

Integrated Diagnostics Holdings Plc
1H 2021 Results

Thursday, 2 September 2021

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

(London) Integrated Diagnostics Holdings (“IDH,” “the Group,” or “the Company”), a leading consumer healthcare company with operations in Egypt, Jordan, Sudan and Nigeria, released today its reviewed financial statements and operational performance for the first half of 2021, recording revenue of EGP 2,293 million, up 141% versus the comparable period of last year. Normalised EBITDA¹ recorded EGP 1,203 million in 1H 2021, representing a 227% year-on-year increase, while net profit expanded 283% year-on-year to reach EGP 668 million for the period. In the second quarter of 2021, revenues reached a new record-high of EGP 1,164 million, up 3% from an already impressive first quarter of the year, with net profit recording EGP 327 million and an associated margin of 28%.

Financial Results

EGP mn	1H 2020	1H 2021	Change
Revenues	950	2,293	141%
Cost of Sales	(503)	(988)	96%
Gross Profit	446	1,305	193%
<i>Gross Profit Margin</i>	47%	57%	9.9 pts
Operating Profit ²	277	1,094	291%
Normalised EBITDA	367	1,203	227%
<i>EBITDA Margin</i>	39%	52%	13.8 pts
Net Profit	175	668	283%
<i>Net Profit Margin</i>	18%	29%	10.8 pts
Cash Balance	719	1,587*	121%

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

Key Operational Indicators

	1H 2020	1H 2021	change
Branches	462	495	33
Patients ('000)	2,890	4,673	62%
Revenue per Patient (EGP)	329	491	49%
Tests ('000)	11,234	16,318	45%
Revenue per Test (EGP)	85	141	66%
Test per Patient	3.9	3.5	-10%

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

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

Introduction

i. Financial Highlights

- **Revenue** recorded EGP 2,293 million in 1H 2021, up a remarkable 141% versus the comparable period of last year supported by both IDH's Covid-19-related³ tests and a sustained recovery in the Group's conventional test offering. Top-line growth for the first half of 2021 was dual-driven, as tests performed and average price per test posted year-on-year expansions of 45% and 66%, respectively. Covid-19-related tests contributed to 48% of IDH's top-line during the first six months of the year compared to the 9% contribution made during 1H 2020. Excluding Covid-19-related tests, the Group witnessed a 38% year-on-year expansion in revenue generated from its conventional test offering. The year-to-date performance was buoyed by an impressive second quarter, which saw IDH build on the strong momentum from the start of the year to record revenues of EGP 1,164 million for 2Q 2021, up 159% versus 2Q 2020 and 3% from 1Q 2021.
- Consolidated revenues continued to be supported by the Group's **house call service** in Egypt and Jordan, which in 1H 2021 contributed to 23% of total revenue versus the 18% contribution made this time last year. Through its house call service, IDH served more than 646,000 patients in 1H 2021 (up 88% versus 1H 2020), performing more than 3.4 million tests (up 49% versus 1H 2020). Leveraging an expanded reach, IDH was able to carry out an average of 3,600 house call visits per day in 1H 2021, up significantly from the 1,900 visits per day performed in 1H 2020.
- **Gross Profit** grew by 193% year-on-year in 1H 2021 to record EGP 1,305 million with an associated margin of 57% versus 47% in the same period last year. Improved gross profitability came on the back of strong top-line growth and the subsequent dilution of fixed costs for the period such as direct salaries and wages and other expenses. Gross profit for the second quarter of 2021 recorded EGP 667 million, up 4% from the previous quarter and with a gross margin of 57%.
- **Operating Profit** recorded EGP 1,094 million, a 295% year-on-year expansion, with an associated margin of 48% versus 29% last year. The remarkable growth in operating profit was supported by strong gross profitability, the dilution of SG&A outlays for the period due to their relatively fixed nature, and a normalisation of provisions booked in 1H 2021, which recorded EGP 10 million versus EGP 28 million in 1H 2020 to account for expected credit losses in accordance with IFRS 9.
- **Normalised EBITDA**⁴ reached EGP 1,203 million in 1H 2021, an increase of 227% from the comparable period of last year. EBITDA margin expanded to 52% for the period versus 39% in 1H 2020. Solid improvements in EBITDA profitability were driven by strong top-line growth in 1H 2021 and the subsequent dilution of IDH's fixed costs for the period. On a quarterly basis, normalised EBITDA recorded EGP 603 million, up 267% year-on-year and largely in line with last quarter's figure. Normalised EBITDA margin stood at 52% for the quarter, down from the 53% margin recorded in 1Q 2021 as IDH booked higher accounting fees (related to the EGX requirement to publish quarterly reviewed financial statements) and additional bonus payments to senior management during 2Q 2021.
- **Net Profit** expanded 283% year-on-year to record EGP 668 million in 1H 2021, with a net profit margin of 29% versus 18% in 1H 2020. Net profit growth was supported by strong EBITDA level profitability and comes despite IDH booking EGP 29 million in one-off fees related to the Company's dual-listing in May 2021. In 2Q 2021, net profit stood at EGP 327 million with an associated margin of 28%.

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

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

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

ii. Operational Highlights

- IDH's **branch network** stood at 495 branches as of 30 June 2021, up from 462 branches and 481 branches as of 30 June 2020 and 31 December 2020, respectively.
- **Total tests** performed recorded 16.3 million in 1H 2021, up 45% year-on-year. Higher test volumes were supported by both IDH's Covid-19-related⁵ test offering as well as a sustained recovery in the Group's conventional test offering, with the latter up 29% versus the first six months of 2020. In 2Q 2021, IDH performed 8.3 million tests, up 2% from the previous quarter as IDH performed both more Covid-19-related and conventional tests during the second quarter of the year compared to the previous quarter. The quarter-on-quarter expansion is particularly noteworthy as the second quarter included the expected slowdown related to the holy month of Ramadan and Eid vacation.
- **Average revenue per test** expanded 66% year-on-year to EGP 141 in 1H 2021. Controlling for the generally higher value Covid-19-related⁵ tests, average revenue per test would have increased 7% versus last year.
- **Total patients** served reached 4.7 million in 1H 2021, a 62% year-on-year increase. Meanwhile, **average test per patient** declined to 3.5 in 1H 2021 from 3.9 last year as an increasing number of patients visit the Group's labs for single Covid-19 tests (PCR, Antigen and Antibody).
- Revenue generated by IDH's **Egyptian** operations expanded 140% year-on-year on the back of solid growth across both test and patient volumes. On a service basis, top-line growth was supported by both Covid-19-related⁴ and conventional tests, and was further bolstered by the Group's house call service which in 1H 2021 made up 25% of Egypt's top-line versus 20% last year. Excluding Covid-19-related contributions in 1H 2021, conventional tests performed and revenue generated in Egypt expanded 29% and 38% year-on-year, respectively.
- **Al-Borg Scan** recorded revenue of EGP 20 million in 1H 2021, an increase of 124% compared to last year. The number of radiology tests performed during the first six months of 2021 reached 34,297, more than double the tests performed last year.
- **Wayak** turned EBITDA positive during 2Q 2021 on the back of growing revenue and optimised overhead costs. On a year-to-date basis, Wayak's revenue nearly tripled versus last year to reach EGP 4.3 million in 1H2021 supported by a growing customer base.
- In **Jordan**, revenue increased 176% year-on-year on the back of strong volume growth for the period. Top-line growth was supported by Biolab's Covid-19-related test offering coupled with solid growth in its conventional test offering, with the latter having made a full recovery from last year's slowdown. In fact, excluding Covid-19-related tests, the number of tests performed and revenue generated would have increased 43% and 41%, respectively.
- In August, **Biolab** was selected as the preferred bidder to operate testing stations in Amman's Queen Alia International Airport (QAIA). This landmark partnership will allow IDH to continue playing a frontline role in the fight against Covid-19, while helping to further expand Biolab's volumes and revenue in the coming period.
- In **Nigeria**, revenues continued their steady expansion, growing 68% year-on-year (76% in NGN terms) in 1H 2021 supported by a 47% increase in tests performed versus last year.

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

iii. Management Commentary

Commenting on the Group's performance for the six-month period, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "Halfway through 2021, I am delighted with the Group's operational and financial performance, which has seen us continue to build on an impressive start to the year to deliver another set of record-breaking results. Our revenues expanded an impressive 141% versus last year on the back of growing patient and test volumes, improved pricing and an increasingly optimised service mix. While top-line growth continued to be bolstered by our Covid-19-related⁶ tests, I am happy to report that we have continued to witness robust growth in our conventional test offering for the second quarter in a row, signalling a sustained recovery which we expect to continue even as Covid-19-related volumes begin to taper off. It is particularly important to highlight that the Group's conventional test volumes in 1H 2021 surpassed pre-Covid-19 levels, coming in 4% higher than test volumes recorded in the same six months of 2019 after adjusting for the impact of the 100 Million Healthy Lives Campaign⁷. This is further evidence of the robust underlying demand for high quality diagnostic services present across our markets of operation, and of our continued ability to service this growing market."

