Integrated Diagnostics Holdings Plc
FY 2022 Results
Thursday, 6 April 2023

Integrated Diagnostics Holdings Plc concludes 2022 reporting solid 18% growth in non-Covid revenues

(Cairo and London) — Integrated Diagnostics Holdings ("IDH," "the Group," or "the Company"), a leading consumer healthcare company with operations in Egypt, Jordan, Nigeria and Sudan, released today its audited financial statements and operational performance for the year ended 31 December 2022, reporting revenue of EGP 3,605 million, 31% below the figure recorded in the previous year. Revenues were supported by a sustained expansion in the Company's conventional[1] (non-Covid) offering (81% of the consolidated figure), which recorded a strong 18% year-on-year rise in FY 2022, in part outweighing the anticipated drop in Covid-19-related[2] revenues throughout the year.

Growth of IDH's conventional business was dual driven as both conventional tests performed and average revenue per conventional test expanded a solid 9% each versus the previous year. IDH reported net profit for the year of EGP 527 million, with an associated margin of 15%. Adjusting for the losses resulting from transactions completed by the Company to secure the USD balance needed to fulfil its FY 2021 dividend obligations to shareholders and the one-off item related to Pakistan transaction fees, the Group would have recorded a net profit of EGP 692 million in FY 2022, with a margin on revenue of 19%.

On a quarterly basis, conventional revenues recorded EGP 780 million in Q4 2022, a 31% year-on-year expansion, significantly outpacing the year-on-year growth recorded last quarter and signalling once again the underlying strength of the Group's conventional business.

It is important to note that information in relation to the Company's full year results has been extracted from our audited annual report. Meanwhile, disclosures and statements in respect of quarterly information are unaudited.

Financial Results (IFRS)

EGP mn	Q4 2021	Q4 2022	Change	FY 2021	FY 2022	Change
Revenues	***1,458***	***805***	***45%***	**5,225**	**3,605**	**-31%**
Conventional Revenues	*597*	*780*	*31%*	*2,452*	*2,903*	*18%*
Covid-19-related Revenues	*862*	*24*	*-97%*	*2,773*	*702*	*-75%*
Cost of Sales	(821)	(524)	-36%	(2,421)	(2,143)	-11%
Gross Profit	***638***	***281***	***-56%***	**2,804**	**1,462**	**-48%**
Gross Profit Margin	*44%*	*35%*	*-9 pts*	*54%*	*41%*	*-13 pts*
Operating Profit	*468*	*106*	*-77%*	2,291	854	-63%
EBITDA[3]	**537**	**175**	***-67%***	**2,501**	**1,150**	***-54%***
Adjusted EBITDA[4]	**537**	**197**	***-63%***	**2,530**	**1,172**	***-54%***
Adjusted EBITDA Margin	*37%*	*25%*	*-12 pts*	*48%*	*33%*	*-15 pts*
Net Profit	**345**	**123**	***-64%***	**1,493**	**527**	***-65%***
Net Profit Margin	*24%*	*15%*	*-9 pts*	*29%*	*15%*	*-14 pts*
Cash Balance	**2,350**	**816**	***-65%***	**2,350**	**816**	***-65%***

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

Key Operational Indicators[5]

	FY 2021	FY 2022	Change
Branches	502	552	*50*
Patients ('000)	10,317	8,721	*-15%*
Net Sales per Patient (EGP)	489	406	*-17%*
Tests ('000)	33,659	32,685	*-3%*
Conventional Tests ('000)	*28,542*	*30,985*	*9%*
Covid-19-related Tests ('000)	*5,117*	*1,700*	*-67%*
Net Sales per Test	150	108	*-28%*
Net Sales per Conventional Test (EGP)	*86*	*94*	*9%*
Net Sales per Covid-19-related Test (EGP)	*507*	*376*	*-26%*
Test per Patient	3.3	3.7	*15%*

[1] Conventional (non-Covid) tests include all of the Group's test offering with the exception of its Covid-19-related test offering outlined below.
[2] Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.
[3] EBITDA is calculated as operating profit plus depreciation and amortization.
[4] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group.
[5] Key operational indicators are calculated based on net sales for the year of EGP 3,542 million. More details on the difference between net sales and total revenues is available below.

Important Notice: Treatment of Revenue Sharing Agreements and Use of Alternative Performance Measures (APM)

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

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

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

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

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

Adjustments Breakdown

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

Adjustments by Country

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

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

Alternative Performance Measures (APM)

EGP mn	Q4 2021	Q4 2022	*Change*	FY 2021	FY 2022	*Change*
Net Sales	**1,281**	***805***	***-37%***	***5,048***	***3,542***	***-30%***
Conventional Revenue	597	780	*31%*	2,452	2,903	***18%***
Covid-19-related Net Sales	684	24	*-96%*	2,596	639	***-75%***
Cost of Net Sales	(644)	(524)	*-19%*	(2,244)	(2,080)	***-7%***
Gross Profit	**638**	***281***	***-56%***	**2,804**	**1,462**	***-48%***
Gross Profit Margin on Revenue	*50%*	*35%*	*-15 pts*	*54%*	*41%*	*-13 pts*
Gross Profit Margin on Net Sales[6]	*50%*	*35%*	*-15 pts*	*56%*	*41%*	*-15 pts*
Operating Profit	468	*106*	*-77%*	2,291	854	*-63%*
EBITDA[7]	**537**	**175**	***-67%***	**2,501**	**1,150**	***-54%***
Adjusted EBITDA[8]	**537**	**197**	***-63%***	**2,530**	**1,172**	***-54%***
Adjusted EBITDA Margin on Revenue	*42%*	*25%*	*-17 pts*	*48%*	*33%*	*-15 pts*
Adjusted EBITDA Margin on Net Sales	*42%*	*25%*	*-17 pts*	*50%*	*33%*	*-17 pts*
Net Profit	**345**	**123**	***-64%***	**1,493**	**527**	***-65%***
Net Profit Margin on Revenue	*27%*	*15%*	*-12 pts*	*29%*	*15%*	*-14 pts*
Net Profit Margin on Net Sales	*27%*	*15%*	*-12 pts*	*30%*	*15%*	*-15 pts*
Cash Balance	**2,350**	**816**	***-65%***	**2,350**	**816**	***-65%***

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

[6] Gross profit, EBITDA, and net profit margins are calculated on net sales for APM in both periods.
[7] EBITDA is calculated as operating profit plus depreciation and amortization.
[8] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX, and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan. Adjusted measures eliminate the one-off impacts of items in the year to provide a measure of underlying performance which is regularly utilized by management.

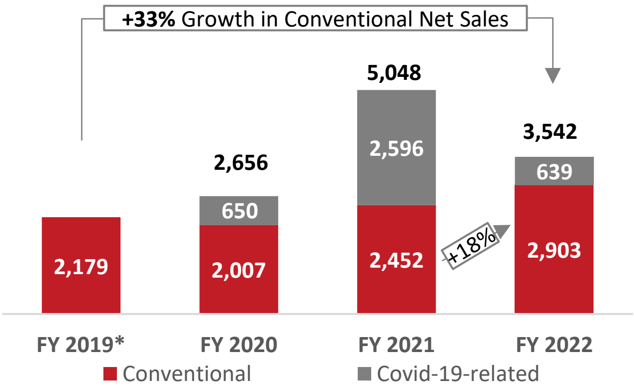
Important notice: The analysis provided in this section presents both APM measures and IFRS comparisons when necessary. A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Introduction

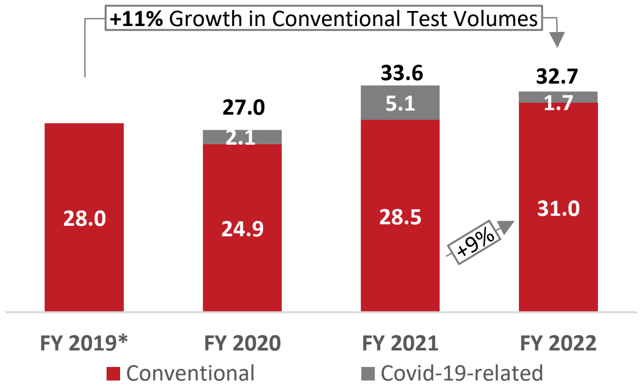
i. Financial Highlights

- **Conventional[9] Revenue** (81% of consolidated revenue in FY 2022 and which includes IDH's full test offering except for Covid-19-related tests) posted robust growth on the back of a continued normalisation of patient traffic post-Covid-19, and supporting consolidated net sales for FY 2022 which were otherwise weighed down by a rapid decline in Covid-19-related business. Conventional revenue expanded 18% year-on-year to EGP 2,903 million in FY 2022, driven by a 9% year-on-year increase in both conventional test volumes and average revenue per test. On a quarterly basis, conventional revenue delivered an impressive 31% year-on-year expansion to EGP 780 million, supported by a 12% year-on-year increase in test volumes and a 16% rise in average revenue per test (in part due to the post-devaluation translation effect).
- Simultaneously, and in line with the Company's expectations, **Covid-19-related[10] revenues** (19% of consolidated revenue in FY 2022) recorded EGP 702 million in 2022, down 75% year-on-year. Similarly, **Covid-19-related net sales** declined sharply, contracting by 75% year-on-year to EGP 639 million in FY 2022. The decline reflected a widespread fall in infection rates, the lifting of government regulations on mandatory testing, as well as a reduction in the average price of PCR and Antigen tests. On a quarterly basis, IDH booked only EGP 24 million in Covid-19-related revenue (identical to net sales) in Q4 2022, down 96% year-on-year.
- **Consolidated revenue** declined 31% year-on-year to record EGP 3,605 million in 2022. Meanwhile, **consolidated net sales** recorded EGP 3,542 million during FY 2022, a 30% year-on-year contraction. The decline wholly reflects the fall in Covid-19-related business which had boosted consolidated results in FY 2021. Lower Covid-19-related revenues were partially offset by the strong growth in conventional revenues. On a quarterly basis, consolidated revenues (identical to net sales) declined 37% year-on-year to reach EGP 805 million.

Net Sales Progression (EGP mn)



Test Volumes Progression (mn)



**FY 2019 exclude net sales and test volumes generated as part of the Group's contribution to the Egyptian government's 100 Million Healthy Lives campaign which ran from November 2018 to June 2019.*

- **Gross Profit** recorded EGP 1,462 million for FY 2022, down 48% year-on-year from the EGP 2,804 million recorded in FY 2021. Gross profit margin on revenue and net sales recorded 41% in FY 2022 versus a margin of 54% on revenue and 56% on net sales in FY 2021. Lower gross profitability principally reflects a normalisation of margins following the year-on-year decline in Covid-19-related business which had significantly boosted net sales and profitability in FY 2021. Gross profitability was also in part weighed down by an increase in direct salaries and wages (related to additional staffing requirements for the 50 new branches and annual salary increases for existing employees), higher direct depreciation expenses on new branch additions, and a slight increase in raw material prices in the second half of the year (reflecting the devaluation of the Egyptian pound throughout the year). In Q4 2022, gross profit recorded EGP 281 million, down 56% year-on-year primarily reflecting the reduction in the significantly higher margin achieved by IDH's

[9] Conventional (non-Covid) tests include IDH's full service offering excluding the Covid-19 related tests outlined below.
[10] 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.

Covid-19-related business in FY 2021 and similar reasons to those driving full-year gross profitability. Gross profit margin on revenue (identical to net sales) recorded 35% in Q4 2022.

