

Integrated Diagnostics Holdings Plc
Q1 2023 Results

Thursday, 01 June 2023

Integrated Diagnostics Holdings Plc kicks off 2023 with a solid first quarter, recording 43% growth in conventional revenues

(Cairo and London) — Integrated Diagnostics Holdings (“IDH,” “the Group,” or “the Company”), a leading provider of diagnostic services with operations in Egypt, Jordan, Nigeria and Sudan, released today its reviewed financial statements and operational performance for the quarter ended 31 March 2023, booking revenue of EGP 915 million, 22% below revenues reported in the first quarter of the previous year when Covid-19-related¹ testing had significantly boosted the consolidated figure. Excluding² the contribution made by Covid-19-related testing in the comparable three months of 2022, the Group’s conventional³ revenues recorded an impressive 43% year-on-year expansion supported by a 12% year-on-year increase in conventional test volumes and a 27% year-on-year increase in average revenue per conventional test for the quarter. IDH recorded a net profit of EGP 168 million, declining 46% from Q1 2022 and with an associated margin of 18%.

Financial Results (IFRS)⁴

EGP mn	Q1 2022	Q1 2023	Change
Revenues	1,180	915	-22%
Conventional Revenues	640	915	43%
Covid-19-related Revenues	540	-	-
Cost of Sales	(649)	(591)	-9%
Gross Profit	532	325	-39%
Gross Profit Margin	45%	35%	-10 pts
Operating Profit	396	129	-68%
EBITDA⁵	468	227	-51%
EBITDA Margin	40%	25%	-15 pts
Net Profit	314	168	-46%
Net Profit Margin	27%	18%	-8 pts
Cash Balance	2,659	813	-69%

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 Indicators⁶

	Q1 2022	Q1 2023	Change
Branches	520	576	56
Patients ('000)	2,649	1,939	-27%
Revenue per Patient (EGP)	446	472	6%
Tests ('000)	8,402	8,036	-4%
Conventional Tests ('000)	7,148	8,036	12%
Covid-19-related Tests ('000)	1,254	-	-
Revenue per Test	140	114	-19%
Revenue per Conventional Test (EGP)	90	114	27%
Revenue per Covid-19-related Test (EGP)	431	-	-
Test per Patient	3.2	4.1	31%

¹ 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.

² Starting Q1 2023, IDH has opted to stop reporting on its Covid-19-related revenues and test volumes due to their material insignificance to the consolidated figures and to Egypt’s and Jordan’s country-level results for the quarter. In the comparable period of last year (Q1 2022) IDH had recorded EGP 540 million in Covid-19-related revenues and had performed 1.3 million Covid-19-related tests.

³ Conventional (non-Covid) tests include all of the Group’s test offering with the exception of its Covid-19-related test offering outlined above.

⁴ Important notice: In the Company’s earnings releases covering the five quarters starting from Q4 2021 and ending Q4 2022, management had opted to present Alternative Performance Measures (APM) alongside IFRS-compliant figures as outlined on page 2 of the Company’s FY 2022 Earnings Release. Starting in Q1 2023, due to the material insignificance of Covid-19-related revenues on consolidated results, the Company will only report IFRS-compliant figures. It is worth noting that revenues for the comparable period (Q1 2022), include concession fees amounting to EGP 63 million paid by Biolab as part of its agreement with QAIA and Aqaba Port.

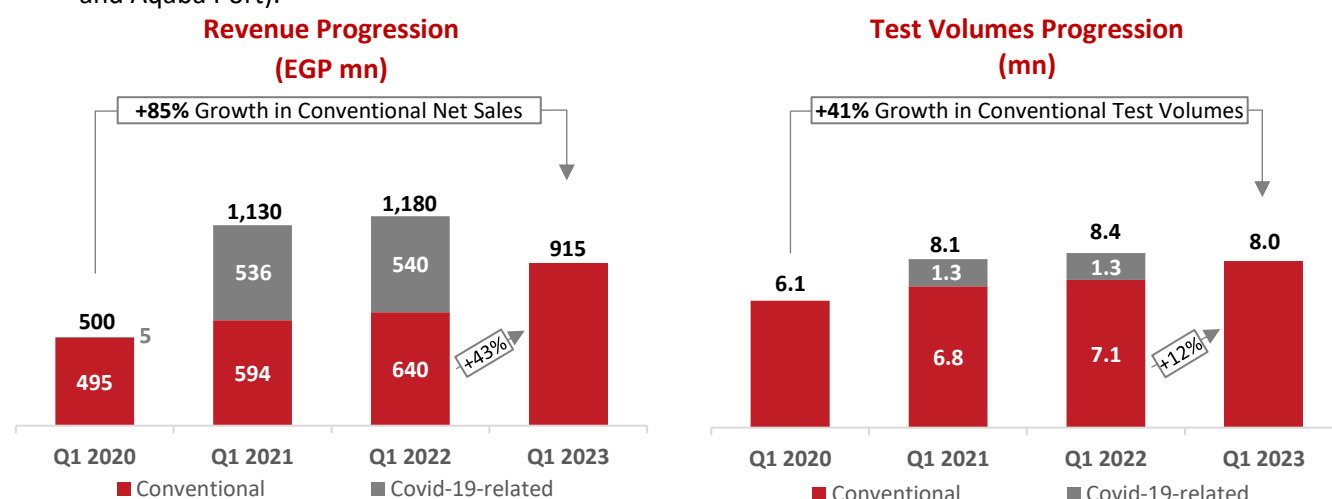
⁵ EBITDA is calculated as operating profit plus depreciation and amortization.

⁶ Key operational indicators are calculated based on revenues for the quarter of EGP 915 million and EGP 1,180 million for Q1 2023 and Q1 2022, respectively.

Introduction

i. Financial Highlights

- **Conventional⁷ revenue** recorded EGP 915 million in Q1 2023 compared to EGP 640 million (including concession fees paid as part of Biolab's agreements with QAIA, KHIA, and Aqaba Port amounting to EGP 63 million) in the same period of the previous year, representing an impressive 43% year-on-year growth.
- Conventional top-line growth continues to be driven by simultaneous rises in test volumes and average revenue per test, which in Q1 2023 increased 12% and 27% year-on-year, respectively. It is worth highlighting that a portion of the rise in average revenue per test reflects the translation effect resulting from the multiple devaluations of the Egyptian Pound during FY 2022 and the beginning of FY 2023.
- **Consolidated revenues** recorded EGP 915 million in Q1 2023 contracting 22% from the high base of EGP 1,180 million in Q1 2022. It is important to note that the comparable three months of 2022 included a significant EGP 540 million contribution (46% of Q1 2022 revenues) from IDH's Covid-19-related⁸ offering in Egypt and Jordan (of which EGP 63 million related to concession fees paid by Biolab to Queen Alia International Airport and Aqaba Port).



- **Gross Profit** booked EGP 325 million in Q1 2023, down 39% year-on-year, with a Gross Profit Margin (GPM) of 35% in Q1 2023 versus 45% in Q1 2022. Lower gross profitability during the quarter primarily reflects a normalisation of margins following the year-on-year decline in Covid-19-related business which had significantly boosted revenue and profitability in Q1 2022. Gross margins were further diluted by higher direct salaries and wages to counteract the current inflationary pressures and staff the newly rolled out branches.
- **EBITDA⁹** stood at EGP 227 million during Q1 2023, declining 51% year-on-year and recording an EBITDA margin of 25% versus 40% in Q1 2022. Decreased EBITDA profitability for the period came on the back of lower gross profitability combined with increased SG&A outlays including higher salary, marketing, auditing, and consulting expenses. The rise in auditing and consulting expenses is partially attributable to a weaker EGP.
- **Net Profit** for the three-month period ended 31 March 2023 booked EGP 168 million, down 46% year-on-year and with an associated Net Profit Margin (NPM) of 18%.

⁷ Conventional (non-Covid) tests include IDH's full service offering excluding the Covid-19 related tests outlined below.

⁸ 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.

⁹ EBITDA is calculated as operating profit plus depreciation and amortization.

