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	change
Revenues*	**2,656**	**2,226**	**19%**
Cost of Sales	(1,314)	(1,143)	15%
Gross Profit	**1,343**	**1,084**	**24%**
Gross Profit Margin	*51%*	*49%*	*1.9 pts*
Operating Profit	**986**	**791**	**25%**
EBITDA[1]	**1,171**	**945**	**24%**
EBITDA Margin	*44%*	*42%*	*1.6 pts*
Net Profit	**609**	**505**	**21%**
Net Profit Margin	*23%*	*23%*	*0.3 pts*
Cash Balance	**877**	**631**	**39%**

*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.

Key Operational Indicators

	FY2020	FY2019	change
Branches	481	452	29
Patients ('000)	7,113	7,481	-5%
Revenue per Patient (EGP)	373	298	25%
Tests ('000)	27,073	30,471	-11%
Revenue per Test (EGP)	98	73	34%
Test per Patient	3.8	4.1	-7%

[1] *EBITDA is calculated as operating profit plus depreciation and amortization.*

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[2] 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[3]** 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[4]** 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**.**

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 Al 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.

[2] 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.
[3] EBITDA is calculated as operating profit plus depreciation and amortization.
[4] Based on 600 million shares.

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 unprecedent 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[5] 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%.

[5] 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.

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

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

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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 unprecedent 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[6] 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.

[6] 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.

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.

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 to 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 Al Borg Scan

At Al 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, Al 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 Al 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 Al Borg Scan's branches, a process we expect to conclude by next year and which would make Al 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

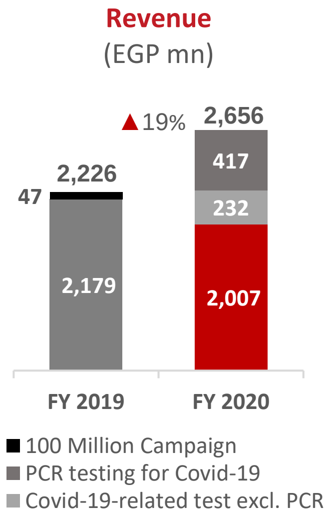
Group Operational & Financial Review

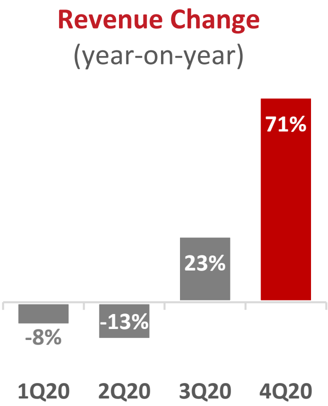
Key Financial Results*

EGP mn	1Q2020	2Q2020	3Q2020	4Q2020	FY2020	FY2019	change
Revenues	**500**	**450**	**720**	**986**	**2,656**	**2,226**	**19%**
Gross Profit	**243**	**203**	**384**	**513**	**1,343**	**1,084**	**24%**
Gross Profit Margin	*49%*	*45%*	*53%*	*52%*	*51%*	*49%*	*1.9 pts*
EBITDA**	**203**	**164**	**343**	**460**	**1,171**	**945**	**24%**
EBITDA Margin	*41%*	*36%*	*48%*	*47%*	*44%*	*42%*	*1.6 pts*
Net Profit	**102**	**72**	**201**	**234**	**609**	**505**	**21%**
Net Profit Margin	*21%*	*16%*	*28%*	*24%*	*23%*	*23%*	*0.3 pts*

* 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[7] 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.

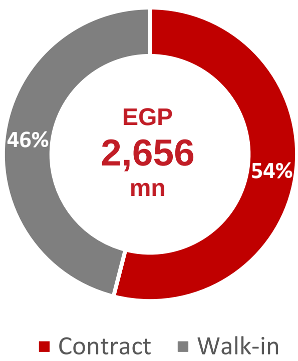
Revenue Analysis: Contribution by Patient Segment

Contract Segment

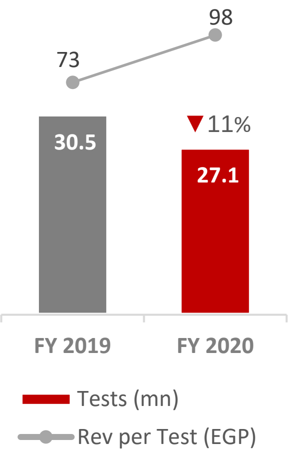
At the Group's contract segment, revenue increased 15% year-on-year in 2020 with the segment's contribution to consolidated revenues standing at 54% for the year. Revenue growth at the segment was price driven as a 31% year-on-year rise in average revenue per test more than offset a 12% year-on-year 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

[7] *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.*

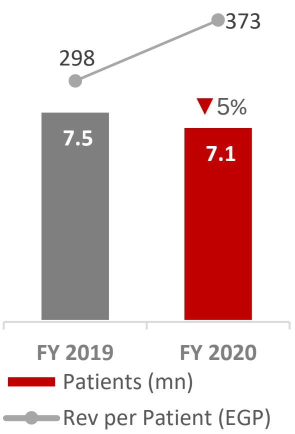
Revenue by Segment
(FY 2020)



Tests



Patients



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		
	FY20	FY19*	Change	FY20	FY19*	Change	FY20	FY19*	Change
Revenue^ (EGP mn)	1,222	974	*25%*	1,434	1,252	*15%*	2,656	2,226	*19%*
% of Revenue	*46%*	*44%*		*54%*	*56%*				
Patients ('000)	2,288	2,332	*-2%*	4,825	5,149	*-6%*	7,113	7,481	*-5%*
% of Patients	*32%*	*31%*		*68%*	*69%*				
Revenue per Patient (EGP)	534	418	*28%*	297	243	*22%*	373	298	*25%*
Tests ('000)	7,052	7,638	*-8%*	20,021	22,833	*-12%*	27,073	30,471	*-11%*
% of Tests	*26%*	*25%*		*74%*	*75%*				
Revenue per Test (EGP)	173	128	*36%*	72	55	*31%*	98	73	*34%*
Test per Patient	3.1	3.3	*-6%*	4.1	4.4	*-6%*	3.8	4.1	*-7%*

**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.

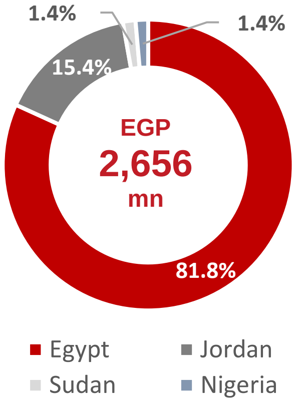
Revenue Analysis: Contribution by Geography

Egypt

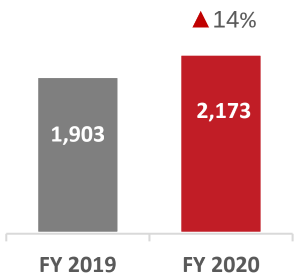
In Egypt revenues increased 14% year-on-year (17% excluding the campaign) to EGP 2,173 million for 2020, with the country contributing to 82% of consolidated revenues for the year. Revenue growth for the year was supported by IDH's ramped-up house call service and Covid-19-related test offering both 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.

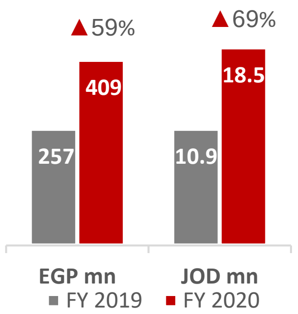
Revenue by Geography
(FY 2020)



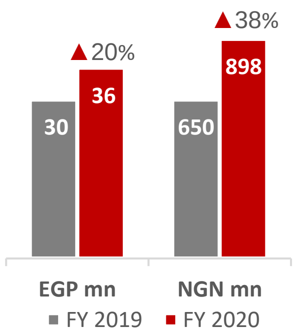
Egypt Revenue
(EGP mn)



Jordan Revenue



Nigeria Revenue



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

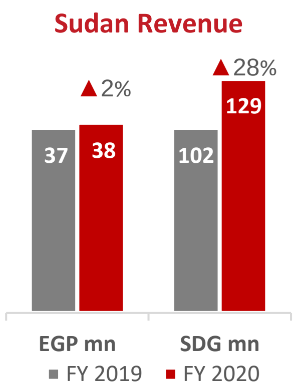
In Jordan, revenue for 2020 increased 59% year-on-year to EGP 409 million. Subsequently, the country's contribution to consolidated revenue increase to reach 15.4% in 2020 from 11.5% in 2019. In JOD terms, revenue increased 69% year-on-year in 2020 supported by robust demand for PCR testing for Covid-19 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

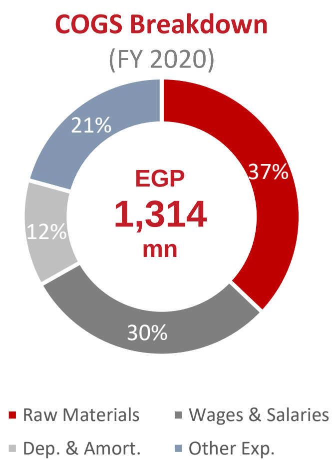
	FY 2020	FY 2019	Change
Egypt Revenue (EGP mn)	2,173.4	1,902.8	14%
Egypt Contribution	*81.8%*	*85.5%*	
Jordan Revenue (EGP mn)	409.1	256.7	59%
Jordan Revenue (JOD mn)	18.5	10.9	69%
Jordan Contribution	*15.4%*	*11.5%*	
Nigeria Revenue (EGP mn)	36.1	30.1	20%
Nigeria Revenue (NGN mn)	897.7	649.9	38%
Nigeria Contribution	*1.4%*	*1.4%*	
Sudan Revenue (EGP mn)	37.7	36.9	2%
Sudan Revenue (SDG mn)	129.5	101.5	28%
Sudan Contribution	*1.4%*	*1.7%*	

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%
Total Patients Served (mn)	**7.1**	**7.5**	**-5%**
Total Tests Performed (mn)	**27.1**	**30.5**	**-11%**

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
Total Branches	**481**	**452**	**29**



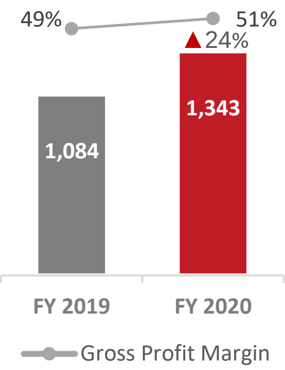
Cost of Goods Sold

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%
Total	**49.5%**	**51.3%**

Gross Profit
(EGP mn)



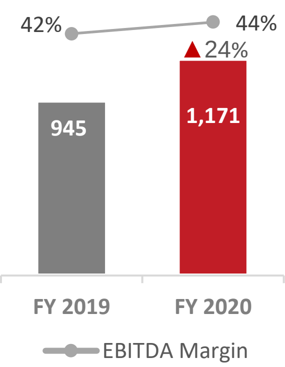
Raw material costs, which include cost of specialized analysis at other laboratories, reached EGP 488 million in 2020, making up the largest share of total consolidated COGS during the year at 37.1% (18.4% as a share of consolidated revenues). The 20% year-on-year increase in raw material costs is in 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
(EGP mn)

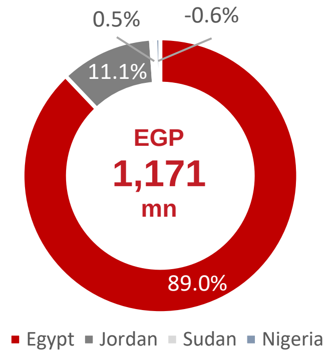


EBITDA

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

EBITDA by Region
(FY 2020)



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.