"On a regional front, both our Egyptian and Jordanian operations continued to report strong revenue growth supported by our conventional and Covid-19-related service offering. Similar to the trend witnessed at the consolidated level, across both geographies we recorded robust growth in our conventional test portfolio supported by a widespread recovery of economic activity coupled with our multi-pronged efforts aimed at stimulating demand across the entirety of our service roster. Top-line growth in both countries was further buoyed by our home call services which continue to grow in popularity especially in our home market of Egypt, where tests performed directly in patient homes made up 25% of the country's top-line in the first half of 2021. Our ability to effectively ramp up the service in step with growing demand is enabling us to perform up to five thousand house visits per day, helping us to tap into new segments of the population while boosting our tests per patient as patients enjoy the added comfort of having the tests administered in their own homes. House call services represent an important driver of future growth for the Company well beyond the end of the Covid-19 crisis, and as such we are continuing our efforts to expand and further streamline the service. In parallel, we are also seeing growing contributions coming from our radiology venture, Al-Borg Scan, which recorded year-on-year revenue growth of 124% as tests performed more than doubled in the first half of the year. To capitalise on the attractive growth opportunities offered by the segment, we are currently aiming to launch at least three new Al-Borg Scan branches over the coming twelve months. Looking ahead, we expect to continue recording growing contributions to consolidated revenue and profitability as Al-Borg Scan's operations ramp up further."

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

"Further down the income statement, we reported impressive margin expansions at all levels of profitability supported by strong top-line and the subsequent dilution of IDH's fixed costs. Additionally, starting in the second

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

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

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

"Heading into the second half of the year, our strategic priorities remain unchanged as we aim to capitalise on the positive momentum witnessed across both our operations and the wider macroeconomic context. In the short-term we will continue to assist governments in Egypt and Jordan in their fight against the Covid-19 pandemic providing our full roster of Covid-19-related services across both our branches and through our expanded house call service. On this front, I am very happy with our efforts to secure multiple new partnerships over the last few months to offer PCR testing to travellers in both Egypt and Jordan. Most importantly, I am pleased to note that Biolab, our Jordanian subsidiary, has been selected as the preferred bidder by Airport International Group (AIG), the operator of Amman's Queen Alia International Airport, to carry out PCR testing for passengers arriving in Jordan. As part of the agreement, Biolab will also offer rapid PCR testing for Covid-19 to departing passengers who were not able to do a PCR test prior to reaching the airport. Through this landmark partnership, we will be able to continue playing a frontline role in the fight against the Covid-19 virus in Jordan while further expanding our reach and patient base in the country. In parallel, we are looking to sign additional strategic deals with international air carriers to perform PCR tests for passengers similar to our existing agreements with National Air Services (NAS) and Pure Health UAE which see us conduct PCR testing for passengers flying from Egypt to Kuwait and the UAE. Our ability to secure such partnerships is proof positive of the strong reputation enjoyed by IDH both locally and internationally, and further strengthens our offering for international travellers which currently sees the Company offer internationally-accredited PCR tests to travellers within and outside the MENA region. Meanwhile, we are working tirelessly to deliver on our post-Covid-19 growth strategy which will see us leverage our expanded patient base, branch network, and service offering to drive new sustainable growth in the years to come. To this end, in the first six months of the year we successfully added 14 new branches in our home market of Egypt, keeping us on track to meet our goal of 30 to 35 new lab rollouts for 2021 and helping us to further cement our leadership position in the country's private sector diagnostics market. In parallel, we continue to assess potential growth opportunities across new African, Middle Eastern, and Asian markets, and have secured a USD 45 million loan from the International Finance Corporation (IFC) to finance our growth plans in the coming period."

"In light of our half-year results and the encouraging recovery witnessed across our markets, I am confident that the Group is on track to deliver a record-breaking performance in 2021, with year-on-year revenue growth surpassing the 70% mark and a normalised EBITDA⁸ margin of 47% to 49%. We expect our full-year performance to be supported by both our conventional test offering, which in 1H 2021 continued to witness a robust rebound, coupled with continued strong demand for our Covid-19-related portfolio. Moreover, with Egypt expected to record a new wave of infections later this year, we could see greater than forecasted demand for our Covid-19-related offering in the second half of 2021, with the segment potentially pushing consolidated top-line growth into the 80% range, with an EBITDA margin of around 50%."

– End –

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

Analyst and Investor Call Details

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

Web conference access details

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

- Dial-in Number: 820 8840 0136
- Confirmation Number: 131242

Regular dial-in details

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

UK dial-in number: +44 208 080 6592

Meeting ID: 820 8840 0136

Password: 131242

For more information about the event, please contact: nancy.fahmy@idhcorp.com

About Integrated Diagnostics Holdings (IDH)

IDH is a leading consumer healthcare company in the Middle East and Africa with operations in Egypt, Jordan, Sudan and Nigeria. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 2,000 diagnostics tests. From its base of 495 branches as of 30 June 2021, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA).

Shareholder Information

LSE: IDHC.L

EGX: IDHC.CA

Bloomberg: IDHC:LN

Listed on LSE: May 2015

Listed on EGX: May 2021

Shares Outstanding: 600 million

Contact

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Forward-Looking Statements

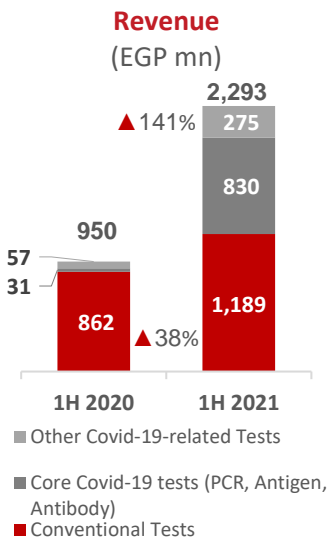
These results for the six-month period ended 30 June 2021 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

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

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

Group Operational & Financial Review

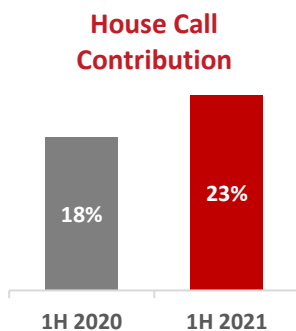
i. Revenue and Cost Analysis



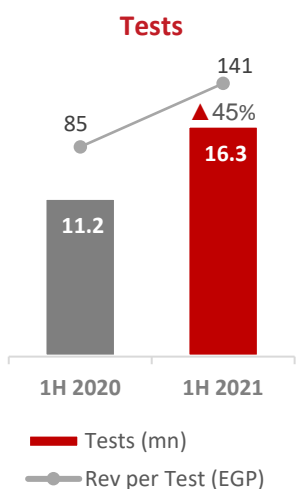
Revenue

IDH reported revenue of EGP 2,293 million in 1H 2021, up an impressive 141% from the comparable period of last year driven by both its Covid-19-related⁹ tests and a sustained recovery in the Group’s conventional test offering. Year-on-year top-line growth continued to be dually-driven as tests performed in 1H 2021 expanded 45% versus last year and average revenue per test increased 66% compared to the same six months of 2020. Although strong and rising demand for IDH’s Covid-19-related test offering saw it make up nearly half of IDH’s consolidated top-line (48% in 1H 2021 vs 9% in 1H 2020), the Group’s conventional test offering also recorded robust year-on-year growth of 38% of the period. Growth in conventional business came on the back of a 29% increase in tests performed and a 7% rise in average revenue per conventional test.

Looking at the Group’s Covid-19-related offering in more detail, revenues generated from core Covid-19 tests (PCR, Antigen and Antibody) amounted to EGP 830 million in 1H 2021, making up 36% of consolidated top-line for the period. In parallel, revenue generated by IDH’s other Covid-19-related tests reached EGP 275 million in 1H 2021.

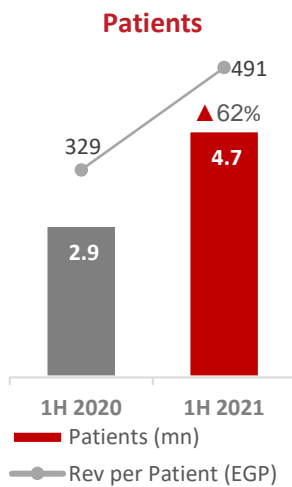


IDH’s consolidated top-line was also supported by its ramped-up house call service in Egypt and Jordan, which contributed to 23% to consolidated revenue for 1H 2021 compared to 18% in 1H 2020. Through its house call service, IDH served more than 646,000 patients in 1H 2021, up 88% versus 1H 2020, performing more than 3.4 million tests, 49% above the figure recorded in 1H 2020. Leveraging an expanded reach, IDH was able to carry out an average of 3,600 house call visits per day in 1H 2021, up significantly from the 1,900 visits per day performed in 1H 2020.



The Group’s year-to-date performance was bolstered by a remarkable second quarter, which saw IDH build an already strong first three months of the year. In 2Q 2021, IDH recorded revenue of EGP 1,164 million, up 159% versus the previous year and 3% above revenue recorded in 1Q 2021. As with the year-to-date performance, growth was supported by IDH’s full service roster, with the number of conventional tests performed increasing 2.3% quarter-on-quarter despite the typical slowdown associated with the holy month of Ramadan and Eid holiday during 2Q 2021.

