

Integrated Diagnostics Holdings Plc
FY 2021 Results

Thursday, 21 April 2022

Integrated Diagnostics Holdings Plc concludes outstanding 2021 reporting revenues in excess of EGP 5 billion and record-high margins

(Cairo and 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 audited financial statements and operational performance for the year ended 31 December 2021, reporting revenue of EGP 5,225 million, up 97% compared to FY 2020. Profitability came in at an all-time high, with adjusted EBITDA¹ growing 116% year-on-year to record EGP 2,530 million, and net profit recording a 145% year-on-year increase to reach EGP 1,493 million in FY 2021. In the final quarter of the year, IDH reported revenue of EGP 1,458 million, 48% above the previous year’s figure, and net profit of EGP 345 million, up 47% from the comparable three month period of 2020. It is important to note that information in relation to the Company’s full year results has been extracted from our audited annual report. Meanwhile, disclosures and statements in respect of quarterly information are unaudited.

In light of IDH’s outstanding performance for the twelve months ended 31 December 2021, IDH’s board of directors has recommended a dividend distribution of EGP 2.17 per share, or EGP 1.3 billion in aggregate, to shareholders (exact US dollar amount is subject to the exchange rate at the time of the upstreaming from the subsidiaries to the holding company). This represents a significant increase compared to a final dividend of US\$ 29.1 million distributed for the previous financial year.

Financial Results (IFRS)

EGP mn	Q4 2020	Q4 2021	Change	FY 2020	FY 2021	Change
Revenues	986	1,458	48%	2,656	5,225	97%
Cost of Sales	(474)	(821)	73%	(1,314)	(2,421)	84%
Gross Profit	513	638	24%	1,343	2,804	109%
Gross Profit Margin	52%	44%	-8.3 pts	51%	54%	3.1 pts
Adjusted Operating Profit ²	410	468	14%	986	2,292	132%
Adjusted EBITDA¹	460	537	17%	1,171	2,530	116%
Adjusted EBITDA Margin	47%	37%	-9.8 pts	44%	48%	4.4 pts
Net Profit	234	345	47%	609	1,493	145%
Net Profit Margin	24%	24%	-	23%	29%	5.6 pts
Cash Balance	877	2,350	168%	877	2,350	168%

Note (1): Adjusted operating profit, EBITDA and adjusted EBITDA are measures utilized by management in assessing performance of the group. These adjusted measures eliminate the one off impacts of items in the year to provide a measure of underlying performance. EBITDA is an important measure as it shows the performance of the Group and the Group’s ability to reinvest funds generated and this is a widely used term for acquisitive businesses such as ourselves.

Note (2): Throughout the FY 2021 Earnings release, percentage changes between reporting periods are calculated using the exact value (as reported in the Company’s Consolidated Financials) and not the corresponding rounded figure.

Note (3): Quarterly results are unaudited.

Key Operational Indicators³

	FY 2020	FY 2021	change
Branches	481	502	21
Patients ('000)	7,113	10,317	45%
Revenue per Patient (EGP)	373	489	31%
Tests ('000)	27,073	33,659	24%
Revenue per Test (EGP)	98	150	53%
Test per Patient	3.8	3.3	-14%

¹ Adjusted EBITDA is calculated as operating profit plus depreciation and amortization and excluding one-off fees incurred in FY 2021 (EGP 29.0 million) related to the Company’s dual listing on the EGX completed in May 2021.

² Adjusted Operating Profit excludes one-off fees incurred in FY 2021 (EGP 29.0 million) related to the Company’s dual listing on the EGX completed in May 2021.

³ Key operational indicators are calculated based on net sales for the year of EGP 5,048 million. More details on the difference between net sales and total revenues is available below.

Important Notice: Treatment of Revenue Sharing Agreements and Use of Alternative Performance Measures

As part of IDH's efforts to support local authorities in Egypt and Jordan in the fight against the pandemic, Biolab (IDH's Jordanian subsidiary) secured several revenue-sharing agreements to operate testing stations, primarily dedicated to PCR testing for Covid-19, in multiple locations across the country including Queen Alia International Airport (QAIA) and Aqaba Port. Under these agreements, Biolab receives the full revenue (gross sales) for each test performed and pays a proportion to QAIA (38% of gross sales) and Aqaba Port (36% of gross sales) as concession fees to operate in the facilities, thus effectively earning the net of these amounts (net sales) for each test supplied. During Q3 2021, management had reported the net sales generated from these contracts. The treatment has been altered during Q4 2021 in accordance with IFRS 15 paragraph B34, which considers Biolab as a Principal (and not an Agent). Subsequently, revenues generated from these agreements are reported in the Consolidated Financial Statements as gross (inclusive of concession fees) and the fees paid to QAIA and Aqaba Port are reported as a separate line item in the direct cost.

For IFRS purposes Biolab is considered the principal in this relationship and record the full amount received as revenue. For internal purposes management considers the net amount earned to be net sales, and have therefore included this measure as an "alternative performance measure" (APM) alongside the IFRS measure when describing the business' performance. The decision to present APMs reflects the Directors' view that they provide the user of the accounts with additional information to the IFRS information reported to help understand the performance of the business, and is consistent with how the Company's performance is reviewed internally. Moreover, it allows further comparability when describing the performance of the Group's regions and year-on-year analysis.

Throughout the report, management utilizes net sales of EGP 5,048 million for FY 2021 (IFRS revenues stand at EGP 5,225 million for the year), and cost of net sales of EGP 2,244 million (IFRS cost of sales recorded EGP 2,421 million). Net sales for the period are calculated as total gross revenues (IFRS compliant measure) excluding concession fees and sales taxes paid as part of Biolab's revenue sharing agreements with Queen Alia International Airport (QAIA) and Aqaba Port.

It is important to note that aside from revenue and cost of sales, all other figures related to gross profit, operating profit, EBITDA, and net profit are identical in the APM and IFRS calculations. However, the margins related to the aforementioned items differ between the two sets of performance indicators due to the use of Net Sales in the APM calculations and the use of Revenues for the IFRS calculations. More specifically, under the APM, in FY 2021 IDH reported a gross profit margin on net sales of 56%, an EBITDA margin on net sales of 50%, and a net profit margin on net sales of 30%. Under the IFRS regime, gross profit margin recorded 54%, EBITDA margin stood at 48%, and net profit margin recorded 29%. Furthermore, this amendment has no impact on the prior year reported revenues.

Adjustments Breakdown

EGP mn	Q4 2021	FY 2021
Net Sales	1,281	5,048
QAIA and Aqaba Port Concession Fees	177	177
Revenues	1,458	5,225
Cost of Net Sales	(644)	(2,244)
Adjustment for QAIA, and Aqaba Port Agreements	(177)	(177)
Cost of Sales	(821)	(2,421)

Adjustments by Country

EGP mn	Q4 2021 (IFRS)	Q4 2021 (APM)	FY 2021 (IFRS)	FY 2021 (APM)
Egypt	986	986	4,108	4,108
Jordan	454	277	1,046	869
Nigeria	13	13	54	54
Sudan	4	4	17	17
Group total	1,458	1,281	5,225	5,048

Alternative Performance Measures (APM)

EGP mn	Q4 2020	Q4 2021	Change	FY 2020	FY 2021	Change
Net Sales	986	1,281	30%	2,656	5,048	90%
Cost of Net Sales	(474)	(644)	36%	(1,314)	(2,244)	71%
Gross Profit	513	638	24%	1,343	2,804	109%
Gross Profit Margin on Net Sales	52%	50%	-2.2 pts	51%	56%	5.0 pts
Adjusted Operating Profit*	410	468	14%	986	2,292	132%
Adjusted EBITDA**	460	537	17%	1,171	2,530	116%
Adjusted EBITDA Margin on Net Sales	47%	42%	-4.7 pts	44%	50%	6.1 pts
Net Profit	234	345	47%	609	1,493	145%
Net Profit Margin on Net Sales	24%	27%	3.2 pts	23%	30%	6.6 pts
Cash Balance	877	2,350	168%	877	2,350	168%

*Adjusted Operating Profit excludes one-off fees incurred in FY 2021 (EGP 29.0 million) related to the Company's dual listing on the EGX completed in May 2021.

**Adjusted EBITDA is calculated as operating profit plus depreciation and amortization and excluding one-off fees incurred in FY 2021 (EGP 29.0 million) related to the Company's dual listing on the EGX completed in May 2021.

Note (1): Adjusted operating profit, EBITDA and adjusted EBITDA are measures utilized by management in assessing performance of the group. These adjusted measures eliminate the one off impacts of items in the year to provide a measure of underlying performance. EBITDA is an important measure as it shows the performance of the Group and the Group's ability to reinvest funds generated and this is a widely used term for acquisitive businesses such as ourselves.

Note (2): Quarterly results are unaudited.

Important notice: A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Introduction

i. Financial Highlights

- **Net Sales** surpassed the EGP 5 billion mark to record EGP 5,048 million in FY 2021, representing a 90% year-on-year expansion. Net sales growth for the year was dual driven, with total tests performed increasing 24% year-on-year and average price per test expanding 53% versus FY 2020. Consolidated net sales were supported by strong demand for both IDH's Covid-19-related⁴ and conventional tests portfolios, with the segments contributing to 51% and 49% of consolidated FY 2021 net sales, respectively. Covid-19-related tests witnessed high demand throughout FY 2021, supported by rising infection rates in the first half of the year and the widespread lifting of travel bans in the second half of 2021. On the conventional tests front, demand recorded a sustained recovery following the Covid-19-related slowdown experienced in the previous year, with conventional test net sales expanding 22% versus FY 2020, and coming in 13% above pre-covid levels recorded in FY 2019. On a quarterly basis, net sales stood at EGP 1,281 million in Q4 2021, up 30% versus Q4 2020.
- **It is important to note that within the Covid-19-related tests classification, the Company** includes both “**core Covid-19 tests**” (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as “**other Covid-19-related tests**” due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19. During the twelve months to 31 December 2021, core Covid-19 tests made up 44% of the Company's consolidated net sales, while other Covid-19-related tests made an 8% contribution to consolidated net sales for the year.
- Throughout the year, IDH's ability to effectively ramp up its **house call** capabilities in both Egypt and Jordan, saw the service make a significant contribution to consolidated net sales. More specifically, net sales generated from the service expanded an impressive 87% year-on-year in FY 2021, with its contribution to total net sales standing at 20%, unchanged from the previous year. It is worth highlighting that tests performed through IDH's house call service, are offered at the same price as at traditional branches, with an additional house call delivery fee charged to patients to cover the chemist transportation costs.
- **Gross Profit** grew 109% year-on-year in FY 2021 to record EGP 2,804 million. Gross Profit Margin on net sales stood at 56%, a solid five percentage point expansion compared to the previous twelve months. Improved gross profitability continued to be supported by strong net sales growth and the subsequent dilution of fixed costs for the year such as direct salaries and wages and other expenses. On a three-month basis, gross profit came in at EGP 638 million in Q4 2021, representing a 24% increase from Q4 2020. Gross profit margin on net sales for the quarter recorded 50% versus 52% in the same three months of 2020 and 58% during Q3 2021. Lower gross profit margins versus both periods reflects a decline in the average price of Covid-19-related tests during the quarter as well as lower demand for Covid-19-related tests as the spike in demand from passengers traveling abroad witnessed in the third quarter of 2021 subsided.
- **Adjusted Operating Profit**⁵ recorded EGP 2,292 million, up 132% year-on-year. Adjusted operating profit margin on net sales stood at 45% for the year, up eight percentage points from FY 2020. Strong operating

⁴ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as “other Covid-19-related tests” due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.

⁵ Adjusted Operating Profit excludes one-off fees incurred in FY 2021 (EGP 29.0 million) related to the Company's dual listing on the EGX completed in May 2021.

profit growth came on the back of solid gross profitability for the year, and was further buoyed by the normalisation of provisions booked in FY 2021, which stood at EGP 25 million down from the EGP 42 million recorded in FY 2020 to account for expected credit losses in accordance with IFRS 9.

- **Adjusted EBITDA⁶** increased 116% year-on-year in FY 2021 to reach EGP 2,530 million, while EBITDA margin on net sales expanded six percentage points to record 50% for the year. Strong EBITDA profitability was supported by the Company's strong net sales growth for the year and the subsequent dilution of its fixed costs. In Q4 2021, adjusted EBITDA recorded EGP 537 million, 17% above the previous year's figure and with an adjusted EBITDA margin on net sales of 42% for the quarter, down from 47% in Q4 2020 and 54% in Q3 2021. Lower margins versus both periods reflect relatively lower gross profitability combined with increased marketing and administrative expenses for the quarter.
- **Net Profit** reached EGP 1,493 million in FY 2021, up 145% versus FY 2020. Net profit margin on net sales expanded seven percentage points from FY 2020 to record 30% for the year. The remarkable net profit growth comes on the back of strong EBITDA level profitability and despite the Company booking EGP 29 million in one-off fees related to its dual-listing in May 2021 as well as EGP 20 million in fees related to the IFC loan also secured in May 2021. In the last three months of the year, net profit recorded EGP 345 million, up 47% year-on-year and with an associated margin on net sales of 27% versus 24% in the same quarter of 2020.
- **Earnings per share** stood at EGP 2.35 in FY 2021 compared to EGP 0.99 in FY 2020.
- IDH's board of directors has recommended a **dividend distribution** of EGP 2.17 per share, or EGP 1.3 billion in aggregate, to shareholders in respect of the financial year ended 31 December 2021 (exact US dollar amount is subject to the exchange rate at the time of the upstreaming from the subsidiaries to the holding company). This represents a significant increase compared to a final dividend of US\$ 29.1 million distributed for the previous financial year.

ii. Operational Highlights

- IDH's **branch network** stood at 502 branches as at year-end 2021, up from 481 branches as of 31 December 2020.
- **Total tests** performed increased 24% year-on-year to reach 33.7 million in FY 2021. Test volume growth was driven by both strong demand for IDH's Covid-19-related⁷ test offering, which nearly doubled versus the previous year, coupled with a 15% year-on-year increase in conventional tests performed. During the final quarter of the year, IDH performed 8.7 million tests, up 5% year-on-year.
- **Average revenue per test** increased 53% year-on-year to EGP 150 in FY 2021. Controlling for the generally higher value Covid-19-related⁷ tests, average revenue per test increased 7% versus the previous year.
- **Total patients** served surpassed the 10 million mark for the first time, reaching 10.3 million in FY 2021, an increase of 45% from the previous year. **Average test per patient** declined to 3.3 in FY 2021 from 3.8 in FY 2020 due to the increasing number of patients who visited the Group's labs for single Covid-19 tests (PCR, Antigen and Antibody) throughout the year.
- In **Egypt**, IDH recorded revenue of EGP 4,108 million (contributing to 81% of IDH net sales), up 89% year-on-year in FY 2021 on the back of solid growth in both patient and test volumes. Revenue growth in IDH's home market was supported by both Covid-19-related⁷ and conventional tests, and was further boosted by the

⁶ Adjusted EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in FY 2021 (EGP 29 million) related to the Company's EGX listing completed in May 2021.

⁷ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.

Group's house call service which in the twelve months ended on 31 December 2021 saw its revenue nearly double, contributing 23% of Egypt's revenues versus 22% in FY 2020. Throughout 2021, demand for conventional tests continued to recover following the Covid-19-related slowdown recorded in 2020, with conventional test revenue increasing 23% year-on-year on the back of a 15% year-on-year increase in conventional test volumes.

- **Al-Borg Scan** recorded year-on-year revenue growth of 81%, with the venture's revenues reaching EGP 45 million in FY 2021. Revenue growth was supported by solid growth in volumes, with both tests performed and patients served standing 70% above the preceding year's figures. To capitalise on Al-Borg Scan's growing popularity, the Group inaugurated two Al-Borg Scan branches in the second half of 2021, and a third in March 2022. In the coming months, IDH is looking to inaugurate additional branches to expand its reach across Greater Cairo.
- **Wayak** recorded strong year-on-year standalone revenue growth in FY 2021, which when combined with management's cost optimisation strategy continued to support a narrowing of the venture's standalone EBITDA losses in FY 2021 versus the previous year.
- Meanwhile, in **Jordan** net sales reached EGP 869 million (IFRS revenues⁸ recorded EGP 1,046 million in FY 2021), representing a 112% expansion versus the previous year. Strong growth for the year, saw the country's contribution to total consolidated net sales reach a record high of 17.2%, up from 15.4% in the previous twelve months. The impressive performance was supported by solid growth in both tests performed and average revenue per test. Covid-19-related tests made up 68% of the country's net sales with the contribution further bolstered by Biolab's multiple revenue-sharing partnerships. In particular, Biolab's agreement with Queen Alia International Airport (QAIA) generated c. EGP 185 million in the five months from August to December 2021, contributing to 21% of the country's total net sales for the year. In parallel, demand for Biolab's conventional test offering rose steadily throughout the year, with the number of conventional tests performed and net sales generated during FY 2021 increasing 28% and 26% year-on-year, respectively.
- In **Georgia**, where Biolab has partnered with Georgia Healthcare Group (GHG) to establish a 7,500 sqm Mega Lab, the ramp up phase is progressing as scheduled, with Biolab concluding the roll out of the new Laboratory Information Management System (LIMS) across all of GHG's 76 medical facilities (7 hospitals and 69 clinics) in 1H 2021. The Mega Lab is the region's largest diagnostic medical laboratory which will leverage the advanced technological systems provided by Biolab to connect more than 40 hospitals and diagnostic centers that are part of GHG's network. As compensation for the LIMS roll out, Biolab has received an 8.025% equity interest in Mega Lab. Moreover, in exchange for management services, which Bio Lab will be supplying for a two-year period with the option to extend, the company will receive an annual fee as well as a fixed percentage of Mega Lab's annualized EBITDA.
- IDH's **Nigerian** operations reported year-on-year revenue growth of 49% in FY 2021, on the back of a 16% and 31% year-on-year rise in patients served and tests performed, respectively. Consistent revenue growth coupled with successful cost optimisation efforts implemented by the venture's new management team, see Echo-Lab on track to turn EBITDA positive in early 2022.
- In **Sudan**, despite the operational difficulties and heightened uncertainty faced throughout the past year, operations are continuing without major interruptions. While results for the year were significantly impacted by the devaluation of the Sudanese Pound in February 2021, in local currency terms, IDH's Sudanese operations reported year-on-year revenue growth of 159%, as management continued to successfully raise test prices in step with inflation.

⁸ Biolab's revenues for the period are calculated as net sales and including concession fees paid to QAIA and Aqaba Port as part of their revenue sharing agreements.

iii. Management Commentary

Commenting on the Group's full-year performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "2021 was an exceptional year for IDH which saw our 5,000 employees serve more than 10 million patients and perform more tests than ever before, helping us deliver outstanding financial results. In parallel, we added new services to our roster, expanded our reach across both digital and physical channels, enhanced the overall experience of our patients, grew our footprint, and completed our dual-listing on the Egyptian Exchange, complementing our LSE listing. This saw us end the year having built new foundations on which to drive the next phase of growth across all our markets.

Heading into 2022, there are several exciting developments I am looking forward to across both new and existing markets. In Egypt and Jordan, we are aiming to capitalise on our market leading position, expanded product offering and patient base, increased service delivery capabilities, and growing visibility to continue delivering robust growth in the year ahead. In particular, we are eager to capitalise on the post-Covid-19 rebound in conventional testing as patients' focus shifts back to conventional healthcare as the threat of Covid-19 subsides. Moreover, across both markets, our attention will now pivot towards patient retention as well look to maintain the new relationships we were able to establish during the pandemic thanks to our Covid-19-dedicated offering. In Nigeria, thanks to the consistent revenue growth and the stellar work being done by Dr. Bhatia and his team to streamline operations, Echo-Lab is on track to turn EBITDA positive in 2022. We are confident that the investments undertaken since the acquisition of Echo-Lab back in 2018 have built a stronger, leaner, and growth-oriented business which is well-placed to take full advantage of the significant growth opportunities offered Nigeria's diagnostics market.