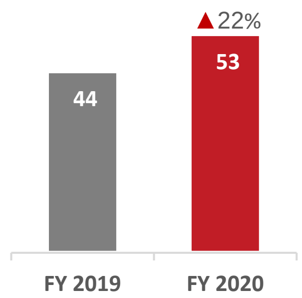
In Nigeria, EBITDA losses narrowed significantly to EGP 7 million in 2020 from the negative EGP 30 million recorded in 2019. Decreased losses were due to a 20% year-on-year rise in revenues (38% in NGN terms) and an 18% year-on-year decrease in salary expenses during the year.

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.

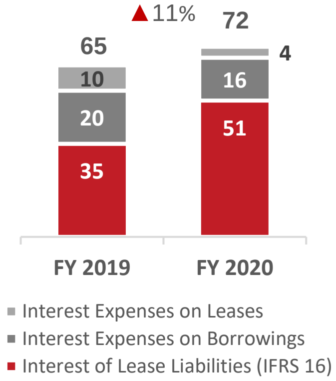
Regional EBITDA in Local Currency

Mn		FY 2020	FY 2019	Change
Egypt	*EGP*	1,041	877	*19%*
Jordan	*JOD*	5.9	3.8	*53%*
Nigeria	*NGN*	(170)	(642)	*74%*
Sudan	*SDG*	21	21	*2%*

Interest Income
(EGP mn)



Interest Expense
(EGP mn)



Interest Income / Expense

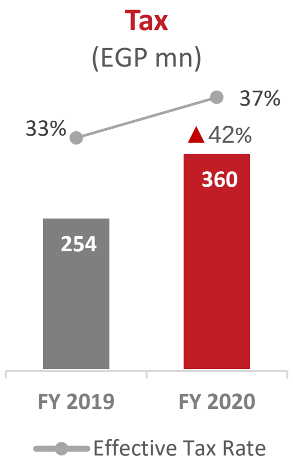
IDH recorded interest income of EGP 53 million in 2020, up 22% year-on-year. Interest income increased due to higher cash balances as the Group postponed to September 2020 the distribution of USD 28 million (EGP 451 million) in dividends in relation to 2019 profits.

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[8]	16.1	20.0	*-20%*
Interest Expenses on Leases	4.1	9.5	*-57%*
Total Interest Expense	**71.5**	**64.6**	***11%***

[8] Related to medium-terms loans for the Al 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.



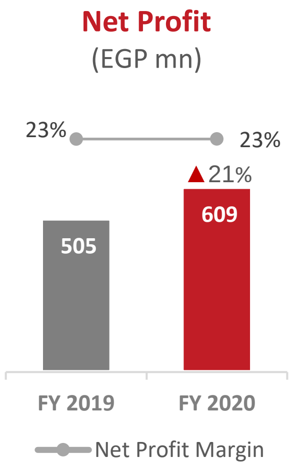
Foreign Exchange

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%
Total Tax Expenses	**360**	**254**	**42%**
Effective Tax Rate	*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.

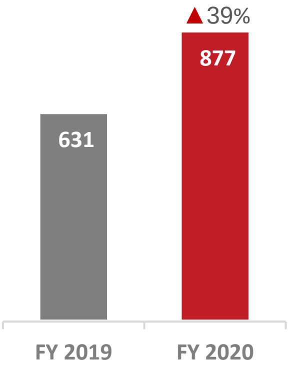
Provision for doubtful accounts established during 2020 amounted to EGP 42 million compared to only EGP 8 million in 2019. The increase is mainly related to the expected credit losses in accordance with IFRS 9 of government/semi-government entities in Egypt. It should be noted that the provisions established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

(EGP mn)



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[9] 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
Net Cash Balance	**321,258**	**180,932**

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%).

[9] 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 sever 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:

Specific Risk	Mitigation
Country risk — Political & Security Egypt and the wider MENA region, where the Group operates, have experienced political volatility and there remains a risk of occasional civil disorder.	See mitigants for "Country/regional risk — Economic," below.
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.	While nationwide protests do affect patient and test volumes at IDH, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. Additionally, IDH has been successful in offsetting the effect of lower volumes due to protest with higher pricing, and in both 2019 and 2020 the geography recorded year-on-year revenue growth in EGP terms. The current power-sharing agreement and subsequent formation of a sovereign council composed of civilian and military representatives will see the country through a three-year transitional period after which elections are to be held. In December 2020, US removed Sudan from its States Sponsors of Terrorism list. The change in the country's designation is expected to allow Sudan to have access to international funds and investment, including the International Monetary Fund, paving the way for the country's economic growth.

Nigeria 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. 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.	Regarding other operating risks, including but not limited to legal and compliance risks, IDH will apply the same rigorous standards to evaluating all aspects of its business processes in Nigeria as it has implemented in all of the emerging markets in which it operates.
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%	This is largely not subject to mitigation. In both political/security and economic risk, management notes that IDH operates in a defensive industry and that the business continued to grow year-on-year through two revolutions, as well as under extremely difficult operating conditions in 2016 and in 2020. High inflation is one consequence of Egypt's policy-restructuring cycle. The structural change underway in government spending and general repricing of goods and services represents a reversal of 50 years of comprehensive government support. Whilst it will take time, the reform program is designed to put the country on a more sustainable path to growth and fiscal consolidation. According to Egypt's Ministry of Planning and Administrative Reform, as of the fiscal year ended June 2020 Egypt recorded GDP growth of 3.6%, while the budget deficit as a percentage of GDP had declined to 7.8 compared to 8.4% in the fiscal year ended June 2019. The Group's contemplated acquisitions outside of Egypt would also mitigate the Egypt-specific country risk over time. The Group is closely monitoring the economic and political situation in Sudan and has implemented several

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.	price increases to keep instep with inflationary pressures. IDH is also working to limit expatriate salaries and foreign currency needs by increasing dependence on local hires. In Nigeria, until currency exchange policy is clarified and there is greater visibility regarding profit repatriation, IDH expects to reinvest early profits into its Nigerian business. Dividend payments are not expected to be repatriated in the first four years of operation. IDH will capitalise on its regional agreements with suppliers 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 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	IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness. The Group is ready to build inventory of key test kits as necessary, should supply disruptions begin to emerge. All of IDH staff use appropriate protective equipment when interacting with patients, including those suspected of having covid-19 or any other infectious disease. IDH is currently administering PCR testing for Covid-19 in Egypt and Jordan. All of the Group's employees are subject to regular communications reminding them that they may not

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.	report to work if they have symptoms of a Covid-19 infection. To limit risk for headquarter staff, IDH has identified several head-office functions that can be performed from home and has implemented a shift policy to avoid overcrowding in its main offices. In parallel, the Group is regularly reviewing its disaster recovery and business continuity policies to ensure that it is well prepared for any eventuality. The development and regulatory approval of several vaccine approvals in late 2020 and early 2021 has raised hopes of a turnaround in the pandemic, with the IMF now projecting the global economy to grow by 5.5% in 2021 and 4.2% in 2022. According to the IMG, the strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.
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.	Only 12% of IDH's cost of supplies (c.2% of revenues) are payable in US dollars, minimising the Group's exposure to foreign exchange (FX) scarcity and in part, the volatility of the Egyptian pound. In 2020, IDH recorded a net foreign exchange loss/gain of EGP 12.6 million, largely stable compared to a net foreign exchange loss of EGP 15.5 million in 2019. Throughout 2020, the Central Bank of Egypt (CBE) implemented interest rate cuts for a total of 400 bps. This, however, did not have significant adverse impacts on the EGP-USD exchange rate especially following the US Federal Reserve decision to cut its benchmark rate to zero in response to the Covid-19-related economic crisis.

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.	Following a decline in foreign reserves in early 2020, the CBE's foreign currency reserves have continued to climb steadily to reach US$ 40 billion in December 2020. In light of the sustained recovery, the return of capital controls previously implemented following the pound's devaluation is unlikely.
Inflation of Sudan has risen to one of the highest levels in the world and the country slipped into hyperinflation.	Over the past two years, management was able to raise prices in Sudan with more than 100% in a trial to mitigate the hyperinflation.
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 has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Company purchases, IDH is able to negotiate favourable pricing and maintain raw material costs increases at a rate slower than inflation. It is worth highlighting that IDH's supplier relations were not impacted by COVID-19.
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%).	Total raw materials costs as a percentage of sales were 18.4% in 2020 compared with 18.3% in 2019.
Remittance of dividend regulations and repatriation of profit risk The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions where, under Egyptian law, companies must obtain government clearance to transfer dividends	As a foreign investor in Egypt, IDH does not have issues with the repatriation of dividends but is exposed to risk in the form of cost of foreign exchange in the markets in which the Group operates, particularly Egypt and Sudan.

overseas and are subject to higher taxation on payment of dividends.	As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. Notably, in October 2017 the US lifted a host of sanctions imposed 20 years ago that included a comprehensive trade embargo, a freeze on government assets and tight restrictions on financial institutions dealing with the country. More recently, in December 2020 the US removed Sudan from its States Sponsors of Terrorism list.
Legal and regulatory risk to the business The Group's business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.	The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes. On the antitrust front, the private laboratory segment (of which IDH is a part) accounts for a small proportion of the total market, which consists of small private labs, private chain labs and large governmental and quasi-governmental institutions.
Quality control risks 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.	The Group's quality assurance (QA) function ensures compliance with best practices across all medical diagnostic functions. All laboratory staff participate in ongoing professional education with quality assurance emphasised at each juncture. The head of quality assurance for the Group is a member of the senior management team at the IDH level, which meets weekly to review recent developments, plan strategy and discuss issues of concern to the Group as a whole.
Risk from contract clients 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.	IDH diligently works to maintain sound relationships with contract clients. All changes to pricing and contracts are arrived at through discussion rather than blanket imposition by IDH. Relations are further enhanced by regular visits to contract clients by the Group's sales staff. IDH's attractiveness to contract clients is enhanced by the extent of its national network.

