of tests per patient at 4.2, as the revamped loyalty programmes introduced as part of our post-Covid-19 strategy delivered the desired results. Higher test and patient volumes were also supported by an expanded branch network, which saw the addition of 44 new branches in 2023, as well as by our house call services, which remain a preferred method to access our services for a significant segment of our patient base. Meanwhile, the Company booked an 18% increase in average revenue per conventional test on the back of strategic price hikes introduced at the start of the year. Revenues in Egypt were further boosted by an increasing contribution from our fast-growing radiology venture, Al Borg Scan. The venture recorded revenues of EGP 155 million for the year, up 82% from 2022. To build on this momentum, in September 2023, we rolled out a seventh Al Borg Scan location with our radiology network now spanning the entire Greater Cairo area and ensuring that we rapidly capture a growing share of this high-fragmented and quickly expanding market segment.

Meanwhile, in Jordan we recorded similar trends, with conventional revenues reporting a year-on-year increase of 68%. Conventional growth was also evident in local currency terms, reaching JOD 14 million, and representing an 8% rise compared to 2022. Conventional revenue growth in Jordan was wholly driven by higher test volumes, which grew to 2.4 million tests during the year, as the Company continued to focus on driving volumes in the highly price-regulated geography. Meanwhile, consolidated revenues in Jordan were down 34% compared to 2022, due to significant contributions from Covid-19 testing in the previous year (constituting 41% of Jordan's revenues). Due to its material insignificance in 2023, we have opted not to report on Covid-19-related revenues since the start of the year. In Nigeria, our operations posted a 15% rise in revenues in NGN terms, on the back of higher test prices as Echo-Lab continued to adjust its mix in favour of its higher-priced offerings. Top-line growth in Nigeria was achieved despite a 12% year-on-year decline in test volumes. It is also important to mention that the devaluations of the Naira seen between February 2023 and February 2024, along with an expanding cost base, has led to widened EBITDA losses, reaching NGN 498 million during the year. Finally, in Sudan, our operations remain highly affected by the ongoing conflict, which has seen the temporary closure of 17 out of 18 branches starting in April 2023. Since the start of the conflict, we have continued to closely monitor the situation, prioritising as always the health and safety of our staff and patients.

Throughout the year, we continued to employ a proactive cost management strategy to mitigate the impacts on our cost base of rising inflation and a weakening EGP. As part of our staff retention strategy, during the year, we introduced higher-than-usual salary hikes to support our people during the ongoing period of high inflation. Meanwhile, we were once again happy to note that our long-term supplier relationship and the sheer scale of our operations enabled us to negotiate and secure very competitive prices for test kits, helping to limit the rise of our raw materials bill over the 12-month period. Moreover, as the year progressed, the anticipated seasonal slowdowns during the first half of the year began to fade, and the effects of our strategic price hikes across Egypt and Nigeria began to take effect, we saw a steady normalisation of our margins during the second half of the year, compared to 1H 2023. As a result, we ended the full year with an adjusted EBITDA margin of 29%, in line with the guidance communicated to investors at the start of the year.

Expanded Footprint

We started 2024 on an exciting note, with the launch of the first two branches of Biolab KSA in partnership with our Jordanian subsidiary, Biolab, and Izhoor, a company owned by Fawaz Alhokair, chairman of the renowned Saudi retail group, Fawaz Alhokair Group. The two branches are located in the Kingdom's capital city of Riyadh, with their day-to-day management under the supervision of Biolab's founder and CEO, Dr. Amid Abdelnour, and his team. The inauguration of Biolab KSA's first two locations marked our entrance into the Saudi Arabian market, one of the fastest growing and most attractive markets in the region. Once fully ramped up, Biolab KSA aims to become a fully fledged diagnostic services provider capable of capturing the vast opportunities offered by the currently underserved and highly fragmented Saudi market. Over the coming years, the Saudi Arabian market is expected to witness rapid growth supported by a growing and increasingly health-conscious population, as well as a large elderly population afflicted by a high prevalence of non-communicable diseases.

This latest expansion falls perfectly in line with our long-term growth strategy, which sees us target potential opportunities for greenfield and brownfield investment in markets where our business model is best fit to capitalise on prevailing demographic factors and industry dynamics. In the coming years, we expect our current and potential expansions in the GCC to contribute an increasing share to the Group's top line, helping us to further diversify our revenue base and guarantee the business' long-term sustainability.

Our Sustainability Journey

As our footprint, operations, and patient base continue to grow, we remain as committed as ever to developing our sustainability frameworks and adhering to global environmental, social, and governance (ESG) best practices. Across all our operations, ESG monitoring and compliance play a pivotal role, ensuring we give back to the communities we serve and leave a lasting impact on our people beyond our traditional diagnostics services. This commitment has been largely reflected in the ambitious steps taken over the past three years to set defined goals and strategies for our ESG initiatives and increase our accountability towards investors and stakeholders. In 2022, we worked closely with a leading ESG consultant to design and implement an encompassing strategy for our business, setting clear long-term goals and guiding our efforts for the coming years. In 2023, we remained on track, delivering the desired progress set forth by our defined sustainability strategy and targets, under the guidance and supervision of a specialised ESG committee on our Board of Directors. To this end, in January 2024, we published our second Sustainability Report, with an enhanced focus on sustainability data management, delivering on our commitment to maintain transparent and sustainable operations across our geographies. Moreover, starting last year, we have been including the Task Force on Climate-related Financial Disclosures (TCFD) in the Company's annual report in line with listing requirements. We have remained committed to increasing our transparency in sustainability disclosures. Our updated TCFD can be found on page 80 of this report.

Our experienced and highly competent Board of Directors continues to provide the support and guidance necessary for the uninterrupted growth of our business. Our Board brings together a host of established professionals boasting varied and extensive experience in their respective fields. IDH's Board of Directors comprises mainly non-executive directors and is further strengthened by robust and constantly refined governance framework. On this note, I am happy to announce that in January 2024, we welcomed Sherif El Zeiny on board, filling the role of Group Chief Financial Officer, Vice President, and Executive Director on IDH's Board of Directors. Sherif's extensive experience in financial management and corporate strategy is sure to prove invaluable to the Company as we continue to identify new areas through which to expand our presence and cement our foothold across the region. In the period prior to Sherif joining the Company, our finance team, relying on their specialised training and knowledge of both LSE and EGX reporting requirements, worked tirelessly to ensure the Company's efficient operation during this transitional phase. I want to extend my gratitude to all the members of our staff and management team who contributed to our success during the second half of the year and ensured a smooth handover to Sherif when he officially joined in January.

Our Outlook for 2024

Despite the significant macroeconomic hurdles we have had to overcome over the past two-year period, IDH has continued to prove its resilience, relying on its proven strategies and expertise to achieve notable operational and financial success throughout the entire period. Our impressive results in 2023, specifically, have underscored the success of our long-term growth strategies to expand our conventional business and usher in a new era of sustained success following the end of the Covid-19 pandemic. I remain confident in IDH's abilities to navigate macroeconomic pressures and deliver yet another year of sustained growth and expansion in 2024.

Across our more established markets of Egypt, Jordan, and Nigeria, our priorities remain unchanged. Throughout these markets, we will continue to target double-digit revenue growth supported by a combination of higher volumes and prices. Meanwhile, in Egypt, we will continue to grow our branch network to widen our reach and expand our patient base across the country. We will also continue to ramp up our radiology venture in Egypt, Al Borg Scan, growing its contribution to the country's revenues and providing an all-encompassing test offering for our patients. On the pricing front, across both Egypt and Nigeria, regularly scheduled price increases were introduced at the start of the year. In the coming months, we will evaluate the available room to implement further price hikes with our primary goal remaining the retention and support of our patients during these difficult times.

In terms of our profitability, we expect continued margin normalisation throughout 2024, as businesses and consumers adapt to the initial effects of the devaluation. Throughout the year, IDH will continue to leverage its standing as a leader in the industry to negotiate favourable terms with our test kit suppliers and ensure we maintain our costs ratios and margins in line with historical averages. In parallel, we are constantly studying avenues for cost optimisation throughout our operations, maintaining adequate stocks and streamlining our operations where possible to eliminate all unnecessary expenses.

In parallel, we are excited to continue ramping up our new Saudi venture in partnership with Biolab and Izhoor. In the coming year, we will look to establish the Biolab KSA brand in the Riyadh market through targeted marketing campaigns and through the delivery of exceptional quality to patients. Meanwhile, we will also look to rapidly expand our branch network and operations, cementing our position as a full-fledged diagnostics provider in the Saudi Arabian market.

While 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 remains unchanged, the continued economic headwinds and foreign currency shortages in Egypt have led the Board of Directors to opt not to distribute dividends for the year ended 31 December 2023.

H. El Sherbini

Dr. Hend El-Sherbini
Chief Executive Officer

A Note from Our Vice President and Group CFO

Sherif El Zeiny
Group Chief Financial Officer and Executive Director

As I embark on this exciting new journey with IDH, I look forward to leveraging my multi-decade experience across a wide spectrum of industries and markets to deliver incremental value to our patients, shareholders, and wider communities. What Dr. El Sherbini and the IDH team have been able to achieve over the past years is inspiring, and I am eager to contribute to the Group's continued growth and success.

A Digital Business Optimised for Growth

In a rapidly changing world, harnessing the latest technology and digital solutions has become imperative. Over the coming year, we will be implementing a Group-wide digitalisation strategy aiming not only to roll out world-class solutions across various aspects of the business but also to ensure that these are integrated to maximise their value-added.

In similar fashion, we will also work to enhance our internal data collection and processing capabilities to provide managers at all levels of the Company with the information they need to make informed decisions, optimise the quality we deliver to patients, and drive growth across the business. In particular, our efforts in the near term will pivot towards assessing and deploying new artificial intelligence (AI) tools and remaining at the forefront of a rapidly changing diagnostic industry.

Profitable Growth

As always, the number one goal remains achieving sustainable growth. On the one hand, we will remain focused on growing patient and test volumes across both existing and new markets while making tactical investments to drive future growth. On the other hand, we will look to optimise all aspects of the business, maintaining lean operations to navigate ongoing cost pressure coming from a weakening EGP and rising inflation.

Expanding Our Reach

With the roll out of our first Saudi Arabian branch in early 2024, the Company has officially entered into its fifth geography. Having previously worked in Saudi Arabia, I look forward to supporting the management team on the ground to ensure a rapid and successful ramp up of operations. In parallel, we will continue to be on the lookout for attractive opportunities to grow our footprint and penetrate new markets where our business model and superior know-how are well-placed to succeed.

Accountability and Credibility

Maintaining sound financial policies and adhering to strong governance frameworks are at the heart of any successful business. I am excited to be working with Dr. Hend El Sherbini and my esteemed colleagues on IDH's Board of Directors as we start to build a future of financial growth and operational expansion for the Company, while ensuring we continue to provide the Company with the guidance, accountability, and credibility needed to make this new chapter another successful one.

Sherif El Zeiny
Board Member, Vice President, and Group CFO

“ We will remain focused on **growing patient and test volumes** across both existing and new markets **while making tactical investments to drive future growth.**

Our Markets

Key Market Dynamics

5

countries of operation

601[6]

operational branches, +49 versus 2022

The emerging markets in which IDH operates boast many similar characteristics that differ substantially from those of many Western markets. In emerging markets, the healthcare sector is divided between publicly and privately funded institutions, allowing patients a greater degree of freedom when choosing healthcare providers. Additionally, general practitioners (also referred to as family medicine practitioners or primary care specialists) are not widely available; as a result, they do not stand as gatekeepers through which patients receive primary or specialist medical attention as they typically do in more mature Western markets.

Patients requiring medical attention may choose to receive it through visiting an emergency room, an outpatient clinic or polyclinic, or seeking the advice of a specialised physician directly. In doing so, medical personnel may order tests while recommending a specific service provider, although in most cases, patients are free to choose the service provider of their liking. The choice of service provider depends on several factor, including perceived service quality, pricing, insurance compatibility, and several other factors. Walk-in patients (referred to as "self-payers") pay out of pocket in advance of the required tests being completed.

Test results are usually received in-person by patients (typically accompanied by a specialist report), which the patients then return to the original physician who ordered testing for diagnosis. IDH also provides same-day electronic delivery of test results to patients via SMS, with test results also available via the Company's mobile app. IDH's sales and marketing activities actively 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.
- **Contract Patients:** through direct outreach to insurers and employers.

[6] *IDH's branch network includes 17 branches in Sudan that have been closed due to ongoing conflict in the country.*

Barriers to Market Entry

Brand Equity and Reputation

Patients are loyal to the Company's leading brands, with a successful track record spanning more than four decades.

Accreditation of Facilities

State-of-the-art testing capabilities and facilities are required to attract contract clients. IDH currently boasts accreditations from CAP, ACR, ISO, JAS, HCAC, and JCI.

Market Reach

The fragmented markets in which IDH operates demand a widespread geographic presence for broad customer reach. The Company currently operates the largest private labs network in Egypt, with operations in four additional geographies.

Relationship with Key Stakeholders

Long-lasting relationships with stakeholders, including physicians and suppliers, are required to support a scalable platform.

Economies of Scale

IT-enabled platforms, critical mass (higher margins), decades of unparalleled experience, and the latest in medical equipment mitigate against new entrants

Egypt

IDH's home and largest market of Egypt has been at the centre of the Company's growth story for over four decades and, today, continues to play a key role in driving performance and setting new standards for the Group's other markets. In Egypt, the Company operates under two separate segments, pathology and radiology, creating a fully fledged service provider and enabling the Company to position itself as a one-stop shop for its patients' diagnostic needs. At its pathology segment, the Group operates two leading pathology labs, Al Mokhtabar and Al Borg Laboratories. Meanwhile, in 2018, in line with its long-term growth and value creation strategy, IDH launched its radiology venture, Al Borg Scan, capturing the attractive opportunities offered by the underpenetrated market with an expanding branch network across Greater Cairo.

83%
Contribution to
CONSOLIDATED REVENUE
in 2023

Egypt's diagnostic market can be split into two distinct sectors, public and private infrastructure, with the latter consisting of labs attached to private hospitals as well as standalone labs (chains and single-doctor labs). On a geographic basis, Egypt's most important cities account for the majority of labs nationwide, leaving ample opportunity to capture underserved areas of the country and reach a wider patient base across Egypt's 27 governorates. Moreover, the corporate market is growing as the main driver for diagnostics services, contributing more to the sector's top line as more companies expand healthcare coverage for their employees.

IDH enjoys a strong competitive position in the Egyptian diagnostic industry, expanding its reach and cementing its place as a market leader while creating significant barriers to entry by leveraging its successful 40-year track record. Today, IDH continues to be the number one private provider by market share in the country, with a leading position in the corporate insurance sector. 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.

In an effort to expand its service offering and create a fully fledged service provider in its home market, IDH launched Al Borg Scan, the Company's newest and fastest-growing radiology venture in Egypt, in 2018. This venture has since booked notable and consistent operational and financial success, steadily establishing itself as a notable player in the radiology market. Over the past few years, to capitalise on the strong momentum enjoyed by the venture, IDH has invested significant resources to boost Al Borg Scan's branch network. As at year-end 2023, the venture was operating seven branches across Greater Cairo, with its latest branch launched in September 2023. Moreover, testament to the superior quality and service offered by the subsidiary, Al Borg Scan is currently the sole radiology provider in Africa to boast the prestigious American College of Radiology (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 and 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.

2023 Key Highlights

544
branches as at year-end 2023, +44 versus 2022

3.4 EGP BN
revenues in 2023, up 18% y-o-y

8.0 MN
patients served in 2023, up 5% y-o-y

Long-standing brands with impeccable reputations have fostered patient loyalty

Solid stakeholder relationships, including those with 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 American College of Radiology (ACR) accreditation

Macroeconomic Developments

The Egyptian economy has been facing strong headwinds starting in 2022 and carrying on in 2023. Over the last two years, Egyptian people and businesses have witnessed multiple currency devaluations, faced record-high inflation and the subsequent tightening of monetary policy, and had to confront the spill overs of two conflicts in Ukraine and Gaza. In early 2024, the Egyptian government announced a series of initiatives and agreements that are expected to significantly alleviate the short- and medium-term pressures on the Egyptian economy and business community.

2023 in Review

Between March 2022 and January 2023, the Egyptian Pound was devalued multiple times, going from trading at EGP 15.7 to the US dollar to EGP 30.9 to the US Dollar. While the official exchange rate remained fixed at 30.9 to the US Dollar for the remainder of 2023, in the unofficial black market, the exchange rate progressively climbed reaching as high as 53.0 to the US Dollar by year end. Similar trends continued in early 2024, with the black market surpassing the 70.0 to the US Dollar mark in the final week of January.

With Egypt being heavily dependent on USD-denominated imports, the devaluation of the EGP has expectedly led to record-high inflation in the country, with the annual urban inflation rate reaching 33.7% in December 2023. As a result, the Central Bank of Egypt (CBE) hiked interest rates in an attempt to tackle inflationary pressures. The CBE's main operation and discount rates stood at 19.75% in December 2023, versus 16.75% at the start of the year and the 9.75% in early March 2022.

In parallel, and largely due to external geopolitical factors as well as a decline in domestic production, Egypt has been facing an energy crisis starting in the summer months of 2023. As a result, the government has introduced scheduled blackouts nationwide in an effort to curb spiking demand on the back of a heat wave that began in late July 2023. Significant temporary import cuts from Israel due to the ongoing Israeli-Palestinian conflict placed further pressures on natural gas supply, forcing extended power cuts to continue well into the fall.

In the final months of 2023, all three major rating agencies S&P Global Ratings, Fitch Ratings, and Moody's downgraded Egypt's sovereign debt between October and November 2023, owing to increased risks to external financing, macroeconomic stability, and the trajectory of already-high government debt, in addition to slow reform progress and FX constraints. Several of these concerns were significantly reduced by the landmark agreement signed by the Egyptian government in February 2024, which is outlined in the following section.

2024 Outlook

On 1 February 2024, interest rates were hiked a further 200 basis points to 21.75%. Significant improvements in the country's economic situation and outlook were recorded starting in late February and early March 2024, following the signing of a historic USD 35 billion agreement between the Egyptian government and Abu Dhabi's sovereign wealth fund, ADQ, granting the latter development rights to Ras El Hekma on Egypt's North Coast. Following the announcement, the black-market rate decreased significantly, settling in the low 50 to the US Dollar range. This is expected to be just the first in a series of announcements and initiatives aimed at attracting FX and investments back into the country.

On 6 March 2024, the CBE devalued the Egyptian Pound, settling at nearly EGP 49.5 to the US Dollar at official bank rates, compared to the EGP 30.85 that had remained nearly unchanged for the past year. Following the decision, the CBE increased interest rates by another 600 basis points, reaching 27.75%.

On the heels of the devaluation, Egypt and the International Monetary Fund (IMF) finalized an agreement, securing an expanded loan package of USD 8 billion. At the same time, in 2024, the Egyptian government is looking to raise over USD 6 billion from its privatization programme through the sale of stakes in government and military-owned businesses to private local and foreign investors. Combined, these are set to cover Egypt's short-term financing needs for the coming three to four years.

While the short-term impacts of the devaluations between 2022 and 2024 (both in the official rate and unofficial black market) have been severe, these are expected to have long-term benefits for the Egyptian economy. From attracting greater foreign direct investment and remittances to boosting exports and tourism revenues, an Egyptian Pound that reflects its true market value is set to be a cornerstone of Egypt's macroeconomic recovery in the coming years.

Improving sentiment is also reflected in estimates and forecasts from major international agencies. Following the last devaluation of the EGP in March 2024, Moody's revised its outlook on the country from negative to positive, citing Egypt's transition to a managed float system, the expanded package from the IMF, and the government's commitment to a tightened fiscal policy as drivers for a healthy private sector environment, helping restore investor confidence. In FY2023-24 the Egyptian economy is forecasted to grow 3.0% according to estimates from the International Monetary Fund (IMF), and by 3.5% according to forecasts by the World Bank and S&P. Meanwhile, according to BMI, inflation is expected to cool to an average of 27.4% year-on-year in 2024 from 34.1% in 2023, as a favourable base effect outweighs the inflationary impact of the devaluation. The Egyptian government is targeting average annual inflation of around 15% in FY2024-25. Finally, it is worth noting that in December 2023, President Abdel Fattah El-Sisi was re-elected for a new six-year term.

Financial and Operational Highlights

IDH's home and largest market, Egypt, recorded a solid acceleration starting in May 2023, recording sustained top-line growth throughout the second half of the year and closing out 2023 with consolidated revenue of EGP 3,411 million, up 18% year-on-year. Excluding the significant contributions made by Covid-19-related testing in 2022, conventional revenue growth was even more impressive at 40% for the year, boosted by 18% increases both in test volumes and average revenue per conventional test.

IDH's fast-growing radiology venture, Al Borg Scan, continued to post impressive results throughout the second half the year, with revenues reaching EGP 155 million in 2023, representing an 82% year-on-year increase. Top-line expansion during the year was primarily due to higher scan volumes, which rose 43% year-on-year in 2023, partially due to the ramp up of operations at the venture's newest branches. Additionally, average revenue per scan increased 27% year-on-year, reaching EGP 717, further contributing to revenue expansion. In September 2023, Al Borg Scan inaugurated its seventh branch, located in Cairo's Nasr City neighbourhood. The launch of this latest branch is directly in line with the Company's long-term strategy of expanding its presence in Greater Cairo and cementing its position as a leader in the country's highly fragmented radiology market.

In the year ended 31 December 2023, IDH's house call service in Egypt continued to make a robust contribution of 16% to total revenues in the country. This remains significantly ahead of the service's pre-pandemic contribution, highlighting not only the segment's growth potential but also the effectiveness of IDH's investment and ramp up strategy, specifically throughout the Covid-19 pandemic.

Finally, our Egypt-based subsidiary, Wayak, which utilises IDH's vast patient database to create electronic medical records and offer customised services for our patients, completed 177,000 orders in 2023, representing a 33% year-on-year increase. On the profitability front, the venture's EBITDA losses continued to narrow steadily, recording EGP 28,000 in 2023 versus the EGP 3.8 million in EBITDA losses booked in 2022.

Turning to profitability, IDH's Egyptian operations recorded adjusted EBITDA of EGP 1,058 million, a 1% year-on-year increase compared to FY 2022. Adjusted EBITDA margin recorded 31%, a five-point year-on-year decrease. Lower EBITDA profitability reflects higher SG&A outlays, which increased 18% year-on-year and weighed down on profitability during the year.

Operationally, IDH rolled out 44 new branches in Egypt during 2023, including a new Al Borg Scan branch. Through its expanded branches and house call services, IDH served 8.0 million patients in 2023, up 5% year-on-year, and performed 33.4 million tests, 13% above last year's figure. Meanwhile, conventional test volumes jumped an impressive 18% year-on-year, demonstrating the strong demand for the Company's traditional offering.

Jordan

IDH first began operations in the Jordanian market in 2011 when it acquired a 60% stake in Biolab, a market-leading diagnostic testing provider in Jordan with a track record surpassing two decades. Biolab is run by Dr. Abdelnour, the venture's founder, and currently operates a branch network of 27 branches spread across the Kingdom's major cities.

Boasting one of the most developed healthcare infrastructures in the Middle East, Jordan enjoys strong operating fundamentals, with Amman consolidating a significant proportion of services and over 70% of Jordanians medically insured. Moreover, as per information in 2021, the majority of medically insured Jordanians are covered through public insurance, with 38.1% covered through Royal Medical Services (RMS) under the Jordanian Armed Forces, 34.4% covered through the Civil Insurance Program (CIP) provided by the Ministry of Health, and 12.1% enjoying private insurance schemes. As a result, the Jordanian market allows IDH the space to continually grow its business despite the placement of strict pricing regulations, which have remained unchanged since their issuance by the Jordanian Ministry of Health in 2008. Due to this fact, Biolab focuses on driving volume growth in its operations, expanding its service offering and portfolio to attract more patients, increase loyalty, and boost average testing per patient. Today, Biolab proudly stands as the single largest lab in the Jordanian private sector in terms of profitability.

15%
Contribution to
CONSOLIDATED REVENUE
in 2023

Unlike operations in Egypt, Biolab does not operate the typical Hub, Spoke, and Spike business model, but rather operates a network of 27 branches offering a scalable platform for continuous and efficient expansion. While Biolab's branches are capable of performing many of the 1,365 pathology tests offered to patients, certain specialised tests are performed at the four core labs, classified as specialty labs, creating a testing hub in Amman's forefront medical area. Biolab's service offering encompasses an extensive suite of laboratory tests and customised wellness packages, provided with the highest standards of patient-centric care. Tests performed include, but are not limited to, haematology, endocrinology, immunochemistry, parasitology, oncology, immunology, transfusion medicine, molecular genetics and antenatal diagnostics, and gene sequencing. Additionally, Biolab does not share purchasing, supply and logistics, IT, marketing, or sales functions with its Egyptian parent company.