ii. Operational Highlights

- IDH's **branch network** increased to 576 branches in Q1 2023, up by 56 branches compared to the same period of the previous year. Since the start of the year, IDH has inaugurated 24 new branches including 20 in Egypt, three in Jordan, and one in Sudan.
- **Conventional tests** performed during Q1 2023 increased by 12% year-on-year to record 8.0 million tests for the quarter. Consolidated tests performed for the period declined 4% year-on-year, as Q1 2022 test volumes include a significant contribution for IDH's Covid-19-related offering.
- **Average net revenue per conventional test** increased a robust 27% (out of which translation effect accounted for 9%) versus Q1 2022 to book EGP 114 in Q1 2023. Consolidated average net revenue per test declined 19% to EGP 114 in Q1 2022 from the EGP 140 recorded in the same quarter a year ago when consolidated results had been boosted by significant contributions made by IDH's generally higher-priced Covid-19-related offering.
- **Total patients served** by the Company during the quarter came in at 1.9 million, down 27% year-on-year. Simultaneously, average test per patient increased to 4.1 in Q1 2023 from 3.2 in Q1 2022 largely reflecting a normalisation in IDH's patient mix in favour of conventional patients who typically opt for multiple tests when visiting IDH's branches.
- In **Egypt** (79.9% of consolidated revenues) IDH continued to record robust growth at its conventional business, which expanded 33% year-on-year for the quarter. Conventional revenue growth was supported by a 13% year-on-year rise in test volumes and an 18% year-on-year increase in average revenue per test. Meanwhile, consolidated revenues in IDH's home market declined 17% versus Q1 2022 when results had been boosted by contributions made from the Company's Covid-19-related offering (38% of Egypt revenues in Q1 2022).
- In **Jordan** (15.8% of consolidated revenues), the Group recorded conventional revenue growth in EGP terms of 105% year-on-year in Q1 2023. In local currency terms, conventional revenues also posted a remarkable 12% year-on-year expansion on the back of higher conventional test. Including contributions from Covid-19-related testing in the first three months of last year, consolidated revenues in Jordan recorded a 48% year-on-year decline during Q1 2023.
- In **Nigeria** (3.4% of consolidated revenue in Q1 2023), the Company continued recording impressive revenue growth, increasing 109% year-on-year to EGP 31 million in Q1 2023. In NGN terms, revenue increased 26% year-on-year to reach NGN 468 million during Q1 2023, supported by a 16% increase in test volumes.
- In **Sudan** (1.0% of consolidated revenue in Q1 2023), IDH posted an impressive year-on-year revenue growth of 55% in EGP terms, and 11% in SDG terms. It is important to note that due to recent political unrest in Sudan, 16 of IDH's 18 branches in Sudan have temporarily ceased operations, with only two branches, in Madani and Port Sudan, still operational. The closure of these branches will have a significant impact on Sudan's operational and financial results for the coming quarter.

iii. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "With the first five months of the year now behind us, I am happy to report another quarter of sustained growth at our conventional business and of solid progress on our longer-term value creation and growth strategies. Looking at our results for the first quarter of the year in more detail, I am particularly pleased to note that we recorded solid conventional top-line expansions across all four of our markets in both EGP and local currency terms. At the consolidated level, conventional revenue growth was driven by steady rises in both patient and test volumes coupled with rising average revenue per test as our strategic price hikes come into effect. The 43% year-on-year expansion of our conventional business was especially impressive as it comes in the midst of an increasingly difficult operating environment with our markets, and the global economy in general, continuing to face rising inflation, tightening monetary policies, and weakening currencies, as was the case in Egypt, Nigeria, and Sudan. On top of this, it is worth noting that our results in March were also impacted by the expected seasonal slowdown related to the holy month of Ramadan which in 2023 weighed on patient volumes starting mid-March.

On a geographic basis, across our two largest markets of Egypt and Jordan, conventional revenues continued to record double-digit growth showcasing the underlying health of both geographies. Since the start of the year, we delivered on several of our key strategic priorities across both markets. In Egypt, in the first three months of the year we rolled out 20 new branches, taking the total number of branches in the country to 520, and further securing our position as the largest private provider in the country. In parallel, we also introduced planned price hikes across our service portfolio, continuing to prioritise patient retention and loyalty by sharing the inflationary burden with them. During the quarter, we also saw Al-Borg Scan's contribution to the country's top-line double versus the same three months of last year, testament to the effectiveness of our radiology ramp-up strategy, and the contribution of our house call services remain well above pre-pandemic averages. Meanwhile, in Jordan, we went ahead with the launch of three new labs, taking the total number of Biolab branches to 26. New branch roll outs have been supporting Biolab's conventional test volumes which we were pleased to see return to double-digit growth following a Covid-19-related slowdown. In both Nigeria and Sudan, we continued to record solid revenue growth in line with recent trends. Here it is important to mention that we expect our second quarter results in Sudan to be significantly impacted by the ongoing political and social unrest, with 16 of our 18 branches in the country currently shut down. We continue to closely monitor the evolving situation and are confident that our management team on the ground has put in place a solid mitigation plan to safeguard our staff, patients, and operations.

On the cost front, I am pleased to note that we recorded only a moderate increase in raw material costs for the quarter, well below the inflation caused by the weakening Egyptian pound. This was possible thanks to successful negotiations with our main test kit providers who continue to value IDH as a long-term partner. Meanwhile, as part of our efforts to retain staff, we adjusted staff compensation packages to ensure we continue to support our people during these difficult times and remain an employer of choice across all of our markets. Further down the income statement, we recorded lower margins at all levels of profitability largely reflecting a post-Covid-19 normalization.

Heading into the second half of 2023, we remain on track to deliver on our financial and operational targets for the year. I am particularly looking forward to the launch of our first branch in Saudi Arabia, which is currently scheduled for September 2023. Meanwhile, across our current markets our priorities remain unchanged as we continue to navigate the ongoing macroeconomic turbulence to drive further conventional revenue growth, safeguard our margins, and continue to deliver world-class quality to our patients. In Egypt, we are planning to roll out several more branches as the year progresses, with a particular focus on growing our radiology network to capitalise on the strong momentum currently enjoyed by the segment.

In light of our strong start to the year and the solid strategies in place, we are looking to record year-on-year conventional revenue growth of around 30% in FY 2023."

– End –

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 3pm (Egypt) on Monday, 5 June 2023. You can register for the call by clicking on this [link](#), and you may dial in using the conference call details below:

- **Webinar ID:** 939 3911 9373
- **Webinar Passcode:** 756126

For more information about the event, please contact: amr.amin@cicapital.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 quarter ended 31 March 2023 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "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.

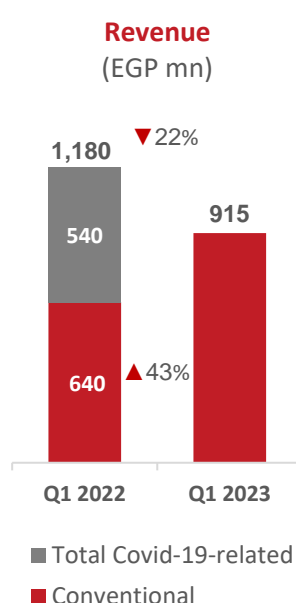
Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements 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.

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Group Operational & Financial Review

i. Revenue and Cost Analysis



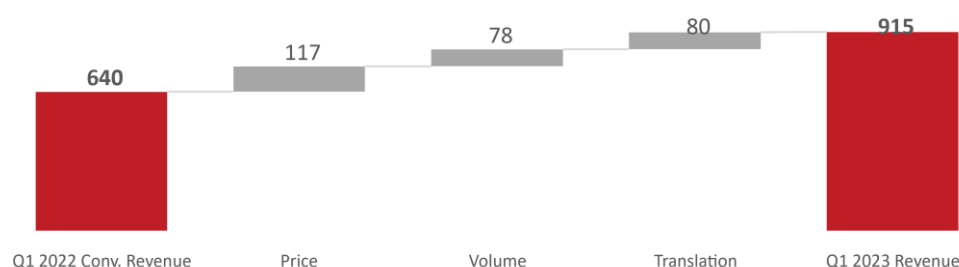
Consolidated Revenue

IDH started the year on a strong note, recording **conventional revenues** of EGP 915 million in Q1 2023, up an impressive 43% from the same three months of last year. Sustained top-line growth was driven by increases in the Group's average revenue per test, which increased by 27% to EGP 114 in Q1 2023 from EGP 90 in Q1 2022, as well as in test volumes which increased 12% year-on-year. It is important to note that this quarter's top-line partially reflects the translation effect resulting from the multiple devaluations of the Egyptian pound throughout FY 2022.

On a **consolidated level**, IDH recorded revenues of EGP 915 million in Q1 2023, down 22% year-on-year compared to EGP 1,180 million Q1 2022 when consolidated results had included a significant contribution from IDH's Covid-19-related offering impacting Egyptian and Jordanian operations.

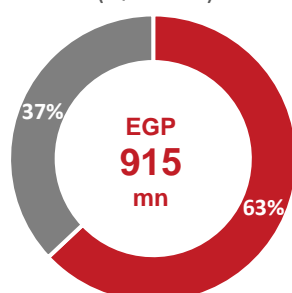
Revenue Analysis			
	Q1 2022	Q1 2023	%
Total revenue (EGP mn)	1,180	915	-22%
Conventional revenue (EGP mn)	640	915	43%
Total Covid-19-related revenue (EGP mn)	540	-	-
Contribution to Consolidated Results			
Conventional revenue	54%	100%	
Total Covid-19-related revenue	46%	-	
Test Volume Analysis			
Total tests (mn)	8.4	8.0	-4%
Conventional tests performed (mn)	7.1	8.0	12%
Total Covid-19-related tests performed (mn)	1.3	-	-
Contribution to Consolidated Results			
Conventional tests performed	85%	100%	
Total Covid-19-related tests performed	15%	-	
Revenue per Test Analysis			
Total revenue per test (EGP)	140	114	-19%
Conventional revenue per test (EGP)	90	114	27%
Covid-19-related revenue per test (EGP)	431	-	-

Conventional Revenue Drivers Breakdown (EGP mn)



Revenue by Segment

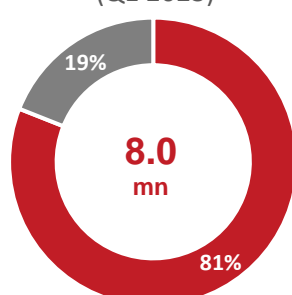
(Q1 2023)



■ Contract ■ Walk-in

Tests by Segment

(Q1 2023)



■ Contract ■ Walk-in

Revenue Analysis: Contribution by Patient Segment
Contract Segment (63% of Group revenue)

IDH's contract segment recorded conventional revenue of EGP 579 million during the first quarter of 2023, a 46% year-on-year expansion from EGP 396 million in Q1 2022. The increase was driven by a sustained increase in test volumes at the Company's conventional business, which rose 16% year-on-year to reach 6.5 million and was further bolstered by an increase in average revenue per conventional test, which grew 26% year-on-year to EGP 89 in Q1 2023.

