

**Integrated Diagnostics Holdings Plc**  
**Final Results**  
 Wednesday, 19 May 2021

## Integrated Diagnostics Holdings Plc records strong top- and bottom-line growth in 2020 despite the challenges related to COVID-19

**(London)** Integrated Diagnostics Holdings ("IDH," "the Group," or "the Company"), a leading consumer healthcare company with operations in Egypt, Jordan, Sudan and Nigeria, released today its results for the year ended 31 December 2020, reporting revenues of EGP 2,656 million and a net profit of EGP 609 million for the year.

### Financial Results

EGP mn	FY2020	FY2019
<b>Revenues*</b>	<b>2,656</b>	<b>2,226</b>
Cost of Sales	(1,314)	(1,143)
<b>Gross Profit</b>	<b>1,343</b>	<b>1,084</b>
<i>Gross Profit Margin</i>	51%	49%
Operating Profit	<b>986</b>	<b>791</b>
<b>EBITDA<sup>1</sup></b>	<b>1,171</b>	<b>945</b>
<i>EBITDA Margin</i>	44%	42%
<b>Net Profit</b>	<b>609</b>	<b>505</b>
<i>Net Profit Margin</i>	23%	23%
<b>Cash Balance</b>	<b>877</b>	<b>631</b>

\*Excluding the 100 Million Healthy Lives Campaign from FY2019 figures, consolidated revenues would have increased 22% year-on-year. The 100 Million Healthy Lives campaign ran from November 2018 through June 2019. In the six months to 30 June 2019 IDH served 224 thousand patients under the campaign's umbrella and performed 2.4 million tests. Total campaign-related revenue in FY2019 reached EGP 47 million.

<sup>1</sup>EBITDA is calculated as operating profit plus depreciation and amortization.

## Key Operational Indicators

	FY2020	FY2019
Branches	481	452
Patients ("000)	7,113	7,481
Revenue per Patient (EGP)	373	298
Tests ("000)	27,073	30,471
Revenue per Test (EGP)	98	73
Test per Patient	3.8	4.1

## Introduction

### i. Financial Highlights

- Revenue** recorded EGP 2,656 million in 2020, up 19% year-on-year. Strong growth for the year was a direct result of IDH's ability to swiftly adapt its service offering to changing dynamics by offering PCR and Covid-19-related<sup>2</sup> testing in Egypt and Jordan and ramping up its house calls services in both countries.
- Gross Profit** recorded EGP 1,343 million in 2020, up 24% year-on-year and with an associated margin of 51% versus 49% in 2019. Improved gross profitability was supported by strong top-line growth.
- Operating Profit** grew by 25% year-on-year to EGP 986 million in 2020 with an associated margin of 37% versus 36% in 2019. Strong operating profit growth comes despite IDH booking EGP 42 million in provisions to account for expected credit losses in accordance with IFRS 9.
- EBITDA**<sup>3</sup> surpassed the EGP 1 billion mark to record EGP 1,171 million for 2020, up 24% against the EGP 945 million figure recorded in 2019. EBITDA margin increased to 44% in 2020 from 42% in the previous year supported by improved gross profitability for the year.
- Net Profit** increased 21% year-on-year to EGP 609 million in 2020, with a net profit margin of 23% unchanged versus 2019. Bottom-line profitability was supported by solid revenue growth for the year combined with higher interest income in 2020.
- Earnings Per Share**<sup>4</sup> stood at EGP 0.99 in 2020 compared to EGP 0.85 in 2019.
- Recommended Final Dividend** of US\$ 0.049 per share, equivalent to US\$ 29.1 million in total.

<sup>2</sup>Covid-19-related tests include Polymerase Chain Reaction (PCR) and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

<sup>3</sup>EBITDA is calculated as operating profit plus depreciation and amortization.

<sup>4</sup>Based on 600 million shares.

### ii. Operational Highlights

- Egypt:** strong demand for PCR and Covid-19-related testing and the company's house call services supported a 14% year-on-year increase in revenue for 2020.

- €€€ Radiology:** increase in AI Borg Scan operations with growing contribution to revenue and EBITDA and a third branch set to commence operations in 2021.
- €€€ Jordan:** Biolab was at the forefront of CPR testing for Covid-19 from the very start, supporting an impressive increase in the geography's top-line for the year.
- €€€ Nigeria:** increased brand awareness and demand for Echo-Lab's high-quality services drove strong top-line growth despite Covid-19-related difficulties.
- €€€ 481:** operational branches in 2020, up from 452 in 2019.
- €€€ 27.1:** million tests performed across the Group in 2020.
- €€€ 7.1:** million patients served in across the Group in 2020.
- €€€ EGP 98:** average revenue per test, up 34% year-on-year.

### **iii. Management Commentary**

**Commenting on the year's performance and the Company's outlook, IDH Chairman Lord St John of Bletso said:** "I am pleased to report that against a backdrop of a very challenging year with the global Covid-19 pandemic, IDH has proven very resilient and rose to the challenge with an impressive set of results. We were able to leverage our well-established business model and track record to facilitate new revenue generating opportunities. We remained committed to our social responsibilities in providing high-quality healthcare to the countries where IDH have extended our footprint. We were able to provide much-needed PCR and other testing facilities in both Egypt and Jordan, while expanding our house call services. I am grateful to the continued dedication and hard work of both our management team and workforce. We are well-positioned to maintain our consistent strong growth track record and trajectory. Finally, I am most grateful for the loyalty and support of all our shareholders."

**IDH Chief Executive Officer Dr. Hend El-Sherbini added:** "In the midst of an unprecedented healthcare and economic crisis, IDH demonstrated once more its ability to adjust to changing market dynamics and deliver strong financial and operational results despite the challenges. We were quick to rollout comprehensive health, safety, and business continuity protocols to safeguard our people and our operations. In parallel, we swiftly adjust our service offering and delivery to adapt to shifting patient needs and market dynamics. In both Egypt and Jordan, IDH began offering PCR testing for Covid-19 and other Covid-19-related<sup>5</sup> tests, while simultaneously ramping up its house call services in both countries to ensure that patients unable or unwilling to visit our branches in person continued to have access to our services. Our Covid-19-adapted service offering recorded strong and growing patient demand as the year progressed, and helped us largely offset lower volumes following the closure of branches and the restriction of people's mobility earlier in the year. Overall, we conducted some 400 thousand PCR tests across both geographies and were able to serve over 800 thousand patients through our house call service, growing its revenue by more than twofold."

"I am pleased to report that parallel to IDH's success capturing the surge in demand for Covid-19-related tests in Egypt and Jordan, we were also able to continue growing our non-Covid-19 business while pushing forward with our long-term strategic directives. In Nigeria, despite the temporary branch closures, we effectively capitalised on Echo-Lab's increasing brand awareness and service demand to deliver robust growth in both patients served and tests performed. In Sudan, management's continued ability to raise prices in step with inflation saw

the Group successfully offset lower volumes on account of branch closures throughout the year. Finally, Al Borg Scan inaugurated its second branch during the year and continues to deliver significant revenue growth with robust profitability."

"Overall, our large operational scale, wide geographic reach, and prompt response to the difficulties posed by Covid-19 proved vital in supporting the remarkable financial and operational results delivered in 2020."

## Outlook

While the Covid-19 crisis continued during the early months of year, management believes that 2021 will witness a continued recovery, in part driven by the strong fundamentals of the healthcare industry across the Group's footprint, as well as the ramp up of vaccination campaigns across the globe. Almost halfway into the year, we are confident in the Group's ability to adapt to and overcome the most difficult challenges supported by the adaptability of our business model, the strength of its brands, and the solidity of its financial position. Accordingly, we are again targeting double-digit revenue growth in 2021 and an EBITDA margin of c. 40%."

5Covid-19-related tests include Polymerase Chain Reaction (PCR) and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

## Analyst and Investor Call Details

An analyst and investor call will be hosted at 2pm (UK) | 3pm (Egypt) on Thursday, 20 May 2021. You can access the call by clicking on this [link](#), and you may dial in using the conference call details below:

- Event number: 163 842 8718
- Event password: P5jWP8MCMf4

For more information about the event, please contact: [amoataz@efg-hermes.com](mailto:amoataz@efg-hermes.com)

## About Integrated Diagnostics Holdings (IDH)

IDH is a leading consumer healthcare company in the Middle East and Africa with operations in Egypt, Jordan, Sudan and Nigeria. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 2,000 diagnostics tests. From its base of 481 branches as of 31 December 2020, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern and African 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.

## Shareholder Information

LSE: IDHC.L  
Bloomberg: IDHC:LN  
Listed: May 2015  
Shares Outstanding: 600 million

## Contact

**Nancy Fahmy**  
Investor Relations Director

### **Forward-Looking Statements**

These results for the year ended 31 December 2020 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 final 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.

### **Chairman's Message**

Dear Shareholders,

I am pleased to report that against a backdrop of a very challenging year with the global Covid-19 pandemic, your Company has proven very resilient and rose to the challenge with an impressive set of results.