In the first few months of the new year, globally we have been confronted with a new set of challenges related to the long-term economic spill overs of the pandemic coupled with the impacts of the ongoing Russia-Ukraine war. Supply chain issues, fast-rising consumer demand, and the increased volatility in commodity prices which has been exacerbated by the ongoing war in Eastern Europe, are continuing to push up prices, with countries around the world recording inflation figures not seen for many years. In light of rising inflation, central banks around the world have commenced a cycle of monetary tightening, with many raising interest rates for the first time in years. Here in Egypt, on 21 March 2022, the Central Bank raised policy rates by 100bps and allowed the Egyptian Pound to devalue by more than 17% against the US Dollar. Despite the heightened uncertainty following the announcement, we are confident that our proven track record in navigating similar turbulent times and the strong mitigation frameworks we have in place provide ample protection from the short and longer-term impacts of the decision."

– End –

Analyst and Investor Call Details

An analyst and investor call will be hosted at 2pm (UK) | 3pm (Egypt) on Tuesday, 26 April 2022. You can access the call by clicking on this [link](#), and you may dial in using the conference call details below:

- **Event number:** 2379 872 7421
- **Event password:** 2FHc5saY2Cn

For more information about the event, please contact: halaa@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 502 branches as of 31 December 2021, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

Shareholder Information

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

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Forward-Looking Statements

These results for the year ended 31 December 2021 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Important notice: A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Chairman's Message

I am pleased to report that despite the continued operational challenges posed by Covid-19, your Company delivered an outstanding performance in 2021, providing its services to a record number of patients, while laying new foundations from which to generate sustainable growth in the coming years.

Record-Breaking Results

In our seventh year as a publicly listed company on the London Stock Exchange, we were proud to see our revenue surpass EGP 5 billion for the first time, growing year-on-year by over 90%.

Leveraging on our expanded service offerings, we attracted a record number of patients to our laboratories, serving over 10 million patients in 2021.

In both Egypt and Jordan, we continued to honour our responsibility as a leading healthcare provider, assisting local authorities tackle the pandemic and supporting the recovery of international travel.

During the year, we performed more than 2.6 million PCR, antigen, and antibody tests, and continued to improve our delivery capabilities to bring our services to as many people as possible.

We also achieved a robust recovery in our conventional business offerings, which now exceeds our pre-Covid-19 levels enhancing our long established track record in our core business.

In Nigeria, following our restructuring of the business and with our strong management team we achieved solid and sustainable results. We are expecting Echo-Lab to turn EBITDA positive in the coming months.

A Forward-looking Business

As firm believers in proactive healthcare, at IDH we take pride in our ability to deliver service excellence today, while always keeping an eye to the future. Throughout the year, we continued to invest in developing all aspects of our business, from adding new services to our portfolio and world-class doctors to our team, to expanding our delivery channels and enhancing our digital infrastructure.

We have successfully expanded our house call services.

We have also accomplished steady growth of our radiology venture, Al-Borg Scan.

In the ever burgeoning data analytics business environment, we are exploring ways to utilize our vast database to develop new services increasingly tailored to patients' individual needs.

We continue to ensure strict data privacy and remain vigilant in strengthening our IT infrastructure to proactively address all cybersecurity risks.

Expanding our Footprint

Your Company continues to enjoy strong organic growth momentum while constantly evaluating potential M&A opportunities across new African, Middle Eastern, and Asian markets.

On this front, we look forward to potentially adding Pakistan to our footprint and commencing our partnership with Islamabad Diagnostics Centre and Dr. Uppal once all pending conditions precedent are satisfied. The combination of our two businesses will see us well-placed to meet the country's growing healthcare needs.

Environmental, Social, and Governance (ESG)

We are proud to have published our first Sustainability Report and are cognizant of our social responsibilities while seeking to constantly monitor and address all areas of ESG within the business in Egypt and elsewhere in our offices around the world.

Management regularly monitors and revises our risk matrix and heat map to ensure we have the right checks and balances in place and ensuring business continuity processes.

A United Team

We have benefitted hugely over the past three years having most of our team working out of our headquarters in Cairo's Smart Village.

We value our loyal and hard-working workforce and constantly review their KPIs to help them progress professionally in line with their ambitions while providing a long-term incentive programme (LTIP) starting 2022.

We have also recently expanded and strengthened your Company's Board of Directors, welcoming Yvonne Stillhart as a Non-Executive Director. Yvonne brings a wealth of experience across multiple sectors, and replaces James Nolan who stepped down in September of last year.

We are enormously grateful to James for his excellent service and wise counsel to IDH.

Broadening our Shareholder Base

IDH's shares are now listed on both the London Stock Exchange and Egyptian Stock Exchange. We are confident that this will expand our shareholder base to include local institutional and retail investors in Egypt, while increasing liquidity and visibility in our largest market.

In 2022 we also welcomed IFC as a strategic shareholder, and look forward to carrying on working closely together to continue meeting the strong demand for healthcare services across our footprint.

As our countries of operation prepare to transition into a post-Covid-19 world, your Company is well positioned to maintain growth and profitability and continue delivering exceptional and consistent value to patients and shareholders.

Lord St John of Bletso
Chairman

Important notice: A reconciliation between IFRS and APM measures is provided earlier in this announcement.

Chief Executive's Review

2021 was an exceptional year for IDH which saw our 5,000 employees serve more than 10 million patients and perform more tests than ever before, helping us deliver outstanding financial results. In parallel, we added new services to our roster, expanded our reach across both digital and physical channels, enhanced the overall experience of our patients, grew our footprint, and completed our dual-listing on the Egyptian Exchange, complementing our LSE listing. This saw us end the year having built new foundations on which to drive the next phase of growth across all our markets.

Similar to the previous year, 2021 was heavily impacted both economically and socially by Covid-19, as countries around the world combatted various waves of new infections and confronted multiple new variants. Despite this, 2021 was also a turnaround year for the fight against the pandemic as vaccines were gradually rolled out and governments and individuals became increasingly willing to coexist with the virus, driving widespread economic recovery from the previous year's lows.

In the midst of a challenging operating environment, we displayed a remarkable ability to adapt to changing market and demand dynamics and consistently cater to the evolving needs of our growing patient base, ensuring we continue to provide our communities with access to high quality, affordable healthcare and diagnostic services. Over the past twelve months, we continued to effectively care for both our conventional and Covid-19 patients leveraging an expanded branch network, a ramped-up house call service, and a growing digital presence to make our services increasingly accessible and our payment methods increasingly convenient. Our efforts translated in significant improvements in our patients' overall experience, with the Group's net promoter score for the year recording consistently above the 80 mark, ahead of last year's value and well above industry averages.

During 2021, we continued to serve our Covid-19 patients by ensuring we were well-equipped to handle peaks in demand when infection rates increased, while promptly adapting our offering to the requirements of patients. In the twelve months to 31 December 2021, we performed over 2.6 million PCR, antigen and antibody tests, continuing to provide patients and healthcare workers with a trustworthy first line of defence against the virus. At the same time we secured multiple partnerships with international air carriers and regional healthcare providers like National Aviation Services (NAS) Kuwait and Pure Health UAE to conduct PCR testing for passengers traveling from Egypt to other regional destinations. We also offered PCR testing for passengers on a walk-in basis, and were the first lab in Egypt to provide QR codes on travel certificates. This enabled us to not only to play an important role in supporting the recovery of international travel, but also ensured that we successfully captured a leading market share for the service.

In parallel, despite the challenges posed by the pandemic, we never lost sight of the needs of our conventional patients, continuing to care for them even at the height of the Covid-19 crisis. Our efforts focused on expanding our service offering and delivery capabilities, as well as organising special campaigns to raise healthcare awareness specifically targeting patients suffering from chronic diseases, a particularly vulnerable category in light of the ongoing pandemic.

Throughout the year, we also devoted increasing attention and resources towards developing our digital infrastructure to expand our reach, provide new services to our patients, and improve their overall experience. Highlights for the year included the roll out of multiple new patient touch points including a revamped IDH app, a new chatbot function, as well as an additional call centre. At the same time, we also made it increasingly convenient for our patients to pay for our services.

Record-breaking Growth and Operational Results

Our ability to transform the business in step with changing demand dynamics enabled us to build on an already strong 2020, to deliver a formidable set of operational and financial results in 2021. More specifically, in the twelve months to 31 December 2021, we recorded consolidated revenue of EGP 5.2 billion, up 97% year-on-year and representing the highest full-year revenue figure on record. Meanwhile, net sales expanded an impressive 90% from the previous year, coming in at EGP 5.0 billion in FY 2021. Net sales growth for the year was dual driven, as we performed 24% more tests than in the previous year and recorded a 53% year-on-year rise in average price per test versus 2020.

Throughout the year, consolidated net sales was supported by strong demand for both our Covid-19-related and conventional tests portfolios, with each segment contributing to around half of consolidated net sales for the year. On the conventional tests front, demand recorded a sustained recovery following the Covid-19-related slowdown experienced in the previous year, with conventional test net sales expanding 22% versus 2020, and coming in a noteworthy 13% above pre-Covid-19 levels recorded in 2019.

Volume and net sales growth for the year also reflected our ongoing investments to expand our delivery capabilities, which over the course of 2021 saw us grow our patient reach across both traditional branches and our house call service. On the one hand, we inaugurated 23 new branches in Egypt and an additional branch in Jordan, taking the total number of operational branches as at year-end 2021 to 502. Our ability to consistently rollout new branches within and outside the Greater Cairo area currently sees us operate the largest network of branches amongst private players in the country, enabling us to strengthen our brand name and maintain our leadership position in the market. Moreover, it is also important to note that our Mega Lab, which continues to be the sole CAP-accredited facility in Egypt, typically operates at around 55% of its maximum capacity leaving abundant room for further growth. In 2021, we also continued to work closely with local authorities in Egypt to obtain the necessary certifications to take part in the government's Universal Healthcare Insurance (UHI) system which is being rolled out across the entire country. As at year-end 2021, IDH had 13 out of the 19 UHI-accredited labs in the country, with several more of our labs looking to obtain accreditation in the coming year. On the other hand, in response to the growing demand for our house call services in both Egypt and Jordan, we continued to ramp up our house call capabilities. In our home market of Egypt, where sample collected directly in patient homes made up 23% of the country's revenues for the year, we added a second call centre, expanded our house call team to an average of 400 chemists, and streamlined logistics to further decrease turnaround times. On this last point, we were particularly happy to note our success in keeping turnaround times strictly below 24 hours even throughout the multiple peaks in infection rates witnessed in 2021. Our ability to effectively ramp up the service to match its growing popularity is enabling us to perform over five thousand house visits per day, the most out of any other player in the market, and process over ten thousand calls each day.

Regionally, in Egypt, as with the consolidated performance, our revenues were supported by both our Covid-19-related test offering, which in 2021 made up 49% of the country's revenues, as well as the country's conventional test offering, which made up the remaining 51%. During the year, we continued to lead the market in terms of core Covid-19 tests performed, further testament to the high quality of our offering and the extensive reach of our services. At the same time, we observed a sustained recovery in our conventional business, with revenues generated by conventional tests increasing a solid 23% versus the previous year supported by a 15% rise in conventional tests performed and a 7% expansion in average revenue per conventional test.

Egypt's revenues were further buoyed by revenues generated by our house call service, which expanded an impressive 94% versus 2020, contributing an additional EGP 935 million to the country's total revenues for the year. Meanwhile, at our fast-growing radiology venture, Al-Borg Scan, we witnessed a solid 81% year-on-year increase in revenue to EGP 45 million supported by a 70% year-on-year rise in both tests performed and patients served, which recorded 78 thousand and 62 thousand, respectively. I am particularly happy to note the growing success of Al-Borg Scan, which is helping us to capitalise on the important growth opportunities offered by Egypt's fragmented radiology market while delivering on our vision of providing patients with a one-stop-shop service offering featuring both pathology

and radiology. To capitalise on the rising patient demand for our radiology services, we inaugurated two new Al-Borg Scan branches in 2021 and a third in March 2022. In the coming months, we plan to continue launching additional branches, further expanding our reach across Great Cairo. Finally, it is also worth highlighting Wayak's growing market traction, with the venture continuing to expand its patient base and product offering. The company's EBITDA losses have narrowed significantly and management has ambitious plans to build on this momentum by rolling out multiple new services in 2022.

Jordan was the standout performer for the year, with Biolab reporting year-on-year net sales growth of 112% and contributing a record share of consolidated net sales at 17.2%. During the year, Covid-19-related tests contributed to 68% of Biolab's net sales as the venture continued to record strong demand at both its regular branches and across its testing booths located in the country's main airports and ports. In fact, Covid-19-related net sales in Jordan was boosted by strong contributions from Biolab's new partnership with Queen Alia International Airport, King Hussain International Airport, and Aqaba Port. As part of these agreements, Biolab has been operating testing stations across all three locations primarily focused on offering PCR testing for Covid-19 to passengers arriving in Jordan. Through these initiatives, Biolab was able to continue playing a frontline role in the country's fight against the pandemic and simultaneously expand its patient base and reach across new segments of the population. Meanwhile, we were also very pleased to note the robust recovery in Biolab's conventional test net sales, which increased 26% year-on-year on the back of a solid rise in conventional tests performed.

In Nigeria, we continued to record steady revenue growth throughout the entire year on the back of growing test and patient volumes. In 2021, Echo-Lab's revenues expanded 49% year-on-year on the back of a 31% increase in tests performed coupled with a 14% rise in average revenue per test. Growing volumes continue to highlight the effectiveness of our investments to revamp Echo-Lab's operations and the success of our targeted marketing efforts. The consistent growth delivered by our Nigerian operations also reflect the incredible work done by Dr. Alok Bhatia, who joined Echo-Lab as CEO in March 2021. Dr. Bhatia and his team have brought the skills and expertise needed to deliver on our long-term vision for Echo-Lab and we look forward to reaping the rewards of their hard work in the coming years.

Finally, in Sudan our results for the year were heavily impacted by the devaluation of the Sudanese Pound in February 2021 as well as the rise in social and political unrest witnessed in the final months of the year. However, management's continued success in raising prices in step with inflation, saw revenue in local currency terms grow an impressive 159% in 2021. It is also worth highlighting that despite the operational difficulties and heightened uncertainty faced throughout the past year, operations are continuing without major interruptions.

Further down the income statement, we reported impressive margin expansions at all levels of profitability supported by strong revenue growth and the subsequent dilution of IDH's fixed costs. More specifically gross profit for the year more than doubled with a five-point margin expansion. Meanwhile, EBITDA adjusted for one-off listing fees expanded 116% with a margin on net sales of 50%, up six percentage points from 2020 (adjusted EBITDA margin on revenues stood at 48% in FY 2021). Strong adjusted EBITDA level profitability supported a 145% year-on-year expansion in net profit which reached EGP 1,493 million in 2021. Net profit margin on net sales expanded seven percentage points versus 2020 to record 30% for the year (net profit margin on revenues stood at 29% in FY 2021). It is worth highlighting that the remarkable net profit growth comes despite the Company booking EGP 29 million in one-off fees related to our dual-listing as well as EGP 20 million in fees related to the IFC loan secured in May of last year.

Expanding Our Footprint

While effectively serving our patients and delivering exceptional results across our existing geographies, we also worked to expand our footprint into new territories. On this front, in December 2021, we signed a sale and purchase agreement to acquire 50% of Islamabad Diagnostic Centre (IDC), one of Pakistan's largest, most respected, and fastest growing integrated diagnostics companies, for a total consideration of USD 72.35 million. The deal, which is currently

pending regulatory approval, would see us partner with IDC's founder and CEO, Dr Rizwan Uppal, and acquire a stake in an established provider with a strong track-record, solid financial performance, and an ambitious growth plan. The transaction will see us add a fifth country to our footprint and help us further diversify our revenue base in line with our long-term strategy. IDC will be fully consolidated on IDH's accounts following the completion of the transaction and the transfer of funds to the Evercare Group. Under the agreement, IDH will hold four of the seven seats on IDC's board. The transaction, which is subject to the satisfaction of a number of conditions precedent should be completed later in 2022.

With a population of over 200 million, 63% of which is under the age of 30, Pakistan boasts an attractive demographic profile providing long-term sustainable demand for quality healthcare services. Meanwhile, like many of the markets we currently operate in, its healthcare industry is characterised by a widening demand-supply gap for high quality healthcare services, a high degree of out-of-pocket payments (medical expenses not reimbursed by insurance), and increasingly favourable regulations aimed at encouraging private sector participation. Similar to our existing businesses, IDC boasts an established position in the Pakistani market with network of over 85 branches across 30 cities, and offers a full roster of pathology and radiology diagnostic services. These characteristics make IDC the perfect partner for IDH, and Pakistan an ideal location where our proven business model is well placed to drive new value and help meet the rising demand for high quality healthcare.

Dual-listing on the EGX

Adding to this past year's list of achievements, in May 2021 we successfully completed our dual-listing on the Egyptian Exchange (EGX), successfully meeting our goal of offering IDH's unique value proposition to the widest investor base possible. With our shares now listed on the both the LSE and the EGX and tradeable in a fully fungible manner, we have provided local retail and institutional investors as well as global emerging markets specialists who regularly invest through the EGX with the possibility to capitalize on our attractive growth profile. We remain optimistic that going forward investors will find having two venues on which to trade IDH shares increasingly useful, realizing our target of having a larger number of the Company's shares being traded on the EGX.

Our Sustainability Journey

Across our operations, we continue to place a strong focus on strengthening our environmental, social and governance (ESG) monitoring and compliance frameworks to ensure we continue working to the betterment of our communities and safeguarding the interests of all our stakeholders. Throughout 2021, we devoted our attention to developing a more assertive road map that draws clear guidelines and methods to monitor, evaluate, and improve our sustainability practices. Under the guidance of a top-tier ESG consultant, we undertook a rigorous ESG assessment across all functions to highlight key sustainability initiatives while identifying areas of improvement. This allowed us to set the foundation for future ESG implementation by internally mapping key performance indicators to the newly developed sustainability framework. As a critical sector, the healthcare industry stands at the threshold of each of the UN's Sustainable Development Goals (SDGs). Throughout our operations, we have direct impacts on a number of key SDGs, and indirectly impact multiple others. Through our Sustainability Report, we were able to successfully share with our peers and wider community our contributions across all 17 SDGs, providing stakeholders with a clear framework to benchmark our contributions and hold us accountable in the years to come.

In a world where investment decisions are being taken with an increasing focus on the ESG profile of a company, we have provided investors with an in-depth analysis of our ESG performance, facilitating their due diligence processes. On this front, we have dedicated a chapter of the report to address our investors' inquiries related to our ESG performance and strategy, aligning ourselves with the global action plan set by the Principles of Responsible Investment. As we leave 2021 behind us, we are proud of the progress made on this front, but remain cognizant that of the long road ahead of us. As we enter this exciting new chapter for IDH, we welcome all our stakeholders to share their insights and help us generate additional social and environmental value for our communities.

