Integrated Diagnostics Holdings Plc
FY 2023 Results
Thursday, 28 March 2024

Integrated Diagnostics Holdings plc reports double digit revenue growth in FY 2023 supported by record-high test volumes

(Cairo and London) — Integrated Diagnostics Holdings ("IDH," "the Group," or "the Company"), a leading provider of diagnostic services with operations in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia, announced today its audited financial statements and operational performance for the year ended 31 December 2023, booking consolidated revenue of EGP 4.1 billion, a 14% year-on-year increase on the back of expanding test volumes and average revenue per test. This is a particularly impressive result when considering that Covid-19-related testing in the previous year (FY 2022) had contributed 19% of the Company's top-line. When excluding[1] Covid-19-related contributions from FY 2022 results, conventional revenues expanded an impressive 42% year-on-year. Further down the income statement, the Company booked net profit of EGP 468 million in FY 2023, down 11% year-on-year and yielding a net profit margin (NPM) of 11%.

On a quarterly basis, IDH posted consolidated revenue growth of 33%, reaching EGP 1.1 billion. Meanwhile the Company recorded conventional revenue growth of 37% year-on-year, boosted by 17% increases in both test volumes and average revenue per conventional test. Net profit recorded EGP 81 million, down 34% year-on-year and yielding an NPM of 8%.

Financial Results (IFRS)

EGP mn	Q4 2022	Q4 2023	Change	FY 2022	FY 2023	Change
Revenues	**805**	**1,069**	**33%**	**3,605**	**4,123**	**14%**
Conventional Revenues	*780*	*1,069*	*37%*	*2,903*	*4,123*	*42%*
Covid-19-related Revenues	*24*	*-*	*-100%*	*702*	*-*	*-100%*
Cost of Sales	(524)	(682)	30%	(2,143)	(2,598)	21%
Gross Profit	**281**	**387**	**38%**	**1,462**	**1,524**	**4%**
Gross Profit Margin	*35%*	*36%*	*1 pts*	*41%*	*37%*	*-4 pts*
Operating Profit	83	184	121%	832	738	-11%
Adjusted EBITDA[2]	**197**	**319**	**62%**	**1,172**	**1,192**	**2%**
Adjusted EBITDA Margin	*25%*	*30%*	*5 pts*	*33%*	*29%*	*-4 pts*
Net Profit	**123**	**81**	**-34%**	**527**	**468**	**-11%**
Net Profit Margin	*15%*	*8%*	*-8 pts*	*15%*	*11%*	*-3 pts*
Cash Balance[3]	**816**	**835**	**2%**	**816**	**835**	**2%**

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

Key Operational Indicators[4]

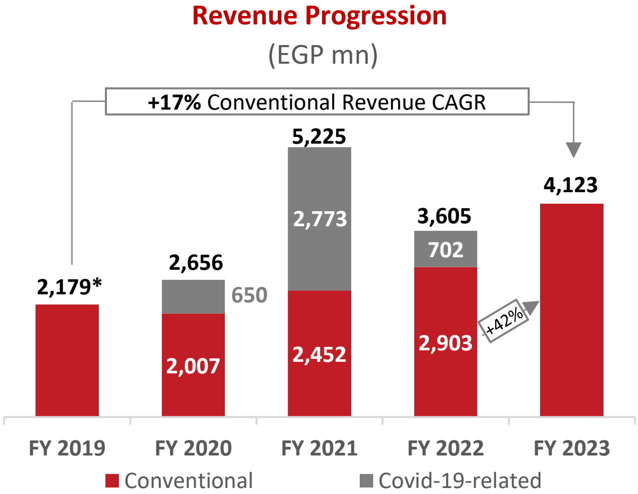
EGP mn	FY 2022	FY 2023	Change
Branches	552	601[5]	49
Patients ('000)	8,721	8,512	-2%
Revenue per Patient (EGP)	413	484	17%
Tests ('000)	32,685	36,102	10%
Conventional Tests ('000)	*30,985*	*36,102*	*17%*
Covid-19-related Tests ('000)	*1,700*	*-*	*-100%*
Revenue per Test	110	114	4%
Revenue per Conventional Test (EGP)	*94*	*114*	*22%*
Revenue per Covid-19-related Test (EGP)	*413*	*-*	*-100%*
Test per Patient	3.7	4.2	13%

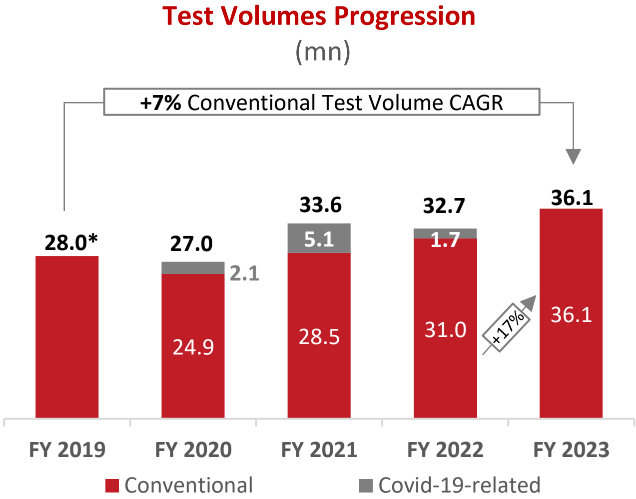
[1] Starting Q1 2023, IDH has opted to stop reporting on its Covid-19-related revenues and test volumes due to their material insignificance to the consolidated figures and to Egypt's and Jordan's country-level results. During last year (FY 2022), IDH had recorded EGP 702 million in Covid-19-related revenues and had performed 1.7 million Covid-19-related tests.
[2] Adjusted EBITDA is calculated as operating profit plus depreciation and amortization, excluding non-recurring expenses, specifically an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training, EGP 18.2 million in pre-operating expenses in Saudi Arabia, EGP 5.0 million impairment expense in Sudan due to the ongoing situation in the country, an EGP 18.0 million impairment expense in goodwill and assets in Nigeria.
[3] Cash balance includes time deposits, treasury bills, current accounts, and cash on hand
[4] Key operational indicators are calculated based on revenues for the periods of EGP 4,123 million and EGP 3,605 million for FY 2023 and FY 2022, respectively.
[5] IDH's branch network includes 17 branches in Sudan which have been closed due to ongoing conflict in the country

Introduction

i. Financial Highlights

- **Consolidated revenue** of EGP 4,123 million was recorded in FY 2023, representing a 14% year-on-year increase. This is a particularly noteworthy result when considering the large contribution that Covid-19-related testing[6,7] had made to last year's consolidated top-line. Total revenue growth was driven primarily by higher test volumes, which rose 10% year-on-year, and secondarily by increased average revenue per test, which rose by 4% year-on-year. On a three-month basis, IDH's consolidated revenues came in at EGP 1,069 million in Q4 2023, up 33% year-on-year.
- Excluding Covid-19-related contributions from last year's figure (which amounted to EGP 702 million, or 19% of consolidated revenues in FY 2022), IDH booked an impressive 42% year-on-year increase in **conventional revenue[8]** during FY 2023. Conventional revenue growth during the year was dual driven by 17% and 22% year-on-year increases in test volumes and average revenue per conventional test, respectively. In Q4 2023, the Company posted a conventional revenue year-on-year increase of 37% to reach EGP 1,069 million, on the back of 17% increases in both conventional test volumes and average revenue per conventional test.





**FY 2019 figures exclude revenues (of EGP 47 million) and test volumes (of 2.4 million tests) 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** of EGP 1,524 million was recorded in FY 2023, up 4% from EGP 1,462 million in 2022. Gross profit margin (GPM) stood at 37% in FY 2023, down from 41% one year prior. Lower gross profitability primarily reflected increased costs of sales for the year which rose 21% versus FY 2022 driven principally by higher raw material costs as test kit prices continued to be impacted by rising inflation and a weakening Egyptian Pound (EGP). The Company also booked higher direct salary and wage expenses as it opted to implement greater-than-usual compensation adjustments for existing staff to support them during the ongoing period of high inflation. On a quarterly basis, gross profit came in at EGP 387 million, up 38% year-on-year as the initial effects of the multiple devaluations of the EGP continued to fade and operations normalised during the second half of the year. IDH recorded a gross profit margin (GPM) of 36% during Q4 2023, up from 35% one year prior.
- **Adjusted EBITDA[9]** of EGP 1,192 million was recorded in FY 2023, up 2% year-on-year. Adjusted EBITDA margin for the year recorded 29%, versus 33% in FY 2022. Lower adjusted EBITDA profitability in FY 2023 was due to a decline in gross profitability coupled with higher SG&A expenses, which were driven by higher indirect wages and salaries, as well as higher consulting and accounting fees due to a weakened EGP. On a three-month basis, adjusted EBITDA stood at EGP

[6] 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.
[7] Covid-19-related revenue in FY 2022 includes EGP 63 million in concession fees paid by Biolab to Queen Alia International Airport and Aqaba Port as part of its revenue sharing agreement.
[8] Conventional (non-Covid) tests include IDH's full service offering excluding Covid-19 related tests.
[9] Adjusted EBITDA is calculated as operating profit plus depreciation and amortization, excluding non-recurring expenses, specifically an EGP 11.9 million one-off expense owed to the Egyptian government for vocational training, EGP 18.2 million in pre-operating expenses in Saudi Arabia, EGP 5.0 million impairment expense in Sudan due to the ongoing situation in the country, an EGP 18.0 million impairment expense in goodwill and assets in Nigeria.

319 million in Q4 2023, representing a 62% year-on-year increase, and with an associated margin of 30%, up from 25% in Q4 2022.

- **Net Profit** of EGP 468 million was recorded in FY 2023, down 11% from the EGP 527 million net profit recorded in the previous twelve months. Net profit margin (NPM) stood at 11%, down from 15% in FY 2022. Lower net profitability was driven by lower EBITDA profitability coupled with higher interest expenses due to additions of new radiology equipment to support the expansion of Group operations. During the fourth quarter of the year, net profit recorded EGP 81 million, down 34% year-on-year, and yielding an associated margin of 8% in Q4 2023.

ii. Operational Highlights

- As of year-end 2023, IDH operated a total **branch network** of 601 branches (of which 17 in Sudan are currently closed), spread across four markets. This represents a 49-branch increase over the previous year. During Q4 2023, IDH launched seven additional branches in its home and largest market of Egypt, bringing the country's total branch network to 544 branches. IDH continues to operate the largest network of private diagnostic labs in the country, helping the Company to capture a growing number of patients and capitalise on the important growth opportunities offered by Egypt's favourable demographic profile.
- **Consolidated test volumes** for the year reached a record-high 36.1 million test in FY 2023, up a solid 10% year-on-year on the back of strong growth in Egypt. Conventional tests volumes (which exclude contributions from Covid-19-related testing in FY 2022) came in 17% above last year's figure, continuing to highlight the strong and growing demand for IDH's traditional offering. On a quarterly basis, total test volumes expanded 16% year-on-year to record 9.6 million, with conventional test volumes up 17% year-on-year. It is worth mentioning that consolidated test volumes in the second half of the year stood 19% above test volumes recorded in the first six months of FY 2023, showcasing the strong pick up in traffic recorded by the Company starting in May 2023.
- **Average revenue per test** recorded EGP 114 in FY 2023, a 4% increase from last year's figure. Meanwhile, conventional revenue per test expanded 22% year-on-year. Rising average revenue per test reflects the multiple direct and indirect price adjustments implemented by the Company in both Egypt and Nigeria in response to the fast-rising inflation witnessed across both geographies. It is important to note that this figure was partially boosted by an 18% contribution from the translation effect, due to the devaluation of the Egyptian Pound over the past twelve months.
- During FY 2023, IDH served a total of 8.5 million **patients**, a marginal 2% decline compared to the previous year. This decline primarily reflects the high base of FY 2022, when patient volumes were boosted by Covid-19-related contributions. In parallel, the Company booked a record-high 4.2 average tests per patient during the year, up significantly from the 3.7 tests recorded in FY 2022. The steady rise in average tests per patient directly reflects the continued effectiveness of the Company's loyalty programme, which was rolled out in FY 2021 as part of the Group's post-pandemic growth strategy.

iii. Updates by Geography

- In **Egypt** (82.7% of total revenues in FY 2023), IDH continued to post strong results, with consolidated revenue reaching EGP 3,411 million, an impressive 18% year-on-year rise on the back of 13% and 4% increases in test volumes and average revenues per test, respectively. This is a particularly notable result when considering the significant contributions made by Covid-19-related testing to the previous year's figure. When excluding this contribution (16% of Egypt's revenue in FY 2022), conventional revenue recorded a 40% year-on-year expansion in FY 2023 supported by an 18% increase in both test volumes and average revenue per conventional test during the year. On a quarterly basis, IDH's Egyptian operations recorded consolidated revenue of EGP 911 million in Q4 2023, an increase of 38% year-on-year. Similarly, conventional revenue year-on-year growth in the final quarter of the year stood at 42%.
- Biolab, IDH's **Jordanian** subsidiary (14.7% of total revenues in FY 2023), posted consolidated revenue of JOD 14.0 million in FY 2023, down 42% year-on-year (a 1% year-on-year decline in EGP terms) reflecting the high base effect resulting from large contributions made by Covid-19-related testing in FY 2022. Meanwhile, conventional revenue in local currency terms for the year (which excludes Covid-19-related contributions made in FY 2022) stood a solid 8% above last year's figure signalling strong underlying demand for Biolab's test offering with conventional test volumes rising 8% year-on-year in FY 2023. On a quarterly basis, consolidated revenues recorded JOD 3.2 million, down 5% year-on-year (up 20% year-on-year in EGP terms due to translation effect). On the other hand, conventional revenues came in marginally above last year's figure in the final quarter on the year.
- In **Nigeria** (2.3% of total revenues in FY 2023), Echo-Lab recorded a 15% year-on-year increase in revenues in local currency terms (up 22% in EGP terms), reaching NGN 2.0 billion in FY 2023 driven by a 32% year-on-year growth in

average revenue per test. This reflects Echo-Lab's test mix optimisation efforts as well as the strategic price hikes implemented throughout the year to keep up with rising inflation. Meanwhile, inflationary pressures and an expanded cost base in Nigeria weighed down on EBITDA profitability, expanding adjusted EBITDA losses to NGN 498 million in FY 2023, down from NGN 337 million one year prior. On a three-month basis, revenue increased 15% year-on-year in NGN, on the back of higher average revenue per test.