2023 Key Highlights

27
branches as at year-end 2023, +4 versus 2022

604 EGP MN
revenues in 2023, down 1% y-o-y

372 K
patients served in 2023, down 58% y-o-y

Biolab finalized an agreement with Georgia Healthcare Group PLC (GHG) to establish a Mega Laboratory (Mega Lab) in Tbilisi, Georgia in 2020. The multidisciplinary Mega Lab is the largest of its kind in Georgia, standing at 7,500 square metres. Since 2019, Mega Lab has been collaborating with approximately 100 medical institutions, including leading hospitals. In accordance with the agreement, Biolab holds an 8.025% equity stake in the project and receives annual IT support service fees for 10 years, in addition to annual management fees for two years, in exchange for the provision of information technology and management services provided.

Despite significant operating difficulties throughout 2020 and 2021 due to the Covid-19 pandemic, the planned integration of the Mega Lab with GHG's network progressed according to schedule, with the successful technology transfer of all 76 locations, including the installation of the lab's Laboratory Information Management Systems (LIMS), in mid-2021. The Mega Lab plans to develop and introduce a B2B network of healthcare providers outside the Group to reach its full operating potential, with GHG's network expected to only utilise one-third of the facility's total capacity.

Meanwhile, in July 2022, following multiple "Mock Audits", policy revisions, and rigorous staff training programmes, Mega Lab was awarded the prestigious JCI accreditation. With the successful awarding of the accreditation, Biolab had officially fulfilled the services stipulated in its management agreement.

Macroeconomic Developments

Despite growing economic hardships across the wider MENA region, Jordan has maintained its economic growth trend, with GDP estimated to record an increase of 2.6% in 2023. Moreover, this growth is estimated to continue well into the coming years, with GDP growth anticipated to come in at 2.7% in 2024 and 3.0% between 2025 and 2028 according to the latest International Monetary Fund (IMF) estimates. Meanwhile, prices remain under control throughout the Kingdom, with the average inflation rate as per IMF estimates expected to narrow to 2.6% in 2024, down from 2.7% in 2023, while remaining steady at 2.5% for the coming five-year period. Steady macroeconomic fundamentals and a growing economy have continued to encourage foreign investment, with foreign direct investment as reported by the Central Bank of Jordan in the first six months of 2023 reaching USD 776 million, a 20.9% year-on-year increase. Supportive regulatory frameworks in the form of easing license registrations, streamlining services, and visa and investor cards have also been integral in positioning the Kingdom as an attractive foreign investment destination.

Financial and Operational Highlights

In IDH's second largest market, Jordan, IDH booked consolidated revenue of JOD 14 million in 2023, 42% below last year's figure (down 1% year-on-year in EGP terms). The significant year-on-year decline is wholly attributable to the high base effect resulting from Covid-19-related testing in 2022, which had significantly boosted last year's consolidated top line.

> "Despite economic downturns in several of IDH's geographies, its two largest markets, **Egypt and Jordan, remained resilient, supported by attractive fundamentals.**

Excluding this contribution, conventional revenues recorded an 8% year-on-year expansion, supported by an 8% rise in conventional test volumes. In EGP terms, conventional revenues grew 68%, reaching EGP 604 million in 2023. Growth in IDH's Jordanian operations when looked at in EGP terms captures, in part, the significant impact from the translation effect due to multiple devaluations of the Egyptian Pound between comparable periods.

IDH's Jordanian subsidiary, Biolab, posted an adjusted EBITDA of JOD 3.6 million, down 34% year-on-year in 2023 and yielding an adjusted EBITDA margin of 26% (versus 23% in 2022). In EGP terms, adjusted EBITDA came to EGP 157 million, up 16% from 2022. The increase in adjusted EBITDA in EGP terms is due to the translation effect following the devaluation of the EGP in late 2022 and early 2023.

Operationally, Biolab inaugurated four new labs in 2023, taking its total network to 27 branches as at 31 December 2023. During the past year, Biolab served 372,000 patients, performing 2.4 million tests on a consolidated basis. Meanwhile, conventional tests performed increased a solid 8% year-on-year in 2023.

Nigeria

IDH first began operations in Nigeria in February 2018, following the acquisition of Eagle Eye Echo-Scan Limited (Echo-Scan) through an 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. Following the agreement, Dynasty partnered with the International Finance Corporation (IFC) to invest in Echo-Scan (since rebranded as Echo-Lab). The acquisition was driven by a strong growth opportunity in the country, with the diagnostics industry valued at c. USD 140 million in 2017 and with an anticipated value of USD 830 million by 2025, based on research conducted at the time of due diligence by the Boston Consulting Group (BCG).

2%
Contribution to
CONSOLIDATED REVENUE
in 2023

Standing as the largest population on the African continent, at over 224 million in 2023, and sharing similarities with the Egyptian market during the 1980s and 1990s in terms of structure, development pace, and shifting disease profiles, Nigeria's demographic characteristics provide an attractive investment opportunity. Currently, half of the population — a staggering 110 million people — is 17 years old or younger. Moreover, according to estimates from Morgan Stanley, the population is expected to more than double in the next 50 years to reach 485 million, adding more people than any other country in the world over that time. Moreover, the diagnostics market is highly fragmented and underpenetrated, leaving ample room for economies of scale and significant market share of a large and renowned player. The diagnostics services industry can be broadly divided into three groups, with the largest of which being independent labs (chains and single labs), followed by public and private hospitals.

The Group has introduced a comprehensive integration and value-creation strategy in Nigeria since its acquisition of Echo-Lab, aiming to expand its network throughout the country, renovate existing branches, and expand its service portfolio through the procurement of state-of-the-art equipment. As at year-end 2023, Nigerian operations had received a total investment of USD 14.3 million since inception. As a result, Nigerian operations have continued their steady ramp up, posting 22% year-on-year top-line growth in 2023.

2023 Key Highlights

12
branches as at year-end 2023, unchanged versus 2022

96 EGP/MN
revenues in 2023, up 22% y-o-y

132 K
patients served in 2023, down 11% y-o-y

Macroeconomic Developments

With new presidential leadership starting in February 2023, the government took steps to remove oil subsidies and reform the Central Bank's leadership, leading to the abolishment of the multiple exchange rate system and effectively allowing the Nigerian Naira to float. Following this decision, the Naira expectedly dropped in value, losing approximately 29% versus the US Dollar. Following a period of instability, the Naira is anticipated to settle at around NGN 650–700 to the US Dollar. The floating of the Naira, coupled with soaring diesel prices, has placed significant pressure on prices nationwide, with inflation rates continuing to increase and reaching 28.9% in December 2023, compared to 21.3% at year-end 2022.

The government is currently in the process of completing a USD 10 billion reform plan to stabilize the Nigerian Naira, largely based on securitising dividends of the country's LNG company. In addition, other FX inflows that are likely to yield quicker results include a USD 1.5 billion facility from the World Bank, as well as potential inflows from foreign investors increasingly attracted to the Nigerian market following the floating of the currency. According to the IMF's latest estimates, the Nigerian Economy is forecasted to grow by 2.9% and 3.0% in 2023 and 2024, marginally down from the 3.3% GDP growth booked in 2022.

Financial and Operational Highlights

Echo-Lab reported revenue growth of 15% in local currency terms for 2023, reaching NGN 1,961 million. In EGP terms, Nigerian operations booked top-line growth of 22% year-on-year, with revenues coming in at EGP 96 million. Revenue growth for the period was driven by 32% and 39% year-on-year increases in average revenue per test in NGN and EGP terms, respectively, as the Company continued to implement strategic price hikes in response to inflationary pressures in the country.

Despite recording top-line growth during 2023, Nigerian operations booked a 12% year-on-year decrease in test volumes, conducting 266,000 tests during the year, compared to 303,000 tests in the previous year. It is also worth mentioning that average revenue per test increases in EGP terms partially reflected the translation effect due to a weakened EGP. Meanwhile, patient volumes recorded 132,000, down 11% versus 2022.

Meanwhile, Nigerian operations posted increased EBITDA losses, recording an adjusted EBITDA loss of NGN 498 million in 2023, compared to NGN 337 million in the previous year. Decreased test volumes and profitability in the country continue to reflect significant economic headwinds in the country, affecting consumer behaviour and expanding the Company's cost base. As a result of this economic uncertainty, which has included two separate currency devaluations between early 2023 and 2024, management has decided to record an NGN 18 million impairment expense in goodwill and assets in Nigeria, accounting for rising diesel prices and inflation that are anticipated to continue into the remainder of 2024. Meanwhile, IDH's management team in Nigeria continues to assess the impacts of the economic downturns on the Company's operations, putting in place strategies for further price hikes in response to higher costs while prioritising patient retention.

Sudan

0.3% Contribution to **CONSOLIDATED REVENUE** in 2023

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

Sudan's economic progress continues to be severely affected by continued economic and political turmoil, starting with the secession of South Sudan in 2011 and the associated loss of the majority of the country's oil production. This unrest continued throughout the remainder of the decade, culminating in the removal of the country's president, President Al-Bashir, in 2019 and resulting in a subsequent military coup, seeing the military take effective control of the government.

Despite a significant easing of tensions in 2022, a violent conflict erupted in April 2023 between two rival groups; the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF). The conflict is currently ongoing and has resulted in the death of more than 13,000 people, injury of an additional 33,000, and the displacement of 10.7 million as of January 2024. IDH's two brand names in Sudan have been dramatically affected, with 17 of the Company's 18 branches in the country closed starting April 2023. The Company currently operates one remaining facility and continues to monitor the situation to safeguard its people and operations in the country as possible.

Macroeconomic Developments

Prior to the eruption of fighting in Sudan, the country had enjoyed a positive economic outlook for the coming years. In December 2020, the US government had officially removed Sudan from its States Sponsors of Terrorism list, paving the way for access to international funds and investment, including from the International Monetary Fund (IMF). The lifting of sanctions also opened significant growth opportunities for IDH, with the country open to international suppliers and allowing the Company to leverage its supplier relationships to import test kits directly and improve efficiency and profitability.

Due to the ongoing internal conflict, the Sudanese economy has suffered significantly, with GDP estimated to shrink by 18% year-on-year in 2023. In addition, inflation is estimated at 256% as at year-end 2023, up notably from 139% one year prior. Concurrently, unemployment in the country is expected to increase drastically, reaching 46% of the workforce in 2023 from 32% in 2022 accordingly to the latest IMF estimates.

Financial and Operational Highlights

The ongoing conflict in the country has significantly affected IDH's operations, leading to the closure of 17 of the Company's 18 branches in the country since April 2023. During 2023, Sudanese operations booked revenues of SDG 220 million, down 60% year-on-year compared to 2022. In EGP terms, revenues stood at EGP 11 million, a 44% year-on-year decrease. IDH continues to closely monitor the evolving situation, prioritising the health and safety of its staff and patients. Operationally, during 2023, the company served 14,000 patients and completed 40,000 tests.

Adjusted EBITDA in Sudan stood at SDG 21 million for the year, up from an EBITDA loss of SDG 2 million in FY 2022.

2023 Key Highlights

18[7] branches as at year-end 2023, versus 17 in 2022

11 EGP MN revenues in 2023, down 44% y-o-y

14 K patients served in 2023, down 80% y-o-y

[7] 17 of IDH's branches in Sudan have been closed due to ongoing conflict in the country.

Saudi Arabia

> Once fully ramped up, Biolab KSA aims to become **a fully fledged diagnostic services provider** capable of capturing **vast opportunities in the highly fragmented Saudi market.**

In October 2022, IDH and Biolab, the Group's Jordanian subsidiary, signed a partnership with Izhoor Medical, a Company owned by Fawaz Alhokair, aimed at launching a fully fledged diagnostic services provider in Saudi Arabia. The venture is owned 51% by IDH, while the remaining 49% will be owned by Izhoor. The venture's total investments are set to reach USD 19.7 million over the coming three years. IDH will consolidate the results of the new venture.

The venture is led by Dr. Amid Abdelnour, Biolab's founder and CEO, with day-to-day operations overseen by the Biolab team, which will look to transfer its operational expertise and high-quality standards to the Saudi Arabian market.

In January 2024, the Company successfully rolled out operations in the Kingdom, with the launch of two branches in its capital city, Riyadh. The launch of its Saudi venture is in line with the Company's long-term growth strategy, penetrating attractive markets in the region with solid macroeconomic fundamentals, robust demographic characteristics, and supportive regulatory environments. Ultimately, the partners are looking to develop a fully fledged pathology diagnostic services provider, offering a wide array of diagnostics services across a far-reaching branch network in the Kingdom.

Market Overview

The strategic partnership with Izhoor Medical marks IDH's entrance into a fifth geography, with Saudi Arabia representing one of the region's most attractive markets for healthcare players and businesses as a whole. The Kingdom boasts a stable and expanding economy, in addition to a growing and increasingly health-conscious population. In addition, the strategic government reforms implemented through its Vision 2030 programme continue to encourage the entrance of foreign investors, with healthcare specifically undergoing structural changes to encourage private sector participation. On this front, nearly 300 hospitals and 2,250 healthcare centres are set to be privatised by 2030, creating ample growth potential for both new market entrants and existing healthcare players. This potential is further magnified by the fact that the government has been investing heavily in the sector, with 17% (USD 50.4 billion) of the government's 2023 budget allocated for healthcare spending (KSA currently accounts for nearly 60% of total healthcare spending in the Gulf Cooperation Council (GCC)).

Today, Saudi Arabia boasts a young population of 32.2 million, with 63% of Saudis under 30 years old, with robust growth coming from both Saudi and non-Saudi nationals as the Kingdom positions itself as a global economic hub and continues to attract more people. This population increase, coupled with a growing focus on healthy lifestyles, has boosted demand for quality healthcare, including in the diagnostic testing space, and driven the need for private players to support public facilities in meeting the increased demand.

Looking at the macroeconomic picture, while total GDP is set to come in 1.1% lower in 2023 versus the previous year reflecting lower oil revenues, non-oil GDP continued its steady expansion, growing 4.3% according to World Bank estimates for 2023. The IMF expects both total and non-oil GDP to continue growing in the coming years, supported by the country's diversification efforts. More specifically, GDP growth in 2025 is forecasted to come in at 5.5%.

Outlook

In 2024, IDH and its partners will press forward with the new venture's multi-pronged ramp up. In the coming year, one of the primary aims will be to establish the Biolab KSA brand in the Riyadh market through targeted marketing campaigns and through the delivery of exceptional quality to patients. At the same time, efforts will also be devoted to rapidly expanding the venture's branch network and operations. Once the venture is fully ramped up, it will be operating on a similar "Hub, Spoke, and Spike" business model as IDH's Egyptian operations. In the longer term, the partners are targeting the launch of the KSA Mega Lab in 2025, which will support a growing network of smaller B, C, and D labs. By 2027, the venture is aiming to operate a network of more than 50 labs, with six to come online by year-end 2024.

Our Brands

IDH operates several core brands throughout its various geographies, including Al Mokhtabar, Al Borg, and Al Borg Scan in Egypt; Biolab in Jordan; Ultralab and Al Mokhtabar Sudan in Sudan; Echo-Lab in Nigeria; and Biolab KSA in Saudi Arabia. Additionally, the Group introduced its Egypt-based data analytics venture, Wayak, in 2019, which utilises a proprietary data analytics tool to provide patients healthcare management services while compiling electronic medical records.

Al Mokhtabar – Egypt

Al Mokhtabar's first lab was launched over four decades ago in 1979, under the leadership of Dr. Moamena Kamel, Professor of Immunology at Cairo University. MK Lab was later rebranded as Al Mokhtabar and has since established itself as a premier provider of world-class care boasting a portfolio of over 2,500 clinical analyses in the areas of immunology, haematology/coagulation, clinical chemistry, parasitology, microbiology/infectious diseases, toxicology, cytology, surgical pathology, flowcytometry, molecular biology, and cytogenetics.

Al Mokhtabar Key Highlights

312
operational branches as at 31 December 2023

4.7 MN
patients served in 2023

19.9 MN
tests performed in 2023

Al Borg Laboratories – Egypt

The first medical laboratory to successfully operate the Hub, Spoke, and Spike business model, Al Borg Laboratories was established in 1991. Today, Al Borg holds a holistic portfolio of over 2,000 tests covering all fields of medical testing, both conventional and non-conventional. The company caters to walk-in, corporate, insurance, and lab-to-lab clients.

Al Borg Laboratories Key Highlights

224
operational branches as at 31 December 2023

3.2 MN
patients served in 2023

13.2 MN
tests performed in 2023

Al Borg Scan – Egypt

Established by IDH to capitalise on the growing opportunities of a high-value, underserved, and highly fragmented radiology sector, Al Borg Scan offers a full range of radiology services with an expanding branch network across the Greater Cairo area. Al Borg Scan harnesses the strong brand equity and stellar reputation of Al Borg to unlock a wide customer base and cement its position as a leading provider of medical imaging. The venture has maintained its impressive growth momentum since launch, operating a total of seven branches and launching its most recent branch in September 2023. Al Borg Scan relies on the latest in medical technology to offer the highest quality in MRI, CT, ultrasound, x-ray, mammogram, and cath lab services. Additionally, the venture is run by the country's foremost radiologists, ensuring the highest level of service and building a national brand in Egypt that enables the Group to deliver its vision of becoming a one-stop-shop provider of diagnostic services to its patients, combining both pathology and ACR-accredited radiology.

Al Borg Scan Key Highlights

7
operational branches as at 31 December 2023

161 K
patients served in 2023

216 K
scans performed in 2023

Wayak – Egypt

Launched in 2019, Wayak, IDH's Egypt-based subsidiary, harnesses the potential of the Group's vast and growing patient database and its wide geographic reach to initiate electronic medical records for its patients and offer customised patient services. Through Wayak's cutting-edge operations, IDH has been able to provide an encompassing offering to its chronic patients, from medication home-delivery to diagnostic testing reminders, referrals to service providers under IDH's network at discounted prices, and follow-up services.

Wayak Key Highlights

176.5 K
operational branches as at 31 December 2023

132.2 K
patients served in 2023

EGP (0.3) MN
EBITDA in 2023 (versus EGP -3.8 MN in 2022)

Biolab – Jordan

Biolab was originally launched in 2001 as IDH sought to realise its vision of becoming a leader in Jordan's private medical laboratory sector. Biolab currently offers a portfolio of over 1,350 diagnostic tests to a customer base of patients, physicians, hospitals, and referring clinical laboratories through a nationwide branch network of 27 branches. Biolab holds accreditations from the Jordanian Ministry of Health (MoH), the Health Care Accreditation Council (HCAC), and the Jordanian Food and Drug Administration (JFDA), with two branches accredited with ISO 15189 and Joint Commission International (JCI) and one branch boasting CAP accreditation since 2018. Additionally, in 2023, Biolab was awarded the ISO/IEC 27001 accreditation for information security.

Biolab Key Highlights

27	372 K	2.4 MN
operational branches as at 31 December 2023	patients served in 2023	tests performed in 2023

Ultralab – Sudan

Ultralab was founded in 2008 and quickly established itself as Sudan's largest and most reputable laboratory chain. Since the eruption of political conflict in Sudan in April 2023, all of the company's branches have been shut down. IDH continues to monitor the evolving situation in the country, taking necessary steps to safeguard its people and operations in Sudan and updating the market whenever applicable.

Ultralab Key Highlights

0	9 K	26 K
operational branches as at 31 December 2023	patients served in 2023	tests performed in 2023

Echo-Lab – Nigeria

IDH acquired Nigerian medical diagnostics firm Echo-Lab (previously Echo-Scan) in 2018 to continue the Group's expansion efforts and leverage the country's supportive demographics and growth potential. The acquisition enabled the Company to expand its exposure and penetrate a fragmented market with characteristics similar to those in IDH's other geographies. Echo-Lab employs a comprehensive suite of pathology and radiology diagnostic testing, combining different test categories under one stellar brand name.

Echo-Lab Key Highlights

12	132 K	266 K
operational branches as at 31 December 2023	patients served in 2023	tests performed in 2023

Al Mokhtabar Sudan – Sudan

Al Mokhtabar Sudan was 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, with both companies following IDH's efficient Hub, Spoke, and Spike model, replicating the approach employed by Al Borg and Al Mokhtabar in Egypt.

Al Mokhtabar Sudan Key Highlights

1	5 K	14 K
operational branch as at 31 December 2023	patients served in 2023	tests performed in 2023

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IDH's established brand names ideally prime the Company to **capture new growth opportunities and expand its reach across its existing markets.**

biolab

Biolab KSA – Saudi Arabia

Starting in January 2024, the Group operates two branches in Saudi Arabia's capital city, Riyadh, under the brand name Biolab KSA. The Saudi venture is owned jointly by IDH, Biolab, and Izhoor Medical, a company owned by Fawaz Alhokair. This newly launched venture harnesses the growth potential of one of the region's fastest growing economies, characterised by a growing and increasingly health-conscious population, to provide an encompassing pathology services provider.

Our Services

Through its market-leading brands, IDH offers a full spectrum of approximately 3,000 internationally accredited pathology tests ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders. To complement its traditional pathology offering, the Group also offers a full suite of radiology services through its radiology venture, Al Borg Scan, in Egypt and Echo-Lab in Nigeria. Moreover, IDH's Egypt-based subsidiary, Wayak, leverages the Company's vast and growing patient database to provide its patients with customised services, including medication home-delivery, diagnostic testing reminders, and referrals to service providers.

Pathology

IDH's comprehensive pathology test portfolio covers immunology, haematology, endocrinology, clinical chemistry, molecular biology, parasitology, histopathology, and microbiology

- Immunology
- Microbiology
- Haematology
- Endocrinology
- Clinical Chemistry
- Molecular Biology
- Parasitology
- Histopathology
- Genetics

Radiology

Through Al Borg Scan (Egypt) and Echo-Lab (Nigeria), IDH's comprehensive radiology services 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

The Group boasts a host of internationally acclaimed accreditations, with a robust internal audit process to ensure the Company continues to deliver on its promise of world-class services to its patients while maintaining the reputations of its brand names.

ISO

ISO accreditation requires an initial inspection of laboratory practices, calibration, and medical analysis by a renowned international accreditation body. In the case of Al Mokhtabar and Al Borg, it was URS certification, internationally accredited by the United Kingdom Accreditation Service. For Biolab, on the other hand, the initial inspection was conducted by the Jordanian Accreditation System (JAS). The inspection involves thorough examination of the clinical chemistry area, the virology unit, the haematology unit, and the general laboratory management practice. The Company's ISO 9001 accreditations for both Al Mokhtabar and Al Borg passed accreditation reviews in December 2022 and are valid for three years. Additionally, in 2022, the Company was awarded ISO 45001, pertaining to occupational health and safety, and ISO 14001, regarding environmental safety, for its operations in 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 is renewable every two years. The Mega Lab replaces two smaller, independent "A-labs", one of which was also CAP-certified. The accreditation was renewed in October 2023.

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. They also provided guidance on required improvements in infrastructure, policies, and processes to ensure the venture remains fully compliant with ACR standards and requirements.

General Authority for Healthcare Accreditation and Regulation (GAHAR)

GAHAR accreditation standards were set forth with a patient-centric focus, in line with the highest international accreditation standards, while accounting for Egyptian laws and culture. GAHAR was established in step with the Egyptian government's pursuit of ensuring quality healthcare provision for its citizens, in line with the Egyptian healthcare direction set forth under Egypt's 2030 Vision. To date, IDH has acquired GAHAR accreditation for 13 of its labs, including IDH's Mega Lab.

Quality Assurance

IDH's quality assurance programme ensures that all internal diagnostic processes, lab testing procedures, and results analyses maintain their level of accuracy. The quality assurance programme also ensures that the standards of the Group's ISO and CAP accreditations are met through the regular inspection of hardware and equipment, ensuring compliance with procedure manuals, inspecting the accuracy of results, and conducting competency assessments for staff. The programme also guarantees the timely renewal of all its accreditations. Meanwhile, the internal audit team uses 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 values education as an essential avenue for ensuring quality across its laboratories and branches. To this end, IDH operates a dedicated training facility in Cairo with four training laboratories to develop the skills of its employees. In 2023, the training team was composed of one manager, two medical consultants, one director, one section head, one supervisor, along with two learning and development senior specialists. The centre provides training to c. 659 employees every month, including doctors, chemists, receptionists, branch and area managers, sales personnel, and administrators. The training curriculum provided at the facility is set based on performance KPIs, internal audit reports, management reviews, competency assessment, and customer feedback and complaints. IDH's employee training is structured along four modules covering both technical and non-technical skills: new employee training, competency based, need-based, and practical re-training.

Competitive Strengths & Growth Strategy

IDH effectively utilises its market-leading position, flexible business model, scalable platform, and seasoned management to deliver on the Group's long-term growth strategy while manoeuvring economic headwinds at several of its operating markets.

