

**-Integrated Diagnostics Holdings Plc**

**1H 2021 Results**

Thursday, 2 September 2021

## Integrated Diagnostics Holdings Plc delivers exceptional growth on the back of strong demand across its entire service portfolio

**(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 reviewed financial statements and operational performance for the first half of 2021, recording revenue of EGP 2,293 million, up 141% versus the comparable period of last year. Normalised EBITDA<sup>1</sup> recorded EGP 1,203 million in 1H 2021, representing a 227% year-on-year increase, while net profit expanded 283% year-on-year to reach EGP 668 million for the period. In the second quarter of 2021, revenues reached a new record-high of EGP 1,164 million, up 3% from an already impressive first quarter of the year, with net profit recording EGP 327 million and an associated margin of 28%.

### Financial Results

EGP mn	1H 2020	1H 2021
<b>Revenues</b>	<b>950</b>	<b>2,293</b>
Cost of Sales	(503)	(990)
<b>Gross Profit</b>	<b>446</b>	<b>1,303</b>
<i>Gross Profit Margin</i>	47%	57%
Operating Profit <sup>2</sup>	277	1,000
<b>Normalised EBITDA<sup>1</sup></b>	<b>367</b>	<b>1,203</b>
<i>EBITDA Margin</i>	39%	53%
<b>Net Profit</b>	<b>175</b>	<b>668</b>
<i>Net Profit Margin</i>	18%	29%
<b>Cash Balance</b>	<b>719</b>	<b>1,580</b>

<sup>1</sup>Cash balance prior to payment of US\$ 29.1 million dividend for year ended 31 December 2020, distributed on 29 July 2021.

### Key Operational Indicators

1H 2020

1H 2021

<b>Branches</b>	462	4
<b>Patients ('000)</b>	2,890	4,6
<b>Revenue per Patient (EGP)</b>	329	4
<b>Tests ('000)</b>	11,234	16,3
<b>Revenue per Test (EGP)</b>	85	1
<b>Test per Patient</b>	3.9	:

<sup>1</sup> Normalised EBITDA is calculated as operating profit plus depreciation and amortization and excluding one-off fees incurred in 1H 2021 (EGP 29.0 million) related to the Company's dual listing on the EGX completed in May 2021.

<sup>2</sup> Operating Profit excludes one-off fees incurred in 1H 2021 (EGP 29.0 million) related to the Company's dual listing on the EGX completed in May 2021.

## Introduction

### **i. Financial Highlights**

- €€€ **Revenue** recorded EGP 2,293 million in 1H 2021, up a remarkable 141% versus the comparable period of last year supported by both IDH's Covid-19-related<sup>3</sup> tests and a sustained recovery in the Group's conventional test offering. Top-line growth for the first half of 2021 was dual-driven, as tests performed and average price per test posted year-on-year expansions of 45% and 66%, respectively. Covid-19-related tests contributed to 48% of IDH's top-line during the first six months of the year compared to the 9% contribution made during 1H 2020. Excluding Covid-19-related tests, the Group witnessed a 38% year-on-year expansion in revenue generated from its conventional test offering. The year-to-date performance was buoyed by an impressive second quarter, which saw IDH build on the strong momentum from the start of the year to record revenues of EGP 1,164 million for 2Q 2021, up 159% versus 2Q 2020 and 3% from 1Q 2021.
- €€€ Consolidated revenues continued to be supported by the Group's **house call service** in Egypt and Jordan, which in 1H 2021 contributed to 23% of total revenue versus the 18% contribution made this time last year. Through its house call service, IDH served more than 646,000 patients in 1H 2021 (up 88% versus 1H 2020), performing more than 3.4 million tests (up 49% versus 1H 2020). Leveraging an expanded reach, IDH was able to carry out an average of 3,600 house call visits per day in 1H 2021, up significantly from the 1,900 visits per day performed in 1H 2020.
- €€€ **Gross Profit** grew by 193% year-on-year in 1H 2021 to record EGP 1,305 million with an associated margin of 57% versus 47% in the same period last year. Improved gross profitability came on the back of strong top-line growth and the subsequent dilution of fixed costs for the period such as direct salaries and wages and other expenses. Gross profit for the second quarter of 2021 recorded EGP 667 million, up 4% from the previous quarter and with a gross margin of 57%.
- €€€ **Operating Profit** recorded EGP 1,094 million, a 295% year-on-year expansion, with an associated margin of 48% versus 29% last year. The remarkable growth in operating profit was supported by strong gross profitability, the dilution of SG&A outlays for the period due to their relatively fixed nature, and a normalisation of provisions booked in 1H 2021, which recorded EGP 10 million versus EGP 28 million in 1H 2020 to account for expected credit losses in accordance with IFRS 9.
- €€€ **Normalised EBITDA<sup>4</sup>** reached EGP 1,203 million in 1H 2021, an increase of 227% from the comparable period of last year. EBITDA margin expanded to 52% for the period versus 39% in 1H 2020. Solid improvements in EBITDA profitability were driven by strong top-line growth in 1H 2021 and the subsequent dilution of IDH's fixed costs for the period. On a quarterly basis, normalised EBITDA recorded EGP 603 million, up 267% year-on-year and largely in line with last quarter's figure. Normalised

EBITDA margin stood at 52% for the quarter, down from the 53% margin recorded in 1Q 2021 as IDH booked higher accounting fees (related to the EGX requirement to publish quarterly reviewed financial statements) and additional bonus payments to senior management during 2Q 2021.

- €€€ **Net Profit** expanded 283% year-on-year to record EGP 668 million in 1H 2021, with a net profit margin of 29% versus 18% in 1H 2020. Net profit growth was supported by strong EBITDA level profitability and comes despite IDH booking EGP 29 million in one-off fees related to the Company's dual-listing in May 2021. In 2Q 2021, net profit stood at EGP 327 million with an associated margin of 28%.
- €€€ A **dividend** of US\$ 29.1 million (US\$ 0.0485 per share) for the year ended 31 December 2020 was distributed to shareholders on 29 July 2021. This represents an increase of 4% compared to a final dividend of US\$ 28 million in aggregate in the previous financial year.

<sup>3</sup> Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19-related tests which include a bundle of routine inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

<sup>4</sup> Normalised EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in 1H 2021 (EGP 29 million) related to the Company's EGX listing completed in May 2021.