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



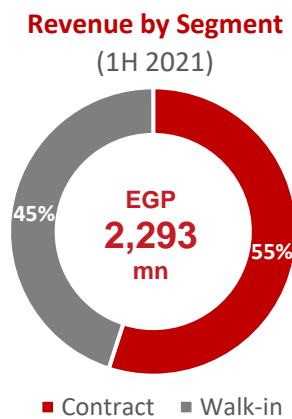
Detailed Consolidated Revenue Breakdown

EGP mn	1Q 2020	1Q 2021	2Q 2020	2Q 2021	1H 2020	1H2021
Total revenues	500	1,130	450	1,164	950	2,293
Conventional tests	495	594	367	595	862	1,189
Total Covid-19-related tests	5	536	83	569	88	1,105
Core Covid-19 tests (PCR, Antigen, Antibody)	5	399	26	431	31	830
Other Covid-19-related tests	0	137	57	138	57	275

Contribution to consolidated revenue

	1Q 2020	1Q 2021	2Q 2020	2Q 2021	1H 2020	1H2021
Conventional tests	99%	53%	82%	51%	91%	52%
Total Covid-19-related tests	1%	47%	18%	49%	9%	48%
Core Covid-19 tests (PCR, Antigen, Antibody)	1%	35%	6%	37%	3%	36%
Other Covid-19-related tests	0%	12%	13%	12%	6%	12%

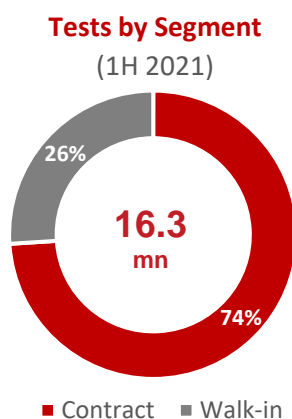
Revenue Analysis: Contribution by Patient Segment



Contract Segment

At the Group's contract segment, revenue increased 149% year-on-year as test performed expanded 49% and average revenue per contract test increased 68% in 1H 2021. This saw the segment's contribution to total revenues reach 55% for the period versus 53% in the same six months of 2020. Covid-19-related¹⁰ testing contributed 47% of contract revenues in the first half of the year as the Company continued to witness strong demand for its offering in both Egypt and Jordan. Excluding Covid-19-related tests, the contract segment would have recorded an 45% year-on-year increase in revenue supported by a 33% rise in tests performed and a 9% increase in average revenue per test.

The contract segment's results continued to include contributions from IDH's agreement with Pure Health UAE (EGP 57 million), which saw IDH become the first lab to conduct PCR testing to screen passengers travelling from Egypt. In 1H 2021, PCR tests for Covid-19 performed as part of the agreement made up 5% of contract segment revenues and 7% of total core Covid-19 tests (PCR, Antigen, and Antibody) performed during the period.



Walk-in Segment

Revenue from IDH's walk-in segment recorded a 132% year-on-year expansion in 1H 2021, contributing to 45% of consolidated revenues for the period versus the 47% contribution in the comparable period of 2020. In the first six months of the year, average revenue per test at the walk-in segment increased 71% year-on-year, while tests performed increased by 36% versus 1H 2020. The walk-in segment's revenue was also bolstered by the Group's Covid-19-related test offering, which in 1H 2021 contributed to just under half of the segment's top-line at 49%. Controlling for contributions from Covid-19-related tests in both periods, walk-in revenues for 1H 2021 would have increased a solid 30% versus last year on the back of a 17% rise in tests performed and an 11% increase in average revenue per test.

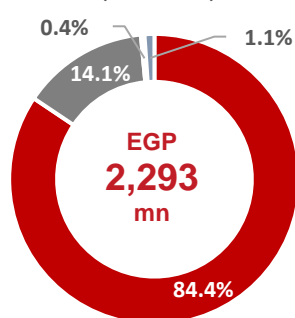
¹⁰ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19-related tests which include a bundle of routine inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

Key Performance Indicators

	Walk-in Segment			Contract Segment			Total		
	1H20	1H21	Change	1H20	1H21	Change	1H20	1H21	Change
Revenue[^] (EGP mn)	443	1,029	132%	507	1,264	149%	950	2,293	141%
<i>Covid-19-related revenue (EGP mn)</i>	41	506		47	598		88	1,105	
Patients ('000)	943	1,523	62%	1,947	3,150	62%	2,890	4,673	62%
<i>% of Patients</i>	33%	33%		67%	67%				
<i>Revenue per Patient (EGP)</i>	470	676	44%	260	401	54%	329	491	49%
Tests ('000)	3,063	4,164	36%	8,171	12,153	49%	11,234	16,318	45%
<i>% of Tests</i>	27%	26%		73%	74%				
<i>Covid-19-related tests ('000)</i>	161	758	372%	417	1,842	342%	577	2,600	350%
<i>Revenue per Test (EGP)</i>	145	247	71%	62	104	68%	85	141	66%
<i>Test per Patient</i>	3.3	2.7	-16%	4.2	3.9	-8%	3.9	3.5	-10%

Revenue by Geography

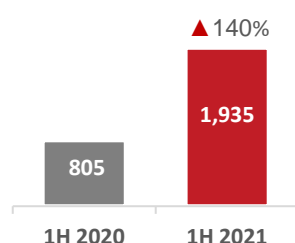
(1H 2021)



- Egypt
- Jordan
- Sudan
- Nigeria

Egypt Revenue

(EGP mn)


Revenue Analysis: Contribution by Geography
Egypt

In Egypt, revenues recorded EGP 1,935 million in the first half of 2021, a 140% increase versus last year supported by a 44% year-on-year rise in tests performed and a 67% year-on-year rise in average revenue per test. Revenue growth for the period was supported by both Covid-19-related¹¹ test offering, which in 1H 2021 made up 47% of the country's revenue, and conventional test offering. More specifically, when controlling for contributions made by Covid-19-related tests, revenue increased 38% versus 1H 2020 on the back of a solid 29% rise in conventional tests performed during the period.

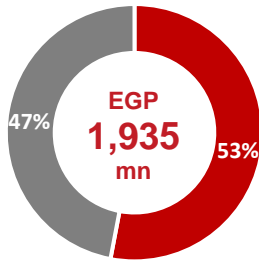
On a quarterly basis, Egypt recorded revenue of EGP 1,015 million in 2Q 2021, up 166% versus 2Q 2020 and 10% from 1Q 2021. During the quarter, IDH saw Covid-19-related revenues in Egypt reach a new all-time high of EGP 504 million versus EGP 414 million in 1Q 2021 and EGP 273 million in 4Q 2020, as the second quarter coincided with the peak of country's third wave of Covid-19 infections.

IDH's house call service, which throughout 2020 and the first half of 2021 has been successfully ramped up to capitalise on the service's growing popularity, continued to make a growing contribution to revenues, constituting 25% of Egypt's top-line in 1H 2021 (20% in 1H 2020).

IDH's AI-Borg Scan recorded robust revenue growth during the first half of 2021, with its top-line expanding to EGP 20 million, a 124% year-on-year rise. This came on the back of a 103% increase in the total number of radiology tests performed, coupled with

¹¹ Covid-19-related tests include both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other Covid-19-related tests which include a bundle of routine inflammatory and clotting markers (which witnessed strong demand following the outbreak of Covid-19) such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

Egypt Revenue by Category (1H 2021)



- Conventional Test
- Covid-19-related tests

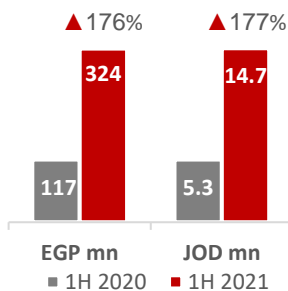
a 10% increase in average revenue per test following the introduction of the higher-priced PET-CT scan in late 2020.

Overall, IDH served 4.1 million patients in Egypt and performed 14.6 million tests in 1H 2021, up by 56% and 44% year-on-year, respectively.