- IDH's **Sudanese** operations (0.3% of total revenues in FY 2023) booked total revenues for the year of SDG 220 million, down 60% year-on-year (in EGP terms revenue declined 44% versus FY 2022) as the country's operations continue to be heavily affected by the ongoing conflict, which has led to the closure of 17 of the country's 18 branches since April 2023. In Q4 2023, revenue was down 90% year-on-year in SDG terms.
- IDH launched its first two **Saudi Arabian** branches in 2024, one in January and another in March. The two branches are located in Riyadh allowing the Company to capitalise on the city's attractive growth profile. The new venture was jointly funded by IDH (30%), Biolab (21%) and Fawaz Alhokair's healthcare subsidiary, Izhoor (49%). In the long run, the venture aims to establish itself as a fully-fledged clinical pathology diagnostic services provider boasting a branch network covering the entire Kingdom. The new venture will be fully consolidated on IDH's accounts starting in Q1 2024.

iv. Management Commentary

Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "2023 was a year characterised by growth and execution as the Company delivered robust revenue growth despite a challenging operating environment. After months of preparation, in January 2024 we added a fifth market to our portfolio with the official launch of Biolab KSA in Saudi Arabia. At the same time, we continued to capitalise on the important growth opportunities offered by our existing markets to drive strong year-on-year consolidated revenue growth and continue expanding our reach in the process.

As a business operating in this part of the world, we are no strangers to macroeconomic volatility. 2023 was no different, as our markets of operation were confronted with devaluation, record-high inflation, tightening monetary policies, and fluctuating energy prices. Despite all this, our two largest markets, Egypt and Jordan, remained resilient supported by attractive fundamentals which are set to drive their long-term growth over the coming decade.

Throughout 2023, IDH continued delivering on its promise of caring for its patients, providing unparalleled quality and accuracy in its testing, and building long-term relationships across its communities. At the same time, in line with our commitment to shareholders, we continued to drive growth and profitability across the business, recording remarkable results throughout the year. As a result, we ended the year with total revenues in excess of EGP 4,100 million, up a solid 14% from last year's figure which had included significant contributions from Covid-19-related testing. Excluding Covid-19-related contributions from the comparable period, revenue growth at our conventional business was even more notable, coming in at 42% for the year, and sitting 89% above pre-pandemic revenues of EGP 2,179 million in 2019. Across our geographies, we were particularly pleased with the performance delivered by our home market of Egypt, which recorded strong consolidated and conventional growth for the year. Jordan also posted solid underlying revenue growth, continuing to highlight its potential going forward.

We started 2024 on an exciting note, as we launched the first two branches of Biolab KSA in partnership with our Jordanian subsidiary, Biolab, and Izhoor, a company owned by Fawaz Alhokair, chairman of the renowned Saudi retail group, Fawaz Alhokair Group. The inauguration of Biolab KSA's first two locations marked our entrance into the Saudi Arabian market, one of the fastest growing and most attractive markets in the region. Once fully ramped up, Biolab KSA aims to become a fully-fledged diagnostic services provider capable of capturing the vast opportunities offered by the currently underserved and highly fragmented Saudi market. This latest expansion falls perfectly in line with our long-term growth strategy which sees us target potential opportunities for greenfield and brownfield investment in markets where our business model is best fit to capitalise on prevailing demographic factors and industry dynamics. In the coming years, we expect Biolab KSA to contribute an increasing share to the Group's top-line, helping us to further diversify our revenue base and guarantee the business' long-term sustainability.

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

– End –

Analyst and Investor Call Details

An analyst and investor call will be hosted at 1pm (UK) | 3pm (Egypt) on Thursday, 28 March 2024. You can learn more details and register for the call by clicking on this link.

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

About Integrated Diagnostics Holdings (IDH)

IDH is a leading diagnostics services provider in the Middle East and Africa offering a broad range of clinical pathology and radiology tests to patients in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Echo-Lab (Nigeria), Ultralab and Al Mokhtabar Sudan (both in Sudan), and Biolab KSA (Saudi Arabia). With over 40 years of experience, a long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 3,000 diagnostics tests. From its base of 601 branches as of 31 December 2023, IDH served over 8.5 million patients and performed more than 36.1 million tests in 2023. 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 targets expansion in appealing markets, including acquisitions in the Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

Shareholder Information

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

Contact

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Forward-Looking Statements

These results for the year ended 31 December 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.

Market abuse regulation information

The information contained in this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain. Company Matters, IDH's Company Secretary is responsible for the release of this announcement for the purposes of such regulation.

Chairman's Message

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

Navigating Challenges

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

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

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

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

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

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

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

New Beginnings

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

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

Driving Change

We are exploring the opportunities to embrace generative artificial intelligence (AI) and drive additional revenue leveraging the vast data base which we control with stringent security and privacy.
We are enthusiastic about the potential enhancements in the diagnostics field as AI solutions are being incorporated in to traditional testing protocols.

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

Environmental, Social, and Governance (ESG)

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

Risk Matrix

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

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

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

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

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

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

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

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

Lord St John of Bletso
Chairman

Chief Executive's Review

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

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

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

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

Looking at our results in more detail, in the twelve months ended 31 December 2023, we recorded total revenues in excess of EGP 4,100 million, up a solid 14% from last year's figure which had included significant contributions from Covid-19-related testing. Excluding Covid-19-related contributions from the comparable period, revenue growth at our conventional business was even more notable coming in at 42% for the year, and sitting 89% above pre-pandemic revenues of EGP 2,179[10] million in 2019. Conventional revenue growth was supported by steady rises in test volumes, increased contributions from our house call services, which sit comfortably above pre-pandemic averages at 14%, as well as increased growth momentum from our fast-growing radiology venture, Al-Borg Scan, which saw the launch of a seventh branch in 2023. More specifically, in 2023 we performed 17% more conventional tests compared to the previous twelve months. Conventional revenue growth was also supported by our strategic price increases which saw average revenue per conventional test increase to EGP 114 versus EGP 94 last year. These increases, which remain below market averages, not only ensured that our tests continued to be affordable for as many people as possible, but also enabled us to build stronger relationships with our patients, boosting long-term retention. As a result of these efforts, one of our most important operational metrics, average tests per patient, reported its highest figure on record, coming in at 4.2 tests in 2023 up from 3.7 in 2022.

On a geographic basis, we recently launched operations in our fifth geography, Saudi Arabia, expanding our geographic reach in one of the region's fastest-growing economies characterized by favourable demographics. Meanwhile, Egypt, our largest market, continued to represent the lion share of consolidated revenues, contributing 82.7% in 2023. Total revenues in our home market rose by 18% for the year to record EGP 3.4 billion supported by higher volumes and prices. Similar to trends seen at the consolidated level, conventional revenues in Egypt rose by an impressive 40% versus 2022. Throughout the year, we performed 33.4 million tests, a robust 13% year-on-year increase, testament to the growing attractiveness of our offering. We also recorded the highest ever number of tests per patient at 4.2, as the revamped loyalty programs introduced as part of our post-Covid-19 strategy delivered the desired results. Higher test and patient volumes were also supported by an expanded branch network

10 Excluding contributions from the 100 million lives campaign in 2019 which saw the addition of 44 new branches in 2023, as well as by our house call services which remain a preferred method to access our services for a significant segment of our patient base. Meanwhile, the Company booked an 18% increase in average revenue per conventional test on the back of strategic price hikes introduced at the start of the year. Revenues in Egypt were further boosted by an increasing contribution from our fast-growing radiology venture, Al-Borg Scan. The venture recorded revenues of EGP 155 million for the year, up 82% from 2022. To build on this momentum, in September 2023 we rolled out a seventh Al Borg Scan location with our radiology network now spanning the entire Greater Cairo area and ensuring that we rapidly capture a growing share of this high-fragmented and quickly expanding market segment.

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

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

Expanded Footprint

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

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

Our Sustainability Journey

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

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

Our Outlook for 2024

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

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

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

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

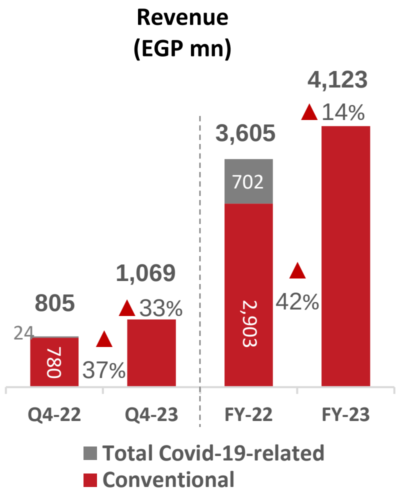
Dividend Policy and Proposed Dividend

While our long-term dividend policy that sees us return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations and expansions remains unchanged, the continued economic headwinds and foreign currency shortages in Egypt have led the Board of Directors to opt not to distribute dividends for the year ended 31 December 2023.

Dr. Hend El-Sherbini
Chief Executive Officer

Group Operational & Financial Review

i. Revenue and Cost Analysis



Consolidated Revenue

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

In the final quarter of the year, IDH booked consolidated revenues of EGP 1,069 million, an increase of 33% versus the comparable three-month period of FY 2022. Meanwhile, conventional[13] revenues were up 37% versus Q4 2022. Conventional revenues during the quarter were buoyed by a simultaneous increase in test volumes and average revenues per conventional test, which both grew 17% year-on-year.