## ii. Operational Highlights

- €€€ IDH's **branch network** stood at 495 branches as of 30 June 2021, up from 462 branches and 481 branches as of 30 June 2020 and 31 December 2020, respectively.
- €€€ **Total tests** performed recorded 16.3 million in 1H 2021, up 45% year-on-year. Higher test volumes were supported by both IDH's Covid-19-related<sup>5</sup> test offering as well as a sustained recovery in the Group's conventional test offering, with the latter up 29% versus the first six months of 2020. In 2Q 2021, IDH performed 8.3 million tests, up 2% from the previous quarter as IDH performed both more Covid-19-related and conventional tests during the second quarter of the year compared to the previous quarter. The quarter-on-quarter expansion is particularly noteworthy as the second quarter included the expected slowdown related to the holy month of Ramadan and Eid vacation.
- €€€ **Average revenue per test** expanded 66% year-on-year to EGP 141 in 1H 2021. Controlling for the generally higher value Covid-19-related<sup>4</sup> tests, average revenue per test would have increased 7% versus last year.
- €€€ **Total patients** served reached 4.7 million in 1H 2021, a 62% year-on-year increase. Meanwhile, **average test per patient** declined to 3.5 in 1H 2021 from 3.9 last year as an increasing number of patients visit the Group's labs for single Covid-19 tests (PCR, Antigen and Antibody).
- €€€ Revenue generated by IDH's **Egyptian** operations expanded 140% year-on-year on the back of solid growth across both test and patient volumes. On a service basis, top-line growth was supported by both Covid-19-related<sup>5</sup> and conventional tests, and was further bolstered by the Group's house call service which in 1H 2021 made up 25% of Egypt's top-line versus 20% last year. Excluding Covid-19-related contributions in 1H 2021, conventional tests performed and revenue generated in Egypt expanded 29% and 38% year-on-year, respectively.
- €€€ **Al-Borg Scan** recorded revenue of EGP 20 million in 1H 2021, an increase of 124% compared to last year. The number of radiology tests performed during the first six months of 2021 reached 34,297, more than double the tests performed last year.
- €€€ **Wayak** turned EBITDA positive during 2Q 2021 on the back of growing revenue and optimised overhead costs. On a year-to-date basis, Wayak's revenue nearly tripled versus last year to reach EGP 4.3 million in 1H2021 supported by a growing

customer base.

- €€€ In **Jordan**, revenue increased 176% year-on-year on the back of strong volume growth for the period. Top-line growth was supported by Biolab's Covid-19-related test offering coupled with solid growth in its conventional test offering, with the latter having made a full recovery from last year's slowdown. In fact, excluding Covid-19-related tests, the number of tests performed and revenue generated would have increased 43% and 41%, respectively.
- €€€ In August, **Biolab** was selected as the preferred bidder to operate testing stations in Amman's Queen Alia International Airport (QAIA). This landmark partnership will allow IDH to continue playing a frontline role in the fight against Covid-19, while helping to further expand Biolab's volumes and revenue in the coming period.
- €€€ In **Nigeria**, revenues continued their steady expansion, growing 68% year-on-year (76% in NGN terms) in 1H 2021 supported by a 47% increase in tests performed versus last year.

<sup>5</sup> Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19-related tests which include a bundle of routine inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

### iii. Management Commentary

**Commenting on the Group's performance for the six-month period, IDH Chief Executive Officer Dr. Hend El-Sherbini said:** "Halfway through 2021, I am delighted with the Group's operational and financial performance, which has seen us continue to build on an impressive start to the year to deliver another set of record-breaking results. Our revenues expanded an impressive 141% versus last year on the back of growing patient and test volumes, improved pricing and an increasingly optimised service mix. While top-line growth continued to be bolstered by our Covid-19-related<sup>6</sup> tests, I am happy to report that we have continued to witness robust growth in our conventional test offering for the second quarter in a row, signalling a sustained recovery which we expect to continue even as Covid-19-related volumes begin to taper off. It is particularly important to highlight that the Group's conventional test volumes in 1H 2021 surpassed pre-Covid-19 levels, coming in 4% higher than test volumes recorded in the same six months of 2019 after adjusting for the impact of the 100 Million Healthy Lives Campaign<sup>7</sup>. This is further evidence of the robust underlying demand for high quality diagnostic services present across our markets of operation, and of our continued ability to service this growing market."

"On a regional front, both our Egyptian and Jordanian operations continued to report strong revenue growth supported by our conventional and Covid-19-related service offering. Similar to the trend witnessed at the consolidated level, across both geographies we recorded robust growth in our conventional test portfolio supported by a widespread recovery of economic activity coupled with our multi-pronged efforts aimed at stimulating demand across the entirety of our service roster. Top-line growth in both countries was further buoyed by our home call services which continue to grow in popularity especially in our home market of Egypt, where tests performed directly in patient homes made up 25% of the country's top-line in the first half of 2021. Our ability to effectively ramp up the service in step with growing demand is enabling us to perform up to five thousand house visits per day, helping us to tap into new segments of the population while boosting our tests per patient as patients enjoy the added comfort of having the tests administered in their own homes. House call services represent an important driver of future growth for the Company well beyond the end of the Covid-19 crisis, and as such we are continuing our efforts to expand and further streamline the service. In parallel, we are also seeing growing contributions coming from our radiology

venture, Al-Borg Scan, which recorded year-on-year revenue growth of 124% as tests performed more than doubled in the first half of the year. To capitalise on the attractive growth opportunities offered by the segment, we are currently aiming to launch at least three new Al-Borg Scan branches over the coming twelve months. Looking ahead, we expect to continue recording growing contributions to consolidated revenue and profitability as Al-Borg Scan's operations ramp up further."

"At our Nigerian operations, we witnessed sustained top-line growth of 68% for the first half of this year. This comes as our investments to revamp Echo-Lab's operations and strategic marketing efforts continue to bear fruit, attracting an increasing number of patients to our branches. This is a particularly noteworthy achievement in light of the multiple political and pandemic-related difficulties faced over the last year. Finally in Sudan, despite recording an impressive 217% year-on-year revenue expansion in local currency, the significant devaluation of the Sudanese Pound in February 2021 continued to weigh on the country's results. Despite this, we remain committed to the country in the long-term, with management hard at work to continue driving sustainable long-term growth beyond the current difficult operating environment."

"Further down the income statement, we reported impressive margin expansions at all levels of profitability supported by strong top-line and the subsequent dilution of IDH's fixed costs. Additionally, starting in the second quarter of this year we recorded a decline in raw material as percentage of revenues to 16.8% compared to 19.3% in the previous quarter. This was partially due to a decline in Jordan's Covid-19-positive cases requiring confirmatory retests, and is also directly attributable to our successful efforts to reduce PCR test kit costs. Overall, strong top-line growth combined with increased cost efficiencies, higher interest income, and lower provisions booked in the first half of 2021, helped drive a nearly fourfold increase in net profit for 1H 2021 which reached EGP 668 million with an associated margin of 29%."

"Heading into the second half of the year, our strategic priorities remain unchanged as we aim to capitalise on the positive momentum witnessed across both our operations and the wider macroeconomic context. In the short-term we will continue to assist governments in Egypt and Jordan in their fight against the Covid-19 pandemic providing our full roster of Covid-19-related services across both our branches and through our expanded house call service. On this front, I am very happy with our efforts to secure multiple new partnerships over the last few months to offer PCR testing to travellers in both Egypt and Jordan. Most importantly, I am pleased to note that Biolab, our Jordanian subsidiary, has been selected as the preferred bidder by Airport International Group (AIG), the operator of Amman's Queen Alia International Airport, to carry out PCR testing for passengers arriving in Jordan. As part of the agreement, Biolab will also offer rapid PCR testing for Covid-19 to departing passengers who were not able to do a PCR test prior to reaching the airport. Through this landmark partnership, we will be able to continue playing a frontline role in the fight against the Covid-19 virus in Jordan while further expanding our reach and patient base in the country. In parallel, we are looking to sign additional strategic deals with international air carriers to perform PCR tests for passengers similar to our existing agreements with National Air Services (NAS) and Pure Health UAE which see us conduct PCR testing for passengers flying from Egypt to Kuwait and the UAE. Our ability to secure such partnerships is proof positive of the strong reputation enjoyed by IDH both locally and internationally, and further strengthens our offering for international travellers which currently sees the Company offer internationally-accredited PCR tests to travellers within and outside the MENA region. Meanwhile, we are working tirelessly to deliver on our post-Covid-19 growth strategy which will see us leverage our expanded patient base, branch network, and service offering to drive new sustainable growth in the years to come. To this end, in the first six months of the year

we successfully added 14 new branches in our home market of Egypt, keeping us on track to meet our goal of 30 to 35 new lab rollouts for 2021 and helping us to further cement our leadership position in the country's private sector diagnostics market. In parallel, we continue to assess potential growth opportunities across new African, Middle Eastern, and Asian markets, and have secured a USD 45 million loan from the International Finance Corporation (IFC) to finance our growth plans in the coming period."