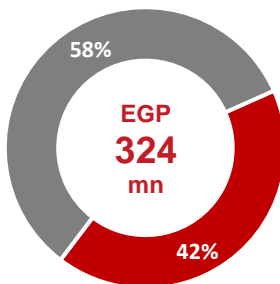
Detailed Egypt Revenue Breakdown

EGP mn	1Q 2020	1Q 2021	2Q 2020	2Q 2021	1H 2020	1H2021
Total revenues	424	920	381	1,015	805	1,935
Conventional tests	424	507	314	510	738	1,017
Total Covid-19-related tests	0	414	67	504	67	918
Core Covid-19 tests (PCR, Antigen, Antibody)	0	277	10	366	10	643
Other Covid-19-related tests	0	137	57	138	57	275
Contribution to Egypt revenue						
Conventional tests	100%	55%	82%	50%	92%	53%
Total Covid-19-related tests	0%	45%	18%	50%	8%	47%
Core Covid-19 tests (PCR, Antigen, Antibody)	0%	30%	3%	36%	1%	33%
Other Covid-19-related tests	0%	15%	15%	14%	7%	14%

Jordan Revenue



Jordan Revenue by Category (1H 2021)



- Conventional Test
- Covid-19-related tests

Jordan

Revenue generated by IDH's Jordanian operations grew 176% year-on-year in 1H 2021 to reach EGP 324 million. Top-line growth was driven by a 79% increase in test performed during the period and a 54% rise in Biolab's average revenue per test. In the first half the year, Covid-19-related tests (PCR, Antigen, and Antibody) contributed to 58% of Jordan's revenue and to 24% of Biolab's total tests performed. Meanwhile, controlling for contributions made by the Group's Covid-19-related offering, revenue grew by a robust 41% year-on-year on the back of a 43% increase in conventional tests performed in 1H 2021. Revenue generated by Biolab's house call service more than doubled versus last year to reach EGP 34 million in 1H 2021, continuing to make a significant contribution to Jordan's top-line at 11% versus the 13% contribution made in 1H 2020. House call's contribution to Jordan's top-line decreased versus last year in light of the strong growth recorded by Biolab's conventional business which had been impacted by curfews and other Covid-19-related restrictions during the comparable six months of last year.

On a quarterly basis, Jordan's revenue reached EGP 134 million, up 125% year-on-year but down 30% versus 1Q 2021. The quarter-on-quarter contraction comes as Covid-19-related revenue continued to decline on the back of lower infection rates as the country further ramps up its vaccination campaign. When combined with the strong recovery of Biolab's conventional test offering, this saw the contribution made by Covid-19-related tests to Biolab's top-line continue on its declining trajectory from 71% in 4Q 2020, to 64% in 1Q 2021 and 48% in 2Q 2021.

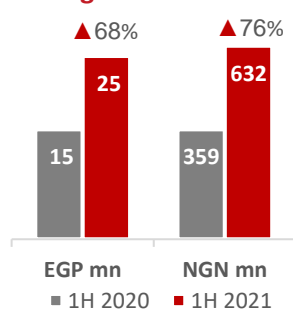
It is also worth noting, that in August 2021, Biolab was selected as the preferred bidder by Airport International Group (AIG), the operator of Amman's Queen Alia International Airport (QAIA), to operate testing stations in QAIA's departure and arrival terminals primarily dedicated to PCR testing for Covid-19. The main focus of the testing

stations will be to offer PCR testing for Covid-19 to passengers arriving in Jordan, as well as additional diagnostic tests to patients including rapid Covid-19 testing for departing passengers and other, more generic diagnostic tests. The agreement, which came into effect on 1 August 2021, has a six-month duration with the option to renew for additional six-month periods.

Detailed Jordan Revenue Breakdown

EGP mn	1Q 2020	1Q 2021	2Q 2020	2Q 2021	1H 2020	1H2021
Total revenues	58	190	59	134	117	324
Conventional revenue	53	68	44	69	97	137
Total Covid-19-related revenue (PCR, Antigen, Antibody)	5	122	16	65	21	187
Contribution to Jordan revenue						
Conventional revenue	91%	36%	74%	52%	82%	42%
Total Covid-19-related revenue (PCR, Antigen, Antibody)	9%	64%	26%	48%	18%	58%

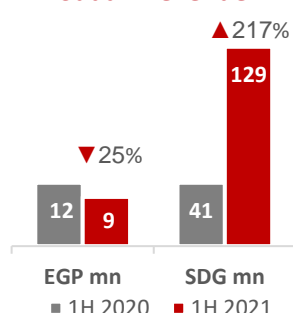
Nigeria Revenue



Nigeria

At the Group's Nigerian subsidiary, revenue recorded EGP 25 million in the first half of 2021, up 68% from EGP 15 million in the first six months of last year. In local currency terms, growth was even more pronounced with revenues up 76% year-on-year on the back of a 47% year-on-year expansion in tests performed (patients served were up 25%) and a 14% increase in average revenue per test. The steady rise in volumes recorded in the last two years comes as a direct results of management's strategic investments to revamp Echo-Lab's branches coupled with effective marketing campaigns aimed at stimulating demand for the venture's services. Moreover, volumes are also benefitting from a gradual normalisation of traffic following the easing of restrictive measures enforced to curb the spread of Covid-19 throughout 2020, and the relative stability following protests in the final weeks of last year. On a quarterly basis, IDH's Nigeria operations reported revenues of EGP 13 million, more than double the figure recorded in the second quarter of last year and 3% above revenues reported in the first three months of 2021.

Sudan Revenue



Sudan

In Sudan, IDH reported a 25% year-on-year decline in revenues to EGP 9 million for 1H 2021. The country's results were significantly impacted by the devaluation of the Sudanese pound in early 2021 with the average SDG/EGP rate in 1H 2021 standing at 0.07 versus 0.30 this time last year. Nonetheless, management's success in increasing prices saw revenue in local currency terms expand a remarkable 217% year-on-year in 1H 2021.

Revenue Contribution by Country

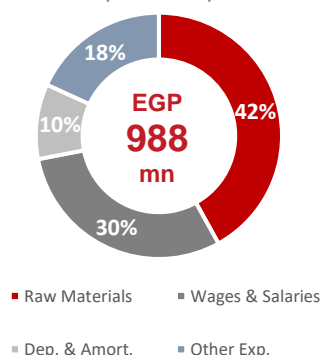
	1H 2020	1H 2021	Change
Egypt Revenue (EGP mn)	805	1,935	140%
Covid-19-related (EGP mn)	67	918	1,260%
Egypt Contribution	85%	84%	
Jordan Revenue (EGP mn)	117	324	176%
Covid-19-related (EGP mn)	21	187	804%
Jordan Revenue (JOD mn)	5	15	177%
Jordan Contribution	12%	14%	
Nigeria Revenue (EGP mn)	15	25	68%
Nigeria Revenue (NGN mn)	359	632	76%
Nigeria Contribution	2%	1%	
Sudan Revenue (EGP mn)	12	9	-25%
Sudan Revenue (SDG mn)	41	129	217%
Sudan Contribution	1%	0.4%	

Patients Served and Tests Performed by Country

	1H 2020	1H 2021	Change
Egypt Patients Served (mn)	2.6	4.1	56%
Egypt Tests Performed (mn)	10.1	14.6	44%
Covid-19-related tests (mn)	0.5	2.3	318%
Jordan Patients Served (k)	160	502	214%
Jordan Tests Performed (k)	810	1,447	79%
Covid-19-related tests (k)	37	342	822%
Nigeria Patients Served (k)	60	75	25%
Nigeria Tests Performed (k)	92	136	47%
Sudan Patients Served (k)	59	33	-44%
Sudan Tests Performed (k)	188	104	-45%
Total Patients Served (mn)	2.9	4.7	62%
Total Tests Performed (mn)	11.2	16.3	45%

Branches by Country

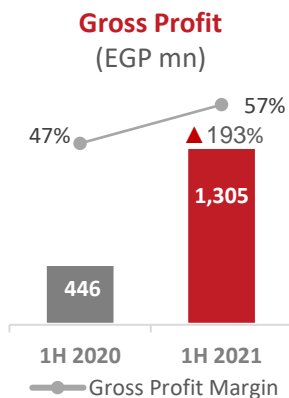
	30 June 2020	30 June 2021	Change
Egypt	410	443	33
Jordan	19	21	2
Nigeria	12	12	-
Sudan	21	19	-2
Total Branches	462	495	33

**COGS Breakdown
(1H 2021)**

Cost of Goods Sold

IDH's cost of goods sold increased 96% year-on-year to EGP 988 million in 1H 2021, a much slower increase than the 141% growth in revenues. As such, gross profit for the period increased 193% year-on-year to EGP 1,305 million in 1H 2021, with an associated margin of 57%, up 10 percentage points from 1H 2020.

COGS Breakdown as a Percentage of Revenue

	1H 2020	1H 2021
Raw Materials	15.9%	18.1%
Wages & Salaries	17.0%	12.9%
Depreciation & Amortisation	8.4%	4.2%
Other Expenses	11.7%	7.8%
Total	53.0%	43.1%

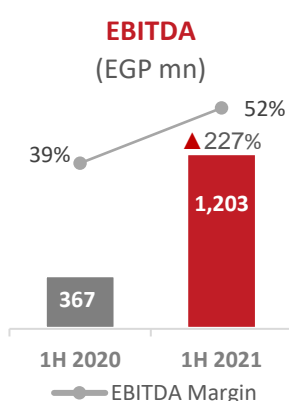


Raw material costs, which include cost of specialized analysis at other laboratories, recorded EGP 414 million in 1H 2021, and continued to make up the largest share of total COGS at 42%. As a share of revenue, raw material costs increased to 18% in 1H 2021 compared to 16% in the same period of last year. The increase is partially attributable to the retesting of Covid-19 positive cases at IDH's Jordanian subsidiary. Moreover, the year-on-year growth also partially reflects the low base effect resulting from a one-off discount granted by suppliers during the comparable period of last year.