Walk-in Segment (37% of Group revenue)

In parallel, IDH's walk-in segment also recorded strong conventional revenue growth of 38% in Q1 2023 driven by a 39% increase in average revenue per test. Conventional test volumes at the segment remained largely stable, recording 1.5 million tests in Q1 2023. Total walk-in revenues for the quarter recorded EGP 337 million, down 37% year-on-year. Lower walk-in revenues for the quarter mainly reflect the high base effect resulting from the significant contribution made by Covid-19-related testing in the comparable three months of 2022.

It is important to highlight that the average number of tests per patient at both the Company's contract and walk-in segments are continuing to normalize following a decrease associated with the Covid-19 pandemic. More specifically, test per patients at the contract and walk-in segments in Q1 2023 reached 4.3 and 3.6 tests per patient, respectively.

Key Performance Indicators

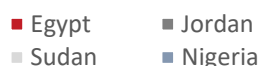
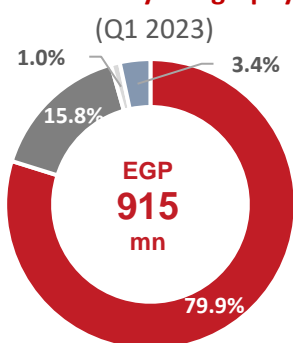
	Walk-in Segment			Contract Segment			Total		
	1Q22	1Q23	Change	1Q22	1Q23	Change	1Q22	1Q23	Change
Revenue (EGP mn)	535	337	-37%	645	579	-10%	1,180	915	-22%
Conventional Results (EGP mn)	244	337	38%	396	579	46%	640	915	43%
Total Covid-19-related revenue (EGP mn)	291	-	-	250	-	-	540	-	-
Patients ('000)	971	422	-57%	1,678	1,517	-10%	2,649	1,939	-27%
% of Patients	37%	22%		63%	78%				
Revenue per Patient (EGP)	551	798	45%	385	381	-1%	446	472	6%
Tests ('000)	2,144	1,519	-29%	6,258	6,517	4%	8,402	8,036	-4%
% of Tests	26%	19%		74%	81%				
Conventional tests ('000)	1,530	1,519	-0.7%	5,618	6,517	16%	7,148	8,036	12%
Total Covid-19-related tests ('000)	614	-	-	641	-	-	1,254	-	-
Revenue per Test (EGP)	250	222	-11%	103	89	-14%	140	114	-19%
Conventional Revenue per Test (EGP)	160	222	39%	70	89	26%	90	114	27%
Test per Patient	2.2	3.6	63%	3.7	4.3	15%	3.2	4.1	31%

Revenue Analysis: Contribution by Geography

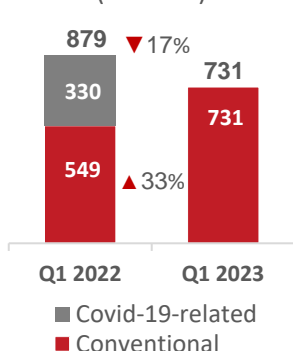
Egypt (79.9% of Group revenue)

At IDH's home market, Egypt, the Company continued posting strong conventional revenue growth on the back of higher test volumes and average revenue per test. More specifically, Egypt recorded conventional revenue growth of 33% year-on-year, booking revenues of EGP 731 million in Q1 2023 compared to EGP 549 million one year prior. Throughout the quarter, IDH's Egyptian operations recorded conventional test volume year-on-year growth of 13% and an 18% year-on-year increase in average revenue per test. Consolidated revenues in Egypt recorded a 17% year-on-year contraction versus the first quarter of 2022 when Covid-19-related revenues has significantly boosted the country's consolidated top-line.

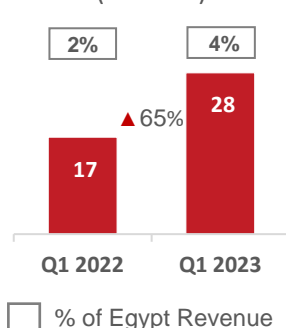
Revenue by Geography



Egypt Revenue



Al Borg Scan Revenue



Al-Borg Scan

IDH's Egyptian radiology venture, Al Borg Scan, continued its rapid growth trajectory booking revenues of EGP 28 million in Q1 2023, up a robust 65% versus Q1 2022. Revenue growth for the quarter was supported by a 37% year-on-year growth in test volumes as well as by a 21% year-on-year rise in average revenue per test provided. Al Borg Scan continued to see its contribution to Egypt's revenues grow, nearly doubling to reach 4% of Egypt's overall top-line in Q1 2023. Patient and test volumes continue to be supported by the successful ramp up of IDH's newer radiology branches launches throughout FY 2021 and FY 2022. Building on this, the Company is looking to grow its current network of six branches with the rollout of an additional branch by year-end 2023.

House Calls

IDH's house call service in Egypt recorded revenue of EGP 114.2 million in the first quarter of the year, contributing to 16% of Egypt's revenues for the period. The robust contribution, which stands well above IDH's pre-pandemic averages, was recorded despite demand for the Company's Covid-19-related offering falling to near zero during the quarter.

Wayak

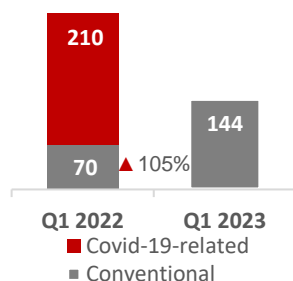
Wayak recorded a 16% year-on-year increase in the number of orders, which came in at 40 thousand in Q1 2023 compared to 34.5 thousand this time last year. EBITDA losses for the quarter recorded EGP 0.4 million, a decline of 21% versus losses recorded in Q1 2022. The venture's EBITDA losses are expected to decrease further in the coming months as management's strategic efforts continue to pay off.

Detailed Egypt Revenue Breakdown

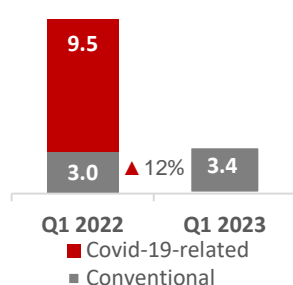
EGP mn	Q1 2022	Q1 2023	%
Total Revenue	879	731	-17%
Conventional Revenue	549	731	33%
Radiology Revenue	17	28	65%
Total Covid-19-related Revenue	330	-	-
Contribution to Consolidated Results			
Conventional revenue	62%	100%	
Radiology revenue	1.9%	3.8%	
Total Covid-19-related revenue	38%	-	

Jordan Revenue (EGP mn)

▼ 48%

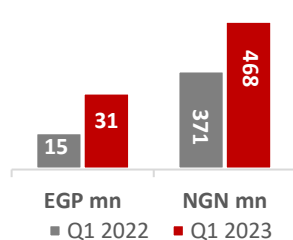

Jordan Revenue (JOD mn)

▼ 73%


Nigeria Revenue

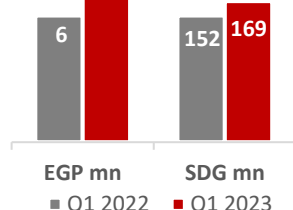
▲ 109%

▲ 26%


Sudan Revenue

▲ 55%

▲ 11%


Jordan (15.8% of Group revenue)

IDH's Jordanian subsidiary, Biolab, recorded solid conventional revenue year-on-year growth of 12% in JOD terms (in EGP terms revenue was up 105% year-on-year) supported by higher test volumes for the quarter of 12%. On a consolidated level, in EGP terms, Biolab recorded a 48% year-on-year decline in revenue for the quarter reflecting the high base effect resulting from results in Q1 2022 having included a significant contribution from Biolab's Covid-19-related offering. Similarly, in JOD terms, Biolab's consolidated revenues declined 73% year-on-year.

Detailed Jordan Revenue Breakdown

EGP mn	Q1 2022	Q1 2023	%
Total Revenue	281	144	-48%
Conventional Results	70	144	105%
Total Covid-19-related Revenues (PCR and Antibody)	210	-	-
Contribution to Consolidated Results			
Conventional Results	25%	100%	
Total Covid-19-related Revenue (PCR and Antibody)	75%	-	

Nigeria (3.4% of revenue)

Echo-Lab, IDH's Nigerian subsidiary, saw its revenue for the first quarter of the year more than double to record EGP 31 million in Q1 2023 from EGP 15 million in Q1 2022. In local currency terms, revenue expanded a solid 26% year-on-year. Top-line growth for the quarter was dual driven as both test volumes and average revenue per test expanded versus the same three months of 2022. More specifically, total tests performed in the first quarter increased 16% year-on-year. Meanwhile, average revenue per test increased 80% year-on-year in EGP terms and 9% year-on-year in NGN terms. IDH's Nigerian subsidiary now boasts 12 fully operational branches throughout the country, up from 10 branches as of 31 March 2022.