- **EBITDA**[11] recorded EGP 1,150 million in 2022, down 54% from the EGP 2,501 million recorded last year. EBITDA margin on revenue and net sales both stood at 32% for the year. Meanwhile, **Adjusted EBITDA,**[12] which adjusts for non-recurring expenses incurred by IDH in 2021 and 2022, came in at EGP 1,172 million in FY 2022, representing a 54% year-on-year decrease. Adjusted EBITDA margin on revenue recorded 33% in 2022 from 48% last year. Meanwhile, Adjusted EBITDA margin on net sales of 33% versus 50% in FY 2021. The decline is attributable to lower gross profitability for the year coupled with an increase in SG&A expenses, primarily related to increased marketing activities to support new branch roll outs, and the launch of a new patient loyalty programme. In Q4 2022, EBITDA recorded EGP 197 million, down 63% year-on-year and with an associated margin on revenue (identical to net sales) of 25%.
- **Net Profit** recorded EGP 527 million for FY 2022, down 65% year-on-year. Net profit margin on revenue normalised following the exceptional profitability recorded throughout FY 2021, recording 15% in FY 2022 from 29% in FY 2021. Similarly, net profit margin on net sales recorded 15% in FY 2022 versus 30% in the year prior. It is important to note that adjusting for the losses resulting from transactions completed by the Company to secure the USD balance needed to fulfil its FY 2021 dividend obligations to shareholders and transaction cost related to Pakistan transaction,[13] the Group would have recorded a net profit of EGP 692 million in FY 2022, with a margin on revenue of 19% and on net sales of 20%. In Q4 2022, net profit recorded EGP 123 million, down 64% year-on-year and with a margin on revenue (identical to net sales) of 15%.
- **Earnings per share** stood at EGP 0.90 in FY 2022 compared to EGP 2.35 in FY 2021.

ii. Operational Highlights

- IDH's revenue generating **branch network** reached 552 branches as of 31 December 2022, an increase of 50 branches from the 502 branches recorded as of 31 December 2021.
- **Conventional tests**[14] recorded 31.0 million during FY 2022, a robust 9% year-on-year increase. The strong increase in conventional tests partially offset the 67% year-on-year decrease in Covid-19-related tests, which dropped to 1.7 million for FY 2022. Finally, **total tests** performed fell 3% year-on-year to 32.7 million tests.
- **Average net revenue per conventional test** increased a solid 9% year-on-year in FY 2022 to reach EGP 94. Meanwhile, net revenue per Covid-19-related test declined 26% year-on-year on the back of a significant drop in the selling prices of PCR and Antigen tests. As such, IDH's **total average net revenue per test** dropped 28% year-on-year to record EGP 108 in FY 2022.
- **Total patients** served by IDH throughout the year recorded 8.7 million, a 15% year-on-year decline from the 10.3 million patients served in FY 2021. Meanwhile, the Group's **tests per patient** metric increased to 3.7 in FY 2022 from 3.3 in FY 2021. The drop in total patient volumes and the simultaneous increase in tests per patient metric during FY 2022 both reflect the decrease in Covid-19-related patients (who typically visited IDH's branches for single Covid-19 tests) and the normalisation in conventional patient traffic (who typically visit the Group's branches for multiple tests).
- Across both **Egypt and Jordan** (80.3% and 16.9% of consolidated revenues in FY 2022), IDH continued to record sustained growth in conventional revenue as both test volumes and average revenue per conventional test increased versus the previous year. In Egypt conventional revenue expanded 16% year-on-year, while in Jordan conventional revenue was up 29% in EGP terms and 2% in JOD terms. This partially offset a fall in Covid-19-related business.
- In **Nigeria** (2.2% of consolidated net sales in FY 2022), IDH continued to record robust revenue growth (up 47% year-on-year in EGP terms and 24% in NGN terms) supported by an increasingly favourable test mix and higher test volumes. Despite this, Echo-Lab's profitability continued to be impacted by rising diesel prices.
- In **Sudan** (0.6% of consolidated net sales in FY 2022), IDH recorded solid growth in both SDG and EGP terms, supported by rising test prices.

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[11] EBITDA is calculated as operating profit plus depreciation and amortization.
[12] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group.
[13] In December 2021, the Company signed a sale and purchase agreement to acquire 50% shareholding in Base Consultancy FZ LLC, the holding company of Islamabad Diagnostic Centre ("IDC"). While the original SPA, expired on 29 August 2022, IDH and the Seller continued negotiations aimed at concluding a transaction on modified terms. Despite the efforts of the parties, extensive delays in the regulatory review process, the challenging global economic environment and the condition precedent related to repatriating funds, have resulted in the discontinuation in January 2023 of negotiations towards completing the transaction.
[14] 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.

iii. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "2022 has been a year of confirmations for IDH which saw us demonstrate the resilience and potential of our traditional business, the effectiveness of our post-Covid-19 strategy, and the fundamentals of our markets. During the past twelve months, the Company reaped the fruits of our tremendous efforts over the last three years and delivered robust, double-digit revenue growth at its conventional business, in line with our guidance to investors and supported by record test volumes. Meanwhile, we continued to push forward our multi-pronged growth strategy, expanding our reach and service offering across existing markets, whilst penetrating a new geography.

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

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

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

– End –

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 2pm (Egypt) on Thursday, 6 April 2023. You can register for the call by clicking on link.

For more information about the event, please contact: amoataz@EFG-HERMES.com

About Integrated Diagnostics Holdings (IDH)

IDH is a leading diagnostics services provider in the Middle East and Africa offering a broad range of pathology and radiology tests to patients in Egypt, Jordan, Sudan and Nigeria. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 2,000 diagnostics tests. From its base of 552 branches as of 31 December 2022, IDH served over 8.7 million patients and performs more than 32.7 million tests in 2022. IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

Shareholder Information

LSE: IDHC.L
EGX: IDHC.CA
Bloomberg: IDHC:LN
Listed on LSE: May 2015
Listed on EGX: May 2021
Shares Outstanding: 600 million

Contact

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Forward-Looking Statements

These results for the year ended 31 December 2022 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Important notice: The analysis provided in this section presents both APM measures and IFRS comparisons when necessary. A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Chairman's Message

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

Overcoming Challenges

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

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

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

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

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

IDH became the first provider in in 2022 in Africa to earn American College of Radiology accreditation.

Expanding Our Footprint

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

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

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

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

Our commitment to ESG

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

Risk Matrix

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

A Growing Team

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

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

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

Gratitude to our Shareholders

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

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

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

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

Lord St John of Bletso
Chairman

Important notice: The analysis provided in this section presents both APM measures and IFRS comparisons when necessary. A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Chief Executive's Review

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

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

While economic troubles were on the rise, 2022 brought significant positive developments in the fight against Covid-19. In fact, following a new wave of infections in January and February, we witnessed a widespread decrease of infection rates starting in March of last year as countries made headway on their vaccination campaigns, and individuals became increasingly able to coexist with the virus. This supported the gradual lifting of all remaining Covid-19-related regulations, including the removal of mandatory testing and quarantines. As expected, this translated in a rapid decline in our Covid-19-related revenue and net sales[15] as demand and pricing for Covid-19-related testing fell throughout the year.

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

Sustained Growth of Our Conventional Offering

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

Our efforts delivered the desired results in 2022, with conventional revenue posting sustained growth throughout the year dually driven by rising test volumes and increasingly favourable pricing. More specifically, conventional revenue expanded 18% year-on-year to record EGP 2.9 billion in 2022, on the back of a 9% year-on-year increase in both conventional test volumes and average net sale per test. What is arguably even more impressive, and what clearly displays the effectiveness of our strategy over the last three years, is the fact that our conventional revenue now stands at a remarkable 33% above its pre-pandemic value, with test volumes also recording 11% higher than their corresponding figure in 2019, adjusting for increased testing due to the 100 million lives campaign during 2019. Sustained growth in our conventional business helped to partially offset a 75% year-on-year decline in Covid-19-related revenue as both tests performed and average revenue per test fell throughout the twelve-month period.

[15] *A reconciliation between revenues (compliant with IFRS) and net sales is available earlier in this release.*

Overall, we recorded revenues of EGP 3.6 billion, down 31% year-on-year, and net sales[16] of EGP 3.5 billion, down 30% from the previous year when our consolidated results had been boosted by an exceptional contribution made by our Covid-19-related offering.

Robust test volumes growth over the last twelve months, and in the three years since the start of the pandemic, is directly attributable to our investment strategy which has seen us devote substantial resources to expand our delivery capabilities and reach. In the year ended 31 December 2022, we inaugurated 52 new branches, including 48 in Egypt, two in Jordan, and two in Nigeria. This brought our total network to 552, with our Egyptian network reaching the 500 mark, a historic achievement which saw us reaffirm our leadership position in the local diagnostic market. Of the new additions in Egypt, I was pleased to note the two new Al-Borg Scan branches launched in 2022, which took our total radiology network to six branches and enabled us to successfully capitalise on the rapidly growing demand for our radiology offering. In parallel to new branch roll outs, we have also been actively investing to make our services more accessible through non-traditional avenues including home services and digital. The former, which peaked in popularity during the pandemic, continues to outperform our expectations, contributing 18% of Egypt's revenues in 2022, well above its pre-Covid-19 averages. This demonstrates our ability to transform Covid-19-related opportunities into long-term gains for the Company, which I am confident will continue to support our revenues and profitability in the coming years. Similarly, we continued to invest in our digital capabilities. Our AI-focused subsidiary, Wayak, continued to ramp up operations with total orders completed in 2022 jumping a solid 29% year-on-year and EBITDA losses narrowing further. Meanwhile, we continued to enhance our digital outreach channels making it increasingly easy for patients to reserve their tests and access their results and reports.

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

In Jordan, conventional revenues increased 29% year-on-year in EGP terms partially reflecting the translation effect resulting from the multiple devaluations of the Egyptian pound. We were also pleased to note Biolab's year-on-year expansion in JOD terms supported by rising conventional test volumes. Higher conventional revenues were overshadowed by a 67% year-on-year decline in Covid-19-related revenues (Covid-19-related net sales declined 68% year-on-year) as demand decreased significantly. It is also worth highlighting that due to the lifting of international travel restrictions, Biolab's agreements to provide Covid-19-related testing at Jordan's Queen Alia International Airport (QAIA) and Aqaba Port were terminated at the end of the first quarter of 2022, further weighing on the segment's performance for the year. As such, overall revenue at Biolab declined 41% in EGP terms and 50% in JOD terms. Similarly, net sales[17] decreased 37% year-on-year in EGP terms and 47% in JOD terms.

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

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

branches. Volumes picked up again following the launch of two new branches in the second quarter of 2022 and have remained strong since. Echo-Lab's 2022 performance reaffirms our conviction in its growth potential.

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

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

Expanding Our Footprint

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

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

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

Our Commitment to Excellence

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

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

Our Sustainability Journey

As we continue to serve a growing community across four markets, we have only renewed our commitment to building and developing our environmental, social, and governance (ESG) monitoring and compliance framework to ensure we continue to deliver sustainable value to all stakeholders. In 2021, we issued our first ever Sustainability Report, providing investors and stakeholders with an initial strategy and monitoring framework. Meanwhile, we also worked closely with a leading ESG consultant to design an encompassing ESG strategy which will set clear long-term goals and targets to guide our sustainability efforts in the coming years. These goals will not only provide milestones for the Company, but will also increase accountability to our investors, stakeholders, and regulators. Once defined, our ESG strategy will be implemented and monitored by a specialized ESG board committee. In addition to publishing a GRI-compliant sustainability report, management is enclosing the Task Force on Climate-related Financial Disclosures (TCFD) in our 2022 annual report in line with listing requirements.