Competitive Strengths

Exposure to resilient markets with favourable dynamics

IDH operates in geographies characterised by robust structural growth drivers, with generally underserved and highly fragmented diagnostic services sectors. Meanwhile, the counter-cyclical nature of the diagnostic and healthcare industries means that IDH can remain resilient and maintain the growth of its business even in the face of economic and political challenges that the Company may face in its markets. This is increasingly evident in the Company's performance during 2023, with IDH recording sustained top-line growth while maintaining profitability despite ongoing challenges in several of its markets, including its home and largest market, Egypt.

Strong market position with over four decades of industry experience

IDH's markets of operation are defined by rigid barriers to entry (as detailed in Our Markets on page 27). These barriers provide a significant operating advantage for established players who, like IDH, are able to capitalise on stellar brand reputations and patient loyalty to maintain and expand their business. IDH boasts a track record spanning over four decades, throughout which its subsidiaries have cemented their positions as top-tier service providers. In addition, the Company's internationally accredited facilities, scalable business model, and key relationships with suppliers have continually aided IDH in its quest to expand its reach across its chosen markets.

Scalable asset-light business model

IDH employs a Hub, Spoke, and Spike business model that enables a capital efficient expansion of the Group's footprint. The Group operates a centralised Mega Lab fitted with state-of-the-art, high-capacity equipment. The facility enjoys ample throughput and supports the rapid deployment of asset-light, plug and play C-labs for sample collection and simple testing across its markets. At IDH's Mega Lab, safety remains a top priority, with testing procedures continually reviewed and enhanced. This large-scale operation ensures that IDH can enjoy the benefits of economies of scale and provides the Company a unique competitive advantage over its regional peers.

Strong balance sheet and cash generation capacity

Leveraging the Group's asset-light model, which facilitates minimal borrowing and significant strategic flexibility, the Company is able to maintain a strong financial position and keep low amounts of leverage to fund its expansion. In parallel, core profitability remains strong, with the Company able to report high EBITDA margins and sustain healthy cash balances despite difficult operating conditions in several of its markets..

Experienced and entrepreneurial management

IDH relies on a highly experienced management team, boasting decades of experience in their respective field, while its experienced Board of Directors wields its wealth of healthcare, MENA region, and investment experience to guide the Company's operations.

Long-Term Growth Strategy

The Company effectively harnesses the benefits associated with its competitive advantages to capture the significant growth opportunities offered by its markets of operation and deliver on a four-pillar growth strategy focused on (1) maintained expansion of its patient base; (2) widened service portfolio to boost average tests per patient; (3) strategic penetration of new geographic markets through specific, value-accretive acquisitions; and (4) introduction of new medical services achieved by leveraging the Group's reputable brand position.

49

new branches in 2023

8.5 MN

patients served in 2023

Expand Customer Reach

IDH constantly identifies potential opportunities through which it can increase customer reach, expand its patient base, and access underserved geographies. IDH expands at a rate of 25–30 branches per annum, positioning the Company as the largest private sector player in its home and largest market of Egypt. IDH's scalable, asset-light business model eases the quick and efficient roll-out of new labs and further expands its presence in both the Middle East and Africa. Additionally, the Company's wide range of complementary services, including house calls, e-services, and results delivery solutions create a top-of-the-line patient experience, enhancing customer satisfaction and boosting loyalty. The Company's house call service, in particular, has been enjoying steady growth over the past years, with contributions to consolidated revenues in 2023 sitting comfortably above pre-Covid-19 levels at 14%. The Group also seeks to expand its business by appealing to the corporate segment through attractive deals with institutions, ranging from public entities, such as ministries and syndicates, to private companies. Additionally, the Company participates in governmental campaigns, including the 100 million lives campaign that ran from November 2018 to June 2019 and served 224,000 patients.

Increase Tests per Patient

To boost average test per patient and increase patient loyalty, the Group is active on multiple fronts. First, the Company's Mega Lab is capable of conducting several complex tests that are not available elsewhere in Egypt. Additionally, IDH bundles testing services into discounted packages offered to repeat customers, further driving volume growth and average revenue per patient — an important growth driver in periods of high inflation. To this end, in 2021, the Group launched its loyalty programme, designed to boost patient loyalty and increase the Company's average tests per patient. This new programme immediately yielded positive results, increasing tests per patient to its highest levels ever recorded at the contract segment. Furthermore, the Company actively participates in awareness campaigns focused on particular illnesses and advocates for healthy lifestyle choices as preventative measures against lifestyle diseases, while highlighting the importance of regular testing. These efforts and their associated community engagement have successfully boosted IDH's volume growth and increased average test and revenues per patient, while growing the Company's brand reputation in the market.

Geographic Expansion

IDH constantly seeks strategic acquisition opportunities within the Middle East and Africa where markets are highly fragmented, under penetrated, and characterised by supportive demographic factors. IDH's proven business model is well-positioned to leverage prevailing consumer trends in this region to rapidly expand its footprint and boost its business. While relying on the strength of its balance sheet, IDH delivers on its objectives through value-accretive acquisitions and partnerships. Most recently, the Company entered Saudi Arabia through its newest venture launched in partnership with Biolab and Izhoor Holding (a company owned by Fawaz Alhokair). In the long-run, the venture aims to establish itself as a fully fledged, pathology diagnostic service provider in the Kingdom. Saudi Arabia presents a unique investment opportunity for the Company, with a highly fragmented market in one of the region's fastest-growing economies. The market's growth in the coming years is set to be supported by an ageing population with a high prevalence of non-communicable diseases. At the same time, rising demand will also come on the back of a growing trend towards health-consciousness, specifically among youth.

Diversify into New Medical Services

The Group believes that its brand equity, track record, and patient following ideally position it to pursue upcoming opportunities in adjacent markets. Delivering on this notion, the Company launched its Egypt-based radiology venture in 2018, expanding its footprint in the high-value and under penetrated Egyptian radiology segment. In addition to diversifying its revenue streams, the introduction of this venture inched the Company closer to realising its vision of becoming a one-stop shop for diagnostic testing services, offering a full portfolio encompassing both pathology and radiology services.

Furthermore, IDH marked its expansion into data-driven, tailored healthcare management services through Wayak in September 2019. These services allow the Company to provide an increasingly well-rounded and tailored healthcare experience for its patients, increasing retention rates in the process.

Principal Risks, Uncertainties, & Their Mitigation

As is typical with any corporation, IDH is exposed to certain risks and uncertainties that may yield adverse effects on the Company's performance. IDH's Chairman, Lord St John of Bletso, continually emphasises the importance of the risk matrix as an integral driver of the Group's long-term success, and one which must be equally shared by the Board of Directors and senior management.

While no system is capable of mitigating every risk, and while some risks, as at the country level, are largely without potential mitigants, the Group has placed complex 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 and Forex **Egypt:** IDH is directly impacted by the economic conditions of its largest market, Egypt, and, to a lesser extent, those of its other operating geographies. Egypt accounted for c. 83% of consolidated revenues in 2023 (80% in 2022) and 89% of adjusted EBITDA (90% in 2022). Egypt's most recent economic headwinds began in early 2022 with the start of the Russia-Ukraine war. The country has been particularly impacted by the conflict due to its significant dependency on both countries for both wheat imports and tourism revenues. This was further exacerbated by a global tightening of monetary conditions to combat record-high inflation during the post-Covid-19 recovery and widespread outflow of capital from emerging markets. Finally, the most recent escalation in Gaza has had significant impacts on the Egyptian economy with inflows of foreign currency weighed down by lower tourism and Suez Canal revenues. To tackle the shortage of foreign reserves (FX), the government introduced plans to boost FX reserves and maintain investor confidence. In February 2024, the country finalized a USD 35 billion investment deal with Abu Dhabi's sovereign fund, ADQ. The agreement marks a major step towards reducing the short- and medium-term pressures on the country.	Overall, management reiterates that IDH employs a robust and resilient business model that has helped the Company navigate several economic and political downturns, including two revolutions, while allowing the business to expand its offering and record positive growth. Moreover, as part of IDH's long-term growth strategy, the Company is working to diversify its geographic exposure, decreasing its exposure to any single country. To this end, in December 2023, the Company launched its Saudi Arabian venture under the name Biolab KSA. Once fully ramped up, the venture will offer a full suite of diagnostic testing services and, by 2026, contribute over 10% of IDH's revenues. IDH has maintained an active approach in shielding the business from exchange rate fluctuations in its markets. As part of its mitigation strategy, IDH secures contracts with tenures ranging from five to seven years (with semi-fixed FX rates) and purchases laboratory test kits on contract with volume-linked prices. Moreover, thanks to its sheer operational volume and long-standing supplier relationships, the Company is able to negotiate favourable test kit prices with all its major suppliers. Additionally, the Company takes proactive steps to hedge against foreign currency risks on a case-by-case basis when applicable. Most recently, in 2023, the Company negotiated for the early repayment of its contractual obligation of USD 5.7 million with General Electric.

Specific Risk	Mitigation
Following the announcement, on 6 March 2024, the Central Bank devalued the Egyptian Pound, settling at nearly EGP 49.5 to the US Dollar at official bank rates. This is the fourth devaluation since March 2022, with the EGP having lost more than 68% of its value. The EGP is expected to settle between 45 and 50 to the USD in the second half of 2024. The convergence between the official and black-market rates, and an exchange rate that more accurately reflects the true market value of the EGP, are expected to attract increased FDI and remittances, as well as boost tourism and exports in line with the government's ambitious targets. Headline inflation reached 35.7% in February 2024. Meanwhile, the Egyptian Central Bank's (CBE) main operations and discount rates stood at 27.75% in early March 2024, up 800 basis points from January 2023 and from 9.75% in March 2022 before the start of the latest economic crisis. Egypt held presidential elections in December 2023, which saw President Abdelfattah El Sisi win a new six-year term.	IDH utilised a bridge loan facility, with half the amount funded internally, while the other half (amounting to EGP 55 million) was provided through a bridge loan by Ahli United Bank – Egypt. The bridge loan was fully settled in Q2 2023.
Foreign currency risk: IDH is exposed to foreign currency risk, placing potential pressure on the cost side of the business. While the majority of the Company's suppliers receive payments in EGP, due to the fact that materials are imported, prices vary based on the exchange rate between EGP and foreign currencies. Additionally, a small portion of suppliers are priced in foreign currency and paid in EGP based on the prevalent exchange rate at the time of purchase.	Starting in January 2023, IDH has renegotiated the terms of its contracts with its major suppliers to pay for its supplies in EGP. Some contracts with major suppliers, however, are fixed at USD prices, with payments made in EGP at the official exchange rate at the time of payment. As such, there have been no USD payments for supplies since the beginning of 2023. Furthermore, the Company was able to conclude several agreements with suppliers to set prices at rates lower than devaluation rates, resulting in an overall increase of raw material proportion to sales to 22.2% in 2023, versus 20.4% in 2022. The Company plans to continue leveraging its established reputation and position as a leading diagnostic services provider in the region to negotiate favourable prices and mitigate the effects of foreign currency fluctuations whenever possible.

Specific Risk	Mitigation
Nigeria: with the election of Bola Ahmed Tinubu as the winner of the Nigerian elections in February 2023, the Nigerian Naira was allowed to float. Within the first day, the Naira lost approximately 29% of its value, with its long-term value expected to stabilise at NGN 650–700 to the US Dollar (currently at 1,025 in the parallel market). Despite this being a necessary and positive move, analysts believe that more policy reforms are required to affect tangible economic change in the country, most of which the president has not yet addressed. As a result of the devaluation and foreign currency shortages, Nigerian inflation has maintained an upward trend, with inflation rates reaching 31.7% in February 2024 and diesel prices continuing to soar. Diesel prices stood at NGN 1,270 per litre in February 2024, up from NGN 800 per litre in February 2023.	In response to the high inflationary pressures in Nigeria, management is carefully studying avenues of cost reduction at its operations, while implementing strategic price increases. In 2023, average revenue per test in Nigeria rose 32% year-on-year, highlighting the success of management's mitigation strategy. It is worth mentioning that Nigerian operations are naturally shielded from foreign currency risk and inflation, due to IDH's asset base in the country that can be sold in USD.
Country risk — Political and Security	
Sudan: Sudan's economic progress continues to be affected by economic and political turmoil, starting with the secession of South Sudan in 2011 and the associated loss of the majority of the country's oil production. This unrest continued throughout the remainder of the decade, eventually culminating in the removal of the country's president, President Al-Bashir, in 2019 via a military coup. Despite a significant easing of tensions in 2022, a violent conflict erupted in April 2023 between two rival groups; the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF). The conflict is currently ongoing and has resulted in the death of more than 13,000 people, injury of an additional 33,000, as well as the displacement of 10.7 million as of the end of 2023. The conflict has resulted in the indefinite closure of 17 of IDH's branches in the country, with currently only one operational branch remaining.	It is worth highlighting that in FY 2023, Sudan only constituted 0.3% of consolidated revenues. With regards to the ongoing conflict, management continues to actively monitor the evolving situation in the country, taking necessary steps and prioritising the safety of its personnel on the ground and its laboratories. This included the temporary suspension of all commercial activities at the start of the conflict at 17 of its 18 branches. IDH is also taking steps to keep its stakeholders updated on the developing situation.
Nigeria: the country faces security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Political instability is further magnified by economic pressures, with several currency devaluations, the emergence of a parallel foreign currency market, increased inflation, and spiking diesel prices following subsidy removal.	In FY 2023, Nigeria comprised just 2.3% of IDH's consolidated revenues. Additionally, while security and political challenges do affect operations in the country, IDH's industry remains largely inelastic, with developments dealing minimal effects to patient and test volumes. This is particularly apparent given the consistent growth in operational KPIs, with test and patient volumes recording a compound annual growth rate of 15% and 5%, respectively, between 2018 and 2023. It is important to mention, however, that recent economic downturns in Nigeria have hindered financial and operational growth, with IDH recording a 12% year-on-year decline in test volumes in 2023, while booking expanded adjusted EBITDA losses, reaching NGN 498 million during the year.

Specific Risk	Mitigation
Economic pressures culminated in a Nigerian Union strike in September 2023 to protest subsidy removal and its subsequent effects, with several critics blaming newly appointed president, Tinubu, of not taking quick enough actions to cushion the effects of his policies.	While these political challenges are particularly difficult to mitigate, IDH takes the necessary steps to safeguard its employees and operations. The Group employs rigorous standards to evaluate the country's political climate, ensuring it is well-equipped to deal with any developments as they unfold.
Israel-Palestine War The latest escalation of the Israeli-Palestinian conflict erupted on 7 October 2023 following an attack by Gaza-based group, Hamas. Israel has since launched a retaliation campaign on Gaza, enacting a total siege on the territory. As of the end of February 2024, the conflict has resulted in the death of 30,000 people and the injury of an additional 70,000. With the Gaza Strip bordering IDH's home and largest market, Egypt, and with several other of the Company's geographies situated within the region, namely Jordan and Saudi Arabia, the continued conflict between Israel and Palestine creates the potential for significant economic and political headwinds. The conflict has the potential to affect tourism revenues in neighbouring countries, while shaking investor confidence and potentially leading to an outflow of foreign investment. Since the beginning of the conflict, Egypt has been adversely affected due to natural gas import cuts from Israel, resulting in shortages and necessitating the introduction of scheduled electricity cuts nationwide to cope with the lack of supply. Meanwhile, tourism has remained resilient, with the country recording record-high volumes in 2023 with the expectation of further growth in 2024. Finally, due to ongoing attacks by Houthi rebels on ships transiting through the Red Sea, Egypt recorded a decline of 47% year-on-year in revenues from the Suez Canal in January 2024 on the back of a 37% decline in ship volumes.	While this specific conflict has no direct mitigations from the Company's side, IDH continues to actively monitor the situation, placing an emphasis on remaining updated on the effects of the war on IDH's markets of operation and the subsequent repercussions on IDH's business. However, it is worth noting that IDH's business is inherently resilient to macroeconomic and political difficulties due to its inelastic nature of healthcare and diagnostics demand. While the Company does not expect any major direct impact from this war on its operations, it will continue monitoring events and update the market as necessary.

Specific Risk	Mitigation
Global supply chain disruptions While disruptions to global supply chains, which negatively impacted businesses and consumers all over the world during the post-Covid-19 recovery, have partially eased, they remain well below optimal levels of efficiency. Despite this, global supply chain disruptions have had limited impacts on IDH's operations throughout 2022 and 2023.	IDH's management team continually monitors the evolving situation and have 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 2023, thanks to IDH's proactive inventory build-up and sourcing strategy, the Group continued to face no problems acquiring raw materials.
Supplier risk IDH faces the risk of suppliers re-opening price negotiations in the face of increased inflationary pressures and/or a possible, albeit limited, devaluation risk. IDH's supplier risk is concentrated among its three largest suppliers — Siemens, Roche, and Sysmex – who provide the Company with kits constituting 46% of the total value of raw materials in FY 2023 (31% in FY 2022).	IDH enjoys strong, long-standing relationships with its key suppliers, to whom IDH remains a large regional client as a leader in its geographies. Due to the sheer volume of kits the Group purchases on a regular basis, the Company is able to successfully negotiate favourable pricing conditions and mitigate the effects of inflationary pressures to maintain relatively stable raw material costs as a percentage of revenues. Total raw material costs as a percentage of sales stood at 22.2% in FY 2023, compared to 20.4% one year prior. This is also up from 18.9% 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. Specifically, under Egyptian law, companies seeking to transfer dividends overseas are required to obtain necessary government clearance and are subject to higher taxation on payment of dividends. Moreover, following the recent devaluation of the EGP, lack of foreign currency supply in Egyptian banks has resulted in increased difficulty in sourcing foreign currency under strict regulation.	As a foreign investor in Egypt, IDH did not face issues in the repatriation of dividends. However, with the onset of foreign currency scarcity in early 2022, the Company faced significant hurdles in sourcing the USD balance needed to fulfil its dividend obligations. The Company continues to closely monitor the evolving economic situation to shield the business from potential challenges.

Specific Risk	Mitigation
Legal and regulatory risk to the business The Group's business is subject to, and thus affected by, extensive, rigid, and constantly evolving laws and regulations, in addition to changing enforcement regimes in each of its operating geographies. Furthermore, the Group's position as a major player in the Egyptian private clinical laboratory market subjects it to antitrust and competition-related restrictions, as well as the chance of investigation	The Group's general counsel and the quality assurance team work together to keep IDH fully informed of, and in compliance with, both legislative and regulatory updates. On the antitrust front, the private laboratory segment (of which IDH is part) accounts for only a small proportion of the total market, which consists of small private labs, private chain labs, and large governmental and quasi-governmental institutions.
Pricing pressure in a competitive, regulated environment The Group may face pricing pressures from several third-party payers, including national health insurance, syndicates, and other governmental bodies, which are potentially capable of adversely affecting Group revenue. Pricing may also be restricted in cases by recommended or mandatory fees set by government ministries and other authorities. The risk may be more apparent in cases of increased inflationary pressures, particularly following the devaluation of the Egyptian Pound and its subsequent effects. The Group may face pricing pressure from existing competitors and new market entrants.	This is an external risk for which there exist few mitigants. In the case of price competition escalation between market players, the Group relies on its wide national footprint as a mitigant; c. 64% of the Company's revenues in FY 2023 were generated through IDH's contract segment, which prefers IDH's national network and established position over patchworks of local players. IDH enjoys limited ability to influence changes to mandatory pricing policies set forth by governmental agencies, as with those in Jordan, where basic tests account for the majority of IDH's business in that nation, are subject to price controls. Instead, IDH's operations in Jordan are focused on driving volume growth as a catalyst for expanding revenues. IDH banks on its strong brand equity in its markets of operation to enjoy a solid positioning. 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. Furthermore, the Group faces no potential risk of governmental price regulations in its home and largest market, Egypt, which constituted 83% of revenues in 2023.

Specific Risk	Mitigation
Cybersecurity risks IDH controls a vast and growing database of confidential data for its patient records; to this end, there is a cybersecurity risk for both data confidentiality and security.	The Company places top priority on its data security, regularly conducting stress tests of its IT infrastructure to confirm the effectiveness of its internal controls. Additionally, its cybersecurity controls and protocols are regularly updated to address potential shortcomings and remain up-to-date and in full adherence with data security regulations in its markets.
In July 2023, the Company reported a cybersecurity incident after detecting unauthorised activity on its servers.	In response to the reported breach, immediate steps were taken to evaluate and contain the incident, launch an incident response plan, and engage specialist support services. While the incident did not involve patient data nor directly impact IDH's operations, all appropriate regulatory authorities were informed of the incident, and the Company continues to conduct regular tests of its systems to ensure their security, prioritising the security of its patients' data.
Business continuity risks **Management concentration risk:** IDH is dependent on a highly experienced management team boasting decades of experience in their respective fields. The loss of key members of IDH's team could materially affect the Company's operations and business.	IDH comprehends the importance of strengthening its human capital to support its future growth plans. The Company is therefore committed to expanding its senior management team, under the experienced leadership of its CEO, Dr. Hend El Sherbini, to add and maintain the talent needed for the expansion of its footprint. The Group has constituted an Executive Committee, led by Dr. El Sherbini, and composed of head of departments. The Executive Committee meets every second week.
Effective 30 June 2023 Omar Bedewy stepped down as IDH's CFO. The position of CFO was filled on an interim basis by the Financial Controller for six months until the appointment of Sherif El Zeiny in January 2024.	Following the departure of Mr. Bedewy, IDH's Regional Financial Controller stepped in as Interim CFO until Mr. El Zeiny took on the role on a permanent basis. During the transitional period, IDH's management team, led by Dr. Hend El Sherbini, prioritised the smooth continuation of all business operations and ensured an effective handover to the new CFO.
Business interruption: virtually, all aspects of the Group's business use IT systems extensively. This includes test and exam results reporting, billing, customer service, logistics, and management of medical data. Similarly, business interruption at one of the Group's larger facilities could result in significant material losses and reputational damage to IDH's business. This could be a result of natural disasters, fire, riots, or extended power failures. The Group, therefore, depends on the continued and uninterrupted performance of its systems.	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. To ensure its readiness, IDH performs disaster recovery plan tests on a regular basis, with updates 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.

Specific Risk	Mitigation
Climate-related risks IDH's operations currently face low physical and transitional risks related to climate change.	In 2022, the Company decided to begin reporting based on the Task Force on Climate-Related Financial Disclosures (TCFD) programme to provide stakeholders with a clear framework to access its climate-related risks and opportunities. Despite this, overall risks and opportunities related to climate change are considered immaterial, specifically in the short to medium term. For TCFD disclosures related to 2023, please refer to pages 80 to 86 of this report.