"In light of our half-year results and the encouraging recovery witnessed across our markets, I am confident that the Group is on track to deliver a record-breaking performance in 2021, with year-on-year revenue growth surpassing the 70% mark and a normalised EBITDA<sup>8</sup> margin of 47% to 49%. We expect our full-year performance to be supported by both our conventional test offering, which in 1H 2021 continued to witness a robust rebound, coupled with continued strong demand for our Covid-19-related portfolio. Moreover, with Egypt expected to record a new wave of infections later this year, we could see greater than forecasted demand for our Covid-19-related offering in the second half of 2021, with the segment potentially pushing consolidated top-line growth into the 80% range, with an EBITDA margin of around 50%."

<sup>6</sup> Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19-related tests which include a bundle of routine inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

<sup>7</sup> The 100 Million Healthy Lives Campaign which ran from November 2018 through June 2019. As part of the Campaign, the Group performed 2.4 million tests in 1H 2019.

<sup>8</sup> Normalised EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in 1H 2021 (EGP 29 million) related to the Company's EGX listing completed in May 2021.

- End -

## Analyst and Investor Call Details

An analyst and investor call will be hosted at 2pm (UK) | 3pm (Egypt) on Monday, 6 September 2021.

### Web conference access details

You can register for the call by clicking on this [link](#), and you may dial in using the conference call details below:

• Dial-in Number: 820 8840 0136

• Confirmation Number: 131242

### Regular dial-in details

US dial-in number: +1 (646) 558-8656

UK dial-in number: +44 208 080 6592

Meeting ID: 820 8840 0136

Password: 131242

For more information about the event, please contact: [nancy.fahmy@idhcorp.com](mailto:nancy.fahmy@idhcorp.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 495 branches as of 30 June 2021, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the

Group's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

## Shareholder Information

LSE: IDHC.L

EGX: IDHC.CA

Bloomberg: IDHC:LN

Listed on LSE: May 2015

Listed on EGX: May 2021

Shares Outstanding: 600 million

## Contact

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## Forward-Looking Statements

These results for the six-month period ended 30 June 2021 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.

## Group Operational & Financial Review

### i. Revenue and Cost Analysis







## Revenue

IDH reported revenue of EGP 2,293 million in 1H 2021, up an impressive 141% from the comparable period in 2020, driven by a surge in Covid-19-related<sup>9</sup> tests and a sustained recovery in the Group's conventional test offering. Year-on-year top-line growth was driven as tests performed in 1H 2021 expanded 45% versus last year and average revenue per test increased 14% versus the first six months of 2020. Although strong and rising demand for IDH's Covid-19-related test offering saw it make up 36% of the consolidated top-line (48% in 1H 2021 vs 9% in 1H 2020), the Group's conventional test offering also recorded robust growth in the period. Growth in conventional business came on the back of a 29% increase in tests performed and a 14% increase in average revenue per conventional test.

Looking at the Group's Covid-19-related offering in more detail, revenues generated from core Covid-19 tests amounted to EGP 830 million in 1H 2021, making up 36% of consolidated top-line for the period. In parallel, revenues from other Covid-19-related tests reached EGP 275 million in 1H 2021.

IDH's consolidated top-line was also supported by its ramped-up house call service in Egypt and Jordan. House call services contributed 18% to consolidated revenue for 1H 2021 compared to 18% in 1H 2020. Through its house call service, IDH served 3.4 million patients in 1H 2021, up 88% versus 1H 2020, performing more than 3.4 million tests, 49% above the figure recorded in the same period in 2020. To reach, IDH was able to carry out an average of 3,600 house call visits per day in 1H 2021, up significantly from 2,400 visits performed in 1H 2020.

The Group's year-to-date performance was bolstered by a remarkable second quarter, which saw IDH record revenue of EGP 1,164 million in the first six months of the year. In 2Q 2021, IDH recorded revenue of EGP 1,164 million, up 159% versus the previous quarter, which was recorded in 1Q 2021. As with the year-to-date performance, growth was supported by IDH's full service roster of tests performed increasing 2.3% quarter-on-quarter despite the typical slowdown associated with the holy month of Ramadan during 2Q 2021.

### Detailed Consolidated Revenue Breakdown

EGP mn	1Q 2020	1Q 2021	2Q 2020	2Q 2021	1H 2020	1H2021
<b>Total revenues</b>	<b>500</b>	<b>1,130</b>	<b>450</b>	<b>1,164</b>	<b>950</b>	<b>2,293</b>
Conventional tests	495	594	367	595	862	1,189
Total Covid-19-related tests	5	536	83	569	88	1,105
Core Covid-19 tests (PCR, Antigen, Antibody)	5	399	26	431	31	830
Other Covid-19-related tests	0	137	57	138	57	275
<b>Contribution to consolidated revenue</b>						
Conventional tests	99%	53%	82%	51%	91%	52%
Total Covid-19-related tests	1%	47%	18%	49%	9%	48%
Core Covid-19 tests (PCR, Antigen, Antibody)	1%	35%	6%	37%	3%	36%
Other Covid-19-related tests	0%	12%	13%	12%	6%	12%

<sup>9</sup> Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19 related tests such as inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), and C-reactive Protein (CRP), among others.

## Revenue Analysis: Contribution by Patient Segment

### Contract Segment

At the Group's contract segment, revenue increased 149% year-on-year as tests performed expanded 49% and average revenue per test increased 68% in 1H 2021. This saw the segment's contribution to total revenues reach 55% for the first six months of 2021, up from 47% in the first six months of 2020. Covid-19-related<sup>10</sup> testing contributed 47% of contract revenues in the first half of the year, up from 33% in the first six months of 2020, which witness strong demand for its offering in both Egypt and Jordan. Excluding Covid-19-related tests, the contract segment recorded an 45% year-on-year increase in revenue supported by a 33% rise in tests performed and a 9% increase in average revenue per test.

The contract segment's results continued to include contributions from IDH's agreement with Pure Health in Egypt, which saw IDH become the first lab to conduct PCR testing to screen passengers travelling from Egypt. In 1H 2021, PCR testing contributed 5% of contract segment revenues and 7% of total core Covid-19 tests (PCR, Antigen, and Antibody) performed during the period.

### Walk-in Segment

Revenue from IDH's walk-in segment recorded a 132% year-on-year expansion in 1H 2021, contributing to 45% of consolidated revenues for the period versus the 47% contribution in the comparable period of 2020. In the first six months of the year, IDH performed 3.4 million tests, up 49% versus 2.3 million tests performed in 1H 2020.