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

2023 Outlook

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

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

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

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

Dividend Policy and Proposed Dividend

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

Dr. Hend El-Sherbini
Chief Executive Officer

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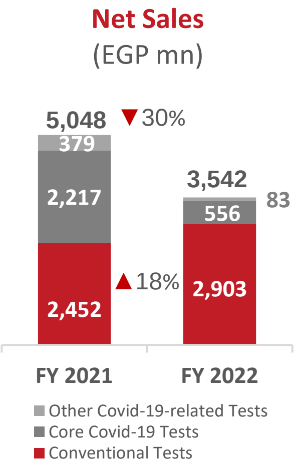
Group Operational & Financial Review

i. Revenue and Cost Analysis



Consolidated Revenue

IDH witnessed sustained growth at its conventional business (which includes IDH's full test roster except for its Covid-19-related offering) in FY 2022 as patient traffic continued to normalise post-Covid-19 and IDH capitalised on its post-pandemic growth strategy. Growth for the year was dual driven as conventional test volumes and average revenue per test each posted solid year-on-year expansions. Meanwhile, **Covid-19-related[18] revenues** declined sharply throughout the year. Demand for Covid-19-related tests fell rapidly starting in the second quarter of this year as infection rates declined and governments lifted mandatory testing. Meanwhile, price drops were primarily seen in the first quarter of the year. Combined this saw the Group book **consolidated revenue (IFRS)** of EGP 3,605 million in FY 2022, a 31% year-on-year decrease, and **consolidated net sales[19]** of EGP 3,542 million, down 30% year-on-year. It is worth noting that the year-on-year decline in part reflects the high base effect from FY 2021 when the consolidated figure had been boosted by an exceptional contribution made by IDH's Covid-19-related test offering.

Net Sales Analysis

	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Total revenue (EGP mn)	**1,130**	**1,180**	**1,163**	**774**	**1,473**	**847**	**1,458**	**804**	*-45%*	**5,225**	**3,605**	***-31%***
Total net sales (EGP mn)	**1,130**	**1,117**	**1,163**	**774**	**1,473**	**847**	**1,281**	**804**	*-37%*	**5,048**	**3,542**	***-30%***
Conventional revenue (EGP mn)	594	640	594	699	667	784	597	780	*31%*	2,452	2,903	*18%*
Total Covid-19-related revenue (EGP mn)	536	540	569	75	807	63	862	24	*-97%*	2,773	702	*-75%*
Total Covid-19-related net sales (EGP mn)	536	477	569	75	807	63	685	24	*-96%*	2,596	639	*-75%*
Core Covid-19 net sales (PCR, Antigen, Antibody) (EGP mn)	*399*	*421*	*431*	*62*	*760*	*54*	*627*	*19*	*-97%*	*2,217*	*556*	*-75%*
Other Covid-19-related net sales (EGP mn)	*137*	*56*	*138*	*13*	*47*	*9*	*58*	*5*	*-91%*	*379*	*83*	*-78%*
Contribution to Consolidated Net Sales												
Conventional revenue	53%	57%	51%	90%	45%	93%	47%	97%		49%	82%	
Total Covid-19-related net sales	47%	43%	49%	10%	55%	7%	53%	3%		51%	18%	
Core Covid-19 net sales (PCR, Antigen, Antibody)	*35%*	*38%*	*37%*	*8%*	*52%*	*6%*	*49%*	*2%*		*44%*	*16%*	
Other Covid-19-related net sales	*12%*	*5%*	*12%*	*2%*	*3%*	*1%*	*5%*	*1%*		*7%*	*2%*	

Test Volume Analysis

	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Total tests (mn)	**8.1**	**8.4**	**8.3**	**7.6**	**8.6**	**8.3**	**8.7**	**8.3**	-5%	**33.6**	**32.7**	***-3%***
Conventional tests performed (mn)	6.8	7.1	6.9	7.4	7.5	8.2	7.3	8.3	*14%*	28.5	31.0	*9%*
Core Covid-19 tests performed (k)	407	837	387	109	882	135	935	47	-95%	2,611	1,128	-57%
Other Covid-19-related tests performed (k)	874	417	933	95	284	39	416	21	-95%	2,507	572	-77%
Contribution to Consolidated Results												
Conventional tests performed	84%	85%	83%	97%	87%	99%	84%	99%		85%	95%	
Core Covid-19 tests performed	5%	10%	5%	1%	10%	2%	11%	1%		8%	3%	
Other Covid-19-related tests performed	11%	5%	11%	1%	3%	0.5%	5%	0.3%		7%	2%	

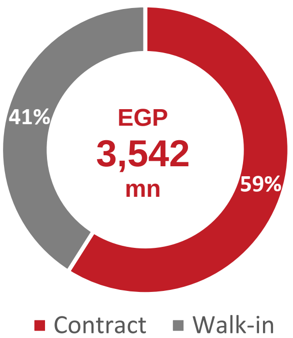
Net Sale per Test Analysis

	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Total revenue per test (EGP)	**140**	**140**	**141**	**102**	**170**	**101**	**168**	**97**	***-42%***	**155**	**110**	***-29%***
Total net sale per test (EGP)	**140**	**133**	**141**	**102**	**170**	**101**	**147**	**97**	***-34%***	**150**	**108**	***-28%***
Conventional revenue per test (EGP)	87	90	86	94	89	96	82	94	*16%*	86	94	*9%*
Covid-19-related net sale per test (EGP)	418	380	431	367	692	361	507	354	*-30%*	507	376	*-26%*

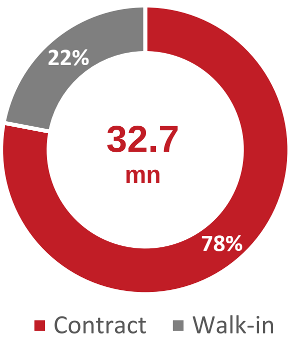
[18] Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive 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.
[19] A reconciliation between revenue and net sales is available earlier in this announcement.

Net Sales Analysis: Contribution by Patient Segment

Net Sales by Segment
(FY 2022)



Tests by Segment
(FY 2022)



Contract Segment (58% of Group revenue)

Conventional revenue at IDH's contract segment (86% of total contract revenue) recorded a significant expansion of 32% year-on-year to book EGP 1,784 million in FY 2022 on the back of year-on-year increases in test volumes and revenue per test. Test volumes benefitted from several new initiatives introduced by management over the course of 2022, including the inauguration of a new loyalty program for the first time in the contract segment as well as a normalisation of IDH's patient mix as Covid-19-related volumes subsided. The immediate effects of the newly introduced loyalty programme were significant, with average tests per patient increasing 14% year-on-year to reach 4.1 in FY 2022 from 3.6 tests per patient in the prior year. Despite the sustained expansion in the contract segment's conventional revenue, a steep 80% year-on-year decrease in Covid-19-related[20] contract revenue resulted in an overall contraction of contract revenue of 28% year-on-year in FY 2022.

Walk-in Segment (42% of Group revenue)

Meanwhile, at IDH's walk-in segment, conventional revenue (constituting 74% of total walk-in revenue) reported a 2% year-on-year increase on the back of 9% year-on-year rise in the average revenue per test which more than offset a decline in conventional test volumes at the segment. On the other hand, Covid-19-related revenue at the segment declined 68% year-on-year to record EGP 400 million. Similarly, Covid-19-related net sales[21] at the walk-in segment also declined 68% year-on-year to EGP 337 million. As a result, total revenues at the walk-in segment declined to EGP 1,519 million in FY 2022, 35% below last year's figure. Meanwhile, net sales at the walk-in segment decreased to EGP 1,456 million in FY 2022, a 33% year-on-year decline.

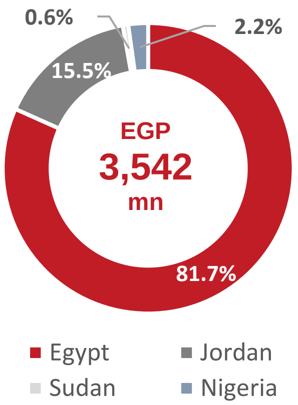
Key Performance Indicators

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

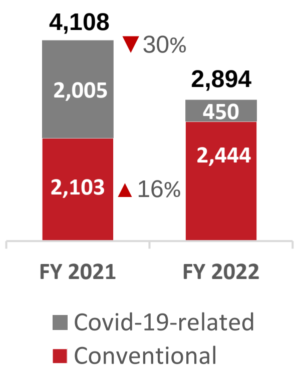
[20] Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive 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.
[21] Covid-19-related walk-in net sales is calculated as Covid-19-related walk-in revenues excluding concession fees paid as part of Biolab's agreements with QAIA, KHIA, and Aqaba Port.

Revenue Analysis: Contribution by Geography

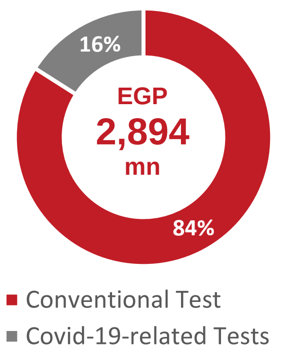
Net Sales by Geography
(FY 2022)



Egypt Revenue
(EGP mn)



Egypt Revenue by Category
(FY 2022)



Egypt (80.3% of Group revenue)

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

On a three-month basis, IDH experienced similar results, with conventional revenues from Egyptian operations increasing 25% year-on-year to record EGP 642 million. Covid-19-related revenues also decreased significantly, recording EGP 17 million for the quarter and contributing only 2.6% to Egypt's overall revenues for Q4 2022.

Al-Borg Scan

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

House Calls

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

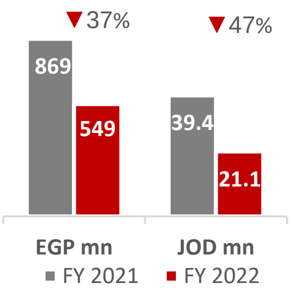
Wayak

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

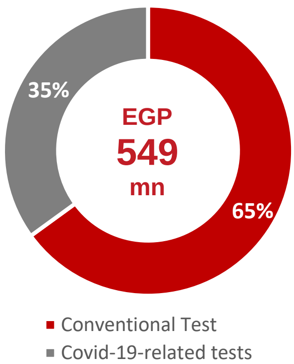
Detailed Egypt Revenue Breakdown

EGP mn	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Total Revenue	**921**	**879**	**1,014**	**645**	**1,187**	**711**	**987**	**659**	*-33%*	**4,108**	**2,894**	*-30%*
Conventional Revenue	507	549	510	591	573	662	513	642	*25%*	2,103	2,444	*16%*
Radiology Revenue	9	17	11	19	11	23	14	27	*93%*	45	86	*91%*
Total Covid-19-related Revenue	414	330	504	54	614	49	474	17	*-96%*	2,005	449	*-78%*
Core Covid-19 revenue (PCR, Antigen, Antibody)	*277*	*274*	*366*	*41*	*567*	*40*	*416*	*12*	*-97%*	*1,626*	*367*	*-77%*
Other Covid-19-related revenue	*137*	*56*	*138*	*13*	*47*	*9*	*58*	*5*	*-91%*	*379*	*83*	*-78%*
Contribution to Consolidated Results												
Conventional revenue	55%	62%	50%	92%	48%	93%	52%	97%		51%	84%	
Radiology revenue										*1.1%*	*2.9%*	
Total Covid-19-related revenue	45%	37%	50%	8%	52%	7%	48%	3%		49%	16%	
Core Covid-19 revenue *(PCR, Antigen, Antibody)*	*30%*	*31%*	*36%*	*6%*	*48%*	*6%*	*42%*	*2%*		*40%*	*13%*	
Other Covid-19-related revenue	*15%*	*6%*	*14%*	*2%*	*4%*	*1%*	*6%*	*1%*		*9%*	*3%*	

Jordan Net Sales



Jordan Net Sales by Category
(FY 2022)



Jordan (16.9% of Group revenue)

IDH's Jordanian subsidiary, Biolab, delivered conventional revenue year-on-year growth of 2% in JOD terms (in EGP terms revenue was up 29% year-on-year) supported by a marginal rise in conventional test volumes for the year. On the other hand, similar to trends witnessed in Egypt, Biolab's Covid-19-related revenue and net sales[22] declined substantially throughout the year. As such, total revenues in JOD terms declined 50% year-on-year to record JOD 23.9 million (in EGP terms revenues were down 37% year-on-year). Meanwhile, total net sales in JOD terms declined 47% year-on-year in FY 2022 to record JOD 21.1 million (down 37% year-on-year in EGP terms).