PERFORMANCE

EGP 4.1 BN

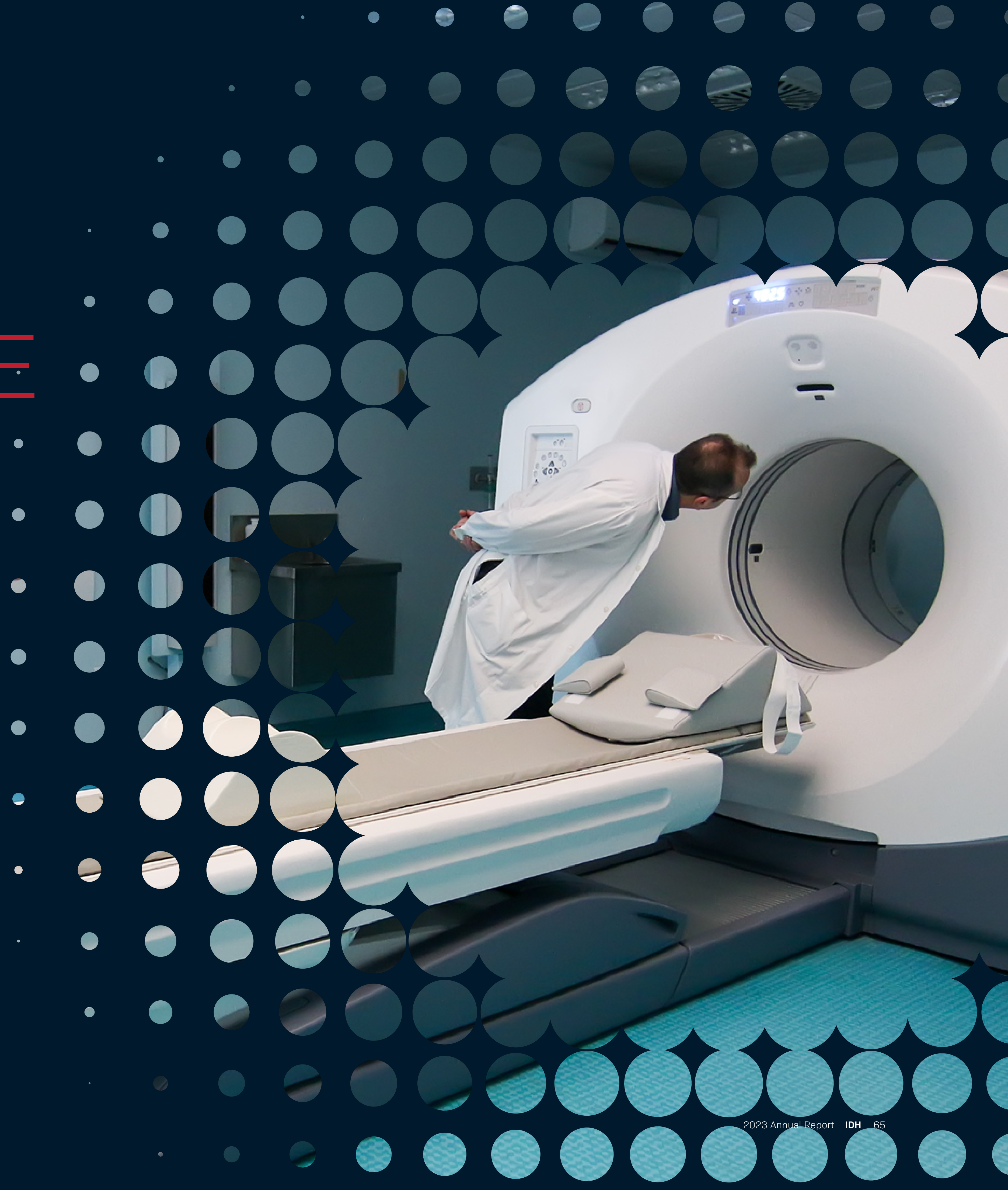
Revenue in 2023

EGP 1.2 BN

Adjusted EBITDA in 2023

EGP 468 MN

Net Profit in 2023



Financial & Operational Review

Financial Results (IFRS)

EGP mn	FY 2022	FY 2023	Change
Revenues	**3,605**	**4,123**	***14%***
Conventional Revenues	*2,903*	*4,123*	*42%*
Covid-19-Related Revenues[8]	*702*	*-*	*-100%*
Cost of Sales	(2,143)	(2,598)	*21%*
Gross Profit	**1,462**	**1,524**	***4%***
Gross Profit Margin	41%	37%	*-4 pts*
Operating Profit	*832*	*738*	*-11%*
Adjusted EBITDA[9]	**1,172**	**1,192**	***2%***
Adjusted EBITDA Margin	*33%*	*29%*	*-4 pts*
Net Profit	**527**	**468**	***-11%***
Net Profit Margin	*15%*	*11%*	*-3 pts*
Cash Balance[10]	**816**	**835**	***2%***

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

In 2023, IDH recorded consolidated revenues of EGP 4,123 million, up 14% year-on-year. Total revenue growth was supported primarily by higher test volumes, which rose 10% year-on-year, as well as by increased average revenue per test, which booked a 4% year-on-year increase. The year-on-year growth is especially notable when considering the contribution of EGP 702[11] million made by Covid-19-related[12] testing during FY 2022. Excluding Covid-19 contributions, IDH booked conventional[13] revenue growth of 42% year-on-year, up from EGP 2,903 million in FY 2022. IDH's FY 2023 conventional results were boosted by an impressive performance in the second half of the year, as business across its two largest markets of Egypt and Jordan recorded a strong acceleration beginning in May 2023.

[8] Starting Q1 2023, IDH has opted to stop reporting on its Covid-19-related revenues and test volumes due to their material insignificance to the consolidated figures and to Egypt's and Jordan's country-level results. During last year (FY 2022), IDH had recorded EGP 702 million in Covid-19-related revenues and had performed 1.7 million Covid-19-related tests.
[9] Adjusted EBITDA is calculated as operating profit plus depreciation and amortization, excluding non-recurring expenses, specifically an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training, EGP 18.2 million in pre-operating expenses in Saudi Arabia, EGP 5.0 million impairment expense in Sudan due to the ongoing situation in the country, and an EGP 18.0 million impairment expense in goodwill and assets in Nigeria.
[10] Cash balance includes time deposits, treasury bills, current accounts, and cash on hand.
[11] Covid-19-related revenue in FY 2022 includes EGP 63 million in concession fees paid by Biolab to Queen Alia International Airport and Aqaba Port as part of its revenue sharing agreement.
[12] 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.
[13] Conventional (non-Covid) tests include IDH's full service offering, excluding Covid-19 related tests.

Revenue Analysis

	FY 2022	FY 2023	Change
Total Revenue (EGP mn)	3,605	4,123	14%
Conventional Revenue (EGP mn)	2,903	4,123	42%
Total Covid-19-Related Revenue (EGP mn)	702	-	-100%
Contribution to Consolidated Results			
Conventional Revenue	81%	100%	
Total Covid-19-Related Net Sales	19%	-	

Test Volume Analysis

	FY 2022	FY 2023	Change
Total Tests (mn)	32.7	36.1	10%
Conventional Tests Performed (mn)	31.0	36.1	17%
Total Covid-19-Related Tests Performed (mn)	1.7	-	-100%
Contribution to Consolidated Results			
Conventional Tests Performed	95%	100%	
Total Covid-19-Related Tests Performed	5%	-	

Revenue per Test Analysis

	FY 2022	FY 2023	Change
Total Revenue Per Test (EGP)	110	114	4%
Conventional Revenue Per Test (EGP)	94	114	22%
Covid-19-Related Revenue Per Test (EGP)	413	-	-100%

Revenue Analysis: Contribution by Patient Segment

Contract Segment (64% of Group revenue in 2023)

At the contract segment, consolidated revenues grew 26% year-on-year, driven by higher test volumes and average revenue per test. During the year, the contract segment's average number of tests per patient posted a record high 4.4, a result of both the normalisation of patient mix following the Covid-19 pandemic, as well as the continued success of IDH's loyalty programme, which was introduced in FY 2021. Meanwhile, conventional revenues at IDH's contract segment booked EGP 2,627 million in FY 2023, a robust 47% year-on-year growth driven by 21% growth in test volumes and a 22% increase in average revenues per conventional test at the segment, respectively.

Walk-in Segment (36% of Group revenue in 2023)

In parallel, at the walk-in segment, consolidated revenues declined a marginal 2% during FY 2023, recording EGP 1,495 million, down from EGP 1,519 million in the previous year when Covid-19-related testing had boosted results. Similar to the contract segment, average tests per patient grew 28% year-on-year to book 3.6 tests during FY 2023, setting another record high for the Company. Conventional revenue at the walk-in segment recorded EGP 1,495 million in FY 2023, increasing 34% year-on-year. Conventional revenue growth at the segment was supported by a 33% year-on-year increase in average revenue per test, while test volumes remained unchanged compared to the previous year.

Detailed Segment Performance Breakdown

	Walk-in Segment			Contract Segment			Total		
	FY22	FY23	Change	FY22	FY23	Change	FY22	FY23	*Change*
Revenue (EGP mn)	**1,519**	**1,495**	**-2%**	**2,086**	**2,627**	**26%**	**3,605**	**4,123**	***14%***
Conventional Revenue (EGP mn)	*1,119*	*1,495*	*34%*	*1,784*	*2,627*	*47%*	*2,903*	*4,123*	*42%*
Total Covid-19-Related Revenue (EGP mn)	400	-	-100%	302	-	-100%	702	-	-100%
Patients ('000)	**2,592**	**1,788**	**-31%**	**6,129**	**6,724**	**10%**	**8,721**	**8,512**	**-2%**
% of Patients	*30%*	*21%*		*70%*	*79%*				
Revenue per Patient (EGP)	586	836	43%	340	391	15%	413	484	*17%*
Tests ('000)	**7,313**	**6,473**	**-11%**	**25,372**	**29,629**	**17%**	**32,685**	**36,102**	*10%*
% of Tests	*22%*	*18%*		*78%*	*82%*				
Conventional Tests ('000)	*6,462*	*6,473*	*0.2%*	*24,523*	*29,629*	*21%*	*30,985*	*36,102*	*17%*
Total Covid-19-related tests ('000)	*851*	-	*-100%*	*849*	-	*-100%*	*1,700*	-	*-100%*
Revenue per Test (EGP)	208	231	11%	82	89	8%	110	114	4%
Conventional Revenue per Test (EGP)	173	231	33%	73	89	22%	94	114	22%
Test per Patient	2.8	3.6	28%	4.1	4.4	6%	3.7	4.2	13%

Revenue Analysis: Contribution by Geography

Egypt (82.7% of Group revenue in 2023)

IDH's home and largest market, Egypt, maintained the robust performance seen starting in May 2023, recording sustained top-line growth in the fourth quarter of the year to close out FY 2023 with consolidated revenue of EGP 3,411 million, up 18% year-on-year. Excluding the significant contributions made by Covid-19-related testing in FY 2022 (16% of Egypt's revenue in FY 2022), conventional revenue growth was even more impressive at 40% for the year, boosted by an 18% increases both in test volumes and average revenue per conventional test.

Al Borg Scan

IDH's fast-growing radiology venture continued to post impressive results throughout the second half of the year, with revenues reaching EGP 155 million in FY 2023, representing an 82% year-on-year increase. Top-line expansion during the year was primarily due to higher scan volumes, which rose 43% year-on-year in FY 2023, partially due to the ramp up of operations at the venture's newest branches. Additionally, average revenue per scan increased 27% year-on-year, reaching EGP 717, and further contributing to revenue expansion. In September 2023, Al Borg Scan inaugurated its seventh branch, located in Cairo's Nasr City neighbourhood. The launch of this latest branch is directly in line with the Company's long-term strategy of expanding its presence in Greater Cairo and cementing its position as a leader in the country's highly fragmented radiology market.

House Calls

In the year ended 31 December 2023, IDH's house call service in Egypt continued to make a robust contribution of 16% to total revenues in the country. This remains significantly ahead of the service's pre-pandemic contribution, highlighting not only the segment's growth potential but also the effectiveness of IDH's investment and ramp up strategy, specifically throughout the Covid-19 pandemic.

Wayak

During FY 2023, Wayak completed 177,000 orders, representing a 33% year-on-year increase. On the profitability front, the venture's EBITDA losses continued to narrow steadily, recording EGP 28,000 in FY 2023 versus the EGP 3.8 million in EBITDA losses booked in FY 2022.

Detailed Egypt Performance Breakdown

EGP mn	FY 2022	FY 2023	Change
Total Revenue	2,894	3,411	18%
Conventional Revenue	2,444	3,411	40%
Pathology Revenue	2,358	3,256	38%
Radiology Revenue	86	155	82%
Total Covid-19-related Revenue	450	-	-100%
Contribution to Egypt Results			
Conventional revenue	84%	100%	
Pathology Revenue	82%	95%	
Radiology Revenue	3%	5%	
Total Covid-19-related revenue	16%		

Jordan (14.7% of Group revenue in 2023)

In IDH's second largest market, Jordan, IDH booked consolidated revenue of JOD 14 million in FY 2023, 42% below last year's figure (down 1% year-on-year in EGP terms). The significant year-on-year decline is wholly attributable to the high base effect resulting from Covid-19-related testing in FY 2022, which had significantly boosted last year's consolidated top line. Excluding this contribution, conventional revenues recorded an 8% year-on-year expansion, supported by an 8% rise in conventional test volumes. In EGP terms, conventional revenues grew 68%, reaching EGP 604 million in FY 2023. Jordanian growth in EGP terms includes the significant impact from the translation effect due to multiple devaluations of the EGP between comparable periods.

Detailed Jordan Performance Breakdown

EGP mn	FY 2022	FY 2023	Change
Total Revenue	612	604	-1%
Conventional Revenue	359	604	68%
Total Covid-19-Related Revenues (PCR and Antibody)	253	-	-100%
Contribution to Jordan Results			
Conventional Revenue	59%	100%	
Total Covid-19-Related Revenue (PCR and Antibody)	41%	-	

Nigeria (2.3% of Group revenue in 2023)
IDH's Nigerian subsidiary, Echo-Lab, maintained the growth momentum seen throughout the year, reporting revenue growth of 15% in local currency terms and reaching NGN 1,961 million in FY 2023. In EGP terms, Nigerian operations booked top-line growth of 22% year-on-year, with revenues coming in at EGP 96 million. Revenue growth for the period was driven by 32% and 39% year-on-year increases in average revenue per test in NGN and EGP terms, respectively, as the Company continued to implement strategic price hikes in response to inflationary pressures in the country. It is also worth mentioning that average revenue per test increases in EGP terms also partially reflected the translation effect due to a weakened EGP. Revenue growth for the year was achieved despite a 12% year-on-year decrease in test volumes, which stood at 266,000 tests during FY 2023.

Sudan (0.3% of Group revenue in FY 2023)
Ongoing conflict in Sudan has significantly affected IDH's operations in the country, leading to the closure of 17 of the Company's 18 branches in the country since April 2023. During FY 2023, Sudanese operations booked revenues of SDG 220 million, down 60% year-on-year compared to FY 2022. In EGP terms, revenues stood at EGP 11 million, a 44% year-on-year decrease. IDH continues to closely monitor the evolving situation, updating the market with material developments as necessary.

Revenue Contribution by Country

	FY 2022	FY 2023	Change
Egypt Revenue (EGP mn)	**2,894**	**3,411**	**18%**
Conventional (EGP mn)	2,444	3,411	40%
Pathology Revenue (EGP mn)	2,358	3,256	38%
Radiology Revenue (EGP mn)	86	155	82%
Covid-19-related (EGP mn)	450	-	-100%
Egypt Contribution to IDH Revenue	80.3%	82.7%	
Jordan Revenue (EGP mn)	**612**	**604**	**-1%**
Conventional (EGP mn)	359	604	68%
Covid-19-related (EGP mn)	253	-	-100%
Jordan Revenues (JOD mn)	23.9	14.0	-42%
Conventional (JOD mn)	12.9	14.0	8%
Jordan Revenue Contribution to IDH Revenue	17.0%	14.7%	
Nigeria Revenue (EGP mn)	**79**	**96**	**22%**
Nigeria Revenue (NGN mn)	1,698	1,961	15%
Nigeria Contribution to IDH Revenue	2.2%	2.3%	
Sudan Revenue (EGP mn)	**20.3**	**11.4**	**-44%**
Sudan Revenue (SDG mn)	**547**	**220**	**-60%**
Sudan Contribution to IDH Revenue	0.6%	0.3%	

Average Exchange Rate

	FY 2022	FY 2023	Change
USD/EGP	19.7	30.8	56.3%
JOD/EGP	27.7	43.1	55.6%
NGN/EGP	0.05	0.05	8.1%
SDG/EGP	0.04	0.05	38.7%

Patients Served and Tests Performed by Country

	FY 2022	FY 2023	Change
Egypt Patients Served (mn)	7.6	8.0	5%
Egypt Tests Performed (mn)	29.5	33.4	13%
Conventional Tests (mn)	*28.3*	*33.4*	*18%*
Covid-19-Related Tests (mn)	*1.2*	*-*	*-100%*
Jordan Patients Served (k)	890	372	-58%
Jordan Tests Performed (k)	2,789	2,424	-13%
Conventional Tests (k)	*2,243*	*2,424*	*8%*
Covid-19-Related Tests (k)	*546*	*-*	*-100%*
Nigeria Patients Served (k)	149	132	-11%
Nigeria Tests Performed (k)	303	266	-12%
Sudan Patients Served (k)	70	14	-80%
Sudan Tests Performed (k)	139	40	-71%
Total Patients Served (mn)	**8.7**	**8.5**	**-2%**
Total Tests Performed (mn)	**32.7**	**36.1**	**10%**

Branches by Country

	31 December 2022	31 December 2023	Change
Egypt	500	544	44
Jordan	23	27	4
Nigeria	12	12	-
Sudan	17	18	1
Total Branches	**552**	**601**	**49**

Cost of Goods Sold

IDH reported cost of goods sold amounting to EGP 2,598 million during FY 2023, a 21% year-on-year increase compared to the previous year. As a share of revenue, cost of goods sold recorded 63% during the year, up from 59% one year prior. The increase in cost of goods sold during the period was primarily driven by higher raw material costs, increased direct salaries and wages, and higher depreciation expenses.

Cost of Goods Sold Breakdown as a Percentage of Revenue

	FY 2022	FY 2023
Raw Materials	20.4%	22.2%
Wages and Salaries	*17.0%*	*18.8%*
Depreciation and Amortisation	7.9%	8.8%
Other Expenses	14.2%	13.3%
Total	*59.4%*	*63.0%*

Raw material costs (35% of consolidated cost of goods sold in FY 2023) continued to be the largest contributor to cost of goods sold throughout FY 2023, recording EGP 914 million and expanding 24% year-on-year. During the year, raw materials constituted 22% of revenues, up from 20% in FY 2022. Additionally, the Company recorded a one-off expense of EGP 17.4 million related to the expiry of Covid-19-related test kits, which also served to increase raw material costs during the year.

Wages and salaries, including employee share of profits (30% share of consolidated cost of goods sold), remained the second largest contributor to cost of goods sold during the year, increasing 26% year-on-year to reach EGP 774 million. Higher wages and salaries continued to reflect higher than usual salary adjustments to compensate for unprecedented inflation at the Group's largest market, Egypt. Additionally, direct wages and salaries were further inflated due to the hiring of new staff across IDH's network to support the roll-out of new branches, 49 of which were launched during FY 2023. Finally, it is important to highlight that the translation effect from salaries in both Jordan and Nigeria continued to expand direct wage and salaries expenses, reflecting the weakening of the EGP throughout the year.

Direct Wages and Salaries by Region

	FY 2022	FY 2023	Change
Egypt (EGP mn)	475	589	24%
Jordan (EGP mn)	116	155	33%
Jordan (JOD mn)	4.3	3.6	-16%
Nigeria (EGP mn)	18	27	49%
Nigeria (NGN mn)	392	576	47%
Sudan (EGP mn)	4	3	-33%
Sudan (SDG mn)	111	53	-52%

Direct depreciation and amortization costs (14% of consolidated cost of goods sold) grew 27% year-on-year in FY 2023, booking EGP 362 million. Increased depreciation and amortization costs during the year primarily reflect the roll-out of 49 additional branches to IDH's network, including the launch of Al Borg Scan's seventh radiology branch in September.

Other expenses (21% of consolidated cost of goods sold) reached EGP 548 million during the year, increasing 23% year-on-year and constituting 13% of consolidated revenues for the year. It is worth noting that the increase in other expenses excludes EGP 63 million paid in concession fees as part of Biolab's agreement with Queen Alia International Airport and Aqaba Port to provide Covid-19 testing to passengers in January and February of 2022. When including these fees, IDH recorded an increase in other expenses amounting to 7% year-on-year. The increase in other expenses is mainly attributable to higher repair and maintenance costs, cleaning expenses, transportation expenses, and consulting fees, which continue to reflect both the effects of the devaluated Egyptian Pound and higher costs associated with the expansion of Al Borg Scan's operations. Additionally, increased gasoline prices, as well as repair and maintenance costs in Nigeria, coupled with a persistent inflationary environment and a weaker Naira (versus the USD), continued to push up total costs in the country.

Gross Profit

IDH recorded a gross profit of EGP 1,524 million in FY 2023, an increase of 4% year-on-year. The Company's gross profit margin stood at 37%, four percentage points below the previous year due to the aforementioned increases in cost of goods sold during the year.

Selling, General, and Administrative (SG&A) Expenses

SG&A outlays during FY 2023 stood at EGP 787 million, growing 25% year-on-year. As a share of revenues, SG&A outlays constituted 19% in FY 2023, up from 17% one year prior. Higher SG&A expenses are mainly attributable to:

- Increased indirect wages and salaries, which came in at EGP 273 million, a 38% year-on-year increase. During FY 2023, indirect wages and salaries constituted 7% of revenues, up from 5% one year prior. This increase was driven by USD-denominated directors' compensations, the addition of a new board member during the first quarter of the previous year (who received compensation starting March 2022), higher salaries in Jordan due to the translation effect, and an increase in social security expenses. Increased social security expenses (up by EGP 15.5 million year-on-year) also weighed on indirect wages and salaries for FY 2023.
- Higher other expenses, which increased 26% year-on-year. The increase in other expenses was mainly driven by higher USD-denominated consulting and accounting fees at the holding level.
- Non-recurring expenses, including a non-recurring expense paid for the government's vocational training fund, pre-operating expenses in Saudi Arabia, a one-off expense in Sudan, and an impairment in goodwill and assets in Nigeria, which amounted to EGP 53 million in FY 2023.

Selling, General, and Administrative Expenses

	FY 2022	FY 2023	Change
Wages and Salaries	197	282	43%
Accounting and Professional Services Fees	130	134	3%
Market – Advertisement Expenses	123	98	-21%
Other Expenses – Operation	112	143	28%
Depreciation and Amortisation	33	39	20%
Impairment Loss on Trade and Other Receivable	30	51	71%
Travelling and Transportation Expenses	17	27	62%
Impairment in Assets	2	7	266%
Impairment in Goodwill	-	11	-
Provision for End of Service	-	-	-
Provision for Legal Claims	4	3	-11%
Provision for Egyptian Government Training Fund for Employees	-	12	-
Other income	(18)	(20)	16%
Total	630	787	25%

Adjusted EBITDA

Due to the nature of several non-recurring expenses affecting IDH's EBITDA-level profitability, the Company has elected to present an adjusted EBITDA figure, along with its associated margin. Adjusted EBITDA excludes several one-off expenses that weigh down profitability. Namely, these expenses are an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training (covering the past five-year period), pre-operating expenses in preparation for the launch of operations in Saudi Arabia amounting to EGP 18.2 million, EGP 5.0 million in impairment expenses in Sudan due to the ongoing conflict in the country, and EGP 18.0 million in impairment expenses in goodwill and assets in Nigeria.

In FY 2023, the Company booked an adjusted EBITDA[14] of EGP 1,192 million, increasing 2% year-on-year and reflecting cost normalisation compared to the previous year. Meanwhile, adjusted EBITDA margin recorded 29%, four points below FY 2022 due to higher SG&A outlays as discussed previously. It is worth mentioning that adjusted EBITDA is adjusted for several non-recurring expenses, including an EGP 12 million non-recurring expense for a provision of 1% of Egyptian profits, in accordance with article 134 of the labour law on Vocational Guidance and Training issued by the Egyptian government in 2003. In accordance with the law, IDH's Egyptian operations are required to provide 1% of net profits each year into a training fund. Integrated Diagnostics Holdings plc has taken legal advice and considered market practices in Egypt relating to the law, and more specifically, whether vocational training courses undertaken by the Company's Egyptian subsidiaries suggest that obligations have been satisfied by in-house training programmes provided by those entities. Since the issuance of the law, IDH's Egyptian subsidiaries have not been requested by the government to pay, nor have they voluntarily paid, any amounts into the external training fund.

Adjusted EBITDA by Country

In Egypt, IDH booked an adjusted EBITDA of EGP 1,058 million, a 1% year-on-year increase compared to FY 2022. Adjusted EBITDA margin recorded 31%, a five-point year-on-year decrease. Lower adjusted EBITDA profitability reflects higher SG&A outlays, which increased 18% year-on-year and weighed down on profitability during the year.

IDH's Jordanian subsidiary, Biolab, posted an adjusted EBITDA of JOD 3.6 million, down 34% year-on-year in FY 2023 and yielding an adjusted EBITDA margin of 26% (versus 23% in FY 2022). In EGP terms, adjusted EBITDA came to EGP 157 million, up 16% from FY 2022. The increase in adjusted EBITDA in EGP terms is due to the translation effect following the devaluation of the EGP in late FY 2022 and early FY 2023. In Q4 2023, adjusted EBITDA recorded JOD 0.8 million in Q4 2023, nearly doubling the JOD 0.4 million booked in the comparable period of last year. The Company's adjusted EBITDA margin came in at 25%, up from 12% in Q4 2022. In EGP terms, Biolab booked adjusted EBITDA of EGP 34 million, up from EGP 14 million in Q4 2022.

In Nigeria, increasing inflationary pressures and an expanded cost base resulted in widening adjusted EBITDA losses, despite revenue growth throughout the year. More specifically, adjusted EBITDA losses expanded to NGN 498 million in FY 2023, from NGN 337 million in the previous year. During Q4 2023, the Company booked an adjusted EBITDA loss of NGN 204 million, down from NGN 215 million during Q4 2022. In EGP terms, adjusted EBITDA losses narrowed to EGP 7 million in Q4 2023, from EGP 12 million in the same period of the previous year, partially reflecting the translation effect following the weakening of the EGP.

In Sudan, adjusted EBITDA came in at SDG 21 million, up from an EBITDA loss of SDG 2 million in FY 2022.