Throughout this process, we have been closely guided by our world-class Board of Directors, which has been overseeing all aspects of the business since our listing on the LSE in 2015. Our Board is composed in the majority by independent, non-executive directors and is backed by a robust and constantly enhanced policy framework. In early 2022, our Board of Directors was further strengthened with the appointment of Ms. Yvonne Stillhart, as a Non-Executive Director. Yvonne is a seasoned Senior Executive working with innovation and growth driven companies across a wide range of industries and geographical regions, including Europe, USA, North Africa and Sub-Saharan Africa.

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 and expansions. As such, IDH is delighted to recommend a final dividend in respect of the financial year ended 31 December 2021 of EGP 2.17 per share, or EGP 1.3 billion in aggregate. The equivalent value, which will depend on the exchange rate at the time of the upstreaming from the subsidiaries to the holding company, represents a significant increase from the dividend of US\$ 29.1 million distributed for the previous financial year.

2022 Outlook

We kicked off 2022 recording another surge in Covid-19 infections across our markets as the highly-infective Omicron variant became increasingly prevalent. Throughout this new wave, in both Egypt and Jordan we continued to provide our patients with widespread access to Covid-19-related testing, helping to keep our communities safe and providing local authorities with vital support in the fight against the virus. In the final weeks of the first quarter, as vaccines continued to be rolled out, we witnessed a sustained decline in new infections with governments around the world signalling a strong will to transition into a post-Covid-19 normality. While the Group remains vigilant and ready to respond to possible new waves in infections, we are prepared and excited to kickstart our post-pandemic strategy and venture into a new chapter of sustainable growth. During the course of 2021, while our priority remained helping governments combat the Covid-19 pandemic, we also worked tirelessly to improve all aspects of the business and lay solid foundations on which to build out next phase of development and value creation.

Heading into 2022, there are several exciting developments I am looking forward to across both new and existing markets. In Egypt and Jordan, we are aiming to capitalise on our market leading position, expanded product offering and patient base, increased service delivery capabilities, and growing visibility to continue delivering robust growth in the year ahead. In particular, we are eager to capitalise on the post-Covid-19 rebound in conventional testing as patients' focus shifts back to conventional healthcare as the threat of Covid-19 subsides. Moreover, across both markets, our attention will now pivot towards patient retention as well look to maintain the new relationships we were able to establish during the pandemic thanks to our Covid-19-dedicated offering. On this front, we have recently launched a new dedicated loyalty programme in partnership with a leading loyalty solutions provider, and are working to roll out multiple new marketing campaigns making full use of our growing social media presence. In parallel, we are also leveraging our enhanced digital and data analytics capabilities to monitor patient records and disease cycles, and provide tailored services and increase cross-selling. Our efforts continue to ensure that our patients enjoy a hassle-free experience from start to finish, further enhancing their overall experience. At the same time, we are targeting the roll out of an additional 25 to 30 branches in and outside the Greater Cairo area, and continue to take advantage of the abundant spare capacity at our house call division to further scale up the service. In Nigeria, thanks to the consistent revenue growth and the stellar work being done by Dr. Bhatia and his team to streamline operations, Echo-Lab is on track to turn EBITDA positive in 2022. We are confident that the investments undertaken since the acquisition of Echo-Lab back in 2018 have built a stronger, leaner, and growth-oriented business which is well-placed to take full advantage of the significant growth opportunities offered Nigeria's diagnostics market. Finally, in Sudan, we are continuing to monitor the ongoing political and social instability and have put in place strong mitigation strategies to protect our people and operations.

Beyond our current markets, we are also looking forward to obtaining the remaining regulatory approvals and add Pakistan to our footprint. IDC is expected to generate substantial value from the very start and we are thrilled to kick off our partnership with Dr. Uppal in the coming months. In parallel, we will continue to assess other potential value-accretive acquisition opportunities both across new and existing markets in Africa, the Middle East, and Asia which present similar characteristics to our current markets and where our operational model would be best-suited to drive long-term value creation.

A Turbulent Start to the Year

In the first few months of the new year, globally we have been confronted with a new set of challenges related to the long-term economic spill overs of the pandemic coupled with the impacts of the ongoing Russia-Ukraine war. Supply chain issues, fast-rising consumer demand, and the increased volatility in commodity prices which has been exacerbated by the ongoing war in Eastern Europe, are continuing to push up prices, with countries around the world recording inflation figures not seen for many years. In light of rising inflation, central banks around the world have commenced a cycle of monetary tightening, with many raising interest rates for the first time in years.

Here in Egypt, on 21 March 2022, the Central Bank raised policy rates by 100bps and allowed the Egyptian Pound to devalue by more than 17% against the US Dollar. Despite the heightened uncertainty following the announcement, we are confident that our proven track record in navigating similar turbulent times and the strong mitigation frameworks we have in place provide ample protection from the short and longer-term impacts of the decision. Going forward, we will continue to keep a close eye on the evolving situation, and have taken proactive steps to build up our inventory to safeguard ourselves from any potential future disruptions.

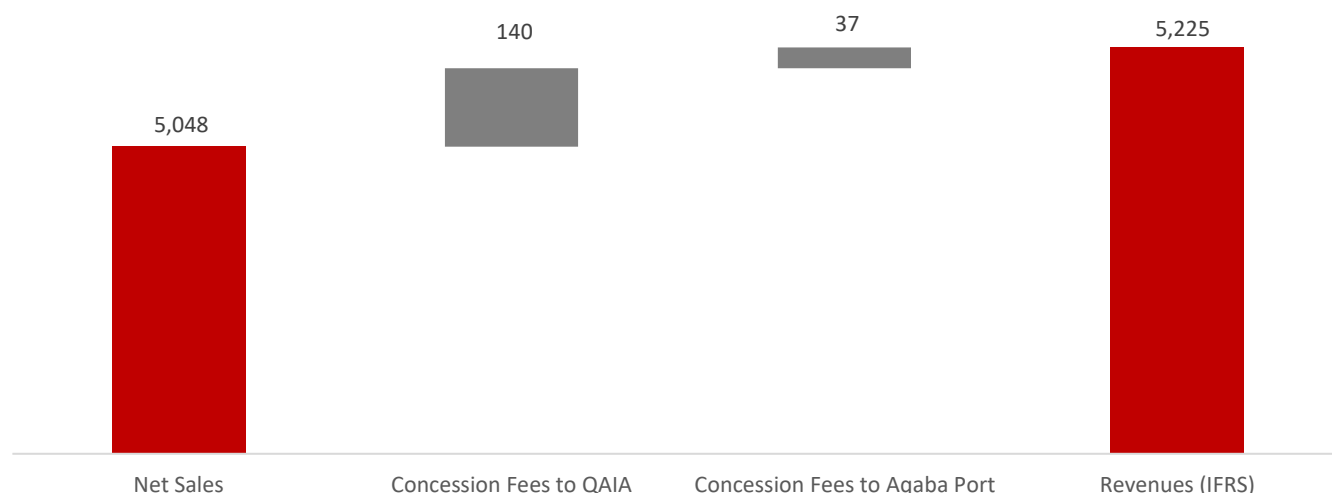
I would like to conclude by thanking all my colleagues for their exceptional work over the course of the last year. 2021 was the outstanding year that it was in great part due to your relentless efforts to deliver on our vision and goals. I am honoured to have the opportunity to work with you, and I am confident that by working together we will be able to continue delivering exceptional value in 2022.

Dr. Hend El-Sherbini
Chief Executive Officer

Important notice: A reconciliation between IFRS and APM measures is provided earlier in this announcement.

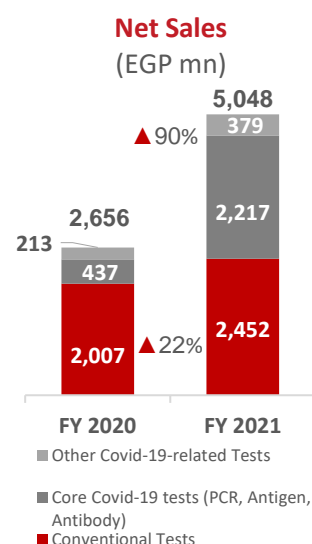
Net Sales to Revenues Bridge | FY 2021

(EGP mn)



Group Operational & Financial Review

i. Revenue/Net Sales and Cost Analysis



Revenue/Net Sales Consolidated Analysis

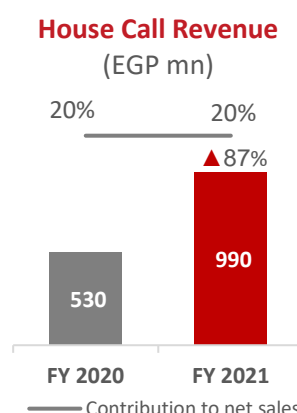
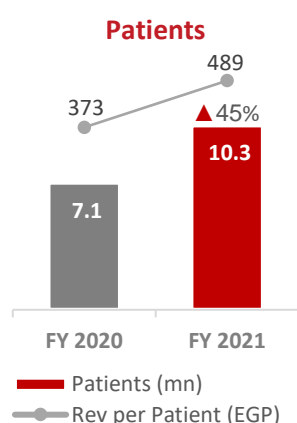
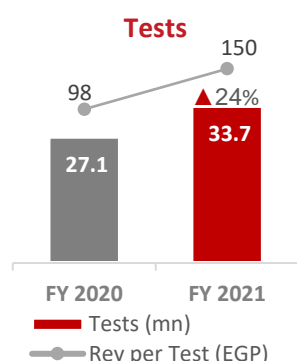
IDH reported total revenues of EGP 5,225 million in FY 2021, up 97% year-on-year. Consolidated net sales⁹ surpassed the EGP 5 billion mark, recording EGP 5,048 million in FY 2021, up 90% versus FY 2020. The remarkable growth was dual driven with tests performed during the year growing 24% and average price per test rising 53% year-on-year.

On a service basis, net sales growth was supported by both IDH's Covid-19-related¹⁰ and conventional test portfolios, both of which recorded growing demand during the period. IDH's **Covid-19-related** offering contributed to just over half of consolidated net sales in FY 2021 compared to the 24% contribution made in FY 2020. The segment witnessed high demand throughout the entire year, supported by rising infection rates in the first half of the year and the widespread lifting of travel bans in the second half of 2021.

In parallel, a steady recovery in demand for conventional tests, saw **conventional** net sales expand 22% year-on-year supported by a 15% year-on-year rise in tests

⁹ A reconciliation between revenue and net sales is available earlier in this announcement.

¹⁰ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.



performed and a 7% increase in average price per conventional test. Conventional test net sales for the year stood 13% above its pre-pandemic level, a testament to the Company's impressive ability to expand its service accessibility and delivery capabilities, to drive a rapid recovery across its conventional test portfolio despite the difficult operating conditions faced over the last two years.

On a quarterly basis, consolidated revenue recorded EGP 1,458 million, up 48% year-on-year, while net sales recorded EGP 1,281 million, up 30% year-on-year. Despite the strong growth versus the previous year, net sales for the quarter posted a 13% quarter-on-quarter decline. This was largely attributable to a 17% quarter-on-quarter decline in net sales generated by IDH's core Covid-19 tests, which recorded EGP 627 million in Q4 2021 versus EGP 760 million in Q3 2021. Falling Covid-19-related net sales reflect both a decrease in average price of Covid-19-related tests as well as lower demand generated by passengers traveling abroad as the surge in traveling-related demand witnessed in Q3 2021 following the lifting of travel bans subsided.

House Call Service

The Group's consolidated net sales was buoyed by its house call services in Egypt and Jordan, which generated EGP 990 million in revenue in FY 2021, up 87% versus the previous year. By test type, in FY 2021 revenue net sales generated by core Covid-19 tests stood at EGP 544 million, making up 55% of total house call revenue for the year. Geographically, in Egypt house call services generated EGP 935 million in revenue, contributing 23% to the country's revenue. Meanwhile, In Jordan house call revenue stood at EGP 55 million, making up 6% of the country's revenue for the year. It is worth highlighting that in FY 2021, average net sales per house call test stood at EGP 202, significantly above the Group's average of EGP 150.

Detailed Consolidated Performance Breakdown

	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Total net sales (EGP mn)	500	1,130	450	1,164	720	1,473	986	1,281	2,656	5,048
Total tests (mn)	6.1	8.1	5.1	8.3	7.5	8.6	8.3	8.7	27.1	33.7
Conventional test net sales (EGP mn)	495	594	367	594	568	667	577	597	2,007	2,452
Conventional tests performed (mn)	6.1	6.8	4.6	6.9	7.0	7.5	7.3	7.3	24.9	28.5
Total Covid-19-related test net sales (EGP mn)	5	536	83	569	152	806	409	684	649	2,596
Core Covid-19 tests (PCR, Antigen, Antibody) (EGP mn)	5	399	26	431	92	760	314	627	437	2,217
Core Covid-19 tests performed (k)	4	407	42	387	92	882	300	935	438	2,610
Other Covid-19-related tests (EGP mn)	0	137	57	138	60	47	95	58	213	379
Other Covid-19-related tests performed (k)	0	874	531	933	477	284	714	416	1,722	2,507

Contribution to consolidated results

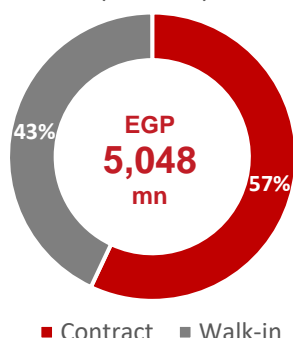
Conventional test net sales	99%	53%	82%	51%	79%	45%	59%	47%	76%	49%
Conventional tests performed	100%	84%	89%	84%	92%	87%	88%	84%	92%	85%
Total Covid-19-related tests	1%	47%	18%	49%	21%	55%	41%	53%	24%	51%
Core Covid-19 tests (PCR, Antigen, Antibody)	1%	35%	6%	37%	13%	52%	32%	49%	16%	44%
Core Covid-19 tests performed	0%	5%	1%	5%	1%	10%	4%	11%	2%	8%
Other Covid-19-related tests	0%	12%	13%	12%	8%	3%	10%	5%	8%	8%
Other Covid-19-related tests performed	0%	11%	10%	11%	6%	3%	9%	5%	6%	7%

Note: Quarterly results included in the table above are unaudited.

Net Sales Analysis: Contribution by Patient Segment
Contract Segment

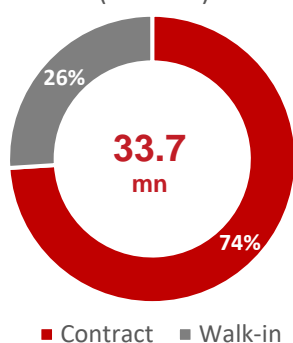
Revenue generated by IDH's contract segment reached EGP 3,062 million in FY 2021, representing a 113% year-on-year increase versus the previous twelve months. Meanwhile, net sales generated by the Group's contract segment more than doubled year-on-year to record EGP 2,885 million in FY 2021 supported by a 25% increase in contract tests performed and a 61% rise in the average net sales per contract test. The segment's contribution to total net sales subsequently increased to reach 57% from 54% in FY 2020. Covid-19-related¹¹ testing contributed 53% of contract net sales in FY 2021 as the Company continued to record strong patient demand in both Egypt and Jordan. Controlling for contributions made by Covid-19-related tests during the year,

¹¹ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.

Net Sales by Segment
(FY 2021)


the contract segment would record a 23% year-on-year increase in conventional test net sales on the back of a 17% increase in tests performed and a 6% expansion in average net sales per test.

The contract segment's results include contributions from IDH's multiple partnerships to conduct PCR testing for passengers. More specifically, IDH's agreement with Pure Health UAE and with National Aviation Services Kuwait (NAS) generated EGP 89 million and EGP 91 million, respectively, in FY 2021. The number of PCR tests performed during the year as part of IDH's partnerships with Pure Health stood at 83 thousand, making up 7% of total PCR tests performed in Egypt for the year. Meanwhile, tests performed as part of the Company's agreement with NAS stood at 51 thousand, representing 4% of total PCR tests performed in Egypt during FY 2021.

Tests by Segment
(FY 2021)


In Jordan, the Group's partnership with Queen Alia International Airport (QAIA) generated net sales of EGP 185 million. As part of the agreement, Biolab carried out 503 thousand PCR tests, representing 41% of total PCR tests performed in Jordan for the year. At the same time, Biolab's agreements with Aqaba's King Hussein International Airport (KHIA) and Aqaba Port contributed an additional EGP 107 million to the segment. It is worth noting that Biolab's partnership with KHIA started in August 2020, followed by the company's agreement with Aqaba Port which kicked off in May 2021, and its partnership with QAIA which commenced in August 2021.

Walk-in Segment

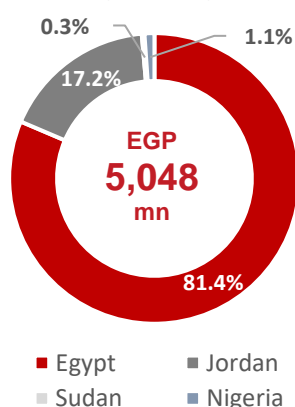
The Group's walk-in segment recorded revenue and net sales (IFRS and APM measures for walk-in segment were identical for the year) of EGP 2,162 million in FY 2021, up 77% versus the previous year. The year-on-year growth was supported by a 23% increase in tests performed and a 44% increase in average price per test. The segment's contribution to total net sales stood at 43% versus the 46% in FY 2020. Meanwhile, the contribution of Covid-19-related tests to the walk-in segment stood at 49% in FY 2021, compared to 26% in FY 2020. Excluding Covid-19-related contributions, conventional walk-in net sales recorded a 21% increase versus the previous year, as conventional walk-in tests volumes grew 9% year-on-year and net sales per conventional walk-in test increased 11% versus FY 2020.

Key Performance Indicators

	Walk-in Segment			Contract Segment			Total		
	FY20	FY21	Change	FY20	FY21	Change	FY20	FY21	Change
Net sales^ (EGP mn)	1,222	2,162	77%	1,434	2,885	101%	2,656	5,048	90%
Total Covid-19-related net sales (EGP mn)	314	1,063	239%	335	1,533	357%	649	2,596	300%
Patients ('000)	2,288	3,464	51%	4,825	6,853	42%	7,113	10,317	45%
% of Patients	32%	34%		68%	66%				
Net sales per Patient (EGP)	534	624	17%	297	421	42%	373	489	31%
Tests ('000)	7,052	8,693	23%	20,021	24,966	25%	27,073	33,659	24%
% of Tests	26%	26%		74%	74%				
Total Covid-19-related tests ('000)	659	1,745	165%	1,501	3,372	125%	2,160	5,117	137%
Net Sales per Test (EGP)	173	249	44%	72	116	61%	98	150	53%
Test per Patient	3.1	2.5	-19%	4.1	3.6	-12%	3.8	3.3	-14%

Net Sales by Geography

(FY 2021)



Revenue Analysis: Contribution by Geography

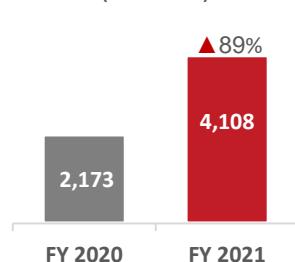
Egypt

In Egypt, IDH reported revenue of EGP 4,108 million, 89% above the previous year's figure and contributing to 81.4% of total net sales for the year. The impressive result was supported by a 21% year-on-year rise in test performed coupled with a 56% year-on-year increase in average revenue per test. As with the consolidated performance, Egypt's revenues were supported by both the Group's Covid-19-related¹² test offering which in FY 2021 made up 49% of the Egypt's revenues, as well as the country's conventional test offering, which made up the remaining 51% of Egypt's revenues. When controlling for contributions made by Covid-19-related tests during the year, revenue generated by conventional tests increased a solid 23% versus the previous year supported by a 15% rise in conventional tests performed and a 7% expansion in average revenue per conventional test.