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

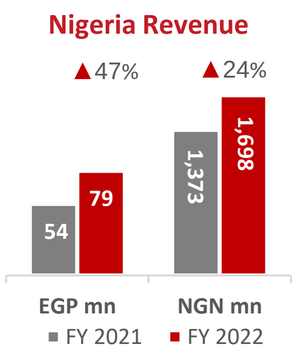
On a quarterly basis, Biolab reported exceptional conventional net sales growth of 66% year-on-year to record EGP 109 million. Overall revenues from Jordanian operations declined to EGP 116 million, a 58% decrease compared to the final quarter of the previous year entirely driven by a substantial 97% year-on-year decrease in Covid-19-related revenues. In fact, contributions from the Covid-19-related offering stood at just 6% in Q4 2022 versus 76% in the same period of last year.

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

Detailed Jordan Net Sales Breakdown

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

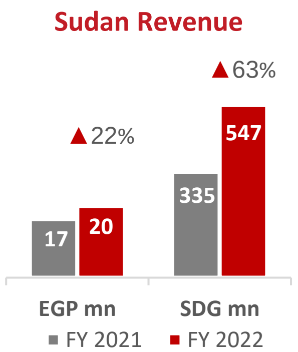
EGP mn	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Total Revenue	**190**	**280**	**133**	**105**	**268**	**109**	**454**	**116**	*-63%*	**1,046**	**612**	***-41%***
Total Net Sales	**190**	**217**	**133**	**105**	**268**	**109**	**277**	**116**	*-58%*	**869**	**549**	*-37%*
Conventional Revenue	68	70	68	84	76	95	66	109	*65%*	278	359	*29%*
Total Covid-19-related Net Sales (PCR and Antibody)	122	147	65	21	192	14	211	7	*-97%*	591	190	*-68%*
Contribution to Consolidated Results												
Conventional Revenue	36%	32%	51%	80%	28%	87%	24%	94%		32%	65%	
Total Covid-19-related Net Sales (PCR and Antibody)	64%	68%	49%	20%	71%	13%	76%	6%		68%	35%	



Nigeria (2.2% of revenue)

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

With regards to Q4 2022, Echo-Lab reported year-on-year revenue growth in NGN terms of 24% on the back of a 34% rise in total tests performed for the quarter. In EGP terms, revenue rose 80% year-on-year to reach EGP 24 million.



Sudan (0.6% of revenue)

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

On a quarterly basis, revenue at the Group's Sudanese subsidiaries increased by 5% year-on-year in SDG terms and by 24% year-on-year in EGP terms.

Revenue/Net Sales Contribution by Country

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

	1Q 2021	1Q 2022	2Q 2021	2Q 2022	3Q 2021	3Q 2022	4Q 2021	4Q 2022	%	FY 2021	FY 2022	%
Egypt Revenue (EGP mn)	**921**	**879**	**1,014**	**644**	**1187**	**711**	**987**	**659**	***-33%***	**4,108**	**2,894**	***-30%***
Conventional (EGP mn)	*507*	*549*	*510*	*591*	*573*	*662*	*513*	*642*	*25%*	2,103	2,444	*16%*
Covid-19-related (EGP mn)	*414*	*330*	*504*	*53*	*614*	*49*	*474*	*17*	*-96%*	2,005	450	*-78%*
Egypt Contribution to IDH Revenue	*81.5%*	*74.5%*	*87.2%*	*83.2%*	*80.6%*	*83.9%*	*67.7%*	*82.0%*		*78.6%*	*80.3%*	
Egypt Contribution to IDH Net Sales	*81.5%*	*78.7%*	*87.2%*	*83.3%*	*80.6%*	*84.0%*	*77.0%*	*81.9%*		*81.4%*	*81.7%*	
Jordan Revenue (EGP mn)	190	281	134	106	269	109	454	116	*-74%*	1,046	612	*-42%*
Jordan Net Sales (EGP mn)	**190**	**217**	**133**	**105**	**268**	**109**	**277**	**116**	***-58%***	**869**	**549**	***-37%***
Conventional (EGP mn)	*68*	*70*	*68*	*84*	*76*	*95*	*66*	*109*	*65%*	278	359	*29%*
Covid-19-related (EGP mn)	*122*	*147*	*65*	*21*	*192*	*14*	*211*	*7*	*-97%*	591	190	*-68%*
Jordan Revenues (JOD mn)	**8.6**	**12.5**	**6.1**	**4.0**	**12.2**	**4.0**	**20.6**	**3.4**	***-84%***	**47.5**	**23.9**	***-50%***
Jordan Net Sales (JOD mn)	**8.6**	**9.6**	**6.0**	**4.0**	**12.2**	**4.0**	**12.6**	**3.4**	***-73%***	**39.4**	**21.0**	***-47%***
Jordan Revenue Contribution to IDH Revenue	*16.8%*	*23.8%*	*11.5%*	*13.7%*	*18.3%*	*12.9%*	*31.1%*	*14.4%*		*20.0%*	*17.0%*	
Jordan Net Sales Contribution to IDH Net Sales	*16.8%*	*19.4%*	*11.5%*	*13.7%*	*18.2%*	*12.9%*	*21.6%*	*14.4%*		*17.2%*	*15.5%*	
Nigeria Revenue (EGP mn)	12	15	13	19	15	21	13	24	*85%*	53	79	*47%*
Nigeria Revenue (NGN mn)	**302**	**371**	**330**	**416**	**390**	**473**	**352**	**438**	***24%***	**1,374**	**1,698**	***24%***
Nigeria Contribution to IDH Revenue	*1.1%*	*1.3%*	*1.1%*	*2.5%*	*1.0%*	*2.5%*	*0.9%*	*3.0%*		*1.0%*	*2.2%*	
Nigeria Contribution to IDH Net Sales	*1.1%*	*1.3%*	*1.1%*	*2.5%*	*1.0%*	*2.5%*	*1.0%*	*3.0%*		*1.1%*	*2.2%*	
Sudan Revenue (EGP mn)	6.8	5.7	2.5	4.8	2.9	4.3	4.5	5.5	*22%*	16.7	20.3	*22%*
Sudan Revenue (SDG mn)	**61**	**152**	**67**	**137**	**82**	**128**	**125**	**130**	***4%***	**335**	**547**	***63%***
Sudan Contribution to IDH Revenue	*0.6%*	*0.5%*	*0.2%*	*0.6%*	*0.2%*	*0.5%*	*0.3%*	*0.7%*		*0.3%*	*0.6%*	
Sudan Contribution to IDH Net Sales	*0.6%*	*0.5%*	*0.2%*	*0.6%*	*0.2%*	*0.5%*	*0.4%*	*0.7%*		*0.3%*	*0.6%*	

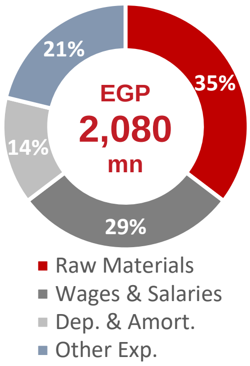
Patients Served and Tests Performed by Country

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

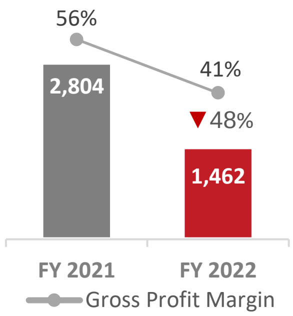
Branches by Country

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

Cost of Net Sales Breakdown
(FY 2022)



Gross Profit
(EGP mn)



Cost of Sales[23]

Cost of sales declined 11% year-on-year in FY 2022 to reach EGP 2,143 million. Similarly, cost of net sales declined 7% year-on-year to record EGP 2,080 million in FY 2022 reflecting a fall in raw material outlays as net sales dropped. On a quarterly basis, IDH recorded cost of sales (identical in value between IFRS and APM measures) of EGP 524 million in Q4 2022, 19% below last year's figure.

Cost of Net Sales Breakdown as a Percentage of Net Sales

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

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

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

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

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

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

Gross Profit

Gross profit booked EGP 1,462 million for FY 2022, down 48% year-on-year. IDH's gross profit margin on revenue stood at 41% in FY 2022 versus 54% in FY 2021. Similarly, IDH's gross profit margin[24] on net sales recorded 41% FY 2022 versus 56% in FY 2021 when strong results from IDH's Covid-19-related segment had boosted gross profitability. It is worth highlighting that gross profit in absolute terms is identical for both APM and IFRS in both FY 2022 and FY 2021.

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

Gross profit for the fourth quarter recorded EGP 281 million, down 56% year-on-year as gross profit normalized post-Covid-19. Gross profit margin on net sales stood at 35% in Q4 2022 versus 50% in Q4 2021 (GPM on revenue recorded 35% versus 44% last year) mainly driven by a post-Covid-19 normalization as well as an increase in wages and salaries and other expenses.

Selling, General and Administrative Expenses

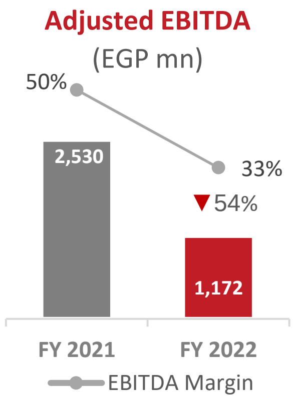
Total SG&A outlays amounted to EGP 608 million for the full year, an 18% year-on-year increase from the 513 million recorded in FY 2021. Increases in SG&A expenses for the year are attributable to:

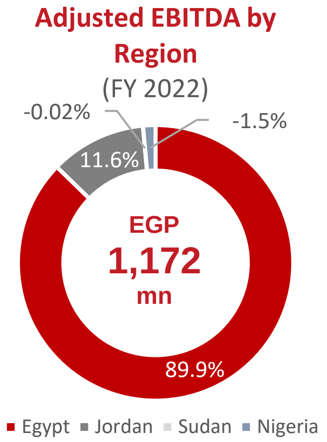
- An increase in accounting fees related to the external auditor "PWC" which reached to EGP 38 million in FY 2022 compared to EGP 29 million in FY 2021, as well as a one-off legal consulting fee paid by the Company during FY 2022. Both items were impacted by the multiple devaluations of the EGP.
- Increased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

Selling, General and Administrative Expenses

	FY 2021	FY 2022	Change
Wages & Salaries	192	197	*3%*
Accounting and professional services fees	114	130	*14%*
Market – Advertisement expenses	97	123	*27%*
Other Expenses	65	90	*38%*
Depreciation & Amortisation	25	33	*32%*
Impairment loss on trade and other receivable	25	30	*20%*
Travelling and transportation expenses	11	17	*55%*
Other income	(16)	(12)	*-25%*
Total	**513**	**608**	***18%***

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





EBITDA

IDH's EBITDA[25] came in at EGP 1,150 million in FY 2022, down 54% from the EGP 2,501 million recorded in the previous twelve months. Meanwhile, adjusted EBITDA,[26] which excludes one-off expenses incurred by the Group in FY 2021 and FY 2022, recorded EGP 1,172 million in FY 2022 compared to EGP 2,530 in FY 2021. Adjusted EBITDA margin on revenues recorded 33% in FY 2022 versus 48% last year. Meanwhile, EBITDA margin on net sales recorded 33% for the year down from 50% in FY 2021.[27] Lower EBITDA level profitability is attributable to lower gross profitability for the year coupled with the aforementioned increase in SG&A expenses and particularly marketing outlays, and the launch of a new patient loyalty programme. It is important to mention that the absolute values of EBITDA and Adjusted EBITDA are identical for both IFRS and APM measures.