[14] Adjusted EBITDA is calculated as operating profit plus depreciation and amortization, excluding non-recurring expenses, specifically an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training, EGP 18.2 million in pre-operating expenses in Saudi Arabia, EGP 5.0 million impairment expense in Sudan due to the ongoing situation in the country, and an EGP 18.0 million impairment expense in goodwill and assets in Nigeria.

Regional EBITDA in Local Currency

		FY 2022	FY 2023	Change
Egypt EBITDA	EGP	1,031	1,046	1%
Margin		36%	31%	
Egypt Adjusted EBITDA	EGP	1,053	1,058	1%
Margin		36%	31%	
Jordan EBITDA	JOD	5.5	3.6	-34%
Margin		23%	26%	
Nigeria EBITDA	NGN	(337)	(1,023)	203%
Margin		-20%	-52%	
Nigeria Adjusted EBITDA	NGN	(337)	(498)	48%
Margin		-20%	-25%	
Sudan EBITDA	SDG	(2)	(76)	-
Margin		-0.3%	-35%	
Sudan Adjusted EBITDA	SDG	(2)	21	n/a
Margin		-0.3%	10%	

Interest Income / Expense

IDH's interest income reached EGP 73 million during FY 2023, down from EGP 95 million during the previous year. Lower interest income for the year was primarily a result of lower cash balances due to the distribution of a record cash dividend during last year.

Interest expense[15] stood at EGP 161 million, up 19% year-on-year in FY 2023. Increasing interest expenses are mainly due to:

- Higher interest on lease liabilities related to IFRS 16 due to the addition of new branches to IDH's network.
- Higher interest expenses following the CBE's decision to increase rates by 1,100 bps since March 2022. It is important to note that IDH's interest bearing debt balance decreased to EGP 111 million as at 31 December 2023 from EGP 116 million at year-end 2022. Earlier in the year, as part of IDH's strategy to reduce foreign currency risk, the Company agreed with General Electric (GE) for the early repayment of its contractual obligation of USD 5.7 million. To finance the settlement, IDH utilised a bridge loan facility, with half the amount being funded internally, while the other half (amounting to EGP 55 million) was provided through a bridge loan by Ahli United Bank – Egypt (AUBE). Interest expenses related to the AUBE facility recorded EGP 23 million in FY 2023. The bridge loan was fully settled in Q2 2023.
- Fast-track payments worth EGP 7.1 million, which encompass discounts provided for the rapid payment of receivables in FY 2023.

Interest Expense Breakdown

	FY 2022	FY 2023	Change
Interest on Lease Liabilities (IFRS 16)	73.4	93.3	27%
Interest Expenses on Leases	21.4	25.5	19%
Interest Expenses on Borrowings[16]	11.9	22.9	92%
Bank Charges	12.9	12.2	-6%
Loan-related Expenses on IFC facility[17]	12.5	-	-100%
Shareholder Dividend Deferral Agreement[18]	3.4	-	-100%
Fast Track Payment	-	7.1	-
Total Interest Expense	135.5	161.0	19%

[15] Interest expenses on medium-term loans include EGP 23 million related to the Group's facility with Ahli United Bank Egypt (AUBE).
[16] Interest expenses on medium-term loans include EGP 23 million related to the Group's facility with Ahli United Bank Egypt (AUBE). Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.
[17] Loan-related expenses on IFC facility represents commitment fees on the facility granted by IFC and Mashreq with a total value of USD 60 million. The facility was cancelled in May 2023.
[18] 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

IDH booked an EGP 88 million foreign exchange gain in FY 2023, down 53% year-on-year and partially reflecting intercompany balances revaluation.

Taxation

Tax expenses, which include both income and deferred tax, recorded EGP 269 million in FY 2023, down 18% year-on-year from FY 2022. IDH's effective tax rate stood at 36%, two points below that of the previous year. It is important to highlight that there is no tax payable for IDH's two holding-level companies. Meanwhile, tax was paid from the Group's operating subsidiaries (Egypt 32%, Jordan 34%, Nigeria 0.2%).

Taxation Breakdown by Region

EGP Mn	FY 2022	FY 2023	Change
Egypt	274.3	251.6	-8%
Jordan	21.8	17.1	-22%
Nigeria	30.6	-0.1	-100.3%
Sudan	0.4	0.5	24%
Total Tax Expenses	327.1	269.0	-18%

Net Profit

IDH reported a net profit of EGP 468 million during FY 2023, down 11% year-on-year and yielding a net profit margin of 11%. Lower net profitability for the year came as a result of lower EBITDA profitability, coupled with previously discussed decreases in interest income, higher interest expenses, and several non-recurring expenses.

Non-Recurring Expenses

IDH recorded several one-off expenses during the year, namely:

- EGP 11.9 million for the provision of 1% of Egyptian profits towards the Government Training Fund.
- EGP 18.2 million due to pre-operating expenses in Saudi Arabia.
- EGP 5.0 million in impairment expenses due to the ongoing conflict in Sudan.
- EGP 18.0 million in impairment expenses in goodwill and assets for operations in Nigeria.

Balance Sheet Analysis

Assets

Property, Plant, and Equipment

As of year-end 2023, IDH recorded property, plant, and equipment (PPE) cost of EGP 2,554 million, increasing from EGP 2,208 million at 31 December 2022. The increase in CAPEX as a share of revenues during FY 2023 was primarily driven by the addition of new branches, renovations of existing branches, and headquarter improvements (constituting 7.1% of revenues), as well as the translation effect related to Jordan, Sudan, and Nigeria (constituting 0.3% of revenues).

Total CAPEX Addition Breakdown – FY 2023

EGP Mn	EGP mn	% of Revenue
Leasehold Improvements/New Branches	202.7	4.9%
Al Borg Scan Expansion	92.0	2.2%
Total CAPEX Additions Excluding Translation	294.7	7.1%
Translation Effect	13.5	0.3%
Total CAPEX Additions	308.2	7.5%

Accounts Receivable and Provisions

Accounts receivable as at year-end 2023 came in at EGP 570 million, a year-on-year increase of 44%. In parallel, IDH's receivables' Days on Hand (DoH) recorded 134 days, up from 124 days as at 31 December 2022.

Provision for doubtful accounts recorded EGP 51 million in FY 2023, up 71% year-on-year. Increased provisions for doubtful accounts reflect slower collection rates due to increasing economic headwinds and persistent inflation throughout IDH's markets, in particular its home and largest market, Egypt.

Inventory

IDH booked an inventory balance of EGP 375 million as of the end of FY 2023, increasing from EGP 265 million one year prior. Meanwhile, Days Inventory Outstanding (DIO) increased to 133 days, from 127 days at year-end 2022. Increased DIO is attributable to management's strategy of accumulating inventory to hedge against inflation during the past year.

Cash and Net Debt

Cash balances and financial assets at amortised costs at the end of FY 2023 reached EGP 835 million, up from EGP 816 million at year-end 2022

Cash Breakdown

EGP Mn	31 Dec 2022	31 Dec 2023
Treasury Bills	293	133
Time Deposits	123	289
Current Accounts	382	392
Cash on Hand	18	21
Total	816	835

IDH's net debt[19] balance came in at EGP 358 million as of the end of FY 2023, down 4% from EGP 373 million as at year-end 2022.

EGP Mn	31 Dec 2022	31 Dec 2023
Cash and Financial Assets at Amortised Cost[20]	816	835
Lease Liabilities Property	(727)	(828)
Total Financial Liabilities (Short-Term and Long-Term)	(335)	(240)
Interest Bearing Debt (Medium-Term Loans)	(127)	(125)
Net Debt Balance	(373)	(358)

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

[19] The net debt balance is calculated as cash and cash equivalent balances, including financial assets at amortised cost, less interest-bearing debt (medium-term loans), finance lease, and right-of-use liabilities.

[20] 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, which cannot be accessed for over three months, stood at EGP 49 million at December 2023 (2022: EGP 60 million). Meanwhile, treasury bills not accessible for over three months stood at EGP 112 million at December 2023 (2022: EGP 107 million).

Lease liabilities and financial obligations on property came in at EGP 828 million at year-end 2023, with the increase primarily driven by the roll-out of an additional 49 branches over the past year.

Meanwhile, **financial obligations related to equipment** stood at EGP 240 million as at the end of 2023, with the decline attributable to IDH's early repayment of its obligations with General Electric (GE), in line with the Company's efforts to hedge against foreign currency risk. Half of this settlement was financed internally, while the remainder was financed through a bridge loan facility from AUBE.

Finally, **interest bearing debt**[21] (excluding accrued interest) reached EGP 111 million at year-end 2023, down from EGP 116 million one year prior.

Liabilities

Accounts Payable[22]

Accounts payable as at 31 December 2023 stood at EGP 272 million, up from EGP 270 as at year-end 2022. Meanwhile, Days Payable Outstanding (DPO) came in at 113 days, down from 151 days one year earlier.

Put Option

The put option current liability stood at EGP 314 million as at year-end 2023, down from EGP 440 million at 31 December 2022, and is related to:

- The option granted in 2011 to Dr. Amid, Biolab's CEO, to sell his stake (40%) to IDH. The put option has been in the money and exercisable since 2016 and is calculated as seven 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 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).

The put option non-current liability amounted to EGP 43 million at the end of FY 2023, down from EGP 51 million at the same time last year, and is related to the option granted in 2022 to Izhoor, IDH, and Biolab as part of their JV agreement in Saudi Arabia. The option allows the non-defaulting party, at its sole and absolute discretion, to serve one or more written notices to the defaulting party. The notices enable the non-defaulting party to buy the defaulting party's shares at the fair price, sell its shares to the defaulting party at the fair price, or request the dissolution and liquidation of the JV company. It is important to note that the put option, which grants these rights to the non-defaulting party, does not have a specified expiration date.

[21] IDH's interest bearing debt as at 31 March 2023 included EGP 172 million to its facility with Ahli United Bank Egypt (AUBE) (outstanding loan balances are excluding accrued interest for the period). It is worth noting that in order to finance the early repayment settlement with General Electric, the Company utilised a bridge loan facility of EGP 55 million. The facility was withdrawn in Q1 2023 and settled in Q2 2023.

[22] Accounts payable is calculated based on average payables at the end of each period.

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

At IDH, we acknowledge the impossibility of operating without impacting nature, but our goal is to minimise negative effects and actively work towards reversing past damage. We are committed to protecting and restoring ecosystems as a crucial component of our climate action efforts. As a testament to this commitment, IDH has recently submitted its second report in compliance with the TCFD regulations. In 2022, as a first-time TCFD Reporter, we were committed to implementing the recommendations of the TCFD that aim to provide investors and other stakeholders with useful information on climate-related risks and opportunities that are relevant to our business. In our second reporting, we were committed to closing a few gaps, consolidating our action plan with clear dates to close the remaining gaps and achieve full compliance by the end of 2026.

We revisited our climate risk assessment, and, overall, we believe that the risks and opportunities related to climate change — in the short to medium term (defined as the next five years) — remain low due to the nature of our business (being a services business operating in the healthcare sector). Our main emissions relate to operating our 600+ centres in terms of electricity utilised in lighting, air conditioning, and diagnostic equipment. IDH's Scope 3 emissions encompass those associated with the manufacturing of the machinery and materials utilised at our centres and those associated with other travel/external testing in the performance of our services. In the longer term (defined as 10 years plus), 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).

Last year, the Group set out their first ever TCFD report. In doing this, we set ambitious targets to fully comply with the TCFD recommendations by the end of 2026, as we had already published our own first ESG report during 2022 and had appointed external consultants to help us align this to the TCFD requirements. While improvements have been made during 2023, particularly in relation to the governance and management aspects, it has been difficult to obtain reliable data for the metrics and scenario analysis elements of TCFD, given the geographies we operate in, the size of our branch network, and the fact that this data had not been previously collected. The Group has experienced, and continues to experience, operational challenges in each of our geographies as a result of external factors outside the control of the Group, as highlighted elsewhere in our report, which the company has had to respond to. Given all this, we have revised our expected timeframe for the completion of the remaining elements of TCFD non-compliance from 31 December 2024 to 31 December 2026. We now have data for 33% (2022:11%) of our branches and, therefore, while we are improving the level of data, it will take longer than initially expected to complete this exercise in order for us to present relevant and reliable data.

We set out below more details on how we are seeking to align with these recommendations, recognising that this will form an iterative process as we continue to develop our policies, processes, and disclosures over the coming years. As a second timer TCFD reporter, we have been working since last year with our external experts on closing the gaps in the data and improving its accuracy and completeness. Nevertheless, we believe that we still have a number of areas of non-compliance and partial-compliance with the TCFD requirements, as detailed in the following sections.

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.

We report below for the second 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
Governance a) Describe the board's oversight of climate-related risks and opportunities.	compliant	In 2022, IDH developed a Sustainability Strategy for the years 2023–2030 based on four pillars (Sound Governance, Next Economy, Flourishing Society, and Liveable Planet). The work ensured 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 adoption of a climate scenario, 2- developing and adopting a corporate-wide GHG data management system, and 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 upon, 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 was disseminated to all functions and subsidiaries in 2023 with our aim to complete integration by the end of 2024. The 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 2024 Annual Report. In 2023, we established an ESG committee (Sustainability Steering Committee). The committee was appointed by the CEO and the Board. The committee comprised representatives from key stakeholder groups. The members of the steering committee were chosen based on their expertise, experience, and ability to provide governance guidance and oversight on sustainability. Roles and responsibilities were clearly assigned. The committee will oversee the Group's approach to managing climate-related risks and opportunities, along with the implementation of the Group's sustainability strategy. 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 reviewed and approved IDH's annual sustainability report, which provides an overview of the organisation's progress on key sustainability metrics and initiatives. Additionally, it will help ensure that IDH's activities are aligned with international sustainability standards and guidelines, including the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. We will also establish a formalised Environmental and Social Management System (ESMS) based on existing HSE policies and procedures by 2024 and integrate ESG criteria into the internal audit system by 2025. 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 on 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 and hence, going forward, we will reflect on this for improvement during 2024.

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 authorises the yearly sustainability budget and decarbonization action plans and projects, including energy efficiency projects, 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 was assigned with a larger scope comprising: 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- the assurance of IDH's second Sustainability Report (ESG Report for 2022). Currently, we are working on implementing the strategy and decarbonization plan and assurance of IDH's third Sustainability Report (expected to be published by 30 June 2024). 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 assessment of climate-related risks and opportunities.
Strategy a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Compliant	➔ **Overall assessment:** Overall, the Board of Directors and management deemed that the risks and opportunities relating to climate change are not signifciant, 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 601 branches across the four countries of operation as of 31 December 2023. However, we are committed to establishing a resilient, diverse, and responsible supply chain. Therefore, by 2024, we will implement sustainable procurement guidelines and launch a Sustainable Vendor database by 2025. Additionally, we will enhance our collaboration with local diagnostic service providers by offering guidance and support to help them meet international sustainability standards, building upon the IFC criteria screenings initiated before 2023. Furthermore, we will strengthen our efforts by introducing minimum ESG criteria for our suppliers by 2024, aligning them with our existing IFC criteria screening system. Evolving from our current supplier assessments, our goal is for all suppliers to adhere to the minimum ESG criteria established by IDH by 2026. Moreover, we will ensure that 100% of newly contracted direct material expenditures are tied to contracts incorporating social and environmental responsibility requirements. IDH's operations are not energy nor water-intensive, with less then 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 it 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 2026. 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 an appropriate mitigation action plan to be put in place.

Recommended Disclosures	Response Status	
Strategy a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Compliant	➔ **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 terms. ➔ **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 2026, 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 been also identified of low significance. ➔ **Physical Risks:** Among the medium-term identified physical risks is the effects of water scarcity on operational processes. The long-term risks, such as rising sea levels in more susceptible coastal cities, such as 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.
Strategy b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partially Compliant – expected to be compliant by 31 Dec 2026.	➔ 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 a quarterly basis to take the appropriate mitigation actions when they become of significant impact. This review process will begin in April 2024. The following have been identified in the last reporting cycle as the main actions to be taken to eliminate the residual impacts and to maximise the identified opportunities over the short and medium terms: • Develop a decarbonization plan focused on resource efficiency in terms of managing and reducing energy and water consumption. • Develop a corporate-wide ESG data management and monitoring system. • Enhance ESG and climate disclosures. For the latter, the Group is exploring the possibility of disclosing climate data through CDP. Since the last reporting cycle, the following have been achieved: • A detailed decarbonization plan has been developed. This focused on resource efficiency in terms of managing and reducing energy and water consumption. • We have developed a corporate-wide GHG data management and monitoring system, and we are currently working on extending this system to cover all the essential ESG indicators by 31 December 2024. • Related to climate disclosures, we have decided to postpone CDP disclosure to April 2025 (reporting on 2024 activities). By then, we would have a stronger climate management system in place and would have covered 100% of our physical boundaries.
Strategy c) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Non-compliant – expected to be compliant by 31 Dec 2026.	➔ As previously reported, we confirm that we do not expect a significant change to our strategy as a result of the initially identified transition climate risks. However, IDH is well-aware that for the long-term risks, mostly physical ones, it will be necessary to develop new strategic actions. These will be based on climate scenario analysis, which will be done by 2026 and reported upon in 2027 in order to more clearly understand the impacts of climate-related physical risks on its businesses, strategies, and financial performance. Due to the complexity of this analysis, given IDH operates in 610+ branches across four countries, significant time will be required to collate and then validate this data from which our scenario's will be based. As IDH has never before been required to collate or report this data, we have identified initial challenges in obtaining reliable data for all of our operations and, for this reason, we have, in 2023, employed an external ESG specialist firm to assist IDH's management and the Board with this assessment.
Risk Management a) Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	➔ Due to the low risk of climate-related impacts, we did not include a separate process in our 2022 annual report. The initial list of risks/impacts has been developed in 2023 and covered both transition and physical risks. 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. The list of risks and impacts was re-visited, and all risks were re-assessed in December 2023 and their significance confirmed. We plan to revisit the identified list of impacts and redo the assessment in December 2024.
Risk Management b) Describe the organisation's processes for identifying and assessing climate-related risks.	Partially compliant- expected to be compliant by 31 Dec 2026.	➔ Due to the low risk/opportunities arising from climate change, as noted above, there were no separate processes 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, which will therefore be 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 the organisation's processes for identifying and assessing climate-related risks.	Partially compliant – expected to be compliant by 31 Dec 2026.	➔ Plans are set in place to conduct internal capacity building in order to achieve the above. Also, the processes for identifying, assessing, and managing climate-related risks are yet to be integrated into the organisation'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 organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially compliant – expected to be compliant by 31 Dec 2026.	→ In 2023, we are continuing to work with our previously appointed environmental consultancy to quantify our GHG emissions, develop our ESG and carbon footprint reports, develop our environmental policies, put in place our decarbonization plan, and monitor the development of our data collection system. Our 2022 emissions were reported in our annual Sustainability Report and will continue to do so in coming reports. In 2023, we started the planning phase of our sustainability management system, designed to streamline data collection by generating reports based on input data, eliminating the need to individually contact each department. All relevant sustainability data will be included by departments within the system, and reports will be generated in a standardized format. Throughout the year, each department will input its data into the system, and reports will be generated accordingly. In Phase 1 of implementation in 2024, we will execute this process and identify challenges through focal points. To date, the carbon footprint metric (CO_2e) is the only metric being identified and used by the organisation to assess climate-related risks and opportunities. The identification process of other metrics will be finalized by 31 December 2026 and reported in December 2027.
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 2026.	In 2022, we covered 11% of total operations. In 2023, we increased the coverage to 33%, and we are working on achieving 100% coverage by 31 December 2026 and reporting in line with TCFD requirements by 31 December 2027.
Metrics and Targets c) Describe the targets used by the organisation to manage climate related-risks and opportunities and performance against targets..	Partially compliant – expected to be compliant by 31 Dec 2026.	→ As the baseline emissions were quantified in 2022, we enhanced our data collection in 2023. Our next step is to adopt science-based climate targets for Scope 1, 2, and 3 GHG emissions starting 2024. Recognising the significance of setting appropriate targets and metrics, we have set a deadline of 31 December 2026 for compliance with the TCFD. This is crucial, as reporting against these targets will require robust data for both the current and previous years.

Corporate Social Responsibility

IDH remains steadfast in its commitment to operating in a manner that values and maintains the interconnection between the growth of its business and the communities it serves. In its home and largest market, Egypt, IDH boasts a long history of community work and assistance through its Moamena Kamel Foundation. The foundation regularly provides medical assistance, as well as many other services, to individuals who cannot otherwise afford it. In parallel, the Company provides free, or heavily discounted, diagnostic services to thousands of members of the community every year. Throughout its operations, it also collaborates with charitable organisations across the country to provide medical services, nutrition, and education to hundreds of underprivileged families, while supporting the renovation and expansion of essential medical facilities nationwide.

The Company is also an active community player in its other geographies, hosting medical days in schools, associations, and corporations, with the goal of raising awareness on non-communicable diseases and their prevention methods, while promoting healthy and sustainable lifestyles. Biolab, IDH's Jordanian subsidiary, is committed to supporting and initiating several programmes that affect real change in the community, launching social development programmes, medical days, among several other initiatives. In Nigeria, Echo-Lab remains dedicated to offering initiatives, including health screenings in churches, local markets, and colleges nationwide. Finally, in Sudan, Ultralab participated in several community outreach programmes, providing medical services for underserved communities free of charge, in addition to post-graduate educational and training opportunities for youth. It is important to note that to safeguard the health of IDH's staff on the ground, community outreach initiatives in Sudan were suspended in April 2023, following the start of the ongoing civil conflict. The Company remains committed to resuming its community work once conditions on the ground allow for it.

Egypt

Moamena Kamel Foundation

Building on the Company's guiding principle of providing leading medical assistance and services, at impeccable quality, to its communities, IDH views corporate social responsibility (CSR) initiatives as an imperative extension of its core operations.

The Moamena Kamel Foundation for Training and Skill Development was founded in 2006 by Dr. Moamena Kamel, Professor of Pathology at Cairo University; founder of IDH subsidiary, Al Mokhtabar Labs; and mother of CEO, Dr. Hend El Sherbini. In line with its strong commitment to CSR initiatives, the Company dedicates up to 1% of the net after-tax profit of its subsidiaries, Al Borg and Al-Mokhtabar, to fund the Foundation's initiatives. In 2023, this amounted to EGP 6.6 million (based on the Group's net after-tax profits for FY 2022), versus EGP 8.9 million in 2022.

The Foundation is primarily focused 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 that encompass economic, social, and healthcare development initiatives offering several primary services, including:

- Women's Empowerment
- Healthcare
- Social Development and Inclusion
- Education
- Nutrition

Women's Empowerment

Empowerment in “افحصي اطمني” – Breast Awareness Campaign

Throughout 2023, IDH organised a total of nine sessions raising awareness, celebrating Women's Month, and holding campaigns during Breast Cancer Detection Month, in collaboration with Baheya Hospital and sponsored by Al Borg Scan.

As a result of these initiatives, the Company directly impacted over 270 women through its sessions, with 71% of those in attendance being NGO beneficiaries while an additional 25% were employees at different companies across Egypt.

Healthcare

Supporting Kasr El Aini Hospital

Building on the successful relationship established in 2019, IDH and Al Kasr Al Aini have become integral partners, with the hospital representing a large proportion of the Company's CSR efforts. In 2023, the Company focused its support on the hospital's Kidney Dialysis Unit, providing it with the medical disposables needed to continue treating underprivileged patients without charge. Throughout the year, the Foundation supported over 11,500 sessions.

Supporting the National Cancer Institution

One of the largest specialised national institutions in the country, the National Cancer Institution, is in need of constant support to continue caring for and curing Egypt's most in-need patients. Throughout the year, IDH provided the institution with an anaesthesia device to further enhance its capabilities and ensure a safer experience for its patients.

Social Development and Inclusion

Supporting the Ibrahim Badran Convoys

In an effort to drive positive impacts across some of the most underserved and in-need communities in Egypt, IDH proudly partnered with the Ibrahim Badran Foundation to provide medical support to remote areas of Upper Egypt through the provision of diagnostic tests at significantly discounted rates. Throughout the year, IDH supported in 58 convoys, conducting more than 6,000 tests and helping in diagnosing and treating the area's most prevalent diseases, including anaemia, paediatric parasitology, and dermatology.

Other Social Initiatives

- In November 2023, the Moamena Kamel Foundation collaborated with the Egyptian Red Crescent to raise awareness on family relationships, including "Mother and Child Disagreements" in the Al Sayda Eisha district, through a number of sessions titled, “Disagree without Violence”. The sessions were attended by over 70 members of the community.
- In June 2023, the Moamena Kamel Foundation and Al Mokhtabar partnered with the Egyptian Ministry of Labour to sponsor the “Safety Forum” for those in the industrial sector. The forum was meant to increase awareness on safety and occupational health among companies in the health, industry and tourism sectors. The forum also saw the introduction of Al Mokhtabar and its Mega Lab as one of the country's leading examples of occupational safety, adhering to the highest international safety standards.