It is worth highlighting that in 2Q 2021, raw material costs as a percentage of revenue declined to 16.8% versus the 19.3% share recorded in the previous quarter. The fall comes on the back of lower Covid-19-positive cases in Jordan combined with management's success in driving down PCR test kit costs. It should be noted that Jordan's raw material costs contributed to around 26% of the consolidated raw material costs for 1H 2021 and to 20% in 2Q 2021. Meanwhile, Egypt's raw materials made up 71% of total raw material costs in the six-month period, with a stable raw material to revenues ratio of 14%.

Direct salaries and wages increased 84% year-on-year to EGP 296 million in 1H 2021 and made up the second largest share of total COGS for the six-month period at 30%. The increase is largely attributable to a rise in the share of profits allocated to direct salaries and wages to EGP 87 million in 1H 2021 from EGP 26 million 1H 2020 following higher net profit recorded at its Egyptian operations,¹² in addition to higher bonuses/incentives paid during the period.

Direct depreciation and amortisation was up 22% year-on-year in 1H 2021 to EGP 97 million, largely due to the incremental amortisation of additional branches (IFRS 16 right-of-use assets).



EBITDA

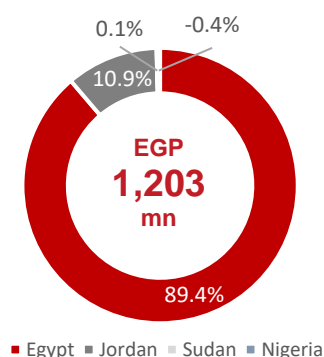
IDH's normalised EBITDA¹³ grew a remarkable 227% year-on-year to reach EGP 1,203 million in 1H 2021. Normalised EBITDA margin expanded to 52% in 1H 2021 versus the 39% margin recorded in 1H 2020, on the back of strong top-line growth and the dilution of fixed costs. EBITDA growth was further bolstered by the normalization of provisions booked during the first six months of the year which in 1H 2021 stood at EGP 10 million versus the EGP 28 million booked in 1H 2020 to account for expected credit losses in accordance with IFRS 9. Normalised EBITDA excludes one-off listing fees of EGP 29 million incurred in 1H 2021 related to the Company's dual listing on the EGX completed in May 2021.

On a quarterly basis, normalised EBITDA recorded EGP 603 million in 2Q 2021, up 267% year-on-year and largely in line with the figure recorded in 1Q 2021. Normalised EBITDA margin stood at 52% for the quarter, down from the 53% margin recorded in 1Q 2021 as IDH booked higher accounting fees (related to the EGX requirement to publish quarterly reviewed financial statements) and additional bonus payments to senior management during 2Q 2021.

¹² According to IAS 1, 10% of Egypt's net profit is allocated to direct wages and salaries.

¹³ Normalised EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in 1H 2021 related to the Company's EGX listing completed in May 2021.

EBITDA by Region (1H 2021)



In Egypt, EBITDA recorded EGP 1,075 million in 1H 2021, up 223% year-on-year on the back of strong top-line growth. EBITDA margin increased to 56% for the first half of the year from 41% in 1H 2020.

IDH's Jordanian operations recorded a 240% year-on-year rise in EBITDA to EGP 131 million for 1H 2021 on the back of strong revenue growth for the six-month period. In local currency terms, EBITDA grew 242% compared to last year. EBITDA margin recorded 40% in the first half of 2021, up from the 33% margin recorded in the comparable period of 2020.

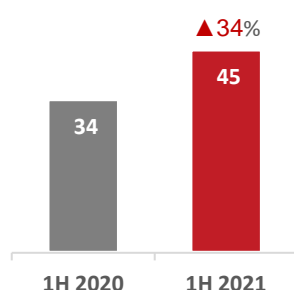
In Nigeria, EBITDA losses stood largely unchanged at EGP 4.3 million in 1H 2021. However, it is important to note that the figure includes a one-off adjustment related to the previous year of EGP 3.2 million.

Finally, Sudan's EBITDA recorded EGP 0.7 million in 1H 2021, down 3% year-on-year with an EBITDA margin of 8% compared to 6% last year. EBITDA for the period was weighed down by the sharp SDG devaluation in February of this year. However, in SDG terms, EBITDA more than quadrupled to SDG 10 million supported by management's pricing strategy aimed at mitigating the impacts of the country's hyperinflationary environment.

Regional EBITDA in Local Currency

Mn		1H 2020	1H 2021	Change
Egypt	EGP	332	1,075	223%
margin		41%	56%	
Jordan	JOD	1.7	5.9	242%
margin		33%	40%	
Nigeria	NGN	-101	-108	7%
margin		-28%	-17%	
Sudan	SDG	2	10	309%
margin		6%	8%	

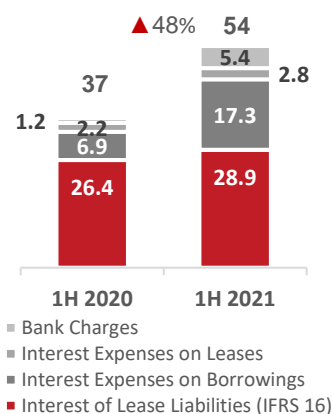
Interest Income (EGP mn)



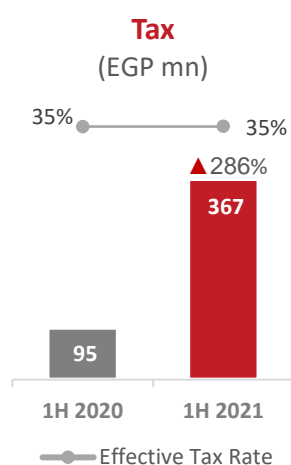
Interest Income / Expense

IDH recorded interest income of EGP 45 million in 1H 2021, up 34% year-on-year on the back of higher cash balances during the period.

Interest Expense (EGP mn)



Interest expense recorded EGP 54 million in the first half of 2021 versus EGP 37 million in 1H 2020. The year-on-year increase is largely attributable to the 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. During 1H 2021, IDH booked loan-related expenses of EGP 12.5 million including a front-end fee, syndication fee, and legal advisory fees. The facility will be used to finance IDH's growth plans across new and existing markets. The loan has a four year grace period and availability period of two years. Higher interest expenses for the period also partially reflect higher interest on lease liabilities related to IFRS 16 following the addition of new branches, as well as higher bank charges resulting from increased penetration of, and reliance on, POS machines and electronic payments during the period.

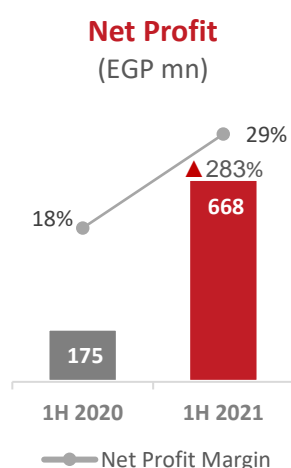


Interest Expense Breakdown

EGP Mn	1H 2020	1H 2021	Change
Interest on Lease Liabilities (IFRS 16)	26.4	28.9	9%
Interest Expenses on Borrowings ¹⁴	6.9	4.8	-31%
Loan-related Expenses on IFC facility	-	12.5	N/A
Interest Expenses on Leases	2.2	2.8	30%
Bank Charges	1.2	5.4	337%
Total Interest Expense	36.7	54.4	48%

Foreign Exchange

IDH recorded a net foreign exchange loss of EGP 19 million in 1H 2021 compared to EGP 4 million in the same six months a year ago. The figure largely reflects FX losses on the back of the SDG devaluation versus the EGP in February 2021.



Taxation

Tax expenses recorded in 1H 2021 were EGP 367 million compared to EGP 95 million in the same period of last year. The effective tax rate stood at 35% in the period unchanged versus 1H 2020. 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.

Net Profit

IDH's consolidated net profit recorded EGP 668 million in the first half of 2021, up an impressive 283% year-on-year. Improving net profitability was supported by strong revenue growth coupled with increased cost efficiencies, higher interest income and normalising provisions for the period. As such, net profit margin stood at 29% in 1H 2021, up from 18% last year.

ii. Balance Sheet Analysis

Assets

Property, Plant and Equipment

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

Accounts Receivable and Provisions

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

Provision for doubtful accounts established during the first six months of 2021 amounted to EGP 10 million, down from the EGP 28 million booked in provisions in the

¹⁴ Related to medium-terms loans for the AI Borg Scan expansion (EGP 3.0 million) and the Group's new headquarters in Cairo's Smart Village (EGP 1.7 million).

comparable period of last year. This comes as collection cycles continue to normalise following a period of heightened uncertainty in the first stages of the Covid-19 crisis.

Inventory

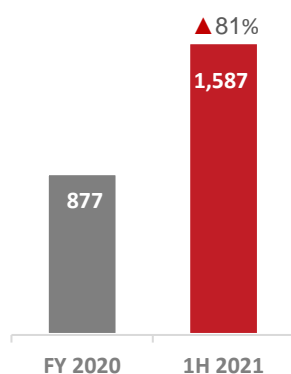
As at 30 June 2021, the Group's inventory balance reached EGP 142 million, up from EGP 100 million as at year-end 2020. Days Inventory Outstanding (DIO) decreased to 54 days as at 30 June 2021 from 72 days as at year-end 2020. The decline is largely attributable to the high turnover of PCR testing for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

Cash and Net Debt/Cash

IDH's cash balances increased to EGP 1,587¹⁵ million as at 30 June 2021 compared to EGP 877 million as at 31 December 2020.