Sudan (1.0% of revenue)

IDH's operations in Sudan recorded revenue growth in EGP terms of 55% reflecting a 119% year-on-year increase in average revenue per test in the country. In SDG terms, revenues were up by 11% supported by a 57% year-on-year rise in average revenue per test in local currency terms. As at 31 March 2023, IDH's branches in the country stood at 18 up from 17 this time last year. IDH management continues to closely monitor the evolving situation in the country and a detailed emergency response plan is in place to safeguard IDH's staff and operations. Currently, 16 of IDH's 18 branches in the country have temporarily halted operations. Only two of the 18 branches, located in Madani and Port-Sudan, are currently operational.

Revenue Contribution by Country

	Q1 2022	Q1 2023	Change
Egypt Revenue (EGP mn)	879	731	-17%
<i>Conventional (EGP mn)</i>	549	731	33%
<i>Radiology Revenue</i>	17	28	65%
<i>Covid-19-related (EGP mn)</i>	330	-	-
<i>Egypt Contribution to IDH Revenue</i>	74.5%	79.9%	
Jordan Revenue (EGP mn)	281	144	-48%
<i>Conventional (EGP mn)</i>	70	144	105%
<i>Covid-19-related (EGP mn)</i>	210	-	-
Jordan Revenues (JOD mn)	12.5	3.4	-73%
<i>Jordan Revenue Contribution to IDH Revenue</i>	23.8%	15.8%	
Nigeria Revenue (EGP mn)	15	31	109%
Nigeria Revenue (NGN mn)	371	468	26%
<i>Nigeria Contribution to IDH Revenue</i>	1.3%	3.4%	
Sudan Revenue (EGP mn)	5.7	8.8	55%
Sudan Revenue (SDG mn)	152	169	11%
<i>Sudan Contribution to IDH Revenue</i>	0.5%	1.0%	

Average Exchange Rate

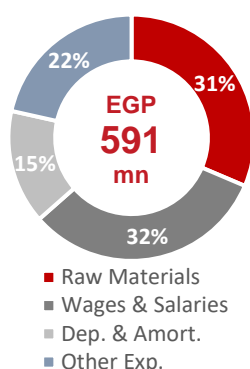
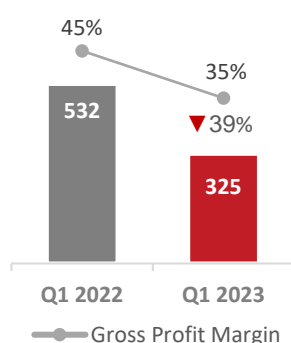
	Q1 2022	Q1 2023	Change
USD/EGP	16.5	30.5	85.0%
JOD/EGP	23.2	42.9	84.5%
NGN/EGP	0.04	0.07	67.1%
SDG/EGP	0.04	0.05	39.1%

Patients Served and Tests Performed by Country

	Q1 2022	Q1 2023	Change
Egypt Patients Served (mn)	2.0	1.8	-12%
Egypt Tests Performed (mn)	7.3	7.3	0.6%
<i>Conventional tests (mn)</i>	6.5	7.3	13%
<i>Covid-19-related tests (mn)</i>	0.8	-	-
Jordan Patients Served (k)	552	92	-83%
Jordan Tests Performed (k)	991	582	-41%
<i>Conventional tests (k)</i>	519	582	12%
<i>Covid-19-related tests (k)</i>	472	-	-
Nigeria Patients Served (k)	33	35	4%
Nigeria Tests Performed (k)	62	72	16%
Sudan Patients Served (k)	28	11	-61%
Sudan Tests Performed (k)	47	33	-29%
Total Patients Served (mn)	2.6	1.9	-27%
Total Tests Performed (mn)	8.4	8.0	-4%

Branches by Country

	31 March 2022	31 March 2023	Change
Egypt	472	520	48
Jordan	21	26	5
Nigeria	10	12	2
Sudan	17	18	1
Total Branches	520	576	56

**Cost of Net Sales
Breakdown**
(Q1 2023)

Gross Profit
(EGP mn)

Cost of Sales

Cost of sales dropped 9% year-on-year in Q1 2023 to book EGP 591 million. The decline in cost of sales for the period was primarily a result of a 27% year-on-year decline in raw material expenses coupled with lower Covid-19-related costs for the three-month period.

Cost of Sales Breakdown as a Percentage of Revenue

	Q1 2022	Q1 2023
Raw Materials	21.4%	20.2%
Conventional raw material costs as % of conventional revenues	17.7%	20.2%
Covid-19-related raw material costs as % of Covid-19-related revenues	25.6%	-
Wages & Salaries	14.1%	20.7%
Depreciation & Amortisation	5.5%	9.7%
Other Expenses	14.0%	13.9%
Total	55.0%	64.5%

Raw material costs including the cost of specialized analysis at other laboratories (31% of consolidated cost of sales), came in as the second largest contributor to cost of sales during the quarter, recording EGP 185 million compared to EGP 253 million in Q1 2022. As a percentage of revenue, raw materials came in at 20.2%, down from 21.4% in the same period of the previous year. The decline wholly reflects the high base effect resulting from Covid-19-related test kits purchased during Q1 2022, when demand for IDH's Covid-19-related test offering was high. Looking at conventional test kit prices, it is important to note that the Company did register a rise in average prices for conventional test kits throughout the first quarter of the year on the back of a weaker EGP and rising inflation. Rising conventional test kit prices were only partially mitigated by free test kits received during January 2023 from one of IDH's largest suppliers, Siemens.

Wages and salaries including employee share of profits (32% share of consolidated cost of sales) made up the largest share of total cost of sales during the first quarter of 2023, increasing 14% year-on-year to book EGP 190 million versus EGP 167 million in Q1 2022. The increase in direct wages and salaries for the period was primarily driven by increases in salaries and wages in Egypt, both due to higher than usual annual wage increases and adjustments to partially compensate for rising inflation as well as extra staffing costs to support the rollout of new branches. Higher wages and salaries also in part reflected an increase in Jordanian salaries due to the translation impact as a result of the devaluation of the Egyptian pound over the past year. Finally, wages and salaries in Nigeria also contributed to consolidated wages and salaries expansion due to additional radiology staff hires, coupled with annual salary increases.

Direct Wages and Salaries by Region

	Q1 2022	Q1 2023
Egypt (EGP mn)	127.8	141.1
Jordan (EGP mn)	34.0	39.1
Jordan (JOD mn)	1.5	0.9
Nigeria (EGP mn)	3.7	7.5
Nigeria (NGN mn)	92.4	113.5
Sudan (EGP mn)	1.1	2.0
Sudan (SDG mn)	29.5	38.0

Direct depreciation and amortization costs (15% of consolidated cost of sales) for the period booked EGP 88 million, increasing 37% year-on-year from EGP 64 million in Q1 2022. Depreciation and amortization expenses witnessed a notable increase from the

same period of the previous year primarily due to the rollout of new branches across IDH's network, as the Company launched 56 new branches, 24 of which were launched during the first quarter of 2023.

Other expenses (22% of consolidated cost of sales) for the quarter decreased 23% year-on-year, reaching EGP 127 million in Q1 2023. Increases in other expenses for the period came on the back of increased repair & maintenance costs and cleaning costs, which combined accounted for approximately 29% of overall other expenses for the quarter. Increases in repair & maintenance costs and cleaning costs were further heightened by the rollout of additional branches across IDH's network.

Gross Profit

IDH's gross profit booked EGP 325 million during Q1 2023, down 39% compared to the same period of the previous year. The Company's gross profit margin on revenue came in at 35% decreasing 10 percentage points year-on-year. The drop in gross profitability for the period is primarily a reflection of a post-Covid-19 normalisation in IDH's test mix, as well as the previously discussed cost increases largely related to direct wages and salaries.

Selling, General and Administrative Expenses

Total SG&A outlays recorded during Q1 2023 amounted to EGP 196 million, increasing 45% year-on-year. As a percentage of consolidated revenues, SG&A expenses came in at 21% compared to 11% in Q1 2022. Increases in SG&A expenses are mainly attributable to:

- An increase in wages and salaries primarily due to an increase in IDH's Board of Directors remuneration as a result of the addition of a board member during the second quarter of 2022, as well as increased salaries in Nigeria to support the hire of new management.
- An increase in accounting fees related to the external auditor "PwC", reflecting both an increase in the fees paid in US dollars as well as the devaluation of the EGP versus the same period of last year (average rate in Q1 2023 was 30.5 EGP/USD versus 16.5 EGP/USD in Q1 2022).
- Increased consulting fees related to the Company's 2023 sustainability report. Additionally, one-off expenses related to an information strategy agreement executed in 2023 and legal fees related to the Pakistan transaction. It is important to note that these expenses have been impacted by several devaluations throughout 2022 in IDH's home market of Egypt.
- Higher marketing and advertisement expenses, which increased 43% year-on-year to reach EGP 32 million, compared to EGP 23 million during Q1 2022. Increases in advertising expenses were the result of marketing efforts aimed at expediting the ramp-up of Al Borg Scan's operations as well as supporting the rollout of new branches in IDH's network.
- During Q1 2023, IDH recorded other income of EGP 5 million versus other expenses of EGP 1 million in the comparable three-month period of 2022. The figure is partially related to a EGP 1.3 million liability pertaining to a contract with Siemens to equip Al-Borg Scan's Capital Business Park branch with PET-CT equipment, which had weighed down other income in the corresponding period of 2022.