In line with the same trend witnessed on a full-year basis, Adjusted EBITDA for Q4 2022 declined 63% compared to the same period of 2021 to record EGP 197 million.

EBITDA by Country

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

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

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

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

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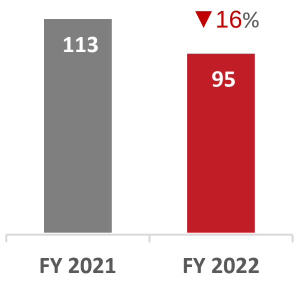
[25] EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in FY 2021 related to the Company's EGX listing completed in May 2021.
[26] Adjusted EBITDA is calculated as EBITDA excluding one-off expenses incurred by the Group. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX, and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan. Adjusted measures eliminate the one-off impacts of items in the year to provide a measure of underlying performance which is regularly utilized by management.
[27] It is important to note that while in absolute terms the EBITDA figure is identical when using IFRS or APM, its margin differs between the two sets of performance indicators.

Regional EBITDA in Local Currency

Mn		FY 2021	FY 2022	Change
Egypt EBITDA	EGP	2,177	1,031	*-53%*
EBITDA margin on revenue		53%	36%	
Egypt Adjusted EBITDA[28]	*EGP*	2,206	1,053	*-52%*
Adj. EBITDA Margin on net sales		*54%*	*36%*	
Jordan	*JOD*	15.0	5.5	*-63%*
Margin on net sales (APM)		*38%*	*26%*	
Margin on revenues (IFRS)		*32%*	*23%*	
Nigeria	*NGN*	-179	-337	*88%*
Margin on revenue		*-13%*	*-20%*	
Sudan	*SDG*	-10	-1.9	*-81%*
Margin on revenue		*-3%*	*-0.3%*	

Interest Income / Expense

Interest Income
(EGP mn)

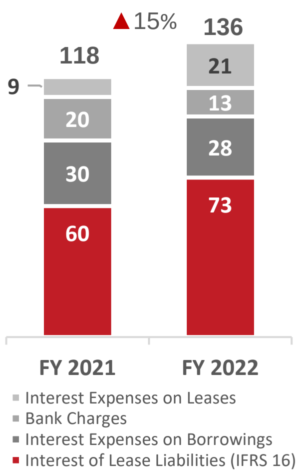


IDH recorded **interest income** of EGP 95 million for FY 2022, a 16% decrease from the EGP 113 million recorded during FY 2021. Lower interest income came on the back of lower cash balances over the twelve-month period as IDH paid out a record cash dividend for FY 2021.

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

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

Interest Expense
(EGP mn)



Interest Expense Breakdown

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

[28] Adjusted EBITDA in Egypt is calculated as EBITDA excluding one-off expenses incurred by the Group. These include one-off listing expenses in FY 2021 of EGP 29.0 million related to IDH's dual listing on the EGX, and one-off transaction expenses in FY 2022 of EGP 22.3 million related to IDH's aborted acquisition in Pakistan.
[29] Interest expenses on medium-term loans include EGP 11.6 related to the Group's facility with Ahli United Bank Egypt (AUBE) & interest expense amounting to EGP 3.4 million was booked related to shareholders dividends deferral agreement, and EGP 0.3 million related to CIB facility. Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.
[30] As announced on 27 July 2022, as part of IDH's agreement with Hena Holdings Ltd and Actis IDH Limited (its two largest shareholders) in consideration for the two shareholders agreeing to defer their right to receive their pro rata share of the Dividend Payment, IDH agreed to pay to each interest on the outstanding amounts due at the rate of 10% per annum (with interest accruing on a daily basis) for a two-month period starting 27 July 2022. Payment to both shareholders was successfully completed on 18 August 2022.

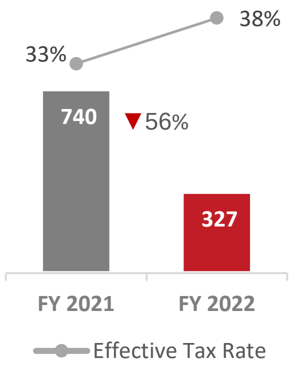
Foreign Exchange

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

Fair Value through Profit and Loss (FVTPL)

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

Tax
(EGP mn)



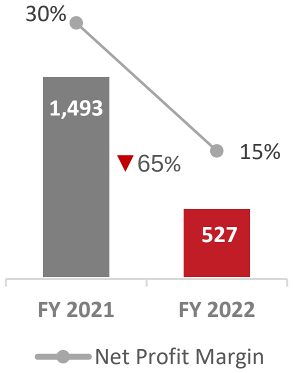
Taxation

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

Taxation Breakdown by Region

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

Net Profit
(EGP mn)



Net Profit

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

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

On a quarterly basis, net profit decreased 64% year-on-year, reaching EGP 123 million for Q4 2022. It is worth highlighting that net profit in absolute terms is identical for both IFRS and APM measures on both a quarterly and full-year basis.

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

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

Total CAPEX Addition Breakdown

EGP Mn	FY 2022
Leasehold Improvements/new branches	231.0
Al-Borg Scan Expansion	138.5
Total CAPEX Additions Excluding Translation	**369.5**

Accounts Receivable and Provisions

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

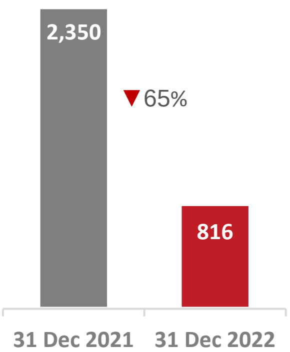
Provision for doubtful accounts for FY 2022 stood at EGP 30 million, a 21% year-on-year increase from the EGP 25 million booked during FY 2021. The rise in provisions reflects an increase in collection periods from debtors as well as a higher provision rate being applied to older balances.

Inventory

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

Cash Balances

(EGP mn)



Cash and Net Debt/Cash

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

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

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

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

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

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

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

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

Liabilities

Accounts Payable[34]

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

Put Option

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

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

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

iii. Principal Risks, Uncertainties & Their Mitigation

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

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

they are imported, their price will vary with the rate of exchange between the EGP and foreign currencies. In addition, a portion of supplies are priced and paid in foreign currencies. **Nigeria:** Depreciation of the NGN would make imported products and raw materials more expensive and would reduce Nigeria's contribution to consolidated Company revenues. Meanwhile, inflation in Nigeria surged in 2022, reaching 21.3% in December 2022. Higher price levels were driven by the sharp rise in diesel prices, which increased from NGN 250 per litre in 2021 to NGN 805 per litre in 2022. **Sudan:** Following substantial currency devaluation in Sudan during 2018, the currency lost 85% of its value. In 2019, the SDG's official rate versus the US$ remained relatively stable at 45.11 as at 31 December according to the Central Bank of Sudan. However, in July 2020, the Sudanese government announced it would devalue its currency and cut fuel subsidies due to a huge budget deficit and an economic crisis aggravated by the Covid-19 pandemic. In February 2021, the currency was devalued again, and fuel subsidies were completely removed in June 2021, which led to a further increase in consumer prices. In March 2022, the Sudanese government floated the SDG, which saw the currency end 2022 at a rate of 571.5 versus the US$. Sudan's headline inflation rate has been gradually declining throughout 2022, ending the year at a rate of 87.3%, down from 259.8% in January 2022.	In an effort to mitigate high inflationary environment in Nigeria, management is increasing prices and focusing on cutting unnecessary cost. The Group is closely monitoring the economic situation in Sudan and has implemented several price increases to keep in step with inflationary pressures. IDH is also working to limit expatriate salaries and foreign currency needs by increasing dependence on local hires.
Country risk — Political & Security **Sudan:** In 2019, severe political unrest and protests led the military to remove long-time president Omar Al-Bashir. Following his removal, the military signed a power-sharing agreement with an opposition coalition in July 2019, with the aim of eventually transferring power to a civilian government. On 25 October 2021, Sudan's Prime Minister, Abdalla Hamdok, was detained by armed forces, and Army chief General Abdel Fattah al-Burhan announced that the civilian government and other transitional bodies have been dissolved, leading to mass rallies and civilian unrest. The protests led to the temporary closure of all of IDH's Sudanese branches. All locations were reopened within a few days and quickly gained back momentum. On 21 November 2021, Mr. Hamdok took office once again but later stepped down on 2 January 2022. On 5 December 2022, a new deal was	It is important to note that in FY 2022 Sudan made up just 0.6% of IDH's revenues. Moreover, while nationwide protests do affect patient and test volumes in Sudan, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. Additionally, management in Sudan has been successful in offsetting the effect of lower volumes due to protest with higher pricing, and in 2019, 2020, 2021, and 2022, the geography recorded solid year-on-year revenue growth in SDG terms. In FY 2022, IDH's Sudanese operations also returned to growth in EGP terms. IDH's management on the ground continues to monitor the evolving situation and has put in place an all-encompassing mitigation strategy to safeguard staff and

signed between military generals and political parties that would pave the way for a civilian-led transition. However, civil unrest and protests are continuing as the country's future remains unclear. The situation in Sudan is volatile, and continued civil unrest could adversely affect IDH's business. It is worth noting that in December 2020, the US removed Sudan from its States Sponsors of Terrorism list. The change in the country's designation is expected to allow Sudan to have access to international funds and investment, including the International Monetary Fund, paving the way for the country's economic growth. **Nigeria:** The country faces security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Against the backdrop of a sluggish economy and the slow implementation of reforms, mounting discontent could translate into further social unrest. Following the disbandment of the special division known as Special Anti-Robbery Squad (SARS) by the Nigerian government in October 2020, protests have decreased significantly across the country, but a potential escalation of civil unrest remains possible. Throughout 2022, there were several instances of escalation following multiple terrorist attacks and widespread cases of kidnapping. Nigeria held elections in the first quarter of 2023.	patient wellbeing and protect IDH's operations in case of any future unrest. It is worth highlighting that in FY 2022, Nigeria made up just 2.2% of IDH's consolidated revenues. Moreover, while nationwide security challenges do affect patient and test volumes in the country, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. This is showcased by the healthy rise in both patient and test volumes that has been recorded by the venture since IDH's takeover of operations in 2018. While security challenges and ethnic tensions are relatively hard to mitigate, IDH is continuously evaluating its processes to safeguard its employees and operations. Overall, IDH applies rigorous standards to evaluating all aspects of its business processes in Nigeria to ensure it is well-equipped to respond to the evolving situation.
Covid-19 The risks posed by Covid-19 on the business have declined significantly in 2022 as vaccination campaigns ramped up, infection rates declined, and governments and businesses continued to effectively coexist with the virus. As of December 2022, no new restrictions have been imposed following the rise of new Covid-19 variants throughout the past year. As at the end of 2022, the share of the population having received at least one Covid-19 vaccine dose stood at approximately 46% in Egypt, 47% in Jordan, 30% in Nigeria, and 15% in Sudan, and all four countries are currently free from any Covid-19 related restrictions. **Covid-19 impact on IDH Financials** Throughout FY 2022, IDH generated around 18% of its revenues from Covid-19-related testing. In light of the increasing roll-out of vaccines and the widespread decline in infection rates, Covid-19-related revenues rapidly declined as the year progressed and in Q4 2022	All of IDH staff use appropriate protective equipment when interacting with patients, including those suspected of having Covid-19 or any other infectious disease. IDH is currently administering PCR, Antibody, and Antigen testing for Covid-19 in Egypt and Jordan. All of the Group's employees have been fully vaccinated during 2021, and they are subject to regular communications reminding them that they may not report to work if they have symptoms of a Covid-19 infection. Throughout the Covid-19 crisis, IDH has maintained a strong focus on growing its conventional (non-Covid19-related) business, which expanded 18% in FY 2022 versus FY 2021, and came in 33% above pre-covid levels recorded in FY 2019 (adjusting for the contribution generated by the 100 Million Healthy Lives Campaign in 2019). As part of the Group's post-Covid-19 strategy in both Egypt and Jordan, IDH's focus has now turned to