	Excluding the Pure-Health agreement, which generated EGP 62 million in revenue during 2020, no single client contract accounts for more than 1% of total revenues or 1.4% of contract revenues.
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 exist few mitigants. In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c. 54% of our revenue is generated by servicing contract clients (private insurer, unions and corporations) who prefer IDH's national network to patchworks of local players. IDH has a limited ability to influence changes to mandatory pricing policies imposed by government agencies, as is the case in Jordan, where basic tests that account for the majority of IDH's business in that nation are subject to price controls.
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 on goodwill and other intangible assets in line with IAS 36. The results of the annual impairment test show headroom between the recoverable amount (based on value in use) and the carrying value of each of the identified Cash Generating Units and no impairment is deemed to be required. For more detail see note (11) of 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.	IDH understands the need to support its future growth plans by strengthening its human capital and engaging in appropriate succession planning. The Company is committed to expanding the senior management team, led by its CEO Dr. Hend El Sherbini, to include the talent needed for a larger footprint. The Group has constituted an Executive Committee led by Dr. El Sherbini and

	composed of heads of departments. The Executive Committee meets every second week.
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.	The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems and the use of mobile data systems as alternatives to landlines, among multiple other factors. IDH tests its disaster recovery plans on a regular basis.
Business Interruption: across its geographies, the reimposition of restrictive measures related to Covid-19 (including curfews and lockdowns) could impact the working hours of branches and in extreme cases could lead to their temporary closure.	In Egypt and Jordan, to mitigate the impact of potential branch closures on operations, the Group has been ramping up its house call services. Moreover, the Group's important role in conducting PCR testing for Covid-19 in both Egypt and Jordan makes it unlikely that branches would be closed even if new restrictive measures were introduced.
Loss of talent 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.	In addition to competitive compensation packages, the Group also ensures it has access to a broad pool of trained laboratory professionals through its own in-house recruitment and training program. We furthermore have in place a program to monitor the performance of graduates of the training program. Egypt is a net exporter of trained healthcare professionals as there is surplus staff in the market. IDH's efforts are accordingly focused on retention of qualified staff as opposed to recruitment of new personnel.
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.	In Nigeria, IDH intends to offer a strong value proposition for staff that includes opportunity for both compensation and training. The Group will seek to bring in expatriates to fill key leadership roles whilst local teams are being trained and developed.
Loss of certifications and accreditations	

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.	In October 2017, IDH's central Mega Lab in Cairo was accredited by CAP which is subject to renewal every two years. The accreditation was renewed in October 2019 with the next renewal date in October 2021. The Company also renewed its ISO certifications in 2019, with the next renewal due in three years. In Jordan, Biolab has received Joint Commission International (JCI) accreditation, as well as ISO 150189, HCAC and CAP certifications in 2018. Branches in Sudan and Nigeria are not accredited. IDH's ability to keep current its certifications and accreditation are supported by ongoing QA, training and internal audit procedures.
Cybersecurity risk 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.	The company has stringent control over its security and regularly does stress tests over its IT infrastructure and is currently commissioning an independent leading international service provider to perform independent stress tests and to diagnose its IT infrastructure controls, in order to ensure the confidentiality of all data.

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

	Notes	2020 EGP'000	2019 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	10	793,013	785,546
Intangible assets and goodwill	11, 12	1,659,755	1,660,836
Right-Of-Use Asset	26	354,688	264,763
Other investments	13	9,604	6,391
Total non-current assets		**2,817,060**	**2,717,536**
Current assets			
Inventories	15	100,115	84,339
Trade and other receivables	16	383,480	322,805
Restricted cash	18	-	247
Other investments	19	276,625	221,617
Cash and cash equivalents	17	600,130	408,892
Total current assets		**1,360,350**	**1,037,900**
Total assets		**4,177,410**	**3,755,436**
Equity			
Share capital	20	1,072,500	1,072,500
Share premium reserve	20	1,027,706	1,027,706
Capital reserves	20	(314,310)	(314,310)
Legal reserve	20	49,218	46,330
Put option reserve	20	(314,057)	(229,164)
Translation reserve	20	145,617	155,823
Retained earnings		603,317	456,661
Equity attributable to the owners of the Company		**2,269,991**	**2,215,546**
Non-controlling interests	6	156,383	144,710
Total equity		**2,426,374**	**2,360,256**
Non-current liabilities			
Deferred tax liabilities	8	240,333	174,000
Other provisions	22	3,408	5,273
Loans and borrowings	25	67,617	81,305
Long-term financial obligations	26	430,315	306,384
Total non-current liabilities		**741,673**	**566,962**
Current liabilities			
Trade and other payables	23	383,623	320,083
Short-term financial obligations	24	342,784	260,853
Loans and borrowings	25	25,416	25,416
Current tax liabilities		257,540	221,866
Total current liabilities		**1,009,363**	**828,218**
Total liabilities		**1,751,036**	**1,395,180**
Total equity and liabilities		**4,177,410**	**3,755,436**

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 17 May 2021 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated Income Statement for the Year Ended 31 December 2020

	Notes	2020 EGP'000	2019 EGP'000
Revenue	3	2,656,264	2,226,495
Cost of sales		(1,313,688)	(1,142,681)
Gross profit		**1,342,576**	**1,083,814**
Marketing and advertising expenses		(107,216)	(115,764)
Administrative expenses		(221,874)	(189,465)
Impairment loss on trade and other receivable	16	(42,131)	(8,647)
Other Income		14,191	20,902
Operating profit		**985,546**	**790,840**
Finance costs	7.2	(84,107)	(80,105)
Finance income	7.2	67,643	47,409
Net finance cost	7.2	(16,464)	(32,696)
Profit before tax		**969,082**	**758,144**
Income tax expense	8	(359,600)	(253,609)
Profit for the year		**609,482**	**504,535**
Profit attributed to:			
Owners of the Company		594,015	510,931
Non-controlling interests		15,467	(6,396)
		609,482	**504,535**
Earnings per share (expressed in EGP)	9		
Basic and Diluted		0.99	3.41

The accompanying notes on pages 36-78 form an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income for the Year Ended 31 December 2020

	2020 EGP'000	2019 EGP'000
Net profit	**609,482**	**504,535**
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences on foreign currency subsidiaries	(20,292)	(59,402)
Other comprehensive income for the year, net of tax	**(20,292)**	**(59,402)**
Total comprehensive income for the year	**589,190**	**445,133**
Attributable to:		
Owners of the Company	583,809	471,991
Non-controlling interests	5,381	(26,858)
	589,190	**445,133**

The accompanying notes on pages 36-78 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 EGP'000	2019 EGP'000
Cash flows from operating activities			
Profit or loss for the year		969,082	758,144
Adjustments for:			
Depreciation of property, plant and equipment ('PPE')	10	179,435	146,617
Amortisation of intangible assets	11	5,926	6,862
Unrealised foreign exchange gains and losses	7.2	12,580	15,517
Interest Income	7.2	(53,120)	(43,576)
Interest Expense	7.2	71,527	60,997
Gain/(Loss) on sale of PPE		(98)	(926)
Impairment in trade and other receivables	16	42,131	8,647
Reversal of impairment in trade and other receivables		-	(1,155)
Equity settled share-based payment receipt		(3,213)	(6,391)
ROU Asset/Lease Termination		(609)	-
Hyperinflation		(14,523)	(3,833)
Cash (used in)/generated from operating activities		**1,209,118**	**940,902**
Income taxes paid		(220,875)	(184,856)
Change in Provisions	22	(1,866)	(9,314)
Change in Inventories		(17,121)	4,933
Change in Trade and other receivables		(140,563)	(78,167)
Change in Trade and other payables		53,821	23,700
Net cash from operating activities		**882,515**	**697,198**
Cash flows from investing activities			
Proceeds from sale of PPE		5,316	3,555
Interest received		51,187	48,086
Acquisition of PPE		(118,372)	(213,310)
Acquisition of intangible assets		(7,638)	(4,688)
Decrease in restricted cash	18	247	11,718
Change in other investment "acquisition"		(112,115)	(282,781)
Change in other investment "sale"		57,106	301,069
Net cash from investing activities		**(124,268)**	**(136,351)**
Cash flows from financing activities			
Proceeds from loans and borrowings		11,727	5,283
Repayment of loans and borrowings		(25,416)	(25,416)
Payment of finance lease liabilities		(42,745)	(64,451)
Dividends paid		(450,737)	(450,502)
Interest paid		(73,736)	(63,192)
Injection of cash by non-controlling interest		17,372	49,540
Net cash flows used in financing activities		**(563,536)**	**(548,738)**
Net increase/(decrease) in cash and cash equivalents		**194,711**	**12,109**
Cash and cash equivalents at 31/12/2019		408,892	412,607
Effect of exchange rate fluctuations on cash held		(3,473)	(15,824)
Cash and cash equivalents at 31/12/2020	17	**600,130**	**408,892**

The accompanying notes on pages 36-78 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