Selling, General and Administrative Expenses

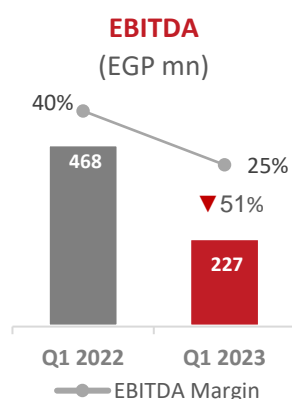
	Q1 2022	Q1 2023	Change
Wages & Salaries	45	69	51%
Accounting Fees	8	17	101%
Professional Services Fees	9	22	141%
Market – Advertisement expenses	23	32	43%
Other Expenses	30	33	9%
Depreciation & Amortisation	8	10	35%
Impairment loss on trade and other receivable	7	11	49%
Travelling and transportation expenses	3	6	89%
Other income	1	(5)	-
Total	135	196	45%

Selling, General and Administrative Expenses by Region

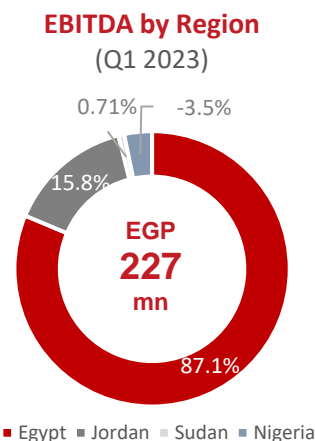
	Q1 2022	Q1 2023
Egypt (EGP mn)	109	155
Jordan (EGP mn)	18	24
Jordan (JOD mn)	0.8	0.6
Nigeria (EGP mn)	6	14
Nigeria (NGN mn)	151	209
Sudan (EGP mn)	2.0	2.3
Sudan (SDG mn)	52	46

Selling, General and Administrative Salaries by Region

	Q1 2022	Q1 2023
Egypt (EGP mn)	28.1	43.0
Jordan (EGP mn)	12.2	16.7
Jordan (JOD mn)	0.5	0.4
Nigeria (EGP mn)	3.5	7.2
Nigeria (NGN mn)	87.4	108.1
Sudan (EGP mn)	1.7	1.9
Sudan (SDG mn)	44.5	36.4


EBITDA

The Company's EBITDA¹⁰ booked EGP 227 million during Q1 2023, down 51% year-on-year from the figure recorded in the same period of the previous year. IDH's EBITDA margin came in at 25% for the quarter versus 40% in Q1 2022. Lower EBITDA profitability for the period mainly reflects lower gross profitability coupled with the aforementioned increases in SG&A expenses.


EBITDA by Country

In **Egypt**, EBITDA recorded EGP 198 million in Q1 2023, down 50% year-on-year compared to the EGP 395 million in the same period of the previous year on the back of decreased consolidated revenue from Egyptian operations. EBITDA margin for the period declined to 27% in Q1 2023 from 45% in Q1 2022. Lower profitability at the EBITDA level was dual driven by decreased gross profitability as well as increased SG&A expenses, which grew 47% year-on-year.

In **Jordan**, IDH's subsidiary, Biolab, booked an EBITDA of EGP 36 million in the current quarter, down 52% year-on-year and with an associated margin of 25%. In JOD terms, EBITDA declined 75% year-on-year during the first quarter of 2023. Decreases in EBITDA and its margin reflect lower gross profitability in Jordanian operations as a

¹⁰ EBITDA is calculated as operating profit plus depreciation and amortization. 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 only for the comparable period of 2022. Margins for Q1 2023 are identical across both IFRS and APM.

result of the post-Covid-19 normalisation, in addition to increased SG&A expenses, which increased 34% y-o-y to record EGP 25 million.

In **Nigeria**, EBITDA losses widened to EGP 8 million from EGP 1 million in Q1 2022. Widening EBITDA losses were primarily driven by high levels of inflation (in particular fuel inflation) which have weighed on IDH's Nigerian operations over the past year, more than outweighing the venture's consistent revenue growth. In local currency terms, EBITDA contracted 289% year-on-year in the first three months of 2023.

The Company's **Sudanese** operations reported positive EBITDA of EGP 2 million, up from EGP 0.1 million in the same period of the previous year on the back of increased gross profitability. In SDG terms, EBITDA recorded a 720% year-on-year expansion for the first quarter of the year.

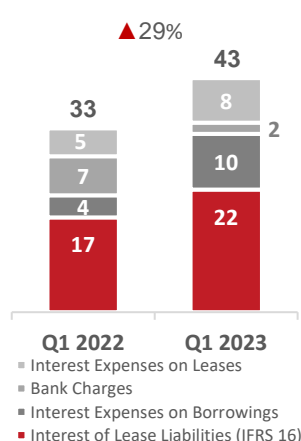
Regional EBITDA in Local Currency

Mn		Q1 2022	Q1 2023	Change
Egypt EBITDA	EGP	395	198	-50%
Margin		45%	27%	
Jordan	JOD	3.3	0.8	-75%
Margin		27%	25%	
Nigeria	NGN	-31	-121	-289%
Margin		-8%	-26%	
Sudan	SDG	3.8	31.3	720%
Margin		3%	18%	

Interest Income / Expense

IDH reported **interest income** of EGP 15 million in Q1 2023, a 66% year-on-year decrease from the EGP 45 million recorded in the same period of the previous year. Decreased interest income is primarily attributable to lower cash balances as a result of the record cash dividend distributed during the previous year.

Interest Expense (EGP mn)



Interest expense¹¹ booked EGP 43 million during Q1 2023, increasing 29% year-on-year from EGP 33 million one year prior. The increase is mainly attributable to:

- Increased interest on lease liabilities related to IFRS 16 due to the rollout of new branches.
- Higher interest expenses following the CBE decision to increase rates by 1,000 bps since March 2022. It is worth highlighting that IDH's interest bearing debt balance increased to EGP 163 million as at 31 March 2023, from EGP 117 million at year-end 2022. The increase in interest bearing debt is primarily attributable to IDH's strategy of reducing 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. To finance the settlement, IDH utilized a bridge loan facility, with half the amount being funded internally, while the other half (amounting to EGP 55 million) was provided through a loan by Ahly United Bank – Egypt.

¹¹ Interest expenses on medium-term loans include EGP 5.0 related to the Group's facility with Ahly United Bank Egypt (AUBE). Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.

Interest Expense Breakdown

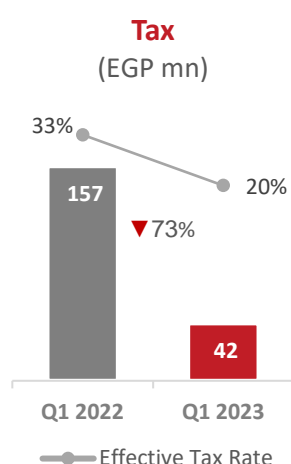
EGP mn	Q1 2022	Q1 2023	Change
Interest on Lease Liabilities (IFRS 16)	16.9	22.3	32%
Interest Expenses on Leases	4.7	8.4	79%
Bank Charges	7.1	2.4	-66%
Loan-related Expenses on IFC facility ¹²	1.9	4.6	146%
Interest Expenses on Borrowings ¹³	2.5	5.1	103%
Total Interest Expense	33.1	42.8	29%

Foreign Exchange

IDH booked a foreign exchange gain of EGP 109 million during Q1 2023, up from EGP 61 million in the same period of the previous year.

Taxation

Tax expenses (income and deferred tax) came in at EGP 42 million during Q1 2023, down from EGP 157 million in Q1 2022. IDH's effective tax rate for the period stood at 20% in the current period, compared to 33% in Q1 2022. The decrease in effective tax rate for the period was primarily driven by the decline in undistributed reserves from Group's subsidiaries compared to the same period of the previous year, which dropped due to a special dividend paid to shareholders during the third quarter of 2022 (see "Deferred Tax Liabilities Analysis" table below). It is worth noting that 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%).


Taxation Breakdown by Region

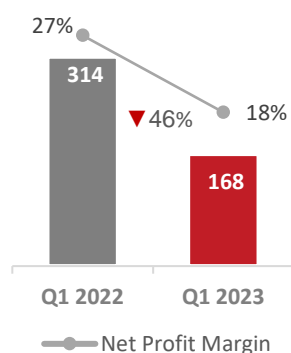
EGP Mn	Q1 2022	Q1 2023	Change
Egypt	143.6	36.0	-75%
Jordan	13.6	5.4	-60%
Nigeria	0.0	0.3	N/A
Sudan	0.0	0.4	N/A
Total Tax Expenses	157.2	42.1	-73%

Deferred Tax Liabilities Breakdown

EGP Mn	Q1 2023 Analysis		Q1 2022 Analysis	
	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Dec 2021
Deferred Tax Liabilities Balance	(323.1)	(321.7)	(384.2)	(332.1)
DT Expense (Mar-Dec)	(1.4)		(52.1)	
DT Translation	0.4		(3.8)	
Total DT Expenses	(1.0)		(55.9)	
Income Tax	(41.1)		(101.4)	
Current Income Tax as P&L	(42.1)		(157.2)	

¹² Loan-related expenses on IFC facility represents commitment fees on the facility granted by IFC and Mashreq with a total value of USD 60 million. The facility was cancelled in May 2023.

¹³ Interest expenses on medium-term loans include EGP 5.0 million related to the Group's facility with Ahli United Bank Egypt (AUBE). Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.