We were able to leverage our well-established business model and track record to facilitate new revenue generating opportunities. We remained committed to our social responsibilities in providing high-quality healthcare to the countries where IDH have extended our footprint.

In 2020, we recorded a 19% growth in revenue. We were able to provide much-needed PCR and other testing facilities in both Egypt and Jordan, while expanding our house call services.

Egypt continues to experience a more stable economic and political environment, coupled with an efficient exchange rate regime and a commitment by the Government to promote proactive healthcare services.

We also were delighted with the solid performance in Jordan, where we delivered almost 60% growth in regional revenue. In Nigeria, we continue to make progress in restructuring the business, which has resulted in a very encouraging improvement in performance. In Sudan, the business remains stable amidst a significant political transition. We continue to look at opportunities to expand our global footprint, both organically and by acquisition in both the Middle East and Africa.

We are committed to maintaining sound fiscal management and closed the year with a strong balance sheet and an efficient capital structure. In Egypt, the business has benefitted greatly by relocating to the IDH new headquarters in Smart Village on the West side of Cairo.

IDH is dedicated to its ESG responsibilities across all our jurisdictions. A clear focus of the Group is on proactive healthcare, one which allows us to cater to the changing needs of patients through constant innovation and service offering adaptability, enabling us to provide affordable healthcare services to as many individuals as possible. This comes parallel to our continued focus on business sustainability to ensure we continue growing in a responsible and risk-free manner.

Management continues to regularly update and monitor IDH's risk matrix and ensure regular checks and balances, providing contingency Business Continuity Processes. We value our loyal and hard-working workforce and constantly review their KPIs.

Your Company is vigilant in strengthening our IT infrastructure to both provide the highest levels of cyber security, as well as ensuring data privacy.

We also remain committed to achieving our dual listing on the Egyptian Stock Exchange, complementary to our existing presence on the London Stock Exchange. We are confident that a larger participation from local institutional and retail investors will provide better liquidity and increase our local visibility in Egypt, where the Company generates the majority of business.

I am grateful to the continued dedication and hard work of both our management team and workforce. We are well-positioned to maintain our consistent strong growth track record and trajectory. Finally, I am most grateful for the loyalty and support of all our shareholders.

**Lord St John of Bletso**  
Chairman

## **Chief Executive's Review**

In the midst of an unprecedented healthcare and economic crisis, IDH demonstrated once more its ability to adjust to changing market dynamics and deliver strong financial and operational results despite the challenges. Throughout 2020, the outbreak of Covid-19 and the imposition of restrictive measures aimed at curbing the spread of the virus posed significant operational difficulties across our footprint, including the temporary closure of certain branches and the reduction of working hours. While this presented the most challenging obstacle in 2020, the year also brought a number of other transitory difficulties including riots in Nigeria and a political transition and severe inflationary environment in Sudan. Nevertheless, we were able to leverage the strength of IDH's flexible business model, the defensive nature of our industry, and the

effectiveness of our proactive Covid-19 response strategy to deliver a commendable performance and a strong 19% growth in revenue for 2020.

As a leading provider of healthcare services in the countries where we operate, our number one priority and responsibility throughout the crisis was to protect our people and patients while supporting local health authorities in their efforts to curb the pandemic. With the onset of Covid-19, we were quick to rollout comprehensive health, safety, and business continuity protocols to safeguard our people and our operations. Our efforts ranged from providing regular training and communication to staff on the correct protocols for handling suspected Covid-19-positive patients, to providing the necessary protective equipment and special assistance to our staff and their families in case of Covid-19-suspected cases. On the business continuity front, we carefully monitored and managed our cash flow and placed contingencies for possible changes in our cash conversion cycle while taking the necessary precautions to shield our business from potential supply chain disruptions.

Parallel to mitigating the immediate health and operational risks, a key driver of our success in 2020 was IDH's ability to swiftly adjust its service offering and delivery to adapt to shifting patient needs and market dynamics. In both Egypt and Jordan, IDH began offering PCR testing for Covid-19 and other Covid-19-related<sup>6</sup> tests, while simultaneously ramping up its house call services in both countries to ensure that patients unable or unwilling to visit our branches in person continued to have access to our services. Our Covid-19-adapted service offering recorded strong and growing patient demand as the year progressed, and helped us largely offset lower volumes following the closure of branches and the restriction of people's mobility earlier in the year. Overall, we conducted some 400 thousand PCR tests across both geographies and were able to serve over 800 thousand patients through our house call service, growing its revenue by more than twofold. As such, Covid-19-related testing and our house call services contributed to 24% and 20% (2019: 9%) of consolidated revenue for 2020, respectively.

I am pleased to report that parallel to IDH's success capturing the surge in demand for Covid-19-related tests in Egypt and Jordan, we were also able to continue growing our non-Covid-19 business while pushing forward with our long-term strategic directives. In Nigeria, despite the temporary branch closures, we effectively capitalised on Echo-Lab's increasing brand awareness and service demand to deliver robust growth in both patients served and tests performed. In Sudan, management's continued ability to raise prices in step with inflation saw the Group successfully offset lower volumes on account of branch closures throughout the year. Finally, Al Borg Scan inaugurated its second branch during the year and continues to deliver significant revenue growth with robust profitability.

Overall, our large operational scale, wide geographic reach, and prompt response to the difficulties posed by Covid-19 proved vital in supporting the remarkable financial and operational results delivered in 2020. Over the past twelve months, IDH recorded impressive top- and bottom-line growth, with expanding margins across the board, and closed 2020 on a more solid footing with a resumption of its historical growth trajectory.

### **Strong Growth and Operational Performance**

IDH's ability to adapt its service offering to the changing dynamics and capture a growing share of demand for Covid-19-related services as the year progressed, supported a 19% year-on-year rise in revenues to EGP 2.7 billion for 2020. Top-line growth for the year was partly supported

by the generally higher-priced Covid-19-related tests combined with our annual price hikes rolled out at the beginning of each year. This more than offset an 11% year-on-year decline in total tests performed, which were weighed down by lower volumes earlier in the year following the imposition of Covid-19-related measures across IDH's footprint. It is worth noting that while Covid-19 related business made a notable contribution to growth during the year, in the fourth quarter 2020 non-Covid-19 test volumes were on par with the same period in 2019, indicating a strong recovery of our traditional business with the easing of restrictions. This is even more pronounced with patient traffic through our branches which increased by c.23% year-on-year during the fourth quarter.

6Covid-19-related tests include Polymerase Chain Reaction (PCR) and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

Our growth in 2020 was also driven by IDH's continued investment in expanding its branch network. Despite the challenging operational environment, we inaugurated 30 new branches in our home market of Egypt and one new branch in Jordan, while closing down two underperforming branches in Nigeria and Sudan. This saw IDH's total operational branches across our four geographies reach 481 as at year-end 2020, up from 452 a year prior. Moreover, our Mega Lab continues to be the sole CAP-accredited facility in Egypt.



Regionally, in Egypt top-line growth was partly supported by our Covid-19-adapted service offering as well as a general normalisation of patient volumes as Covid-19-related restrictions were eased in the second half of the year. Since the very start of the crisis, IDH offered patients promotional packages for a series of Covid-19-indicative tests, including a bundle of inflammatory and clotting markers. Starting the second half of the year, the Group began administering PCR testing and was able to complement the government's efforts in fighting the pandemic as the second wave peaked. Additionally, thanks to our strong brand equity and position as the only CAP-accredited diagnostics service provider in Egypt, the Group was selected by Pure-Health UAE to be the first lab to conduct PCR testing to screen passengers travelling from Egypt. Overall, PCR testing and Covid-19-related packages contributed a combined 21% of Egypt's top-line for the year. As the year progressed, we were able to reduce the price of both PCR and Covid-19-related tests making them more widely accessible. We also extended special deals and discounts for doctors and the wider medical community to protect the country's frontline workers. I am also pleased to report that IDH was able to ramp up its house call service in Egypt, conducting up to 4,500 visits per day, in turn growing its contribution to Egypt's revenue from 10% in 2019 to 22% in 2020. Capitalizing on this success, IDH is studying further ways to make the service more efficient and convenient to its growing patient base. Egypt's revenues were further buoyed by contributions from Al-Borg Scan, IDH radiology venture, which recorded a 76% year-on-year growth in revenue supported by the inauguration of the venture's second branch in February 2020. Finally, at Wayak, our Egypt-based subsidiary investing in data mining and artificial intelligence which launched in 2019, the company continues to ramp up its operations with orders for medications completed in 2020 reaching 72 thousand orders compared to just 21 thousand orders completed last year. Wayak not only enables IDH to better serve our patients through tailored services which complement our traditional diagnostics offering, but also represents a strategic platform from which to further expand our digital presence and offering, and remain at the forefront of a changing healthcare industry.

Our Jordanian operations were the standout performer in 2020, as a 59% year-on-year growth in revenue for the year drove a nearly four percentage-point expansion in the country's contribution to consolidated revenues to 15%. Growth was largely volume driven despite the temporary closure of most of our branches earlier in the year, owing to our Covid-19-adapted service offering. Biolab has been at the forefront of PCR testing in Jordan from the very start, with the company being amongst the first two private labs allowed to perform PCR testing in the country. Throughout the year, Biolab continued to record strong demand for PCR testing with the service contributing to just under half of the country's top-line for 2020. Jordan's top-line was further bolstered by the company's ramped up house call services which in 2020 made up 12% of the country's revenues, up from 4% in 2019.