EGP'000	Share Capital	Share premium	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed to the owners of the Company	Non-Controlling interests	Total Equity
As at 1 January 2020	**1,072,500**	**1,027,706**	**(314,310)**	**46,330**	**(229,164)**	**155,823**	**456,661**	**2,215,546**	**144,710**	**2,360,256**
Profit for the period	-	-	-	-	-	-	594,015	**594,015**	15,467	**609,482**
Other comprehensive income for the period	-	-	-	-	-	(10,206)	-	**(10,206)**	(10,086)	**(20,292)**
Total comprehensive income	-	-	-	-	**-**	**(10,206)**	**594,015**	**583,809**	**5,381**	**589,190**
Transactions with owners of the Company										
Contributions and distributions										
Dividends	-	-	-	-	-	-	(441,855)	(441,855)	(8,882)	**(450,737)**
Legal reserve formed during the year*	-	-	-	2,888	-	-	(2,888)	-	-	**-**
Non-controlling interests resulting from consolidated subsidiaries during the year	-	-	-	-	-	-	-	-		**-**
Restatement for impact of hyperinflation	-	-	-	-	-	-	(2,616)	(2,616)	(2,198)	**(4,814)**
Movement in put option liability in the year	-	-	-	-	(84,893)	-	-	**(84,893)**	-	**(84,893)**
Non-controlling interest cash injection in subsidiaries during the year	-	-	-	-	-	-	-	**-**	17,372	**17,372**
Total contributions and distributions	**-**	**-**	**-**	**2,888**	**(84,893)**	**-**	**(447,359)**	**(529,364)**	**6,292**	**(523,072)**
Change in ownership interests										
At 31 December 2020	**1,072,500**	**1,027,706**	**(314,310)**	**49,218**	**(314,057)**	**145,617**	**603,317**	**2,269,991**	**156,383**	**2,426,374**
As at 1 January 2019	**1,072,500**	**1,027,706**	**(314,310)**	**37,959**	**(145,275)**	**194,763**	**396,706**	**2,270,049**	**130,588**	**2,400,637**
Profit for the period	-	-	-	-	-	-	510,931	**510,931**	(6,396)	**504,535**
Other comprehensive income for the period	-	-	-	-	-	(38,940)	-	**(38,940)**	(20,462)	**(59,402)**
Total comprehensive income	**-**	**-**	-	-	**-**	**(38,940)**	**510,931**	**471,991**	**(26,858)**	**445,133**
Transactions with owners of the Company										
Contributions and distributions										
Dividends	-	-	-	-	-	-	(442,116)	(442,116)	(8,386)	**(450,502)**
Legal reserve formed during the year*	-	-	-	8,371	-	-	(8,371)	-	-	**-**
Non-controlling interests resulting from consolidated subsidiaries during the year	-	-	-	-	-	-	-	-	49,540	**49,540**
Restatement for impact of hyperinflation	-	-	-	-	-	-	(489)	(489)	(175)	**(664)**
Movement in put option liability in the year	-	-	-	-	(83,889)	-	-	**(83,889)**	-	**(83,889)**
Total contributions and distributions	**-**	**-**	**-**	**8,371**	**(83,889)**	**-**	**(450,976)**	**(526,494)**	**40,979**	**(485,515)**
Change in ownership interests										
At 31 December 2019	**1,072,500**	**1,027,706**	**(314,310)**	**46,330**	**(229,164)**	**155,823**	**456,661**	**2,215,546**	**144,710**	**2,360,256**

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

Notes to the Condensed Consolidated Financial Statements – For the Year Ended 31 December 2020

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

1. Corporate information

The consolidated financial statements of Integrated Diagnostics Holdings plc and its subsidiaries (collectively, "the Group") for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 17 May 2021. Integrated Diagnostics Holdings plc "IDH" or "the company" has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257.

IDH's purpose is not restricted and the Group has full authority to do any activity as long as it is not banned by the Companies law unless amended from time to time or depending on the Companies (Jersey) law.

The Group's financial year starts on 1 January and ends on 31 December each year. The Group's main activity is concentrated in the field of medical diagnostics.

2. Basis of preparation

The financial information set out in this preliminary announcement does not constitute the Group's statutory financial statements, which comprise the Annual Report and audited financial statements, for the years ended 31 December 2020 or 31 December 2019 but is derived from the statutory financial statements for the year ended 31 December 2020. The Group's statutory financial statements for the year ended 31 December 2020 will be made available to shareholders and delivered to the Jersey Registrar of Companies in due course. The auditor has reported on those financial statements and has given an unqualified report which does not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991. The Group's statutory financial statements for the year ended 31 December 2019 have been delivered to the Jersey Registrar of Companies. The auditor reported on those financial statements and gave an unqualified report which did not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991.

Other than those disclosed in this preliminary announcement, no significant events impacting the Group have occurred between 31 December 2020 and 18 May 2021 when this preliminary announcement was approved for issue.

This preliminary announcement has been prepared in accordance with the Listing Rules of the UK Financial Conduct Authority, using the accounting policies applied in the preparation of the Group's statutory financial statements for the year ended 31 December 2020. Those policies were published in full in the Group's statutory financial statements for the year ended 31 December 2019 and are available on a corporate website, at www.idhcorp.com.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (adopted IFRS) issued by the International Accounting Standards Board (IASB) and the Jersey Law 1991 an amendment to which means separate company financial statements are not required.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except where adopted IFRS mandates that fair value accounting is required.

Functional and presentation currency

Each of the Group's entities is using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Egyptian Pounds, being the reporting currency of the main Egyptian trading subsidiaries within the Group and the primary economic environment in which the Group operates. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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 sever 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.

2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii. Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Where the group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2. Significant accounting policies

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

The accounting policies applied by the Group in these condensed consolidated financial statements are consistent with those applied in the audited consolidated financial statements published as at and for the year ended 31 December 2019.

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing which it is done on an annual basis, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Fair value measurement

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

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

c) Revenue recognition

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

The following steps are considered for patients served under contracts:

1. Identification of the Contracts: written contracts are signed between IDH and customers. The contracts stipulate the duration, price per test and credit period.
2. Transaction price: Services provided by the Group are distinct in the contract, as the contract stipulates the series of tests' names/types to be conducted along with its distinct prices.
3. Allocation of price to performance obligations: Stand-alone selling price per test is stipulated in the contract. In case of discounts, it is allocated proportionally to all of tests prices in the contract.
4. The performance obligations are the diagnostics tests within the pathology and radiology services. The performance obligation is achieved when the customer receives their test results, and so are recognised at point in time.
5. That there are no other revenue streams other than those whose performance obligation occurs at a point in time.

d) Income Taxes

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

e) Foreign currency

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. On consolidation, the assets and liabilities of foreign operations are translated into Egyptian Pounds at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in the translation reserve or NCI as the case may be. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Hyperinflationary Economies

The financial statements of "SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co." report their financial statements in the currency of a hyperinflationary economy. In accordance with IAS 29 financial reporting in Hyperinflationary Economies, the financial statements of those subsidiaries were restated by applying the consumer price index at closing rates in December 2020 6,746 (2019 December, 2,321) before they were included in the consolidation financial statements. The comparative information as the financial information as the financial information of SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co whose functional currency is hyperinflationary is translated into a different presentation currency (EGP), this is done in accordance with IAS 21 as follows. If the presentation currency is not hyperinflationary, then comparative amounts are not restated for changes in either the general price level in the functional currency (i.e. as otherwise required by IAS 29) or the exchange rate between the functional and presentation currencies. As such, the comparative amounts remain those amounts reported as current for the previous reporting period. When the functional currency of a foreign operation is the currency of a hyperinflationary economy, all assets, liabilities, equity items, income and expenses are translated using an official exchange rate prevailing at the end of each reporting period. Exchange differences arising, if any, are recognized on income statement within the finance cost and accumulated in equity (attributed to non-controlling interests as appropriate). The gain or loss on the net monetary position is recognised in profit or loss.

g) Property, plant and equipment

All property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred. Land is not depreciated. Laboratory Equipment held to perform the 'Hub spoke' at the Mega Lab and provided under lease arrangements are depreciated under a unit of production method as this most closely reflects the consumption of benefits from the equipment.

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

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

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

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

h) Intangible assets

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

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

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

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

- IT development and software 4-5 years

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

Goodwill

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

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

Brand

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

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

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

J) Financial instruments – initial recognition and subsequent measurement

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

i.Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at fair value through profit or loss
- Fair value through other comprehensive income
- Amortised cost

The Group did not hold any material financial assets classified as financial assets at fair value through the profit or loss at 31 December 2020 and 31 December 2019.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

- Disclosures for significant estimates and assumptions — Note 2.3
- Financial assets — Note 14
- Trade receivables — Note 16

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

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

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

ii. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Put option Echo-Scan included in long-term financial obligations are carried at fair value (note 26).

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

Derecognition

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

iii. Offsetting of financial instruments

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

k) Impairment of non-financial assets

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

- Disclosures for significant assumptions and estimates — Note 2.3
- Goodwill and intangible assets with indefinite lives — Note 11

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

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

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

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income ("OCI"). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

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

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 77,727K (31 December 2019: EGP 36,012K)

l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling, and distribution expenses.

m) Cash and short-term deposits

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

n) Provisions

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

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

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

o) Pensions and other post-employment benefits

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

p) Segment reporting

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

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 4
- Financial instruments risk management and policies Notes 14
- Sensitivity analyses disclosures Notes 14

Judgments
In preparing these consolidated financial statements, management have made a material judgment, that affect the application of the Group's lease accounting policy and the reported amounts of assets, liabilities, and expenses. Information about judgment, estimate and assumptions relating to leases are set out in note 27.

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

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

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

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

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet. committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Significant judgements are used to estimate the growth in the volume of patients applied in computing the recoverable amount of the Echo Scan CGUs. The sensitivity of estimates used to calculate the value in use of each CGU are discussed in note12.

q) Leases as lessee (IFRS 16)

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

As a lessee

The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

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

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

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

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

3. Segment information

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 year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-20	2,173,411	37,695	409,069	36,089	**2,656,264**
31-Dec-19	1,902,788	36,927	256,700	30,080	**2,226,495**

	Net profit and loss by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-20	557,743	7,529	71,043	(26,833)	**609,482**
31-Dec-19	499,745	3,684	44,162	(43,056)	**504,535**

	Revenue by categories	
	2020 EGP'000	**2019 EGP'000**
Walk-in	1,119,953	895,335
contract	1,536,311	1,331,160
	2,656,264	**2,226,495**

	Revenues by categories (restated)	
	2020 EGP'000	**2019 EGP'000**
Walk-in	1,221,926	974,036
contract	1,434,338	1,252,459
	2,656,264	**2,226,495**

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". Before 2019, the contract client's definition included all patients who were granted discounts from the regular prices, irrespective of any contractual agreement. Therefore, management revisited the definition and the criteria so that contract clients only include patients who have contractual agreements with IDH. The operating segment profit measure reported to the CODM is EBITDA, as follows:

	Revenue by type		Net profit by type	
	2020 EGP'000	**2019 EGP'000**	**2020 EGP'000**	**2019 EGP'000**
Pathology	2,595,173	2,182,208	645,307	556,929
Radiology	61,092	44,287	(35,826)	(52,395)
	2,656,264	**2,226,495**	**609,482**	**504,534**

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

	2020 EGP'000	2019 EGP'000
Profit from operations	**985,546**	**790,840**
Property, plant and equipment depreciation	179,046	146,617
Amortization of Intangible assets	5,926	6,862
EBITDA	**1,170,518**	**944,319**

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

	Non-current assets by geographic location				
For the year ended	**Egypt region**	**Sudan region**	**Jordan region**	**Nigeria region**	**Total**
31-Dec-20	2,415,220	24,132	263,767	113,941	**2,817,060**
31-Dec-19	2,334,043	17,518	237,155	128,820	**2,717,536**

4. Capital management

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

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

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

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

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (being total current liabilities plus long-term financial obligations) less cash and cash equivalents.

As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions.