## ii. Balance Sheet Analysis

### Assets

#### Property, Plant and Equipment

IDH held gross property, plant and equipment (PPE) of EGP 1,365 million as at 30 June 2021, up from the EGP 1,247 million as of 31 December 2020. Meanwhile, CAPEX outlays represented around 5% of consolidated revenues in the first half of the year.

#### Accounts Receivable and Provisions

As at 30 June 2021, accounts receivables' Days on Hand (DOH) stood at 97 days compared to 144 days at year-end 2020, displaying a sustained improvement in collections during the first six months of the year versus 2020. Accounts receivables' DOH is calculated based on credit revenues amounting to EGP 637.9 million during 1H 2021.

Provision for doubtful accounts established during the first six months of 2021 amounted to EGP 10 million, down from the EGP 28 million booked in provisions in the comparable period of last year. This comes as collection cycles continue to normalise following a period of heightened uncertainty in the first stages of the Covid-19 crisis.

#### Inventory

As at 30 June 2021, the Group's inventory balance reached EGP 142 million, up from EGP 100 million as at year-end 2020. Days Inventory Outstanding (DIO) decreased to 54 days as at 30 June 2021 from 72 days as at year-end 2020. The decline is largely attributable the high turnover of PCR testing for Covid-19.

#### Cash and Net Debt/Cash

IDH's cash balances increased to EGP 1,587<sup>15</sup> million as at 30 June 2021 compared to EGP 877 million as at 31 December 2020.

Net cash balance<sup>16</sup> amounted to EGP 904<sup>17</sup> million as at 30 June 2021, an increase of 181% compared to EGP 321 million as at 31 December 2020.

*15 The figure does not include dividend payments of US\$ 29.1 million distributed to shareholders on 29 July 2021.*

*16 The net cash balance is calculated as cash and cash equivalent balances less interest-bearing debt (medium term loans), finance lease and Right-of-use liabilities.*

*17 Pre-dividend distribution.*

EGP million	FY 2020	1H 2021
Cash and Investments at Amortised Cost	876.8	1,587.0
Interest Bearing Debt ("Medium Term Loans") <sup>18</sup>	96.5	86.0
Lease Liabilities Property	389.9	468.0
Lease Liabilities Equipment	69.1	128.8
<b>Net Cash Balance</b>	<b>321.3</b>	<b>904.2</b>

*18 IDH's interest bearing debt as at 30 June 2021 is split as EGP 26 million related to its medium term facility with the Commercial International Bank (CIB) and EGP 57 million to its facility Ahli United Bank Egypt (AUBE).*

Lease liabilities on property stood at EGP 468.0 million as at 1H 2021 versus the EGP 389.9 million booked in FY 2020. The increase is attributable to the addition of new branches during the first six months of 2021 as well as Al-Borg Scan's third branch which is expected to come online in September of this year. Meanwhile, financial obligations related to equipment recorded EGP 128.8 million as at 30 June 2021, up from EGP 69.1 million as at year-end 2020. The increase comes following the renewal of the Company's contracts and the addition of new equipment.

## **Liabilities**

### **Accounts Payable**

As at 30 June 2021, accounts payable balance stood at EGP 225 million up from EGP 178 million as at year-end 2020. However, the Group's days payable outstanding (DPO) stood at 91 days as at 30 June 2021 down from 127 days as year-end 2020. The decline primarily reflects the fact that PCR testing kit suppliers are paid within a period of 15 days.

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

Net cash flow from operating activities recorded EGP 866 million in the first half of 2021 compared to EGP 149 million in 1H 2020, demonstrating the company's continued strong cash generation ability.

### **iv. Dividend**

A dividend of US\$ 29.1 million (US\$ 0.0485 per share) for the year ended 31 December 2020 was distributed to shareholders on 29 July 2021. This represents an increase of 4% compared to a final dividend of US\$ 28 million in aggregate in the previous financial year.

## **Principal Risks and Uncertainties**

As in any corporation, IDH has exposure to risks and uncertainties that may adversely affect its performance. The Board and senior management agree that the principal risks and uncertainties facing the Group include political and economic risks in Egypt, the Middle East and Nigeria, foreign currency exchange rate variability and associated risks, changes in regulation and regulatory actions, damage to the Group's reputation, failure to maintain the Group's high quality standards and accreditations, failure to maintain good relationships with healthcare professionals and end-users, pricing pressures and business interruption of the Group's testing facilities, among others.

Other short-term risks include operational disruptions related the Covid-19 pandemic; delays in branch openings and renovations in Nigeria and difficulties in growing Echo-Lab's customer base; prolonged political unrest in Sudan that can adversely affect patient and test volumes, while further currency devaluation risks will limit the compensatory effect of price increases.

## **Statement of Directors' Responsibilities**

### **Responsibility statement of the directors in respect of the half-yearly financial report**

We confirm that to the best of our knowledge, the interim management report includes a fair review of the information required by:

- (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the

entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board of Directors:

Dr. Hend El Sherbini  
Executive Director

1 September 2021

- Ends --

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

# **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED  
30 JUNE 2021

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## Condensed Consolidated Interim Statement of Financial Position as of 30 June 2021

(All amounts in Egyptian Pounds "EGP'000")

	Notes	30 June 2021
		EGP'000
		(Reviewed)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	848,419
Intangible assets and goodwill	5	1,654,098
Right of use assets	6	415,717
Financial investments	7	10,282
<b>Total non-current assets</b>		<b>2,928,516</b>
<b>Current assets</b>		

Inventories		141,559
Trade and other receivables	8	477,432
Investments at amortized cost	9	329,056
Cash and cash equivalents	10	1,257,983
<b>Total current assets</b>		<b>2,206,030</b>
<b>Total assets</b>		<b>5,134,546</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>		
Share Capital		1,072,500
Share premium reserve		1,027,706
Capital reserve		(314,310)
Legal reserve		51,641
Put option reserve		(618,047)
Translation reserve		155,760
Retained earnings		777,068
<b>Equity attributable to the equity holders of the parent</b>		<b>2,152,318</b>
Non-controlling interest		152,110
<b>Total equity</b>		<b>2,304,428</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	19-C	324,800
Provisions		3,479
Loans and borrowings	13	56,996
Long-term financial obligations	15	512,235
Long-term financial liability at fair value	14	32,168
<b>Total non-current liabilities</b>		<b>929,678</b>
<b>Current liabilities</b>		
Trade and other payables	11	473,515
Shareholders dividend		454,472
Short-term financial obligations	15	84,554
Short-term financial liability at fair value	12	585,880
Loans and borrowings	13	25,946
Current tax liabilities		276,073

<b>Total current liabilities</b>	1,900,440
<b>Total liabilities</b>	2,830,118
<b>Total equity and liabilities</b>	5,134,546

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf

Dr. Hend El Sherbini  
Chief Executive Officer

Hussein Choucri  
Board member of the audit committee

The accompanying notes on pages 26-43 form an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Statement of Profit or Loss for the Three and Six Months Period Ended 30 June 2021

(All amounts in Egyptian Pounds "EGP'000")