made up just 3% of total revenues versus 43% in Q1 2022.	patient retention as it looks to maintain the new relationships established during the pandemic thanks to its Covid-19-dedicated offering.
The Russia-Ukraine War The conflict between Russia and Ukraine, which has been ongoing since February 2022, has negatively impacted the global economy and IDH's markets of operation. In particular, IDH's home and largest market of Egypt saw a rapid rise in inflation and a large outflow of capital following the outbreak of the conflict. This is due to multiple factors, including the country's reliance on the imports of oil and wheat, coupled with a relatively weak FX position. Rising inflation has increasingly eaten away at patients' purchasing power in the country. Fast-rising inflation was also recorded across IDH's other markets.	 As with similar situations in the past, IDH expects protracted high inflation, in particular in Egypt, to have the most significant impact on patients who pay for their own healthcare. IDH has been developing marketing programmes targeted to this patient segment with a strong health awareness message in combination with a compelling value component. This includes offering bundled diagnostic test packages for lifestyle-related diseases and chronic health conditions, as well as an in-house point redemption system. The Company is also exploring various solutions to offer more affordable payment plans to retain patients despite rising inflation. At the same time, IDH enjoys a strong brand equity built over many years, which has translated into strong loyalty, ensuring that patients continue to choose the Group as their trusted diagnostic services provider irrespective of the ongoing inflationary pressures. On the costs front, IDH has been actively working with suppliers to negotiate favourable test kit prices and contracts to mitigate the impact of a weaker EGP on its raw material cost base.
Global Supply Chain Disruptions The Russia-Ukraine conflict has exacerbated supply chain disruptions that had already come about as a result of restrictions imposed to curb the spread of Covid-19, labour shortages, and fast-rising demand for goods, causing delays and shortages worldwide. The ongoing global supply chain disruptions has had limited impacts on IDH's operations throughout 2022 and in early 2023.	 IDH's management team continually monitors the evolving situation and has taken proactive steps to build up its inventory to shield the Group from any potential future disruptions. IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness. Throughout 2022 and in the first part of 2023, thanks to IDH's proactive inventory build-up and sourcing strategy, the Group continued to face no problems acquiring raw materials.
Supplier Risk IDH faces the risk of suppliers re-opening negotiations in the face of cost pressure owing to the prevailing inflationary environment and/or a possible albeit limited devaluation risk.	 IDH has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Group purchases, IDH was typically able to negotiate favourable pricing and maintain raw material costs increases at a rate slower than local currency devaluation. It is worth highlighting

IDH's supplier risk is concentrated among three key suppliers — Siemens, Roche, and Sysmex— who provide it with kits representing 31% of the total value of total raw materials in 2022 (2021: 24%).	that IDH's supplier relations were not impacted by Covid-19. Total raw material costs as a percentage of revenues stood at 20.4% in 2022 versus 18.9% in 2021 (raw materials to net sales stood at 20.7% in 2022 compared to 19.6% in 2021).
Remittance of dividend regulations and repatriation of profit risk The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions. More specifically, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends. Additionally, in line with the most recent devaluation of the EGP, there have been significant shortages of foreign currency at Egyptian banks, with the ability to source foreign currency becoming more difficult under strict regulations.	As a foreign investor in Egypt, IDH did not have issues with the repatriation of dividends. However, starting in early 2022, the Company has faced significant difficulties in sourcing the USD balance needed to fulfil its dividend obligations. Heading into 2023, the Company expects the difficulties to persist and is closely monitoring the evolving situation to shield the business from potential challenges.
Legal and regulatory risk to the business The Group's business is subject to, and affected by, extensive, stringent, and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.	The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes. On the antitrust front, the private laboratory segment (of which IDH is a part) accounts for a small proportion of the total market, which consists of small private labs, private chain labs, and large governmental and quasi-governmental institutions.
Risk from contract clients Contract clients, including private insurers, unions, and corporations, account for 58% of Group revenues for the year. Should IDH's relationship with these clients deteriorate, for example if the Group were unable to negotiate and retain similar fee arrangements or should these clients be unable to make payments to the Group, IDH's business could be materially and adversely affected.	IDH diligently works to maintain sound relationships with contract clients. All changes to pricing and contracts are arrived at through discussion rather than blanket imposition by IDH. Relations are further enhanced by regular visits to contract clients by the Group's sales staff. In an effort to mitigate risks from contact clients, no single client contract accounts for more than 3% of total revenues or 4% of contract revenues.
Pricing pressure in a competitive, regulated environment The Group may face pricing pressure from various third-party payers, including national health insurance, syndicates, and other governmental bodies, which could	This is an external risk for which there exist few mitigants.

materially and adversely affect its revenue. Pricing may be restrained in cases by recommended or mandatory fees set by the government's ministries and other authorities. This risk may be more pronounced in the context of the imminent inflationary pressures following the recent depreciation of the EGP. The Group might face pricing pressure from existing competitors and new entrants to the market.	In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c.58% of IDH revenues in 2022 is generated by servicing contract clients (private insurer, unions, and corporations) who prefer IDH's national network to patchworks of local players. IDH has a limited ability to influence changes to mandatory pricing policies imposed by government agencies, as is the case in Jordan, where basic tests that account for the majority of IDH's business in that nation are subject to price controls. IDH enjoys a strong brand equity in its markets of operation, which enables all its brands to enjoy a solid positioning in the markets in which it operates. As such, IDH is a price maker, especially in Egypt, where the Group currently controls the largest network of branches among all private sector players. Moreover, in its home market of Egypt, which accounted for 80% of total revenues in FY 2022, the Group faces no potential risk of price regulation by the government.
Cybersecurity risks The Company controls a vast amount of confidential data for its patients' records; to this end, there is a cybersecurity risk for both data confidentiality and data security.	 The Company has stringent control over its data security and regularly stress tests its IT infrastructure to assess the robustness of its internal controls. Moreover, its cybersecurity controls and protocols are regularly updated to proactively address potential shortcomings, keep them in full adherence with data security regulations in the Group's markets of operation, and maintain them in line with global best practices.
Business continuity risks Management concentration risk: IDH is dependent on the unique skills and experience of a talented management team. The loss of the services of key members of that team could materially and adversely affect the Company's operations and business. Business interruption: IT systems are used extensively in virtually all aspects of the Group's business and across each of its lines of business, including test and exam results reporting, billing, customer service, logistics and management of medical data. Similarly, business interruption at one of the Group's larger laboratory facilities could result in significant losses and	 IDH understands the need to support its future growth plans by strengthening its human capital and engaging in appropriate succession planning. The Company is committed to expanding the senior management team, led by its CEO Dr. Hend El Sherbini, to include the talent needed for a larger footprint. The Group has constituted an Executive Committee led by Dr. El Sherbini and composed of heads of departments. The Executive Committee meets every second week. The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems, and the use of mobile data systems as alternatives to landlines, among multiple other factors. IDH tests its disaster recovery plans on a regular basis, with regular updating and internal and external audits.

reputational damage to the Group's business as a result of external factors such as natural disasters, fire, riots, or extended power failures. The Group's operations therefore depend on the continued and uninterrupted performance of its systems. Business Interruption: across its geographies, the reimposition of restrictive measures related to Covid-19 (including curfews and lockdowns) could impact the working hours of branches and in extreme cases could lead to their temporary closure.	 In Egypt and Jordan, to mitigate the impact of potential branch closures on operations, the Group has been ramping up its house call services. Moreover, the Group's important role in conducting PCR testing for Covid-19 in both Egypt and Jordan makes it unlikely that branches would be closed, even if new restrictive measures were introduced.
Climate-related risks IDH's operations currently face low physical and transitional risks related to climate change.	 For the first time, the Company is reporting, based on the Task Force on Climate-Related Financial Disclosures (TCFD) programme, disclosures to provide stakeholders with a clear framework to assess its climate-related risks and opportunities. Overall, the risk and opportunities related to climate change are considered immaterial, especially in the short-to-medium term. For TCFD disclosures, please refer to pages 80 to 84 of the Group's Annual Report.

–End–

INTEGRATED DIAGNOSTICS HOLDINGS plc – “IDH”
AND ITS SUBSIDIARIES

Consolidated Financial Statements

for the year ended 31 December 2022

Consolidated statement of financial position as at 31 December 2022

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

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

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

Dr. Hend El Sherbini **Chief Executive Officer**	**Hussein Choucri** **Independent Non-Executive Director**

Consolidated income statement for the year ended 31 December 2022

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

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

Consolidated statement of comprehensive income for the year ended 31 December 2022

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

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

Consolidated statement of cash flows for the year ended 31 December 2022

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

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

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

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

Consolidated statement of changes in equity for the year ended 31 December 2022

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

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

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

1. Corporate information

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

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

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

2. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

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

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

Non-Controlling interest

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

Proportion of equity interest held by non-controlling interests:

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

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

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

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

3. Basis of preparation

Statement of compliance

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

Basis of measurement

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

New standards and interpretations adopted

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

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

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

New standards and interpretations not yet adopted

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

Going concern

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

3.1. Basis of consolidation

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

i. Subsidiaries

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

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

ii. Changes in ownership interests

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

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

3.2. Significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:
• fair values of the assets transferred
• liabilities incurred to the former owners of the acquired business
• equity interests issued by the group
• fair value of any asset or liability resulting from a contingent consideration arrangement, and
• fair value of any pre-existing equity interest in the subsidiary.

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

Acquisition-related costs are expensed as incurred.

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

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

b) Impairment of assets

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

c) Fair value measurement

The Group measures financial instruments such as non-derivative financial instruments and contingent consideration assumed in a business combination at fair value at each balance sheet date.
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.
Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

d) Revenue recognition:

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

The following steps are considered for all types of patients:

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

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

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

e) Income Taxes

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.
Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

g) Hyperinflationary Economies

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

h) Property, plant and equipment

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

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

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

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

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

i) Intangible assets

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

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

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

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

- IT development and software 4-5 years

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

Goodwill

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

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

Brand

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

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

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

Impairment of intangible assets

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

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

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

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

I) Financial instruments – initial recognition and subsequent measurement

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

i. Financial assets

Classification

The group reclassifies debt investments when and only when its business model for managing those assets changes. The group classifies its investments in debt Instruments in the following measurement categories:

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

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

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

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

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

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

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

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

• Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.

• FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the consolidated income statement.

• FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Management has assessed the underlying nature of the investments and designated upon investment that this should be treated as an investment held at fair value with movements going through the income statement on the basis of the size of the investment and the reasons for making the investment.

Equity instruments

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

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

Impairment

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

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

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

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

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

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

ii. Financial liabilities

Initial recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

For assets excluding goodwill and indefinite lived intangible assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.
If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired. Management takes into consideration any changes that occur and have impacts between the impairment report date of 31 October and date of end year of 31 December.
Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

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

k) Inventories

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

l) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m)Borrowings

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

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

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

n) Borrowing costs

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

o) Provisions

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

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

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

p) Pensions and other post-employment benefits

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

q) Segmentation

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

r) Leases as lessee (IFRS 16)

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

As a lessee

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

4. Key judgments and critical accounting estimates

4.1. Judgement

Useful economic lives of Brands

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

Control over subsidiaries

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

The group consolidate the subsidiaries assessed for the following reasons:
1) The group has the majority on shareholder stake
2) The group has the majority on the board of subsidiaries
3) The group has full control of the operations and is involved in all decisions.