Revenue Analysis

	Q1 2022	Q1 2023	Q2 2022	Q2 2023	Q3 2022	Q3 2023	Q4 2022	Q4 2023	%	FY 2022	FY 2023	%
Total revenue (EGP mn)	**1,180**	**915**	**774**	**957**	***846***	***1,182***	***804***	***1,069***	***33%***	**3,605**	**4,123**	***14%***
Conventional revenue (EGP mn)	*640*	*915*	*699*	*957*	*784*	*1,182*	*780*	*1,069*	*37%*	*2,903*	*4,123*	*42%*
Covid-19-related revenue (EGP mn)	*540*	*-*	*75*	*-*	*63*	*-*	*24*	*-*	*-100%*	*702*	*-*	*-100%*
Contribution to Consolidated Results												
Conventional revenue	*54%*	*100%*	*90%*	*100%*	*93%*	*100%*	*97%*	*100%*		*81%*	*100%*	
Covid-19-related revenue	*46%*	*-*	*10%*	*-*	*7%*	*-*	*3%*	*-*		*19%*	*-*	
Test Volume Analysis												
Total tests (mn)	**8.4**	**8.0**	**7.6**	**8.5**	***8.4***	***10.0***	***8.3***	***9.6***	***16%***	**32.7**	**36.1**	***10%***
Conventional tests performed (mn)	*7.1*	*8.0*	*7.4*	*8.5*	*8.2*	*10.0*	*8.3*	*9.6*	*17%*	*31.0*	*36.1*	*17%*
Total Covid-19-related tests performed (mn)	*1.3*	*-*	*0.2*	*-*	*0.2*	*-*	*0.07*	*-*	*-100%*	*1.7*	*-*	*-100%*
Contribution to Consolidated Results												
Conventional tests performed	*85%*	*100%*	*97%*	*100%*	*98%*	*100%*	*99%*	*100%*		*95%*	*100%*	
Total Covid-19-related tests performed	*15%*	*-*	*3%*	*-*	*2%*	*-*	*1%*	*-*		*5%*	*-*	
Revenue per Test Analysis												
Total revenue per test (EGP)	**140**	**114**	**102**	**113**	***101***	***118***	***97***	***111***	***15%***	**110**	**114**	***4%***
Conventional revenue per test (EGP)	*90*	*114*	*94*	*113*	*96*	*118*	*94*	*111*	*17%*	*94*	*114*	*22%*
Covid-19-related revenue per test (EGP)	*431*	*-*	*367*	*-*	*361*	*-*	*354*	*-*	*-100%*	*413*	*-*	*-100%*

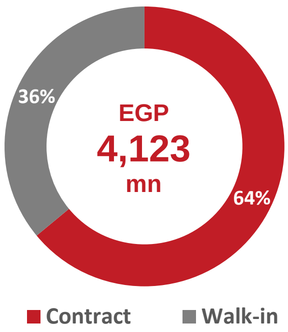
[11] *Covid-19-related revenue in FY 2022 includes EGP 63 million in concession fees paid by Biolab to Queen Alia International Airport and Aqaba Port as part of its revenue sharing agreement.*

[12] *Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.*

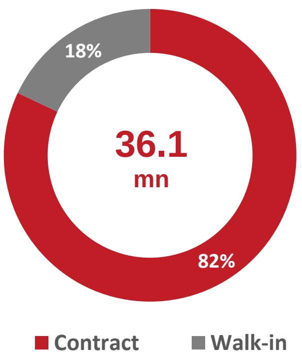
[13] *Conventional (non-Covid) tests include IDH's full service offering excluding the Covid-19 related tests outlined below.*

Revenue Analysis: Contribution by Patient Segment

Revenue by Patient Segment
(FY 2023)



Tests by Patient Segment
(FY 2023)



Contract Segment (64% of Group revenue in FY 2023)
At the Contract segment, consolidated revenues grew 26% year-on-year driven by higher test volumes and average revenue per test. During the year, the contract segment's average number of tests per patient posted a record high 4.4, a result of both the normalisation of patient mix following the Covid-19 pandemic, as well as the continued success of IDH's loyalty programme, which was introduced in FY 2021.

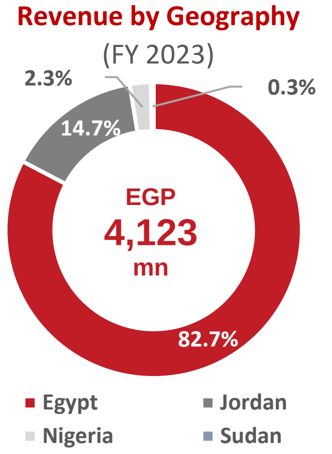
Meanwhile, conventional revenues at IDH's contract segment booked EGP 2,627 million in FY 2023, a robust 47% year-on-year growth driven by 21% growth in test volumes and a 22% increase in average revenues per conventional test at the segment, respectively.

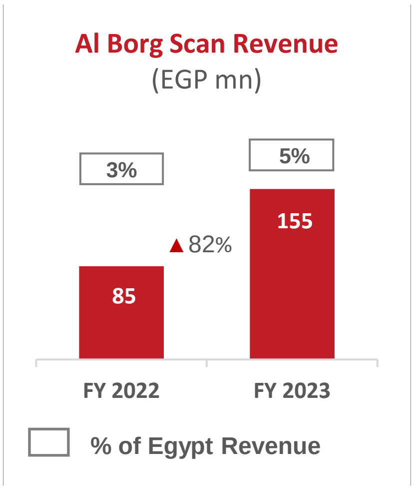
Walk-in Segment (36% of Group revenue in FY 2023)
In parallel, at the walk-in segment, consolidated revenues declined a marginal 2% during FY 2023, to record EGP 1,495 million down from EGP 1,519 million in the previous year when Covid-19-related testing had boosted results. Similar to the contract segment, average tests per patient grew 28% year-on-year to book 3.6 tests during FY 2023, setting another record high for the Company.

Conventional revenue at the walk-in segment recorded EGP 1,495 million in FY 2023, increasing 34% year-on-year. Conventional revenue growth at the segment was supported by a 33% year-on-year increase in average revenue per test, while test volumes remained unchanged compared to the previous year.

Detailed Segment Performance Breakdown

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





Revenue Analysis: Contribution by Geography

Egypt (82.7% of Group revenue)

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

In Q4 2023, IDH's Egyptian operations recorded consolidated revenue of EGP 911 million, up 38% year-on-year driven by 18% and 17% increases in tests and average revenue per test, respectively. Similarly, conventional revenue (which excludes Covid-19-related contributions in Q4 2022) stood 42% higher than in the comparable quarter of last year.

Al-Borg Scan

IDH's fast-growing radiology venture continued to post impressive results throughout the second half of the year, with revenues reaching EGP 155 million in FY 2023, representing an 82% year-on-year increase. Top-line expansion during the year was primarily due to higher scan volumes, which rose 43% year-on-year in FY 2023, partially due to the ramp up of operations at the venture's newest branches. Additionally, average revenue per scan increased 27% year-on-year, reaching EGP 717, and further contributing to revenue expansion.

In September 2023, Al-Borg Scan inaugurated its seventh branch, located in Cairo's Nasr City neighbourhood. The launch of this latest branch is directly in line with the Company's long-term strategy of expanding its presence in Greater Cairo and cementing its position as a leader in the country's highly fragmented radiology market.

House Calls

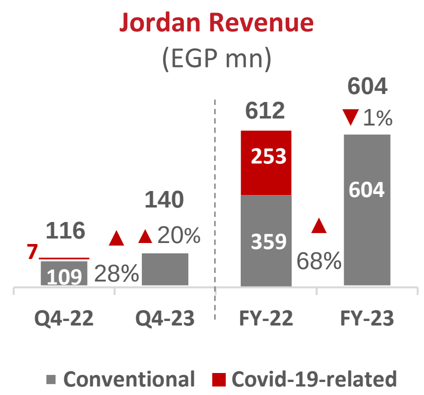
In the year ended 31 December 2023, IDH's house call service in Egypt continued to make a robust contribution of 16% to total revenues in the country. This remains significantly ahead of the service's pre-pandemic contribution, highlighting not only the segment's growth potential but also the effectiveness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

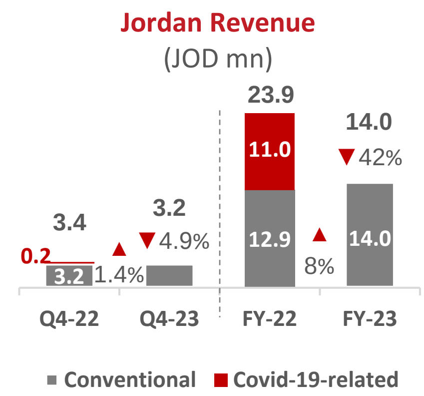
Wayak

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

Detailed Egypt Performance Breakdown

EGP mn	Q1 2022	Q1 2023	Q2 2022	Q2 2023	Q3 2022	Q3 2023	Q4 2022	Q4 2023	%	FY 2022	FY 2023	%
Revenue Analysis												
Total Revenue	**879**	**731**	**645**	**783**	**711**	**986**	**659**	**911**	***38%***	**2,894**	**3,411**	***18%***
Conventional Revenue	549	731	591	783	662	986	642	911	*42%*	2,444	3,411	*40%*
Pathology Revenue	*532*	*703*	*573*	*748*	*639*	*941*	*614*	*864*	*41%*	*2,358*	*3,256*	*38%*
Radiology Revenue	*17*	*28*	*19*	*35*	*23*	*45*	*27*	*47*	*73%*	*86*	*155*	*82%*
Total Covid-19-related Revenue	330	-	53	-	49	-	17	-	*-100%*	450	-	*-100%*
Contribution to Egypt Results												
Conventional revenue	62%	100%	92%	100%	93%	100%	97%	100%		84%	100%	
Pathology Revenue	*61%*	*96%*	*89%*	*96%*	*90%*	*95%*	*93%*	*95%*		*82%*	*95%*	
Radiology Revenue	*1.9%*	*3.8%*	*2.9%*	*4.5%*	*3%*	*5%*	*4%*	*5%*		*3%*	*5%*	
Total Covid-19-related revenue	*38%*	-	*8%*	-	7%		3%			16%		
Test Volume Analysis												
Total Tests	**7.3**	**7.3**	**6.9**	**7.8**	**7.6**	**9.3**	**7.6**	**9.0**	***18%***	**29.5**	**33.4**	***13%***
Conventional Tests	*6.5*	*7.3*	*6.7*	*7.8*	*7.5*	*9.3*	*7.6*	*9.0*	*19%*	*28.3*	*33.4*	***18%***
Total Covid-19-related Tests	*0.8*	-	*0.2*	-	*0.2*	-	*0.01*	-	*-100%*	*1.2*	-	*-100%*
Contribution to Egypt Results												
Conventional tests performed	*89%*	*100%*	*97%*	*100%*	*98%*	*100%*	*99%*	*100%*		*96%*	*100%*	
Total Covid-19-related tests performed	*11%*	-	*3%*	-	*2%*	-	*1%*	-		*4%*	-	
Revenue per Test Analysis												
Total Revenue per Test	**120**	**99**	**94**	**101**	**93**	**107**	**86**	**101**	***17%***	**98**	**102**	***4%***
Revenue per Conventional Test	*84*	*99*	*88*	*101*	*89*	*107*	*85*	*101*	*20%*	*86*	*102*	*18%*





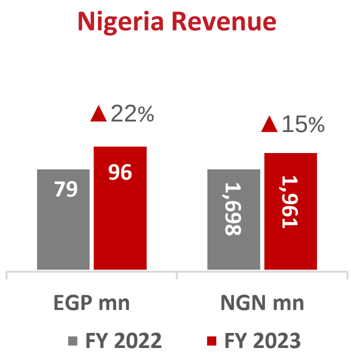
Jordan (14.7% of Group revenue in FY 2023)

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

In Q4 2023, consolidated revenues in Jordan recorded JOD 3.2 million, down 5% year-on-year (up 20% year-on-year in EGP terms due to translation effect). Controlling for the contributions of Covid-19-related testing in the final quarter of FY 2022, conventional revenue would record a 1% year-on-year expansion in Q4 2023 (up 28% in EGP terms, again reflecting the impact of a weaker EGP).

Detailed Jordan Performance Breakdown

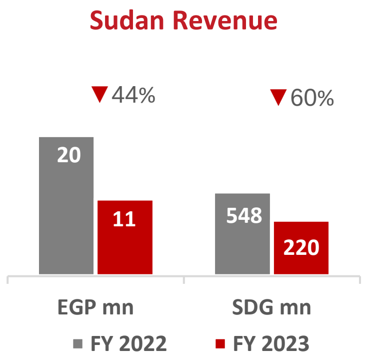
EGP mn	Q1 2022	Q1 2023	Q2 2022	Q2 2023	Q3 2022	Q3 2023	Q4 2022	Q4 2023	%	FY 2022	FY 2023	%
Revenue Analysis												
Total Revenue	**281**	**144**	**106**	**146**	**109**	**174**	**116**	**140**	***20%***	**612**	**604**	***-1%***
Conventional Revenue	*70*	*144*	*84*	*146*	*95*	*174*	*109*	*140*	*28%*	*359*	*604*	*68%*
Total Covid-19-related Revenue (PCR and Antibody)	210	-	21	-	14	-	7	-	*-100%*	253	-	*-100%*
Contribution to Jordan Results												
Conventional Revenue	*25%*	*100%*	*80%*	*100%*	*87%*	*100%*	*94%*	*100%*		*59%*	*100%*	
Total Covid-19-related Revenue (PCR and Antibody)	*75%*	-	*20%*	-	*13%*	-	*6%*	-		*41%*	-	
Test Volume Analysis												
Total tests (k)	**991**	**582**	**603**	**598**	**627**	**678**	**568**	**566**	***-1%***	**2,789**	**2,424**	***-13%***
Conventional tests performed (k)	*519*	*582*	*572*	*598*	599	678	553	566	*2%*	*2,243*	2,424	*8%*
Total Covid-19-related tests performed (k)	*472*	-	*30*	-	28	-	16	-	*-100%*	*546*	-	*-100%*
Contribution to Jordan Results												
Conventional tests performed	*52%*	*100%*	*95%*	*100%*	*96%*	*100%*	*97%*	*100%*		*80%*	*100%*	
Total Covid-19-related tests performed	*48%*	-	*5%*	-	*4%*	-	*3%*	-		*20%*	-	
Revenue per Test Analysis												
Total Revenue per Test	**283**	**248**	**175**	**244**	**174**	**257**	**205**	**247**	***21%***	**219**	**249**	***14%***
Revenue per Conventional Test	*136*	*248*	*147*	*244*	*159*	*257*	*198*	*247*	*25%*	*160*	*249*	*56%*



Nigeria (2.3% of Group revenue in FY 2023)

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

On a quarterly basis, IDH's Nigerian operations reported revenue of NGN 504 million, up 15% year-on-year, on the back of higher average revenue per test. In EGP terms, revenue declined 27% year-on-year in Q4 2023, reflecting a weaker EGP.