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021 EGP'000 (Reviewed)	2020 EGP'000 (Unaudited)/(Unreviewed)	2021 EGP'000 (Reviewed)	2020 EGP'000 (Unaudited)/(Unreviewed)
Revenue	23	1,163,632	449,931	2,293,170	1,163,632
Cost of sales		<u>(496,742)</u>	<u>(246,969)</u>	<u>(987,873)</u>	<u>(496,742)</u>
<b>Gross profit</b>		<b>666,890</b>	<b>202,962</b>	<b>1,305,297</b>	<b>666,890</b>
Marketing and advertising expenses		(37,848)	(20,677)	(66,655)	(37,848)
General and administrative expenses	17	(105,212)	(53,654)	(176,132)	(105,212)
Impairment loss on trade and other receivable		(5,181)	(28,281)	(10,265)	(5,181)
Other income		8,346	17,527	12,431	8,346
<b>Operating profit</b>		<b>526,995</b>	<b>117,877</b>	<b>1,064,676</b>	<b>526,995</b>
Finance income	18	24,975	15,421	45,248	24,975
Finance cost	18	(39,212)	(17,167)	(74,900)	(39,212)
<b>Net finance cost</b>		<b>(14,237)</b>	<b>(1,746)</b>	<b>(29,652)</b>	<b>(14,237)</b>
<b>Profit before tax</b>		<b>512,758</b>	<b>116,131</b>	<b>1,035,024</b>	<b>512,758</b>
Income tax expense	19-B	(186,142)	(44,003)	(366,814)	(186,142)
<b>Profit for the period</b>		<b>326,616</b>	<b>72,128</b>	<b>668,210</b>	<b>326,616</b>
<b>Profit attributed to:</b>					
Equity holders of the parent		320,410	74,856	646,440	320,410
Non-controlling interests		6,206	(2,728)	21,770	6,206
		<b>326,616</b>	<b>72,128</b>	<b>668,210</b>	<b>326,616</b>
<b>Earnings per share (expressed in EGP):</b>					
Basic and diluted earnings per share	21	<b>0.53</b>	<b>0.12</b>	<b>1.08</b>	<b>0.53</b>



The accompanying notes on pages 26-43 form an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Statement of Comprehensive Income for the Three and Six Month Period Ended 30 June 2021

(All amounts in Egyptian Pounds "EGP'000")

	For the three months period ended 30 June		For the six months period ended 30 June
	2021	2020	2020
	EGP'000	EGP'000	EGP'000
	(Reviewed)	(Unaudited)/(Unreviewed)	(Reviewed)
<b>Net profit</b>	326,616	72,128	668,216
Items that may be reclassified to profit or loss:			
Currency translation differences	<u>(2,062)</u>	<u>(6,074)</u>	<u>12,371</u>
<b>Other comprehensive income for the period net of tax</b>	<u><b>(2,062)</b></u>	<u><b>(6,074)</b></u>	<u><b>12,371</b></u>
<b>Total comprehensive income for the period</b>	<u><b>324,554</b></u>	<u><b>66,054</b></u>	<u><b>680,587</b></u>
<b>Attributed to:</b>			
Equity holders of the parent	320,692	67,080	656,587
Non-controlling interests	<u>3,862</u>	<u>(1,026)</u>	<u>24,000</u>
	<u><b>324,554</b></u>	<u><b>66,054</b></u>	<u><b>680,587</b></u>

The accompanying notes on pages 26-43 form an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Statement of Change in Equity for the Six Month Period Ended 30 June 2021

(All amounts in Egyptian Pounds "EGP'000")	Share capital	Share premium reserve	Capital reserve	Legal reserve*	Put o re
<b>At 1 January 2021</b>	<b>1,072,500</b>	<b>1,027,706</b>	<b>(314,310)</b>	<b>49,218</b>	<b>(314,310)</b>
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the Company</b>					
<b>Contributions and distributions</b>					
Dividends	-	-	-	-	-
Legal reserve formed during the period	-	-	-	2,423	-
Movement in put option liability	-	-	-	-	(303,310)
Restatement for impact of hyperinflation	-	-	-	-	-
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,423</b>	<b>(303,310)</b>
<b>Balance at 30 June 2021 (Reviewed)</b>	<b>1,072,500</b>	<b>1,027,706</b>	<b>(314,310)</b>	<b>51,641</b>	<b>(618,310)</b>
<b>At 1 January 2020</b>	<b>1,072,500</b>	<b>1,027,706</b>	<b>(314,310)</b>	<b>46,330</b>	<b>(229,310)</b>
Profit for the period	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the Company</b>					
<b>Contributions and distributions</b>					
Legal reserve formed during the period	-	-	-	575	-
Movement in put option liability	-	-	-	-	1,000,000
Restatement for impact of hyperinflation	-	-	-	-	-
Non-controlling interest cash injection in subsidiaries during the period	-	-	-	-	-
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575</b>	<b>1,000,000</b>
<b>Balance at 30 June 2020 (Unaudited)/(Unreviewed)</b>	<b>1,072,500</b>	<b>1,027,706</b>	<b>(314,310)</b>	<b>46,905</b>	<b>(209,310)</b>

\*Under Egyptian Law, each subsidiary in Egypt must set aside at least 5% of its annual net profit into a legal reserve until such time that this represents 50% of each subsidiary's issued capital.

This reserve is not distributable to the owners of the Company.

The accompanying notes on pages 26-43 form an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Statement of Cash Flow For the Six Month Period Ended 30 June 2021

(All amounts in Egyptian Pounds "EGP'000")

Note

30 June 2021

EGP'000  
(Reviewed)

<b>Cash flows from operating activities</b>		
Profit for the period before tax		1,035,024
<b>Adjustments</b>		-
Depreciation, property, plant and equipment and right of use		105,745
Amortization		3,049
Gain on disposal of Property, plant and equipment		(45)
Impairment in trade receivables		10,265
Interest expense	18	49,011
Interest income	18	(45,248)
Equity settled shares financial investments		(678)
ROU Asset/Lease Termination		(464)
Loss in hyperinflationary net monetary position	18	1,204
Unrealised foreign currency exchange loss	18	19,321
<b>Net cash from operating activities before changes in working capital</b>		<b>1,177,184</b>
Change in Provisions		72
Change in inventory		(41,444)
Change in trade and other receivables		(103,537)
Change in trade and other payables		74,710
<b>Cash generated from operating activities before income tax payment</b>		<b>1,106,985</b>
Income tax paid during period		(240,624)
<b>Net cash from operating activities</b>		<b>866,361</b>
<b>Cash flows from investing activities</b>		
Interest received		44,866
Decrease in restricted cash		-
Payments for the purchase of short term investments		(309,835)
Proceeds for the sale of short term investments		257,404
Acquisition of Property, plant and equipment	4	(86,530)
Acquisition of intangible assets	5	(1,104)
Proceeds from sale of Property, plant and equipment		3,036
<b>Net cash flows used in investing activities</b>		<b>(92,163)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		2,617
Repayments of borrowings		(12,708)
Interest paid		(48,640)
Dividends paid		(21,998)
Payment of finance lease liabilities		(32,401)
Injection of cash by non controlling interest		-
<b>Net cash flows used in financing activities</b>		<b>(113,130)</b>
<b>Net increase in cash and cash equivalent</b>		<b>661,068</b>
Cash and cash equivalent at the beginning of the period		600,130
Effect of exchange rate fluctuations on cash held		(3,215)
<b>Cash and cash equivalent at the end of the period</b>	<b>10</b>	<b>1,257,983</b>

The accompanying notes on pages 26-43 form an integral part of these condensed consolidated interim financial statements.