Net cash balance¹⁶ amounted to EGP 904¹⁷ million as at 30 June 2021, an increase of 181% compared to EGP 321 million as at 31 December 2020.

Cash Balances (EGP mn)



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

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

Liabilities

Accounts Payable

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

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

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

¹⁷ Pre-dividend distribution.

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

iii. Cash Flow Analysis

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

iv. Dividend

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

Principal Risks and Uncertainties

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

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

Statement of Directors' Responsibilities

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

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

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

For and on behalf of the Board of Directors:

Dr. Hend El Sherbini
Executive Director

1 September 2021

– Ends –

INTEGRATED DIAGNOSTICS HOLDINGS plc – “IDH”
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED
30 JUNE 2021**

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

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

	Notes	30 June 2021 EGP'000 (Reviewed)	31 December 2020 EGP'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	848,419	787,590
Intangible assets and goodwill	5	1,654,098	1,659,755
Right of use assets	6	415,717	354,688
Financial investments	7	10,282	9,604
Total non-current assets		2,928,516	2,811,637
Current assets			
Inventories		141,559	100,115
Trade and other receivables	8	477,432	388,903
Investments at amortized cost	9	329,056	276,625
Cash and cash equivalents	10	1,257,983	600,130
Total current assets		2,206,030	1,365,773
Total assets		5,134,546	4,177,410
LIABILITIES AND EQUITY			
Equity			
Share Capital		1,072,500	1,072,500
Share premium reserve		1,027,706	1,027,706
Capital reserve		(314,310)	(314,310)
Legal reserve		51,641	49,218
Put option reserve		(618,047)	(314,057)
Translation reserve		155,760	145,617
Retained earnings		777,068	603,317
Equity attributable to the equity holders of the parent		2,152,318	2,269,991
Non-controlling interest		152,110	156,383
Total equity		2,304,428	2,426,374
Non-current liabilities			
Deferred tax liabilities	19-C	324,800	240,333
Provisions		3,479	3,408
Loans and borrowings	13	56,996	67,617
Long-term financial obligations	15	512,235	398,525
Long-term financial liability at fair value	14	32,168	31,790
Total non-current liabilities		929,678	741,673
Current liabilities			
Trade and other payables	11	473,515	383,623
Shareholders dividend		454,472	-
Short-term financial obligations	15	84,554	60,517
Short-term financial liability at fair value	12	585,880	282,267
Loans and borrowings	13	25,946	25,416
Current tax liabilities		276,073	257,540
Total current liabilities		1,900,440	1,009,363
Total liabilities		2,830,118	1,751,036
Total equity and liabilities		5,134,546	4,177,410

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 1 September 2021 by:

Dr. HEND EL Sherbini
Chief Executive Officer

Hussein Choucri
Board member of the audit committee

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

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

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

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021 EGP'000	2020 EGP'000	2021 EGP'000	2020 EGP'000
		(Reviewed)	(Unaudited)/(Unreviewed)	(Reviewed)	(Unaudited)/(Unreviewed)
Revenue	23	1,163,632	449,931	2,293,170	949,687
Cost of sales		(496,742)	(246,969)	(987,873)	(503,490)
Gross profit		666,890	202,962	1,305,297	446,197
Marketing and advertising expenses		(37,848)	(20,677)	(66,655)	(45,675)
General and administrative expenses	17	(105,212)	(53,654)	(176,132)	(103,263)
Impairment loss on trade and other receivable		(5,181)	(28,281)	(10,265)	(28,281)
Other income		8,346	17,527	12,431	7,890
Operating profit		526,995	117,877	1,064,676	276,868
Finance income	18	24,975	15,421	45,248	33,765
Finance cost	18	(39,212)	(17,167)	(74,900)	(40,972)
Net finance cost		(14,237)	(1,746)	(29,652)	(7,207)
Profit before tax		512,758	116,131	1,035,024	269,661
Income tax expense	19-B	(186,142)	(44,003)	(366,814)	(95,036)
Profit for the period		326,616	72,128	668,210	174,625
Profit attributed to:					
Equity holders of the parent		320,410	74,856	646,440	178,768
Non-controlling interests		6,206	(2,728)	21,770	(4,143)
		326,616	72,128	668,210	174,625
Earnings per share (expressed in EGP):					
Basic and diluted earnings per share	21	0.53	0.12	1.08	0.30

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

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

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
	EGP'000	EGP'000	EGP'000	EGP'000
	(Reviewed)	(Unaudited)/(Unreviewed)	(Reviewed)	(Unaudited)/(Unreviewed)
Net profit	326,616	72,128	668,210	174,625
Items that may be reclassified to profit or loss:				
Currency translation differences	(2,062)	(6,074)	12,375	(21,790)
Other comprehensive income for the period net of tax	(2,062)	(6,074)	12,375	(21,790)
Total comprehensive income for the period	324,554	66,054	680,585	152,835
Attributed to:				
Equity holders of the parent	320,692	67,080	656,583	165,941
Non-controlling interests	3,862	(1,026)	24,002	(13,106)
	324,554	66,054	680,585	152,835

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

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

(All amounts in Egyptian Pounds "EGP'000")	Attributable to owners of the Parent							Total attributable to the owners of the Parent	Non-controlling interests	Total equity
	Share capital	Share premium reserve	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings			
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 period	-	-	-	-	-	-	646,440	646,440	21,770	668,210
Other comprehensive income for the period	-	-	-	-	-	10,143	-	10,143	2,232	12,375
Total comprehensive income	-	-	-	-	-	10,143	646,440	656,583	24,002	680,585
Transactions with owners of the Company										
Contributions and distributions										
Dividends	-	-	-	-	-	-	(454,472)	(454,472)	(21,998)	(476,470)
Legal reserve formed during the period	-	-	-	2,423	-	-	(2,423)	-	-	-
Movement in put option liability	-	-	-	-	(303,990)	-	-	(303,990)	-	(303,990)
Restatement for impact of hyperinflation	-	-	-	-	-	-	(15,794)	(15,794)	(6,277)	(22,071)
Total contributions and distributions	-	-	-	2,423	(303,990)	-	(472,689)	(774,256)	(28,275)	(802,531)
Balance at 30 June 2021 (Reviewed)	1,072,500	1,027,706	(314,310)	51,641	(618,047)	155,760	777,068	2,152,318	152,110	2,304,428
At 1 January 2020	1,072,500	1,027,706	(314,310)	46,330	(229,163)	155,823	456,661	2,215,547	144,710	2,360,257
Profit for the period	-	-	-	-	-	-	178,768	178,768	(4,143)	174,625
Other comprehensive loss for the period	-	-	-	-	-	(12,827)	-	(12,827)	(8,963)	(21,790)
Total comprehensive income	-	-	-	-	-	(12,827)	178,768	165,941	(13,106)	152,835
Transactions with owners of the Company										
Contributions and distributions										
Legal reserve formed during the period	-	-	-	575	-	-	(575)	-	-	-
Movement in put option liability	-	-	-	-	19,348	-	-	19,348	-	19,348
Restatement for impact of hyperinflation	-	-	-	-	-	-	(2,064)	(2,064)	790	(1,274)
Non-controlling interest cash injection in subsidiaries during the period	-	-	-	-	-	-	-	-	17,372	17,372
Total contributions and distributions	-	-	-	575	19,348	-	(2,639)	17,284	18,162	35,446
Balance at 30 June 2020 (Unaudited)/(Unreviewed)	1,072,500	1,027,706	(314,310)	46,905	(209,815)	142,996	632,790	2,398,772	149,766	2,548,538

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

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

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

(All amounts in Egyptian Pounds "EGP'000")	Note	30 June 2021	30 June 2020
		EGP'000 (Reviewed)	EGP'000 (Unaudited)/(Unreviewed)
Cash flows from operating activities			
Profit for the period before tax		1,035,024	269,661
Adjustments			
Depreciation, property, plant and equipment and right of use		105,745	87,814
Amortization		3,049	2,672
Gain on disposal of Property, plant and equipment		(45)	(65)
Impairment in trade receivables		10,265	28,281
Interest expense	18	49,011	36,685
Interest income	18	(45,248)	(33,765)
Equity settled shares financial investments		(678)	(3,464)
ROU Asset/Lease Termination		(464)	-
Loss in hyperinflationary net monetary position	18	1,204	(192)
Unrealised foreign currency exchange loss	18	19,321	4,479
Net cash from operating activities before changes in working capital		1,177,184	392,106
Change in Provisions		72	(851)
Change in inventory		(41,444)	(35,273)
Change in trade and other receivables		(103,537)	34,429
Change in trade and other payables		74,710	(77,723)
Cash generated from operating activities before income tax payment		1,106,985	312,688
Income tax paid during period		(240,624)	(163,571)
Net cash from operating activities		866,361	149,117
Cash flows from investing activities			
Interest received		44,866	33,606
Decrease in restricted cash		-	247
Payments for the purchase of short term investments		(309,835)	(251,956)
Proceeds for the sale of short term investments		257,404	221,617
Acquisition of Property, plant and equipment	4	(86,530)	(58,600)
Acquisition of intangible assets	5	(1,104)	(1,770)
Proceeds from sale of Property, plant and equipment		3,036	193
Net cash flows used in investing activities		(92,163)	(56,663)
Cash flows from financing activities			
Proceeds from borrowings		2,617	-
Repayments of borrowings		(12,708)	(5,612)
Interest paid		(48,640)	(35,743)
Dividends paid		(21,998)	-
Payment of finance lease liabilities		(32,401)	(43,869)
Injection of cash by non controlling interest		-	17,372
Net cash flows used in financing activities		(113,130)	(67,852)
Net increase in cash and cash equivalent		661,068	24,602
Cash and cash equivalent at the beginning of the period		600,130	408,892
Effect of exchange rate fluctuations on cash held		(3,215)	33,935
Cash and cash equivalent at the end of the period	10	1,257,983	467,429