Sudan (0.3% of Group revenue in FY 2023)

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

Revenue Contribution by Country

	Q1 2022	Q1 2023	Q2 2022	Q2 2023	Q3 2022	Q3 2023	Q4 2022	Q4 2023	%	FY 2022	FY 2023	%
Egypt Revenue (EGP mn)	**879**	**731**	**645**	**783**	**711**	**986**	**659**	**911**	***38%***	**2,894**	**3,411**	***18%***
Conventional (EGP mn)	*549*	*731*	*591*	*783*	*662*	*986*	*642*	*911*	*42%*	*2,444*	*3,411*	*40%*
Pathology Revenue (EGP mn)	*532*	*703*	*573*	*748*	*639*	*941*	*614*	*864*	*41%*	*2,358*	*3,256*	*38%*
Radiology Revenue (EGP mn)	*17*	*28*	*19*	*35*	*23*	*45*	*27*	*47*	*73%*	*86*	*155*	*82%*
Covid-19-related (EGP mn)	*330*	*-*	*53*	*-*	*49*	*-*	*17*	*-*	*-100%*	*450*	*-*	*-100%*
Egypt Contribution to IDH Revenue	*74.5%*	*79.9%*	*83.2%*	*81.8%*	*84.0%*	*83.5%*	*81.9%*	*85.2%*		*80.3%*	*82.7%*	
Jordan Revenue (EGP mn)	**281**	**144**	**106**	**146**	**109**	**174**	**116**	**140**	***20%***	**612**	**604**	***-1%***
Conventional (EGP mn)	*70*	*144*	*84*	*146*	95	174	109	140	*28%*	*359*	*604*	*68%*
Covid-19-related (EGP mn)	*210*	*-*	*21*	*-*	14	-	7	-	*-100%*	*253*	*-*	*-100%*
Jordan Revenues (JOD mn)	**12.5**	**3.4**	**4.0**	**3.4**	**4.1**	**4.0**	**3.4**	**3.2**	**-5%**	**23.9**	**14.0**	***-42%***
Conventional (JOD mn)	*3.0*	*3.4*	*3.2*	*3.4*	3.5	4.0	3.2	3.2	*1%*	*12.9*	*14.0*	*8%*
Jordan Revenue Contribution to IDH Revenue	*23.7%*	*15.7%*	*13.7%*	*15.2%*	*12.9%*	*14.7%*	*14.4%*	*13.1%*		*17.0%*	*14.7%*	
Nigeria Revenue (EGP mn)	**15**	**31**	**19**	**27**	**21**	**21**	**24**	**18**	**-27%**	**79**	**96**	***22%***
Nigeria Revenue (NGN mn)	**371**	**468**	**416**	**469**	**473**	**520**	**438**	**504**	**15%**	**1,698**	**1,961**	**15%**
Nigeria Contribution to IDH Revenue	*1.3%*	*3.4%*	*2.5%*	*2.8%*	*2.5%*	*1.8%*	*3.0%*	*1.6%*		*2.2%*	*2.3%*	
Sudan Revenue (EGP mn)	**5.7**	**8.8**	**4.8**	**1.4**	**4.3**	**0.5**	**5.5**	**0.6**	**-88%**	**20.3**	**11.4**	***-44%***
Sudan Revenue (SDG mn)	**152**	**169**	**137**	**27**	**128**	**10**	**130**	**13**	**-90%**	**547**	**220**	***-60%***
Sudan Contribution to IDH Revenue	*0.5%*	*1.0%*	*0.6%*	*0.1%*	*0.5%*	*0.05%*	*0.7%*	*0.06%*		*0.6%*	*0.3%*	

Average Exchange Rate

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

Patients Served and Tests Performed by Country

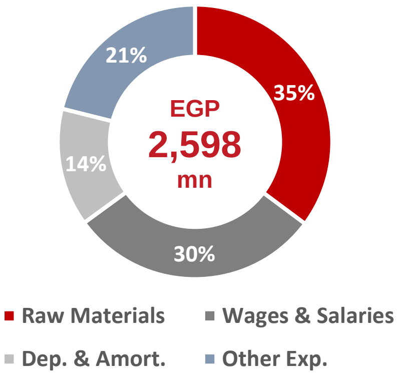
	FY 2022	FY 2023	Change
Egypt Patients Served (mn)	7.6	8.0	*5%*
Egypt Tests Performed (mn)	29.5	33.4	*13%*
Conventional tests (mn)	*28.3*	*33.4*	*18%*
Covid-19-related tests (mn)	*1.2*	*-*	*-100%*
Jordan Patients Served (k)	890	372	*-58%*
Jordan Tests Performed (k)	2,789	2,424	*-13%*
Conventional tests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

Branches by Country

	31 December 2022	31 December 2023	Change
Egypt	500	544	44
Jordan	23	27	4
Nigeria	12	12	-
Sudan	17	18[14]	1
Total Branches	**552**	**601**	**49**

[14] *17 of IDH's branches in Sudan have been closed due to ongoing conflict in the country*

Cost of Goods Sold Breakdown
(FY 2023)



Cost of Goods Sold

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

Cost of Goods sold Breakdown as a Percentage of Revenue

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

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

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

Direct Wages and Salaries by Region

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

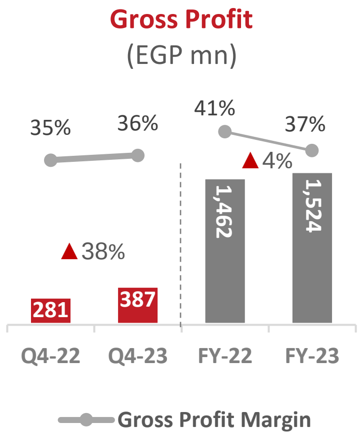
Direct depreciation and amortization costs (14% of consolidated cost of goods sold) grew 27% year-on-year in FY 2023, booking EGP 362 million. Increased depreciation and amortization costs during the year primarily reflect the rollout of 49 additional branches to IDH's network, including the launch of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

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

Gross Profit

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

On a three-month basis, IDH's gross profit grew 38% year-on-year in Q4 2023, reaching EGP 387 million. GPM came in at 36%, up one percentage point from Q4 2022 and continuing to highlight a normalisation of profitability following multiple devaluations of the EGP between the end of 2022 and early 2023.



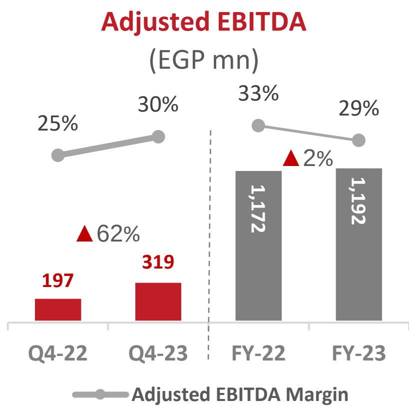
Selling, General and Administrative (SG&A) Expenses

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

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

Selling, General and Administrative Expenses

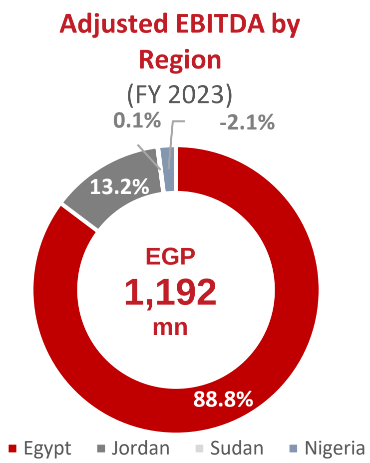
	FY 2022	FY 2023	*Change*
Wages & Salaries	197	282	*43%*
Accounting and Professional Services Fees	130	134	*3%*
Market – Advertisement expenses	123	98	*-21%*
Other Expenses - operation	112	143	*28%*
Depreciation & Amortisation	33	39	*20%*
Impairment loss on trade and other receivable	30	51	*71%*
Travelling and transportation expenses	17	27	*62%*
Impairment in assets	2	7	*266%*
Impairment in goodwill	-	11	-
Provision for end of service	-	-	-
Provision for legal claims	4	3	*-11%*
Provision for Egyptian government training fund for employees	-	12	-
Other income	(18)	(20)	*16%*
Total	630	787	*25%*



Adjusted EBITDA

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

In FY 2023, the Company booked an adjusted EBITDA[15] of EGP 1,192 million, increasing 2% year-on-year and reflecting cost normalisation compared to the previous year. Meanwhile, EBITDA margin recorded 29%, four points below FY 2022 due to higher SG&A outlays as discussed previously. On a quarterly basis, adjusted EBITDA stood at EGP 319 million in Q4 2023, representing a robust 62% year-on-year increase compared to the same period of the previous year. IDH's EBITDA margin during the quarter stood at 30%, up from 25% in Q4 2022. Increased EBITDA profitability in the final three months of the year primarily reflects the normalisation of the Company's cost base as the initial effects of the devaluation begin to fade.



It is worth mentioning that adjusted EBITDA is adjusted for several non-recurring expenses, including an EGP 12 million non-recurring expense for a provision of 1% of Egyptian profits, in accordance with article 134 of labour law on Vocational Guidance and Training issued by the Egyptian Government in 2003. In accordance with the law, IDH's Egyptian operations are required to provide 1% of net profits each year into a training fund. Integrated Diagnostics Holdings plc has taken legal advice and considered market practices in Egypt relating to the law, and more specifically whether vocational training courses undertaken by the Company's Egyptian subsidiaries suggest that obligations have been satisfied by in-house training programmes provided by those entities. Since the issuance of the law, IDH's Egyptian subsidiaries have not been requested by the government to pay, nor have they voluntarily paid, any amounts into the external training fund.

Adjusted EBITDA by Country

In **Egypt**, IDH booked an adjusted EBITDA of EGP 1,058 million, a 1% year-on-year increase compared to FY 2022. Adjusted EBITDA margin recorded 31%, a five-point year-on-year decrease. Lower adjusted EBITDA profitability reflects higher SG&A outlays, which increased 18% year-on-year and weighed down on profitability during the year. On a three-month basis, Egypt's adjusted EBITDA recorded EGP 292 million for Q4 2023, increasing 69% year-on-year and with an adjusted EBITDA margin of 32%.

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

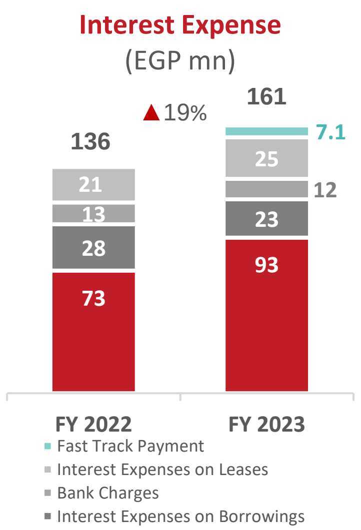
IDH's **Jordanian** subsidiary, Biolab, posted an adjusted EBITDA of JOD 3.6 million, down 34% year-on-year in FY 2023 and yielding an adjusted EBITDA margin of 26% (versus 23% in FY 2022). In EGP terms, adjusted EBITDA came to EGP 157 million, up 16% from FY 2022. The increase in adjusted EBITDA in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

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

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

Regional EBITDA in Local Currency

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



Interest Income / Expense

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

Interest expense[16] stood at EGP 161 million, up 19% year-on-year in FY 2023. Increasing interest expenses are mainly due to:

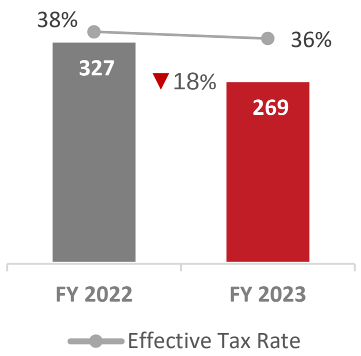
- Higher interest on lease liabilities related to IFRS 16 due to the addition of new branches to IDH's network.
- Higher interest expenses following the CBE decision to increase rates by 1,100 bps since March 2022. It is important to note that IDH's interest bearing debt balance decreased to EGP 111 million as at 31 December 2023, from EGP 116 million at year-end 2022. Earlier in the year, as part of IDH's strategy to reduce

[16] *Interest expenses on medium-term loans include EGP 23 million related to the Group's facility with Ahli United Bank Egypt (AUBE).*

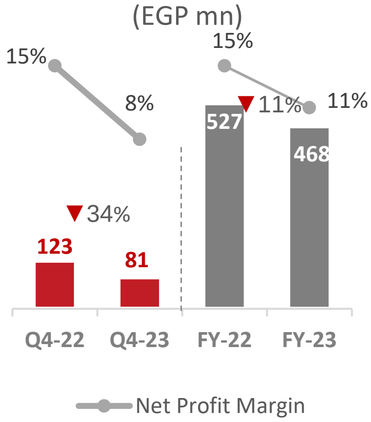
foreign currency risk, the Company agreed with General Electric (GE) for the early repayment of its contractual obligation of USD 5.7 million. To finance the settlement, IDH utilized a bridge loan facility, with half the amount being funded internally, while the other half (amounting to EGP 55 million) was provided through a bridge loan by Ahly United Bank– Egypt (AUBE). Interest expenses related to the AUBE facility recorded EGP 23 million in FY 2023. The bridge loan was fully settled in Q2 2023.