## Review report on the condensed consolidated interim financial statements

**To: The board of directors of Integrated Diagnostics Holdings PLC "IDH"**

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Integrated Diagnostics Holdings plc "IDH" (the "Company") and its subsidiaries (together the "Group") as at 30 June 2021, and the related condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting' ("IAS 34") as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated

interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

### **Other matter**

As Integrated Diagnostics Holdings plc "IDH" was listed in the Egyptian stock exchange for the first time on May 5, 2021, the Company did not prepare and publish the condensed consolidated interim financial statements for the three month period ended 31 March 2021. The comparative information for the condensed consolidated interim statement of financial position is based on the audited consolidated financial statements as at 31 December 2020. The comparative information for the condensed consolidated interim statements of profit or loss, comprehensive income for the three-months and six-months periods then ended 30 June 2020, and condensed consolidated statements of changes in equity and cash flows for the six-month period then ended 30 June 2020, and related explanatory notes, have not been audited or reviewed.

Ashraf Mamdouh  
R.A.A. 26231  
F.R.A. 383

1 September 2021  
Cairo

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

#### **1. Reporting entity**

Integrated Diagnostics Holdings plc "IDH" or "the Company" is a Company which was incorporated in Jersey on 4 December 2014 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 117257. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred as the 'Group'). The Company is a dually listed entity, in both London stock exchange (since 2015) and in the Egyptian stock exchange (during May 2021).

The principal activities of the Company and its subsidiaries (together "The Group") include investments in all types of the healthcare field of medical diagnostics (the key activities are pathology and Radiology related tests), either through acquisitions of related business in different jurisdictions or through expanding the acquired investments they have. The key jurisdictions that the Group operates are in Egypt, Jordan, Nigeria and Sudan.

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

These condensed consolidated interim financial statements were approved for issue by the Directors of the Company on 01 September 2021.

## **2. Basis of preparation**

### **A) Statement of compliance**

These condensed consolidated interim financial statements have been prepared as per IAS 34 'Interim Financial Reporting' (As adopted by the IASB). The group's assessment for the differences with IAS 34 'Interim Financial Reporting' (As adopted by the EU) concluded that there are no material differences on the consolidated financial position and consolidated financial performance of the Group for the period then ended the accounting policies adopted are consistent with those of the previous financial year ended 31 December 2020 and corresponding interim reporting period.

These condensed consolidated interim financial statements do not include all the information and disclosures in the annual consolidated financial statements, and should be read in conjunction with the financial statements published as at and for the year ended 31 December 2020 which is available at [www.idhcorp.com](http://www.idhcorp.com). In addition, results of the six month period ended 30 June 2021 are not necessarily indicative for the results that may be expected for the financial year ending 31 December 2021.

### **B) Basis of measurement**

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

### **C) Functional and presentation currency**

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

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

### **D) Use of estimates and judgements**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last consolidated financial statements published as at and for the year ended 31 December 2020.

## **3. Significant accounting policies**

In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2020 "The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of

assets, liabilities, income and expense. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the condensed consolidated interim financial statement is described in note 2.2 of the annual consolidated financial statements published for the year ended 31 December 2020. In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2020".

#### 4. Property, plant and equipment

	Land & Buildings	Medical, electric & information system equipment*	Leas improver
<b>Cost</b>			
At 1 January 2021	332,345	565,697	25
Additions	-	112,970	2
Hyperinflation effect	-	(13,330)	
Disposals	-	(1,417)	
Transfers	-	-	
Translation differences	(351)	(9,891)	(
<b>At 30 June 2021 (Reviewed)</b>	<b>331,994</b>	<b>654,029</b>	<b>27</b>
<b>Depreciation</b>			
At 1 January 2021	47,724	245,929	13
Charge for the period	2,688	43,211	1
On disposals	-	(1,282)	
Translation differences	(33)	(4,950)	
<b>At 30 June 2021 (Reviewed)</b>	<b>50,379</b>	<b>282,908</b>	<b>15</b>
<b>Net book value</b>	<b>281,615</b>	<b>371,121</b>	<b>12</b>
<b>At 31 December 2020 (Audited)</b>	<b>284,621</b>	<b>319,768</b>	<b>11</b>

## Property, plant and equipment (continued)

### \* Laboratory equipment

The group entered into purchase agreement with an external party to supply medical equipment. These equipment are supplied to service the Group's new state-of-the-art Mega Lab. The agreement provides for annual base payments, The Group entered into new agreements for the period ended 30 June 2021 to replace the current equipment in use.

## 5. Intangible assets and goodwill

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

	<b>Goodwill</b>	<b>Brand Name</b>
	<b>EGP'000</b>	<b>EGP'000</b>
Cost		
<b>Balance at 1 January 2021</b>	<b>1,261,808</b>	<b>383,922</b>
Additions	-	-
Effect of movements in exchange rates	<b>(3,274)</b>	<b>(388)</b>
<b>Balance at 30 June 2021 (Reviewed)</b>	<b>1,258,534</b>	<b>383,534</b>
Amortisation and impairment		
<b>Balance at 1 January 2021</b>	<b>1,849</b>	-
Amortisation	-	-
Effect of movements in exchange rates	-	-
<b>Balance at 30 June 2021 (Reviewed)</b>	<b>1,849</b>	-
<b>Carrying amount</b>		
<b>Balance at 31 December 2020 (Audited)</b>	<b>1,259,959</b>	<b>383,922</b>
<b>Balance at 30 June 2021 (Reviewed)</b>	<b>1,256,685</b>	<b>383,534</b>

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. No indicators of impairment have been identified during the six months ended 30 June 2021.

## 6. Right of use assets

	<b>30 June 2021</b>
	<b>EGP'000</b>
	<b>(Reviewed)</b>
Balance at 1 January	<b>354,688</b>
Addition for the period / year	<b>105,914</b>
Depreciation charge for the period / year	<b>(39,249)</b>
Terminated contracts	<b>(1,952)</b>
Translation	<b>(3,684)</b>
<b>Balance at 31 December</b>	<b>415,717</b>

## 7. Financial investments

	<b>30 June 2021</b>
	<b>EGP'000</b>
	<b>(Reviewed)</b>
Equity investments*	10,285
	<u>10,285</u>

\* On August 17, 2017, Almakhbaryoun AL Arab (seller) has signed IT purchase Agreement with JSC Mega Lab (Buyer) to transfer and installation of 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 Labat the transaction date on April 8, 2019, and as of December 31, 2020, was 8.25%
- On April 8,2019 Almakhbaryoun AL Arab (Biolab) has signed a shareholders Agreement with JSC Mega Lab (the company) and JSC Georgia healthcare group (GHG), whereas Biolab shall have a put option, exercisable within 12 months immediately after the expiration of (5) year period from the signing date, which allows Biolab's all shares at a price of equity value of biolab's stake (have 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, GHG shall have a call option , which allows the GHG to purchase Biolab's all Share at a price of the equity value of Biolab's stake in the company (have value of USD 400,000)plus 20% annual IRR, if JCI accreditation is not obtained, immediately after the expiration of the addition 12 months period the GHG shall have a call option ( the Accelerated Call Option ) exercisable within 6 months period the GHG to purchase Biolab's all shares at price of the equity value of biolab's stake in the company ( having value of USD 400,000) plus 20% annual IRR.