Education

"Amaly" Training Programme for Fresh Graduates

The Amaly Programme for Chemists provides a qualified chemist programme, relying on both theoretical and practical training, for students of Cairo University's Faculty of Agriculture, specifically in the Arabic and English Biotechnology Department. During 2023, the programme completed five separate rounds, benefitting a total of 135 students.

Al Kasr Al Aini Session Hall Renovation

During 2023, the Company completed the renovation of Al Kasr Al Aini's Department of Vascular Surgery session hall. The hall accommodates a total of 40 students, and it was in need of renovation and an equipment upgrade to ensure it maintained its ability to effectively train future medical experts. The Company provided an ultrasound machine, curtains, an air conditioner, and 40 student chairs as part of the renovation.

Nutrition

"Etameny" Project

Launched by IDH in collaboration with the Egyptian Food Bank, the "Etameny" project, which translates to "Rest Assured", provides support to female-headed households in Giza. In 2023, the programme provided households 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. During 2023, the programme served over 11,000 people across Giza.

Other Nutrition Initiatives

- During 2023, the Moamena Kamel Foundation established a nutritional awareness programme for mothers and children, helping raise awareness about proper nutrition and educating members of the community on preventative measures for malnutrition. As part of the initiative, several sessions were held in the Sayda Eisha Youth Centre and Al Sherok NGO. The sessions were attended by over 65 women.
- A collaboration with Misr El Kheir Foundation that resulted in the distribution of 3,000 food boxes, with over 15,000 beneficiaries, across the Greater Cairo area.
- A collaboration with the Egyptian Food Bank for the distribution of 4,000 food boxes, with a total reach of more than 20,000 beneficiaries, across Upper Egypt.

Jordan

IDH's subsidiary, Biolab, remains steadfast in its support and initiation of programmes and events set to leave lasting impacts on the communities it serves. These initiatives raise awareness on non-communicable diseases, encourage healthy lifestyle choices, and educate beneficiaries on the importance of preventive testing through well-organised events in collaboration with governmental entities, corporations, and educational institutions across Jordan.

Healthcare

Community Events

Biolab organises several community events throughout the year, centred around promoting healthy lifestyles and increasing community engagement. As part of these events, the Company distributes pamphlets encouraging preventive examinations and sharing information on healthy lifestyle choices. Biolab also offered discounted Inbody free tests during the community event, reaching over 200 beneficiaries in total.

Health Awareness Days and Bazaars

Delivering on its commitment to giving back to the community, Biolab organises several health awareness days around the country, offering haemoglobin and glucose tests to members of the community. Throughout 2023, the Company organised several health awareness days, in partnership with the Ministry of Health (MoH), several leading universities and schools in Jordan, and leading medical associations in the country. In addition to haemoglobin and glucose tests, Biolab also distributed vouchers granting discounts on Inbody free tests. The events reached over 400 beneficiaries in total.

Medical Days and Corporate Health Fairs

Throughout the year, Biolab participated in corporate medical days and health fairs in partnership with Amazon and the US embassy, encouraging preventive testing and raising awareness about non-communicable diseases to employees. Throughout the events, the Company distributed vouchers for discounted testing, reaching approximately 250 employees across the two events.

02

CORPORATE GOVERNANCE

7

Experienced professionals on IDH’s Board

5

Non-Executive Board Members

Corporate Governance

Board of Directors

As at 31 December 2023, IDH's Board of Directors is comprised of five non-executive members, including the non-executive chairman and one executive director, all of whom offer significant experience in the healthcare market, MENA region, and investment activities. On 18 January 2024, the Board appointed Sherif El Zeiny as an Executive Director, Group Financial Officer, and Vice President of Finance and Strategies.

Lord St John of Blesto (Age 66)

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, Airport Holdings Mauritius, Kneoworld UK Limited, and GMS Resources Limited. 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 a BA in Law and BSocSc in Psychology from Cape Town University, a BProc from the University of South Africa, and Masters 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 of London.

Prof. Dr. Hend El Sherbini (Age 55)

Group Chief Executive Officer

Dr. Hend has been IDH Group's Chief Executive Officer since 2012 and, prior to that, served as the CEO of Al Mokhtabar – Egypt's oldest 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, and she also holds a Master's degree in Public Health from Emory University in Atlanta. Dr. Hend completed 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 American Society of Clinical Pathology (Egypt) and consults on the international certification process. Dr. Hend 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.

Sherif El Zeiny (Age 60)

Group Chief Financial Officer and Executive Director

Mr. El Zeiny is a certified Board Director and Executive Partner with over three decades of experience in financial management, business leadership, and corporate strategy. He currently serves as Vice President and Group Chief Financial Officer at IDH. Throughout his career, he has filled several executive positions in various leading regional and international corporations, most recently serving as Vice President and Chief Financial Officer at Elsewedy Electric Group. Prior to Elsewedy Electric Group, he held several positions at Mentor Graphics MENA (currently Motor Siemens), NCR Egypt, Siemens Egypt's Energy and Automation Division, and General Motors Egypt. Mr. El Zeiny holds an MBA from the City University of Seattle, a Non-Executive Director Diploma from the Financial Times, and a BA in Accounting from Cairo University.

Hussein Choucri (Age 73)

Non-Executive Director and Chairman of the Remuneration Committee

Mr. Choucri is the 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 the Egyptian Center for Economic Studies (ECES). Mr. Choucri served as the 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 in 1978.

Dan Olsson (Age 58)

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, as head of diagnostics in the pan-European healthcare group Capio; CEO of Unilabs, a pan-European diagnostic provider; and CEO of Helsa, a Swedish healthcare group. He currently works as an independent advisor and holds non-executive positions at Purch 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 59)

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 United Universities, GHL Plc., Les Laboratories Medis SA, and others. Mr. Phillips holds a degree in Economics from the University of Exeter.

Yvonne Stillhart (Age 56)

Independent Non-Executive Director

Ms. Stillhart is a seasoned Non-Executive Director, bringing nearly two decades of extensive board-level leadership experience in both listed and private entities across Europe, the Middle East, and Africa. Ms. Stillhart holds positions as a Board Member, contributing her expertise to the Audit and Risk Committees at UBS Asset Management Switzerland Ltd, Aberdeen Private Equity Opportunities Trust Plc., and serves as the Board Chairperson at EPE Capital Ltd. In Senior Executive capacities, she co-founded and held executive leadership responsibilities at a leading private equity manager in Switzerland. Her proficiency in investment and finance expertise, proactive risk management, and digital expertise were integral in transforming growth-driven companies in a sustainable manner. Her qualifications include a Directors' Certificate from Harvard Business School, a Qualified Risk Director accreditation from the DCRO Institute, and the ESG Competent Boards Certificate. Ms. Stillhart is fluent in German, English, Spanish, and French.

Corporate Governance Report

The 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. 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 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 2023, the Board continued to work towards a robust governance framework where appropriate and applicable to IDH's circumstances.

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, and 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 the Audit, Remuneration, and Nomination Committees.

Moreover, over the course of the past year, IDH has worked on complying with EGX listing rules and UK listing rules, in addition to the 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 and that of outside parties, including legal counsel and global professional services firms.

Functioning of the Board

The Board met five times during the course of 2023. Details of the individual Directors' attendance is shown on page 100. The Board has invested significant time discussing and evaluating the Group's strategy and prospects for future growth and has held a separate strategy day during the year, the outcome of which is presented in our statement of strategy on page 54. We are confident that we have in place the right strategy and management team to deliver shareholder returns going forward.

Board Skills and Composition

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 comprises seven Board members. Sherif El Zeiny joined the Board as Group Chief Financial Officer and Vice President of Finance and Strategies in January 2024. Mr. El Zeiny's extensive experience in financial management and business leadership, coupled with his proven tenure in transforming businesses into regional leaders, provides significant added value to the Board of Directors.

As at 31 December 2023, our Board comprised four Non-Executive Directors, one Executive Director, and the Chair who was independent upon appointment. Together, the Directors offer IDH a world standard mix of expertise in areas that include 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. The Board and their biographies are set out on pages 94 to 97 of this Annual Report and are summarised in the following table.

Board of Directors of Integrated Diagnostics Holdings Plc

Name	Position (Date of Appointment)
Lord St John of Bletso	Non-Executive Chairman (12 January 2015)
Prof. Dr. Hend El Sherbini	Executive Director, Group Chief Executive Officer (23 December 2014)
Hussein Choucri	Non-Executive Director (12 January 2015)
Dan Olsson	Non-Executive Director (12 January 2015)
Richard Henry Phillips	Non-Executive Director (23 December 2014)
Yvonne Stillhart	Independent Non-Executive Director (1 March 2022)
Sherif El Zeiny	Executive Director, Group Chief Financial Officer (18 January 2024)

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. 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 that 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 upon 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, which is annually reviewed. 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 quarterly 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; and
- 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.

A summary of the Board's committees are set out from page 101. Reports from the Chairmen of the Audit, Remuneration, and nomination committees appear starting pages 104, 108, and 110 of this Annual Report, respectively.

Board Meetings During 2023

The Board met five times during the year, one of which was held on an ad hoc basis to consider the Group's Budget. Details on 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. Prior to Board meetings, all Non-Executive Directors meet either by themselves, together with the CEO, or with the entire Board. This time is usefully spent enabling Board members to build rapport, share views, and consider issues impacting the company, resulting in improved board dynamics and better decision-making.

Table of Director Attendance at 2023 Meetings

Name	Board	Audit (a)	Remuneration (c)	Nomination
Number of Meetings	5	7	1	2
Directors:				
Lord St John of Bletso	5	n/a	n/a	2
Prof. Dr. Hend El Sherbini	5	n/a	n/a	n/a
Hussein Choucri	5	7	1	2
Dan Olsson	5	7	1	2
Richard Henry Phillips	5	n/a	n/a	n/a
Yvonne Stillhart	5	7	1	n/a
Sherif El Zeiny*	n/a	n/a	n/a	n/a

** Sherif El Zeiny was appointed on 18 January 2024.*

Board 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 considers 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 receives 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 2023, 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.

Audit Committee

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 following were the members of the Audit Committee:

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

More information on the Audit Committee is available in the Audit Committee Report on page 104 of this report.

Remuneration Committee

The Remuneration Committee is responsible for the remuneration for the services rendered by Directors and select members of senior management.

At the date of this report, the following were members of the Remuneration Committee:

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

More information on the Remuneration Committee is available in the Remuneration Committee Report on page 108 of this report.

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.

Committee composition

The Nomination Committee comprises the below members:

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

The Nomination Committee comprises Non-Executive Directors.

More information on the Nomination Committee is available in the Nomination Committee Report on page 110 of this report.

Investor Relations

Engagement with shareholders continues to be a key function at both the senior management and the Board levels. 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 2023, in addition to handling hundreds of one-on-one call requests and queries throughout the year.

In 2023, we published three-month, half-year, and 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 2024 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, 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 2024 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.

On this note, I would like to announce that in January 2024, we welcomed Tarek Yehia as IDH's new Director of Investor Relations. Tarek brings with him a wealth of experience in investor relations, communications, and corporate finance, spanning nearly 15 years. Previously, he held senior investor relations positions in several of Egypt's forefront companies. I am confident that Tarek's unique experiences will prove extremely valuable in furthering our investor relations programme, ensuring timely communication of our results and strengthening the Company's relationship with its shareholders.

Annual General Meeting

We will hold our eighth Annual General Meeting as a listed company on 29 May 2024 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 London/Egypt Stock Exchange announcements, and full details will be published on the Company's website shortly after the AGM.

Fair, Balanced, and Understandable

The Board recognises its duty to ensure that the Annual Report and Accounts 2023, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the performance, strategy, and business model of the Group. The Board has placed reliance on the following to form this opinion: The process by which the Annual Report and Accounts 2023 was prepared, including detailed project planning and a comprehensive review process. The review of the Annual Report and Accounts 2023 by the Committee, placing reliance on the experience of the Committee members. Reports prepared by senior management regarding critical accounting judgements and significant accounting policies. Discussions with, and reports prepared by, the external auditor. Regular financial information received throughout the year, including monthly KPIs reports. As detailed in the Directors' responsibility statement on page 116, each of the Directors has confirmed that, to the best of each person's knowledge and belief, the Annual Report and Accounts 2023, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model, and strategy.

Lord St John of Bletso
Chairman
27 March 2024

Audit Committee Report

Dan Olsson
Chairman of the Audit Committee

I am pleased to present the Audit Committee report for the year ended 31 December 2023. This report is intended to provide shareholders with an insight in to how key topics were considered during the year, the activities of the committee and how the committee discharged its responsibilities in 2023.

The Audit Committee will meet not less than three times a year. The Audit Committee comprises three 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.

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 2023, the Audit Committee met seven (7) 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 2023 with the Group Chief Financial Officer and Vice President of Finance and Strategies, as well as 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 a member of the Board, also attends the meetings, 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.

FRC Audit Quality Review

The FRC is the UK's independent regulator responsible for promoting high-quality corporate governance and reporting to foster investment. The FRC's responsibilities include independent monitoring of audits of listed and certain other public interest entities performed by firms registered to conduct audits in the UK by a Recognised Supervisory Body (further details are set out on the FRC's website). This monitoring is performed by the FRC's Audit Quality Review (AQR) team. The reviews of individual audit engagements are intended to contribute to safeguarding and promoting improvement in the overall quality of auditing in the UK.

During the year, we were informed that the Financial Reporting Council (FRC) had selected the audit of IDH plc's December 2022 Annual Report and Accounts for review by its AQR team as part of their routine sampling activity. Audit quality review is undertaken by the FRC as part of its annual inspection of audit firms. The FRC review considered the audit of key areas of judgement and estimation, including the application of key judgement and assumptions for the expected credit loss model, the audit of revenue, and the involvement of the Group auditor in the component audits. The review did not highlight any areas for improvement.

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 and half-year financial statements and quarterly financial statements;
- reviewing the Group's accounting policies and 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;
- 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;
- ensuring that the quality of information on sustainability factors, including on climate change, is comparable and meets the standards of financial information.
- Oversee the Group's cybersecurity strategy ensuring it is regularly updated and systematically adhered to.

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 its 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 discussions 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 56–63 of this Annual Report.

The 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 2023; and

- as part of the reporting process in 2023, management reviewed monthly and year-to-date actual results against the prior year, against budget, and against forecast. Any significant changes and adverse variances are reviewed by the Group Chief Executive and by senior management, and remedial action is taken where appropriate.

Audit Committee Meetings During 2023

During 2023, the Audit Committee had seven (7) scheduled meetings. At each scheduled meeting, the Committee considered the matters outlined above under the subheading "Roles and Duties of the Audit Committee".

Committee Member	Meeting Attended
Dan Olsson	7
Hussein Choucri	7
Yvonne Stillhart	7

Significant Issues

The Audit Committee held regular meetings across the period with the external auditors. In these meetings, the external auditors 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 were held around corporate governance and steps being taken to strengthen the control environment.

During the year, the Audit Committee, external auditors, and IDH's management team agreed to record an NGN 18 million impairment expense in goodwill and assets in Nigeria, accounting for economic volatility in the country and the anticipation of continued headwinds into 2024. Meanwhile, IDH's management team in Nigeria continues to assess the impacts of economic downturns in the country, putting in place strategies for price increases to counteract persistent inflation while prioritising patient retention and operational expansion in the country.

Internal Auditor

The scope of the 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 the 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.
- 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.

The Internal Auditor reports to the Audit Committee, and the Committee received four reports on the findings of the internal audit in 2023. The Committee also received a report from the Internal Audit on their annual review of the system of internal control and risk management. The Committee continues to monitor and review the effectiveness and capabilities of the Internal Audit during the year.

External Auditor Independence

PwC has acted as the Group's external auditor throughout the year. 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 2023, PwC audit services amounted to EGP 65.0 million (2022: EGP 38.4 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 paid during 2023 amounted to EGP 0.3 million (versus EGP 0.2 million in 2022).

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 2024 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, as well as 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 25 March 2024 that it is their opinion that the financial statements as at 31 December 2023 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
27 March 2024

Remuneration Committee Report

Hussein Choucri
Chairman, Remuneration Committee

In this report from the Remuneration Committee (the "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 2023. 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 2023 appears below.

At the date of this report, the following were members of the Remuneration Committee:

Committee Member	Meeting Attended
Hussein Choucri	Chairman of the Committee
Dan Olsson	Committee Member
Yvonne Stillhart	Committee Member

Chairman Lord St John of Bletso is entitled to receive an annual salary of USD 100,000. He is entitled to the reimbursement of reasonable expenses. Non-Executive Directors Hussein Choucri, Dan Olsson, and Richard Henry Phillips, have been engaged by the Group as Non-Executive Directors under letters of appointment. Hussein Choucri is entitled to an annual fee of USD 65,000, Dan Olsson is entitled to an annual fee of USD 70,000, and Yvonne Stillhart is entitled to an annual fee of USD 65,000. Richard Henry Philips will not be entitled to receive any fee from the Group for his role.

The Non-Executive Directors are all entitled to the reimbursement of reasonable expenses.

Remuneration of Directors in 2023 (Audited) [23]

Figures in EGP[24]	Base Salary / Fees 2023	Base Salary / Fees 2022	Annual Bonus 2023^	Annual Bonus 2022^	Total 2023	Total 2022
Executive Director						
Dr. Hend El Sherbini[25]	16,615,351	10,398,605	450,000	450,000	17,065,351	10,848,605
Non-Executive Directors						
Lord St John of Bletso	3,075,866	1,967,268	-		3,075,866	1,967,268
Hussein Choucri	1,999,315	1,278,726			1,999,315	1,278,726
Dan Olsson	2,153,110	1,381,215	-		2,153,110	1,381,215
Yvonne Stillhart	1,999,315	1,065,605	-		1,999,315	1,065,605

Hussein Choucri
Chairman, Remuneration Committee
27 March 2024

[23] There are no taxable benefits, corporate pensions, or long-term incentive plans for the Company's Directors.
[24] Average US$:EGP exchange rate was 30.8 during 2023.
[25] 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.

Nomination Committee Report

Lord St John of Blesto
Chairman, Remuneration Committee

The Nomination Committee (the "Committee") introduced several key initiatives throughout 2023, prioritising the implementation of safe succession planning on both the Board and senior management levels, promoting diversity within its ranks, and ensuring the appropriate size and structure of the Board of Directors to ensure its effectiveness. In this report, I outline the key responsibilities and initiatives taken by the Committee to this end.

Activities for the year ended 31 December 2023:

- Reviewed the structure, size, and composition of the Board and its Committees.
- Considered the independence of the Directors.
- Introduced a skills matrix.
- Agreed on the internal evaluation of the Board and its Committees, facilitated by the Company Secretary.
- Considered the Board's succession plans.
- Recommended the re-appointment of Directors at the 2024 Annual General Meeting to the Board.

Role of the Nomination Committee

- Regularly reviewing the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board and its Committees and making recommendations to the Board when appropriate.
- Leading the process for new appointments to the Board.
- Ensuring orderly succession planning to both the Board and the senior management team and reviewing it at least on an annual basis.
- Supporting the development of a diverse pipeline for succession.
- Ensuring that there is a rigorous annual evaluation of the performance of the Board, its Committees, the Chair, and Individual Directors.
- As Chairman of the Committee, I will report to the Board on the business carried out at the previous Committee meeting and inform of any recommendations made by the Committee.

Succession Planning: Board Level

In January 2024, the Committee supported the recruitment and appointment of Sherif El Zeiny as Group Chief Financial Officer, Vice President, and Executive Director.

Succession planning: Senior Management

During the year, the Committee supported the strengthening of the Executive Committee with Samah El Saghier, Group Chief People and Culture Officer; Tarek Yehia, Investor Relations Director; and Sherif El Zeiny, Group Chief Financial Officer and Vice President.

Diversity

We have increased our focus on succession and talent management for the Board and senior management. The Committee plans to develop an orderly succession plan for the Board's Non-Executive Directors. The Committee recognises that in order for the Board to discharge its fiduciary duties, members should possess a broad range of social, educational, and professional backgrounds, as well as bring along different skills, experiences, and cognitive strengths.

By consistently monitoring the diversity of our workplace with a strict focus on merit, and while employing an objective set of criteria, we ensure our ability to effectively compete in the world's increasingly diverse marketplace.

Our disclosures and statement on the diversity of our Board, senior Board positions, and executive management in compliance with Listing Rule 14.3.33R (1) (the "New Rules") are set out below.

The New Rules Set the Following Targets:

- At least 40% of the Board are women;
- At least one of the senior Board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID), or Chief Financial Officer (CFO) is a woman; and
- At least one member of the Board is from a minority ethnic background (which is defined by reference to the categories recommended by the Office of National Statistics (ONS) as coming from a non-white ethnic background).

The tables below show the data required to be presented by the New Rules. While the Group is not currently in full compliance with all requirements, we believe that we currently have the right people fulfilling these executive roles, based on professional background and experience.

While we do not believe it is appropriate to set strict goals to comply with these targets at present, we believe that the composition of the Board should be driven by the specific needs and skill gaps of the Group, and we continuously review our position on the matter. Meanwhile, the Board is committed to improving diversity in the workforce and will continue to consider the matter as a key pillar in its succession planning and recruitment process.

Board and Senior Management Composition by Sex

Sex Representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in executive management	Percentage of executive management
Men	4	66.67%	1	9	60%
Women	2	33.33%	1	6	40%

Board and Senior Management Composition by Ethnic Background

Ethnic Representation

	Number of Board members	Percentage on the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority white groups)	4	66.67%	1	–	–
Other ethnic groups, including Arab	2	33.33%	1	15	100%

Notes:
1. *All data is at 31 December 2023.*
2. *Sherif El Zeiny (male) was appointed as Board member in January 2024 and is excluded from the data.*
3. *Executive management is represented by all direct reports of the Chief Executive Officer in non-administrative roles. The role of the Company Secretary is excluded as the role is outsourced to an external service provider.*
4. *Data is collected via self-reporting.*

I look forward to meeting shareholders at the AGM on 29 May 2024.

Lord St John of Blesto
Chairman of the Nomination Committee
27 March 2024

Directors' Report

The statements and reviews on pages 4 to 63 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 as at 31 December 2023 and up to the date of this report are set out on pages 94 to 97, 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 different sections, including the Chairman's Message (pages 14 to 16), Chief Executive's Report (pages 18 to 22), Strategic Report (beginning page 4), and particularly the Performance section (beginning on page 66). Financial statements for 2023 appear in the Audited Financial Statements (starting on page 118).

Results and Dividends

The Group's Results for 2023 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 agreed that a dividend will not be paid this year in light of the ongoing uncertainty and lack of foreign currency availability in Egypt.

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 56 to 63 of this Annual Report.

Share Capital

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

Substantial Share Holdings

As at 31 December 2023, 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:

Substantial Share Holdings

Shareholder	Number of Voting Rights	% of Voting Rights
Hena Holdings Ltd.	162,445,383	27.07
Actis IDH B.V.	126,000,000	21.00
International Finance Corporation (IFC) and IFC MENA Fund	34,755,198	5.79
Fidelity Investments	21,068,972	3.51
T. Rowe Price International	20,607,367	3.43
Stewart Investors	18,038,382	3.01

Note (1): The table displays the top five shareholders in IDH across both exchanges (LSE and EGX).
Note (2): As at year-end 2023, 94.82 % of IDH's shares were listed on the LSE, with the remaining 5.18% listed on the EGX. The table above demonstrates the top six 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 2023 and the date of this Report.

Corporate Responsibility

The Group's report on Corporate Responsibility is set out on page 88.

Corporate Governance

The Group's report on Corporate Governance is on pages 94 to 117.

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

In 2022, there was an agreement related to the IFC's USD-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.

IDH's management has since decided to irrevocably terminate the IFC loan agreement since the intended purpose of the loan, which was to finance an acquisition in Pakistan, was not realised and negotiations on the deal were terminated.

Conflicts of Interest

No Directors took on additional significant commitments during the year that impacted their ability to carry out their duties. No contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed at the end of the financial year.

Political Donations

The Group made no political donations in 2023 (2022: 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 two (2) Executive Directors, namely the Group Chief Executive, Dr. Hend El Sherbini, and the Group Chief Financial Officer and Vice President of Finance and Strategies, Sherif El Zeiny, as identified in the Corporate Governance section. Their biographical information appears on page 94 of this Annual Report, and their 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. 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 plans. 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 employed an average of 6,692 employees in 2023 (2022: 6,718) across 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 activities. Under all of these scenarios, there remains significant headroom from a liquidity and covenant perspective. 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.