- Fast track payments worth EGP 7.1 million, which encompass discounts provided for the rapid payment of receivables in FY 2023.

Tax
(EGP mn)



Net Profit
(EGP mn)



Interest Expense Breakdown

EGP mn	FY 2022	FY 2023	Change
Interest on Lease Liabilities (IFRS 16)	73.4	93.3	*27%*
Interest Expenses on Leases	21.4	25.5	*19%*
Interest Expenses on Borrowings[17]	11.9	22.9	*92%*
Bank Charges	12.9	12.2	*-6%*
Loan-related Expenses on IFC facility[18]	12.5	-	*-100%*
Shareholder Dividend Deferral Agreement[19]	3.4	-	*-100%*
Fast Track Payment	-	7.1	-
Total Interest Expense	**135.6**	**161.0**	***19%***

Foreign Exchange

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

Taxation

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

Taxation Breakdown by Region

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

[17] Interest expenses on medium-term loans include EGP 23 million related to the Group's facility with Ahli United Bank Egypt (AUBE). Meanwhile, the Group's facility with the Commercial International Bank (CIB) was fully repaid as of 5 April 2022.
[18] 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.
[19] 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.

Net Profit

IDH reported a net profit of EGP 468 million during FY 2023, down 11% year-on-year and yielding a net profit margin of 11%. Lower net profitability for the year came as a result of lower EBITDA profitability, coupled with previously discussed decreases in interest income, higher interest expenses, as well as several non-recurring expenses. In Q4 2023, IDH posted a net profit of EGP 81 million, down 34% year-on-year, and with an associated margin of 8% compared to 15% in Q4 2022.

Non-Recurring Expenses

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

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

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

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

Total CAPEX Addition Breakdown – FY 2023

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

Accounts Receivable and Provisions

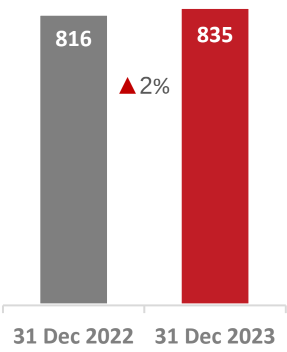
Accounts receivable as at year-end 2023 came in at EGP 570 million, a year-on-year increase of 44%. In parallel, IDH's receivables' Days on Hand (DoH) recorded 134 days, up from 124 days as at 31 December 2022.

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

Inventory

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

Cash Balances
(EGP mn)



Cash and Net Debt

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

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

IDH's net debt[20] balance came in at EGP 358 million as of the end of FY 2023, down 4% from EGP 373 million as at year-end 2022.

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

EGP million	31 Dec 2022	31 Dec 2023
Cash and Financial Assets at Amortised Cost[21]	816	835
Lease Liabilities Property	(727)	(828)
Total Financial Liabilities (Short-term and Long-term)	(335)	(240)
Interest Bearing Debt ("Medium Term Loans")	(127)	(125)
Net Debt Balance	**(373)**	**(358)**

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

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

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

Finally, **interest bearing debt**[22] (excluding accrued interest) reached EGP 111 million at year-end 2023, down from EGP 116 million one year prior.

Liabilities

Accounts Payable[23]

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

Put Option

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

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

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

[21] 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 49 million at December 2023 (2022: EGP 60 million). Meanwhile, treasury bills not accessible for over 3 months stood at EGP 112 million (2022: EGP 107 million).

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

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

iii. Principal Risks, Uncertainties, & Their Mitigation

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

While no system is capable of mitigating every risk, and while some risks, as at the country level, are largely without potential mitigants, the Group has placed complex processes, procedures, and baseline assumptions which 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:** IDH is directly impacted by the economic conditions of its largest market, Egypt, and, to a lesser extent, those of its other operating geographies. Egypt accounted for c. 83% of consolidated revenues in 2023 (80% in 2022) and 89% of adjusted EBITDA (90% in 2022). Egypt's most recent economic headwinds began in early 2022 with the start of the Russia-Ukraine war. The country has been particularly impacted by the conflict due to its significant dependency on both countries for both wheat imports and tourism revenues. This was further exacerbated by a global tightening of monetary conditions to combat record-high inflation during the post-Covid-19 recovery and widespread outflow of capital from emerging markets. Finally, the most recent escalation in Gaza has had significant impacts on the Egyptian economy with inflows of foreign currency weighed down by lower tourism and Suez Canal revenues. Moreover, due to Egypt's reliance on Israeli natural gas imports, the conflict led to a worsening of an already ongoing electricity crisis, which saw the government impose multi-hour blackouts throughout the summer and fall months of 2023. These blackouts are expected to be reintroduced once temperatures begin to rise again in spring 2024. To tackle the shortage of foreign reserves (FX), the government introduced plans to boost FX reserves and maintain investor confidence. In February 2024, the country finalized a USD 35 billion investment deal with Abu Dhabi's sovereign fund, ADQ. The agreement marks a major step towards reducing the short- and medium-term pressures on the country.	Overall, management reiterates that IDH employs a robust and resilient business model which has helped the Company navigate several economic and political downturns, including two revolutions, while allowing the business to expand its offering and record positive growth. Moreover, as part of IDH's long-term growth strategy, the Company is working to diversify its geographic exposure decreasing its exposure to any single country. To this end in December 2023, the Company launched its Saudi Arabic venture under the name Biolab KSA. Once fully ramped up, the venture will offer a full suite of diagnostic testing services and by 2026 constitute over 10% of IDH's revenues. IDH has maintained an active approach in shielding the business from exchange rate fluctuations in its markets. As part of its mitigation strategy, IDH secures contracts with tenures ranging from 5 to 7 years (with semi-fixed FX rates) and purchases laboratory test kits on contract with volume-linked prices. Moreover, thanks to its sheer operational volume and longstanding supplier relationships, the Company is able to negotiate favourable test kit prices with all its major suppliers. Additionally, the Company takes proactive steps to hedge against foreign currency risks on a case-by-case basis when applicable. Most recently, in 2023, the Company negotiated for the early repayment of its contractual obligation of USD 5.7 million with General Electric. IDH utilised a bridge loan facility, with half the amount funded internally, while the other half (amounting to EGP 55 million) was provided through a bridge loan by Ahly United Bank – Egypt. The bridge loan was fully settled in Q2 2023.

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

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

emergence of a parallel foreign currency market, increased inflation, and spiking diesel prices following subsidy removal. Economic pressures culminated in a Nigerian Union strike in September 2023 to protest subsidy removal and its subsequent effects, with several critics blaming newly appointed president, Tinubu, of not taking quick enough actions to cushion the effects of his policies.	test volumes. This is particularly apparent given the consistent growth in operational KPIs, with test and patient volumes recording a compound annual growth rate of 15% and 5%, respectively, between 2018 and 2023. It is important to mention, however, that recent economic downturns in Nigeria have hindered financial and operational growth, with IDH recording a 12% year-on-year decline in test volumes in 2023 while booking expanded adjusted EBITDA losses, reaching NGN 498 million during the year. While these political challenges are particularly difficult to mitigate, IDH takes the necessary steps to safeguard its employees and operations. The Group employs rigorous standards to evaluate the country's political climate, ensuring it is well-equipped to deal with any developments as they unfold.
Israel-Palestine War The latest escalation of the Israeli-Palestinian conflict erupted on 7 October 2023 following an attack by Gaza-based group, Hamas. Israel has since launched a retaliation campaign on Gaza, enacting a total siege on the territory. As of the end of February 2024, the conflict has resulted in the death of 30,000 people and the injury of an additional 70,000. With the Gaza Strip bordering IDH's home and largest market, Egypt, and with several other of the Company's geographies situated within the region, namely Jordan and Saudi Arabia, the continued conflict between Israel and Palestine creates the potential for significant economic and political headwinds. The conflict has the potential to affect tourism revenues in neighbouring countries, while shaking investor confidence and potentially leading to an outflow of foreign investment. Since the beginning of the conflict, Egypt has been adversely affected due to natural gas import cuts from Israel, resulting in shortages and necessitating the introduction of scheduled electricity cuts nationwide to cope for the lack of supply. Meanwhile, tourism has remained resilient with the country recording record-high volumes in 2023 with the expectation of further growth in 2024. Finally, due to ongoing attacks by Houthi rebels on ships transiting through the Red Sea, Egypt recorded a decline of 47% year-on-year in revenues from	While this specific conflict has no direct mitigations from the Company's side, IDH continues to actively monitor the situation, placing an emphasis on remaining updated on the effects of the war on IDH's markets of operation and the subsequent repercussions on IDH's business. However, it is worth noting that IDH's business in inherently resilient to macroeconomic and political difficulties, due to its inelastic nature of healthcare and diagnostics demand. While the Company does not expect any major direct impact from this war on its operations, it will continue monitoring events and update the market as necessary.

the Suez Canal in January 2024 on the back of a 37% decline in ship volumes.	
Global Supply Chain Disruptions While disruptions to global supply chains, which negatively impacted businesses and consumers all over the world during the post-Covid-19 recovery have partially eased, they remain well below optimal levels of efficiency. Despite this, global supply chain disruptions have had limited impacts on IDH's operations throughout 2022 and 2023.	IDH's management team continually monitors the evolving situation and have taken proactive steps to build up its inventory to shield the Group from any potential future disruptions. IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness. Throughout 2023, thanks to IDH's proactive inventory build-up and sourcing strategy, the Group continued to face no problems acquiring raw materials.
Supplier Risk IDH faces the risk of suppliers re-opening price negotiations in the face of increased inflationary pressures and/or a possible, albeit limited, devaluation risk. IDH's supplier risk is concentrated amongst its three largest suppliers – Siemens, Roche, and Sysmex – who provide the Company with kits constituting 46% of the total value of raw materials in FY 2023 (31% in FY 2022).	IDH enjoys strong, longstanding relationships with its key suppliers, to whom IDH remains a large regional client as a leader in its geographies. Due to the sheer volume of kits the Group purchases on a regular basis, the Company is able to successfully negotiate favourable pricing conditions and mitigate the effects of inflationary pressures to maintain relatively stable raw material costs as a percentage of revenues. Total raw material costs as a percentage of sales stood at 22.2% in FY 2023, compared to 20.4% one year prior. This is also up from 18.9% in 2021.
Remittance of dividend regulations and repatriation of profit risk The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions. Specifically, under Egyptian law, companies seeking to transfer dividends overseas are required to obtain necessary government clearance and are subject to higher taxation on payment of dividends. Moreover, following the recent devaluation of the EGP, lack of foreign currency supply in Egyptian banks has resulted in increased difficulty in sourcing foreign currency under strict regulation.	As a foreign investor in Egypt, IDH did not face issues in the repatriation of dividends. However, with the onset of foreign currency scarcity in early 2022, the Company faced significant hurdles in sourcing the USD balance needed to fulfil its dividend obligations. The Company continues to closely monitor the evolving economic situation to shield the business from potential challenges.
Legal and regulatory risk to the business The Group's business is subject to, and thus affected by, extensive, rigid, and constantly evolving laws and regulations, in addition to changing enforcement regimes in each of its operating geographies. Further, the Group's position as a major player in the Egyptian private clinical laboratory market subjects it to antitrust	The Group's general counsel and the quality assurance team work together to keep IDH fully informed, and in compliance with, both legislative and regulatory updates.