Net Profit
(EGP mn)

Net Profit

IDH reported consolidated net profit of EGP 168 million, down 46% year-on-year from EGP 314 million in Q1 2022. The Company's net profit margin stood at 18%, down 8 points from 27% in Q1 2022.

ii. Balance Sheet Analysis
Assets
Property, Plant and Equipment

IDH recorded gross property, plant and equipment (PPE) of EGP 2,425 million as at 31 March 2023, up from EGP 2,208 million as at 31 December 2022. The rise in CAPEX as a share of revenues during Q1 2023 is partially attributable to the EGP 42 million spent on new radiology branches in Egypt, as well as the EGP 134 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 – Q1 2023

	EGP mn	% of Revenue
Leasehold Improvements/new branches	42.0	4.6%
Al-Borg Scan Expansion	41.7	4.6%
Total CAPEX Additions Excluding Translation	83.8	9.2%
Translation Effect	133.6	14.6%
Total CAPEX Additions	217.4	23.7%

Accounts Receivable and Provisions

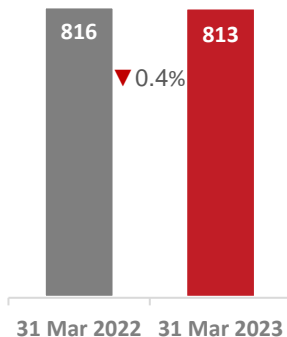
As at 31 March 2023, IDH booked accounts receivable of EGP 467 million, up from EGP 395 million as of 31 December 2022. The Company's receivables' Days on Hand (DoH) recorded 122 days, compared to 124 days at year-end 2022.

Provisions for doubtful accounts recorded during Q1 2023 stood at EGP 11 million, up 49% year-on-year from EGP 7 million in Q1 2022. The increase in provisions reflect the slowdown in collections driven by the current economic condition in Egypt region.

Inventory

As of the end of Q1 2023, IDH recorded an inventory balance of EGP 296 million, up from EGP 265 million as of year-end 2022. In parallel, Days Inventory Outstanding (DIO) rose to 144 days from 127 days as at 31 December 2022. The increase in DIO was driven by management initiatives to accumulate inventory as a part of its strategy to hedge against ongoing inflation.

Cash Balances
(EGP mn)



Cash and Net Debt/Cash

Cash balances booked as at 31 March 2023 remained relatively stable compared to those as at year-end 2022, recording EGP 813 million.

EGP million	31 Dec 2022	31 Mar 2023
T-Bills	296	342
Time Deposits	123	113
Current Accounts	378	344
Cash on Hand	18	14
Total	816	813

IDH's net debt¹⁴ balance as at 31 March 2023 stood at EGP 424 million, compared to a net debt balance of EGP 374 million as at year-end 2022.

EGP million	31 Dec 2022	31 Mar 2023
Cash and Financial Assets at Amortised Cost ¹⁵	816	813
Lease Liabilities Property	(727)	(782)
Total Financial Liabilities (Short-term and Long-term)	(335)	(278)
Interest Bearing Debt ("Medium Term Loans") ¹⁶	(127)	(177)
Net Cash/(debt) Balance	(374)	(424)

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

Lease liabilities and financial obligations on property recorded EGP 782 million as at 31 March 2023, up from EGP 727 as at year-end 2022. The increase in lease liabilities is primarily due to the rollout of 24 new branches across IDH's network.

Meanwhile, **financial obligations related to equipment** decreased to EGP 278 million, from EGP 335 million as at 31 December 2022. The decline in financial obligations related to equipment reflects the early repayment of IDH's contractual obligations with General Electric (GE) as part of the Company's efforts to limit its foreign currency exposure. To finance the settlement, IDH utilized a bridge loan facility, with half of the amount due funded internally and the other half provided by a loan from Ahly United Bank – Egypt.

Finally, **interest bearing debt** recorded EGP 163 million, up from EGP 117 million as at year-end 2022. The increase in interest bearing debt was primarily driven by additional usage of MTL to support Al Borg Scan's expansion. It is worth highlighting that interest-bearing debt for both periods excluded accrued interest.

Liabilities

Accounts Payable¹⁷

IDH recorded accounts payable of EGP 277 million as at 31 March 2023, remaining largely stable from the EGP 270 million recorded as at year-end 2022. Simultaneously, the Group's Days Payable Outstanding (DPO) decreased to 140 from 151 as at 31 December 2022.

¹⁴ 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.

¹⁵ 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 113 million in Q1 2023, versus EGP 123 million as at year-end 2022. Meanwhile, treasury bills not accessible for over 3 months stood at EGP 342 million in Q1 2023, up from EGP 296 million in FY 2022.

¹⁶ IDH's interest bearing debt as at 31 March 2023 included EGP 172 million to its facility with Ahly United Bank Egypt (AUBE) (outstanding loan balances are excluding accrued interest for the period).

¹⁷ Accounts payable is calculated based on average payables at the end of each period.

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).

–End–

**INTEGRATED DIAGNOSTICS HOLDINGS plc – “IDH”
AND ITS SUBSIDIARIES**

Consolidated Financial Statements

for the quarter ended 31 March 2023

Consolidated statement of financial position as at 31 March 2023

	Notes	31 Mar 2023 EGP'000	31 Dec 2022 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	4	1,413,485	1,326,262
Intangible assets and goodwill	5	1,732,745	1,703,636
Right of use assets	6	677,726	622,975
Financial assets at fair value through profit and loss	7	22,961	18,064
Total non-current assets		3,846,917	3,670,937
Current assets			
Inventories		296,363	265,459
Trade and other receivables	8	611,033	543,887
Financial assets at amortized cost	9	257,668	167,404
Cash and cash equivalents	10	555,373	648,512
Total current assets		1,720,437	1,625,262
Total assets		5,567,354	5,296,199
Equity			
Share capital		1,072,500	1,072,500
Share premium reserve		1,027,706	1,027,706
Capital reserves		(314,310)	(314,310)
Legal reserve		51,641	51,641
Put option reserve		(298,406)	(490,695)
Translation reserve		(61,726)	24,173
Retained earnings		955,990	783,081
Equity attributable to the owners of the Company		2,433,395	2,154,096
Non-controlling interests		406,714	292,885
Total equity		2,840,109	2,446,981
Non-current liabilities			
Provisions		3,538	3,519
Borrowings	13	79,560	93,751
Other financial obligations	15	892,894	914,191
Non-current put option liability	14	56,992	51,000
Deferred tax liabilities	19-C	323,123	321,732
Total non-current liabilities		1,356,107	1,384,193
Current liabilities			
Trade and other payables	11	694,177	701,095
Other financial obligations	15	167,515	148,705
Current put option liability	12	241,414	439,695
Borrowings	13	83,320	22,675
Current tax liabilities		184,712	152,855
Total current liabilities		1,371,138	1,465,025
Total liabilities		2,727,245	2,849,218
Total equity and liabilities		5,567,354	5,296,199

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

These condensed consolidated interim financial information were approved and authorized for issue by the Board of Directors and signed on their behalf on 30 May 2023 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated income statement for the quarter ended 31 March 2023

	Notes	31 Mar 2023 EGP'000	31 Mar 2022 EGP'000
Revenue	22	915,291	1,180,479
Cost of sales		(590,717)	(648,793)
Gross profit		324,574	531,686
Marketing and advertising expenses		(63,295)	(40,764)
Administrative expenses	17	(126,483)	(86,300)
Impairment loss on trade and other receivable		(10,683)	(7,178)
Other Income		4,697	(1,082)
Operating profit		128,810	396,362
Finance costs	18	(42,795)	(33,060)
Finance income	18	124,488	108,045
Net finance income /(costs)		81,693	74,985
Profit before income tax		210,503	471,347
Income tax expense	19-B	(42,117)	(157,214)
Profit for the year		168,386	314,133
Profit attributed to:			
Owners of the Company		172,909	296,609
Non-controlling interests		(4,523)	17,524
		168,386	314,133
Earnings per share			
Basic and diluted	21	0.29	0.49

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

Consolidated statement of comprehensive income for the quarter ended 31 March 2023

	31 Mar 2023 EGP'000	31 Mar 2022 EGP'000
Net profit for the year	168,386	314,133
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	32,453	77,308
Other comprehensive income for the period, net of tax	32,453	77,308
Total comprehensive income for the period	200,839	391,441
Attributable to:		
Owners of the Company	87,010	310,550
Non-controlling interests	113,829	80,891
	200,839	391,441