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

Review report on the condensed consolidated interim financial statements

To: The board of directors of Integrated Diagnostics Holdings PLC “IDH”

Introduction

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

Scope of review

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

Conclusion

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

Other matter

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

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

1 September 2021
Cairo

(In the notes all amounts are shown in Egyptian Pounds “EGP’000” unless otherwise stated)

1. Reporting entity

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

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

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

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

2. Basis of preparation

A) Statement of compliance

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

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

B) Basis of measurement

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

C) Functional and presentation currency

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

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

D) Use of estimates and judgements

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

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

3. Significant accounting policies

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

4. Property, plant and equipment

	Land & Buildings	Medical, electric & information system equipment*	Leasehold improvements	Fixtures, fittings & vehicles	Building & Leasehold Assets in the course of construction	Total
Cost						
At 1 January 2021	332,345	565,697	254,474	73,261	21,207	1,246,984
Additions	-	112,970	24,395	9,297	2,654	149,316
Hyperinflation effect	-	(13,330)	-	-	-	(13,330)
Disposals	-	(1,417)	(749)	(591)	-	(2,757)
Transfers	-	-	2,594	-	(2,594)	-
Translation differences	(351)	(9,891)	(2,379)	(1,682)	(1,084)	(15,387)
At 30 June 2021 (Reviewed)	331,994	654,029	278,335	80,285	20,183	1,364,826
Depreciation						
At 1 January 2021	47,724	245,929	138,511	27,230	-	459,394
Charge for the period	2,688	43,211	17,348	3,249	-	66,496
On disposals	-	(1,282)	(612)	(466)	-	(2,360)
Translation differences	(33)	(4,950)	(910)	(1,230)	-	(7,123)
At 30 June 2021 (Reviewed)	50,379	282,908	154,337	28,783	-	516,407
Net book value	281,615	371,121	123,998	51,502	20,183	848,419
At 31 December 2020 (Audited)	284,621	319,768	115,963	46,031	21,207	787,590

Property, plant and equipment (continued)

* Laboratory equipment

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

5. Intangible assets and goodwill

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

	Goodwill	Brand Name	Software	Total
	EGP'000	EGP'000	EGP'000	EGP'000
Cost				
Balance at 1 January 2021	1,261,808	383,922	67,157	1,712,887
Additions	-	-	1,104	1,104
Effect of movements in exchange rates	(3,274)	(388)	(57)	(3,719)
Balance at 30 June 2021 (Reviewed)	1,258,534	383,534	68,204	1,710,272
Amortisation and impairment				
Balance at 1 January 2021	1,849	-	51,283	53,132
Amortisation	-	-	3,049	3,049
Effect of movements in exchange rates	-	-	(7)	(7)
Balance at 30 June 2021 (Reviewed)	1,849	-	54,325	56,174
Carrying amount				
Balance at 31 December 2020 (Audited)	1,259,959	383,922	15,874	1,659,755
Balance at 30 June 2021 (Reviewed)	1,256,685	383,534	13,879	1,654,098

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

6. Right of use assets

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Balance at 1 January	354,688	264,763
Addition for the period / year	105,914	152,030
Depreciation charge for the period / year	(39,249)	(60,803)
Terminated contracts	(1,952)	(1,302)
Translation	(3,684)	-
Balance at 31 December	415,717	354,688

7. Financial investments

	30 June	31 December 2020
	2021	
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Equity investments*	10,282	9,604
	10,282	9,604

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

- Ownership percentage in JSC Mega Labat the transaction date on April 8, 2019, and as of December 31, 2020, was 8.25%
- On April 8, 2019 Almakhbaryoun AL Arab (Biolab) has signed a shareholders Agreement with JSC Mega Lab (the company) and JSC Georgia healthcare group (GHG), whereas Biolab shall have a put option, exercisable within 12 months immediately after the expiration of (5) year period from the signing date, which allows Biolab's all shares at a price of equity value of biolab's stake (have value of USD 400,000) plus higher of 20 % annual IRR or 6X EV/EBITDA (of the financial year immediately preceding the call option exercise date. In case the Management Agreement or the purchase Agreement and /or the SLA is terminated /cancelled within 6 months period from the date of such termination /cancellation, GHG shall have a call option , which allows the GHG to purchase Biolab's all Share at a price of the equity value of Biolab's stake in the company (have value of USD 400,000)plus 20% annual IRR, if JCI accreditation is not obtained, immediately after the expiration of the addition 12 months period the GHG shall have a call option (the Accelerated Call Option) exercisable within 6 months period the GHG to purchase Biolab's all shares at price of the equity value of biolab's stake in the company (having value of USD 400,000) plus 20% annual IRR.

8. Trade and other receivables

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Trade receivables - net	342,505	325,770
Prepayments	29,202	19,363
Due from related parties	3,083	2,910
Other receivables*	101,255	39,854
Accrued revenue	1,387	1,006
	477,432	388,903

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

Capital commitment

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

9. Investments at amortised cost

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Fixed-term deposits	27,970	-
Treasury bills	301,086	276,625
	329,056	276,625

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

10. Cash and cash equivalents

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Short-term deposits (less than 90 days)	30,220	162,380
Treasury bills (less than 90 days)	-	184,525
Cash at banks and on hand	1,227,763	253,225
	1,257,983	600,130

11. Trade and other payables

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Trade payable	221,994	177,602
Accrued expenses	190,919	151,201
Due to related parties	2,715	439
Other payables	54,800	50,959
Accrued finance cost	3,087	3,422
	473,515	383,623

12. Short-term financial liability at fair value

	30 June 2021	31 December 2020
	EGP'000	EGP'000
	(Reviewed)	(Audited)
Put option liability	585,880	282,267
	585,880	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 as all these transactions are with the non-controlling interests of the Group.

During the historic acquisitions of Makhbaryoun Al Arab (Biolabs) which took place at 31 December 2011, the Group entered into separate put option arrangements to purchase the remaining equity interests from the vendors at a subsequent date. At acquisition, a put option liability has been recognised for the net present value for the exercise price of the option. The options are exercisable in whole from the fifth anniversary of the completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 30 June 2021.

13. Loan and borrowings

A) In April 2017 AL-Mokhtabar for medical lab, one of IDH subsidiaries, was granted a medium-term loan amounting to EGP 110m from Commercial international bank “CIB Egypt” to finance the purchase of the new administrative building for the group. As at 30 June 2021, loan amount EGP 110m had been drawn down in full. The loan contains the following financial covenants which if breached will mean the loan is repayable on demand:

1. The financial leverage shall not exceed the following percentages

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

“**Financial leverage**”: total liabilities divided by net equity

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

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

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

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

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

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

B) In July 2018, AL-Borg lab, one of IDH subsidiaries, was granted a medium term loan amounting to EGP 130.5m from Ahli united bank “AUB Egypt” to finance the investment cost related to the expansion into the radiology segment. As at 30 June 2021 only EGP 57m had been drawn down from the total facility available. The loan contains the following financial covenants which if breached will mean the loan is repayable on demand:

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

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

2. The debt service ratios (DSR) shall not be less than **1.35 starting 2019**

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

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

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

Loan and borrowings (continued)

3. The current ratios shall not be less than 1.
 “**Current ratios**”: Current assets divided current liabilities.

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	30 June 2021	31 December 2020
				EGP'000	EGP'000
CIB – Bank	EGP	Secured rate 9.5%	5 April 2022	25,946	38,654
AUB – Bank	EGP	CBE corridor rate+1%	26 April 2026	56,996	54,379
				82,942	93,033
<u>Amount held as:</u>					
				25,946	25,416
				56,996	67,617
				82,942	93,033

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

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

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

14. Long-term financial liability at fair value

	30 June 2021	31 December 2020
	EGP'000 (Reviewed)	EGP'000 (Audited)
Put option liability*	32,168	31,790
	32,168	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 transaction, IFC has the option to put its shares to Dynasty in year 2024. The put option price will be calculated on the basis of the fair market value determined by an independent valuer.