## 8. Trade and other receivables

	<b>30 June 2021</b>
	<b>EGP'000</b>
	<b>(Reviewed)</b>
Trade receivables - net	342,505
Prepayments	29,202
Due from related parties	3,083
Other receivables*	101,255
Accrued revenue	1,387
	<u>477,432</u>

\* Other receivables during the period ended 30 June 2021, including EGP 26m related to advance to suppliers for purchasing fixed assets and leasehold improvement the new and existing pathology branches.



## Capital commitment

The Group has capital commitments (off balance sheet) as of 30 June 2021 of EGP56M.

### 9. Investments at amortised cost

	30 June 2021
	EGP'000
	(Reviewed)
Fixed-term deposits	27,9
Treasury bills	301,0
	<u>329,0</u>

The maturity date of the treasury bills and Fixed-term deposits is between 3-12 months and have settled average interest rates of 12.53% and 7.85% respectively. Treasury bills are classified as held to collect.

### 10. Cash and cash equivalents

	30 June 2021
	EGP'000
	(Reviewed)
Short-term deposits (less than 90 days)	30,2
Treasury bills (less than 90 days)	
Cash at banks and on hand	1,227,7
	<u>1,257,9</u>

### 11. Trade and other payables

	30 June 2021
	EGP'000
	(Reviewed)
Trade payable	221,9
Accrued expenses	190,9
Due to related parties	2,7
Other payables	54,8
Accrued finance cost	3,0
	<u>473,5</u>

### 12. Short-term financial liability at fair value

	30 June 2021
	EGP'000

Put option liability

585,8

585,8

The accounting policy for put options after initial recognition is to recognise all changes in the carrying value of the put liability within equity as all these transactions are with the non-controlling interests of the Group.

During the historic acquisitions of Makhbaryoun Al Arab (Biolabs) which took place at 31 December 2011, 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 are exercisable in whole from the fifth anniversary of the completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 30 June 2021.

### 13. Loan and borrowings

- A) In April 2017 AL-Mokhtabar for medical lab, one of IDH subsidiaries, was granted a medium-term loan amounting to EGP 110m from Commercial international bank "CIB Egypt" to finance the purchase of the new administrative building for the group. As at 30 June 2021, loan amount EGP 110m had been drawn down in full. 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 the following percentages

Year	2017	2018	2019	2020	2021
%	2.33	1.71	2.31	1.95	1.64

"Financial leverage": total liabilities divided by net equity

2. The debt service ratios (DSR) shall not be less than 1.

"Debt service ratios": cash operating profit after tax plus Depreciation for the financial year less annual maintenance on machinery and equipment divided by total distributions plus accrued interest and loan instalments.

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

"Current ratios": Current assets divided current liabilities.

4. The capital expansions in AL Mokhtabar company shall not exceed EGP 50m per year, other than year 2017 which includes in addition the value of the building financed by EGP 110m loan facility. This condition is valid throughout the term of the loan.

The agreement includes other non-financial covenants which relate to the impact of material events on the Company and the consequential ability to repay the loan.

- B) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli united bank "AUB Egypt" to finance the investment cost related to the expansion into the radiology segment. As at 30 June 2021 only EGP 57m had been drawn down from the total facility available. 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 2019**

"**Debt service ratio**": cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance divided by total financial payments.

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

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

### Loan and borrowings (continued)

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

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

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	30 June EGP'
CIB - Bank	EGP	Secured rate 9.5%	5 April 2022	2
AUB - Bank	EGP	CBE corridor rate+1%	26 April 2026	5
<u>Amount held as:</u>				
Current liability				2
Non- current liability				5
				8

\* As at 30-June-21 corridor rate 9.25% (2020: 9.25%)

The companies (Mokhtabar and Borg) didn't breach any covenants for both MTL agreements.

- C)** On 25 May 2021, IDH has secured an 8 years USD 45 million debt financing package from the International Finance Corporation (IFC). The eight-year loan will be used to finance IDH's growth plans across new and existing markets and help expand access to high-quality diagnostic services in high growth emerging markets, in addition to its current presence in Egypt, Jordan, Nigeria and Sudan. The loan has an availability period of two years. As of June 30, 2021, the USD 45 million debt has not been withdrawn by IDH.

#### 14. Long-term financial liability at fair value

	<b>30 June 2021</b>
	<b>EGP'000</b>
	<b>(Reviewed)</b>
Put option liability*	32,100
	<u>32,100</u>

\*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 transaction, IFC has the option to put its shares to Dynasty in year 2024. The put option price will be calculated on the basis of the fair market value determined by an independent valuer.

There are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 32.1 million was calculated as the valuation as at 30 June 2021 EGP 32m (2020; EGP 31.7m).

#### 15. Financial obligations

	<b>30 June 2021</b>
	<b>EGP'000</b>
	<b>(Reviewed)</b>
Lease liabilities building	467,954
Financial obligations- laboratory equipment	128,835
	<u>596,789</u>

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

	<b>30 June 2021</b>	
	<b>Minimum payments</b>	<b>Interest</b>
	<b>EGP'000</b>	<b>EGP'000</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Less than one year	150,979	2,000
Between one and five years	551,972	2,000
More than five years	215,944	3,000
	<u>918,895</u>	<u>7,000</u>

#### Financial obligations (continued)

	<b>31 December 2020</b>	
	<b>Minimum payments</b>	<b>Interest</b>
	<b>EGP'000</b>	<b>EGP'000</b>
	<b>(Audited)</b>	<b>(Audited)</b>
Less than one year	126,998	66,480
Between one and five years	463,646	176,310
More than 5 years	131,605	20,410
	<u>722,249</u>	<u>263,200</u>

Amounts recognised in profit or loss:

	For the three months ended 30 June 2021	2020	For the six months ended 30 June 2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited)	EGP'000 (Reviewed)	EGP'000 (Unaudited)
Interest on lease liabilities	14,597	14,131	28,872	26,388
Expenses related to short-term lease	3,420	3,148	8,639	4,294

#### 16. Related party transactions

The significant transactions with related parties, their nature volumes and balance during the period 30 June 2021 are as follows:

Related Party	Nature of transaction	Nature of relationship
Life Scan (S.A.E.)*	Expenses paid on behalf	Affiliate
International Fertility (IVF)**	Expenses paid on behalf	Affiliate
H.C Security	Provide service	Entity owned by Company's board member
Life Health Care	Medical Test analysis	Entity owned by Company's CEO
	Provide service "Medical insurance"	
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder
<b>Related party transactions (continued)</b>		
Integrated Treatment for Kidney Diseases (S.A.E.)	Rental income	Entity owned by Company's CEO
	Medical Test analysis	
<b>Total</b>		

Related Party	Nature of transaction	Nature of relationship	Tr amount
Life Scan (S.A.E) *	Expenses paid on behalf	Affiliate	
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	
H.C Security	Provide service	Entity owned by Company's board member	
Life Health Care	Provide service	Entity owned by Company's CEO	
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	

\* Life 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).