The group consolidate "Echoscan" a subsidiary based in Nigeria despite of 39.4% indirect ownership for the following reasons:
1) The group has control over all intermediate entities between the parent and Echoscan
2) The group has a technical service agreement which enables them to direct and control the operations in Nigeria.

4.2. Estimates and assumptions

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

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

Impairment of intangible assets

The Group tests annually whether goodwill and other intangibles with indefinite lives have suffered any impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.
The recoverable amounts of cash generating units have been determined based on value in use. The value in use calculation is based on a discounted cash flow ("DCF") model.

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

Customer loyalty program

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

Impairment of financial assets

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

5. Financial assets and financial liabilities

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

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

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

The fair values of financial assets and liabilities are considered to be equivalent to their book value.

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

Financial instruments risk management objectives and policies

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

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

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

- **Market risk**

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

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

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

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

- **Interest rate risk**

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

Exposure to interest rate risk

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

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

Cash flow sensitivity analysis for variable-rate instruments

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

- **Foreign currency risk**

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

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

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

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

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

31-Dec-22

	Assets			Liabilities				
	Cash and cash 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)**

31-Dec-21

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

The following is the exchange rates applied:

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

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

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

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

- **Price risk**

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

- **Credit risk**

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

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

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

Trade receivables

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

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

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

Cash and cash equivalents

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

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

- **Liquidity risk**

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

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

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

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

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

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

6. Segment reporting

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

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

The Group has four operating segments based on geographical location rather than two operating segments based on service provided, as the Group's Chief Operating Decision Maker (CODM) reviews the internal management reports and KPIs of each geography. The CODM does not separately review assets and liabilities of the group by reportable segment.

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

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

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

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

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

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

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

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

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

7. Capital management

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

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

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

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

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

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

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

8. Expense

Included in consolidated income statement are the following:

8.1 Cost of sales

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

8.2 Marketing and advertising expenses

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

8.3 Administrative expenses

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

8.4 Expenses by nature

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

8.5 Auditors' remuneration

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

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

8.6 Net finance income/(costs)

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

8.7 Employee numbers and costs

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

	2022			2021		
	Medical	Administration and market	**Total**	Medical	Administration and market	**Total**
Average number of employees	5,428	1,290	**6,718**	5,364	1,024	**6,388**

	2022 EGP'000			2021 EGP'000		
	Medical	Administration and market	**Total**	Medical	Administration and market	**Total**
Wages and salaries	566,385	185,628	**752,013**	600,527	183,611	**784,138**
Social security costs	36,053	8,925	**44,978**	26,735	6,003	**32,738**
Contributions to defined contribution plan	11,057	2,886	**13,943**	8,145	2,054	**10,199**
Total	613,495	197,439	**810,934**	635,407	191,668	**827,075**

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

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

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

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

9. Income tax

a) Amounts recognised in profit or loss.

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

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.

	2022 EGP'000	2021 EGP'000
Profit before tax	**853,647**	**2,232,321**
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2021: 22.5%)	192,071	502,272
Effect of tax rate in UK of 19% (2021: UK 19%)	1,871	3,445
Effect of tax rates in Jordan, Sudan, and Nigeria of 21%, 30% and 30% respectively (2021: 21%, 30% and 30%)	(3,317)	(6,676)
Tax effect of:		
Recognition of previously unrecognised deferred tax	-	(24,435)
Deferred tax not recognised	19,960	28,132
Deferred tax arising on undistributed dividend	76,177	175,504

Non-deductible expenses for tax purposes - employee profit share	16,653	39,419
Non-deductible expenses for tax purposes - other	23,649	22,154
Tax expense recognised in profit or loss	**327,064**	**739,815**

Deferred tax

Deferred tax relates to the following:

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

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

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

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

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

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account.

Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2022 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2021: 22.5%), Jordan 21% (2021: 21%), Sudan 30% (2021: 30%) and Nigeria 30% (2021: 30%).

* **Undistributed reserves from group subsidiaries**

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

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

Unrecognized deferred tax assets

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

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

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

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

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

10. Earnings per share (EPS)

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

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

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

Earnings per diluted share are calculated by adjusting the weighted average number of shares by the effects resulting from all the ordinary potential shares that causes this dilution.
The Company has no potentially dilutive shares as of the 31 December 2022 and 31 December 2021, therefore; the earnings per diluted share are equivalent to basic earnings per share.

11. Property, plant and equipment

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

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

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

12. Intangible assets and goodwill

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Year 2022

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

As a sensitivity analysis, Management considered a change in the discount rates of 2% increase to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This did not result in an impairment under any of the CGUs.

Management has also considered a change in the terminal growth rate by 1% decrease to reflect additional risk, which did not result in any impairment under any of the CGUs.
This recoverable amount is then compared to the carrying value of the asset as recorded in the books and records of IDH plc. The WACC has been used considering the risks of each CGU. These risks include country risk, currency risk as well as the beta factor relating to the CGU and how it performs relative to the market.

The headroom between the carrying value and value in use as follows:

Company	Value in use EGP'000	CGU carrying value EGP'000	Headroom EGP'000
Almokhtabar	3,757,764	1,421,626	2,336,138
Alborg	2,459,724	1,458,547	1,001,177
Bio Lab	513,395	295,185	218,210
Echo Scan	159,299	35,253	124,046

14. Financial asset at fair value through profit and loss

	2022 EGP'000	2021 EGP'000
Equity investment*	18,064	10,470
Balance at 31 December	**18,064**	**10,470**

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

- ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of December 31, 2022, was 8.25%.

- On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five(5) year period from the signing date, which allows BioLab stake to be bought out by CHG at a price of the equity value of BioLab Shares/total stake (being USD 400,000.00) plus 15% annual IRR (including preceding 5 Financial years). After the expiration of above 12 months from the date of the put option period expiration, which allows CHG to purchase Biolab's all shares at a price of equity value of Biolab's stake (having value of USD 400,000) plus higher of 20% annual IRR or 6X EV/EBITDA (of the financial year immediately preceding the call option exercise date. In case the Management Agreement or the Purchase Agreement and/or the SLA is terminated/cancelled within 6 months period from the date of such termination/cancellation, CHG shall have a call option, which allows the CHG to purchase Biolab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,000.00) plus 205 annual IRR. If JCI accreditation is not obtained, immediately after the expiration of the additional 12 months period of the CHG shall have a call option (the Accreditation Call option), exercisable within 6 months period, which allows CHG to purchase BioLab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,00.00) plus 20% annual IRR.

15. Inventories

	2022 EGP'000	2021 EGP'000
Chemicals and operating supplies	265,459	222,612
	265,459	**222,612**

During 2022, EGP 703,693K (2021: EGP 962,748k) was recognised as an expense for inventories, this was recognised in cost of sales. The major balance of the raw material is represented in the Kits, slow-moving items of those Kits are immaterial. It is noted that day's inventory outstanding (based on the average of opening and closing inventory) stands as 127 days at 31 Dec 2022. There has been no impairment of inventory during 2022 (2021: EGP nil).

16. Trade and other receivables

	2022 EGP'000	2021 EGP'000
Trade receivables – net	395,220	371,051
Prepayments	34,081	22,647
Due from related parties note (27)	5,930	5,237
Other receivables	106,363	67,974
Accrued revenue	2,293	2,818
	543,887	**469,727**

As at 31 December 2022, the expected credit loss related to trade and other receivables was EGP 145,586K (2021: EGP 109,768k). Below show the movements in the provision for impairment of trade and other receivables:

	2022 EGP'000	2021 EGP'000
At 1 January	109,768	86,237
Charge for the year	29,914	24,656
Utilised	-	-
Unused amounts reversed	-	(32)
Exchange differences	5,904	(1,093)
At 31 December	**145,586**	**109,768**

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (historical customer's collection, Customers' contracts conditions) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Expected credit loss assessment is based on the following:

1. The customer list was divided into 9 sectors,
2. Each sector was divided according to customers aging,
3. Each sector was studied according to the historical events of each sector. According to the study conducted, the expected default rate was derived from each of the aforementioned period,
4. General economic conditions.

The results of the quarterly assessment will increase/decrease the percentage allocated to each period. Balances overdue by at least one year are fully provided for. On a quarterly basis, IDH revises its forward-looking estimates and the general economic conditions to assess the expected credit loss.

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 136,981K (31 December 2021: EGP 101,183K)

A reasonable possible change of 100 basis points in the expected credit loss at the reporting date would have increased (decreased) profit or loss by the amount of EGP 5,241K. This analysis assumes that all other variables remain constant.

The following table provides information about the exposure to expected credit loss (ECL) for trade receivables from individual customers for the nine segments at:

31-Dec-22	Weighted average loss rate 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)

31-Dec-21	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
Current (not past due)	0.00%	151,592	-
1–30 days past due	1.79%	85,764	(1,532)
31–60 days past due	5.25%	74,505	(3,911)
61–90 days past due	5.89%	31,028	(1,828)
91–120 days past due	9.06%	17,469	(1,582)
121–150 days past due	18.45%	8,576	(1,582)
More than 150 days past due	87.89%	103,300	(90,748)

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

	Total	< 30 days	30-60 days	61-90 days	> 90 days
2022	**395,220**	253,943	62,488	28,130	50,659
2021	**371,051**	235,824	70,594	29,200	35,433

17. Cash and cash equivalents

	2022	2021
Cash at banks and on hand	399,957	261,430
Treasury bills (less than 3 months)	185,513	150,431
Term deposits (less than 3 months)	63,042	479,590
	648,512	**891,451**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and treasury bills are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit weighted average rate 8.17% (2021: 7.75%) and Treasury bills 13.30% (2021: 12.44%) per annum.

18. Financial assets at amortised cost

	2022 EGP'000	2021 EGP'000
Term deposits (more than 3 months)	60,200	148,136
Treasury bills (more than 3 months)	107,204	1,310,588
	167,404	**1,458,724**

The maturity date of the fixed term deposit and treasury bills is between 3–12 months and the effective interest rate on the treasury bills is 12.92% (2021: 12.44%) and deposits is 5.34% (2021: 7.75%).

19. Share capital and reserves

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.
All shares are authorised and fully paid and have a par value $0.25.

	31-Dec-22	31-Dec-21
In issue at beginning of the year	**600,000,000**	**600,000,000**
In issue at the end of the year	**600,000,000**	**600,000,000**

The table below shows the number of shares held by Hena Holdings Limited and Actis IDH BV as well as how many shares are then held which are floating and not held by companies that do not have individuals on the board of the Group.

Ordinary share capital Name	Number of shares	Ordinary shares % of contribution	Ordinary shares Par value USD
Hena Holdings Limited	160,250,305	26.71%	40,062,576
Actis IDH B V	126,000,000	21%	31,500,000
Free floating	313,749,695	52.29%	78,437,424
	600,000,000	**100%**	**150,000,000**

Capital reserve
The capital reserve was created when the Group's previous parent company, Integrated Diagnostics Holdings LLC – IDH (Caymans) arranged its own acquisition by Integrated Diagnostics Holdings PLC, a new legal parent. The balances arising represent the difference between the value of the equity structure of the previous and new parent companies.

Legal reserves
Legal reserve was formed based on the legal requirements of the Egyptian law governing the Egyptian subsidiaries. According to the Egyptian subsidiaries' article of association 5% (at least) of the annual net profit is set aside to from a legal reserve. The transfer to legal reserve ceases once this reserve reaches 50% of the entity's issued capital. If the reserve falls below the defined level, then the entity is required to resume forming it by setting aside 5% of the annual net profits until it reaches 50% of the issued share capital.