and competition-related restrictions, as well as the chance of investigation by the Egyptian Competition Authority.	On the antitrust front, the private laboratory segment (of which IDH is part) accounts for only a small proportion of the total market, which consists of small private labs, private chain labs, and large governmental and quasigovernmental institutions.
Pricing pressure in a competitive, regulated environment The Group may face pricing pressures from several third-party payers, including national health insurance, syndicates, other governmental bodies, which are potentially capable of adversely affecting Group revenue. Pricing may also be restricted in cases by recommended or mandatory fees set by government ministries and other authorities. The risk may be more apparent in cases of increased inflationary pressures, particularly following the devaluation of the Egyptian Pound and its subsequent effects. The Group may face pricing pressure from existing competitors and new market entrants.	This is an external risk for which there exist few mitigants. In the case of price competition escalation between market players, the Group relies on its wide national footprint as a mitigant; c. 64% of the Company's revenues in FY 2023 were generated through IDH's contract segment who prefer IDH's national network and established position over patchworks of local players. IDH enjoys limited ability to influence changes to mandatory pricing policies set forth by government agencies, as with those in Jordan, where basis tests account for the majority of IDH's business in that nation are subject to price controls. Instead, IDH's operations in Jordan are focused on driving volume growth as a catalyst for expanding revenues. IDH banks on its strong brand equity in its markets of operation to enjoy a solid positioning. As such, IDH is a price maker, especially in Egypt where the Group currently controls the largest network of branches amongst all private sector players. Further, the Group faces no potential risk of governmental price regulations in its home and largest market, Egypt, which constituted 83% of revenues in 2023.
Cybersecurity risks IDH controls a vast and growing database of confidential data for its patient records; to this end, there is a cybersecurity risk for both data confidentiality and security. In July 2023, the Company reported a cybersecurity incident after detecting unauthorised activity on its servers.	The Company places top priority on its data security, regularly conducting stress tests of its IT infrastructure to confirm the effectiveness of its internal controls. Additionally, its cybersecurity controls and protocols are regularly updated to address potential shortcomings and remain up-to-date and in full adherence with data security regulations in its markets. In response to the reported breach, immediate steps were taken to evaluate and contain the incident, launch an incident response plan, and engage specialist support

	services. While the incident did not involve patient data nor directly impact IDH's operations, all appropriate regulatory authorities were informed of the incident, and the Company continues to conducting regular tests of its systems to ensure their security, prioritizing the security of its patients' data.
Business continuity risks **Management concentration risk:** IDH is dependent on a highly experienced management team boasting decades of experience in their respective fields. The loss of key members of IDH's team could materially affect the Company's operations and business. Effective 30 June 2023 Omar Bedewy stepped down as IDH's CFO. The position of CFO was filled on an interim basis by the Financial Controller for six months until the appointment of Sherif El Zeiny in January 2024. **Business interruption:** virtually all aspects of the Group's business use IT systems extensively. This includes test and exam results reporting, billing, customer service, logistics, and management of medical data. Similarly, business interruption at one of the Group's larger facilities could result in significant material losses and reputational damage to IDH's business. This could be a result of natural disasters, fire, riots, or extended power failures. The Group, therefore, depends on the continued and uninterrupted performance of its systems.	IDH comprehends the importance of strengthening its human capital to support its future growth plans. The Company is therefore committed to expanding its senior management team, under the experienced leadership of its CEO, Dr. Hend El Sherbini, to add and maintain the talent needed for the expansion of its footprint. The Group has constituted an Executive Committee, led by Dr. El Sherbini, and composed of head of departments. The Executive Committee meets every second week. Following the departure of Mr. Bedewy, IDH's Regional Financial Controller stepped in as Interim CFO until Mr. El Zeiny took on the role on a permanent basis. During the transitionary period, IDH's management team led by Dr. Hend El Sherbini prioritized the smooth continuation of all business operations and ensured an effective handover to the new CFO. The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems, and the use of mobile data systems as alternatives to landlines, among multiple other factors. To ensure its readiness, IDH performs disaster recovery plan tests on a regular basis, with updates as well as internal and external audits. In Egypt and Jordan, to mitigate the impact of potential branch closures on operations, the Group has been ramping up its house call services. Moreover, the Group's important role in conducting PCR testing for Covid-19 in both Egypt and Jordan makes it unlikely that branches would be closed even if new restrictive measures were introduced.
Climate-related risks IDH's operations currently face low physical and transitional risks related to climate change.	In 2022, the Company decided to begin reporting based on the Task Force on Climate-Related Financial Disclosures (TCFD) programme to provide stakeholders with a clear framework to access its climate-related risks

	and opportunities. Despite this, overall risks and opportunities related to climate change are considered immaterial, specifically in the short to medium term.

INTEGRATED DIAGNOSTICS HOLDINGS plc – "IDH"
AND ITS SUBSIDIARIES

Consolidated Financial Statements

for the year ended 31 December 2023

Consolidated statement of financial position as at 31 December 2023

	Notes	2023 EGP'000	2022 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,414,725	1,326,262
Intangible assets and goodwill	12	1,710,183	1,703,636
Right of use assets	25	683,025	622,975
Financial assets at fair value through profit and loss	14	-	18,064
Total non-current assets		**3,807,933**	**3,670,937**
Current assets			
Inventories	15	374,650	265,459
Trade and other receivables	16	727,235	543,887
Financial assets at fair value through profit and loss	14	25,157	-
Financial assets at amortized cost	18	161,098	167,404
Cash and cash equivalents	17	674,253	648,512
Total current assets		**1,962,393**	**1,625,262**
Total assets		**5,770,326**	**5,296,199**
Equity			
Share capital	19	1,072,500	1,072,500
Share premium reserve	19	1,027,706	1,027,706
Capital reserves	19	(314,310)	(314,310)
Legal reserve	19	51,641	51,641
Put option reserve	19	(356,583)	(490,695)
Translation reserve	19	(82,341)	24,173
Retained earnings		1,280,287	783,081
Equity attributable to the owners of the Company		**2,678,900**	**2,154,096**
Non-controlling interests	2	421,888	292,885
Total equity		**3,100,788**	**2,446,981**
Non-current liabilities			
Provisions	21	17,758	3,519
Borrowings	24	67,465	93,751
Other financial obligations	25	891,350	914,191
Non-current put option liability	23	42,786	51,000
Deferred tax liabilities	9	374,729	321,732
Total non-current liabilities		**1,394,088**	**1,384,193**
Current liabilities			
Trade and other payables	22	637,761	701,095
Other financial obligations	25	176,704	148,705
Current put option liability	23	313,796	439,695
Borrowings	24	43,680	22,675
Current tax liabilities	28	103,509	152,855
Total current liabilities		**1,275,450**	**1,465,025**
Total liabilities		**2,669,538**	**2,849,218**
Total equity and liabilities		**5,770,326**	**5,296,199**

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

These consolidated financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 27 March 2024 by:

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

Consolidated income statement for the year ended 31 December 2023

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

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

Consolidated statement of comprehensive income for the year ended 31 December 2023

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

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

Consolidated statement of cash flows for the year ended 31 December 2023

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

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

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

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

Consolidated statement of changes in equity for the year ended 31 December 2023

EGP'000	Share Capital	Share premium reserve	Capital reserves	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed to 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	-	-	-	-	-	-	510,304	510,304	(41,941)	468,363
Other comprehensive (expense)/ income for the year	-	-	-	-	-	(106,514)	-	(106,514)	99,308	(7,206)
Total comprehensive income	-	-	-	-	-	(106,514)	510,304	403,790	57,367	461,157
Transactions with owners in their capacity as owners										
Impact of hyperinflation	-	-	-	-	-	-	(13,098)	(13,098)	-	(13,098)
Movement in put option liabilities for the year	-	-	-	-	134,112	-	-	134,112	-	134,112
Paid share from non-controlling interests	-	-	-	-	-	-	-	-	(3,112)	(3,112)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	74,748	74,748
Total	**-**	**-**	**-**	**-**	**134,112**	**-**	**(13,098)**	**121,014**	**71,636**	**192,650**
At 31 December 2023	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(356,583)**	**(82,341)**	**1,280,287**	**2,678,900**	**421,888**	**3,100,788**
As at 1 January 2022	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(956,397)**	**150,730**	**1,550,976**	**2,582,846**	**211,513**	**2,794,359**
Profit for the year	-	-	-	-	-	-	541,110	541,110	(14,527)	526,583
Other comprehensive income for the year	-	-	-	-	-	(126,557)	-	(126,557)	195,638	69,081
Total comprehensive income	-	-	-	-	-	(126,557)	541,110	414,553	181,111	595,664
Transactions with owners in their capacity as owners										
Dividends	-	-	-	-	-	-	(1,304,805)	(1,304,805)	(106,947)	(1,411,752)
Impact of hyperinflation	-	-	-	-	-	-	(4,200)	(4,200)	(1,555)	(5,755)
Movement in put option liabilities for the year	-	-	-	-	465,702	-	-	465,702	-	465,702
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	8,763	8,763
Total	**-**	**-**	**-**	**-**	**465,702**	**-**	**(1,309,005)**	**(843,303)**	**(99,739)**	**(943,042)**
At 31 December 2022	**1,072,500**	**1,027,706**	**(314,310)**	**51,641**	**(490,695)**	**24,173**	**783,081**	**2,154,096**	**292,885**	**2,446,981**

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

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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 2023 were authorised for issue in accordance with a resolution of the directors on 27 March 2024. Integrated Diagnostics Holdings plc "IDH" or "the company" is a public company incorporated in Jersey. Has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257. The registered office address of the Company is IFC 5, St. Helier, Jersey, JE1 1ST, Channel Islands. The Company is a dually listed entity, in both London stock exchange (since 2015) and in the Egyptian stock exchange (in May 2021).

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

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

2. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% Equity interest 2023	% Equity interest 2022	Non-Controlling interest 2023	Non-Controlling interest 2022
Al Borg Laboratory Company ("Al-Borg")	Medical diagnostics service	Egypt	**99.3%**	**99.3%**	**0.7%**	**0.7%**
Al Mokhtabar Company for Medical Labs ("Al Mokhtabar")	Medical diagnostics service	Egypt	**99.9%**	**99.9%**	**0.1%**	**0.1%**
Medical Genetic Center	Medical diagnostics service	Egypt	**55.0%**	**55.0%**	**45.0%**	**45.0%**
Al Makhbariyoun Al Arab Group	Medical diagnostics service	Jordan	**60.0%**	**60.0%**	**40.0%**	**40.0%**
Golden Care for Medical Services	Holding company of SAMA	Egypt	**100.0%**	**100.0%**	**0.0%**	**0.0%**
Integrated Medical Analysis Company (S.A.E)*	Medical diagnostics service	Egypt	**100.0%**	**99.6%**	**0.0%**	**0.4%**
SAMA Medical Laboratories Co. ("Ultralab medical laboratory ")	Medical diagnostics service	Sudan	**80.0%**	**80.0%**	**20.0%**	**20.0%**
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	**65.0%**	**65.0%**	**35.0%**	**35.0%**
Integrated Diagnostics Holdings Limited	Intermediary holding company	Caymans Island	**100.0%**	**100.0%**	**0.0%**	**0.0%**
Dynasty Group Holdings Limited	Intermediary holding company	England and Wales	**51.0%**	**51.0%**	**49.0%**	**49.0%**
Eagle Eye-Echo Scan Limited	Intermediary holding company	Mauritius	**77.18%**	**77.18%**	**22.82%**	**22.82%**
Echo-Scan**	Medical diagnostics service	Nigeria	**100.0%**	**100.0%**	**0.0%**	**0.0%**
WAYAK Pharma	Medical services	Egypt	**99.99%**	**99.99%**	**0.01%**	**0.01%**
Medical Health Development***	Medical services	Saudi Arabia	**51%**	**-**	**49%**	**-**

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

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

*** On March 8, 2023, the Group completed the establishment of Medical Health Development, a limited liability company based in Saudi Arabia with a total stake of 51% directly and indirectly through one of the Group's subsidiaries, where Integrated Diagnostics Holdings (IDH) owns 30% and Al Makhbariyoun Al Arab Group ("Biolab")-Jordan a subsidiary owns 21%., The group consolidate “Medical Health Development” a subsidiary based in Saudi Arabia despite of 42.51% indirect ownership for more details refer to note 4.1

Non-Controlling interest

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

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2023	2022
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	20.0%
AL-Mokhtabar Sudanese Egyptian Co.	Sudan	35.0%	35.0%
Al Borg Laboratory Company	Egypt	0.7%	0.7%
Dynasty Group Holdings Limited	England and Wales	49%	49%
Eagle Eye-Echo Scan Limited	Mauritius	22.82%	22.82%
Medical Health Development	Saudi Arabia	49%	-

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

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of Income for 2023:						
Revenue	-	604,025	1,449,344	2,065,051	96,394	4,214,814
(loss)/Profit	(107)	32,811	183,045	387,628	(54,740)	548,637
Other comprehensive (expense)/income	-	65,142	-	(3,606)	131,234	192,770
Total comprehensive (expense)/income	**(107)**	**97,953**	**183,045**	**384,022**	**76,494**	**741,407**
(loss)/Profit allocated to non-controlling interest	(48)	13,124	1,296	(9,597)	(12,514)	(7,739)
Other comprehensive income/(expense) allocated to non-controlling interest	-	26,333	-	(847)	71,847	97,333
Summarised statement of financial position as at 31 December 2023:						
Non-current assets	670	494,904	751,597	681,583	51,913	1,980,667
Current assets	1,801	254,412	405,125	830,799	(6,623)	1,485,514
Non-current liabilities	(27)	(202,510)	(406,229)	(302,827)	(3,189)	(914,782)
Current liabilities	(15,409)	(187,663)	(224,305)	(316,886)	(24,911)	(769,174)
Net (liabilities)/assets	**(12,965)**	**359,143**	**526,188**	**892,669**	**17,190**	**1,782,225**
Net (liabilities)/assets attributable to non-controlling interest	**(5,837)**	**143,657**	**3,724**	**39,780**	**4,579**	**185,903**

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

Net (liabilities)/assets attributable to non-controlling interest	(5,788)	104,476	2,674	(993)	16,608	116,977

3. Basis of preparation

Statement of compliance

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

Basis of measurement

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

New standards and interpretations adopted

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

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

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

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

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Going concern

These consolidated financial statements have been prepared on the going concern basis. On 31 December 2023, the Group had (cash and cash equivalent balance plus treasury bills / deposits minus borrowing) amounting to KEGP 724,206. The Directors have considered a number of downside scenarios, including the most severe but plausible scenario, for a period of 16 months from the signing of the financial statements. We have conducted multiple sensitivity analyses to assess the impact of inflationary pressures and potential currency evaluation for the next 16 months. We did not consider the Biolab put option since it is improbable that the option will be exercised refer to (note 23). We assume no dividends are expected to be paid during the period for which going concern is being assessed or those in respect of merger and acquisition 'M&A' activity. Under all of these scenarios, there remains significant headroom from a liquidity and covenant perspective. Therefore, the Directors believe the Group has the ability to meet its liabilities as they fall due and the use of the going concern basis in preparing the financial statements is appropriate.