In Sudan, on top of Covid-19-related restrictions the country continued to witness a significant political transition which unfolded in 2019. Nonetheless, despite lower volumes on account of branch closures in the second quarter of the year, we delivered a 28% year-on-year rise in revenues in local currency terms, driven by higher pricing as management kept in step with the hyperinflationary environment following a currency devaluation and the Sudanese government's decision to cut fuel subsidies. In EGP terms, revenue growth was 2% year-on-year reflecting an average SDG/EGP exchange rate of 0.29 in 2020 versus 0.36 in 2019.

Strong consolidated revenue growth coupled with a continued focus on driving operational efficiencies and keeping a tight rein on costs saw us deliver margins enhancements at all levels

of profitability. Through strict cost discipline, we successfully maintained a stable raw material costs to sales ratio at 18% for the year. In parallel, IDH's direct salaries and wages as a percent of sales declined from 17% in 2019 to 15% in 2020, largely driven by lower salaries in Nigeria following the restructuring of the business. As such, gross profit for the year increased 24% versus 2019, with a two-percentage point expansion in its associated margin to 51%.

At the EBITDA level, we surpassed the EGP 1 billion mark for the first time, with EBITDA recording a 24% year-on-year rise to EGP 1.2 billion for 2020 with an associated margin of 44% versus 42% last year.

Strong revenue growth for the year combined with the Group's cost management efforts and higher interest income for the year saw IDH recorded a 21% year-on-year increase in net profit to EGP 609 million in 2020, with a stable net profit margin of 23%.

### **Growth in Nigeria**

In Nigeria, despite the Covid-19-related disruptions faced earlier in the year, and an escalation of social unrest during the final quarter of 2020, we reported a 20% year-on-year rise in revenues, a particularly remarkable feat in light of Echo-Lab not offering Covid-19-related testing. In local currency terms, growth is even more pronounced with revenues up 38% year-on-year in 2020. Top-line growth came on the back of a 20% rise in both patients served and tests performed for the year, as we capitalized on the increased brand awareness and demand for Echo-Lab's services.

Echo-Lab's strengthened position and growing reputation in the local market is a direct effect of the successful value-building strategy we have been implementing since we took over operations back in 2018. The strategy aims to revamp the subsidiary's service offering and branch network while simultaneously streamlining its operations. In the past two years, we have completed the renovation of eight of Echo-Lab's 12 operating branches. We have also installed new radiology equipment, including magnetic resonance imaging (MRI) and computed tomography scan (CT). In parallel, we continue to optimise Echo-Lab's service mix by placing additional focus on pushing radiology and pathology services. Finally, we have also completed an internal restructuring exercise that aided in reducing redundancies by centralizing shared functions and streamlining processes, including staff downsizing which has seen us drive down Echo-Lab's total salary expenses in 2020 by 18% versus 2019. Overall, our efforts are continuing to support improvements in profitability, with the operation's EBITDA losses narrowing to EGP 7 million in 2020 from EGP 30 million in 2019, and we expect the operation to turn EBITDA positive in the coming year.

### **Expanding AI Borg Scan**

At AI Borg Scan, the Group's first full-fledged radiology venture, we are continuing to deliver on our ramp up strategy. Supported by the launch of a second branch in February in 2020, AI Borg Scan reported a 69% and 88% year-on-year rise in tests performed and patients served, respectively, during the year. Robust volume growth saw revenues surge 76% year-on-year to EGP 25 million. Strong top-line growth reflected on AI Borg Scan's EBITDA which increased to EGP 4.8 million in 2020 from EGP 1.8 million last year.

Looking ahead, we are expecting to continue widening the venture's patient base with the launch of a third branch in April 2021. The new facility will be located in another strategic neighbourhood of the Greater Cairo area and will play an important role in further strengthening

the venture's brand equity. We are also in the process of completing the necessary modules to obtain ACR (American College of Radiology) accreditation for AI Borg Scan's branches, a process we expect to conclude by next year and which would make AI Borg Scan the only provider in Egypt to boast the accreditation.

### **Our Commitment to our Stakeholders**

At IDH, our primary mission is to ensure that everyone across our communities has access to high quality, affordable healthcare and diagnostic services, providing them with the tools they need to take charge of their health. To achieve this, we are continuing to make service accessibility a priority by continuously rolling out new branches in underserved neighbourhoods while ramping up our digital offering to ensure that we provide access to as many patients as possible. In parallel, we are also working closely with governments and local health authorities to raise awareness of chronic diseases and the steps all individuals can take to live healthier lives. In both Egypt and Jordan, we worked side-by-side with health authorities in 2020 to combat the spread of Covid-19, carrying out more than 2.1 million PCR and Covid-19-related tests. We also have a longstanding track record of being at the forefront of government-organised awareness campaigns, including most recently the c. 2.4 million tests we completed for the 100 Million Healthy Lives campaign in Egypt. Launched in November 2018, the campaign was part of Egypt's efforts to eradicate Hepatitis C across the country through the testing of asymptomatic people. Similarly, we are currently working to obtain the necessary certifications to take part in the Egyptian government's Universal Healthcare Insurance (UHI) system which is being rolled out across the entire country. The new UHI framework aims to provide insurance coverage to all Egyptians citizens over the next decade while supporting a general improvement of the sector from reducing waiting times to improving the quality of services and medical facilities.

In line with our ambitions to safeguard scalable growth without compromising any of our commitment to the value propositions that are most critical to our various stakeholders, our management team devoted an increased focus on strengthening our environmental, social and governance (ESG) monitoring and compliance frameworks. Since late 2019 and throughout 2020, we have taken diligent steps to constantly improve all aspects of our operations. While I am proud of our efforts thus far, given the complex nature of the operational and business practices required in the health sector, IDH finds a growing need to establish a more assertive road map that draws clear guidelines and methods to monitor, evaluate, and improve its interconnected ESG practices. To guide us through this process, we have acquired the expertise and services of a top-tier ESG consultant who has worked with us to assess our ESG performance, create IDH's first ESG policy, establish key indicators to monitor and quantify progress, and strengthen our reporting frameworks. This will allow us to better quantify the positive impacts that IDH has on our patients, employees and wider community, establish the required measures to prevent or mitigate future impacts, and further improve wherever possible.

To oversee all aspects of our business, since our listing on the London Stock Exchange, we have been governed by a world-class Board of Directors made of up majority independent, non-executive directors and backed up by a robust and constantly enhanced policy framework. Our Board's guidance throughout 2020 proved invaluable as we adapted to navigate the unexpected challenges and prepared for a new chapter of growth in a post-Covid-19 world.

## **Dividend Policy and Proposed Dividend**

In view of the strong cash-generative nature of our business and its asset-light strategy, our dividend policy is to return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations, capital expenditure plans, organic expansion opportunities and potential acquisitions.

IDH is pleased to recommend a final dividend of US\$ 0.049 per share, or US\$ 29.1 million in aggregate, to shareholders in respect of the financial year ended 31 December 2020. This represents an increase of 4% compared to a final dividend of US\$ 28 million in aggregate in the previous financial year.

## **2021 Outlook**

While the Covid-19 crisis and the related operational difficulties are far from over, 2021 offers multiple reasons to be optimistic. First and foremost, the strong fundamentals underpinning the future growth of the healthcare industry across our countries of operation remain intact. Moreover, we have witnessed the start of the vaccination campaign in both Egypt and Jordan in the first quarter of the 2021.

Over the past twelve months, we have set the foundations for further growth by penetrating new patient segments, expanding our branch network, and enhancing our service roster and delivery capabilities. In Egypt and Jordan, our Covid-19-adjusted service offering saw us tap into new patient groups with whom we aim to build long-term relationships well beyond the Covid-19 crisis. In parallel, our expansion efforts will be further supported by the roll out of an additional 30 to 35 branches across our home market of Egypt, including a third Al Borg Scan branch to capitalize on rising demand for our radiology offering. We are also actively assessing new services to add to our roster, to provide patients access to more tests at a single centre and allow doctors to make accurate diagnostics more efficiently. In particular, we are looking to invest in enhancing our genetic testing capabilities to capitalise on the growing demand for these tests.

In Sudan, while social unrest, high inflation and a weak SDG continue to pose challenges for the Group, we hope that once the sanctions are officially lifted this will open up important growth opportunities for our operations in the coming years. With the country now open to international suppliers; the Group should be able to directly import test kits and in turn improve its operational efficiency and profitability.

Finally, we are working to continuously improve our operations in Nigeria and to turn EBITDA positive in the coming year as we complete Echo-Lab's turnaround strategy and continue leveraging the growing brand awareness and demand. Nigeria represents a market with significant growth potential for IDH and I am confident that the steps taken since entering the market in 2018 see us well-positioned to capitalise on such opportunities in the coming years.