	2020	2019
Total liabilities	**1,507,295**	**1,215,907**
Less: cash and short-term deposits (Note 17)	**(600,130)**	**(408,892)**
Net debt	**907,165**	**807,015**
Total Equity	**2,426,374**	**2,360,256**
Net debt to equity ratio	**37.4%**	**34.2%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

5. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% equity interest 2020	2019
Al Borg Laboratory Company (“Al-Borg”)	Medical diagnostics service	Egypt	**99.3%**	**99.3%**
Al Mokhtabar Company for Medical Labs (“Al Mokhtabar”)	Medical diagnostics service	Egypt	**99.9%**	**99.9%**
Medical Genetic Center	Medical diagnostics service	Egypt	**55.0%**	**55.0%**
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Medical diagnostics service	Jordan	**60.0%**	**60.0%**
Golden Care for Medical Services	Holding company of SAMA	Egypt	**100.0%**	**100.0%**
Integrated Medical Analysis Company (S.A.E)	Medical diagnostics service	Egypt	**99.6%**	**99.6%**
SAMA Medical Laboratories Co. ("Ultralab medical laboratory ")	Medical diagnostics service	Sudan	**80.0%**	**80.0%**
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	**65.0%**	**65.0%**
Integrated Diagnostics Holdings Limited	Intermediary holding company	Caymans Island	**100.0%**	**100.0%**
Dynasty Group Holdings Limited	Intermediary holding company	England and Wales	**51.0%**	**51.0%**
Eagle Eye	Intermediary holding company	Mauritius	**76.5%**	**76.5%**
Echo-Scan	Medical diagnostics service	Nigeria	**100.0%**	**100.0%**
WAYAK Pharma	Medical services	Egypt	**99.99%**	**99.99%**

Full details of the Group historical acquisitions can be found in the prospectus for the initial public offering by the Company dated 6 May 2015 and available at www.idhcorp.com.

6. Non-Controlling interest

Non-Controlling Interest is measured at the proportionate share basis.

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2020	2019
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	20.0%
Al Borg Laboratory Company	Egypt	0.7%	0.7%
Dynasty Group Holdings Limited	England and Wales	49%	49%
Eagle Eye	Mauritius	23.53%	23.53%

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

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of profit or loss for 2020:						
Revenue	2,822	409,069	911,923	1,731,237	36,089	3,091,140
Profit	(3,412)	71,043	238,889	454,318	(26,832)	734,006
Other comprehensive income	-	(2,691)	-	1,060	(15,789)	(17,420)
Total comprehensive income	(3,412)	68,352	238,889	455,378	(42,621)	716,586
Profit allocated to non-controlling interest	(1,549)	28,719	1,691	2,599	(15,992)	15,468
Other comprehensive income allocated to non-controlling interest	-	(1,088)	-	263	(9,261)	(10,086)
Summarised statement of financial position as at 31 December 2020:						
Non-current assets	736	183,237	357,303	556,725	113,941	1,211,942
Current assets	4,105	155,185	436,895	1,040,393	43,615	1,680,193
Non-current liabilities	(27)	(64,249)	(199,597)	(216,983)	(23,621)	(504,477)
Current liabilities	(4,705)	(104,517)	(254,625)	(462,853)	(24,121)	(850,821)
Net assets	109	169,656	339,976	917,282	109,814	1,536,837
Net assets attributable to non-controlling interest	49	68,582	2,405	40,324	45,023	156,383
Summarised cash flow information for year ended 31 December 2020:						
Operating	122,099	313,073	498,884	(43,119)	890,937	122,099
Investing	(25,847)	32,898	(127,436)	(63,786)	(184,171)	(25,847)
Financing	(34,919)	(271,656)	(318,776)	113,605	(511,746)	(34,919)
Dividend to NCI	(6,261)	-	-	-	(6,261)	(6,261)
Net increase/(decrease) in cash and cash equivalents	55,072	74,315	52,672	6,700	188,759	55,072

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of profit or loss for 2019:						
Revenue	7,628	256,700	877,334	1,502,166	30,712	2,674,540
Profit	(385)	43,504	273,833	451,559	(47,624)	720,887
Other comprehensive income	-	(11,778)	-	190	(20,526)	(32,114)
Total comprehensive income	**(385)**	**31,726**	**273,833**	**451,749**	**(68,150)**	**688,773**
Profit allocated to non-controlling interest	(173)	17,402	2,248	217	(26,090)	(6,396)
Other comprehensive income allocated to non-controlling interest	-	(4,711)	-	44	(15,795)	(20,462)
Summarised statement of financial position as at 31 December 2019:						
Non-current assets	788	169,491	280,546	521,362	160,677	1,132,864
Current assets	6,300	77,892	397,241	795,497	26,572	1,303,502
Non-current liabilities	-	(52,208)	(69,193)	(94,556)	-	(215,957)
Current liabilities	(1,605)	(46,347)	(123,186)	(170,939)	(27,156)	(369,233)
Net assets	**5,483**	**148,828**	**485,408**	**1,051,364**	**160,093**	**1,851,176**
Net assets attributable to non-controlling interest	2,468	59,531	3,436	829	78,444	144,708
Summarised cash flow information for year ended 31 December 2019:						
Operating	310	44,566	229,414	443,173	(500)	716,963
Investing	-	(15,595)	68,369	(53,730)	(66,569)	(67,525)
Financing	-	(26,501)	(260,183)	(429,260)	34,865	(681,079)
Dividend to NCI	-	6,577	-	-	-	6,577
Net increase/(decrease) in cash and cash equivalents	**310**	**9,047**	**37,600**	**(39,817)**	**(32,204)**	**(25,064)**

7. Expenses and other income

Included in profit and loss are the following:

	2020 EGP'000	2019 EGP'000
Impairment on trade and other receivables	42,131	8,647
(Credit)/Charge for increase in provisions	(1,865)	3,521
Professional and advisory fees	16,408	9,499
Amortisation	5,926	6,862
Depreciation	179,046	146,617
Total	**241,646**	**175,146**

7.1 Auditor's remuneration

The group paid or accrued the following amounts to its auditor and its associates in respect of the audit of the financial statements and for other services provided to the group

	2020 EGP'000	2019 EGP'000
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	8,544	8,512
The audit of the Company's subsidiaries pursuant to legislation	4,008	2,992
Tax compliance and advisory services	55	164
	12,607	**11,668**

7.2 Net finance costs

	2020 EGP'000	2019 EGP'000
Interest expense	(67,851)	(60,997)
Net foreign exchange loss	(12,580)	(15,517)
Bank Charges	(3,676)	(3,591)
Total finance costs	**(84,107)**	**(80,105)**

	2020 EGP'000	2019 EGP'000
Interest income	53,120	43,576
Gain on hyperinflationary net monetary position	14,523	3,833
Total finance income	67,643	47,409
Net finance cost	**(16,464)**	**(32,696)**

7.3 Employee numbers and costs

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

	2020			2019		
	Medical	Administration	**Total**	Medical	Administration	**Total**
Average number of employees	4,813	798	**5,611**	4,168	1,272	**5,440**

	2020 EGP'000			2019 EGP'000		
	Medical	Administration	**Total**	Medical	Administration	**Total**
Wages and salaries	363,397	127,655	**491,052**	357,308	109,932	**467,240**
Social security costs	19,736	5,269	**25,005**	20,082	4,647	**24,729**
Contributions to defined contribution plan	6,888	1,473	**8,361**	5,700	1,399	**7,099**
Total	390,021	134,397	**524,418**	383,090	115,978	**499,068**

Details of Directors' and Key Management remuneration and share incentives are disclosed in the Remuneration Report and note 28.

8. Income tax

a) Amounts recognised in profit or loss

	2020 EGP'000	2019 EGP'000
Current year tax	(268,796)	(220,390)
WHT suffered	(24,470)	(27,581)
Current tax	**(293,266)**	**(247,971)**
DT on undistributed reserves	(67,124)	(5,241)
DT on reversal of temporary differences	790	(397)
Total Deferred tax	**(66,334)**	**(5,638)**
Tax expense recognized in profit or loss	**(359,600)**	**(253,609)**

b) Reconciliation of effective tax rate

The Company is treated as a tax resident of Jersey for the purpose of Jersey tax laws and is subject to a tax rate of 0%. The Company tax domicile in the UK. As a holding company for the IDH group, the Board concluded that the UK represents the most effective and efficient jurisdiction from which to manage the Company. The current income tax charge for the Group represents tax charges on profits arising in Egypt, Jordan and Sudan. The significant profits arising within the Group subject to corporate income tax are generated from the Egyptian operations and subject to 22.5% (2019: 22.5%) tax rate. The reconciliation of effective income tax rate has been performed using this rate.

In accordance with the Egyptian Law No. 991 of 2005, the employees' profit share are deducted from the retained earnings of the company and are approved by the general association meeting.

In July 2018, the Egyptian Government imposed a new tax related to health care of 0.25% on total income. As result the Group has recorded an additional EGP 6.8m in income tax expense.

	2020 EGP'000	2019 EGP'000
Profit before tax	**969,083**	**758,143**
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2019: 22.5%)	218,044	170,582
Effect of tax rate in Jersey of 0% (2019: 0%)	12,839	12,901
Effect of tax rates in Jordan, Sudan and Nigeria of 21%, 30% and 30% respectively (2019: 21%, 15% and 30%)	(3,330)	(3,705)
Tax effect of:		
Change in unrecognized deferred tax assets	8,947	2,018
Deferred tax arising on undistributed dividend	91,593	32,822
Non-deductible expenses for tax purposes - employee profit share	18,223	22,430
Current year losses for which no deferred tax asset was recognized	11,507	12,025
Non-deductible expenses for tax purposes - other	1,778	4,536
Tax expense recognised in profit or loss	**359,600**	**253,609**

Deferred tax

Deferred tax relates to the following:

	2020		2019	
	Assets EGP'000	Liabilities EGP'000	Assets EGP'000	Liabilities EGP'000
Property, plant and equipment	-	(18,334)	-	(17,460)
Intangible assets	-	(106,702)	-	(108,365)
Undistributed reserves from group subsidiaries*	-	(116,657)	-	(49,534)
Provisions and finance lease liabilities	1,360	-	1,360	-
Total deferred tax assets - liability	**1,360**	**(241,693)**	**1,360**	**(175,359)**
	-	**(240,333)**	**-**	**(174,000)**

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

2020	Net Balance 1 January	Deferred tax recognized in profit or loss	WHT tax paid	Net Balance 31 December
Property, plant and equipment	(17,460)	(874)		(18,334)
Intangible assets	(108,365)	1,663		(106,702)
Undistributed dividend from group subsidiaries	(49,534)	(91,593)	24,469	(116,658)
Provisions and finance lease liabilities	1,360	-		1,360
	(173,999)	**(90,804)**	**24,469**	**(240,334)**

2019	Net balance at 1 January	Deferred tax recognised in profit or loss	WHT tax paid	Net balance 31 December
Property, plant and equipment	(20,562)	3,102		(17,460)
Intangible assets	(106,125)	(2,240)		(108,365)
Undistributed dividend from group subsidiaries	(44,293)	(32,822)	27,581	(49,534)
Provisions and finance lease liabilities	2,619	(1,259)		1,360
	(168,361)	**(33,219)**	**27,581**	**(173,999)**

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account. Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2020 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2019: 22.5%), Jordan 21% (2019: 21%), Sudan 30% (2019: 30%) and Nigeria 30% (2019: 30%).