Put option reserve
Through acquisitions made within the Group, put option arrangements have been entered into to purchase the remaining equity interests in subsidiaries from the vendors at a subsequent date. At acquisition date an initial put option liability is recognised and a corresponding entry recognised within the put option reserve. After initial recognition the accounting policy for put options is to recognise all changes in the carrying value of the liability within put option reserve. When the put option is exercised by the vendors the amount recognised within the reserve will be reversed.

Translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

20. Distributions made and proposed

	2022 EGP'000	2021 EGP'000
Cash dividends on ordinary shares declared and paid:		
US$ 0.116 per qualifying ordinary share (2021: US$ 0.0485)	1,304,805	455,182
	1,304,805	**455,182**
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):	-	1,300,000
Nil per share (2021: EGP 2.17) per share	**-**	**1,300,000**

21. Provisions

	Provision for legal claims EGP'000
At 1 January 2022	**4,088**
Provision made during the year	3,950
Provision used during the year	(3,997)
Provision reversed during the year	(522)
At 31 December 2022	**3,519**
Current	-
Non- Current	3,519

	Provision for legal claims EGP'000
At 1 January 2021	**3,217**
Provision made during the year	2,146
Provision used during the year	(993)

Provision reversed during the year	(282)
At 31 December 2021	**4,088**
Current	-
Non- Current	**4,088**

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2022.

22. Trade and other payables

	2022	2021
	EGP'000	**EGP'000**
Trade payables	269,782	311,321
Accrued expenses	241,060	325,677
Due to related parties note (27)	25,058	13,234
Other payables	98,204	99,040
Deferred revenue	60,948	24,603
Accrued finance cost	6,043	3,479
	701,095	**777,354**

23. Current put option liability

	2022	2021
	EGP'000	**EGP'000**
Put option – Biolab Jordan	439,695	921,360
	439,695	**921,360**

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

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

The options is calculated at seven times EBITDA of the last 12 months – Net Debt and exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2022. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 21 months. The option has no expiry date.

24. Borrowings

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	31 Dec 22	31 Dec 21
A) CIB – BANK	EGP	Secured rate 9.5%	5 April 2022	-	13,238
B) AUB – BANK	EGP	CBE corridor rate*+1%	26 January 2027	116,426	84,828

-	**116,426**	**98,066**
Amount held as:		
Current liability	22,675	21,721
Non- current liability	93,751	76,345
	116,426	**98,066**

A) In April 2017 AL-Mokhtabar for medical lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 110m from Commercial International Bank “CIB Egypt” to finance the purchase of the new administrative building for the group. Starting May 2021, the loan has been secured through restricted time deposits, It is also important to note that the Company’s facility with the Commercial International Bank (CIB) was fully repaid as of April 2022.

B) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli United Bank “AUB Egypt” to finance the investment cost related to the expansion into the radiology segment. As at 31 December 2022 only EGP 125 M had been drawn down from the total facility available with 9m had been repaid. Loan withdrawal availability period was extended till July 2023 and the loan will be fully repaid by January 2027.

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

1. The financial leverage shall not exceed 0.7 throughout the period of the loan

“**Financial leverage**”: total bank debt divided by net equity

2. The debt service ratios (DSR) shall not be less than **1.35 starting 2020**
“**Debt service ratio**”: cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance (cash and cash equivalents) divided by total financial payments.

“**Cash operating profit**”: Operating profit after tax, interest expense, depreciation and amortization, is calculated as follows: Net income after tax and unusual items adding Interest expense, Depreciation, Amortisation and provisions excluding tax related provisions less interest income and Investment income and gains from extraordinary items.
“**Financial payments**”: current portion of long-term debt including interest expense and fees and dividends distributions.

3. The current ratios shall not be less than 1.
“**Current ratios**”: Current assets divided current liabilities.

*As at 31 December 2022 corridor rate 17.25% (2021: 9.25%)

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

During 2021 the group signed two agreements of debt facilities. The debt package includes the US$ 45.0 million facilities secured an 8-year period starting from International Finance Corporation (IFC), and an additional US$ 15.0

million IFC syndicated facility from Mashreq Bank in Dec 2022 debt has not been withdrawn by IDH. The company incurred 12.5 M EGP for the year ended 31 December 2022, and 20.3M EGP for the year ended 31 December 2021. as commitment Fees and supervisory fees related to this agreement.

25. Non-current put option liability

	2022 EGP'000	2021 EGP'000
Put option liability*	51,000	35,037
	51,000	**35,037**

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

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 51 million was calculated as the valuation as at 31 December 2022 (2021; EGP 35m). In line with applicable accounting standards with IAS 32 the entity has recognised a liability for the present value of the exercise price of the option price. The ramp-up of Echo-Scan operations driven by the new radiology equipment installed during Q4 2019 in Lagos and the following years yielding a Compounded Annual Growth Rate of 36% from 2023 to 2025.

26. Financial obligations

The Group leases property and equipment. Property leases include branches, warehouse, parking and administration buildings. The leases typically run for average period from 5-10 years, with an option to renew the lease after that date. Lease payments are renegotiated with renovation after the end of the lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The property leases were entered into as combined leases of land and buildings.

Adding to remaining agreement signed in 2015, to service the Group's state-of-the-art Mega Lab. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. The finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The averaged implicit interest rate of finance obligation has been estimated to be 9.85%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment.

Information about the agreements for which the Group is lessee is presented below.

a) **Right-of-use assets**

	Buildings 2022 EGP'000	Buildings 2021 EGP'000
Balance at 1 January	**462,432**	**354,688**
Addition for the year	214,846	198,402
Depreciation charge for the year	(103,099)	(79,617)
Terminated Contracts	(13,564)	(7,643)
Exchange differences	62,360	(3,398)
Balance at 31 December	**622,975**	**462,432**

b) Other Financial obligations

Future minimum financial obligation payments under leases and sales purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	2022 EGP'000	2021 EGP'000
*Financial liability– laboratory equipment	335,470	228,870
*Lease liabilities building	727,426	531,804
	1,062,896	**760,674**

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

At 31 December 2022	Minimum payments 2022 EGP'000	Interest 2022 EGP'000	Principal 2022 EGP'000
Less than one year	285,962	137,257	148,705
Between one and five years	1,030,750	314,656	716,094
More than 5 years	227,715	29,618	198,097
	1,544,427	**481,531**	**1,062,896**

At 31 December 2021	Minimum payments 2021 EGP'000	Interest 2021 EGP'000	Principal 2021 EGP'000
Less than one year	211,242	95,764	115,478
Between one and five years	701,084	227,314	473,770
More than 5 years	191,229	19,803	171,426
	1,103,555	**342,881**	**760,674**

c) Amounts other financial obligations recognised in consolidated income statement

	2022 EGP'000	2021 EGP'000
Interest on lease liabilities	73,393	68,352
Expenses related to short-term lease	87,962	18,875

27. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2022 and 2021 are as follows:

Related Party	Nature of transaction	Nature of relationship	2022 Transaction amount of the year EGP'000	2022 Amount due from / (to) EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate**	-	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate***	4	1,771
H.C Security	Provide service	Entity owned by Company's board member	220	(99)
Life Health Care	Provided service	Entity owned by Company's CEO	424	2,518
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	481,665	(439,695)
	Current account	Bio. Lab C.E.O and shareholder	(20,008)	(20,008)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(15,963)	(51,000)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	12,292	(623)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	116 381	1,290
Dr. Hend El Sherbini***	Loan arrangement	CEO**	17,025	-
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	(2,373)	(2,373)
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	(1,955)	(1,955)
				(509,823)

Related Party	Nature of transaction	Nature of relationship	2021 Transaction amount of the year EGP'000	2021 Amount due from /to EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	1	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	-	1,767
H.C Security	Provide service	Entity owned by Company's board member	(243)	(319)
Life Health Care	Provide service	Entity owned by Company's CEO	(11,232)	2,094
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	(639,093)	(921,360)
International Finance corporation (IFC)	Put option liability	Eagle Eye – Echo Scan limited shareholder	(3,247)	(35,037)
International Finance corporation (IFC)	Current account	Eagle Eye – Echo Scan limited shareholder	(12,915)	(12,915)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	(298) 530	1,025
Total				**(964,394)**

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

*** During the year 2022, Dr. Hend (C.E.O) granted a loan to IDH Cayman amounting to USD 750K. and the loan was settled by Al Mokhtabar on behalf of IDH Cayman for EGP 17m at the prevailing exchange rate of US$/EGP 22.70. The loan was not interest bearing.

Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 26.7% of shares held by Hena Holdings Limited, Hena Holdings Limited is a related party and received dividends of USD 17,745,953 in year 2022 and USD 7,419,644 received in year 2021.

During the year payments relating to lease obligations of Biolab were made to entities considered to be related parties due to the interest in them held by Dr Amid Abd Elnour. Payments made during 2022 were JOD 241,038 (EGP 6,679,163) and during 2021 were JOD 665,461 (EGP 14,660,106).

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH opts to pay up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2022 EGP 8,934 K (2021: EGP 9,578K) was paid to the foundation by the IDH Group in relation to profits earned for companies Al Borg and Al Mokhtabar in the prior year.

Compensation of key management personnel of the Group

Key management people can be defined as the people who have the authority and responsibility for planning, directing, and controlling some of the activities of the Company, directly or indirectly.
The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

	2022 EGP'000	2021 EGP'000
Short-term employee benefits	48,078	55,082
Total compensation paid to key management personnel	**48,078**	**55,082**

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

EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2022	**105,694**	**760,674**
Proceeds from loans and borrowings	40,081	-
Repayment of borrowings	(21,721)	-
Payment of liabilities	-	(100,841)
Interest paid	(24,513)	(94,795)
Exchange differences	-	122,376
Total changes from financing cash flows	**(6,153)**	**(73,260)**
New agreements signed in the period	-	293,946
Terminated contracts during the year	-	(13,259)
Interest expense	27,879	94,795
Total liability-related other changes	**27,879**	**375,482**
Balance at 31 December 2022	**127,420**	**1,062,896**

EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2021	**96,455**	**459,043**
Proceeds from loans and borrowings	30,450	-
Repayment of borrowings	(25,416)	-
Payment of liabilities	-	(59,610)
Interest paid	(25,446)	(68,354)
Total changes from financing cash flows	**(20,412)**	**(127,964)**
New agreements signed in the period	-	367,534
Terminated contracts during the year	-	(6,292)
Interest expense	29,651	68,353
Total Liability – related other changes	**29,651**	**429,595**
Balance as at 31 December 2021	**105,694**	**760,674**

29. Current tax liabilities

	2022	2021
	EGP'000	EGP'000
Debit withholding Tax (Deduct by customers from sales invoices)	(26,166)	(34,166)
Income Tax	162,773	521,929
Credit withholding Tax (Deduct from vendors invoices)	7,719	17,922
Other	8,529	7,319
	152,855	**513,004**

30. Post Balance Sheet Events

- Subsequent to the year end-the Company completed the incorporation of medical health development a limited liability company located in the kingdom of Saudi Arabia with a total stake of 51% directly or indirectly. The new company will be operated in the same field as the group proclitic health care diagnostics service.
- IDH management has decided to irrevocably terminate the IFC loan agreement as the intended purpose of the loan, which was to finance an acquisition in Pakistan, was not realized.

- The Group has effectively reduced its exposure to foreign currency risk by coming to an agreement with General Electric (GE) for the early repayment of its contractual obligation of USD 5.7 million. As of March 28, 2023, the remaining obligation balance stood at USD 5.0 million, with USD 0.7 million having been repaid since the contract was initiated in 2020. The Group and GE have agreed to settle this balance early for USD 3.55 million, payable in EGP, equivalent to EGP 110 million.

  To finance the settlement, The Group will utilize a bridge loan facility, with half of the amount being funded internally and the other half provided by a loan from Ahly United Bank - Egypt. The management anticipates fully repaying the loan before the end of the second quarter of 2023.

31. Contingent liabilities

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