2020 has once again demonstrated our ability to adapt and overcome even the most difficult challenges supported by the adaptability of our business model, the strength of our brands, and the solidity of our financial position. We are heading into 2021 with a consistent, clearly defined strategy that will continue to unlock significant growth potential for years to come. Accordingly, we are again targeting double-digit revenue growth in 2021 and an EBITDA margin of c. 40%.

We are also particularly excited about bringing home IDH's shares for trading on the EGX, one of the region's leading exchanges and a key entry point for MENA equity and debt capital markets. The dual listing offers Egypt-based investors, who are sometimes unable to access shares in London, an opportunity to capitalise on our Company's strong growth prospects.

I would like to conclude by extending a heartfelt thank you to all our staff for the incredible dedication and adaptability they have shown throughout this year full of uncertainty and change. I look forward to working with every single one of you to deliver yet another year of strong growth and value creation.

**Dr. Hend El-Sherbini**  
Chief Executive Officer

## **Group Operational & Financial Review**

### **Key Financial Results\***

<b>EGP mn</b>	<b>1Q2020</b>	<b>2Q2020</b>	<b>3Q2020</b>	<b>4Q2020</b>	<b>FY2020</b>
<b>Revenues</b>	<b>500</b>	<b>450</b>	<b>720</b>	<b>986</b>	<b>2,656</b>
<b>Gross Profit</b>	<b>243</b>	<b>203</b>	<b>384</b>	<b>513</b>	<b>1,343</b>
<i>Gross Profit Margin</i>	<i>49%</i>	<i>45%</i>	<i>53%</i>	<i>52%</i>	<i>51%</i>
<b>EBITDA**</b>	<b>203</b>	<b>164</b>	<b>343</b>	<b>460</b>	<b>1,171</b>
<i>EBITDA Margin</i>	<i>41%</i>	<i>36%</i>	<i>48%</i>	<i>47%</i>	<i>44%</i>
<b>Net Profit</b>	<b>102</b>	<b>72</b>	<b>201</b>	<b>234</b>	<b>609</b>
<i>Net Profit Margin</i>	<i>21%</i>	<i>16%</i>	<i>28%</i>	<i>24%</i>	<i>23%</i>

\* Quarterly figures are unaudited.

\*\* EBITDA is calculated as operating profit plus depreciation and amortization.

### **i. Revenue and Cost Analysis**

#### **Revenue**

IDH reported revenue of EGP 2,656 million in 2020, up 19% year-on-year (22% when excluding the campaign). The robust performance in 2020 was supported by IDH's ability to adapt its service offering to the changing dynamics by ramping up its house call services in Egypt and capturing the rising demand for Covid-19-related testing<sup>7</sup> in Egypt and Jordan. Covid-19-related testing contributed 24% of consolidated revenue for the year. Top-line growth for the year was price driven as a 34% year-on-year increase in average price per test more than offset an 11% year-on-year decline in total tests performed.

On a quarterly basis, IDH's operations during the first half of 2020 were weighed down by varying degrees of lockdowns and other mobility restrictions imposed by governments across its footprint to limit the spread of the Covid-19 virus. This impacted patient volumes across all of IDH's markets in the months of March, April and May. As such, the Company's top line in the first and second quarter of the year was down 8% year-on-year and 13% year-on-year, respectively. As restrictions were progressively lifted in the second half of 2020, the Company

witnessed a gradual normalisation of traffic at its branches, further supported by its Covid-19-adapted service offering. This saw IDH record impressive year-on-year revenue growth of 23% and 71% in 3Q 2020 and 4Q 2020, respectively.

<sup>7</sup>Covid-19-related tests include Polymerase Chain Reaction (PCR) and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

## Revenue Analysis: Contribution by Patient Segment

### Contract Segment

At the Group's contract segment, revenue increased 15% year-on-year in 2020 with the segment's contribution to consolidated revenues standing at 54% for the year. Revenue growth at the segment was price driven as a 31% year-on-year rise in average revenue per test more than offset a 12% year-on-year decline in tests performed. Lower test volumes for the year were due to Covid-19-related restrictions imposed across the Group's countries of operations earlier in the year, combined with the expected normalisation in contract volumes following the end of the 100 Million Healthy Lives campaign in Egypt. The campaign had contributed 224 thousand patients and 2.4 million tests to the contract segment during 2019. It is important to note that, PCR testing contributed to 14% of contract revenues in 2020.

### Walk-in Segment

Revenue from IDH's walk-in segment recorded a robust 25% year-on-year expansion in 2020, contributing to 46% of consolidated revenues for the year. In 2020, average revenue per test at the walk-in segment increased 36% year-on-year, while tests performed decreased by 8% versus 2019, weighed down by Covid-19-related restrictions. Walk-in revenue was supported by IDH's PCR test offering, which in 2020 contributed to 18% of the segment's revenues.

### Key Performance Indicators

	Walk-in Segment			Contract Segment**			Total		C
	FY20	FY19*	Change	FY20	FY19*	Change	FY20	FY19*	
Revenue <sup>^</sup> (EGP mn)	1,222	974	25%	1,434	1,252	15%	2,656	2,226	
% of Revenue	46%	44%		54%	56%				
Patients ('000)	2,288	2,332	-2%	4,825	5,149	-6%	7,113	7,481	
% of Patients	32%	31%		68%	69%				
Revenue per Patient (EGP)	534	418	28%	297	243	22%	373	298	
Tests ('000)	7,052	7,638	-8%	20,021	22,833	-12%	27,073	30,471	
% of Tests	26%	25%		74%	75%				
Revenue per Test (EGP)	173	128	36%	72	55	31%	98	73	
Test per Patient	3.1	3.3	-6%	4.1	4.4	-6%	3.8	4.1	

*\*In 2020, management revisited the definition of contract customers who have contractual agreements and are granted discounts above 20%, hence all cash paying customers with discounts equal or below 20% were reclassified as walk-in. Reclassification adjustments include the transfer of 720 thousand tests in 2019 and associated revenue of EGP 79 million from the contract segment to walk-ins. The upper mentioned reclassification allows better representation of both segments.*

*\*\*Please note that contract segment includes contributions made by the 100 Million Healthy Lives campaign in Egypt, which in 2019 had contributed 224 thousand patients and 2.4 million tests to the contract segment.*

*^2019 and 2020 figures include Wayak's results.*

## **Revenue Analysis: Contribution by Geography**

### **Egypt**

In Egypt revenues increased 14% year-on-year (17% excluding the campaign) to EGP 2,173 million for 2020, with the country contributing to 82% of consolidated revenues for the year. Revenue growth for the year was supported by IDH's ramped-up house call service and Covid-19-related test offering both of which recorded growing demand from patients as the year progressed. As such, house call services contributed to 22% of Egypt's 2020 revenue compared to just 11% in the previous year. Covid-19-related testing contributed to around 21% of Egypt's 2020 revenues, with PCR testing for Covid-19 alone making up 11% of the country's top-line.

Egypt's revenues were further supported by contributions from Al-Borg Scan which generated revenue of EGP 25 million in 2020, up 76% year-on-year. Throughout the year, Al Borg Scan's two branches served 36 thousand patients, up 88% year-on-year, and performed nearly 46 thousand tests during the year, up 69% versus 2019.

IDH served 6.3 million patients in Egypt and performed 24.4 million tests, down by 8% and 12% year-on-year, respectively. When excluding volumes related to the 100 Million Healthy Lives campaign in 2019, the decline in patients served and test performed for 2020 narrows to 5% and 4% year-on-year, respectively. Nationwide curfews and lockdowns during the second quarter of 2020 had contributed to lower patient and test volumes for the year. However, the impact of Covid-19-related restrictions was partially mitigated through the increased penetration of IDH's house call service.

Earlier in the year, thanks to IDH's strong brand equity and its position as the only CAP-accredited diagnostics service provider in Egypt, the Group had been selected by Pure-Health UAE to be the first lab to conduct PCR testing to screen passengers travelling from Egypt. The Group's contractual agreement with Pure Health contributed EGP 62 million to Egypt's revenues for the year (5% of Egypt's contract segment revenues), with PCR tests for Covid-19 performed as part of the agreement making up 35% of total PCR tests performed during the year.

## Jordan

In Jordan, revenue for 2020 increased 59% year-on-year to EGP 409 million. Subsequently, the country's contribution to consolidated revenue increase to reach 15.4% in 2020 from 11.5% in 2019. In JOD terms, revenue increased 69% year-on-year in 2020 supported by robust demand for PCR testing for Covid-19 which drove a 77% year-on-year and 9% year-on-year rise in patients served and tests performed, respectively. In 2020, PCR testing for Covid-19 made up 46% of the country's top-line and contributed to 13% of total tests performed during the year. Jordan's top-line was further bolstered by the company's ramped up house call services, which in 2020 contributed to 12% of the country's top-line versus the 4% contribution made in 2019.