Due to the persistence of foreign currency shortages in IDH's home and largest market, Egypt, the Company's Board of Directors has decided not to distribute dividends for the year ended 31 December 2023. Despite this decision, management reiterates that its long-term dividend policy, which 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, has remained unchanged.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

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; and
- 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 Group's assets 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 legislations 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, confirms that, to the best of their knowledge:

- the Group 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 2024 AGM on 29 May 2024 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 re-appointment and to authorise the Board to agree their remuneration.

By order of the Board,

H. El Sherbini

Dr. Hend El Sherbini
Executive Director
27 March 2024

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 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; 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 2023; the Consolidated income statement, the Consolidated statement of comprehensive income, the consolidated statement of cash flows, and the Consolidated statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 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 8.6, 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 97% of reported profit before tax. 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.
- Additional testing was by the Group audit team 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, central areas including impairment testing, the Annual Report and consolidated financial statements were all performed by the group auditor.

Key audit matters

- Accuracy of revenue recognised from customers

Materiality

- Overall materiality: EGP 35,568,000 (2022: EGP 44,847,000) based on 4.5% of profit before tax and non-recurring expenses in 2023 and 4.5% of profit before tax and fair value losses on financing US dollar dividends in 2022.
- Performance materiality: EGP 26,676,000 (2022: 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 4,122,506,000 from health diagnostics related activities, during the year ended 31 December 2023. 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 testing the accuracy of revenue. Refer to the following notes to the consolidated financial statements for further details: Note 3: Material accounting policy information and other explanatory information 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. • We performed a reconciliation between revenue transactions and cash collected and selected a sample of the revenue transactions and tested their accuracy and validity to underlying source documentation. • 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 operation. There are other operations in Sudan and Nigeria. The new branches in Saudi Arabia were not operational in 2023. 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 contributed the most significant level of revenue and profit to the group 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 97% of reported profit before tax. 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.

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.

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 35,568,000 (2022: EGP 44,847,000).
How we determined it	4.5% of profit before tax and non-recurring expenses in 2023 and 4.5% of profit before tax and fair value losses on financing US dollar dividends in 2022
Rationale for benchmark applied	We believe the benchmark being used in each year is the key measure used by the shareholders and management in assessing the performance of the group in each year. It is widely accepted to use a profit based benchmark when assessing materiality for listed groups.

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 30,000,000 and EGP 15,000,000. 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% (2022: 75%) of overall materiality, amounting to EGP 26,676,000 (2022: 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 middle 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 1,778,000 (2022: 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:

- Discussing with management and those charged with governance the performance in 2023, the budgets for 2024 and beyond and the performance in the 2024 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;
- Comparing the forecasts profits and cash flows to the latest approved budgets and considering actual results achieved in the year to date and sought evidence for any unexpected trends. We considered the level of underperformance that would need to occur before there would be insufficient facilities. We considered the competency of management to prepare accurate forecasts by reviewing past levels of budget accuracy;
- Validating 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;
- Considered the severe but plausible downsides included in management's model for reasonableness based upon our understanding of the group and the likelihood of significant one off payments arising, such as settlement of option payments;
- Testing the accuracy of the model containing management's forecasted future financial performance and cashflows;
- Considering the macroeconomic environment of the territories in which the group operates in and the impact this could have on performance and cash flows; 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 or, 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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 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 taxation law and legislation, the Listing Rules and 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 or manipulation of significant accounting estimates. 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;
- Reviewing board minutes 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 3 years, covering the years ended 31 December 2021 to 31 December 2023.

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
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
27 March 2024

Consolidated statement of financial position

As at 31 December 2023

	Notes	2023 EGP'000	2022 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,414,725	1,326,262
Intangible assets and goodwill	12	1,710,183	1,703,636
Right of use assets	25	683,025	622,975
Financial assets at fair value through profit and loss	14	-	18,064
Total non-current assets		**3,807,933**	**3,670,937**
Current assets			
Inventories	15	374,650	265,459
Trade and other receivables	16	727,235	543,887
Financial assets at fair value through profit and loss	14	25,157	-
Financial assets at amortized cost	18	161,098	167,404
Cash and cash equivalents	17	674,253	648,512
Total current assets		**1,962,393**	**1,625,262**
Total assets		**5,770,326**	**5,296,199**
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	(356,583)	(490,695)
Translation reserve	19	(82,341)	24,173
Retained earnings	19	1,280,287	783,081
Equity attributable to the owners of the Company		**2,678,900**	**2,154,096**
Non-controlling interests	2	421,888	292,885
Total equity		**3,100,788**	**2,446,981**
Non-current liabilities			
Provisions	21	17,758	3,519
Borrowings	24	67,465	93,751
Other financial obligations	25	891,350	914,191
Non-current put option liability	23	42,786	51,000
Deferred tax liabilities	9	374,729	321,732
Total non-current liabilities		**1,394,088**	**1,384,193**
Current liabilities			
Trade and other payables	22	637,761	701,095
Other financial obligations	25	176,704	148,705
Current put option liability	23	313,796	439,695
Borrowings	24	43,680	22,675
Current tax liabilities	28	103,509	152,855
Total current liabilities		**1,275,450**	**1,465,025**
Total liabilities		**2,669,538**	**2,849,218**
Total equity and liabilities		**5,770,326**	**5,296,199**

The accompanying notes on pages 134-184 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 27 March 2024 by:

H. El Sherbini

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated income statement

For the year ended 31 December 2023

	Notes	2023 EGP'000	2022 EGP'000
Revenue	6	4,122,506	3,605,047
Cost of sales	8.1	(2,598,159)	(2,142,984)
Gross profit		**1,524,347**	**1,462,063**
Marketing and advertising expenses	8.2	(211,623)	(213,151)
Administrative expenses	8.3	(510,393)	(398,533)
Impairment loss on trade and other receivable	16	(51,255)	(29,914)
Other (expenses)/income	8.4	(13,314)	11,726
Operating profit		**737,762**	**832,191**
Net fair value losses on financial assets at fair value through profit or loss	8.9	-	(142,950)
Finance costs	8.7	(160,983)	(135,586)
Finance income	8.7	160,577	299,992
Net finance (costs)/income	8.7	(406)	164,406
Profit before income tax		**737,356**	**853,647**
Income tax expense	9	(268,993)	(327,064)
Profit for the year		**468,363**	**526,583**
Profit attributed to:			
Owners of the Company		510,304	541,110
Non-controlling interests		(41,941)	(14,527)
		468,363	**526,583**
Earnings per share	10		
Basic and diluted		0.85	0.90

The accompanying notes on pages 134-184 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	2023 EGP'000	2022 EGP'000
Net profit for the year	**468,363**	**526,583**
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(7,206)	69,081
Other comprehensive income for the year, net of tax	**(7,206)**	**69,081**
Total comprehensive income for the year	**461,157**	**595,664**
Attributable to:		
Owners of the Company	403,790	414,553
Non-controlling interests	57,367	181,111
	461,157	**595,664**

The accompanying notes on pages 134-184 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

	Note	2023 EGP'000	2022 EGP'000
Cash flows from operating activities			
Profit before tax		737,356	853,647
Adjustments for:			
Depreciation of property, plant and equipment	11	259,455	206,993
Depreciation of right of use assets	25	134,033	103,099
Amortisation of intangible assets	12	7,750	7,251
Unrealised foreign exchange gains and losses	8.7	(87,798)	(188,442)
Fair value losses on financial assets at FV through profit or loss		-	142,950
Finance income	8.7	(72,779)	(95,371)
Finance Expense	8.7	160,983	135,586
Loss/(gain) on disposal of PPE		(734)	200
Impairment in trade and other receivables	16	51,255	29,914
Impairment in goodwill		11,265	1,755
Impairment in assets		6,705	-
Equity settled financial assets at fair value		(7,093)	(7,594)
ROU Asset/Lease Termination		(512)	305
Hyperinflation		-	(16,179)
Change in Provisions	21	14,238	(569)
Change in Inventories		(104,909)	(30,159)
Change in Trade and other receivables		(198,078)	(53,445)
Change in Trade and other payables		(99,191)	(166,130)
Cash generated from operating activities before income tax payment		**811,946**	**923,811**
Taxes paid		(268,283)	(715,082)
Net cash generated from operating activities		**543,663**	**208,729**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2,366	10,212
Interest received on financial asset at amortised cost		73,316	95,897
Payments for acquisition of property, plant and equipment		(323,439)	(299,762)
Payments for acquisition of intangible assets		(2,490)	(9,076)
Payments for the purchase of financial assets at amortised cost		(243,563)	(267,819)
Proceeds from the sale of financial assets at amortized cost		249,868	1,603,611
Payment for purchase of global depository receipts (short-term investment)	8.9	-	(1,011,376)
Proceeds from sale of global depository receipts (short-term investments)	8.9	-	868,426
Net cash (used in)/generated from investing activities		**(243,942)**	**990,113**
Cash flows from financing activities			
Proceeds from borrowings	27	71,630	40,081
Repayment of borrowings	27	(76,911)	(21,721)
Proceeds loan received from related party	26	-	17,025
Repayment loan paid to related party	26	-	(17,025)
Payments of lease liabilities	27	(94,854)	(71,635)
Payment of financial obligations	27	(144,278)	(29,206)
Dividends paid		-	(1,411,752)
Interest paid	27	(138,390)	(119,308)
Bank charge paid		(19,294)	(12,909)
Cash injection by owner of non-controlling interest		74,748	8,763
Paid cash to non-controlling interest		(3,112)	-
Net cash flows used in financing activities		**(330,461)**	**(1,617,687)**
Net (decrease) increase in cash and cash equivalents		**(30,740)**	**(418,845)**
Cash and cash equivalents at the beginning of the year		648,512	891,451
Effect of exchange rate		56,481	175,906
Cash and cash equivalents at the end of the year	17	**674,253**	**648,512**

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

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

The accompanying notes on pages 134-184 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2023

EGP'000	Share Capital	Share premium reserve	Capital reserves	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed to	Non-Controlling interests	Total Equity
As at 1 January 2023	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(490,695)**	**24,173**	**783,081**	**2,154,096**	**292,885**	**2,446,981**
Profit / (loss) for the year	-	-	-	-	-	-	510,304	510,304	(41,941)	468,363
Other comprehensive (expense)/ income for the year	-	-	-	-	-	(106,514)	-	(106,514)	99,308	(7,206)
Total comprehensive income	-	-	-	-	-	**(106,514)**	**510,304**	**403,790**	**57,367**	**461,157**
Transactions with owners in their capacity as owners										
Impact of hyperinflation	-	-	-	-	-	-	(13,098)	(13,098)	-	(13,098)
Movement in put option liabilities for the year	-	-	-	-	134,112	-	-	134,112	-	134,112
Paid share from non-controlling interests	-	-	-	-	-	-	-	-	(3,112)	(3,112)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	74,748	74,748
Total	-	-	-	-	**134,112**	-	**(13,098)**	**121,014**	**71,636**	**192,650**
At 31 December 2023	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(356,583)**	**(82,341)**	**1,280,287**	**2,678,900**	**421,888**	**3,100,788**
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 for the year	-	-	-	-	-	-	541,110	541,110	(14,527)	526,583
Other comprehensive 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**

** 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 2023

(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 2023 were authorised for issue in accordance with a resolution of the directors on 27 March 2024. 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 1IFC 5, St. Helier, Jersey, JE1 1ST, Channel Islands. 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 group 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, Sudan and Saudi Arabia.

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		Non-Controlling interest	
			2023	2022	2023	2022
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	100.0%	99.6%	0.0%	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%	77.18%	22.82%	22.82%
*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%
*Medical Health Development****	Medical services	Saudi Arabia	51%	-	49%	-

**In the financial period of 23, Al Mokhtabar, a medical laboratory, acquired a 0.4% ownership share in Integrated Medical Analysis (S.A.E). In connection with this acquisition, Al Mokhtabar made a payment of 3,112K to non-controlling interest. This transaction resulted in Al Mokhtabar becoming the full owner of the stake by the end of the year 2023.*

*** The group consolidate "Echo scan" a subsidiary based in Nigeria despite of 39.4% indirect ownership. for more details refer to note 4.1.*

**** On March 8, 2023, the Group completed the establishment of Medical Health Development, a limited liability company based in Saudi Arabia with a total stake of 51% directly and indirectly through one of the Group's subsidiaries, where Integrated Diagnostics Holdings (IDH) owns 30% and Al Makhbariyoun Al Arab Group ("Biolab")-Jordan a subsidiary owns 21%., The group consolidate "Medical Health Development" a subsidiary based in Saudi Arabia despite of 42.51% 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	2023	2022
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	20.0%
AL-Mokhtabar Sudanese Egyptian Co.	Sudan	35.0%	35.0%
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%	22.82%
Medical Health Development	Saudi Arabia	49%	-

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

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Dynasty Group EGP'000 EGP'000	Total EGP'000
Summarised statement of Income for 2023:						
Revenue	-	604,025	1,449,344	2,065,051	96,394	4,214,814
(loss)/Profit	(107)	32,811	183,045	387,628	(54,740)	548,637
Other comprehensive (expense)/income	-	65,142	-	(3,606)	131,234	192,770
Total comprehensive (expense)/income	**(107)**	**97,953**	**183,045**	**384,022**	**76,494**	**741,407**
(loss)/Profit allocated to non-controlling interest	(48)	13,124	1,296	(9,597)	(12,514)	(7,739)
Other comprehensive income/ (expense) allocated to non-controlling interest	-	26,333	-	(847)	71,847	97,333

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Dynasty Group EGP'000 EGP'000	Total EGP'000
Summarised statement of financial position as at 31 December 2023:						
Non-current assets	670	494,904	751,597	681,583	51,913	1,980,667
Current assets	1,801	254,412	405,125	830,799	(6,623)	1,485,514
Non-current liabilities	(27)	(202,510)	(406,229)	(302,827)	(3,189)	(914,782)
Current liabilities	(15,409)	(187,663)	(224,305)	(316,886)	(24,911)	(769,174)
Net (liabilities)/assets	**(12,965)**	**359,143**	**526,188**	**892,669**	**17,190**	**1,782,225**
Net (liabilities)/assets attributable to non-controlling interest	**(5,837)**	**143,657**	**3,724**	**39,780**	**4,579**	**185,903**

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of Income 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-controlling interest	-	53,964	-	(876)	140,041	193,129

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
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**

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 2023:

- Insurance Contracts IFRS 17
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

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

There has been one amendment that has been applied for the first time in the current year that has had an impact on the financial statement disclosures. The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement ti disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

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 2023 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 2023, the Group had (cash and cash equivalent balance plus treasury bills / deposits minus borrowing) amounting to KEGP 724,206. 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. We have conducted multiple sensitivity analyses to assess the impact of inflationary pressures and potential currency evaluation 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). We assume no dividends are expected to be paid during the period for which going concern is being assessed 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. 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 2023. 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. Material accounting policy information and other explanatory information
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 2023 Nil (2022 December, 65,137) 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 or realisable value. The value in use calculation is based on a discounted cash flow ("DCF") model. Realisable value is based on the market value of the CGU or their underlying assets.

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,Echo Scan and Medical Health Development) 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 within the put option reserve and this is in line with paragraph 23 of IFRS 10.

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 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 five 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 holds the majority of the share capital
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 is able to consolidate its subsidiaries, Echoscan in Nigeria and Medical Health Development in Saudi Arabia, despite owning only 39.4% and 42.51% indirect ownership, respectively. This is due to several reasons:

1. The group exercises control over all intermediate entities that connect the parent company to Echoscan and Medical Health Development.
2. The group has a technical service agreement in place, which grants them the authority to direct and oversee the operations of the subsidiaries in Nigeria.
3. The appointment of Dr. Amid Abdelnour as CEO in Saudi Arabia further strengthens the group's ability to control the subsidiary.

Despite not having majority ownership, the group's control over the intermediate entities, technical service agreement, and CEO appointment allows them to exercise control in their financial statements.

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 exception to this was Echo Scan where the realisable value was greater than the value in use, therefore, the recoverable amount was based on the realisable value.

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 2023 the level of points accumulated by customers which had not expired was equivalent to 189MEGP. 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 60 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

	2023 EGP'000	2022 EGP'000
Cash and cash equivalents (Note 17)	674,253	648,512
Term deposits and treasury bills (Note 18)	161,098	167,404
Trade and other receivables (Note 16)	685,050	509,806
Total financial assets	**1,520,401**	**1,325,722**

	2023 EGP'000	2022 EGP'000
Trade and other payables (Note 22)	556,563	628,313
Put option liability (Note 23)	356,582	490,695
Financial obligations (Note 25)	1,068,054	1,062,896
Loans and borrowings (Note 27)	125,439	127,420
Total other financial liabilities	**2,106,638**	**2,309,324**
Total financial instruments*	**(586,237)**	**(983,602)**

** 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 23) 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 2023 and 2022. 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 2023 and 31 December 2022.

-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:

	2023 EGP'000	2022 EGP'000
Fixed-rate instruments		
Financial obligations (note 25)	1,068,054	1,062,896
Loans and borrowings (note 24)	16,694	-
Variable-rate instruments		
Loans and borrowings (note 24)	94,451	116,426

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 945k (2022: EGP 1,164K). 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, Nigerian Naira and Saudi Riyal. 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.

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

	31-Dec-23							
	Assets			Liabilities				
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	Net exposure
US	22,698	-	22,698	-	(49,290)	(28,767)	(78,057)	**(55,359)**
JOD	-	-	-	(301,383)	-	-	(301,383)	**(301,383)**
SAR	-	-	-	(42,786)	-	-	(42,786)	**(42,786)**

	31-Dec-22							
	Assets			Liabilities				
	Cash and cash equivalents	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)**

The following is the exchange rates applied:

	Average rate for the year ended	
	31-Dec-23	31-Dec-22
US Dollars	30.76	19.67
Euros	33.31	20.59
GBP	38.35	24.02
JOD	43.12	27.71
SAR	8.20	5.24
SDG	0.05	0.04
NGN	0.05	0.05

	Spot rate for the year ended	
	31-Dec-23	31-Dec-22
US Dollars	30.84	24.70
Euros	34.04	26.27
GBP	39.26	29.70
JOD	43.42	34.78
SAR	8.22	6.57
SDG	0.05	0.04
NGN	0.03	0.06

At 31 December 2023, 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 (22.14m) (2022: EGP 118m), 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 2023.

At 31 December 2023, 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 (30m) (2022: EGP (44m)), 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 2023.

At 31 December 2023, if the Egyptian Pound had weakened / strengthened by 10% against the Saudi Riyal with all other variables held constant, total equity for the year would have increased/decreased by EGP (4m), mainly as a result of foreign exchange gains/losses and translation reserve on translation of SAR -denominated financial assets and liabilities as at the financial position of 31 December 2023.

- 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, 76% with a rating of B- ,6% is rated at least A and 18% 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 2023	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	291,342	1,054,902	166,965	1,513,209
Put option liabilities	313,796	42,786	-	356,582
Borrowings	60,199	83,211	-	143,410
Trade and other payables	556,563	-	-	556,563
	1,221,900	**1,180,899**	**166,965**	**2,569,764**

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**

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 five operating segments based on geographical location, with the Group's Chief Operating Decision Maker (CODM) reviewing 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 five geographic areas, Egypt, Sudan, Jordan, Nigeria and Saudi Arabia. As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. The revenue split adjusted EBITDA split (being the key profit measure reviewed by CODM), impairment loss on trade receivables and net profit and loss between the five regions is set out below.

	Revenue by geographic location					
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Saudi Arabia	Total
31-Dec-23	3,410,720	11,367	604,025	96,394	-	**4,122,506**
31-Dec-22	2,894,042	20,301	611,840	78,864	-	**3,605,047**

	Adjusted EBITDA by geographic location					
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Saudi Arabia	Total
31-Dec-23	1,058,254	1,107	157,306	(24,623)	-	**1,192,044**
31-Dec-22	1,052,881	(196)	136,195	(17,087)	-	**1,171,793**

	Impairment loss / (reversed of impairment) on trade receivables by geographic location					
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Saudi Arabia	Total
31-Dec-23	45,268	5,013	-	974	-	**51,255**
31-Dec-22	27,734	3	(628)	2,805	-	**29,914**

	Net profit and loss by geographic location					
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Saudi Arabia	Total
31-Dec-23	530,207	(1,735)	33,813	(72,536)	(21,386)	**468,363**
31-Dec-22	514,353	16,978	53,065	(57,813)	-	**526,583**

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

	2023 EGP'000	2022 EGP'000
Profit from operations	**737,762**	**832,191**
Property, plant and equipment and right of use depreciation	393,488	310,092
Amortization of Intangible assets	7,750	7,251
EBITDA	**1,139,000**	**1,149,534**
*Nonrecurring items**	53,044	22,259
Adjusted EBITDA	**1,192,044**	**1,171,793**

* Nonrecurring items

IDH recorded several one-off expenses during the year, namely:

	2023 EGP'000	2022 EGP'000
Transactions fees related to aborted Pakistan acquisition	-	22,259
The Egyptian government for vocational training	11,865	-
Pre-operating expenses in Saudi Arabia	18,196	-
Impairment expenses due to the ongoing conflict in Sudan	5,013	-
Impairment expenses in goodwill and assets for operations in Nigeria	17,970	-
	53,044	**22,259**

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	Saudi Arabia	Total
31-Dec-23	3,091,485	3,848	609,699	47,639	55,262	**3,807,933**
31-Dec-22	3,039,930	14,993	494,244	121,770	-	**3,670,937**

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.

	2023 EGP'000	2022 EGP'000
Financial obligations (note 25)	1,068,054	1,062,896
Borrowings (note 27)	125,439	127,420
Less: Financial assets at amortised cost (note 18)	(161,098)	(167,404)
Less: Cash and cash equivalents (Note 17)	(674,253)	(648,512)
Net debt	**358,142**	**374,400**
Total Equity	**3,100,788**	**2,446,981**
Net debt	11.6%	15.3%

No changes were made in the objectives, Policies, or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

8. Expense

Included in consolidated income statement are the following:

8.1 Cost of sales

	2023 EGP'000	2022 EGP'000
Raw material	875,296	703,693
Cost of specialized analysis at other laboratories	38,765	30,756
Wages and salaries	773,565	613,495
Property, plant and equipment, right of use depreciation and Amortisation	362,230	284,740
Other expenses	548,303	510,300
Total	**2,598,159**	**2,142,984**

8.2 Marketing and advertising expenses

	2023 EGP'000	2022 EGP'000
Advertisement expenses	98,034	123,442
Wages and salaries	65,580	54,750
Property, plant and equipment depreciation	718	739
Other expenses	47,291	34,220
Total	**211,623**	**213,151**

8.3 Administrative expenses

	2023 EGP'000	2022 EGP'000
Wages and salaries	216,037	142,689
Property, plant and equipment and right of use depreciation	38,290	31,864
Transactions fees related to aborted Pakistan acquisition	-	22,259
Other expenses	256,066	201,721
Total	**510,393**	**398,533**

8.4 Other expenses and income

Other expenses	2023 EGP'000	2022 EGP'000
Impairment in assets	(6,705)	(1,830)
Impairment in goodwill	(11,265)	-
Provision for end Of Service	(331)	-
Provision for legal claims	(3,496)	(3,950)
Provision for Egyptian Government Training Fund for employees	(11,865)	-
Total	**(33,662)**	**(5,780)**

Other income	2023 EGP'000	2022 EGP'000
Other income	20,348	17,506
Total	**20,348**	**17,506**

Other expenses and income	**(13,314)**	**11,726**

8.5 Expenses by nature

	2023 EGP'000	2022 EGP'000
Raw material	875,296	703,693
Wages and Salaries	1,055,182	810,934
Property, plant and equipment, right of use depreciation and amortisation	401,238	317,343
Advertisement expenses	98,034	123,442
Cost of specialized analysis at other laboratories	38,765	30,756
Transportation and shipping	100,850	87,490
Cleaning expenses	78,400	74,290
Call Center	27,874	32,976
Hospital Contracts	69,342	14,357
Consulting Fees	170,319	142,012
Transactions fees related to aborted Pakistan acquisition	-	22,259
Utilities	59,915	49,453
License Expenses	46,583	30,492
Other expenses	298,377	315,171
Total	**3,320,175**	**2,754,668**

8.6 Auditors' remuneration

The group paid or accrued the following amounts to its auditor for the financial year ended 31 December 2023 and 2022 and its associates in respect of the audit of the financial statements and for other services provided to the group.

	2023 EGP'000	2022 EGP'000
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	49,217	28,919
The audit of the Company's subsidiaries pursuant to legislation	15,779	9,443
*Assurance services**	308	197
	65,304	**38,559**

Assurance services relate to review of Corporate Governance report in Egypt that is required to be performed by the auditor.