On a quarterly basis, net sales generated by IDH's Egyptian operations reached EGP 986 million in Q4 2021, up 29% versus the final three months of FY 2020. Despite the strong year-on-year rise, on a quarter-on-quarter basis, revenue declined 17% primarily driven by lower revenue generated by the Company's core Covid-19 test offering versus the previous quarter. Lower Covid-19-related revenue reflect a more than 21% quarter-on-quarter fall in the average price for core Covid-19 test during Q4 2021 coupled with lower demand from international travellers, which had boosted results in the third quarter following a widespread lifting of international travel restrictions.

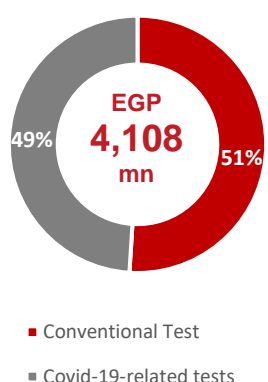
Egypt Revenue

(EGP mn)



Egypt Revenue by Category

(FY 2021)



House Call Service

IDH's house call service in Egypt, which has been successfully ramped up to capitalise on the service's growing popularity, recorded revenue of EGP 935 million in FY 2021, up 94% year-on-year. The service's contribution to the country's revenues stood at 23% in FY 2021, versus the 22% contribution made in FY 2020. Core Covid-19 tests performed through its house call service made up 30% of total core Covid-19 tests performed by IDH in the country throughout the year. It is also important to note that, tests performed through IDH's house call service are offered at the same price as at traditional branches, with only an additional house call delivery fee charged to patients to cover the transportation costs of the chemist.

Al-Borg Scan

IDH's fast-growing radiology venture, Al-Borg Scan, reported revenue of EGP 45 million in FY 2021, a solid 81% year-on-year increase. Revenue growth was supported by a 70% rise in both tests performed and patients served versus the previous year. To capitalise on Al-Borg Scan's growing popularity, the Group inaugurated two Al-Borg Scan branches in the second half of 2021, and a third in March 2022. In the coming months, IDH is looking to inaugurate additional branches to expand its reach across Greater Cairo.

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

Overall, IDH served 8.5 million patients in Egypt and performed 29.7 million tests in FY 2021, up 34% and 21% year-on-year, respectively.

Detailed Egypt Revenue Breakdown

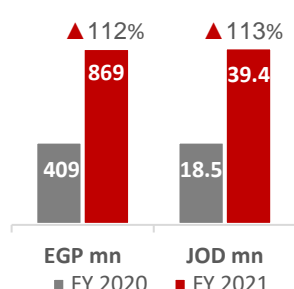
EGP mn	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Total Revenue	424	920	381	1,015	602	1,187	767	986	2,173	4,108
Conventional Revenue	424	507	314	510	482	573	493	513	1,713	2,103
Total Covid-19-related Revenue	0	414	67	504	120	614	273	474	460	2,005
Core Covid-19 tests (PCR, Antigen, Antibody)	0	277	10	366	60	567	178	416	248	1,626
Other Covid-19-related tests	0	137	57	138	60	47	95	58	213	379

Contribution to Egypt Net Sales

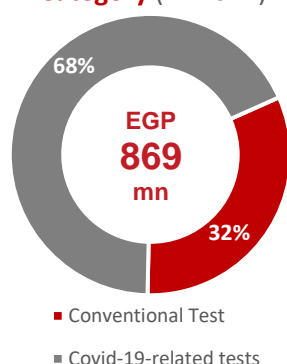
Conventional tests	100%	55%	82%	50%	80%	48%	64%	52%	79%	51%
Total Covid-19-related tests	0%	45%	18%	50%	20%	52%	36%	48%	21%	49%
Core Covid-19 tests (PCR, Antigen, Antibody)	0%	30%	3%	36%	10%	48%	23%	42%	11%	40%
Other Covid-19-related tests	0%	15%	15%	14%	10%	4%	12%	6%	10%	9%

Note: Quarterly results included in the table above are unaudited.

Jordan Net Sales



Jordan Net Sales by Category (FY 2021)



Jordan

In Jordan, the Group recorded revenue of EGP 1,046 million in FY 2021, up 156% from the previous year. Meanwhile, IDH's Jordanian operations saw net sales¹³ more than double year-on-year to reach EGP 869 million for the year, up 113% versus FY 2020. Net sales growth was driven by an 75% increase in test performed coupled with a 21% rise in Biolab's average net sales per test. During the year, Covid-19-related tests contributed to 68% of Biolab's net sales and to 37% of its tests performed. Covid-19-related net sales in Jordan was boosted by contributions of EGP 185 million from Biolab's new partnership with QAIA coupled with the EGP 107 million in net sales coming from its partnerships with KHIA and Aqaba Port. As part of these agreements, Biolab has been operating testing stations across all three locations primarily focused on PCR testing for Covid-19 to passengers arriving in Jordan. The stations also offer additional diagnostic tests to patients including rapid PCR testing for Covid-19 for departing passengers and other, more generic diagnostic tests. Meanwhile, conventional test net sales increased 26% year-on-year on the back of a 28% increase in conventional tests performed. Meanwhile, the country's net sales continued to be supported by Biolab's house call service which generated EGP 55 million in net sales in FY 2021, up 12% year-on-year.

In Q4 2021, Jordan's net sales recorded EGP 277 million, representing a 45% increase from Q4 2020 and up 3% versus Q3 2021 (Jordan's revenues (IFRS) in Q4 2021 recorded EGP 454 million, up 137% versus Q4 2020). During the quarter, Biolab's partnership with QAIA generated EGP 101 million in net sales while net sales from its partnerships with KHIA and Aqaba Port stood at EGP 48 million. In Q4 2021, PCR tests performed as part of Biolab's agreement with QAIA recorded 278 thousand (55% of Jordan's total PCR tests for the quarter). In parallel, during the quarter Biolab performed 118 thousand PCR tests at KHIA and Aqaba Port, representing 23% of total PCR tests carried

¹³ Biolab's net sales for the period are calculated as revenues excluding concession fees paid to QAIA and Aqaba Port as part of their revenue sharing agreement.

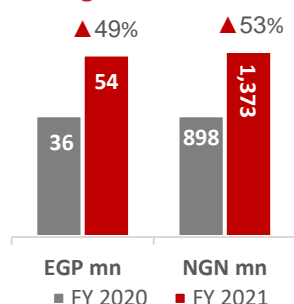
out by Biolab in the year. Robust volumes generated though these agreements more than offset a general decrease in demand for Covid-19-related testing as infection rates declined following the continued ramp up of the country's vaccination campaign.

Detailed Jordan Net Sales Breakdown

EGP mn	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Total Net Sales	58	190	59	134	100	269	191	277	409	869
Conventional Net Sales	53	68	44	68	68	76	55	66	220	278
Total Covid-19-related Net Sales (PCR and Antibody)	5	122	16	65	32	192	136	211	189	591
Contribution to Jordan Net Sales										
Conventional Net Sales	91%	36%	74%	51%	68%	28%	29%	24%	54%	32%
Total Covid-19-related Net Sales (PCR and Antibody)	9%	64%	26%	49%	32%	72%	71%	76%	46%	68%

Note: Quarterly results included in the table above are unaudited.

Nigeria Revenue

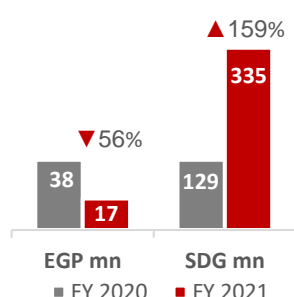


Nigeria

At the Group's Nigerian subsidiary, revenue expanded 49% year-on-year to reach EGP 54 million in FY 2021. Growth was even more pronounced in local currency terms with revenue up 53% year-on-year supported by a 31% year-on-year expansion in tests performed (patients served were up 16%) coupled with a 14% rise in average revenue per test. Over the last two years, Echo-Lab's has consistently delivered solid volume growth thanks to an effective revamp strategy which has involved the complete renovation of the venture's branches combined with the rollout of targeted marketing campaigns aimed at stimulating demand for the venture's services. Volumes for the year also benefitting from a gradual normalisation of traffic following the easing of restrictive measures enforced to curb the spread of Covid-19 throughout 2020.

In Q4 2021, IDH's Nigeria operations recorded year-on-year revenue growth of 18% to record EGP 13.4 million. As part of the venture's revamp strategy, Echo-Lab's management team was strengthened with several key hires. Most notably, Dr. Alok Bhatia, an industry expert with over 25 years of experience in the field, joined Echo-Lab as CEO in March 2021.

Sudan Revenue



Sudan

Finally in Sudan, IDH reported a 56% year-on-year contraction in revenue to EGP 17 million for the year. The country's results continue to be significantly impacted by the devaluation of the Sudanese pound in early 2021 with the average SDG/EGP rate in FY 2021 standing at 0.05 versus 0.29 in FY 2020. Nonetheless, management's continued success in raising prices in step with inflation throughout the year, saw revenue in local currency terms grow an impressive 159% in FY 2021.

Net Sales Contribution by Country

	FY 2020	FY 2021	Change
Egypt Net Sales (EGP mn)	2,173	4,108	89%
<i>Covid-19-related (EGP mn)</i>	460	2,005	335%
<i>Egypt Contribution</i>	82%	81%	
Jordan Net Sales (EGP mn)	409	869	112%
<i>Covid-19-related (EGP mn)</i>	189	591	213%
Jordan Revenues (EGP mn) (IFRS)	409	1,046	156%
Jordan Net Sales (JOD mn)	19	39	113%
Jordan Revenues (JOD mn) (IFRS)	18	47	157%
<i>Jordan Contribution</i>	15%	17%	
Nigeria Net Sales (EGP mn)	36	54	49%
Nigeria Net Sales (NGN mn)	898	1,373	53%
<i>Nigeria Contribution</i>	1%	1%	
Sudan Net Sales (EGP mn)	38	17	-56%
Sudan Net Sales (SDG mn)	129	335	159%
<i>Sudan Contribution</i>	1.4%	0.3%	

Patients Served and Tests Performed by Country

	FY 2020	FY 2021	Change
Egypt Patients Served (mn)	6.3	8.5	34%
Egypt Tests Performed (mn)	24.4	29.7	21%
<i>Covid-19-related tests (mn)</i>	1.9	3.8	102%
Jordan Patients Served (k)	550	1,627	196%
Jordan Tests Performed (k)	2,011	3,529	75%
<i>Covid-19-related tests (k)</i>	269	1,302	383%
Nigeria Patients Served (k)	131	153	16%
Nigeria Tests Performed (k)	215	281	31%
Sudan Patients Served (k)	130	70	-46%
Sudan Tests Performed (k)	409	182	-55%
Total Patients Served (mn)	7.1	10.3	45%
Total Tests Performed (mn)	27.1	33.7	24%

Branches by Country

	31 December 2020	31 December 2021	Change
Egypt	429	452	23
Jordan	20	21	1
Nigeria	12	10	-2
Sudan	20	19	-1
Total Branches	481	502	21

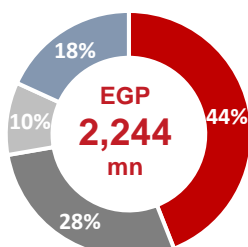
Cost of Net Sales¹⁴

IDH's cost of net sales rose 71% year-on-year to record EGP 2,244 million¹⁵ in FY 2021, rising at a slower pace than the Group's revenue for the year. This supported a 109% year-on-year rise in IDH's gross profit for FY 2021 which recorded EGP 2,804 million. IDH's gross profit margin on consolidated revenue recorded 54% in FY 2021 versus 51% in the previous year. Meanwhile, gross profit margin on net sales of 56% versus 51% in FY 2020.

¹⁴ Cost of net sales is calculated as cost of sales (IFRS) for the period excluding commission fees paid to QAIA and Aqaba Port by Biolab as part of its revenue sharing agreements with the two terminals.

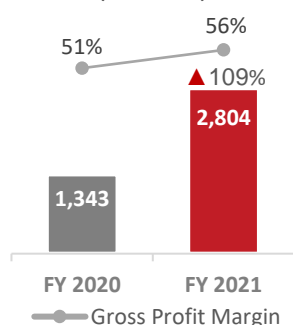
¹⁵ According to IFRS 15, cost of sales recorded EGP 2,421 million in FY 2021, up 84% year-on-year. In the final quarter of the year, IDH recorded a cost of sales of EGP 821 million. Meanwhile, gross profit margin recorded 44% in Q4 2021 versus 52% in Q4 2020.

Cost of Net Sales Breakdown (FY 2021)



- Raw Materials
- Wages & Salaries
- Dep. & Amort.
- Other Exp.

Gross Profit (EGP mn)



Cost of Net Sales Breakdown as a Percentage of Net Sales

	FY 2020	FY 2021
Raw Materials	18.4%	19.6%
Wages & Salaries	14.7%	12.6%
Depreciation & Amortisation	6.1%	4.2%
Other Expenses	10.3%	8.1%
Total	49.5%	44.4%

Raw material costs, which include cost of specialized analysis at other laboratories, recorded EGP 987 million for the year, continuing to make up the largest share of total COGS at 44%. As a share of net sales, raw material costs increased to 19.6% in FY 2021 compared to 18.4% in the previous year. This increase is primarily attributable to higher raw material costs as a share of net sales recorded by Biolab, driven by both the retesting of Covid-19 positive cases in the first part of the year, and by additional fees incurred by the company as part of its revenue sharing agreement with QAIA. On a quarterly basis, raw material costs as a share of net sales reached 23% in Q4 2021 versus 19% in Q3 2021. This is mainly attributable to IDH's Egyptian operations which saw their raw material to net sales ratio expand five percentage points quarter-on-quarter in Q4 2021, on the back of a 23% decline in the average price of core Covid-19 tests coupled with a 12% increase in the average cost per PCR test kit versus the third quarter of this year.

Direct salaries and wages for the year rose 63% year-on-year to EGP 635 million, making the second largest share of total COGS at 28%. The increase comes on the back of a 116% year-on-year rise in the share of profits allocated to direct salaries and wages to EGP 175 million in FY 2021 from EGP 81 million in FY 2020 following higher net profit recorded at its Egyptian operations,¹⁶ in addition to higher bonuses and incentives paid during FY 2021 in light of this year's record-breaking performance.

Direct depreciation and amortisation increased 31% year-on-year in FY 2021 to EGP 214 million, principally due to the incremental amortisation of new branches (IFRS 16 right-of-use assets).

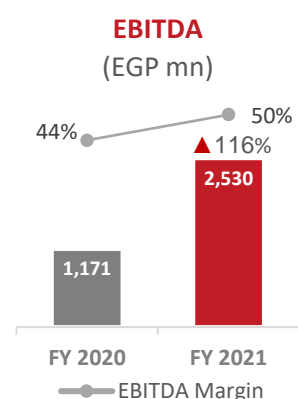
Other expenses for the year increased 49% versus FY 2020, to record EGP 407 million. The increase was primarily driven by higher transportation costs related to IDH's house call service, and increased utilities and cleaning expenses mainly due to the net addition of 21 new branches throughout the year.

Selling, General and Administrative Expenses

Total SG&A outlays for the year stood at EGP 513 million, up 44% from FY 2020. The increase was driven by rising salaries and marketing spending, coupled with higher call center costs and a new contract with PwC for external auditing services.

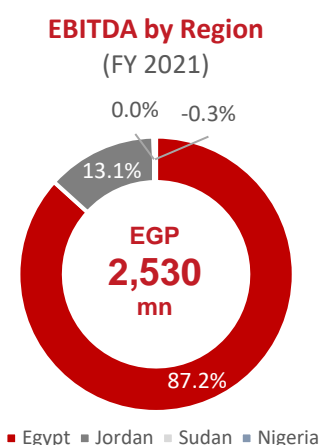
Marketing and advertising expenses came in at EGP 97 million in FY 2021, up 57% year-on-year. The increase largely reflects an overall expansion in IDH's marketing and advertisement efforts, which throughout the year saw the Company launch targeted campaigns across a wide variety of channels.

¹⁶ According to IAS1, employee profit share is recorded in wages and salaries.



EBITDA

IDH's adjusted EBITDA¹⁷ recorded EGP 2,530 million (identical in absolute terms when using IFRS or APM) in the twelve months to 31 December 2021, up a solid 116% versus the previous year. Adjusted EBITDA margin on consolidated revenue recorded 48% in FY 2021 versus 44% in the previous year. Meanwhile, adjusted EBITDA margin on net sales expanded to 50% in FY 2021 versus 44% in FY 2020.¹⁸ Improved EBITDA level profitability was supported by robust revenue growth for the year and the subsequent dilution of fixed costs. EBITDA growth was also supported by a decrease in level of receivable provisions for expected credit, which recorded EGP 25 million versus the EGP 42 million booked in the previous twelve months to account for expected credit losses in accordance with IFRS 9. It is important to note that adjusted EBITDA excludes one-off listing fees of EGP 29 million incurred in FY 2021 related to the Company's dual listing on the EGX completed in May 2021.



On a three-month basis, adjusted EBITDA expanded 17% year-on-year to record EGP 537 million in the final quarter of 2021 (identical in absolute terms between IFRS and APM). However, on a quarter-on-quarter basis normalized EBITDA declined 32% versus Q3 2021 mainly due to a quarter-on-quarter decrease in net sales and concurrent increase in outlays for the quarter, in particular sales and marketing expenses. Adjusted EBITDA margin on consolidated revenue recorded 37% in Q4 2021 versus 47% in the same quarter of the previous year. Meanwhile, adjusted EBITDA margin on net sales stood at 42% for the quarter, down from 47% recorded in Q4 2020 and the 54% margin recorded in Q3 2021.

In IDH's home market of Egypt, EBITDA recorded EGP 2,206 million in FY 2021, up 112% year-on-year on the back of strong revenue growth. EBITDA margin on net sales increased six percentage points to 54% the year.

IDH's Jordanian operations recorded EBITDA of EGP 331 million in FY 2021, up 155% versus the previous year on the back of strong growth. In local currency terms, EBITDA grew 156% compared to the previous year. EBITDA margin on net sales recorded 38% in FY 2021 compared to 32% in FY 2020. It is important to note that Jordan's EBITDA calculated using revenues for the year (in compliance with IFRS), recorded the same absolute value as the APM figure for the year which utilises net sales. However, EBITDA margin calculated on revenues (IFRS compliant) would stand at 32% in FY 2021 unchanged versus last year.

Operations in Nigeria posted an EBITDA loss of EGP 7 million, in line with the previous year's figure. Losses for the year partially reflect a one-off EGP 4.4 million adjustment related to the previous year. Controlling for the one-off adjustment, EBITDA losses would come in at EGP 2.6 million, significantly narrowing from the previous year's figure. In light of the steady improvements witnessed throughout 2021, Nigeria is expected to turn EBITDA positive during the first half of 2022.

¹⁷ Adjusted EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in FY 2021 related to the Company's EGX listing completed in May 2021.

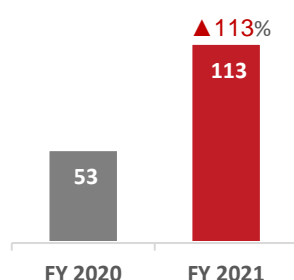
¹⁸ It is important to note that while in absolute terms the Normalised EBITDA figure is identical when using IFRS or APM, its margin differs between the two sets of performance indicators.