## Nigeria

At the Group's Nigerian subsidiary, revenue recorded EGP 36 million in 2020, up 20% from EGP 30 million in 2019. In local currency terms, revenues were up 38% year-on-year in 2020 on the back of a 20% year-on-year expansion in both patients served and tests performed for the year. The strong rise in volumes comes as IDH continues to capitalise on the increased brand awareness and demand for its services in Nigeria despite the Covid-19-related disruptions faced earlier in the year and an escalation of social unrest during the final quarter of the year. These included a complete lockdown and limited traffic as people adhered to shelter-in-place orders.

## Sudan

The Group's Sudanese operations recorded a 2% year-on-year increase in revenue to EGP 38 million in 2020, impacted by the SDG devaluation, where the average SDG/EGP rate in 2020 was 0.29 versus 0.36 in 2019. In SDG terms, revenue reported a 28% year-on-year rise in 2020 due to higher pricing as management kept in step with the hyperinflationary environment. This helped offset a decline in volumes following the imposition of Covid-19-related restrictive measures and the closure of the Group's branches earlier in the year.

## Revenue Contribution by Country

	FY 2020	FY 2019	Change
Egypt Revenue (EGP mn)	2,173.4	1,902.8	14%
<i>Egypt Contribution</i>	<i>81.8%</i>	<i>85.5%</i>	
Jordan Revenue (EGP mn)	409.1	256.7	59%
Jordan Revenue (JOD mn)	18.5	10.9	69%



<i>Jordan Contribution</i>	15.4%	11.5%	
Nigeria Revenue (EGP mn)	36.1	30.1	20%
Nigeria Revenue (NGN mn)	897.7	649.9	38%
<i>Nigeria Contribution</i>	1.4%	1.4%	
Sudan Revenue (EGP mn)	37.7	36.9	2%
Sudan Revenue (SDG mn)	129.5	101.5	28%
<i>Sudan Contribution</i>	1.4%	1.7%	

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### Patients Served and Tests Performed by Country

	FY 2020	FY 2019	Change
Egypt Patients Served (mn)	6.3	6.9	-8%
Egypt Tests Performed (mn)	24.4	27.9	-12%
Jordan Patients Served (k)	550	311	77%
Jordan Tests Performed (mn)	2.0	1.8	9%
Nigeria Patients Served (k)	131	109	20%
Nigeria Tests Performed (k)	215	179	20%
Sudan Patients Served (k)	130	180	-28%
Sudan Tests Performed (k)	409	597	-31%
<b>Total Patients Served (mn)</b>	<b>7.1</b>	<b>7.5</b>	<b>-5%</b>
<b>Total Tests Performed (mn)</b>	<b>27.1</b>	<b>30.5</b>	<b>-11%</b>

### Branches by Country

	31 December 2020	31 December 2019	Change
Egypt	429	399	30
Jordan	20	19	1
Nigeria	12	13	-1
Sudan	20	21	-1
<b>Total Branches</b>	<b>481</b>	<b>452</b>	<b>29</b>

### Cost of Goods Sold

IDH's cost of goods sold increased 15% year-on-year to EGP 1,314 million in 2020. Strong top-line growth supported a 24% year-on-year expansion in gross profit to EGP 1,343 million in 2020, with an associated margin of 51% versus 49% in 2019.

### COGS Breakdown as a Percentage of Revenue

	FY 2020	FY 2019
Raw Materials	18.4%	18.3%
Wages & Salaries	14.7%	17.2%
Depreciation & Amortisation	6.1%	6.0%
Other Expenses	10.3%	9.8%
<b>Total</b>	<b>49.5%</b>	<b>51.3%</b>

Raw material costs, which include cost of specialized analysis at other laboratories, reached EGP 488 million in 2020, making up the largest share of total consolidated COGS during the year at 37.1% (18.4% as a share of consolidated revenues). The 20% year-on-year increase in raw material costs is in part attributable to a significant rise in raw material costs recorded at IDH's Jordanian operations during 4Q 2020 which weighed on consolidated margins in the final quarter of 2020 compared to the previous quarter. The increase came following higher positivity rates which require retesting before announcing to the Jordanian Ministry of Health, which caused an increase in Jordan's raw material as a share of revenue from 26% in 3Q 2020 to 46% in 4Q 2020.

It is worth highlighting that in Egypt, PCR and Covid-19-related tests have largely the same contribution margin as conventional tests. However, in Jordan, due to the Ministry of Health guidelines, PCR tests have a lower contribution margin. With regards to the Group's house call services, tests performed through this channel in both Egypt and Jordan have largely the same contribution margin as conventional tests performed at the Group's labs.

Direct salaries and wages made up the second largest share of total COGS for the year at 29.7%, having increased just 2% year-on-year to reach EGP 390 million in 2020. The largely stable figure was due to higher direct salaries and wages in Jordan and Sudan being largely offset by lower salaries in Nigeria following the restructuring that took place during the second half of 2019. In 2020, the curfew periods led IDH to book lower bonuses, incentives, and overtime payments, whereas in 2019 the Group recorded EGP 27 million in profit shares over and above of the required 10% (profit share in 2019 was 13% while profit share 2020 was 10%). Given the marginal year-on-year increase in direct salaries and wages for 2020, and the significant top-line growth for the year, as a percentage of revenues, salaries and wages declined to 14.7% in 2020 versus 17.2% in 2019.

Direct depreciation and amortisation was up 22% year-on-year in 2020 to EGP 163 million, largely due to the addition of new equipment at Al Borg-Scan and Nigeria, as well as the incremental amortisation of additional branches (IFRS 16 right-of-use assets). Direct depreciation and amortization as a percentage of revenues increased only marginally to 6.1% in 2020 from 6.0% in 2019.

## **EBITDA**

IDH's consolidated EBITDA increased 24% year-on-year to EGP 1,171 million in 2020, with an associated margin of 44% versus 42% in 2019. EBITDA growth was supported by strong gross profitability which offset higher selling, general and administrative (SG&A) outlays for 2020 and a doubtful accounts provision of EGP 42 million to account for expected credit losses in accordance with IFRS 9 booked in the year compared to EGP 8 million in 2019. It is worth noting that the majority of said provision were booked during the first half of 2020 (EGP 28 million) while the second half of the year provisions declined to EGP 14 million as the Group reassessed its recoverability rate.

In Egypt, EBITDA recorded EGP 1,041 million in 2020, up a robust 19% year-on-year. EBITDA margin increased to 48% in 2020 from 46% in 2019. The EBITDA expansion was supported by the country's strong top-line growth in the second half of the year which offset an EGP 35 million doubtful accounts provision established in Egypt and the impact of Covid-19 on Egypt's operations earlier in the year.

IDH's Jordanian operations recorded a 44% year-on-year rise in EBITDA to EGP 130 million in 2020 on the back of strong revenue growth for the year. In local currency terms, EBITDA grew 53% year-on-year in 2020. EBITDA margin recorded 32% in 2020 versus 35% in the previous year.

In Nigeria, EBITDA losses narrowed significantly to EGP 7 million in 2020 from the negative EGP 30 million recorded in 2019. Decreased losses were due to a 20% year-on-year rise in revenues (38% in NGN terms) and an 18% year-on-year decrease in salary expenses during the year.

Finally, Sudan's EBITDA recorded EGP 6 million in 2020, down 18% year-on-year with an EBITDA margin of 16% compared to 20% last year. EBITDA for the year was weighed down by the SDG devaluation. In SDG terms, EBITDA came in relatively flat for the year at SDG 21 million as higher pricing offset branch closures earlier in the year.

### Regional EBITDA in Local Currency

<b>Mn</b>		<b>FY 2020</b>	<b>FY 2019</b>
Egypt	<i>EGP</i>	1,041	877
Jordan	<i>JOD</i>	5.9	3.8
Nigeria	<i>NGN</i>	(170)	(642)
Sudan	<i>SDG</i>	21	21

### Interest Income / Expense

IDH recorded interest income of EGP 53 million in 2020, up 22% year-on-year. Interest income increased due to higher cash balances as the Group postponed to September 2020 the

distribution of USD 28 million (EGP 451 million) in dividends in relation to 2019 profits.

Interest expense recorded EGP 72 million in 2020 versus EGP 65 million in 2019. The increase in interest expenses is due to higher interest on lease liabilities related to IFRS 16. following the addition of new branches. This offset the decrease in interest expenses on borrowings which benefitted from the lower interest rate environment following a cumulative 400 basis point cut in interest rates by the Central Bank of Egypt since the start of 2020.

### Interest Expense Breakdown

EGP Mn	FY 2020	FY 2019	Change
Interest on Lease Liabilities (IFRS 16)	51.4	35.1	46%
Interest Expenses on Borrowings <sup>8</sup>	16.1	20.0	-20%
Interest Expenses on Leases	4.1	9.5	-57%
<b>Total Interest Expense</b>	<b>71.5</b>	<b>64.6</b>	<b>11%</b>

<sup>8</sup>Related to medium-terms loans for the AI Borg Scan expansion (EGP 6.1 million) and the Group's new headquarters in Cairo's Smart Village (EGP 6.3 million), in addition to EGP 3.7 million in bank charges.

### Foreign Exchange

IDH recorded a net foreign exchange loss of EGP 13 million in 2020 compared to EGP 16 million in 2019. The figure is primarily related to FX losses on the back of the SDG devaluation versus the EGP.