3.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

ii. Changes in ownership interests

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

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

3.2. Material accounting policy information and other explanatory information

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

a) Business combinations

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

b) Impairment of assets

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

c) Fair value measurement

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

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

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

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

d) Revenue recognition:

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

The following steps are considered for all types of patients:

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

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

Customer loyalty program:

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

e) Income Taxes

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

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

g) Hyperinflationary Economies

The financial statements of "SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co." report their financial statements in the currency of a hyperinflationary economy. In accordance with IAS 29 financial reporting in Hyperinflationary Economies, the financial statements of those subsidiaries were restated by applying the consumer price index at closing rates in December 2023 Nil (2022 December, 65,137) before they were included in the consolidated financial statements.

h) Property, plant and equipment

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

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

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

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

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

i) Intangible assets

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

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

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

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

- IT development and software 4-5 years

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

Goodwill

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

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

Brand

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

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

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

Impairment of intangible assets

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

The recoverable amounts of cash generating units have been determined based on value in use or realisable value. The value in use calculation is based on a discounted cash flow (“DCF”) model. Realisable value is based on the market value of the CGU or their underlying assets.

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

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

I) Financial instruments – initial recognition and subsequent measurement

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

i. Financial assets

Classification

The group reclassifies debt investments when and only when its business model for managing those assets changes.
The group classifies its investments in debt Instruments in the following measurement categories:
• those to be measured subsequently at fair value (either through OCI or through income statement), and
• those to be measured at amortised cost.
The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.
For investment is equity instrument measured at fair value, gains and losses will either be recorded in income statement or OCI.
For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

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

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

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

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

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

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

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

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

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

Impairment

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

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

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

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

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

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

ii. Financial liabilities

Initial recognition and measurement

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

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

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

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

Derecognition

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

iii. Offsetting of financial instruments

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

j) Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

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

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

k) Inventories

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

l) Cash and short-term deposits

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

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

m) Borrowings

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

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

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

n) Borrowing costs

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

o) Provisions

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

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

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

p) Pensions and other post-employment benefits

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

q) Segmentation

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

r) Leases as lessee (IFRS 16)

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

As a lessee

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

4. Key judgments and critical accounting estimates

4.1. Judgement

Useful economic lives of Brands

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

Control over subsidiaries

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

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

The group is able to consolidate its subsidiaries, Echoscan in Nigeria and Medical Health Development in Saudi Arabia, despite owning only 39.4% and 42.51% indirect ownership, respectively. This is due to several reasons:

1) The group exercises control over all intermediate entities that connect the parent company to Echoscan and Medical Health Development.
2) The group has a technical service agreement in place, which grants them the authority to direct and oversee the operations of the subsidiaries in Nigeria.
3) The appointment of Dr. Amid Abdelnour as CEO in Saudi Arabia further strengthens the group's ability to control the subsidiary.
Despite not having majority ownership, the group's control over the intermediate entities, technical service agreement, and CEO appointment allows them to exercise control in their financial statements.

4.2. Estimates and assumptions

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

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

Impairment of intangible assets

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

The recoverable amounts of cash generating units have been determined based on value in use. The value in use calculation is based on a discounted cash flow (“DCF”) model. The exception to this was Echo Scan where the realisable value was greater than the value in use, therefore, the recoverable amount was based on realisable value.

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

Customer loyalty program

The group operates a loyalty program where customers accumulate points for purchases made which entitle them to a discount on future purchases to be utilised within one year. A contract liability is recognised for the points awarded at the time of the sale based on the expected level of redemption. At 31 December 2023 the level of points accumulated by customers which had not expired was equivalent to 189MEGP. The estimate made by management is how much of this amount ought to be recognised as a liability based on future usage. The level of future redemption is estimated using historical data and adjustments for likely future trends in usage. Therefore, upon initial recognition of the sale to a customer, if management expects the group to be entitled to a breakage amount (i.e., not all points will be redeemed and so it is highly probable that there will be no significant reversal of revenue) this breakage amount is recognised within revenue. This assessment is reviewed periodically, to ensure that only revenue which is highly probable not to result in a significant reversal in future periods is recognised. Management has estimated that 60 MEGP out of the total potential amount that could be redeemed is likely to be utilised by customers. If the points utilised during the year were 10% more than estimated, this would result in an additional charge of 6m EGP.

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

5. Financial assets and financial liabilities

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

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

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

The fair values of financial assets and liabilities are considered to be equivalent to their book value.
The fair values measurements for all the financial assets and liabilities have been categorized as Level 3, it is fair value can't be determined by using readily observable measures and Echo-Scan put option (note 23) has been categorized as Level 3 as the fair value of the option is based on un-observable inputs using the best information available in the current circumstances, including the company's own projection and taking into account all the market assumptions that are reasonably available.

Financial instruments risk management objectives and policies

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

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

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

- **Market risk**

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

The sensitivity analysis in the following sections relate to the position as at 31 December 2023 and 2022. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

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

➢ The sensitivity of the relevant consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2023 and 31 December 2022.

- **Interest rate risk**

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

Exposure to interest rate risk

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

	2023 EGP'000	2022 EGP'000

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

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 945k (2022: EGP 1,164K). This analysis assumes that all other variables, remain constant.

- **Foreign currency risk**

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

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

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

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

31-Dec-23

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

31-Dec-22

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

The following is the exchange rates applied:

Average rate for the year ended

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

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

At 31 December 2023, if the Egyptian Pound had weakened/strengthened by 40% against the US Dollar with all other variables held constant, total equity for the year would have increased/decreased by EGP (22.14m) (2022: EGP 118m), mainly as a result of foreign exchange gains/losses and translation reserve on the translation of US dollar-denominated financial assets and liabilities as at the financial position of 31 December 2023.

At 31 December 2023, if the Egyptian Pound had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, total equity for the year would have increased/decreased by EGP (30m) (2022: EGP (44m)), mainly as a result of foreign exchange gains/losses and translation reserve on translation of JOD -denominated financial assets and liabilities as at the financial position of 31 December 2023.
At 31 December 2023, if the Egyptian Pound had weakened / strengthened by 10% against the Saudi Riyal with all other variables held constant, total equity for the year would have increased/decreased by EGP (4m), mainly as a result of foreign exchange gains/losses and translation reserve on translation of SAR -denominated financial assets and liabilities as at the financial position of 31 December 2023.

- **Price risk**

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

- **Credit risk**

Credit risk is the risk a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from under the Groups receivables. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and financial assets at amortised cost, such as term deposits and treasury bills.
Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and

deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The cash balance and financial assets at amortized cost within the group is held within financial institutions, 76% with a rating of B- ,6% is rated at least A and 18% is rated at least Aa3.

Trade receivables

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

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

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

Cash and cash equivalents

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

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

- **Liquidity risk**

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

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

31 December 2023	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	291,342	1,054,902	166,965	1,513,209
Put option liabilities	313,796	42,786	-	356,582
Borrowings	60,199	83,211	-	143,410
Trade and other payables	556,563	-	-	556,563
	1,221,900	**1,180,899**	**166,965**	**2,569,764**

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

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

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

6. Segment reporting

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

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

The Group has five operating segments based on geographical location, with the Group's Chief Operating Decision Maker (CODM) reviewing the internal management reports and KPIs of each geography. The CODM does not separately review assets and liabilities of the group by reportable segment.

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

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

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

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

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

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

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

* Nonrecurring items

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

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

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

	Non-current assets by geographic location					
For the year ended	**Egypt region**	**Sudan region**	**Jordan region**	**Nigeria region**	**Saudi Arabia**	**Total**
31-Dec-23	3,091,485	3,848	609,699	47,639	55,262	3,807,933

31-Dec-22	3,039,930	14,993	494,244	121,770	-	3,670,937

7. Capital management

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

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

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

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

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

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

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

8. Expense

Included in consolidated income statement are the following:

8.1 Cost of sales

	2023	2022

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

8.2 Marketing and advertising expenses

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

8.3 Administrative expenses

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

8.4 Other expenses and income

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

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

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

8.5 Expenses by nature

	2023 EGP'000	2022 EGP'000
Raw material	875,296	703,693

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

8.6 Auditors' remuneration

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

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

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

8.7 Net finance (costs) / income

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

8.8 Employee numbers and costs

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

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

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

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

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

During 2023 the group didn't invest in Global Depositary Receipt (GDR) tradable in stock exchanges. In the third quarter of 2022 the ALmokhtabar and Alborg companies invested in Global Depositary Receipts (GDR) tradable in stock exchanges, where the companies purchased 27,304 million shares, EGP 1,011.4 M from the Egyptian Stock Exchange and sold them during the same period on the London Stock exchange at USD 45.8 M excluding the transaction cost.

		Number of shares'000	2023 EGP'000	2022 EGP'000
listed equity securities	Shares bought	27,304	-	(1,011,376)
	Shares sale	27,304	-	868,426
			-	**(142,950)**

9. Income tax

a) Amounts recognised in profit or loss.

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

b) Reconciliation of effective tax rate

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

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

Deferred tax

Deferred tax relates to the following:

	2023	2022

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

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

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

2023	Net Balance 1 January	Deferred tax recognized in profit or loss	Effect of translation to presentation currency	WHT tax paid	Net Balance 31 December
Property, plant and equipment	(35,804)	(3,319)	(429)	-	(39,552)
Intangible assets	(109,118)	(1,915)	-	-	(111,033)
Undistributed dividend from group subsidiaries	(176,871)	(50,004)	-	-	(226,875)
Tax losses	61	2,670	-	-	2,731
	(321,732)	(52,568)	(429)	-	(374,729)

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

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account.
Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2023 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2022: 22.5%), Jordan 21% (2022: 21%), Sudan 30% (2022: 30%) and Nigeria 30% (2022: 30%).

* **Undistributed reserves from group subsidiaries**

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

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

Unrecognized deferred tax assets

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

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

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

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

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

10. Earnings per share (EPS)

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

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

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

Earnings per diluted share are calculated by adjusting the weighted average number of shares by the effects resulting from all the ordinary potential shares that causes this dilution.
The Company has no potentially dilutive shares as of the 31 December 2023 and 31 December 2022, therefore; the earnings per diluted share are equivalent to basic earnings per share.