Finally, in Sudan the Company recorded an EBITDA loss of EGP 0.5 million in FY 2021, compared to a positive EBITDA of EGP 6.1 million in FY 2020. EBITDA for the year was impacted by the sharp SDG devaluation in February 2021. In SDG terms EBITDA declined 148% year-on-year.

Regional EBITDA in Local Currency

Mn		FY 2020	FY 2021	Change
Egypt	EGP	1,041	2,206	112%
Margin on net sales		48%	54%	
Jordan	JOD	6	15	156%
Margin on net sales		32%	38%	
Margin on revenues (IFRS)		32%	32%	
Nigeria	NGN	-170	-179	6%
Margin on net sales		-19%	-13%	
Sudan	SDG	21	-10	-148%
Margin on net sales		16%	-3%	

Interest Income (EGP mn)



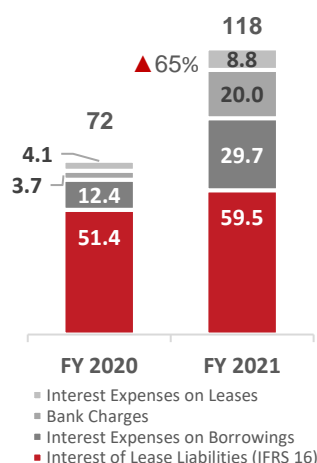
Interest Income / Expense

IDH recorded interest income of EGP 113 million in FY 2021, up 113% year-on-year on the back of higher cash balances during the year coupled with an optimised cash allocation between T-bills and time deposits.

Interest expense recorded EGP 118 million in the twelve months to year-end 2021, up 65% year-on-year. The increase is attributable to:

- Higher interest on lease liabilities related to IFRS 16 following the addition of new branches in Egypt and Jordan and the renewal of medical equipment agreements with our main equipment suppliers.
- Higher bank charges resulting from increased penetration of, and reliance on, POS machines and electronic payments in both Egypt and Jordan during the period. It is important to note that bank charges recorded by IDH's Jordanian operations represented 58% of total bank charges during FY 2021, which is mainly related to Biolab's partnership with QAIA.
- Loan-related expenses incurred by IDH during the period as the Company secured a new eight-year US\$ 45 million facility with the International Finance Corporation (IFC) in May 2021. More specifically, IDH booked loan-related expenses of EGP 20.3 million in FY 2021 including a front-end fee, syndication fee, and legal advisory fees.

Interest Expense (EGP mn)



Interest Expense Breakdown

EGP Mn	FY 2020	FY 2021	Change
Interest on Lease Liabilities (IFRS 16)	51.4	59.5	16%
Interest Expenses on Borrowings ¹⁹	12.4	9.4	-24%
Loan-related Expenses on IFC facility	-	20.3	N/A
Interest Expenses on Leases	4.1	8.8	117%
Bank Charges	3.7	20.0	445%
Total Interest Expense	71.5	118.0	65%

¹⁹ Interest expenses on medium-term loans divided as EGP 2.6 million related to its medium term facility with the Commercial International Bank (CIB) and EGP 6.5 million to its facility with Ahli United Bank Egypt (AUBE).

Foreign Exchange

IDH recorded a net foreign exchange loss of EGP 18 million in FY 2021 compared to EGP 13 million in FY 2020. The figure largely reflects FX losses on the back of the SDG devaluation versus the EGP in February 2021.

Taxation

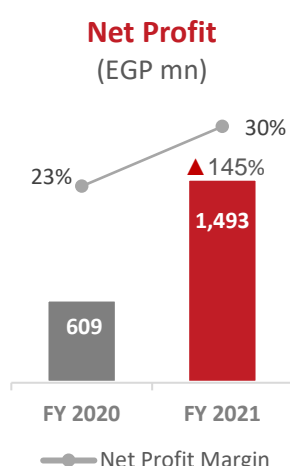
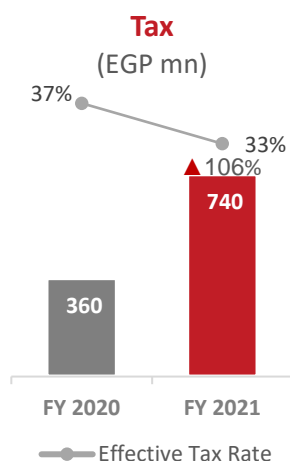
Tax expenses recorded EGP 740 million in FY 2021 versus EGP 360 million in the previous twelve months. The effective tax rate stood at 33% for the year versus 37% in FY 2020. The lower effective tax rate largely reflects the recognition of Echo-Scan's deferred tax assets. It is important to note that there is no tax payable for IDH's two companies at the holding level, while tax was paid on profits generated by operating subsidiaries.

Taxation Breakdown by Region

EGP Mn	FY 2020	FY 2021	Change
Egypt	340.6	704.8	107%
Jordan	19.0	54.0	184%
Nigeria	-1.0	-20.0	N/A
Sudan	1.0	1.0	0%
Total Tax Expenses	359.6	739.8	106%

Net Profit

IDH's consolidated net profit expanded 145% year-on-year in FY-2021 to record EGP 1,493 million (identical in absolute terms between IFRS and APM measures). Net profit margin on consolidated revenue recorded 29% for the year, versus 23% in FY 2020. Meanwhile, net profit margin²⁰ on net sales stood at 30% for the year, up seven percentage points from the previous twelve month period. Net profitability improvements for the year were supported by strong revenue growth coupled with the dilution of fixed costs, and normalising provisions for the year. In Q4 2021, net profit stood at EGP 345 million, up 47% year-on-year. Net profit margin on consolidated revenue stood at 24% unchanged year-on-year. Net profit margin on net sales recorded 27%, up three percentage points year-on-year.



ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

IDH held gross property, plant and equipment (PPE) of EGP 1,659 million as at year-end 2021, up from the EGP 1,252 million as of 31 December 2020. Meanwhile, CAPEX outlays excluding payments on account and accounting for the impact of hyperinflation, represented 8.6% of consolidated net sales in FY 2021. The increase in CAPEX outlays as a share of total net sales for the year is in part attributable to EGP 115.7 million in equipment related to the Reagent deals and to EGP 53.7 million spent on the purchase of a new radiology branch during the year. It is worth noting that IDH

²⁰ It is important to note that while in absolute terms the net profit figure is identical when using IFRS or APM, its margin differs between the two sets of performance indicators.

engages in Reagent deals whereby the majority of its testing equipment is provided at no upfront payment as part of a wider agreement to purchase a minimum volume of kits from the equipment supplier. These contracts typically have tenors ranging from 5 to 7 years, with the equipment substituted following the contract's renewal.

Total CAPEX Breakdown

EGP Mn	FY 2021	% of Net Sales
Mega Lab	132.5	2.6%
Al-Borg Scan Expansion	154.0	3.1%
Leasehold Improvements/others	147.6	2.9%
Total CAPEX Additions	434.1	8.6%

Accounts Receivable and Provisions

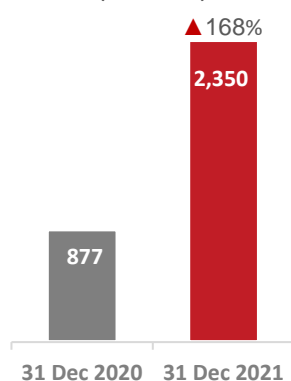
As at 31 December 2021, accounts receivables' Days on Hand (DOH) stood at 107 days compared to 144 days at year-end 2020. The significant decline witnessed throughout the year highlights a sustained improvement in collections versus the previous year. Accounts receivables' DOH is calculated based on credit revenues (credit revenues relates to patients who paid for IDH's services on credit) amounting to EGP 1.28 billion during FY 2021.

The receivables balance in Egypt and Jordan stood at EGP 366 million as at year-end 2021. More specifically, in Egypt account receivables' DOH declined to 96 days as at 31 December 2021 compared to 145 days as at year-end 2020. Accounts receivables' DOH for Egypt is calculated based on credit revenues amounting to EGP 1.04 billion during FY 2021. Meanwhile, in Jordan accounts receivables' DOH increased from 150 days to 154 days as at year-end 2021 largely due to agreements with various airline companies as part of QAIA and KHIA agreements. Accounts receivables' DOH for Jordan is calculated based on credit revenues amounting to EGP 221 million during FY 2021.

Provision for doubtful accounts established during the twelvemonths to 31 December 2021 amounted to EGP 25 million, down from the EGP 42 million booked in the previous year.

Cash Balances

(EGP mn)



Inventory

As at year-end 2021, the Group's inventory balance reached EGP 223 million, up from EGP 100 million as at year-end 2020. Meanwhile, days Inventory Outstanding (DIO) decreased to 61 days as at year-end 2021 from 72 days as at year-end 2020. The decline largely reflects the high turnover of PCR testing for Covid-19.

Cash and Net Debt/Cash

IDH's cash balances increased to EGP 2,350 million as at year-end 2021 compared to EGP 877 million as at 31 December 2020.

EGP million	31 Dec 2020	31 Dec 2021
Time Deposits	162	628
T-Bills	461	1,461
Current Accounts	234	239
Cash on Hand	19	22
Total	877	2,350

Net cash balance²¹ amounted to EGP 1,483 million as of year-end 2021, an increase of 361% compared to EGP 321 million as of 31 December 2020.

EGP million	31 Dec 2020	31 Dec 2021
Cash and Financial Assets at Amortised Cost ²²	877	2,350
Interest Bearing Debt ("Medium Term Loans") ²³	96	106
Lease Liabilities Property	390	532
Long-term Equipment Liabilities	69	229
Net Cash Balance	321	1,483

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

Lease liabilities on property stood at EGP 532 million as at year-end 2021, up from the EGP 390 million booked as at year-end 2020. The increase is attributable to the addition of new branches throughout 2021. Meanwhile, financial obligations related to equipment recorded EGP 229 million as of 31 December 2021, up from EGP 69 million as of year-end 2020, reflecting the renewal of the Company's contracts and the addition of new equipment. The main components of total financial obligations related to equipment in FY 2021 included EGP 116 million related to equipment at IDH's Mega Lab, and EGP 54 million for equipment at Al-Borg Scan. The rise in interest-bearing debt is related to IDH's two medium-term facilities with Commercial International Bank (CIB) and Ahli United Bank of Egypt (AUBE). More specifically, IDH's interest-bearing debt as of year-end 2021 is split as EGP 13 million related to its medium-term facility with CIB and EGP 85 million related to its facility with AUBE. It is worth noting that interest-bearing debt in both twelve-month periods includes accrued interest.

Liabilities

Accounts Payable²⁴

As of year-end 2021, accounts payable balance recorded EGP 311 million up from EGP 178 million as of 31 December 2020. Nonetheless, the Group's days payable outstanding (DPO) decreased to 93 days as of year-end 2021 down from 127 days as at 31 December 2020. The decline is mainly related to the fact that PCR testing kit suppliers are paid within a period of 15 days.

Put Option

²¹ The net cash balance is calculated as cash and cash equivalent balances including includes financial assets at amortised cost, less interest-bearing debt (medium term loans), finance lease and Right-of-use liabilities.

²² As outlined in Note 18 of IDH's Consolidated Financial Statements, some term deposits and treasury bills cannot be accessed for over 90 days and are therefore not treated as cash. Term deposits which cannot be accessed for over 90 days stood at EGP 148 million in FY 2021, while there were no such term deposits in the previous year. Meanwhile, treasury bills not accessible for over 90 days stood at EGP 1,311 million in FY 2021, up from EGP 277 million in FY 2020.

²³ IDH's interest bearing debt as at year-end 2021 is split as EGP 13 million related to its medium term facility with the Commercial International Bank (CIB) and EGP 85 million to its facility with Ahli United Bank Egypt (AUBE).

²⁴ Accounts payable is calculated based on average payables at the end of each year.

The put option current liability is related to the option granted in 2011 to Dr. Amid, Biolab's CEO, to sell his stake (40%) to IDH. The put option is in the money and exercisable since 2016 and is calculated as 7 times LTM EBITDA minus net debt. Biolab's put option liability increased following the subsidiary's EBITDA year-on-year growth of 155% in EGP terms. The vendor has not exercised this right at 31 December 2021. It is important to note that the put option liability is treated as current as it could be exercised at any time by the non-controlling interest (NCI). However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 18 months.

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

iii. Cash Flow Analysis

Net cash flow from operating activities recorded EGP 2,269 million in FY 2021 compared to EGP 883 million in FY 2020. The 157% year-on-year increase versus FY 2020 demonstrates once more IDH's strong cash generation ability.

iv. Principal Risks, 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/regional risk — Economic & Forex The Group is subject to the economic conditions of Egypt specifically and, to a lesser extent, those of the other geographies. Egypt accounted for c. 81% of our revenues in 2021 (2020: 82%).	Overall, management notes that IDH has a resilient business model 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.
Economic risk: On the 21st of March 2022, the Central Bank of Egypt (CBE) raised policy rates by 100bps and allowed the Egyptian Pound (EGP) to depreciate against the United States Dollar (USD) by around 17%, which will impose Inflationary pressures in the short to medium term. Inflation rates are expected to average around 13% to 15% during 2022, up from 5.9% in December 2021. Moreover, GDP growth in FY22/23 was revised downward to 5.5% from 5.7% by the Egyptian government in March 2022.	Foreign investors welcomed March 2022 CBE move as it demonstrated the Egyptian government's willingness to improve investment climate. IDH management is closely monitoring the impact of the rise of inflation on its cost base, especially raw material. The risk is partially mitigated given its long-term contractual agreement with its raw material suppliers.

<p>Country/regional risk — Economic & Forex</p> <p>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.</p> <p>High Inflation in Sudan: Following substantial currency devaluation in Sudan during 2018 the currency lost 85% of its value. In 2019, the Sudanese Pound's official rate versus the US Dollar remained relatively stable at 45.11 as 31 December according to the Central Bank of Sudan. However, in July 2020 the Sudanese government announced it would devalue its currency and cut fuel subsidies due to a huge budget deficit and an economic crisis aggravated by the coronavirus pandemic. In February 2021, the Sudanese government announced it would float the Sudanese Pound in an effort to bridge the gap with the forex prices at the parallel market. This led to a significant increase in the currency rates. The US Dollar rate for instance rose from SDG 55 to more than SDG 375. This was followed by the removal of fuel subsidies in June 2021, which again led to the increase of consumer prices. According to data from Sudan's Central Bureau of Statistics, the country's headline inflation rate averaged 359% in 2021, up from 163% in 2020.</p> <p>Nigeria: Capital controls could make profit repatriation difficult in the short term.</p> <p>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.</p>	<p>During FY2021, only 10% 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.</p> <p>The Group is closely monitoring the economic situation in Sudan and has implemented several 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.</p> <p>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 expected to be repatriated after the completion of the branch roll-out plan.</p>
<p>Country risk — Political & Security</p> <p>Sudan is currently undergoing a significant political transition which began in 2019 when severe political unrest and protests led the military to remove long-time president Omar Al-Bashir. Following his removal, the</p>	<p>It is important to note that in FY 2021 Sudan made up just 0.3% of IDH's net sales. Moreover, while nationwide protests do affect patient and test volumes in Sudan, the diagnostic industry is relatively immune given the</p>

<p>military signed a power-sharing agreement with an opposition coalition in July 2019, with the aim of eventually transferring power to a civilian government. On 25 October 2021, Sudan's Prime Minister was detained by armed forces, and Army chief General Abdel Fattah al-Burhan announced that the civilian government and other transitional bodies have been dissolved. Throughout November, the country witnessed several mass rallies and increased civil unrest with protesters asking for the reinstatement of the civilian Prime Minister, Abdalla Hamdok. The protests led to the temporary closure of all of IDH's Sudanese branches. All locations were reopened within a few days and quickly gained back momentum. On 21 November 2021, Mr. Hamdok took office once again but later stepped down on 2 January 2022. Civil unrest and protests are continuing as the country's future remains unclear. The situation in Sudan is volatile and continued civil unrest could adversely affect IDH's business.</p> <p>Nigeria faced security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Against the backdrop of a sluggish economy and the slow implementation of reforms, mounting discontent could translate into further social unrest.</p> <p>The government dissolved the special division known as SARS (Special Anti-Robbery Squad) in October 2021. In late 2020 and throughout 2021, protests have decreased significantly across the country but a potential escalation of civil unrest remains possible.</p>	<p>inelastic demand for healthcare services. Additionally, management in Sudan has been successful in offsetting the effect of lower volumes due to protest with higher pricing, and in 2019, 2020, and 2021 the geography recorded solid year-on-year revenue growth in SDG terms.</p> <p>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.</p> <p>IDH's management on the ground continues to monitor the evolving situation and has put in place an all-encompassing mitigation strategy to safeguard staff and patient wellbeing and protect IDH's operations.</p> <p>While this is relatively hard to mitigate, IDH is continuously evaluating its processes to safeguard its employees and operations. Overall, IDH applies rigorous standards to evaluating all aspects of its business processes in Nigeria to ensure it is well-equipped to respond to the evolving situation.</p>
<p>Covid-19</p> <p>The ongoing Covid-19 pandemic presents business continuity risks to IDH including, but not limited to, supply-chain disruptions, government enforced quarantines and their effect on IDH's business operations and risk of infection among IDH employees. In 2021, the rollout of vaccines across its countries of operation coupled with governments' willingness and ability to coexist with the virus, saw restrictions imposed to curb the spread being lifted and operations running normally throughout the year. No new restrictions have been imposed following the rise of new Covid-19 variants throughout the year, with countries across IDH's footprint continuing to push forward their</p>	<p>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, Antibody, and Antigen testing for Covid-19 in Egypt and Jordan.</p> <p>All of the Group's employees have been fully vaccinated during 2021 and they are subject to regular communications reminding them that they may not report to work if they have symptoms of a Covid-19 infection.</p>

<p>vaccination campaigns. As at the end of March 2022, the share of the population having received at least one Covid-19 vaccine dose stood at approximately: 45% in Egypt, 45% in Jordan, 10% in Nigeria, and at 13% in Sudan.</p> <p>Covid-19 global economic impact: Rising inflation rates, supply chain disruptions, and the rise of new, more fast-spreading Covid-19 variants continue to pose a threat for the global economic recovery.</p> <p>Covid-19 impact on IDH Financials Throughout FY 2021, IDH generated around 50% of its revenues from Covid-19-related testing. In light of the increasing roll out of vaccines and the widespread decline in infection rates, Covid-19-related revenues are expected to gradually decline throughout 2022.</p>	<p>The effective rollout of vaccines and the increasing ability and willingness of governments to coexist with the virus and its variants have supported a steady recovery of the global economy throughout 2021.</p> <p>Throughout the Covid-19 crisis, IDH has maintained a strong focus on growing its conventional (non-Covid-19-related) business, which in FY 2021 expanded 22% versus FY 2020, and came in 13% above pre-covid levels recorded in FY 2019. Moreover, in both Egypt and Jordan, IDH enjoys a market leading position and plans to capitalise on its expanded product offering and patient base, increased service delivery capabilities, and growing visibility to continue delivering growth in the year ahead. Across both markets, the Group's strategy will now pivot towards patient retention as it looks to maintain the new relationships established during the pandemic thanks to its Covid-19-dedicated offering.</p>
<p>Global Supply Chain Disruptions Throughout 2021, restrictions imposed to curb the spread of Covid-19, labour shortages, and fast-rising demand for goods saw global supply chains come under strong pressure causing delays and shortages worldwide. The ongoing global supply chain disruptions have had no impacts on IDH's operations throughout the year.</p>	<p>IDH's management team continually monitors the evolving situation and have taken proactive steps to build up its inventory to shield the Group from any potential future disruptions. IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness.</p> <p>IDH's test kits are purchased on fixed-price contracts with tenors ranging from five to seven years, providing effective protection from short-term price fluctuations.</p>
<p>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.</p>	<p>IDH has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Group 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.</p>