### Taxation

Tax expenses recorded for the year were EGP 360 million compared to EGP 254 million in 2019. The effective tax rate stood at 37% in 2020 versus 33% in 2019. There is no tax payable for IDH's two companies at the holding level, while tax was paid on profits generated by operating subsidiaries.

The increase in IDH's effective tax rate to 37% compared to 33% in 2019 is attributable to the decision by the Egyptian Government in September 2020 to increase the Withholding Tax on profit distribution from 5% for ownership exceeding 25% to 10% (irrespective of the ownership stake). It should be highlighted that previously IDH used to incur a 5% WHT as its ownership in the subsidiaries exceeded 25%.

### Tax Expense Breakdown

EGP Mn	FY 2020	FY 2019	Change
Egypt	340.2	244.8	39%
Jordan	19.5	10.8	80%
Nigeria	(0.8)	(2.4)	-66%
Sudan	0.8	0.4	90%

<b>Total Tax Expenses</b>	<b>360</b>	<b>254</b>	<b>42%</b>
<i>Effective Tax Rate</i>	37%	33%	3.7 pts

## Net Profit

IDH's consolidated net profit was EGP 609 million in 2020, up 21% year-on-year supported by strong revenue growth for the year combined with the Group's cost management efforts and higher interest income for the year. Net profit margin stood at 23% in 2020 up unchanged from 2019.

## ii. Balance Sheet Analysis

### Assets

#### Property, Plant and Equipment

IDH held gross property, plant and equipment (PPE) of EGP 1,261 million as of year-end 2020, up from the EGP 1,140 million as of 31 December 2019. CAPEX outlays represented around 5% of consolidated revenues in 2020.

During 2020, the average CAPEX of a new C branch (collection points) in Egypt ranged from EGP 750 thousand to EGP 1.2 million.

#### Accounts Receivable and Provisions

As at 31 December 2020, accounts receivables' Days on Hand (DOH) reached 144 days compared to 129 days at year-end 2019. Accounts receivables' DOH is calculated based on credit revenues amounting to EGP 827 million in 2020. The increase is mainly related to the PCR testing for Covid-19 balance (as part of the agreement with Pure Health), which represented around 10% of total receivables in 2020 at EGP 34 million. On gross receivables, DoH in 2020 were 171 days compared to 149 days in 2019.

Provision for doubtful accounts established during 2020 amounted to EGP 42 million compared to only EGP 8 million in 2019. The increase is mainly related to the expected credit losses in accordance with IFRS 9 of government/semi-government entities in Egypt. It should be noted that the provisions established in Egypt represented around 90% of consolidated provisions established during the year.

#### Inventory

As at 31 December 2020, the Group's inventory balance reached EGP 100 million, up from EGP 84 million as at year-end 2019. Days Inventory Outstanding (DIO) decreased to 72 days as at year-end 2020 from 82 days as at 31 December 2019. The decline is largely attributable to a decrease in Jordan's DIO due to the high PCR testing for Covid-19 turnover.

## Cash and Net Debt/Cash

IDH's cash balances increased to EGP 877 million as at 31 December 2020 compared to EGP 631 million as at 31 December 2019. The increase comes despite the distribution of EGP 451 million in dividends for 2019 paid in September 2020. It should be noted that cash balances include cash on hand, current accounts, time deposits and treasury bills.

Net cash balance<sup>9</sup> amounted to EGP 321 million as at year-end 2020, an increase of 78% compared to EGP 181 million as at 31 December 2019.

EGP thousand	FY 2020	FY 2019
Cash	876,755	630,509
Interest Bearing Debt ("Medium Term Loans")	96,455	111,752
Lease Liabilities Property	389,920	269,401
Lease Liabilities Equipment	69,122	68,671
<b>Net Cash Balance</b>	<b>321,258</b>	<b>180,932</b>

As at year-end 2020, the Group had two outstanding loan balances:

- €€€ An EGP 38.6 million facility from Commercial International Bank (CIB) used to finance IDH's headquarters in Cairo and will be fully repaid in 2022;
- €€€ An EGP 54.3 million loan from Ahly United Bank (AUB) used to finance the first two branches of IDH's new radiology venture in Egypt. The total facility amounts to a total of EGP 130.5 million, from which EGP 54.3 million was used to finance the radiology venture. The loan will be fully repaid in 2026;
- €€€ The interest rate on both loans is 1% above the Central Bank of Egypt's borrowing corridor rate (currently at 9.25%).

<sup>9</sup>Net cash is calculated as cash and cash equivalent balances less interest-bearing debt (medium term loans) and finance lease.

## Liabilities

### Accounts Payable

As at 31 December 2020, accounts payable balance stood at EGP 178 million up from EGP 145 million as at year-end 2019. The Group's days payable outstanding (DPO) is 127 days compared to 141 days as at 31 December 2019, with the decrease mainly related to PCR testing kit suppliers who are paid within a period of 15 days.

## **Put Option**

The put option "short-term" liability is related to the option granted to Dr. Amid; Biolab 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 LTM EBITDA minus net debt. Biolab's put option liability increased following the subsidiary's EBITDA year-on-year growth of 44% in EGP terms.

The put option "long-term" liability is related to the option granted to the International Finance Corporation from Dynasty - shareholders in Echo Lab - and it is exercisable in 2024.

### **iii. Cash Flow Analysis**

Net cash flow from operating activities recorded EGP 926 million in 2020 compared to EGP 697 million in 2019, demonstrating the company's strong cash generation ability despite the challenging operating environment.

### **iv. Dividend**

The Board of Directors is recommending a final dividend of US\$ 0.049 per share, or US\$ 29.1 million in aggregate, to shareholders in respect of the financial year ended 31 December 2020. This represents an increase of 4% compared to a final dividend of US\$ 28 million in aggregate in the previous financial year.

### **v. Going Concern**

As part of the going concern assessment to assess the resilience of the Group's financial position and liquidity, management has considered several scenarios and a reasonable, but plausible severe downside test to the period from the annual account's approval to May 2022. The severe downside scenario has anticipated the same lowest volume that occurred in April and May 2020 for Q2 and Q3 2021. This lowest level occurred due to the disruption caused by the pandemic at the very beginning where the adaptability of people was significantly low, and also this is the period in which the government had taken the strictest restrictions for business and movement of people. This volume represents a 40% reduction than the average normal rate in which the company used to achieve before the pandemic. Additionally, Q4 2021 assumes the same trading levels as January 2021 (which does not factor in seasonality, as average monthly revenue in Q4 tends to be around 20% higher than January of the same year) and is more than 40% lower than Q4 2020. Revenue for January and February 2022 was also assumed to be in line with January 2021, while March 2022 was assumed at a 20% increase from February 2022 due to seasonality, and finally April 2022 factored in a reduction in volumes during Ramadan. The scenario has assumed that there is no fixed cost reduction; no reduction in the forecasted capital expenditure, while it has assumed the postponement of dividend payments. That said scenario did not affect the Group's ability to meet its financial obligation nor the financial covenants. The severe downside scenarios showed that the Group's current financial position and cash balance, generated from its operational activities, will alleviate any potential downside risk; moreover, it presents that the group has sufficient cash within this downside scenario to repay debts and to continue to operate as a going concern without the need to refinance the debt or raise future equity. Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared

the financial statements on a going concern basis.

## **vi. Principle Risk, Uncertainties & Their Mitigation**

As in any corporation, IDH has exposure to risks and uncertainties that may adversely affect its performance. IDH Chairman Lord St John of Bletso has emphasised that ownership of the risk matrix is sufficiently important to the Group's long-term success that it must be equally shared by the Board and senior management.

While no system can mitigate every risk - and some risks, as at the country level, are largely without potential mitigants - the Group has in place processes, procedures and baseline assumptions that provide mitigation. The Board and senior management agree that the principal risks and uncertainties facing the Group include:

<b>Specific Risk</b>	<b>Mitigation</b>
<p><b>Country risk - Political &amp; Security</b></p> <p>Egypt and the wider MENA region, where the Group operates, have experienced political volatility and there remains a risk of occasional civil disorder.</p> <p>Sudan is currently undergoing a significant political transition which began in 2019 when severe political unrest and protests led the military to remove long-time president Omar Al-Bashir. Following his removal, the military signed power-sharing agreement with an opposition coalition in July 2019, with the aim of eventually transferring power to a civilian government, nonetheless, the country continued to witness protest throughout 2020 as citizens demanded faster reform. The situation remains volatile and a return to civil unrest could adversely affect IDH's business.</p> <p>Nigeria is facing security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Against the backdrop of a sluggish economy and the slow implementation of reforms, mounting discontent could translate into further social unrest.</p> <p>Tensions spiked in October 2020 as thousands of people took to the streets to protest against police brutality in the country. The government responded by dissolving the special division known as SARS (Special Anti-Robbery Squad). In late 2020 and early 2021, protests have decreased significantly across the country.</p>	<p>See mitigants for "Country/regional risk"</p> <p>While nationwide protests do affect part of the diagnostic industry is relatively resilient to the demand for healthcare services. A successful in offsetting the effect of inflation with higher pricing, and in both 2019 and 2020 recorded year-on-year revenue growth.</p> <p>The current power-sharing agreement will see the country through a three-year period which elections are to be held.</p> <p>In December 2020, US removed Sudan from its Terrorism list. The change in the country's status to allow Sudan to have access to international trade including the International Monetary Fund will support the country's economic growth.</p> <p>Regarding other operating risks, including compliance risks, IDH will apply the same approach of evaluating all aspects of its business performance implemented in all of the emerging markets.</p>



### Country/regional risk - Economic

The Group is subject to the economic conditions of Egypt specifically and, to a lesser extent, those of the wider MENA region. Egypt accounted for c. 82% of our revenues in 2020 (2019: 85%).