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

Consolidated statement of cash flows for the quarter ended 31 March 2023

	Note	31 Mar 2023 EGP'000	31 Mar 2022 EGP'000
Cash flows from operating activities			
Profit before tax		210,503	471,347
Adjustments for:			
Depreciation of property, plant and equipment		63,717	46,048
Depreciation of right of use assets		32,938	23,926
Amortisation of intangible assets		1,913	1,949
Gain on disposal of Property, plant and equipment		(7)	(4)
Impairment in trade and other receivables		10,683	7,178
Impairment in goodwill		(98)	-
Interest income	18	(15,168)	(45,247)
Interest expense	18	40,387	25,916
Bank Charges		2,408	7,144
Equity settled financial assets at fair value		(4,897)	(1,842)
ROU Asset/Lease Termination		(237)	1,743
Hyperinflation	18	-	(1,664)
Unrealised foreign currency exchange loss	18	(109,320)	(61,134)
Change in Provisions		19	(331)
Change in Inventories		(24,065)	(28,598)
Change in trade and other receivables		(15,677)	(78,311)
Change in trade and other payables		(93,454)	(58,801)
Net cash generated from operating activities		99,645	309,319
Cash flows from investing activities			
Proceeds from sale of Property, plant and equipment		584	184
Interest received on financial asset at amortised cost		15,113	8,180
Payments for acquisition of property, plant and equipment	4	(85,501)	(33,363)
Payments for acquisition of intangible assets	5	(944)	(843)
Payments for the purchase of financial assets at amortized cost		(252,163)	(312,592)
Proceeds for the sale of financial assets at amortized cost		177,816	341,163
Net cash generated from/(used in) investing activities		(145,095)	2,729
Cash flows from financing activities			
Proceeds from borrowings		54,936	-
Repayments of borrowings		(8,483)	-
Payment of finance lease liabilities		(111,994)	(8,535)
Interest paid		(37,011)	(28,688)
Bank charge paid		(2,408)	(7,144)
Net cash flows used in financing activities		(104,960)	(44,367)
Net (decrease) increase in cash and cash equivalents		(150,410)	267,681
Cash and cash equivalents at the beginning of the year		648,512	891,451
Effect of exchange rate		57,271	69,596
Cash and cash equivalents at the end of the period	10	555,373	1,228,728

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

- Acquisition of right-of-use assets – note 26
- Property, plant and equipment – note 11
- 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 quarter ended 31 March 2023

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 2023	1,072,500	1,027,706	(314,310)	51,641	(490,695)	24,173	783,081	2,154,096	292,885	2,446,981
Profit / (loss) for the year	-	-	-	-	-	-	172,909	172,909	(4,523)	168,386
Other comprehensive (expense)/ income for the year	-	-	-	-	-	(85,899)	-	(85,899)	118,352	32,453
Total comprehensive income	-	-	-	-	-	(85,899)	172,909	87,010	113,829	200,839
Transactions with owners in their capacity as owners										
Contributions and distributions										
Movement in put option liabilities for the year	-	-	-	-	192,289	-	-	192,289	-	192,289
Total	-	-	-	-	192,289	-	-	192,289	-	192,289
At at 31 March 2023	1,072,500	1,027,706	(314,310)	51,641	(298,406)	(61,726)	955,990	2,433,395	406,714	2,840,109
As at 1 January 2022	1,072,500	1,027,706	(314,310)	51,641	(956,397)	150,730	1,550,976	2,582,846	211,513	2,794,359
Profit for the year	-	-	-	-	-	-	296,609	296,609	17,524	314,133
Other comprehensive loss for the year	-	-	-	-	-	13,941	-	13,941	63,367	77,308
Total comprehensive income	-	-	-	-	-	13,941	296,609	310,550	80,891	391,441
Transactions with owners in their capacity as owners										
Contributions and distributions										
Movement in put option liabilities for the year	-	-	-	-	(170,940)	-	-	(170,940)	-	(170,940)
Impact of hyperinflation	-	-	-	-	-	-	1,570	1,570	409	1,979
Total	-	-	-	-	(170,940)	-	1,570	(169,370)	409	(168,961)
At 31 March 2022	1,072,500	1,027,706	(314,310)	51,641	(1,127,337)	164,671	1,849,155	2,724,026	292,813	3,016,839

* 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

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

(In the notes all amounts are shown in Egyptian Pounds “EGP’000” unless otherwise stated)

1. Reporting entity

Integrated Diagnostics Holdings plc “IDH” or “the Company” is a Company which was incorporated in Jersey on 4 December 2014 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 117257. These condensed consolidated interim financial information as at and for the three months ended 31 March 2023 comprise the Company and its subsidiaries (together referred as the ‘Group’). The Company is a dually listed entity, in both London Stock Exchange (since 2015) and in the Egyptian Exchange (during May 2021).

The principal activities of the Company and its subsidiaries (together “The Group”) include investments in all types of 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 they have. 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 of each year.

These condensed consolidated interim financial information were approved for issue by the Directors of the Company on 30 May 2023.

2. Basis of preparation

A. Statement of compliance

These condensed consolidated interim financial information have been prepared as per IAS 34 ‘Interim Financial Reporting’ (As adopted by the IASB). as the accounting policies adopted are consistent with those of the previous financial year ended 31 December 2022 and corresponding interim reporting period.

These condensed consolidated interim financial information do not include all the information and disclosures in the annual consolidated financial Statement, and should be read in conjunction with the financial Statement published as at and for the year ended 31 December 2022 which is available at www.idhcorp.com. In addition, results of the three-month period ended 31 March 2023 are not necessary indicative for the results that may be expected for the financial year ending 31 December 2023.

B. Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except where adopted IFRS mandates that fair value accounting is required which is related to the financial assets and liabilities measured at fair value.

C. Functional and presentation currency

These condensed consolidated interim financial information is presented in Egyptian Pounds (EGP’000). The functional currency of the majority of the Group’s entities is the Egyptian Pound (EGP) and is the currency of the primary economic environment in which the Group operates.

The Group also operates in Jordan, Sudan and Nigeria and the functional currencies of those foreign operations are the local currencies of those respective territories, however due to the size of these operations, there is no significant impact on the functional currency of the Group, which is the Egyptian Pound (EGP).

3. Significant accounting policies

In preparing these condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial information for the year ended 31 December 2022. "The preparation of these condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the condensed consolidated interim financial statement is described in note 2.2 of the annual consolidated financial information published for the year ended 31 December 2022. In preparing these condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial information for the year ended 31 December 2022".

4. Property, plant and equipment

	Land & buildings	Medical, electric & information system equipment	Leasehold improvements	Fixtures, fittings & vehicles	Project under construction	Payment on account	Total
Cost							
At 1 January 2023	426,961	1,111,867	507,442	133,195	28,589	10,614	2,218,668
Additions	-	29,937	5,051	10,172	40,341	-	85,501
Disposals	-	(825)	(317)	(601)		-	(1,743)
Transfers	-	-	8,948	-	(8,948)	-	-
Exchange differences	5,158	74,204	37,095	16,116	1,028	-	133,601
At 31 March 2023	432,119	1,215,183	558,219	158,882	61,010	10,614	2,436,027
Depreciation							
At 1 January 2023	61,578	513,869	261,705	55,254	-		892,406
Depreciation for the period	1,768	38,330	19,761	3,858	-	-	63,717
Disposals	-	(501)	(262)	(403)	-	-	(1,166)
Exchange differences	901	38,044	19,029	9,611	-	-	67,585
At 31 March 2023	64,247	589,742	300,233	68,320	-		1,022,542
Net book value at 31 March	367,872	625,441	257,986	90,562	61,010	10,614	1,413,485
At 31 December 2022	365,383	597,998	245,737	77,941	28,589	10,614	1,326,262

5. Intangible assets and goodwill

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

	<u>Goodwill</u>	<u>Brand name</u>	<u>Software</u>	<u>Total</u>
Cost				
Balance at 1 January 2023	1,291,823	395,551	92,836	1,780,210
Additions	-	-	944	944
Effect of movements in exchange rates	20,320	7,588	4,338	32,246
Balance at 31 March 2023	1,312,143	403,139	98,118	1,813,400
Amortisation and impairment				
Balance at 1 January 2023	6,373	381	69,820	76,574
Amortisation	-	-	1,913	1,913
Effect of movements in exchange rates	-	-	2,168	2,168
Balance at 31 March 2023	6,373	381	73,901	80,655
Carrying amount				
Balance at 31 December 2022	1,285,450	395,170	23,016	1,703,636
Balance at 31 March 2023	1,305,770	402,758	24,217	1,732,745

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. No indicators of impairment have been identified during the three months ended 31 March 2023.

6. Right-of-use assets

	<u>31 March 2023</u>	<u>31 December 2022</u>
Balance at 1 January	622,975	462,432
Addition for the period / year	44,903	214,846
Depreciation charge for the period / year	(32,938)	(103,099)
Terminated contracts	(3,584)	(13,564)
Exchange differences	46,370	62,360
Balance	677,726	622,975

7. Financial asset at fair value through profit and loss

	31 March 2023	31 December 2022
Equity investments*	22,961	18,064
	22,961	18,064

* On August 17, 2017, Almakhabariyoun 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 March 31, 2023, was 8.25%.
- On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five(5) year period from the signing date, which allows BioLab stake to be bought out by CHG at a price of the equity value being USD 400,000 plus 15% annual Interred Rate of Return (IRR). In case the Management Agreement or the Purchase Agreement and/or the Service level Agreement is terminated/cancelled within 6 months period from the date of such termination/cancellation, CHG shall have a call option, which allows the CHG to purchase Biolab's Strake in JSC Megalab having value of USD 400,000.00 plus 20% annual Interred Rate of Return (IRR). If JCI accreditation is not obtained, immediately after the expiration of the 12 months period, CHG shall have a call option (the Accreditation Call option), exercisable within 6 months period, allowing CHG to purchase BioLab's Shares in JSC Mega Lab at a price of the equity value of USD 400,00.00 plus the 20% annual IRR.