<p>IDH's supplier risk is concentrated amongst three key suppliers — Siemens, Roche and BM (Sysmex)— who provide it with kits representing 24% of the total value of total raw materials in 2021 (2020: 52%).</p>	<p>Total raw materials costs as a percentage of net sales were 19.6% in 2021 compared with 18.4% in 2020.</p>
<p>Remittance of dividend regulations and repatriation of profit risk</p> <p>The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions. More specifically, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends.</p>	<p>As a foreign investor in Egypt, IDH does not have issues with the repatriation of dividends, yet given the recent depreciation in the EGP value, the Company foresees probable delays in FX sourcing and repatriation.</p> <p>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.</p>
<p>Legal and regulatory risk to the business</p> <p>The Group's business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.</p>	<p>The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes.</p> <p>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 quasigovernmental institutions.</p>
<p>Risk from contract clients</p> <p>Contract clients including private insurers, unions and corporations, account for c. 57% of the Group's net sales in 2021. Should IDH's relationship with these clients deteriorate, for example if the Group were unable to negotiate and retain similar fee arrangements or should these clients be unable to make payments to the Group, IDH's business could be materially and adversely affected.</p>	<p>IDH diligently works to maintain 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.</p> <p>IDH's attractiveness to contract clients is enhanced by the extent of its national network.</p>

	<p>It should be highlighted that, excluding the contributions from IDH's multiple partnerships to conduct PCR testing for passengers (Pure Health, NAS, QAIA), which in 2021 generated EGP 365 million in contract segment net sales, no single client contract accounts for more than 1% of total net sales or 1.4% of contract net sales.</p>
<p>Pricing pressure in a competitive, regulated environment</p> <p>The Group faces pricing pressure from various third-party payers, including national health insurance, syndicates, other governmental bodies, which 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.</p> <p>This risk may be more pronounced in the context of the imminent inflationary pressures following the recent depreciation of the Egyptian Pound.</p> <p>The Group might face pricing pressure from existing competitors and new entrants to the market.</p>	<p>This is an external risk for which there exist few mitigants.</p> <p>In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c. 57% of IDH net sales in 2021 is generated by servicing contract clients (private insurer, unions and corporations) who prefer IDH's national network to patchworks of local players.</p> <p>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.</p> <p>IDH enjoys a strong brand equity in its markets of operation which enables all its brands to enjoy a solid positioning in the markets in which it operates. As such, IDH is a price maker, especially in Egypt, where the Group currently controls the largest network of branches amongst all private sector players. Moreover, in its home market of Egypt, which in FY 2021 accounted for 81.4% of total revenues, the Group faces no potential risk of price regulation by the government.</p>
<p>Cybersecurity risks</p> <p>The Company controls a vast amount of confidential data for its patients' records; to this end, there is a cybersecurity risk for both data confidentiality and data security.</p>	<p>The Company has stringent control over its data security and regularly stress tests its IT infrastructure to assess the robustness of its internal controls. Moreover, its cybersecurity controls and protocols are regularly updated to proactively address potential shortcomings, keep them in full adherence with data security regulations in the Group's markets of operation, and maintain them in line with global best practices.</p>

Business continuity risks

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

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

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

IDH understands the need to support its 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.

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.

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.

–End–

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

Consolidated Financial Statements

for the year ended 31 December 2021

Consolidated statement of financial position as at 31 December 2021

	Notes	2021 EGP'000	2020 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,061,808	793,013
Intangible assets and goodwill	12	1,658,867	1,659,755
Right of use assets	26	462,432	354,688
Financial assets at fair value through profit and loss	14	10,470	9,604
Total non-current assets		3,193,577	2,817,060
Current assets			
Inventories	15	222,612	100,115
Trade and other receivables	16	469,727	383,480
Financial assets at amortized cost	18	1,458,724	276,625
Cash and cash equivalents	17	891,451	600,130
Total current assets		3,042,514	1,360,350
Total assets		6,236,091	4,177,410
Equity			
Share capital	19	1,072,500	1,072,500
Share premium reserve	19	1,027,706	1,027,706
Capital reserves	19	(314,310)	(314,310)
Legal reserve	19	51,641	49,218
Put option reserve	19	(956,397)	(314,057)
Translation reserve	19	150,730	145,617
Retained earnings		1,550,976	603,317
Equity attributable to the owners of the Company		2,582,846	2,269,991
Non-controlling interests	2	211,513	156,383
Total equity		2,794,359	2,426,374
Non-current liabilities			
Provisions	21	4,088	3,408
Borrowings	24	76,345	67,617
Other financial obligations	26	645,196	398,525
Non-current put option liability	25	35,037	31,790
Deferred tax liabilities	9	332,149	240,333
Total non-current liabilities		1,092,815	741,673
Current liabilities			
Trade and other payables	22	777,354	383,623
Other financial obligations	26	115,478	60,517
Current put option liability	23	921,360	282,267
Borrowings	24	21,721	25,416
Current tax liabilities	29	513,004	257,540
Total current liabilities		2,348,917	1,009,363
Total liabilities		3,441,732	1,751,036
Total equity and liabilities		6,236,091	4,177,410

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

These consolidated financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 20 April 2021 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated income statement for the year ended 31 December 2021

	Notes	2021 EGP'000	2020 EGP'000
Revenue	6	5,224,712	2,656,264
Cost of sales	8.1	(2,420,647)	(1,313,688)
Gross profit		2,804,065	1,342,576
Marketing and advertising expenses	8.2	(163,163)	(107,216)
Administrative expenses	8.3	(370,014)	(221,874)
Impairment loss on trade and other receivable	16	(24,656)	(42,131)
Other Income		15,828	14,191
Operating profit		2,262,060	985,546
Finance costs	8.6	(142,917)	(84,107)
Finance income	8.6	113,178	67,643
Net finance costs	8.6	(29,739)	(16,464)
Profit before income tax		2,232,321	969,082
Income tax expense	9	(739,815)	(359,600)
Profit for the year		1,492,506	609,482
Profit attributed to:			
Owners of the Company		1,412,609	594,015
Non-controlling interests		79,897	15,467
		1,492,506	609,482
Earnings per share	10		
Basic and Diluted		2.35	0.99

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

Consolidated statement of comprehensive income/(expenses) for the year ended 31 December 2021

	2021 EGP'000	2020 EGP'000
Net profit for the year	1,492,506	609,482
Other comprehensive income/(expenses):		
Items that may be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	7,808	(20,292)
Other comprehensive income/(expenses) for the year, net of tax	7,808	(20,292)
Total comprehensive income/loss for the year	1,500,314	589,190
Attributable to:		
Owners of the Company	1,417,722	583,809
Non-controlling interests	82,592	5,381
	1,500,314	589,190

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

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	2021 EGP'000	2020 EGP'000
Cash flows from operating activities			
Profit before tax		2,232,321	969,082
Adjustments for:			
Depreciation of property, plant and equipment	11	151,826	118,632
Depreciation of right of use assets	26	79,617	60,803
Amortisation of intangible assets	12	7,201	5,926
Unrealised foreign exchange gains and losses	8.6	17,912	12,580
Finance income	8.6	(113,178)	(53,120)
Finance Expense	8.6	118,029	71,527
Gain on disposal of Property, plant and equipment		(78)	(98)
Impairment in trade and other receivables	16	24,656	42,131
Equity settled financial assets at fair value		(866)	(3,213)
ROU Asset/Lease Termination		1,351	(609)
Hyperinflation		6,976	(14,523)
Change in Provisions	21	681	(1,866)
Change in Inventories		(127,643)	(17,121)
Change in Trade and other receivables		(106,458)	(140,563)
Change in Trade and other payables		351,803	53,822
Cash generated from operating activities before income tax payment		2,644,150	1,103,390
Taxes paid		(374,305)	(220,875)
Net cash generated from operating activities		2,269,845	882,515
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6,627	5,316
Interest received on financial asset at amortised cost		111,367	51,187
Payments for acquisition of property, plant and equipment		(253,385)	(118,372)
Payments for acquisition of intangible assets		(10,354)	(7,638)
Decrease / (increase) in restricted cash		-	247
Payments for the purchase of financial assets at amortized cost		(1,599,238)	(112,115)
Proceeds for the sale of financial assets at amortized cost		417,139	57,107
Net cash used in investing activities		(1,327,844)	(124,268)
Cash flows from financing activities			
Proceeds from borrowings	28	30,450	11,727
Repayment of borrowings	28	(25,416)	(25,416)
Payments of lease liabilities		(50,227)	(33,509)
Payment of financial obligations		(9,383)	(9,237)
Dividends paid		(478,748)	(450,737)
Interest paid		(93,799)	(73,736)
Bank charge paid		(20,026)	-
Injection of cash by non-controlling interest		-	17,372
Net cash flows used in financing activities		(647,149)	(563,536)
Net increase in cash and cash equivalents		294,852	194,711
Cash and cash equivalents at the beginning of the year		600,130	408,892
Effect of exchange rate		(3,531)	(3,473)
Cash and cash equivalents at the end of the year	17	891,451	600,130

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

- acquisition of right-of-use assets – note 26
- Property plant and equipment – note 11
- Put option liability – note 23 and 25

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

Consolidated statement of changes in equity for the year ended 31 December 2021

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 2021	1,072,500	1,027,706	(314,310)	49,218	(314,057)	145,617	603,317	2,269,991	156,383	2,426,374
Profit for the year	-	-	-	-	-	-	1,412,609	1,412,609	79,897	1,492,506
Other comprehensive income for the year	-	-	-	-	-	5,113	-	5,113	2,695	7,808
Total comprehensive income	-	-	-	-	-	5,113	1,412,609	1,417,722	82,592	1,500,314
Transactions with owners in their capacity as owners										
Dividends	-	-	-	-	-	-	(455,182)	(455,182)	(23,566)	(478,748)
Legal reserve formed during the year*	-	-	-	2,423	-	-	(2,423)	-	-	-
Impact of hyperinflation	-	-	-	-	-	-	(7,345)	(7,345)	(3,896)	(11,241)
Movement in put option liabilities for the year	-	-	-	-	(642,340)	-	-	(642,340)	-	(642,340)
Total	-	-	-	2,423	(642,340)	-	(464,950)	(1,104,867)	(27,462)	(1,132,329)
At 31 December 2021	1,072,500	1,027,706	(314,310)	51,641	(956,397)	150,730	1,550,976	2,582,846	211,513	2,794,359
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 year	-	-	-	-	-	-	594,015	594,015	15,467	609,482
Other comprehensive expense for the year	-	-	-	-	-	(10,206)	-	(10,206)	(10,086)	(20,292)
Total comprehensive income	-	-	-	-	-	(10,206)	594,015	583,809	5,381	589,190
Transactions with owners in their capacity as owners										
Dividends	-	-	-	-	-	-	(441,855)	(441,855)	(8,882)	(450,737)
Legal reserve formed during the year*	-	-	-	2,888	-	-	(2,888)	-	-	-
Impact of hyperinflation	-	-	-	-	-	-	(2,616)	(2,616)	(2,198)	(4,814)
Movement in put option liabilities for the year	-	-	-	-	(84,893)	-	-	(84,893)	-	(84,893)
Non-controlling interest cash injection in subsidiaries during the year	-	-	-	-	-	-	-	-	17,372	17,372
Total	-	-	-	2,888	(84,893)	-	(447,359)	(529,364)	6,292	(523,072)
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

* 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 Consolidated Financial Statements – For the Year Ended 31 December 2021

(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 2021 were authorised for issue in accordance with a resolution of the directors on 20 April 2022. Integrated Diagnostics Holdings plc “IDH” or “the company” has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257. The registered office address of the Company is 12 Castle Street, St Helier, Jersey, JE2 3RT. The Company is a dually listed entity, in both London stock exchange (since 2015) and in the Egyptian stock exchange (in May 2021).

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

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

2. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% Equity interest 2021	% Equity interest 2020	Non-Controlling interest 2021	Non-Controlling interest 2020
Al Borg Laboratory Company (“Al-Borg”)	Medical diagnostics service	Egypt	99.3%	99.3%	0.7%	0.7%
Al Mokhtabar Company for Medical Labs (“Al Mokhtabar”)	Medical diagnostics service	Egypt	99.9%	99.9%	0.1%	0.1%
Medical Genetic Center	Medical diagnostics service	Egypt	55.0%	55.0%	45.0%	45.0%
Al Makhbaryoun Al Arab Group	Medical diagnostics service	Jordan	60.0%	60.0%	40.0%	40.0%
Golden Care for Medical Services	Holding company of SAMA	Egypt	100.0%	100.0%	0.0%	0.0%
Integrated Medical Analysis Company (S.A.E)	Medical diagnostics service	Egypt	99.6%	99.6%	0.4%	0.4%
SAMA Medical Laboratories Co. (“Ultralab medical laboratory”)	Medical diagnostics service	Sudan	80.0%	80.0%	20.0%	20.0%
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	65.0%	65.0%	35.0%	35.0%
Integrated Diagnostics Holdings Limited	Intermediary holding company	Caymans Island	100.0%	100.0%	0.0%	0.0%
Dynasty Group Holdings Limited	Intermediary holding company	England and Wales	51.0%	51.0%	49.0%	49.0%
Eagle Eye-Echo Scan Limited	Intermediary holding company	Mauritius	76.5%	76.5%	23.5%	23.5%
Echo-Scan*	Medical diagnostics service	Nigeria	100.0%	100.0%	0.0%	0.0%
WAYAK Pharma	Medical services	Egypt	99.99%	99.99%	0.01%	0.01%

* The group consolidate "Echoscan" a subsidiary based in Nigeria despite of 37% indirect ownership for more details refer to note 4-2.

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	2021	2020
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbaryoun 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-Echo Scan Limited	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 Makhbaryoun Al Arab Group EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of Income for 2021:						
Revenue	3,092	1,046,107	1,594,275	3,821,004	53,604	6,518,082
Profit	(2,627)	214,588	401,401	1,162,009	(8,795)	1,766,576
Other comprehensive income	-	(56)	-	10,935	(4,733)	6,146
Total comprehensive income	(2,627)	214,532	401,401	1,172,944	(13,528)	1,772,722
Profit allocated to non-controlling interest	(1,193)	86,747	2,841	(3,261)	(5,237)	79,897
Other comprehensive income allocated to non-controlling interest	-	64	-	5,667	(3,036)	2,695
Summarised statement of financial position as at 31 December 2021:						
Non-current assets	682	211,430	541,782	707,847	90,509	1,629,987
Current assets	3,975	432,149	598,084	2,017,197	24,356	3,051,276
Non-current liabilities	(27)	(76,599)	(361,520)	(303,142)	20,743	(741,272)
Current liabilities	(7,148)	(237,206)	(266,796)	(701,516)	28,313	(1,216,878)
Net assets	(2,518)	329,774	511,550	1,720,386	163,921	2,723,113
Net assets attributable to non- controlling interest	(1,143)	133,310	3,621	(4,626)	80,351	211,513

	Medical Genetic Center EGP'000	Al Makhbaryoun Al Arab Group EGP'000	Alborg Laboratory Company EGP'000	Other subsidiaries with immaterial NCI EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of 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 expense	-	(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 expense 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

3. Basis of preparation

Statement of compliance

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

Basis of measurement

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

New standards and interpretations adopted

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

- Covid-19-Related Rent Concessions – amendments to IFRS 16,
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
- Annual Improvements to IFRS Standards 2018–2020, and

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12.

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

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting period and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Going concern

These consolidated financial statements have been prepared on the going concern basis. At 31 December 2021, the Group had net assets amounting to KEGP 2,794,359. The Directors have considered a number of downside scenarios, including the most severe but plausible scenario, for a period of 16 months from the signing of the financial statements. They have also assessed the likelihood of any key one-off payments arising such as dividends or those in respect of M&A activity. Under all of these scenarios there remains significant headroom from a liquidity and covenant perspective. Reverse stress tests have been performed to determine the level of downside required to cause a liquidity or covenant issue with these scenarios not considered plausible. Therefore the Directors believe the Group has the ability to meet its liabilities as they fall due and the use of the going concern basis in preparing the financial statements is appropriate.

3.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

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

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

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

ii. Changes in ownership interests

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

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

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3.2. Significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

b) Impairment of assets

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

c) Fair value measurement

The Group measures financial instruments such as non-derivative financial instruments and contingent consideration assumed in a business combination at fair value at each balance sheet date.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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

d) Revenue recognition:

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

The following steps are considered for all types of patients:

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

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

Customer loyalty program:

The group operates a loyalty program where customers accumulate points for purchases made which entitle them to a discount on future purchases. The points are valid for 24 months from the time they are awarded. The value of points to be provided is based on the expectation of what level will be redeemed in the future before their expiration date. This amount is netted against revenue earned and included as a contract liability and only recognised as revenue when the points are then redeemed.

e) Income Taxes

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

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

g) Property, plant and equipment

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

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

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

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

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

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 income in the expense category that is consistent with the function of the intangible assets. The Group amortises intangible assets with finite lives using the straight-line method over the following periods:

- IT development and software 4-5 years

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

Goodwill

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

Goodwill is stated at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is

expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. the impairment assessment is done on an annual basis.

Brand

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

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

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

Impairment of intangible assets

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

The recoverable amounts of cash generating units have been determined based on value in use. 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.

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

1) Financial instruments – initial recognition and subsequent measurement

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

i) Financial assets**Classification**

The group reclassifies debt investments when and only when its business model for managing those assets changes.

The group classifies its investments in debt Instruments in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through income statement), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investment is equity instrument measured at fair value, gains and losses will either be recorded in income statement or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

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

Measurement

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

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the consolidated income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Management has assessed the underlying nature of the investments and designated upon investment that this should be treated as an investment held at fair value with movements going through the income statement on the basis of the size of the investment and the reasons for making the investment.

Equity instruments

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

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

Impairment

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

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

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

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

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

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

ii. Financial liabilities

Initial recognition and measurement

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

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

All of the Group's financial liabilities are classified as financial liabilities carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

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

Derecognition

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

iii. Offsetting of financial instruments

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

j) Impairment of non-financial assets

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

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

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

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

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

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

For assets excluding goodwill and indefinite lived intangible assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

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

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

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

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

k) Inventories

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

l) Cash and short-term deposits

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

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

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption

amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

n) Borrowing costs

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

o) Provisions

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

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

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

p) Pensions and other post-employment benefits

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

q) Segmentation

The Group has four operating segments based on geographical location rather than two operating segments based on service provided.

r) Leases as lessee (IFRS 16)

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

As a lessee

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

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; 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.

Short-term leases and leases of low-value assets

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

4. Judgement and estimates

4.1. Judgement

Useful economic lives of Brands

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

Control over subsidiaries

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

The group consolidate the subsidiaries assessed for the following reasons:

- 1) The group has the majority on shareholder stake
- 2) The group has the majority on the board of subsidiaries
- 3) The group has full control of the operations and is involved in all decisions.

The group consolidate “Echoscan” a subsidiary based in Nigeria despite of 37% indirect ownership for the following reasons:

- 1) The group has control over all intermediate entities between the parent and Echoscan
- 2) The group has a technical service agreement which enables them to direct and control the operations in Nigeria.