High inflation in Egypt: According to the Central Bank of Egypt, headline inflation recorded 5.4% in December 2020, continuing a declining trend from 7.1% in December 2019, 21.6% in January 2018 and a record high of c.35% in July 2017 following the November 2016 devaluation of the Egyptian Pound and subsequent energy subsidy cuts. Meanwhile core inflation that strips out volatile items came in at 3.8% in December 2020, compared to 2.4% in December 2019 and 8.3% in December 2018.

High Inflation in Sudan: Following substantial currency devaluation in Sudan during 2018 the currency lost 85% of its value. In 2019, the Sudanese Pound's official rate versus the US Dollar remained relatively stable at 45.11 as 31 December according to the Central Bank of Sudan. However, in July 2020 the Sudanese government announced it would devalue its currency and cut fuel subsidies due to a huge budget deficit and an economic crisis aggravated by the coronavirus pandemic.

The currency reached an official rate against the US Dollar of 55.25 in early March 2020 (140 on the parallel market). This saw annual inflation continue to rise, hitting a new record peak of 212.3% in September of 2020 according to Trading Economics.

Nigeria: Capital controls could make profit repatriation difficult in the short term.

Nigeria: Depreciation of the naira would make imported products and raw materials more expensive and would reduce Nigeria's contribution to consolidated Company revenues. Whilst capital controls have helped the official exchange converge with the black-market rate, the central bank has yet to allow the naira to float freely.

This is largely not subject to mitigation of economic risk, management notes that the industry and that the business continued through two revolutions, as well as changing operating conditions in 2016 and in 2020.

High inflation is one consequence of an economic cycle. The structural change underway in Egypt, the general repricing of goods and services, and years of comprehensive government reform, the reform program is designed to provide a sustainable path to growth and fiscal stability. Egypt's Ministry of Planning and Administrative Economic Affairs for the fiscal year ended June 2020 Egypt recorded a budget deficit of 8.4% while the budget deficit as a percentage of GDP compared to 8.4% in the fiscal year ended June 2019.

The Group's contemplated acquisitions are expected to mitigate the Egypt-specific country risk.

The Group is closely monitoring the economic conditions in Sudan and has implemented several measures in step with inflationary pressures. IDH will continue to expatriate salaries and foreign currency to reduce dependence on local hires.

In Nigeria, until currency exchange provides greater visibility regarding profit repatriation, IDH will expect early profits into its Nigerian business to be repatriated in the first few months of the year.

IDH will capitalise on its regional advantage to procure kits at competitive prices.

## COVID-19

The ongoing Covid-19 pandemic presents business continuity risks to IDH including, but not limited to, supply-chain disruptions, government enforced quarantines and their effect on IDH business operations and risk of infection among IDH employees. Government-imposed curfews and lockdowns have also negatively impacted the Group's operations leading to the full closure or to the decrease of working hours for branches across the Group's geographies. While as at 31 December 2020 all of IDH's branches were operating normally, new restrictions could be imposed in the coming months in light of potential resurgences of Covid-19-positive cases across IDH's countries of operation.

Covid-19 global economic impact: Nationwide lockdowns and social distancing measures enacted across the world beginning April 2020 have led to lower consumption, investment, industrial production, retail sales, purchasing managers' indices for the manufacturing and service sectors, and higher unemployment rates. According to the International Monetary Fund (IMF), the Covid-19 pandemic drove a 3.5% contraction in global growth, which could continue in 2021 if the pandemic is not effectively contained.

IDH is in continual dialogue with key stakeholders associated with a shortage of materials and supply chain weakness. The Group is ready to build resilience where necessary, should supply disruptions occur. All staff use appropriate protective equipment and are screened for patients, including those suspected of infectious disease. IDH is currently a low-risk area for Covid-19 in Egypt and Jordan.

All of the Group's employees are subject to regular health checks, reminding them that they may not have any symptoms of a Covid-19 infection.

To limit risk for headquarter staff, IDH has adapted office functions that can be performed remotely. IDH has implemented a shift policy to avoid overexposure.

In parallel, the Group is regularly reviewing and updating its business continuity policies to ensure their effectiveness in the eventuality.

The development and regulatory approvals in late 2020 and early 2021 have led to a turnaround in the pandemic, with the global economy to grow by 5.5% in 2021 according to the IMF. The strength of the recovery is expected to vary across countries, depending on the effectiveness of policy support, exposure to the pandemic and structural characteristics entering the recovery.

### **Foreign currency and banking regulation risk**

Foreign currency risk: The Group is exposed to foreign currency risk on the cost side of the business. The majority of supplies it acquires are paid in Egyptian pounds (EGP), but given they are imported, their price will vary with the rate of exchange between the EGP and foreign currencies. In addition, a portion of supplies are priced and paid in foreign currencies.

The CBE moved to a fully floating foreign exchange regime on 3 November 2016, since which time the value of the Egyptian pound against the US dollar has been set by the interbank market. After losing more than 50% of its value in 2016, the Egyptian pound closed 2020 at mid-market CBE rate of 15.73 per US\$1 against an opening rate of EGP 15.04.

The Egyptian pound was valued at 15.73 to US\$ 1.00 as of 3 February 2021.

Banking regulation risk: A priority list and allocation mechanism imposed by the CBE was in effect throughout 2016 to prioritise essential imports. This mechanism was in place in response to an active parallel market for foreign exchange.

Whilst foreign exchange is increasingly available following the November 2016 float of the Egyptian pound and prices set by the interbank mechanism, IDH faces the risk of variability in the exchange rate because of economic and other factors.

Inflation of Sudan has risen to one of the highest levels in the world and the country slipped into hyperinflation.

Only 12% of IDH's cost of supplies (c. in US dollars, minimising the Group's (FX) scarcity and in part, the volatility of

In 2020, IDH recorded a net foreign exchange loss of 15.5 million, largely stable compared to a net foreign exchange gain of EGP 15.5 million in 2019.

Throughout 2020, the Central Bank of Egypt implemented several interest rate cuts for a total of 400 bps. This has had significant adverse impacts on the Egyptian economy, especially following the US Federal Reserve cutting its benchmark rate to zero in response to the global economic crisis.

Following a decline in foreign reserves, IDH's foreign currency reserves have continued to decline to US\$ 40 billion in December 2020. In light of the return of capital controls previous to the devaluation of the pound, the return of capital controls previous to the pound's devaluation is unlikely.

Over the past two years, management has been working to diversify Sudan with more than 100% in a trial to

### **Supplier risk**

IDH faces the risk of suppliers re-opening negotiations in the face of cost pressure owing to the prevailing inflationary environment and/or a possible albeit limited devaluation risk in 2020.

IDH's supplier risk is concentrated amongst three key suppliers - Siemens, Roche and BM (Sysmex)- who provide it with kits representing 52% of the total value of total raw materials in 2020 (2019: 45%).

IDH has strong, longstanding relationships with suppliers, of whom it is a significant regional client. In the face of rising raw material costs, IDH is able to maintain raw material costs increases. It is worth highlighting that IDH's operations have not been impacted by COVID-19.

Total raw materials costs as a percentage of sales in 2020 compared with 18.3% in 2019.