* **Undistributed reserves from group subsidiaries**

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

	2020 EGP'000	2019 EGP'000
Al Mokhtabar Company for Medical Labs	58,558	22,524
Alborg Laboratory Company	24,122	12,343
Integrated Medical Analysis Company	22,319	8,987
Molecular Diagnostic Center	-	434
Medical Genetics Center	-	44
Al Makhbariyoun Al Arab Group	11,659	5,202
	116,658	**49,534**

Unrecognized deferred tax assets

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

	2020 Gross Amount EGP'000	2020 Tax Effect EGP'000	2019 Gross Amount EGP'000	2019 Tax Effect EGP'000
Impairment of trade receivables (Note 16)	77,727	17,489	36,012	8,103
Impairment of other receivables (Note 16)	8,509	1,915	8,516	1,916
Provision for legal claims (Note 22)	3,134	705	5,082	1,143
Tax losses*	107,341	29,736	57,633	17,290
	196,711	**49,844**	**107,243**	**28,452**
Unrecognized deferred tax asset	**49,844**		**28,452**	

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

Company	Country	2020 Gross Amount EGP'000	2020 Tax Effect EGP'000
Dynasty Group Holdings Limited	England and Wales	12,371	2,350
Eagle Eye	Mauritius	1,222	183
Echo-Scan	Nigeria	81,450	24,435
WAYAK Pharma	Egypt	8,503	1,913
Medical Genetic Center	Egypt	3,795	854
		107,341	**29,736**

9. Earnings per share (EPS)

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

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

	2020 EGP’000	2019 EGP’000
Profit attributable to ordinary equity holders of the parent for basic earnings	594,015	510,931
*Weighted average number of ordinary shares for basic and dilutive EPS	600,000	600,000
Basic and dilutive earnings per share (expressed in EGP)	**0.99**	**0.85**

There is no dilutive effect from equity.

* At the Extraordinary General Meeting of the Company held on 23 December 2020, it was resolved that the Company’s existing issued ordinary share capital of 150,000,000 ordinary shares of US$1.00 each (the "Existing Ordinary Shares") will be sub-divided into 600,000,000 ordinary shares of US$0.25 each (the "New Ordinary Shares") (the “Sub-Division”). The Sub-Division was successfully completed with effect from 24 December 2020.

10. Property, plant and equipment

	Land & Buildings	Medical, electric & information system equipment	Leasehold improvements	Fixtures, fittings & vehicles	Building & Leasehold improvements in construction	Payment on account**	Total
Cost or valuation							
At 1 January 2019	**218,663**	**367,613**	**185,478**	**55,506**	**145,747**	**-**	**973,007**
Additions*	649	92,238	42,961	14,756	55,738	4,099	210,441
hyper inflation	-	2,869	-	-	-	-	2,869
Acquired in business combination							
Disposals	-	(4,667)	(1,712)	(2,763)	-	-	(9,142)
Exchange differences	(4,269)	(21,547)	(9,577)	(5,598)	(4,696)	-	(45,687)
Transfers	117,310	46,864	8,131	4,560	(176,865)	-	-
At 31 December 2019	**332,353**	**483,370**	**225,281**	**66,461**	**19,924**	**4,099**	**1,131,488**
Additions	555	84,615	32,473	8,703	5,011	1,324	132,681
hyper inflation	-	8,628	-	-	-	-	8,628
Disposals	-	(2,675)	(638)	(522)	(2,789)	-	(6,624)
Exchange differences	(563)	(8,241)	(2,643)	(1,381)	(938)	-	(13,766)
At 31 December 2020	**332,345**	**565,697**	**254,473**	**73,261**	**21,208**	**5,423**	**1,252,407**
Depreciation and impairment							
At 1 January 2019	**32,342**	**132,349**	**80,803**	**21,734**	**-**	**-**	**267,228**
Depreciation charge for the year	7,656	58,054	28,052	5,140	-	-	98,902
Disposals	-	(2,924)	(1,352)	(2,238)	-	-	(6,514)
Exchange differences	(280)	(7,433)	(2,395)	(3,566)	-	-	(13,674)
At 31 December 2019	**39,718**	**180,046**	**105,108**	**21,070**	**-**	**-**	**345,942**
Depreciation charge for the year	8,057	70,454	33,967	6,154	-	-	118,632
Disposals	5	(2,380)	87	881	-	-	(1,407)
Exchange differences	(56)	(2,191)	(650)	(876)	-	-	(3,773)
At 31 December 2020	**47,724**	**245,929**	**138,512**	**27,229**	**-**	**-**	**459,394**
Net book value							
At 31-12-2020	**284,621**	**319,768**	**115,961**	**46,032**	**21,208**	**5,423**	**793,013**
At 31-12-2019	**292,635**	**303,324**	**120,173**	**45,391**	**19,924**	**4,099**	**785,546**

*Additions include EGP 10.3m related to the medical equipment of Alborg Scan new branch (Shoubra) opened in February 2020. This amount not Included any capitalised borrowing costs because all equipment ready to use.

**Payment on account this relates to payments made as a with respect to branches that IDH will receive and own in years 2023 - 2024 and are paying off via a payment schedule.

Leased equipment

The Group leases medical and electric equipment under lease arrangements. This equipment is supplied to service the Group’s new state-of-the-art Mega Lab.

11. Intangible assets

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2019	**1,270,996**	**386,757**	**55,170**	**1,712,923**
Additions	-	-	4,688	**4,688**
Effect of movements in exchange rates	(6,910)	(2,343)	(300)	**(9,553)**
At 31 December 2019	**1,264,086**	**384,414**	**59,558**	**1,708,058**
Additions (note 6)	-	-	7,639	7,639
Effect of movements in exchange rates	(2,278)	(492)	(40)	(2,810)
At 31 December 2020	**1,261,808**	**383,922**	**67,157**	**1,712,887**
Amortisation and impairment				
At 1 January 2019	**1,849**	**-**	**38,611**	**40,460**
Amortisation	-	-	6,862	**6,862**
Effect of movements in exchange rates	-	-	(100)	**(100)**
At 31 December 2019	**1,849**	**-**	**45,373**	**47,222**
Amortisation	-	-	5,926	**5,926**
Effect of movements in exchange rates	-	-	(16)	(16)
At 31 December 2020	**1,849**	**-**	**51,283**	**53,132**
Net book value				
At 31 December 2020	**1,259,959**	**383,922**	**15,874**	**1,659,755**
At 31 December 2019	**1,262,237**	**384,414**	**14,185**	**1,660,836**

12. Goodwill and intangible assets with indefinite lives (note 2.2-i)

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

	2020 EGP'000	2019 EGP'000
Medical Genetics Center		
Goodwill	1,755	1,755
	1,755	**1,755**
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	46,174	47,096
Brand name	20,165	20,567
	66,339	**67,663**
Golden Care for Medical Services ("Ultralab")		
Goodwill	2,703	3,353
Brand name	372	462
	3,075	**3,815**
Alborg Laboratory Company ("Al-Borg")		
Goodwill	497,275	497,275
Brand name	142,066	142,066
	639,341	**639,341**
Al Mokhtabar Company for Medical Labs ("Al-Mokhtabar")		
Goodwill	699,102	699,102
Brand name	221,319	221,319
	920,421	**920,421**
Echo-Scan		
Goodwill	12,950	13,656
	12,950	**13,656**
Balance at 31 December	**1,643,881**	**1,646,651**

The Group performed its annual impairment test in October 2020. Nothing occurred between the impairment test and the balance sheet date that would require the assumptions in the models to be updated. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

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

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

	Year 2020				
	Ultra Lab	Bio Lab	Al-Mokhtabar	Al-Borg	Echo-Scan
Average annual patient growth rate from 2021 -2025	8%	6%	5%	5%	25%
Average annual price per test growth rate from 2021 -2025	2%	0%	7%	7.5%	9.5%
Annual revenue growth rate from 2021 -2025	11%	6%	12%	13%	54%
Average gross margin from 2021 -2025	36.5%	46.4%	55%	49%	53%
Terminal value growth rate from 1 January 2026	1%	2%	3%	3%	2%
Discount rate	34.5%	18.6%	20.3%	20.3%	20%

	Year 2019				
	Ultra Lab	Bio Lab	Al-Mokhtabar	Al-Borg	Echo-Scan
Average annual patient growth rate from 2020 -2024	8%	5%	4%	4%	25%
Average annual price per test growth rate from 2020 -2024	4%	0%	8%	9%	13%
Annual revenue growth rate from 2020 -2024	14%	5%	12%	13%	51%
Average gross margin from 2020 -2024	36%	40%	52%	47%	46%
Terminal value growth rate from 1 January 2025	2%	2%	3%	3%	2%
Discount rate	27.20%	14.70%	16.60%	16.20%	22.20%

During year 2020, The management has conducted business plan projection with the help of an independent advisor (Alpha Capital), using the assumptions above to be able to calculate the net present value of the asset in use and determine the recoverable amount. The projected cash flows from 2021- 2025 have been based on detailed forecasts prepared by management for each CGU and a terminal value thereafter. Management have used experience and historic trends achieved to determine the key growth rate and margin assumptions set out above. The terminal value growth rate applied is not considered to exceed the average growth rate for the industry and geographic locations of the CGUs.

Given the economic implication following Covid-19 pandemic, management opted to be conservative in the assumptions which are reflected in a low average annual price increase and a higher discount rate. Starting H2 2020 patients returned to the Labs to conduct their routine tests. Factoring out PCR tests from H2 volume, routine tests are almost at par vs. same period last year, hence, Management estimated the volume to be recovered to pre COVID level starting 2022 Echo Scan is expected to recover starting 2021 driven by the increase of both brand awareness and the demand of its services in Nigeria.

As a sensitivity analysis, Management considered a change in the discount rates of 5% increase to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This has not result to an impairment under any of the CGUs.

For Goodwill allocated to Echo Scan CGU, management further considered a reduction in the projected annual growth in patient volume to a compound average growth rate of 12%. Under these circumstances, the group would have recognised an impairment charge of EGP 19.5m. EGP 13.0m of this impairment charge would have been allocated to goodwill. A fair value assessment would be made over the property plant and equipment in order to consider if the additional EGP 6.5m of impairment is required over these assets.