### Compensation of key management personnel of the Group

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

	30- 2
Short-term employee benefits	EGP' (Review
<b>Total compensation paid to key management personnel</b>	35 35

### 17. General and administrative expenses

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For 2
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	EG (F
Wages and Salaries	34,623	25,272	
Depreciation	5,659	5,271	

Other expenses*	64,930	23,111
<b>Total</b>	<b>105,212</b>	<b>53,654</b>

\* Other expenses included EGP 29m related to dual listing expenses in Egyptian Exchange.

## 18. Net finance income

	For the three months ended 30 June	
	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
<b>Finance income</b>		
Interest income	24,975	15,421
<b>Total finance income</b>	<b>24,975</b>	<b>15,421</b>
<b>Finance cost</b>		
(Loss) / gain on hyperinflationary net monetary position	(1,204)	192
Bank charges	(2,848)	(414)
Interest expense	(30,574)	(18,193)
Net foreign exchange (loss) / gain	(4,586)	1,248
<b>Total finance cost</b>	<b>(39,212)</b>	<b>(17,167)</b>
<b>Net finance cost</b>	<b>(14,237)</b>	<b>(1,746)</b>

## 19. Tax

### A) Tax expense

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

## Tax (Continued)

### B) Income tax

Amounts recognised in profit or loss as follow:

	For the three months ended 30 June	
	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
<b>Current tax:</b>		
Current year	(143,535)	(40,637)
<b>Deferred tax:</b>		
Deferred tax arising on undistributed reserves in subsidiaries	(43,068)	(4,058)
Relating to origination and reversal of temporary differences	461	692
<b>Total Deferred tax expense)</b>	<b>(42,607)</b>	<b>(3,366)</b>
<b>Tax expense recognised in profit or loss</b>	<b>(186,142)</b>	<b>(44,003)</b>

### C) Deferred tax liabilities

Deferred tax relates to the following:

	<b>30-June-2021</b>
Property, plant and equipment	(18,000)
Intangible assets	(105,000)
Undistributed reserves from group subsidiaries	(200,000)
Provisions and finance lease liabilities	(324,000)
<b>Net deferred tax assets (liabilities)</b>	<b>(324,000)</b>

## 20. Financial Instruments

The Group has reviewed the financial assets and liabilities held at 30 June 2021. It has been deemed that the carrying amounts for all financial instruments are a reasonable approximation of fair value. All financial instruments are deemed Level 3.

### Contingent liabilities

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

Should a claim be brought against Al Borg Laboratory Company and Al Mokhtabar Company for Medical Labs, an amount of between EGP 19.5m to EGP 49 m could become payable, however this is not considered probable.

## 21. Distributions made and proposed

### Cash dividends on ordinary shares declared and paid:

	<b>30 June 2021</b>
US\$ 0.0485 per share (2020 nil)	EGP'000
	(Reviewed)
	454,470
	454,470

### After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):

Nil per qualifying ordinary share (2020: 0.187) per share

## 22. Earnings per share

	<b>For the three months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>EGP'000</b>	<b>EGP'000</b>
	<b>(Reviewed)</b>	<b>(Unaudited)</b>



		(Unreviewed)
Profit attributed to owners of the parent	<b>320,410</b>	74,856
Weighted average number of ordinary shares in issue	<b>600,000</b>	600,000
<b>Basic and diluted earnings per share</b>	<b>0.53</b>	0.12

There is no dilutive effect from equity.

\* At the Extraordinary General Meeting on 4 December 2020, the Company decided to the following share split: The existing issued ordinary share capital of 150,000,000 ordinary shares of US\$1.00 each (the "Existing Ordinary Shares") have been split into four new ordinary shares of US\$0.25 each (the "New Ordinary Shares"). The comparative figures have been updated.

### 23. Segment reporting

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

The Group operates in four geographic areas, Egypt, Sudan, Jordan and Nigeria. The revenue split between the four regions is set out below.

	Revenue by geographic location		
For the three months ended	Egypt region	Sudan region	Jordan region
	EGP'000	EGP'000	EGP'000
<b>30 June 2021 (Reviewed)</b>	<b>1,014,597</b>	<b>2,514</b>	<b>133,648</b>
30 June 2020 (Unaudited)/ (Reviewed)	381,473	2,571	59,495

	Revenue by geographic location		
For six months period ended	Egypt region	Sudan region	Jordan region
	EGP'000	EGP'000	EGP'000
<b>30 June 2021 (Reviewed)</b>	<b>1,935,059</b>	<b>9,267</b>	<b>323,518</b>
30 June 2020 (Unaudited)/ (Reviewed)	804,994	12,291	117,343

	Net profit / (loss) by geographic location		
For the three months ended	Egypt region	Sudan region	Jordan region
	EGP'000	EGP'000	EGP'000
<b>30 June 2021 (Reviewed)</b>	<b>324,939</b>	<b>(4,487)</b>	<b>31,731</b>
30 June 20 (Unaudited)/ (Reviewed)	76,098	(3,832)	8,644

	Net profit / (loss) by geographic location		
For six month period ended	Egypt region	Sudan region	Jordan region
	EGP'000	EGP'000	EGP'000
<b>30 June 2021 (Reviewed)</b>	<b>628,033</b>	<b>(14,801)</b>	<b>83,247</b>
30 June 20 (Unaudited)/ (Reviewed)	179,204	(4,537)	15,062

## Segment reporting (continued)

	Revenue by type		For the
	For the three months ended 30 June		
	2021	2020	
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	(F
Pathology	1,140,057	436,522	
Radiology	23,575	13,409	
	<b>1,163,632</b>	<b>449,931</b>	

	Revenue by type		For the
	For the six months ended 30 June		
	2021	2020	
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	(F
Pathology*	2,247,984	925,757	
Radiology	45,186	23,930	
	<b>2,293,170</b>	<b>949,687</b>	

	Revenue by categories		For the
	For the three months ended 30 June		
	2021	2020	
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	(F
Walk-in	499,678	215,753	
Corporate	663,954	234,178	
	<b>1,163,632</b>	<b>449,931</b>	

\* On 30 June 2021 includes Covid-19 related Pathology tests amounted to EGP 1,104m (30 June 2020: EGP 88m).

	Non-current assets by geographical region		
	Egypt region	Sudan region	Jordan region
	EGP'000	EGP'000	EGP'000
30 June 21 (Reviewed)	2,598,967	2,850	286,419
31 December 2020	2,415,220	24,132	263,767

## Segment reporting (continued)

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

	For the three months period ended 30 June		For the six m
	2021	2020	
	EGP'000 (Reviewed)	EGP'000 (Unaudited)	
			EGP (Review

		(Unreviewed)	
<b>Profit from operations</b>	<b>526,995</b>	<b>117,877</b>	<b>1,064</b>
Property, plant and equipment depreciation	26,608	35,064	59
Amortisation of right of use	28,711	15,673	46
Amortisation of Intangible assets	1,528	(2,003)	3
<b>EBITDA</b>	<b>583,842</b>	<b>166,611</b>	<b>1,173</b>
Non-recurring expenses	18,797	-	29
<b>Normalised EBITDA</b>	<b>602,639</b>	<b>166,611</b>	<b>1,202</b>

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