8. Trade and other receivables

	31 March 2023	31 December 2022
Trade receivables – net	467,451	395,220
Prepayments	35,300	34,081
Due from related parties note (16)	5,990	5,930
Other receivables	99,943	106,363
Accrued revenue	2,349	2,293
	611,033	543,887

9. Financial assets at amortised cost

	31 March 2023	31 December 2022
Term deposits (more than 3 months)	113,080	60,200
Treasury bills (more than 3 months)	144,588	107,204
	257,668	167,404

The maturity date of the treasury bills and Fixed-term deposits are between 3-12 months and have average interest rates of EGP, and JOD 18.99% and 5.23% respectively.

10. Cash and cash equivalents

	31 March 2023	31 December 2022
Cash at banks and on hand	357,782	399,957
Treasury bills (less than 3 months)	197,591	185,513
Term deposits (less than 3 months)	-	63,042
	555,373	648,512

11. Trade and other payables

	31 March 2023	31 December 2022
Trade payable	277,462	269,782
Accrued expenses	210,957	241,060
Due to related parties note (16)	35,490	25,058
Other payables	114,140	98,204
Deferred revenue	52,564	60,948
Accrued finance cost	3,564	6,043
	694,177	701,095

12. Current put option liability

	31 March 2023	31 December 2022
Put option - Biolab Jordan	241,414	439,695
	241,414	439,695

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

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

The option is calculated at seven times EBITDA of the last 12 months minus Net Debt and its exercisable in whole starting 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 March 2023. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However,

based on discussions and ongoing business relationship, there is no expectation that this will happen in next 18 months. The option has no expiry date.

13. Loans and borrowings

	Currency	Nominal interest rate	Maturity	31 March 2023	31 December 2022
AUB – Bank	EGP	CBE corridor rate+1%	26 January 2027	107,944	116,426
AUB – Bank	EGP	CBE corridor rate+1%	29 June 2023	54,936	-
				162,879	116,426
Amount held as:					
Current liability				83,320	22,675
Non- current liability				79,560	93,751
				162,879	116,426

- A)** In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 185m from Ahli United Bank “AUB Egypt” to finance the investment cost related to the expansion into the radiology segment. As at 31 March 2023 only EGP 179.8 M had been drawn down from the total facility available with 17m 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:

- The financial leverage shall not exceed 0.7 throughout the period of the loan
“Financial leverage”: total bank debt divided by net equity
- The debt service ratios (DSR) shall not be less than **1.35 starting 2020**
“Debt service ratio”: cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance (cash and cash equivalent) divided by total financial payments.

“Cash operating profit”: Operating profit after tax, interest expense, depreciation and amortisation, is calculated as follows: Net income after tax and unusual items adding Interest expense, Depreciation, Amortisation and provisions excluding tax related provisions less interest income and Investment income and gains from extraordinary items.

“Financial payments”: current portion of long-term debt including finance lease payments, interest expense and fees and dividends distributions.

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

The terms and conditions of outstanding loans are as follows:

- * As at 31 March 2023 corridor rate 20.25% (2022: 17.25%)

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

- B)** IDH opted to reduce 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, IDH utilized a bridge loan facility, with half of the amount (EGP 55 million) being funded internally and the other half (EGP 55 million) provided by a loan from Ahly United Bank – Egypt, with due to the date on 29 June 2023.

14. Non-current put option liability

	31 March 2023	31 December 2022
Put option liability*	56,992	51,000
	56,992	51,000

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

15. Other Financial obligations

	31 March 2023	31 December 2022
Financial liability– laboratory equipment	278,319	335,470
Lease liabilities building	782,090	727,426
	1,060,409	1,062,896

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

	31 March 2023		
	Minimum payments	Interest	Principal
Less than one year	299,559	132,044	167,515
Between one and five years	1,001,389	293,112	708,277
More than five years	228,482	43,865	184,617
	1,529,430	469,021	1,060,409

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

Amounts recognised in profit or loss:

	For the three months ended 31 March	
	2023	2022
Interest on lease liabilities	22,323	16,861
Expenses related to short-term lease	2,676	5,757

16. Related party transactions

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

Related Party	Nature of transaction	Nature of relationship	31 March 2023	
			Transaction amount of the year EGP'000	Amount due from / (to) EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	-	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	-	1,771
H.C Security	Provide service	Entity owned by Company's board member	(8)	(107)
Life Health Care	Provided service	Entity owned by Company's CEO	(23)	2,495
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	198,281	(241,414)
	Current account	Bio. Lab C.E.O and shareholder	(4,568)	(24,576)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(5,993)	(56,992)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	(4,781)	(5,404)
Integrated Treatment for Kidney Diseases (S.A.E)	Collection Medical Test analysis	Entity owned by Company's CEO	(57) 139	1,372
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	(63)	(2,440)
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	(1,006)	(2,963)
				(327,907)

Related party transactions (continued)

Related Party	Nature of transaction	Nature of relationship	31 December 2022	
			Transaction amount of the year EGP'000	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)

* 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).

Related party transactions (continued)
Compensation of key management personnel of the Group

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

	31 March 2023	31 March 2022
Short-term employee benefits	20,192	25,424
	20,192	25,424

17. General and administrative expenses

	For the three months ended 31 March	
	2023	2022
Wages and salaries	51,762	33,931
Depreciation	8,459	6,483
Amortisation	1,554	920
Other expenses	64,708	44,966
Total	126,483	86,300

18. Net finance cost

For the three months ended 31 March

	2023	2022
Finance income		
Interest income	15,168	45,247
Net foreign exchange gain	109,320	61,134
Gain on hyperinflationary net monetary position	-	1,664
Total finance income	124,488	108,045
Finance cost		
Bank charges	(2,408)	(7,144)
Interest expense	(40,387)	(25,916)
Total finance cost	(42,795)	(33,060)
Net finance income	81,693	74,985

19. Tax
A) Tax expense

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

B) Income tax

Amounts recognised in profit or loss as follow:

For the three months ended 31 March

	2023	2022
Current tax:		
Current period	(41,136)	(101,360)
Deferred tax:		
Deferred tax arising on undistributed reserves in subsidiaries	190	(55,225)
Relating to origination and reversal of temporary differences	(1,171)	(629)
Total Deferred tax expense	(981)	(55,854)
Tax expense recognised in profit or loss	(42,117)	(157,214)

Tax (continued)
C) Deferred tax liabilities

Deferred tax relates to the following:

	31 March 2023	31 December 2022
Property, plant and equipment	(34,409)	(35,804)
Intangible assets	(112,094)	(109,118)
Undistributed reserves from Group subsidiaries	(176,681)	(176,871)
Provisions and financial obligation	61	61
Net deferred tax liabilities	(323,123)	(321,732)

20. Financial instruments

The Group has reviewed the financial assets and liabilities held at 31 March 2023. It has been deemed that the carrying amounts for all financial instruments are a reasonable approximation of fair value. All financial instruments are deemed Level 3.

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.

21. Earnings per share

	For the three months ended 31 March	
	2023	2022
Profit attributed to owners of the parent	172,909	296,609
Weighted average number of ordinary shares in issue	600,000	600,000
Basic and diluted earnings per share	0.29	0.49

The Company has no potential diluted shares as at 31 March 2023 and 31 March 2022, therefore; the earnings per diluted share are equivalent to basic earnings per share.

22. Segment reporting

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

The Group has four operating segments based on geographical location rather than two operating segments based on service provided, as the Group's Chief Operating Decision Maker (CODM) reviews the internal management reports and KPIs of each geography.

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

For the three months ended	Revenue by geographic location				Total
	Egypt region	Sudan region	Jordan region	Nigeria region	
31 March 2023	731,040	8,780	144,473	30,998	915,291
31 March 2022	879,490	5,672	280,514	14,803	1,180,479

For the year ended	EBITDA by geographic location				Total
	Egypt region	Sudan region	Jordan region	Nigeria region	
31 March 2023	197,947	1,622	35,832	(8,023)	227,378
31 March 2022	395,056	86	74,312	(1,169)	468,285

Segment reporting (continued)

	Net profit / (loss) by geographic location				
	Egypt region	Sudan region	Jordan region	Nigeria region	Total
For three-month period ended					
31 March 2023	171,237	4,072	6,392	(13,315)	168,386
31 March 2022	269,516	2,756	45,030	(3,169)	314,133

	Revenue by type		Net profit by type	
	For the three months ended 31 March		For the three months ended 31 March	
	2023	2022	2023	2022
Pathology	856,436	1,148,804	208,340	330,024
Radiology	58,855	31,675	(39,954)	(15,891)
	915,291	1,180,479	168,386	314,133

	Revenue by categories	
	For the three months ended 31 March	
	2023	2022
Walk-in	336,740	535,105
Corporate	578,551	645,374
	915,291	1,180,479

	Non-current assets by geographic location				
	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31 March 2023	3,073,330	17,096	614,413	142,078	3,846,917
31 December 2022	3,039,930	14,993	494,244	121,770	3,670,937

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

	For the three months period ended 30 March	
	2023	2022
Profit from operations	128,810	396,362
Property, plant and equipment depreciation	63,717	46,048
Right of use depreciation	32,938	23,926
Amortisation of Intangible assets	1,913	1,949
EBITDA	227,378	468,285

23. Important events

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

24. Subsequent event

During April 2023, an armed conflict began in Sudan that led to security unrest across the country. Business has been temporarily frozen in the branches of the Sudan Laboratory Company and Ultra Lab until further notice, which will greatly affect the profits of the geographical sector in the subsequent period. There is no damage to the material assets to date. The Group's management is closely monitoring the situation and is currently evaluating the impact of these events on the Group's business results and activities.