4.2. Estimates and assumptions

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

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

Impairment of intangible assets

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

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

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

being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. For more detailed assumptions refer to (note 13).

Customer loyalty program

The group operates a loyalty program where customers accumulate points for purchases made which entitle them to a discount on future purchases. A contract liability is recognised for the points awarded at the time of the sale based on the expected level of redemption. At 31 December 2021 the level of points accumulated by customers which had not expired was equivalent to 24m EGP. The estimate made by management is how much of this amount ought to be recognised as a liability based on future usage. The level of future redemption is estimated using historical data and adjustments for likely future trends in usage. Therefore, upon initial recognition of the sale to a customer, if management expects the group to be entitled to a breakage amount (i.e. not all points will be redeemed and so it is highly probable that there will be no significant reversal of revenue) this breakage amount is recognised within revenue. This assessment is reviewed periodically, to ensure that only revenue which is highly probable not to result in a significant reversal in future periods is recognised. Management has estimated that 24m EGP out of the total potential amount that could be redeemed is likely to be utilised by customers

5. 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:

	2021 EGP'000	2020 EGP'00
Cash and cash equivalent	891,451	600,130
Short term deposits - treasury bills	1,458,724	276,625
Trade and other receivables (Note 16)	447,080	364,117
Total financial assets	2,797,255	1,240,872
	2021 EGP'000	2020 EGP'00
Trade and other payables	749,272	380,201
Put option liability	956,397	314,057
Financial obligation	760,674	459,043
Loans and borrowings	101,545	96,455
Total other financial liabilities	2,567,888	1,249,756
Total financial instruments*	229,367	(8,884)

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

The fair values measurements for all the financial assets and liabilities have been categorized as Level 3, it is fair value can't be determined by using readily observable measures and Echo-Scan put option (note 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 liabilities, borrowings and other financial liabilities. The Group's principal financial assets include trade and other receivables, financial asset at amortised cost, financial asset at fair value and cash and cash equivalent that derive directly from its operations.

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

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

- Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 December in 2021 and 2020. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

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

- The sensitivity of the relevant consolidated income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2021 and 2020.

- Interest rate risk

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

Exposure to interest rate risk

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

	2021 EGP'000	2020 EGP'000
Fixed-rate instruments		

Financial obligation (note 26)	760,674	459,043
CIB – BANK Loans and borrowings (note 24)	13,238	-
Variable-rate instruments		
AUB – BANK Loans and borrowings (note 24)	84,828	93,033

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 980K (2020: 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 the Group's operating activities (when revenue or expense is denominated in a foreign currency), recognized assets and liabilities and net investments in foreign operations. However, management aims to minimize open positions in foreign currencies to the extent that is necessary to conduct its activities.

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

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

31-Dec-21								
	Assets			Liabilities				Net exposure
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	
US	917,673	11,880	929,553	-	(56,744)	(140,808)	(197,552)	732,001
Euros	397	-	397	-	-	(342)	(342)	55
JOD	297,154	112,409	409,563	(921,360)	(93,999)	(171,481)	(1,186,840)	(777,277)
SDG	1,010	604	1,614	-	(850)	(1,718)	(2,568)	(954)
NGN	8,591	5,094	13,685	(35,037)	(9,104)	(9,413)	(53,554)	(39,869)
31-Dec-20								
	Assets			Liabilities				Net exposure
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance lease	Trade payables	Total liability	
US	81,956	5,138	87,094	-	(67,764)	(29,120)	(96,884)	(9,790)
Euros	176	-	176	-	-	(1,588)	(1,588)	(1,412)
JOD	76,954	62,062	139,015	(282,266)	(75,365)	(70,489)	(428,121)	(289,106)
SDG	2,429	2,712	5,140	-	(6,682)	(6,376)	(13,058)	(7,918)
NGN	8,749	9,211	17,960	(31,790)	(14,825)	(14,574)	(61,189)	(43,229)

The following is the exchange rates applied:

Average rate for the year ended		
	31-Dec-21	31-Dec-20
US Dollars	15.64	15.71
Euros	18.46	17.85
GBP	21.51	20.25
JOD	22.03	22.13
SAR	4.17	4.21
SDG	0.06	0.29
NGN	0.04	0.04
Spot rate for the year ended		
	31-Dec-21	31-Dec-20
US Dollars	15.65	15.66
Euros	17.73	19.23
GBP	21.12	21.38
JOD	22.05	22.06
SAR	4.17	4.18
SDG	0.04	0.28
NGN	0.04	0.04

At 31 December 2021, if the Egyptian Pound had weakened/strengthened by 10% against the US Dollar with all other variables held constant, total equity for the year would have increased/decreased by EGP (73m) (2020: EGP (0.9m)), mainly as a result of foreign exchange gains/losses and translation reserve on the translation of US dollar-denominated financial assets and liabilities as at the financial position of 31 December 2021.

At 31 December 2021, if the Egyptian Pound had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, total equity for the year would have increased/decreased by EGP 77m (2020: EGP 28m), mainly as a result of foreign exchange gains/losses and translation reserve on translation of JOD - denominated financial assets and liabilities as at the financial position of 31 December 2021.

At 31 December 2021, if the Egyptian Pound had weakened / strengthened by 25% against the Sudanese Pound with all other variables held constant, total equity for the year would have increased/decreased by EGP 0.238 (2020: EGP (1.9m)), mainly as a result of foreign exchange gains/losses and translation reserve on the translation of SDG - denominated financial assets and liabilities as at the financial position of 31 December 2021.

At 31 December 2021, if the Egyptian Pound had weakened / strengthened by 10% against the Nigeria Naira with all other variables held constant, total equity for the year would have increased/decreased by EGP 3.9m (2020: 4.3m), mainly as a result of foreign exchange gains/losses and translation reserve on the translation of Naira - denominated financial assets and liabilities as at the financial position of 31 December 2021.

- Price risk

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

- Credit risk

Credit risk is the risk a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and it arises principally from under the Groups receivables. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and financial assets at amortised cost, such as term deposits and treasury bills.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The cash balance and financial assets at amortized cost within the group is held within financial institutions, 86% with a rating of B+ and 7% is rated at least BB.

Trade receivables

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

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered and credit limit is set for each customer. The Group's review includes external ratings, if available, financial

statements, industry information and in some cases bank references. Receivable limits are established for each customer and reviewed quarterly. Any receivable balance exceeding the set limit requires approval from the risk management committee. 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. Any receivables balances over 365 days are fully provided for by the group.

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 cashflows:

31 December 2021	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	211,242	701,084	191,229	1,103,555
Put option liabilities	921,360	35,037	-	956,397
Borrowings	31,107	94,490	-	125,597
Trade and other payables	749,272	-	-	749,272
	1,912,981	830,611	191,229	2,934,821
31 December 2020	1 year or less	1 to 5 years	more than 5 years	Total
Financial obligations	126,999	463,646	131,605	722,250
Put option liabilities	282,267	31,790	-	314,057
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

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

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

6. Segment reporting

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

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

The Group has 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 CODM does not separately review assets and liabilities of the group by reportable segment.

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

For the year ended	Revenue by geographic location					
	Egypt region	Sudan region	Jordan region	Nigeria region	Total	
31-Dec-21	4,108,357	16,644	1,046,107	53,604	5,224,712	
31-Dec-20	2,173,411	37,695	409,069	36,089	2,656,264	
Adjusted EBITDA by geographic location						
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Dual listing fees	Total
31-Dec-21	2,177,160	(500)	331,042	(6,998)	29,033	2,529,737
31-Dec-20	1,041,359	6,100	129,885	(6,826)	-	1,170,518
Impairment loss on trade receivables by geographic location						
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total	
31-Dec-21	21,537	-	1,412	1,707	24,656	
31-Dec-20	38,051	440	3,230	410	42,131	
Net profit and loss by geographic location						
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total	
31-Dec-21	1,309,247	(22,533)	214,588	(8,796)	1,492,506	
31-Dec-20	557,743	7,529	71,043	(26,833)	609,482	

The following additional analysis of performance by service has been provided as it is also reviewed by the CODM:

	Revenue by categories	
	2021 EGP'000	2020 EGP'000
Walk-in	2,162,415	1,119,953
Contract	3,062,297	1,536,311
	5,224,712	2,656,264

	Revenue Analysis Performance	
	2021 EGP'000	2020 EGP'000
Conventional test revenues	2,352,870	1,945,327
Covid-19-related test revenue	2,773,043	649,000
Radiology	98,799	61,937
	5,224,712	2,656,264

	Net profit by type	
	2021 EGP'000	2020 EGP'000
Pathology	1,528,132	645,307
Radiology	(35,626)	(35,826)
	1,492,506	609,482

Pathology profits include profits from conventional tests and Covid 19 tests.

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

	2021 EGP'000	2020 EGP'000
Profit from operations	2,262,060	985,546
Property, plant and equipment and Right of use depreciation	231,443	179,046
Amortization of Intangible assets	7,201	5,926
EBITDA	2,500,704	1,170,518
Nonrecurring items "Dual listing fees"	29,033	-
Adjusted EBITDA	2,529,737	1,170,518

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

For the year ended	Non-current assets by geographic location				
	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-21	2,803,954	7,234	291,880	90,509	3,193,577
31-Dec-20	2,415,220	24,132	263,767	113,941	2,817,060

7. Capital management

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

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

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

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

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

	2021 EGP'000	2020 EGP'000
Financial obligations (note 26)	760,674	459,043
Borrowings	105,693	96,455
Less: Financial assets at amortised cost (note 18)	(1,458,724)	(276,625)
Less: Cash and cash equivalents (Note 17)	(891,451)	(600,130)
Net debt	(1,483,808)	(321,257)
Total Equity	2,794,359	2,426,374
Net debt to equity ratio	-53.1%	-13.2%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

8. Expense

Included in consolidated income statement are the following:

8.1 Cost of sales

	2021 EGP'000	2020 EGP'000
Raw material	962,748	466,679
Cost of specialized analysis at other laboratories	24,086	20,992
Wages and salaries	635,407	390,020
Property, plant and equipment, right of use depreciation and Amortisation	213,919	162,928
Other expenses	584,487	273,069
Total	2,420,647	1,313,688

8.2 Marketing and advertising expenses

	2021 EGP'000	2020 EGP'000
Advertisement expenses	96,745	61,530
Wages and salaries	44,739	30,187
Property, plant and equipment and Amortisation	518	340
Other expenses	21,161	15,158
Total	163,163	107,215

8.3 Administrative expenses

	2021 EGP'000	2020 EGP'000
Wages and salaries	146,929	104,211
Property, plant and equipment and Right of use depreciation	24,207	21,704
Other expenses	198,878	95,959
Total	370,014	221,874

8.4 Expenses by nature

	2021 EGP'000	2020 EGP'000
Raw material	962,748	466,679
Wages and Salaries	827,075	524,419
Property, plant and equipment, right of use depreciation and Amortisation	238,644	184,972
Advertisement expenses	96,745	61,530
Cost of specialized analysis at other laboratories	24,086	20,991
Transportation and shipping	101,239	73,570
cleaning expenses	60,488	50,967
Call Center	33,531	16,822
Hospital Contracts	39,051	19,227
consulting Fees	112,398	47,743
Utilities	28,307	34,891
License Expenses	19,792	15,776
Other expenses	409,720	125,189
Total	2,953,824	1,642,776

8.5 Auditors' remuneration

The group paid or accrued the following amounts to its auditor PWC year 2021 (KPMG 2020) and its associates in respect of the audit of the financial statements and for other services provided to the group

	2021 EGP'000	2020 EGP'000
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	21,759	8,544
The audit of the Company's subsidiaries pursuant to legislation	6,998	4,008
Tax compliance and advisory services	-	55
Assurance services	302	-
	29,059	12,607

8.6 Net finance costs

	2021 EGP'000	2020 EGP'000
Loss on hyperinflationary net monetary position	(6,976)	-
Interest expense	(98,003)	(67,851)
Net foreign exchange loss	(17,912)	(12,580)
Bank Charges	(20,026)	(3,676)
Total finance costs	(142,917)	(84,107)
	2021 EGP'000	2020 EGP'000
Interest income	113,178	53,120
Gain on hyperinflationary net monetary position	-	14,523
Total finance income	113,178	67,643
Net finance cost	(29,739)	(16,464)

8.7 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:

Average number of employees	2021			2020		
	Medical	Administration and market	Total	Medical	Administration and market	Total
	5,364	1,024	6,388	4,813	798	5,611

	2021 EGP'000			2020 EGP'000		
	Medical	Administration	Total	Medical	Administration	Total
Wages and salaries	600,527	183,611	784,138	363,397	127,655	491,052
Social security costs	26,735	6,003	32,738	19,736	5,269	25,005
Contributions to defined contribution plan	8,145	2,054	10,199	6,888	1,473	8,361
Total	635,407	191,668	827,075	390,021	134,397	524,418

Details of Directors' and Key Management remuneration and share incentives are disclosed in the Remuneration Report, the Remuneration Committee Report on note 27.

9. Income tax

a) Amounts recognised in profit or loss

	2021 EGP'000	2020 EGP'000
Current year tax	(579,262)	(268,796)
WHT suffered	(68,737)	(24,470)
Current tax	(647,999)	(293,266)
DT on undistributed reserves	(106,767)	(67,124)
DT on reversal of temporary differences	14,951	790
Total Deferred tax	(91,816)	(66,334)
Tax expense recognized in profit or loss	(739,815)	(359,600)

b) Reconciliation of effective tax rate

The company is considered to be a UK tax resident, and subject to UK taxation. Dividend income into the company is exempt from taxation when received from a wholly controlled subsidiary, and costs incurred by the company are considered unlikely to be recoverable against future UK taxable profits and therefore form part of our unrecognised deferred tax assets. Our judgement on tax residency has been made based on where we hold board meetings, our listing on the London Stock Exchange and interactions with investors, and where our company secretarial function is physically based. Our external company secretarial function manages a number of activities of our parent and its board. During the year and due to the ongoing impact of Covid, although our board meetings are still actively managed through London, directors have largely attended virtually. Our view is our tax residency has not changed, however if it were deemed that the company was no longer a UK tax resident, our assessment is this would not lead to a material change to the taxation payable by the group.

	2021 EGP'000	2020 EGP'000
Profit before tax	2,232,321	969,082
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2020: 22.5%)	502,272	218,044
Effect of tax rate in UK of 19% (2020: Jersey 0%)	3,445	(346)
Effect of tax rates in Cayman, Jordan, Sudan and Nigeria of 0%, 21%, 30% and 30% respectively (2020: 0%, 21%, 30% and 30%)	(6,676)	9,855
Tax effect of:	-	
Recognition of previously unrecognised deferred tax	(24,435)	-
Deferred tax not recognised	28,132	20,454
Deferred tax arising on undistributed dividend	175,504	91,593
Non-deductible expenses for tax purposes - employee profit share	39,419	18,223
Non-deductible expenses for tax purposes - other	22,154	1,777
Tax expense recognised in profit or loss	739,815	359,600

Deferred tax

Deferred tax relates to the following:

	2021		2020
	Assets EGP'000	Liabilities EGP'000	Assets EGP'000
Property, plant and equipment	-	(28,925)	-
Intangible assets	-	(105,358)	-
Undistributed reserves from group subsidiaries*	-	(223,425)	-
Tax Losses	25,559	-	1,360
Total deferred tax assets - liability	25,559	(357,708)	1,360
		(332,149)	(241,693)
			(240,333)

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

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

2021	Net Balance 1 January	Deferred tax recognized in profit or loss	WHT tax paid	Net Balance 31 December
Property, plant and equipment	(18,333)	(10,592)		(28,925)
Intangible assets	(106,702)	1,344		(105,358)
Undistributed dividend from group subsidiaries	(116,658)	(175,504)	68,737	(223,425)
Tax losses	1,360	24,199		25,559
	(240,333)	(160,553)	68,737	(332,149)

2020	Net balance at 1 January	Deferred tax recognised in profit or loss	WHT tax paid	Net balance 31 December
Property, plant and equipment	(17,460)	(873)		(18,333)
Intangible assets	(108,365)	1,663		(106,702)
Undistributed dividend from group subsidiaries	(49,534)	(91,593)	24,469	(116,658)
Tax losses	1,360	-		1,360
	(173,999)	(90,803)	24,469	(240,333)

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 2021 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2020: 22.5%), Jordan 21% (2020: 21%), Sudan 30% (2020: 30%) and Nigeria 30% (2020: 30%).

*** Undistributed reserves from group subsidiaries**

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

	2021 EGP'000	2020 EGP'000
Al Mokhtabar Company for Medical Labs	85,546	58,558
Alborg Laboratory Company	38,545	24,122
Integrated Medical Analysis Company	75,841	22,319
Al Makhbaryoun Al Arab Group	23,493	11,659
	223,425	116,658

Unrecognized deferred tax assets

The following items make up unrecognised deferred tax assets. The local tax law does not permit deductions for provisions against income tax until the provision becomes realised. No deferred tax asset has been recognised on tax

losses for both Echo-Scan Nigeria and Wayak Egypt due to the uncertainty of the available future taxable profit, which the Group can use the benefits therefrom.

	2021 Gross Amount EGP'000	2021 Tax Effect EGP'000	2020 Gross Amount EGP'000	2020 Tax Effect EGP'000
Impairment of trade receivables (Note 16)	101,183	22,766	77,727	17,489
Impairment of other receivables (Note 16)	8,585	1,932	8,509	1,915
Provision for legal claims (Note 21)	4,088	920	3,134	705
Tax losses*	320,391	78,142	107,341	29,736
	434,247	103,760	196,711	49,845
Unrecognized deferred tax asset		103,760		49,845

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

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

Company	Country	2021 Gross Amount EGP'000	2021 Tax Effect EGP'000	2020 Gross Amount EGP'000	2020 Tax Effect EGP'000
Integrated Diagnostics Holdings plc	Jersey	271,689	67,922	-	-
Dynasty Group Holdings Limited	England and Wales	13,446	2,555	12,371	2,350
Eagle Eye-Echo Scan Limited	Mauritius	3,556	533	1,222	183
Echo-Scan	Nigeria	-	-	81,450	24,435
WAYAK Pharma	Egypt	16,269	3,660	8,503	1,913
Medical Genetic Center	Egypt	6,421	1,445	3,795	854
Golden care	Egypt	9,010	2,027	-	-
		320,391	78,142	107,341	29,736

10. Earnings per share (EPS)

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

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

	2021 EGP'000	2020 EGP'000
Profit attributable to ordinary equity holders of the parent for basic earnings	1,412,609	594,015
Weighted average number of ordinary shares for basic and dilutive EPS	600,000	600,000
Basic and dilutive earnings per share	2.35	0.99

Earnings per diluted share are calculated by adjusting the weighted average number of shares by the effects resulting from all the ordinary potential shares that causes this dilution.

The Company has no potential diluted shares as of the 31 December 2021 and 31 December 2020, therefore; the earnings per diluted share are equivalent to basic earnings per share.