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

13. Other investees

	2020 EGP'000	2019 EGP'000
Equity investment*	9,604	6,391
Balance at 31 December	**9,604**	**6,391**

***Biolab** has signed an agreement with EVEX Medical Corporation to establish the biggest laboratory among the West Asia countries located in Tbilisi. Biolab received consideration in the form of equity for its management services rendered to EVEX Medical corporation. This 4000-square-meters diagnostic medical laboratory will connect more than 40 hospitals, and diagnostic centres that are part of EVEX group, utilizing the advanced technological systems that Biolab created in Jordan. EVEX Medical Corporation is the largest chain of hospitals in Georgia, currently represented with 78 clinics in 6 regions of Georgia.

The agreement is based on two elements:

1. Implementation of the technological platforms and biolab LIMS at Evex labs.
2. Taking the Mega Lab through the journey of Joint Commission International accreditation (JCI), within two years from the expected launch date of the central laboratory.

14. Financial assets and financial liabilities

The fair values of all financial assets and financial liabilities by class shown in the balance sheet are as follows:

	2020 EGP'000	2019 EGP'00
Cash and cash equivalent	600,130	408,892
Short term deposits - treasury bills	276,625	221,617
Trade and other receivables (Note 16)	364,117	289,833
Total financial assets	**1,240,872**	**920,342**
	2020 EGP'000	**2019 EGP'00**
Trade and other payables	380,201	315,054
Put option liability	314,057	229,164
Lease liabilities	459,043	338,073
Loans and borrowings	96,455	111,750
Total other financial liabilities	**1,249,756**	**994,041**
Total financial instruments	**(8,884)**	**(73,699)**

The fair values measurements for all the Group companies have been categorized as Level 2, except Echo-Scan which has been categorized as level 3, it is fair value can't be determined by using readily observable measures.

Echo-Scan put option (note 26) has been categorized as Level 3 as the fair value of the option is based on un-observable inputs using the best information available in the current circumstances, including the company's own projection and taking into account all the market assumptions that are reasonably available.

Financial instruments risk management objectives and policies

The Group's principal financial liabilities are trade and other payables, put option liability and finance lease liabilities. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

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

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

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 December in 2020 and 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2020 and 2019.

- **Interest rate risk**

The Group is trying to minimize its interest rate exposure, especially in Egypt region, characterized by decreasing interest rate environment. This is achieved partially by entering into fixed-rate instrument and partly by borrowing at the floating rate.

Exposure to interest rate risk

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

	2020 EGP'000	2019
Fixed-rate instruments		
Lease liabilities (note 27)	459,043	338,073
Variable-rate instruments		
Loans and borrowings (note 25)	93,033	106,721

The Group does not account for any fixed-rate financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 930K. This analysis assumes that all other variables, remain constant.

- **Foreign currency risk**

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

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

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

At year end, major financial assets / (liabilities) denominated in foreign currencies were as follows (the amounts presented are shown in the foreign currencies in thousands):

31-Dec-20	Assets			Liabilities				
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	**Net exposure**
US Dollars	5,232	328	5,560	-	(4,326.00)	(1,859)	(6,185)	**(625)**
Euros	8	-	8	-	-	(72)	(72)	**(64)**
GBP	4	-	4	-	-	(9)	(9)	**(5)**
JOD	3,488	2,813	6,301	(12,794)	(3,416)	(3,195)	(19,405)	**(13,104)**
SDG	8,527	9,521	18,048	-	(23,463)	(22,387)	(45,850)	**(27,802)**
NGN	212,249	223,448	435,697	(771,189)	(359,641)	(353,546)	(1,484,376)	**(1,048,679)**

31-Dec-19	Assets			Liabilities				
	Cash	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	**Net exposure**
US Dollars	3,715	397	4,112	-	(4,049)	(1,330)	(5,379)	**(1,267)**
Euros	9	-	9	-	-	(14)	(14)	**(5)**
GBP	4	-	4	-	-	-	-	**4**
JOD	986	2,224	3,210	(8,850)	(3,252)	(1,894)	(13,996)	**(10,786)**
SDG	13,608	10,150	23,758	-	(15,559)	(20,253)	(35,812)	**(12,054)**

The following is the exchange rates applied:

	Average rate for the year ended	
	31-Dec-20	**31-Dec-19**
US Dollars	15.71	16.68
Euros	17.85	18.68
GBP	20.25	21.35
JOD	22.13	23.49
SAR	4.21	4.47
SDG	0.29	0.36
NGN	0.04	0.05

	Spot rate for the year ended	
	31-Dec-20	**31-Dec-19**
US Dollars	15.66	15.98
Euros	19.23	17.94
GBP	21.38	21.09
JOD	22.06	22.50
SAR	4.18	4.26
SDG	0.28	0.35
NGN	0.04	0.04

At 31 December 2020, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollar with all other variables held constant, pre-tax profit for the year would have increased / decreased by EGP (27m) (2019: EGP (1.2m)), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

At 31 December 2020, if the Egyptian Pounds had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 17m (2019: EGP 37m), mainly as a result of foreign exchange gains/losses on translation of JOD - denominated financial assets and liabilities.

At 31 December 2020, if the Egyptian Pounds had weakened / strengthened by 25% against the Sudanese Pound with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP (1.2m) (2019: EGP 2.6m), mainly as a result of foreign exchange gains/losses on translation of SDG -denominated financial assets and liabilities.

At 31 December 2020, if the Egyptian Pounds had weakened / strengthened by 10% against the Nigeria Naira with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 4m (2019: 8m), mainly as a result of foreign exchange gains/losses on translation of SDG -denominated financial assets and liabilities.

- **Price risk**

The group does not have investments in equity securities or bonds and accordingly is not exposed to price risk related to the change in the fair value of the investments.

- **Credit risk**

Credit risk is the risk a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and if arises principally from under the Groups receivables. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.
Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, the Group is only dealing with the banks which have a high independent rating and a good reputation.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country or region in which customers operate. Details of concentration of revenue are included in the operating segment note (see Note 3).
The risk management committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered and credit limit is set for each customer. The Group’s review includes external ratings, if available, financial statements, industry information and in some cases bank references. Receivable limits are established for each customer and reviewed quarterly. Any receivable balance exceeding the set limit requires approval from the risk management committee. In response to the COVID-19 pandemic, the risk management committee has also been performing more frequent reviews of sales limits for customers in regions and industries that are severely impacted.

Outstanding customer receivables are regularly monitored and the average general credit terms given to contract customers are 45 - 60 days.

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 16.

Cash and cash equivalents
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.
The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents disclosed in Note 17.

- **Liquidity risk**

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

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

Year ended 31 December 2020	1 year or less	1 to 5 years	more than 5 years	Total
Lease liabilities	126,999	463,646	131,605	**722,250**
Put option liability	282,267	31,790	-	**314,057**
Loans and borrowings	33,977	70,001	11,252	**115,230**
Trade and other payables	380,201	-	-	**380,201**
	823,444	**565,437**	**142,857**	**1,531,738**

Year ended 31 December 2019	1 year or less	1 to 5 years	more than 5 years	Total
Lease liabilities	117,712	368,832	87,558	**574,102**
Put option liability	199,141	-	41,732	**240,873**
Loans and borrowings	38,580	85,726	23,834	**148,140**
Trade and other payables	315,054	-	-	**315,054**
	670,487	**454,558**	**153,124**	**1,278,169**

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

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

15. Inventories

	2020 EGP'000	2019 EGP'000
Chemicals and operating supplies	100,115	84,339
	100,115	**84,339**

During 2020, EGP 466,679 k (2019: EGP 391,574k) was recognised as an expense for inventories, this was recognised in cost of sales. The major balance of the raw material is represented in the Kits; slow-moving items of those Kits are immaterial. The shelf life of the kits ranges between 3-6 months and high proportion of the kits are used before expiry date. Noting that day's inventory outstanding stands as 72 days at 31 Dec 2020

16. Trade and other receivables

	2020 EGP'000	2019 EGP'000
Trade receivables	325,770	260,746
Prepaid expenses	19,363	32,972
Receivables due from related parties	2,910	6,191
Other receivables	34,431	21,969
Accrued revenue	1,006	927
	383,480	**322,805**

For terms and conditions relating to related party receivables, refer to Note 28.

As at 31 December 2020, the expected credit loss related to trade and other receivables was EGP 86,237k (2019: EGP 44,528k). Below show the movements in the provision for impairment of trade and other receivables:

	2020 EGP'000	2019 EGP'000
At 1 January	44,528	37,811
Charge for the year	42,131	8,647
Utilised	(3,629)	(493)
Unused amounts reversed	(837)	(1,155)
Exchange differences	4,044	(282)
At 31 December	**86,237**	**44,528**

No debts have met the group's definition of default

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

Expected credit loss assessment is based on the following:

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

Based on the expected credit loss assessment, additional provision was calculated for each period, yielding an additional Expected Credit Losses (ECL) for IDH Group amounting to EGP 42 million. On quarterly basis, IDH revises its forward-looking estimates and the general economic conditions to assess the expected credit loss, which will be mainly based on current and expected inflation rates. The results of the quarterly assessment will increase/decrease the percentage allocated to each period.

A reasonable possible change of 100 basis points in the expected credit loss at the reporting date would have increased (decreased) profit or loss by the amount of EGP 4,035K. This analysis assumes that all other variables remain constant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at:

31-Dec-20	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
Current (not past due)	0.00%	187,705	-
1–30 days past due	5.06%	63,771	(3,228)
31–60 days past due	6.18%	46,097	(2,847)
61–90 days past due	13.61%	17,322	(2,358)
91–120 days past due	18.85%	9,816	(1,850)
121–150 days past due	36.38%	6,436	(2,341)
More than 150 days past due	89.98%	72,350	(65,103)
31-Dec-19	**Weighted average loss rate EGP'000**	**Gross carrying amount EGP'000**	**Loss allowance EGP'000**
Current (not past due)	0.06%	89,066	(56)
1–30 days past due	0.15%	55,915	(81)
31–60 days past due	0.24%	38,601	(94)
61–90 days past due	8.14%	16,544	(1,347)
91–120 days past due	11.09%	9,594	(1,064)
121–150 days past due	12.97%	8,716	(1,131)
More than 150 days past due	41.17%	78,308	(32,239)

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

	Total	< 30 days	30-60 days	61-90 days	> 90 days
2020	**325,770**	248,248	43,250	14,964	19,308
2019	**260,746**	144,856	38,508	15,197	62,185

17. Cash and cash equivalent

	2020	2019
Cash at banks and on hand	253,225	93,471
Treasury bills	184,525	194,302
Short-term deposits	162,380	121,119
	600,130	**408,892**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and treasury bills are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit weighted average rate 7% and Treasury bills 10% per annum.