<p><b>Remittance of dividend regulations and repatriation of profit risk</b>  The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions where, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends.</p>	<p>As a foreign investor in Egypt, IDH does not have the right to repatriation of dividends but is exposed to fluctuations in foreign exchange in the markets in which it operates, particularly Egypt and Sudan.</p> <p>As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. No US sanctions have been lifted a host of sanctions imposed 2019, including a comprehensive trade embargo, a freeze on assets and tight restrictions on financial institutions. More recently, in December 2020 the US added Sudan to the States Sponsors of Terrorism list.</p>
<p><b>Legal and regulatory risk to the business</b>  The Group's business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.</p>	<p>The Group's general counsel and the legal department work together to keep IDH abreast of, and respond to, all legislative and regulatory changes.</p> <p>On the antitrust front, the private laboratory market (as a part) accounts for a small proportion of the total market, which consists of small private labs, private government-owned, governmental and quasi-governmental labs.</p>
<p><b>Quality control risks</b>  Failure to establish and comply with appropriate quality standards when performing testing and diagnostics services could result in litigation and liability for the Group and could materially and adversely affect its reputation and results of operations. This is particularly key as the Group depends heavily on maintaining good relationships with healthcare professionals who prescribe and recommend the Group's services.</p>	<p>The Group's quality assurance (QA) system is based on international best practices across all medical diagnostic services. All laboratory staff participate in ongoing quality assurance programmes emphasised at each level of the organisation.</p> <p>The head of quality assurance for the Group is a member of the senior management team at the IDH. He regularly reviews and reviews recent developments, plan strategic initiatives and has a high concern to the Group as a whole.</p>
<p><b>Risk from contract clients</b>  Contract clients including private insurers, unions and corporations, account for c. 54% of the Group's revenue in 2020. Should IDH's relationship with these clients deteriorate, for example if the Group were unable to negotiate and retain similar fee arrangements or should these clients be unable to make payments to the Group, IDH's business could be materially and adversely affected.</p>	<p>IDH diligently works to maintain strong relationships with its contract clients. All changes to pricing and contracts are discussed in detail with clients rather than blanket imposed. This is further enhanced by regular visits to contract clients by sales staff.</p> <p>IDH's attractiveness to contract clients is a result of its national network.</p> <p>Excluding the Pure-Health agreement, IDH's largest contract client generated 10 million in revenue during 2020, no single contract client generated more than 1% of total revenues or 1.4% of EBITDA.</p>

**Pricing pressure in a competitive, regulated environment**  
 The Group faces pricing pressure from various third-party payers, including national health insurance, syndicates, other governmental bodies, that could materially and adversely affect its revenue. Pricing may be restrained in cases by recommended or mandatory fees set by government ministries and other authorities.

This risk may be more pronounced in the context of headline monthly inflation in Egypt, which as of December 2020 stood at 5.4% as per the Central Bank of Egypt.

This is an external risk for which there are no controls in place.

In the event there is escalation of prices from various third-party payers, the Group sees its wide national network of branches. 54% of our revenue is generated from private payers (private insurer, unions and corporations) and 46% from a network to patchworks of local players.

IDH has a limited ability to influence the policies imposed by government agencies in the countries where basic tests that account for the majority of our revenue that nation are subject to price controls.

**Carrying value of goodwill and other intangible assets**  
 A decline in financial performance could lead to an impairment risk over the carrying value of IDH's goodwill and other intangible assets. Goodwill and intangible assets have arisen from historic acquisitions made by the Group and include the brand names used in the business.

IDH carries out an annual impairment test of its intangible assets in line with IAS 36.

The results of the annual impairment test are used to determine the recoverable amount (based on value in use and fair value less costs of disposal) and the value of each of the identified Cash Generating Units. If an impairment is deemed to be required, it is recognized in the Financial Statements.

**Business continuity risks**  
 Management concentration risk: IDH is dependent on the unique skills and experience of a talented management team. The loss of the services of key members of that team could materially and adversely affect the Company's operations and business.

Business interruption: IT systems are used extensively in virtually all aspects of the Group's business and across each of its lines of business, including test and exam results reporting, billing, customer service, logistics and management of medical data. Similarly, business interruption at one of the Group's larger laboratory facilities could result in significant losses and reputational damage to the Group's business as a result of external factors such as natural disasters, fire, riots or extended power failures. The Group's operations therefore depend on the continued and uninterrupted performance of its systems.

Business Interruption: across its geographies, the reimposition of restrictive measures related to Covid-19 (including curfews and lockdowns) could impact the working hours of branches and in extreme cases could lead to their temporary closure.

IDH understands the need to support its business continuity by strengthening its human capital and succession planning. The Company is focused on building its senior management team, led by its CEO, to ensure it includes the talent needed for a large and growing business. IDH constituted an Executive Committee in 2019, which is composed of heads of departments and meets every second week.

The Group has in place a full disaster recovery plan and provisions for spares, redundant power and mobile data systems as alternatives to its primary systems and other factors. IDH tests its disaster recovery plan annually.

In Egypt and Jordan, to mitigate the impact of government closures on operations, the Group has implemented call services. Moreover, the Group's branches in Egypt offer PCR testing for Covid-19 in both Egypt and Jordan. IDH believes that branches would be closed even if mandatory testing is introduced.

<p><b>Loss of talent</b>  IDH depends on the skills, knowledge, experience and expertise of its senior managers to run its business and implement its strategies. The Group's senior management has an average of 15 years of industry experience and the majority are medical doctors. Furthermore, IDH is reliant on its ability to recruit and retain laboratory professionals. Loss of senior managers could materially and adversely affect the Group's results of operations and business.</p> <p>In Nigeria, IDH will face a more limited talent pool of healthcare workers due to a weak education system and the tendency for trained professionals to move abroad.</p>	<p>In addition to competitive compensation, IDH ensures it has access to a broad pool of healthcare professionals through its own in-house training program. We furthermore have in place a retention program for the performance of graduates of the training program.</p> <p>Egypt is a net exporter of trained health professionals, resulting in a surplus staff in the market. IDH's efforts focus on the retention of qualified staff as opposed to the recruitment of personnel.</p> <p>In Nigeria, IDH intends to offer a strong value proposition that includes opportunity for both career and contract. The Group will seek to bring in expatriate professionals whilst local teams are being trained and developed.</p>
<p><b>Loss of certifications and accreditations</b>  Many of IDH's facilities have received internationally accreditations for high-quality standards. The failure to renew these certifications, including the College of American Pathologists (CAP) accreditation for the Mega Lab or the International Organization for Standards (IOS) for other facilities, would call into question the Group's quality standards and competitive differentiators.</p>	<p>In October 2017, IDH's central Mega Lab CAP which is subject to renewal every two years was renewed in October 2019 with the next renewal due in October 2021. The Company also renewed its IOS in the next renewal due in three years. In addition, IDH's facilities in Egypt, Joint Commission International (JCI) 150189, HCAC and CAP certifications in Nigeria are not accredited.</p> <p>IDH's ability to keep current its certifications is supported by ongoing QA, training and development.</p>
<p><b>Cybersecurity risk</b>  The company controls a vast amount of confidential data for its patients' records; to this end, there is a cybersecurity risk emerged as for both data confidentiality and data security.</p>	<p>The company has stringent controls over its IT infrastructure. It does stress tests over its IT infrastructure by commissioning an independent leading IT firm to perform independent stress tests on its infrastructure controls, in order to ensure the confidentiality of data.</p>

## **vii. Statement of Directors' Responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the EU ("IFRS as adopted by the EU"). Company law requires the directors to prepare Group financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- €€€€ make judgements and estimates that are reasonable, relevant and reliable;
- €€€€ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- €€€€ assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- €€€€ use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors of the Group confirm that to the best of their knowledge that:

- €€€€ The Group is in compliance with the Jersey code in relation to all applicable corporate law and tax filing requirements;
- €€€€ The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, including International Accounting Standards; and Interpretations adopted by the International Accounting Standards Board give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- €€€€ The sections of this Report, including the Strategic Report, Performance Review and Principal Risks and Uncertainties, which constitute the management report, include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy

Dr. Hend El Sherbini  
Executive Director

17 May 2021

**INTEGRATED DIAGNOSTICS HOLDINGS plc - "IDH"**  
**AND ITS SUBSIDIARIES**

# **Consolidated Financial Statements**

for the year ended 31 December 2020

## **Consolidated Statement of Financial Position as at 31 December 2020**

	<b>Notes</b>	<b>2020</b>
		<b>EGP"000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10	793,013
Intangible assets and goodwill	11, 12	1,659,755
Right-Of-Use Asset	26	354,688
Other investments	13	9,604
<b>Total non-current assets</b>		<b>2,817,060</b>
<b>Current assets</b>		
Inventories	15	100,115
Trade and other receivables	16	383,480
Restricted cash	18	-



Other investments	19	276,625	
Cash and cash equivalents	17	600,130	
<b>Total current assets</b>		<b>1,360,350</b>	
<b>Total assets</b>		<b>4,177,410</b>	
<b>Equity</b>			
Share capital	20	1,072,500	
Share premium reserve	20	1,027,706	
Capital reserves	20	(314,310)	
Legal reserve	20	49,218	
Put option reserve	20	(314,057)	
Translation reserve	20	145,617	
Retained earnings		603,317	
<b>Equity attributable to the owners of the Company</b>		<b>2,269,991</b>	
Non-controlling interests	6	156,383	
<b>Total equity</b>		<b>2,426,374</b>	
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	240,333	
Other provisions	22	3,408	
Loans and borrowings	25	67,617	
Long-term financial obligations	26	430,315	
<b>Total non-current liabilities</b>		<b>741,673</b>	
<b>Current liabilities</b>			
Trade and other payables	23	383,623	
Short-term financial obligations	24	342,784	
Loans and borrowings	25	25,416	
Current tax liabilities		257,540	
<b>Total current liabilities</b>		<b>1,009,363</b>	

<b>Total liabilities</b>	<b>1,751,036</b>
<b>Total equity and liabilities</b>	<b>4,177,410</b>

The accompanying notes on pages 36-78 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

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**Dr. Hend El Sherbini**  
**Chief Executive Officer**

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**Hussein**  
**Independent Non-F**