11. Property, plant and equipment

	Land & Buildings EGP'000	Medical, & electric equipment EGP'000	Leasehold improvements EGP'000	Fixtures, fittings & vehicles EGP'000	Building & Leasehold improvements in construction EGP'000	Payment on account EGP'000	Total EGP'000
Cost							
At 1 January 2022	**380,883**	**824,628**	**335,203**	**95,966**	**15,937**	**6,761**	**1,659,378**
Additions*	38,275	179,954	114,235	25,287	17,258	3,853	**378,862**
Hyper inflation	-	6,628	-	-	-	-	**6,628**
Disposals	-	(6,877)	(523)	(8,617)	-	-	**(16,017)**
Exchange differences	7,803	107,534	53,675	20,559	246	-	**189,817**
Transfers	-	-	4,852	-	(4,852)	-	**-**
At 31 December 2022	**426,961**	**1,111,867**	**507,442**	**133,195**	**28,589**	**10,614**	**2,218,668**
Additions	31,772	174,589	99,977	18,841	28,091	268	**353,538**
Hyper inflation	-	(13,098)	-	-	-	-	**(13,098)**
Disposals	-	(4,981)	(506)	(2,139)	-	-	**(7,626)**
Exchange differences	2,136	(13,483)	19,660	5,271	(70)	-	**13,514**
Transfers	-	-	18,383	-	(18,383)	-	**-**
At 31 December 2023	**460,869**	**1,254,894**	**644,956**	**155,168**	**38,227**	**10,882**	**2,564,996**
Depreciation and impairment							
At 1 January 2022	**53,490**	**333,806**	**177,230**	**33,044**	**-**	**-**	**597,570**
Depreciation charge for the year	6,765	131,569	58,404	10,255	-	-	**206,993**
Disposals	-	(3,414)	(457)	(1,734)	-	-	**(5,605)**
Exchange differences	1,323	51,908	26,528	13,689	-	-	**93,448**
At 31 December 2022	**61,578**	**513,869**	**261,705**	**55,254**	**-**	**-**	**892,406**
Depreciation charge for the year	7,169	152,583	83,522	16,181	-	-	**259,455**
Disposals	-	(3,890)	(443)	(1,661)	-	-	**(5,994)**
Exchange differences	564	(8,393)	5,558	(30)	-	-	**(2,301)**
Impairment*	-	1,480	3,466	1,759	-	-	**6,705**
At 31 December 2023	**69,311**	**655,649**	**353,808**	**71,503**	**-**	**-**	**1,150,271**
Net book value							
At 31-12-2023	**391,558**	**599,245**	**291,148**	**83,665**	**38,227**	**10,882**	**1,414,725**
At 31-12-2022	**365,383**	**597,998**	**245,737**	**77,941**	**28,589**	**10,614**	**1,326,262**

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

12. Intangible assets and goodwill

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2022	**1,260,965**	**383,909**	**77,394**	**1,722,268**
Additions	-	-	9,076	9,076
Effect of movements in exchange rates	30,858	11,642	6,366	48,866
At 31 December 2022	**1,291,823**	**395,551**	**92,836**	**1,780,210**
Additions	-	-	2,490	**2,490**
Effect of movements in exchange rates	13,144	7,910	4,032	**25,086**
At 31 December 2023	**1,304,967**	**403,461**	**99,358**	**1,807,786**
Amortisation and impairment				
At 1 January 2022	**4,552**	**372**	**58,477**	**63,401**
Impairment*	1,755	-	-	1,755
Amortisation	-	-	7,251	7,251
Effect of movements in exchange rates	66	9	4,092	4,167
At 31 December 2022	**6,373**	**381**	**69,820**	**76,574**
Impairment*	11,265	-	-	11,265
Amortisation	-	-	7,750	7,750
Effect of movements in exchange rates	80	11	1,923	2,014
At 31 December 2023	**17,718**	**392**	**79,493**	**97,603**
Net book value				
At 31 December 2023	**1,287,249**	**403,069**	**19,865**	**1,710,183**
At 31 December 2022	**1,285,450**	**395,170**	**23,016**	**1,703,636**

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

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

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

	2023 EGP'000	2022 EGP'000
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	90,872	72,783
Brand name	39,684	31,785
	130,556	**104,568**
Alborg Laboratory Company ("Al-Borg")		
Goodwill	497,275	497,275
Brand name	142,066	142,066
	639,341	**639,341**
Al Mokhtabar Company for Medical Labs ("Al-Mokhtabar")		
Goodwill	699,102	699,102
Brand name	221,319	221,319
	920,421	**920,421**
Echo-Scan		
Goodwill*	-	16,290

	-	16,290
Balance at 31 December	**1,690,318**	**1,680,620**

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

Assumptions used in value in use calculations and sensitivity to changes in assumptions.
IDH worked with Alpha Capital, management's expert, to prepare an impairment assessment of the Group's CGUs. The assessment was carried out based on business plans provided by IDH.

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

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

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

Management have compared the recoverable amount of CGUs to the carrying value of CGUs. The recoverable amount is the higher of value in use and fair value less costs of disposal. In the exercise performed and the assumptions noted above the value in use was noted to be higher than the fair value less costs of disposal. The exception to this was Echo-Scan where the realisable value was greater than the value in use as noted above and therefore the recoverable amount was based on realisable value.

During 2023, excluding Echo-Scan, management has conducted a business plan projection with the support of a management expert (Alpha Capital), with the assumptions above used to calculate the net present value of future cashflows to determine recoverable amount. The projected cash flows from 2024- 2028 have been based on detailed forecasts prepared by management for each CGU and a terminal value thereafter. Management have used experience and historical trends achieved to determine the key growth rate and margin assumptions set out above. The terminal value growth rate applied is not considered to exceed the average growth rate for the industry and geographic locations of the CGUs.
As a sensitivity analysis, Management considered a change in the discount rates of 2% increase to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This did not result in an impairment under any of the CGUs that had a recoverable amount based on value in use.

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

This recoverable amount is then compared to the carrying value of the asset as recorded in the books and records of IDH plc. The WACC has been used considering the risks of each CGU. These risks include country risk, currency risk as well as the beta factor relating to the CGU and how it performs relative to the market.

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

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

14. Financial asset at fair value through profit and loss

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

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

- ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of December 31, 2023, was 8.25%.

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

15. Inventories

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

During 2023, EGP 875,296 K (2022: EGP 703,693K) was recognised as an expense for inventories, this was recognised in cost of sales. The major balance of the raw material is represented in the Kits, slow-moving items of those Kits are immaterial. It is noted that day's inventory outstanding (based on the average of opening and closing inventory) stands as 133 days at 31 Dec 2023.

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

16. Trade and other receivables

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

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

	2023 EGP'000	2022 EGP'000
At 1 January	145,586	109,768

Charge for the year	51,255	29,914
Exchange differences	(5,261)	5,904
At 31 December	**191,580**	**145,586**

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

Expected credit loss assessment is based on the following:

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

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

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 183,070K (31 December 2022: EGP 136,981K). This is lower than the amount of EGP 191,580k (31 December 2022: EGP 145,586k) as that amount also includes provision on other receivables.

A reasonable possible change of 100 basis points in the expected credit loss at the reporting date would have increased (decreased) profit or loss by the amount of EGP 7,528K. This analysis assumes that all other variables remain constant.

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

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

31-Dec-22	**Weighted average loss rate EGP'000**	**Gross carrying amount EGP'000**	**Loss allowance EGP'000**
Current (not past due)	1.11%	174,249	(1,927)

1–30 days past due	4.06%	85,072	(3,451)
31–60 days past due	4.55%	65,470	(2,982)
61–90 days past due	13.61%	32,563	(4,433)
91–120 days past due	18.12%	25,868	(4,688)
121–150 days past due	27.81%	19,275	(5,360)
More than 150 days past due	88.00%	129,704	(114,140)

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

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

17. Cash and cash equivalents

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

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

18. Financial assets at amortised cost

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

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

19. Share capital and reserves

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.

All shares are authorised and fully paid and have a par value $0.25.

	31-Dec-23	31-Dec-22
In issue at beginning of the year	**600,000,000**	**600,000,000**
In issue at the end of the year	**600,000,000**	**600,000,000**

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

Ordinary share capital Name	Number of shares	Ordinary shares % of contribution	Ordinary shares Par value USD
Hena Holdings Limited	162,445,383	27.07%	40,611,346
Actis IDH B V	126,000,000	21.00%	31,500,000
Free floating	311,554,617	51.93%	77,888,654
	600,000,000	**100%**	**150,000,000**

Capital reserve

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

Legal reserves

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

Put option reserve

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

Translation reserve

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

20. Distributions made and proposed

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

21. Provisions

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

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

Egyptian Government Training Fund for employees

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

End Of Service

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

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2023.

22. Trade and other payables

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

23. Put option liability

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

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

Put option - Al Makhbariyoun Al Arab Group

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

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

The options is calculated at seven times EBITDA of the last 12 months – Net Debt and exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2023. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 21 months. The option has no expiry date.

Put option - Eagle Eye-Echo scan

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

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 12 million was calculated as the valuation as at 31 December 2023 (2022; EGP 51m). In line with applicable accounting standards with IAS 32 the entity has recognised a liability for the present value of the exercise price of the option price.

Put option - Medical Health Development

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

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

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

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

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

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

24. Borrowings

The terms and conditions of outstanding loans are as follows:

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

A) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli United Bank “AUB Egypt” to finance the investment cost related to the expansion into the radiology segment. As at 31 December 2023 only EGP 124.9M had been drawn down from the total facility available with EGP 30.4M had been repaid. Loan withdrawal availability period was extended till July 2023 and the loan will be fully repaid by January 2027.

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

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

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

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

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

3. The current ratios shall not be less than 1.

"**Current ratios**": Current assets divided current liabilities.

*As at 31 December 2023 corridor rate 20.25% (2022: 17.25%)
AL- Borg company didn't breach any covenants for MTL agreements.

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

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

25. Financial obligations

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

Adding to remaining agreement signed in 2015, to service the Group's state-of-the-art Mega Lab. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. The finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The averaged implicit interest rate of finance obligation has been estimated to be 10.3%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment.

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

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

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

b) Other Financial obligations

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

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

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

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

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

c) Amounts other financial obligations recognised in consolidated income statement

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

26. Related party transactions disclosures

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

Related Party	Nature of transaction	Nature of relationship	2023 Transaction amount of the year EGP'000	2023 Amount due from / (to) EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate**	(351)	-
International Fertility (IVF)**	Expenses paid on behalf	Affiliate***	(1,771)	-
H.C Security	Provide service	Entity owned by Company's board member	6	(93)
Life Health Care	Provided service	Entity owned by Company's CEO	855	3,373
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	138,312	(301,383)
	Current account	Bio. Lab C.E.O and shareholder	19,542	(466)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	38,587	(12,413)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	623	-

Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	217 591	1,664
HENA HOLDINGS LTD	shareholders' dividends deferral agreement	shareholder	(590)	(2,963)
ACTIS IDH LIMITED	shareholders' dividends deferral agreement	shareholder	(485)	(2,440)
Business Flowers Holding	Put option liability	shareholder	-	(42,786)
				(357,507)

Related Party	Nature of transaction	Nature of relationship	2022 Transaction amount of the year EGP'000	Amount due from /to EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	-	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	4	1,771
H.C Security	Provide service	Entity owned by Company's board member	220	(99)
Life Health Care	Provide service	Entity owned by Company's CEO	424	2,518
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	481,665	(439,695)
	Current account	Bio. Lab C.E.O and shareholder	(20,008)	(20,008)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(15,963)	(51,000)
International Finance corporation (IFC)	Current account	Echo-Scan shareholder	12,292	(623)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income 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)
Total				(509,823)

* ALborg Scan is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).
** International Fertility (IVF) is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).
*** During the year 2022, Dr. Hend (C.E.O) granted a loan to IDH Cayman amounting to USD 750K. and the loan was settled by Al Mokhtabar on behalf of IDH Cayman for EGP 17m at the prevailing exchange rate of US$/EGP 22.70. The loan was not interest bearing.

During 2022 Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 25.5% of shares held by Hena Holdings Limited, Hena Holdings Limited is a related party and received dividends of USD 17,745,953 in year 2022.

During the year payments relating to lease obligations of Biolab were made to entities considered to be related parties due to the interest in them held by Dr Amid Abd Elnour. Payments made during 2023 were JOD 240,991 (EGP 10,392,148) and during 2022 were JOD 241,038 (EGP 6,679,163).

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2022: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH opts to pay approximately 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2023 EGP 6,631 K (2022: EGP 8,934 K) was paid to the foundation by the IDH Group in relation to profits earned for companies Al Borg and Al Mokhtabar in the prior year.

Compensation of key management personnel of the Group

Key management people can be defined as the people who have the authority and responsibility for planning, directing, and controlling some of the activities of the Company, directly or indirectly.

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

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

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

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

EGP'000	Other loans, borrowings and accrued interest	Other financial obligation
Balance at 1 January 2022	**105,694**	**760,674**
Proceeds from loans and borrowings	40,081	-
Repayment of borrowings	(21,721)	-

Payment of liabilities	-	(100,841)
Interest paid	(24,513)	(94,795)
Exchange differences	-	122,376
Total changes from financing cash flows	**(6,153)**	**(73,260)**
New agreements signed in the period	-	293,946
Terminated contracts during the year	-	(13,259)
Interest expense	27,879	94,795
Total liability-related other changes	**27,879**	**375,482**
Balance at 31 December 2022	**127,420**	**1,062,896**

28. Current tax liabilities

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

29. Post Balance Sheet Events

- In January 2024 Al Borg repaid EGP 13.4m of due borrowings.

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