11. Property, plant and equipment

	Land & Buildings EGP'000	Medical, & electric equipment EGP'000	Leasehold improvements EGP'000	Fixtures, fittings & vehicles EGP'000	Building & Leasehold improvements in construction EGP'000	Payment on account EGP'000	Total EGP'000
Cost							
At 1 January 2020	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
Additions*	51,357	285,848	75,993	25,630	4,016	1,338	444,182
Hyper inflation	-	(8,740)	-	-	-	-	(8,740)
Disposals	(2,471)	(8,042)	(1,092)	(1,567)	-	-	(13,172)
Exchange differences	(348)	(10,135)	(2,317)	(1,358)	(1,141)	-	(15,299)
Transfers	-	-	8,146	-	(8,146)	-	-
At 31 December 2021	380,883	824,628	335,203	95,966	15,937	6,761	1,659,378
Depreciation and impairment							
At 1 January 2020	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
Depreciation charge for the year	5,797	97,386	40,569	8,074	-	-	151,826
Disposals	-	(4,522)	(916)	(1,185)	-	-	(6,623)
Exchange differences	(31)	(4,987)	(935)	(1,074)	-	-	(7,027)
At 31 December 2021	53,490	333,806	177,230	33,044	-	-	597,570
Net book value							
At 31-12-2021	327,393	490,822	157,973	62,922	15,937	6,761	1,061,808
At 31-12-2020	284,621	319,768	115,961	46,032	21,208	5,423	793,013

*During year 2021 the additions include EGP 154m related to Alborg Scan branches, EGP 79.3m related to medical equipment and new branch Capital Business EGP 48.7m. This amount does not Include any capitalised borrowing costs and is ready to use.

12. Intangible assets and goodwill

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2020	1,264,086	384,414	59,558	1,708,058
Additions	-	-	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
Additions	-	-	10,354	10,354
Effect of movements in exchange rates	(843)	(13)	(117)	(973)
At 31 December 2021	1,260,965	383,909	77,394	1,722,268
Amortisation and impairment				
At 1 January 2020	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
Impairment*	341	47	-	388
Amortisation	-	-	7,201	7,201
Effect of movements in exchange rates	2,362	325	(7)	2,680
At 31 December 2021	4,552	372	58,477	63,401
Net book value				
At 31 December 2021	1,256,413	383,537	18,917	1,658,867
At 31 December 2020	1,259,959	383,922	15,874	1,659,755

* The impairment amount in goodwill and brand name related to Ultra lab company in Sudan has full impaired in impairment study due to the severe devaluation of SDG currency.

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

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

	2021 EGP'000	2020 EGP'000
Medical Genetics Center		
Goodwill	1,755	1,755
	1,755	1,755
Al Makhbaryoun Al Arab Group ("Biolab")		
Goodwill	46,145	46,174
Brand name	20,153	20,165
	66,298	66,339
Golden Care for Medical Services ("Ultralab")		
Goodwill	-	2,703
Brand name	-	372
	-	3,075
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	12,136	12,950
	12,136	12,950
Balance at 31 December	1,639,950	1,643,881

The Group performed its annual impairment test in October 2021. 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 worked with Alpha Capital, management's expert, to prepare an impairment assessments 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 2021				
	Ultra Lab	Bio Lab	Al-Mokhtabar	Al-Borg	Echo-Scan
Average annual patient growth rate from 2022 -2026	4%	0.2%	-0.1%	2%	26%
Average annual price per test growth rate from 2022 -2026	49%	-7%	-2%	3%	7%
Annual revenue growth rate from 2022 -2026	56%	-5%	0.4%	6%	40%
Average gross margin from 2022 -2026	35%	38%	52%	48%	39%
Terminal value growth rate from 1 January 2027	3%	3%	5%	5%	3%
Discount rate	40.6%	14.8%	20.19%	20.4%	21.7%

	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%

Management have compared the recoverable amount of CGUs to the carrying value of CGUs. The recoverable amount is the higher of value in use and fair value less costs of disposal. In the exercise performed and the assumptions noted above the value in use was noted to be higher than the fair value less costs of disposal.

During year 2021, The management has conducted business plan projection with the help of a management's expert, (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 2022- 2026 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.

As a sensitivity analysis, Management considered a change in the discount rates of 2% increase to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This has not result to an impairment under any of the CGUs.

Management has also considered a change in the terminal growth rate by 1% decrease to reflect additional risk, which did not result in any impairment under any of the CGUs.

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

The headroom between the carrying value and value in use as follows:

Company	Value in use EGP'000	CGU carrying value EGP'000	Headroom
Almokhtabar	3,373,147	1,161,565	2,211,582
Alborg	2,727,434	1,007,779	1,719,655
Bio Lab	572,968	152,963	420,005
Echo Scan	233,476	44,190	189,286

14. Financial asset at fair value through profit and loss

	2021 EGP'000	2020 EGP'000
Equity investment*	10,470	9,604
Balance at 31 December	10,470	9,604

- * On August 17, 2017, Almakhabariyoun AL Arab (seller) has signed IT purchase Agreement with JSC Mega Lab (Buyer) to transfer and install the Laboratory Information Management System (LIMS) for a purchase price amounted to USD 400 000, which will be in the form of 10% equity stake in JSC Mega Lab. In case the valuation of the project is less or more than USD 4,000,000, the seller stake will be adjusted accordingly, in a way that the seller equity stake shall not fall below 5% of JSC Mega Lab.
- ownership percentage in JSC Mega Lab at the transaction date on April 8, 2019, and as of December 31, 2021, was 8.25%.
 - On April 8, 2019, Al Mokhabariyoun Al Arab (Biolab) has signed a Shareholder Agreement with JSC Mega Lab and JSC Georgia Healthcare Group (CHG), whereas, BioLab Shall have a put option, exercisable within 12 months immediately after the expiration of five(5) year period from the signing date, which allows BioLab stake to be bought out by CHG at a price of the equity value of BioLab Shares/total stake (being USD 400,000.00) plus 15% annual IRR (including preceding 5 Financial years). After the expiration of above 12 months from the date of the put option period expiration, which allows CHG to purchase Biolab's all shares at a price of equity value of Biolab's stake (having value of USD 400,000) plus higher of 20% annual IRR or 6X EV/EBITDA (of the financial year immediately preceding the call option exercise date. In case the Management Agreement or the Purchase Agreement and/or the SLA is terminated/cancelled within 6 months period from the date of such termination/cancellation, CHG shall have a call option, which allows the CHG to purchase Biolab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,000.00) plus 205 annual IRR. If JCI accreditation is not obtained, immediately after the expiration of the additional 12 months period of the CHG shall have a call option (the Accreditation Call option), exercisable within 6 months period, which allows CHG to purchase BioLab's all Shares at a price of the equity value of BioLab's stake in JSC Mega Lab (having value of USD 400,00.00) plus 20% annual IRR.

15. Inventories

	2021 EGP'000	2020 EGP'000
Chemicals and operating supplies	222,612	100,115
	222,612	100,115

During 2021, EGP 962,748k (2020: EGP 466,679k) was recognised as an expense for inventories, this was recognised in cost of sales. The major balance of the raw material is represented in the Kits, slow-moving items of those Kits are immaterial. It is noted that day's inventory outstanding (based on the average of opening and closing inventory) stands as 61 days at 31 Dec 2021.

No impairment of inventory during the year 2021.

16. Trade and other receivables

	2021 EGP'000	2020 EGP'000
Trade receivables – net	371,051	325,770
Prepayments	22,647	19,363
Due from related parties note (27)	5,237	2,910
Other receivables	67,974	34,431
Accrued revenue	2,818	1,006
	469,727	383,480

As at 31 December 2021, the expected credit loss related to trade and other receivables was EGP 109,768K (2020: EGP 86,237k). Below show the movements in the provision for impairment of trade and other receivables:

	2021 EGP'000	2020 EGP'000
At 1 January	86,237	44,528
Charge for the year	24,656	42,131
Utilised	-	(3,629)
Unused amounts reversed	(32)	(837)
Exchange differences	(1,093)	4,044
At 31 December	109,768	86,237

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, an additional provision was calculated for the year, yielding an additional Expected Credit Losses (ECL) for IDH Group amounting to EGP 24 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.

Balances overdue by at least one year are fully provided for.

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 101,183K (31 December 2020: EGP 77,727K)

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 4,347K. 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 from individual customers For the nine segments at:

	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
31-Dec-21			
Current (not past due)	0.00%	151,592	-
1–30 days past due	1.79%	85,764	(1,532)
31–60 days past due	5.25%	74,505	(3,911)
61–90 days past due	5.89%	31,028	(1,828)
91–120 days past due	9.06%	17,469	(1,582)
121–150 days past due	18.45%	8,576	(1,582)
More than 150 -365days past due	87.89%	103,300	(90,748)
	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
31-Dec-20			
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 150-365 days past due	89.98%	72,350	(65,103)

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

	Total	< 30 days	30-60 days	61-90 days	> 90 days
2021	371,051	235,824	70,594	29,200	35,433
2020	325,770	248,248	43,250	14,964	19,308

17. Cash and cash equivalents

	2021	2020
Cash at banks and on hand	261,430	253,225
Treasury bills (less than 90 days)	150,431	184,525
Term deposits (less than 90 days)	479,590	162,380
	891,451	600,130

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 7.75% (2020: 7%) and Treasury bills 12.44% (2020: 10%) per annum.

18. Financial assets at amortised cost

	2021 EGP'000	2020 EGP'000
Term deposits (more than 90 days)	148,136	-
Treasury bills (more than 90 days)	1,310,588	276,625
	1,458,724	276,625

The maturity date of the fixed term deposit and treasury bills is between 3–12 months and the effective interest rate on the treasury bills is 12.44% (2020: 10%) and deposits is 7.75%.

19. Share capital and reserves

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

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

	Ordinary shares 31-Dec-21	Ordinary shares 31-Dec-20
In issue at beginning of the year	600,000,000	150,000,000
In issue at the end of the year	600,000,000	600,000,000*

Ordinary share capital Name	Number of shares	% of contribution	Par value USD
Hena Holdings Limited	152,982,356	25.50%	38,245,589
Actis IDH B V	126,000,000	21.00%	31,500,000
Free floating	321,017,644	53.50%	80,254,411
	600,000,000	100%	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 form a legal reserve. The transfer to legal reserve ceases once this reserve reaches 50% of the entity's issued capital. If the reserve falls below the defined level, then the entity is required to resume forming it by setting aside 5% of the annual net profits until it reaches 50% of the issued share capital.

Put option reserve

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

Translation reserve

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

20. Distributions made and proposed

	2021 EGP'000	2020 EGP'000
Cash dividends on ordinary shares declared and paid:		
US\$ 0.0485 per qualifying ordinary share (2020: US\$ 0.19)	455,182	441,855
	455,182	441,855
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):		
EGP 2.17 per share (2020: \$0.049) per share	1,300,000	455,831
	1,300,000	455,831

21. Provisions

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2021	191	3,217	3,408
Provision made during the year	-	2,146	2,146
Provision used during the year	-	(993)	(993)
Provision reversed during the year	(191)	(282)	(473)
At 31 December 2021	-	4,088	4,088
Current			
Non- Current	-	4,088	4,088

	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	-	(19)	(19)
At 31 December 2020	191	3,217	3,408
Non- Current	191	3,217	3,408

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 2021.

In addition to the provisions for legal claims recognised, there is also an Arbitration Claim that has been made and includes the Company as a respondent. No provision is recognised for this claim, as the Group believes it will succeed in this matter as demonstrated by previous claims by the claimant that have been successfully defended.

22. Trade and other payables

	2021 EGP'000	2020 EGP'000
Trade payables	311,321	177,603
Accrued expenses	325,677	151,201
Due to related parties note (27)	13,234	439
Other payables	99,040	50,959
Deferred revenue	24,603	-
Accrued finance cost	3,479	3,421
	777,354	383,623

23. Current put option liability

	2021 EGP'000	2020 EGP'000
Put option – Biolab Jordan	921,360	282,267
	921,360	282,267

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

The options is calculated at seven times EBITDA of the last 12 months – Net Debt and exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2021. It is important to note that the put option liability is treated as current as it could be exercised at any time by the NCI. However, based on discussions and ongoing business relationship, there is no expectation that this will happen in next 18 months. The option has no expiry date.

24. Loan and borrowings

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	31 Dec 21	31 Dec 20
A) CIB – BANK	EGP	Secured rate 9.5%	5 April 2022	13,238	38,654
B) AUB – BANK	EGP	CBE corridor rate*+1%	26 April 2026	84,828	54,379
-				98,066	93,033
<u>Amount held as:</u>					
Current liability				21,721	25,416
Non- current liability				76,345	67,617
				98,066	93,033

A) In April 2017 AL-Mokhtabar for medical lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 110m from Commercial International Bank “CIB Egypt” to finance the purchase of the new administrative building for the group. Starting May 2021, the loan has been secured through restricted time deposits.

B) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli United Bank “AUB Egypt” to finance the investment cost related to the expansion into the radiology segment. As at 31 December 2021 only EGP 84.8m 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 (cash and cash equivalent) divided by total financial payments.

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

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

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

“**Current ratios**”: Current assets divided current liabilities.

*As at 31 December 2021 corridor rate 9.25% (2020: 9.25%)

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

The group signed two agreements of debt facilities. The debt package includes the US\$ 45.0 million facilities secured an 8-year period starting May 2021 from International Finance Corporation (IFC), and an additional US\$ 15.0 million IFC syndicated facility from Mashreq Bank in Dec 2021 debt has not been withdrawn by IDH.

25. Non-current put option liability

	2021 EGP'000	2020 EGP'000
Put option liability*	35,037	31,790
	35,037	31,790

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

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 35 million was calculated as the valuation as at 31 December 2021 (2020; EGP 32m). 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 Lagos and the following years yielding a Compounded Annual Growth Rate of 40% from 2022 to 2025.

26. Financial obligations

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

Adding to remaining agreement signed in 2015, to service the Group's state-of-the-art Mega Lab. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. The finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The averaged implicit interest rate of finance obligation has been estimated to be 9.85%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment.

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

a) Right-of-use assets

	Buildings 2021 EGP'000	Buildings 2020 EGP'000
Balance at 1 January	354,688	264,763
Addition for the year	198,402	152,030
Depreciation charge for the year	(79,617)	(60,803)
Terminated Contracts	(7,643)	(1,302)
Exchange differences	(3,398)	-
Balance at 31 December	462,432	354,688

b) Other Financial obligations

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

	2021 EGP'000	2020 EGP'000
*Financial liability– laboratory equipment	228,870	69,123
*Lease liabilities building	531,804	389,920
	760,674	459,043

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

	Minimum payments 2021 EGP'000	Interest 2021 EGP'000	Principal 2021 EGP'000
At 31 December 2021			
Less than one year	211,242	95,764	115,478
Between one and five years	701,084	227,314	473,770
More than 5 years	191,229	19,803	171,426
	1,103,555	342,881	760,674
	Minimum payments 2020 EGP'000	Interest 2020 EGP'000	Principal 2020 EGP'000
At 31 December 2020			
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	20,415	111,190
	722,250	263,208	459,042

c) Amounts other financial obligations recognised in consolidated income statement

	2021 EGP'000	2020 EGP'000
Interest on lease liabilities	68,352	58,864
Expenses related to short-term lease	18,875	13,771

27. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2021 and 2020 are as follows:

Related Party	Nature of transaction	Nature of relationship	2021	
			Transaction amount of the year EGP'000	Amount due from / (to) EGP'000
ALborg Scan (S.A.E)*	Expenses paid on behalf	Affiliate	1	351
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	-	1,767
H.C Security	Provide service	Entity owned by Company's board member	(243)	(319)
Life Health Care	Provide service	Entity owned by Company's CEO	(11,232)	2,094
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	(639,093)	(921,360)
International Finance corporation (IFC)	Put option liability	Eagle Eye – Echo Scan limited shareholder	(3,247)	(35,037)
International Finance corporation (IFC)	Current account	Eagle Eye – Echo Scan limited shareholder	(12,915)	(12,915)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	(298)	1,025
	Medical Test analysis		530	
Total				(964,394)

Related Party	Nature of transaction	Nature of relationship	2020	
			Transaction amount of the year EGP'000	Amount due from EGP'000
ALborg 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	Eagle Eye – Echo Scan limited shareholder	(1,757)	(31,790)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	-	793
	Medical Test analysis		588	
Total				(311,586)

* ALborg Scan is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).

** International Fertility (IVF) is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).

Chief Executive Officer Dr. Hend El-Sherbini and her mother, Dr. Moamena Kamel jointly hold the 25.5% of shares held by Hena Holdings Limited, Hena Holdings Limited is a related party and received dividends of USD 7,419,644 in year 2021 and USD 7,151,925 received in year 2020.

Terms and conditions of transactions with related parties

The transactions with the related parties are made on terms equivalent to those that prevail in 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 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020: 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 2021 EGP 9,578 K (2020: EGP 6,510K) was paid to the foundation by the IDH Group.

Compensation of key management personnel of the Group

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

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

	2021 EGP'000	2020 EGP'000
Short-term employee benefits	55,082	51,556
Total compensation paid to key management personnel	55,082	51,556

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

EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2021	96,455	459,043
Proceeds from loans and borrowings	30,450	-
Repayment of borrowings	(25,416)	-
Payment of liabilities	-	(59,610)
Interest paid	(25,446)	(68,354)
Total changes from financing cash flows	(20,412)	(127,964)
New agreements signed in the period	-	367,533
Terminated contracts during the year	-	(6,292)
Interest expense	29,651	68,353
Total liability-related other changes	29,651	429,594

Balance at 31 December 2021	105,694	760,673
EGP'000	Other loans and borrowings	Other financial obligation
Balance at 1 January 2020	111,750	338,073
Proceeds from loans and borrowings	11,727	-
Repayment of borrowings	(25,416)	-
Payment of liabilities	-	(42,746)
Interest paid	(14,160)	(59,576)
Total changes from financing cash flows	(27,849)	(102,321)
New agreements signed in the period	-	166,339
Terminated contracts during the year	-	(1,912)
Interest expense	12,554	58,864
Total Liability – related other changes	12,554	223,291
Balance as at 31 December 2020	96,455	459,043

29. Current tax liabilities

	2021	2020
	EGP'000	EGP'000
Debit withholding Tax (Deduct by customers from sales invoices)	(34,166)	(37,282)
Income Tax	521,929	281,777
Credit withholding Tax (Deduct from vendors invoices)	17,922	9,672
Other	7,319	3,373
	513,004	257,540

30. Post Balance Sheet Events

On the 20th of December 2021, Integrated Diagnostics Holdings Plc announced the signing of a sale and purchase agreement (the “SPA”) to acquire 50% shareholding in Base Consultancy FZ LLC, the holding company of Islamabad Diagnostic Centre Limited (“IDC”), from the Evercare Group, an emerging markets healthcare delivery platform managed by TPG for a total consideration of US\$ 72.35 million. The transaction, which is subject to the satisfaction of a number of key conditions precedent including, but not limited to, the receipt of regulatory approval from the Competition Commission of Pakistan, will see IDH acquire a stake in one of Pakistan’s leading diagnostic providers and partner with the founder Dr Rizwan Uppal. IDC will be fully consolidated on IDH’s accounts following the completion of the transaction and transfer of funds to the Evercare Group. The transaction is expected to close in the first half of 2022. IDH plans to finance the transaction through a combination of existing cash and committed debt facilities. The debt package includes the US\$ 45.0 million facility secured an 8-year period starting May 2021 from International Finance Corporation (IFC), and an additional US\$ 15.0 million IFC syndicated facility from Mashreq Bank.

On 21 March 2022, the Central Bank raised policy rates by 100bps and allowed the Egyptian Pound to devalue by more than 17% against the US Dollar which is expected to impose Inflationary pressures in the short to medium term. Inflation rates are expected to average around 13% to 15% during 2022, up from 5.9% in December 2021. Moreover, GDP growth in FY22/23 was revised downward to 5.5% from 5.7% by the Egyptian government in March 2022. The Group is closely monitoring the situation and the impact that may arise.

31. 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 24m to EGP 54m could become payable, however this is not considered probable.