8.7 Net finance (costs) / income

	2023 EGP'000	2022 EGP'000
Interest expense	(141,688)	(122,677)
Bank Charges	(19,295)	(12,909)
Total finance costs	**(160,983)**	**(135,586)**
Interest income	72,779	95,371
Gain on hyperinflationary net monetary position	-	16,179
Net foreign exchange Gain	87,798	188,442
Total finance income	**160,577**	**299,992**
Net finance (cost) / income	**(406)**	**164,406**

8.8 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:

	2023			2022		
	Medical	Administration and market	Total	Medical	Administration and market	Total
Number of employees	5,435	1,257	**6,692**	5,428	1,290	**6,718**

	2023 EGP'000			2022 EGP'000		
	Medical	Administration and market	Total	Medical	Administration and market	Total
Wages and salaries	710,515	253,729	**964,244**	566,385	185,628	**752,013**
Social security costs	49,786	24,386	**74,172**	36,053	8,925	**44,978**
Contributions to defined contribution plan	13,264	3,502	**16,766**	11,057	2,886	**13,943**
Total	**773,565**	**281,617**	**1,055,182**	**613,495**	**197,439**	**810,934**

Details of key management remuneration are provided in note 26 and details of amounts paid to directors are included in the Remuneration Committee Report.

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

During 2023 the group didn't invest in Global Depositary Receipt (GDR) tradable in stock exchanges. In the third quarter of 2022 the ALmokhtabar and Alborg companies invested in Global Depositary Receipts (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	2023 EGP'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.

	2023 EGP'000	2022 EGP'000
Current year tax	(216,425)	(210,477)
WHT suffered	-	(122,731)
Current tax	**(216,425)**	**(333,208)**
DT on undistributed reserves	(50,004)	46,554
DT on reversal of temporary differences	(2,564)	(40,410)
Total Deferred tax	**(52,568)**	**6,144**
Tax expense recognized in profit or loss	**(268,993)**	**(327,064)**

b) Reconciliation of effective tax rate

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.

	2023 EGP'000	2022 EGP'000
Profit before tax	**737,356**	**853,647**
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2022: 22.5%)	165,905	192,071
Effect of tax rate in UK of 23.5% (2022: UK 19%)	(2,335)	1,871
Effect of tax rates in Jordan, Sudan, and Nigeria of 21%, 30% and 30% respectively (2022: 21%, 30% and 30%) ; and Saudi Arabia with a rate of 20%	(4,188)	(3,317)
Tax effect of:		
Deferred tax not recognised	37,684	19,960
Deferred tax arising on undistributed dividend	50,004	76,177
Non-deductible expenses for tax purposes - employee profit share	14,075	16,653
Non-deductible expenses for tax purposes - other	7,848	23,649
Tax expense recognised in profit or loss	**268,993**	**327,064**

Deferred tax

Deferred tax relates to the following:

	Assets EGP'000	2023 Liabilities EGP'000	Assets EGP'000	2022 Liabilities EGP'000
Property, plant and equipment		(39,552)	-	(35,804)
Intangible assets		(111,033)	-	(109,118)
Undistributed reserves from group subsidiaries		(226,875)	-	(176,871)
Tax Losses	2,731		61	-
Total deferred tax assets – (liability)	**2,731**	**(377,460)**	**61**	**(321,793)**
		(374,729)		**(321,732)**

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:

2023	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	(35,804)	(3,319)	(429)	-	(39,552)
Intangible assets	(109,118)	(1,915)	-	-	(111,033)
Undistributed dividend from group subsidiaries	(176,871)	(50,004)	-	-	(226,875)
Tax losses	61	2,670	-	-	2,731
	(321,732)	**(52,568)**	**(429)**	**-**	**(374,729)**

2022	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	(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)**

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 2023 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2022: 22.5%), Jordan 21% (2022: 21%), Sudan 30% (2022: 30%) and Nigeria 30% (2022: 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:

	2023 EGP'000	2022 EGP'000
Al Mokhtabar Company for Medical Labs	72,642	44,640
Alborg Laboratory Company	42,514	31,035
Integrated Medical Analysis Company	86,917	83,277
Al Makhbariyoun Al Arab Company	24,802	17,919
	226,875	**176,871**

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.

	2023 Gross Amount EGP'000	2023 Tax Effect EGP'000	2022 Gross Amount EGP'000	2022 Tax Effect EGP'000
Impairment of trade receivables (Note 16)	183,070	41,191	136,981	30,821
Impairment of other receivables (Note 16)	8,509	1,915	8,604	1,936
Provision for legal claims (Note 21)	5,561	1,251	3,519	792
*Tax losses**	500,171	122,047	382,999	93,768
	697,311	**166,404**	**532,103**	**127,317**
Unrecognized deferred tax asset		**166,404**		**127,317**

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	2023 Gross Amount EGP'000	2023 Tax Effect EGP'000	2022 Gross Amount EGP'000	2022 Tax Effect EGP'000
Integrated Diagnostics Holdings plc	Jersey	418,561	104,639	325,155	81,289
Dynasty Group Holdings Limited	England and Wales	11,445	2,175	11,359	2,158
Eagle Eye-Echo Scan Limited	Mauritius	278	42	1,839	276
WAYAK Pharma	Egypt	24,767	5,573	20,564	4,627
Medical Genetic Center	Egypt	15,264	3,435	15,156	3,410
Golden care	Egypt	8,470	1,906	8,926	2,008
Medical health care	Saudi Arabia	21,386	4,277	-	-
		500,171	**122,047**	**382,999**	**93,768**

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:

	2023	2022
Profit attributable to ordinary equity holders of the parent for basic earnings EGP'000	*510,304*	*541,110*
Weighted average number of ordinary shares for basic and dilutive EPS'000	*600,000*	*600,000*
Basic and dilutive earnings per share EGP'000	**0.85**	**0.90**

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 2023 and 31 December 2022, 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 improvements EGP'000	Fixtures, fittings & vehicles EGP'000	Building & Leasehold improvements in construction EGP'000	Payment on account EGP'000	Total EGP'000
Cost							
At 1 January 2022	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**
Additions	31,772	174,589	99,977	18,841	28,091	268	353,538
Hyper inflation	-	(13,098)	-	-	-	-	(13,098)
Disposals	-	(4,981)	(506)	(2,139)	-	-	(7,626)
Exchange differences	2,136	(13,483)	19,660	5,271	(70)	-	13,514
Transfers	-	-	18,383	-	(18,383)	-	-
At 31 December 2023	**460,869**	**1,254,894**	**644,956**	**155,168**	**38,227**	**10,882**	**2,564,996**
Depreciation and impairment							
At 1 January 2022	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**
Depreciation charge for the year	7,169	152,583	83,522	16,181	-	-	259,455
Disposals	-	(3,890)	(443)	(1,661)	-	-	(5,994)
Exchange differences	564	(8,393)	5,558	(30)	-	-	(2,301)
*Impairment**	-	1,480	3,466	1,759	-	-	6,705
At 31 December 2023	**69,311**	**655,649**	**353,808**	**71,503**	**-**	**-**	**1,150,271**
Net book value							
At 31-12-2023	**391,558**	**599,245**	**291,148**	**83,665**	**38,227**	**10,882**	**1,414,725**
At 31-12-2022	**365,383**	**597,998**	**245,737**	**77,941**	**28,589**	**10,614**	**1,326,262**

**For one of the Group's CGUs ""Echo Scan"" an impairment loss of EGP 6.7M has been recorded as a result of the decreased value of PPE. This impairment loss in the carrying value of the assets to reflect their realisable amount is recorded as an impairment expense in the financial statements. Further details on the impairment are made within note 13.*

12. Intangible assets and goodwill

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2022	**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**
Additions	-	-	2,490	2,490
Effect of movements in exchange rates	13,144	7,910	4,032	25,086
At 31 December 2023	**1,304,967**	**403,461**	**99,358**	**1,807,786**
Amortisation and impairment				
At 1 January 2022	**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**
*Impairment**	11,265	-	-	11,265
Amortisation	-	-	7,750	7,750
Effect of movements in exchange rates	80	11	1,923	2,014
At 31 December 2023	**17,718**	**392**	**79,493**	**97,603**
Net book value				
At 31 December 2023	**1,287,249**	**403,069**	**19,865**	**1,710,183**
At 31 December 2022	**1,285,450**	**395,170**	**23,016**	**1,703,636**

** The Group has identified an impairment indicator on the goodwill associated with the Medical Genetics Center company in both 2022 and 2023, as well as the Echo Scan CGU in 2023. This is primarily due to the company's negative free cash flow and EBITDA.*

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

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

	2023 EGP'000	2022 EGP'000
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	90,872	72,783
Brand name	39,684	31,785
	130,556	**104,568**
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
	-	**16,290**
Balance at 31 December	**1,690,318**	**1,680,620**

** The Group has recorded an impairment in relation to Echo-Scan in Nigeria as a result of its history of recording losses at a cash flow and EBITDA level. The value in use was considered lower than the realisable value of the assets the Group had and therefore this was used as the recoverable amount, as the value in use could not be guaranteed to be positive given the history of making losses. The realisable value was largely based on the value of PPE and totalled EGP 43,283k compared to a carrying value of the CGU of EGP 61,253k. Therefore, goodwill of EGP 11,265k has been fully impaired with an additional impairment of EGP 6,705k recorded on PPE.*

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 assessment 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:

	2023		
	Bio Lab	Al-Mokhtabar	Al-Borg
Average annual patient growth rate from 2024 -2028	5%	8%	5%
Average annual price per test growth rate from 2024 -2028	5%	11%	11%
Annual revenue growth rate from 2024 -2028	10%	16%	17%
Average gross margin from 2024 -2028	41%	44%	37%
Terminal value growth rate from 1 January 2028	3%	5%	5%
Discount rate	17%	25%	25%

	2022			
	Bio Lab	Al-Mokhtabar	Al-Borg	Echo-Scan
Average annual patient growth rate from 2023 -2027	5%	8%	8%	21%
Average annual price per test growth rate from 2023 -2027	0%	6%	7%	5%
Annual revenue growth rate from 2023 -2027	3%	13%	13%	33%
Average gross margin from 2023 -2027	46%	51%	45%	81%
Terminal value growth rate from 1 January 2027	3%	5%	5%	4%
Discount rate	19%	25%	25%	28%

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. The exception to this was Echo-Scan where the realisable value was greater than the value in use as noted above and therefore the recoverable amount was based on realisable value.

During 2023, excluding Echo-Scan, management has conducted a business plan projection with the support of a management expert (Alpha Capital), with the assumptions above used to calculate the net present value of future cashflows to determine recoverable amount. The projected cash flows from 2024- 2028 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 that had a recoverable amount based on value in use.

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 that had a recoverable amount based on value in use.

Management has also considered a change in the terminal growth rate by 1% decrease to reflect additional risk, This did not result in an impairment under any of the CGUs that had a recoverable amount based on value in use.

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/(impairment) between carrying value and recoverable amount is as follows:

Company	Recoverable amount	CGU carrying value	Headroom/ (Impairment)
	EGP'000	EGP'000	EGP'000
Almokhtabar	3,449,092	1,649,728	1,799,364
Alborg	2,215,534	1,600,213	615,321
Al Makhbariyoun Al Arab	1,071,711	654,342	417,369
Echo Scan	43,283	61,253	(17,970)

14. Financial asset at fair value through profit and loss

	2023	2022
	EGP'000	EGP'000
Non-current equity investments	-	18,064
Current equity investments	25,157	-
Balance at 31 December	**25,157**	**18,064**

**On August 17, 2017, Al Makhbariyoun 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, 2023, was 8.25%.
- On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five (5) year period from the signing date, which allows BioLab 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 400,000) plus 20% annual IRR.

15. Inventories

	2023 EGP'000	2022 EGP'000
Chemicals and operating supplies	374,650	265,459
	374,650	**265,459**

During 2023, EGP 875,296 K (2022: EGP 703,693K) 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 133 days at 31 Dec 2023.

The COVID-19 pandemic had a significant impact on inventory, leading to impairment in 2023. Specifically, there was an impairment of kit materials related to COVID-19, resulting in an amount of EGP 17,372K. This is a notable increase compared to the previous year when no impairment was recorded. Additionally, there was an impairment of inventory in the Sudan region, totalling EGP 1,529K, also showing an increase from the previous year's absence of impairment. the specific challenges faced in the Sudan region.

16. Trade and other receivables

	2023 EGP'000	2022 EGP'000
Trade receivables – net	569,738	395,220
Prepayments	42,185	34,081
Due from related parties note (26)	5,037	5,930
Other receivables	108,521	106,363
Accrued revenue	1,754	2,293
	727,235	**543,887**

As at 31 December 2023, the expected credit loss related to trade and other receivables was EGP 191,580K (2022: EGP 145,586K). Below show the movements in the provision for impairment of trade and other receivables:

	2023 EGP'000	2022 EGP'000
At 1 January	145,586	109,768
Charge for the year	51,255	29,914
Exchange differences	(5,261)	5,904
At 31 December	**191,580**	**145,586**

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 183,070K (31 December 2022: EGP 136,981K). This is lower than the amount of EGP 191,580k (31 December 2022: EGP 145,586k) as that amount also includes provision on other receivables.

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 7,528K. 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-23	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
Current (not past due)	2.42%	227,746	(5,507)
1–30 days past due	6.41%	115,230	(7,389)
31–60 days past due	8.13%	95,834	(7,790)
61–90 days past due	13.53%	49,489	(6,694)
91–120 days past due	14.56%	35,089	(5,109)
121–150 days past due	16.47%	24,383	(4,017)
More than 150 days past due	71.48%	205,037	(146,564)

31-Dec-22	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance 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 days past due	88.00%	129,704	(114,140)

As at 31 December, the ageing analysis of trade receivables is as follows:

	EGP'000 Total	EGP'000 < 30 days	EGP'000 30-60 days	EGP'000 61-90 days	EGP'000 > 90 days
2023	**569,738**	330,080	88,044	42,795	108,819
2022	**395,220**	253,943	62,488	28,130	50,659

17. Cash and cash equivalents

	2023 EGP'000	2022 EGP'000
Cash at banks and on hand	412,561	399,957
Treasury bills (less than 3 months)	21,461	185,513
Term deposits (less than 3 months)	240,231	63,042
	674,253	**648,512**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and treasury bills are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective weighted average rate. Of the above Short-term deposits, EGP 210,000k (2022: EGP 20,000k) relates to amounts held in Egypt with a weighted average rate of 16.40% (2022: 11.93%), EGP 20,103k (2022: EGP 34,777k) relates to amounts held in Jordan with a weighted average rate of 5.00% (2022: 4.50%) and EGP 10,128k (2022: EGP: 8,265k) relates to amounts held in Nigeria with a weighted average rate of 5.6% (2022:7%). Treasury bills are denominated in EGP and earn interest at a weighted average rate of 24.95% (2022: 15.76%) per annum.

18. Financial assets at amortised cost

	2023 EGP'000	2022 EGP'000
Term deposits (more than 3 months)	49,244	60,200
Treasury bills (more than 3 months)	111,854	107,204
	161,098	**167,404**

The maturity date of the fixed term deposit and treasury bills is between 3–12 months. Treasury bills are denominated in EGP and earn interest at an effective rate of 25.34% (2022: 14.09%) per annum. Of the above Term deposits, EGP 17,126k (2022: EGP 6,626k) relates to amounts held in Egypt with a weighted average rate of 5.17% (2022: 5.19%) and EGP 32,118k (2022: EGP 53,574k) relates to amounts held in Jordan with a weighted average rate of 5.38% (2022: 4.24%)

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.

	31-Dec-23	31-Dec-22
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	Ordinary shares % of contribution	Ordinary shares Par value
Hena Holdings Limited	162,445,383	27.07%	40,611,346
Actis IDH B V	126,000,000	21.00%	31,500,000
Free floating	311,554,617	51.93%	77,888,654
	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

	2023 EGP'000	2022 EGP'000
Cash dividends on ordinary shares declared and paid:		
Nil per qualifying ordinary share (2022: US$ 0.116)	-	1,304,805
	-	**1,304,805**
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):	-	-
	-	-

21. Provisions

	Provision for end Of Service EGP'000	Provision for Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2023	**-**	**-**	**3,519**	**3,519**
Provision made during the year	331	11,865	3,496	15,692
Provision used during the year	-	-	(771)	(771)
Provision reversed during the year	-	-	(683)	(683)
Effect of translation currency	1	-	-	1
At 31 December 2023	**332**	**11,865**	**5,561**	**17,758**
Current	-	-	-	-
Non- Current	332	11,865	5,561	17,758

	Provision for end Of Service	Provision for Egyptian Government Training Fund for employees	Provision for legal claims	Total
	EGP'000	EGP'000	EGP'000	EGP'000
At 1 January 2022	**-**	**-**	**4,088**	**4,088**
Provision made during the year	-	-	3,950	3,950
Provision used during the year	-	-	(3,997)	(3,997)
Provision reversed during the year	-	-	(522)	(522)
At 31 December 2022	**-**	**-**	**3,519**	**3,519**
Current	-	-	-	-
Non- Current	-	-	3,519	3,519

Egyptian Government Training Fund for employees

According to Article 134 of the Labor Law for Vocational Guidance and Training issued by the Egyptian government in 2003, Al-Borg, Almokhtabar and Integrated Medical Analysis Company shall comply with the requirements stipulated in this law to provide 1% of net profits each year in the training fund.

End Of Service

As per Article 88 of the Labor Law in Saudi Arabia, in the event of the termination of an employee's service, the company is required to settle the wages owed within one week. Conversely, if the employee terminates the contract, the company is obligated to fulfil their rights within two weeks.

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 2023.

22. Trade and other payables

	2023	2022
	EGP'000	EGP'000
Trade payables	271,741	269,782
Accrued expenses	178,499	241,060
Due to related parties note (26)	5,962	25,058
Other payables	112,750	98,204
Deferred revenue	59,918	60,948
Accrued finance cost	8,891	6,043
	637,761	**701,095**

23. Put option liability

	2023	2022
	EGP'000	EGP'000
Current put option - Al Makhbariyoun Al Arab	301,383	439,695
Current put option - Eagle Eye-Echo scan	12,413	-
	313,796	**439,695**

	2023	2022
	EGP'000	EGP'000
Non-current put option - Eagle Eye-Echo scan	-	51,000
Non-current put option - Medical Health Development	42,786	-
	42,786	**51,000**

Put option - Al Makhbariyoun Al Arab Group

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 Al 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 2023. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 21 months. The option has no expiry date.

Put option - Eagle Eye-Echo scan

IFC has the option to put its shares 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 12 million was calculated as the valuation as at 31 December 2023 (2022; EGP 51m). 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.

Put option - Medical Health Development

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

A. sell to the Non-Defaulting Party its Shares at the Fair Price of such Shares.
B. buy the Non-Defaulting Party's Shares at the Fair Price of such Shares.
C. requesting the dissolution and liquidation of the Company.

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

The company has not yet commenced its operations, the group has recognized a put option as a liability in the non-current assets. This put option represents a 49% share of non-controlling interest in the total equity, amounting to EGP 43 million. The valuation was determined as of December 31, 2023. Following the IAS 32 accounting standard, the entity has recorded a liability for the present value of the exercise price of the option.

24. Borrowings

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	31 Dec 23	31 Dec 22
AUB – BANK	EGP	CBE corridor rate*+1%	26 January 2027	94,451	116,426
AUB – BANK	EGP	Secured 5%	3 March 2024	13,121	-
Bank: Sterling BANK	NGN	Secured 19%	26-May 2024	3,573	-
				111,145	**116,426**
Amount held as:					
Current liability				43,680	22,675
Non- current liability				67,465	93,751
				111,145	**116,426**

A) 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 2023 only EGP 124.9M had been drawn down from the total facility available with EGP 30.4M 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 2023 corridor rate 20.25% (2022: 17.25%)*

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

IDH opted to reduce its exposure to foreign currency risk by agreeing with General Electric (GE) for the early repayment of its dollar obligation. The Group agreed to settle this balance early for USD 3.55 million, payable in EGP, equivalent to EGP 110 million and made this repayment in March 2023.

To finance the settlement, IDH utilized a bridge loan facility, with half of the amount (EGP 55 million) being funded internally and the other half (EGP 55 million) provided by a loan from Ahly United Bank – Egypt, this credit facility was fully repaid in two instalments of EGP 28.5M in May and a final instalment of EGP 26.5M in June 2023.

25. 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 10.3%. 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 2023 EGP'000	Buildings 2022 EGP'000
Balance at 1 January	**622,975**	**462,432**
Addition for the year	157,482	214,846
Depreciation charge for the year	(134,033)	(103,099)
Terminated Contracts	(5,170)	(13,564)
Exchange differences	41,771	62,360
Balance at 31 December	**683,025**	**622,975**

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:

	2023 EGP'000	2022 EGP'000
**Financial liability– laboratory equipment*	240,015	335,470
**Lease liabilities building*	828,039	727,426
	1,068,054	**1,062,896**

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

At 31 December 2023	Minimum payments 2023 EGP'000	Interest 2023 EGP'000	Principal 2023 EGP'000
Less than one year	291,342	114,638	176,704
Between one and five years	1,054,902	295,586	759,316
More than 5 years	166,965	34,931	132,034
	1,513,209	**445,155**	**1,068,054**

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**

c) Amounts other financial obligations recognised in consolidated income statement

	2023 EGP'000	2022 EGP'000
Interest on lease liabilities	93,298	73,393
Expenses related to short-term lease	10,540	87,962

26. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2023 and 2022 are as follows:

Related Party	Nature of transaction	Nature of relationship	2023 Transaction amount of the year EGP'000	2023 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***	(1,771)	-
H.C Security	Provide service	Entity owned by Company's board member	6	(93)
Life Health Care	Provided service	Entity owned by Company's CEO	855	3,373
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	138,312	(301,383)
	Current account	Bio. Lab C.E.O and shareholder	19,542	(466)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	38,587	(12,413)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	623	-
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	217	1,664
	Medical Test analysis		591	
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	(590)	(2,963)
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	(485)	(2,440)
Business Flowers Holding	Put option liability	shareholder	-	(42,786)
				(357,507)

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	Provide 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		116	1,290
	Medical Test analysis	Entity owned by Company's CEO	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)
Total				**(509,823)**

** 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.*

During 2022 Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 25.5% 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.

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 2023 were JOD 240,991 (EGP 10,392,148) and during 2022 were JOD 241,038 (EGP 6,679,163).

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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2022: 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 approximately 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 2023 EGP 6,631 K (2022: EGP 8,934 K) 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.

	2023 EGP'000	2022 EGP'000
Short-term employee benefits	68,621	48,078
Total compensation paid to key management personnel	**68,621**	**48,078**

27. Reconciliation of movements of liabilities to cash flows arising from financing activities

EGP'000	Other loans, borrowings and accrued interest	Other financial obligation
Balance at 1 January 2023	**127,420**	**1,062,896**
Proceeds from loans and borrowings	71,630	-
Repayment of borrowings	(76,911)	-
Payment of liabilities	-	(239,132)
Interest paid	(19,612)	(118,777)
Exchange differences	-	62,391
Total changes from financing cash flows	**(24,893)**	**(295,518)**
New agreements signed in the period	-	187,581
Terminated contracts during the year	-	(5,682)
Interest expense	22,912	118,777
Total liability-related other changes	**22,912**	**300,676**
Balance at 31 December 2023	**125,439**	**1,068,054**

EGP'000	Other loans, borrowings and accrued interest	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**

28. Current tax liabilities

	2023 EGP'000	2022 EGP'000
Debit withholding Tax (Deduct by customers from sales invoices)	(10,412)	(26,166)
Income Tax	87,835	162,773
Credit withholding Tax (Deduct from vendors invoices)	8,762	7,719
Other	17,324	8,529
	103,509	**152,855**

29. Post Balance Sheet Events

- In January 2024 Al Borg repaid EGP 13.4m of due borrowings.
- On 1 February 2024, interest rates were hiked a further 200 basis points to 21.75%. Significant improvements in the country's economic situation and outlook were recorded starting in late February and early March 2024, following the signing of a historic USD 35 billion agreement between the Egyptian government and Abu Dhabi's sovereign wealth fund, ADQ, granting the latter development rights to Ras El Hekma on Egypt's North Coast. Following the announcement, the black-market rate decreased significantly settling in the low 50 to the US Dollar range. This is expected to be just the first in a series of announcements and initiatives aimed at attracting FX and investments back into the country.
- On 6 March 2024, the Central Bank devalued the Egyptian Pound, settling at nearly EGP 49.5 to the US Dollar at official bank rates, compared to the EGP 30.85 which had remained nearly unchanged for the past year. Following the decision, the Central Bank increased interest rates by another 600 basis points, reaching 27.75%.
- On the heels of the devaluation, Egypt and the International Monetary Fund (IMF) finalized an agreement, securing an expanded loan package of USD 8 billion. At the same time, in 2024 the Egyptian government is looking to raise over USD 6 billion from its privatization program through the sale of stakes in government and military-owned businesses to private local and foreign investors. Combined, these are set to cover Egypt's short-term financing needs for the coming three to four years.