18. Restricted cash

	2020 EGP'000	2019 EGP'000
Restricted cash	-	247
	-	**247**

19. Other investments

	2020 EGP'000	2019 EGP'000
Fixed term deposits	-	-
Treasury bills	276,625	221,617
	276,625	**221,617**

The maturity date of the fixed term deposit and treasury bills is between 9–12 months and the effective interest rate on the treasury bills is 10% (2019: 16.65%).

20. Share capital and reserves

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.
All shares are authorised and fully paid and have a par value of 2020 $0.25 (2019: $1).

	Ordinary shares 31-Dec-20	Ordinary shares 31-Dec-19
In issue at beginning of the year	150,000,000	150,000,000
In issue at the end of the year	**600,000,000***	**150,000,000**

* At the Extraordinary General Meeting of the Company held on 23 December 2020, it was resolved that the Company's existing issued ordinary share capital of 150,000,000 ordinary shares of US$1.00 each (the "Existing Ordinary Shares") will be sub-divided into 600,000,000 ordinary shares of US$0.25 each (the "New Ordinary Shares") (the "Sub-Division"). The Sub-Division was successfully completed with effect from 24 December 2020.

Capital reserve

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

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

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

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

21. Distributions made and proposed

	2020 EGP'000	2019 EGP'000
Cash dividends on ordinary shares declared and paid:		
US$ 0.19 per qualifying ordinary share (2019: US$ 0.18)	441,855	442,116
	441,855	**442,116**
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):	455,831	466.968
US$ 0.049 per share (2019: $0.19) per share	**455,831**	**466,968**

22. Provision

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2020	191	5,082	5,273
Provision made during the year	-	3,194	3,194
Provision used during the year	-	(5,040)	(5,040)
Provision reversed during the year	-	(20)	(20)
At 31 December 2020	**191**	**3,216**	**3,407**
Current	-	-	-
Non- Current	191	3,216	3,407

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2019	12,014	2,828	14,842
Provision made during the year	-	3,521	3,521
Provision used during the year	-	(1,267)	(1,267)
Provision reversed during the year	(11,823)		(11,823)
At 31 December 2019	**191**	**5,082**	**5,273**
Current			
Non- Current	191	5,082	5,273

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2020.

23. Trade and other payables

	2020 EGP'000	2019 EGP'000
Trade payables	178,042	145,195
Accrued expenses	151,201	129,357
Other payables	50,959	40,502
Accrued interest	3,421	5,029
	383,623	**320,083**

24. Short-term financial obligations

	2020 EGP'000	2019 EGP'000
Put option liability	282,267	199,141
Lease liabilities	60,517	61,712
	342,784	**260,853**

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

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

The options are calculated at seven times EBITDA of the last 12 months – Net Debt and exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2020

25. Loan and borrowings

1. The financial leverage shall not exceed the following percentages

Year	2017	2018	2019	2020	2021	2022
%	2.33	1.71	2.31	1.95	1.64	1.47

"**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.

A) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli united bank "AUB Egypt" to finance the investment cost related to the expansion into the radiology segment. As at 31 December 2020 only EGP 54.4m 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 2020**
   "**Debt service ratio**": cash operating profit after tax plus depreciation for the financial year less annual maintenance on machinery and equipment adding cash balance divided by total financial payments.

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

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	31 Dec 20	31 Dec 19
CIB – BANK	EGP	CBE corridor rate*+1%	Apr-22	38,654	64,070
AUB – BANK	EGP	CBE corridor rate*+1%	Apr-26	54,379	42,651
	-			**93,033**	**106,721**
Amount held as:					
Current liability				25,416	25,416
Non- current liability				67,617	81,305
				93,033	**106,721**

*As at 31 December 2020 corridor rate 9.25% (2019: 13.25%)

Contingent liabilities

As required by article 134 of the labour law on Vocational Guidance and Training issued by the Egyptian Government in 2003, Al Borg Laboratory Company and Al Mokhtabar Company for Medical Labs are required to conform to the requirements set out by that law to provide 1% of net profits each year into a training fund. Integrated Diagnostics Holdings plc have taken legal advice and considered market practice in Egypt relating to this and more specifically whether the vocational training courses undertaken by Al Borg Laboratory Company 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. 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 41.4m could become payable, however this is not considered probable.

Accounting policies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted using a current pre-tax rate if the time value of money is significant.
Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

26. Long-term financial obligations

	2020 EGP'000	2019 EGP'000
Lease liabilities building (see note 27)	355,856	232,075
Lease liabilities Medical equipment (see note 27)	42,669	44,287
Put option liability*	31,790	30,022
	430,315	**306,384**

*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 it is 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 (one of the big four accounting firms).

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 32 million was calculated as the valuation as at 31 December 2020 (2019; EGP 30.0m). In line with IAS 32 the entity has recognised a liability for the present value of the exercise price of the option price. The ramp-up of Echo-Scan operations driven by the new radiology equipment installed during Q4 2019 in Lago and the following years yielding a Compounded Annual Growth Rate of 39% from 2020 to 2025.

27. Leases as lessee (IFRS 16)

The Group leases property and equipment. Property leases include branches, warehouse, parking and administration buildings. The leases typically run for average period from 5-10 years, with an option to renew the lease after that date. Lease payments are renegotiated with renovation after the end of the lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The property leases were entered into as combined leases of land and buildings and were previously, classified as operating leases under IAS 17. The Group has elected not to apply Low-value assets' exemption.

The Group entered into 2 significant agreements during the year ended 31 December 2015 to service the Group's state-of-the-art Mega Lab. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. The finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The implicit interest rate of both finance leases has been estimated to be 11.5%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment. Both agreements have been judged to be US$ denominated due to the future minimum lease payments for the use of the equipment and corresponding finance lease liability being directly connected to the US$. These contracts leases were previously identified as finance leases under IAS 17, with the assets held within property planet and equipment (see note 10).

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

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

	Buildings 2020 EGP'000	Buildings 2019 EGP'000
2019		
Balance at 1 January	264,763	213,870
Addition for the year	152,030	98,609
Depreciation charge for the year	(60,803)	(47,716)
Terminated Contracts	(1,302)	
Balance at 31 December	**354,688**	**264,763**

b) Leases liabilities

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

	2020 EGP'000	2019 EGP'000
*Lease liability – laboratory equipment	69,123	67,690
*Lease liabilities building	389,920	269,401
Lease liability – other	-	982
	459,043	**338,073**

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

At 31 December 2020	Minimum lease payments 2020 EGP'000	Interest 2020 EGP'000	Principal 2020 EGP'000
Less than one year	126,999	66,481	60,518
Between one and five years	463,646	176,312	287,334
More than 5 years	131,605	20,414	111,191
	722,250	**263,207**	**459,043**

At 31 December 2019	Minimum lease payments 2019 EGP'000	Interest 2019 EGP'000	Principal 2019 EGP'000
Less than one year	106,436	45,706	60,730
Between one and five years	381,378	169,803	211,575
More than 5 years	87,972	23,186	64,786
	575,786	**238,695**	**337,091**

c) Amounts recognised in profit or loss

	2020 EGP'000	2019 EGP'000
Interest on lease liabilities	58,864	41,491
Expenses related to short-term lease	13,771	4,154

28. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2020 and 2019 are as follows:

			31-Dec-20	
Related Party	**Nature of transaction**	**Nature of relationship**	**Transaction amount of the year EGP'000**	**Amount due from EGP'000**
Life Scan (S.A.E)*	Expenses paid on behalf	Affiliate**	6	350
International Fertility (IVF)**	Expenses paid on behalf	Affiliate***	(3,449)	1,767
H.C Security	Provide service	Entity owned by Company's board member	(412)	(76)
Life Health Care	Provide service	Entity owned by Company's CEO	(11,058)	(363)
Dr. Amid Abd Elnour^	Put option liability	Bio. Lab C.E.O and shareholder	(83,126)	(282,267)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(1,757)	(31,790)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	588	793
Total				**(311,586)**

Related Party	Nature of transaction	Nature of relationship	31-Dec-19 Transaction amount of the year EGP'000	31-Dec-19 Amount due from EGP'000
Life Scan (S.A.E)*	Expenses paid on behalf	Affiliate*	14	344
International Fertility (IVF)**	Expenses paid on behalf	Affiliate**	(584)	5,216
H.C Security	Provide service	Entity owned by Company's board member	(268)	(78)
Life Health Care	Provide service	Entity owned by Company's CEO	(6,774)	(3)
Dr. Amid Abd Elnour^	Put option liability	Bio. Lab C.E.O and shareholder	(67,470)	(199,141)
International Finance corporation (IFC)	Put option liability	Echo-Scan shareholder	(16,431)	(30,033)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income Medical Test analysis	Entity owned by Company's CEO	344 377	631
Total				**(223,064)**

* 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).
*** Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 25.5% of shares held by Hena Holdings which include the described voting rights on Page 64 of the Annual Report. Hena Holdings is a related party and received dividends of USD 7,151,925 in year 2020 and USD 6,731,223 received in year 2019.
^ Dr. Amid Abd Elnour receives EGP 5,277,376 in relation to Office Rent (in addition to his salary)

Terms and conditions of transactions with related parties

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2019: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH opts to pay up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of

Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2020 EGP 6,510K (2019: EGP 5,259K) was paid to the foundation by the IDH Group.

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.

	2020 EGP'000	2019 EGP'000
Short-term employee benefits	51,556	43,088
Total compensation paid to key management personnel	**51,556**	**43,088**

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

EGP'000	Other loans and borrowings	Lease liabilities
Balance at 1 January 2020	**111,750**	**338,073**
Proceeds from loans and borrowings	11,727	-
Repayment of borrowings	(25,416)	-
Payment of leases liabilities	-	(42,745)
Interest paid	(14,160)	(59,576)
Total changes from financing cash flows	**(27,849)**	**(102,231)**
New leases signed in the period		166,339
Terminated contracts during the year		(1,911)
Interest expense	12,553	58,864
Total liability-related other changes	**12,553**	**223,291**
Balance at 31 December 2020	**96,455**	**459,043**

EGP'000	Other loans and borrowings	Lease liabilities
Balance at 1 January 2019	**133,039**	**90,581**
Proceeds from loans and borrowings	5,283	-
Repayment of borrowings	(25,416)	
Payment of leases liabilities	-	(64,451)
Interest paid	(21,165)	(42,027)
Total changes from financing cash flows	**(41,298)**	**(106,478)**
Capitalised borrowing costs	-	-
Implementation of IFRS 16	-	213,870
New leases signed in the period	-	98,609
Interest expense	20,009	41,491
Total Liability – related other changes	**20,009**	**353,970**
Balance as at 31 December 2019	**111,750**	**338,073**