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

15. Financial obligations

	30 June 2021	31 December 2020
	EGP'000 (Reviewed)	EGP'000 (Audited)
Lease liabilities building	467,954	389,920
Financial obligations– laboratory equipment	128,835	69,122
	596,789	459,042

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

	30 June 2021		
	Minimum payments	Interest	Principal
	EGP'000 (Reviewed)	EGP'000 (Reviewed)	EGP'000 (Reviewed)
Less than one year	150,979	66,425	84,554
Between one and five years	551,972	218,691	333,281
More than five years	215,944	36,990	178,954
	918,895	322,106	596,789

Financial obligations (continued)

	31 December 2020		
	Minimum payments	Interest	Principal
	EGP'000 (Audited)	EGP'000 (Audited)	EGP'000 (Audited)
Less than one year	126,998	66,481	60,517
Between one and five years	463,646	176,312	287,334
More than 5 years	131,605	20,414	111,191
	722,249	263,207	459,042

Amounts recognised in profit or loss:

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

16. Related party transactions

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

Related Party	Nature of transaction	Nature of relationship	30 June 2021	
			Transaction amount of the period	Balance
			EGP'000	EGP'000
Life Scan (S.A.E.)*	Expenses paid on behalf	Affiliate	-	350
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	-	1,767
H.C Security	Provide service	Entity owned by Company's board member	132	(231)
Life Health Care	Medical Test analysis	Entity owned by Company's CEO	371	-
	Provide service "Medical insurance"		(8,136)	(2,484)
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	(303,612)	(585,879)

Related party transactions (continued)

Integrated Treatment for Kidney Diseases (S.A.E.)	Rental income	Entity owned by Company's CEO	(17)	-
	Medical Test analysis		155	<u>966</u>
Total				<u>(585,511)</u>

31 December 2020

Related Party	Nature of transaction	Nature of relationship	Transaction amount of the year	Balance
			EGP'000	EGP'000
Life Scan (S.A.E) *	Expenses paid on behalf	Affiliate	6	350
International Fertility (IVF)**	Expenses paid on behalf	Affiliate	(3,449)	1,767
H.C Security	Provide service	Entity owned by Company's board member	(412)	(76)
Life Health Care	Provide service	Entity owned by Company's CEO	(11,058)	(363)
Dr. Amid Abd Elnour	Put option liability	Bio. Lab C.E.O and shareholder	(83,126)	(282,267)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	344	-
	Medical Test analysis		377	793
				<u>(279,796)</u>

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

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

Compensation of key management personnel of the Group

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

	30-Jun 2021	30-Jun 2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Short-term employee benefits	35,617	29,196
Total compensation paid to key management personnel	<u>35,617</u>	<u>29,196</u>

17. General and administrative expenses

	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Wages and Salaries	34,623	25,272	61,636	49,383
Depreciation	5,659	5,271	11,187	10,414
Other expenses*	64,930	23,111	103,309	43,466
Total	105,212	53,654	176,132	103,263

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

18. Net finance income

	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Finance income				
Interest income	24,975	15,421	45,248	33,765
Total finance income	24,975	15,421	45,248	33,765
Finance cost				
(Loss) / gain on hyperinflationary net monetary position	(1,204)	192	(1,204)	192
Bank charges	(2,848)	(414)	(5,364)	(1,228)
Interest expense	(30,574)	(18,193)	(49,011)	(35,457)
Net foreign exchange (loss) / gain	(4,586)	1,248	(19,321)	(4,479)
Total finance cost	(39,212)	(17,167)	(74,900)	(40,972)
Net finance cost	(14,237)	(1,746)	(29,652)	(7,207)

19. Tax
A) Tax expense

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

Tax (Continued)
B) Income tax

Amounts recognised in profit or loss as follow:

	For the three months ended 30 June		For the six months ended 30 June	
	2021 EGP'000 (Reviewed)	2020 EGP'000 (Unaudited) (Unreviewed)	2021 EGP'000 (Reviewed)	2020 EGP'000 (Unaudited) (Unreviewed)
Current tax:				
Current year	(143,535)	(40,637)	(282,345)	(86,209)
Deferred tax:				
Deferred tax arising on undistributed reserves in subsidiaries	(43,068)	(4,058)	(83,780)	(10,390)
Relating to origination and reversal of temporary differences	461	692	(689)	1,563
Total Deferred tax expense	(42,607)	(3,366)	-	(8,827)
Tax expense recognised in profit or loss	(186,142)	(44,003)	(366,814)	(95,036)

C) Deferred tax liabilities

Deferred tax relates to the following:

	30-Jun-21 Liabilities EGP'000 (Reviewed)	31-Dec-20 Liabilities EGP'000 (Audited)
Property, plant and equipment	(18,697)	(18,334)
Intangible assets	(105,840)	(106,702)
Undistributed reserves from group subsidiaries	(200,336)	(116,657)
Provisions and finance lease liabilities	73	1,360
Net deferred tax assets (liabilities)	(324,800)	(240,333)

20. Financial Instruments

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

Contingent liabilities

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

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

21. Distributions made and proposed

	30 June 2021	31 December 2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Cash dividends on ordinary shares declared and paid:		
US\$ 0.0485 per share (2020 nil)	454,472	-
	454,472	-
After the balance sheet date, the following dividends were proposed by the directors (the dividends have not been provided for):		
Nil per qualifying ordinary share (2020: 0.187) per share	-	450,024
	-	450,024

22. Earnings per share

	For the three months ended 30		For the six months ended 30 June	
	June			
	2021	2020	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Profit attributed to owners of the parent	320,410	74,856	646,440	178,768
Weighted average number of ordinary shares in issue	600,000	600,000	600,000	600,000
Basic and diluted earnings per share	0.53	0.12	1.08	0.30

There is no dilutive effect from equity.

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

23. Segment reporting

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

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

Revenue by geographic location					
For the three months ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
30 June 2021 (Reviewed)	1,014,597	2,514	133,648	12,873	1,163,632
30 June 2020 (Unaudited)/ (Reviewed)	381,473	2,571	59,495	6,392	449,931

Revenue by geographic location					
For six months period ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
30 June 2021 (Reviewed)	1,935,059	9,267	323,518	25,326	2,293,170
30 June 2020 (Unaudited)/ (Reviewed)	804,994	12,291	117,343	15,059	949,687

Net profit / (loss) by geographic location					
For the three months ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
30 June 2021 (Reviewed)	324,939	(4,487)	31,731	(10,790)	341,393
30 June 20 (Unaudited)/ (Reviewed)	76,098	(3,832)	8,644	(8,782)	72,128

Net profit / (loss) by geographic location					
For six month period ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
30 June 2021 (Reviewed)	628,033	(14,801)	83,247	(16,449)	680,030
30 June 20 (Unaudited)/ (Reviewed)	179,204	(4,537)	15,062	(15,104)	174,625

Segment reporting (continued)

	Revenue by type		Net profit by type	
	For the three months ended 30 June		For the three months ended 30 June	
	2021	2020	2021	2020
	EGP'000	EGP'000	EGP'000	EGP'000
	(Reviewed)	(Unaudited)	(Reviewed)	(Unaudited)
	(Unreviewed)	(Unreviewed)	(Unreviewed)	(Unreviewed)
Pathology	1,140,057	436,522	353,703	80,811
Radiology	23,575	13,409	(12,310)	(8,683)
	1,163,632	449,931	341,393	72,128

	Revenue by type		Net profit by type	
	For the six months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	EGP'000	EGP'000	EGP'000	EGP'000
	(Reviewed)	(Unaudited)	(Reviewed)	(Unaudited)
	(Unreviewed)	(Unreviewed)	(Unreviewed)	(Unreviewed)
Pathology*	2,247,984	925,757	701,395	194,864
Radiology	45,186	23,930	(21,365)	(20,239)
	2,293,170	949,687	680,030	174,625

	Revenue by categories		Revenue by categories	
	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	EGP'000	EGP'000	EGP'000	EGP'000
	(Reviewed)	(Unaudited)	(Reviewed)	(Unaudited)
	(Unreviewed)	(Unreviewed)	(Unreviewed)	(Unreviewed)
Walk-in	499,678	215,753	1,029,039	442,987
Corporate	663,954	234,178	1,264,131	506,700
	1,163,632	449,931	2,293,170	949,687

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

	Non-current assets by geographic location				
	Egypt region	Sudan region	Jordan region	Nigeria region	Total
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
30 June 21 (Reviewed)	2,598,967	2,850	286,419	98,443	2,986,679
31 December 2020	2,415,220	24,132	263,767	113,941	2,817,060

Segment reporting (continued)

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

	For the three months period ended 30		For the six months period ended 30	
	June		June	
	2021	2020	2021	2020
	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)	EGP'000 (Reviewed)	EGP'000 (Unaudited) (Unreviewed)
Profit from operations	526,995	117,877	1,064,676	276,868
Property, plant and equipment depreciation	26,608	35,064	59,068	58,359
Amortisation of right of use	28,711	15,673	46,677	29,455
Amortisation of Intangible assets	1,528	(2,003)	3,049	2,672
EBITDA	583,842	166,611	1,173,470	367,354
Non-recurring expenses	18,797	-	29,034	-
Normalised EBITDA	602,639	166,611	1,202,504	367,354