INTEGRATED DIAGNOSTICS HOLDINGS

2019 Annual Report

RESILIENT GROWTH

A Leading Consumer Healthcare Company in the Middle East and Africa

Annual Report

2019

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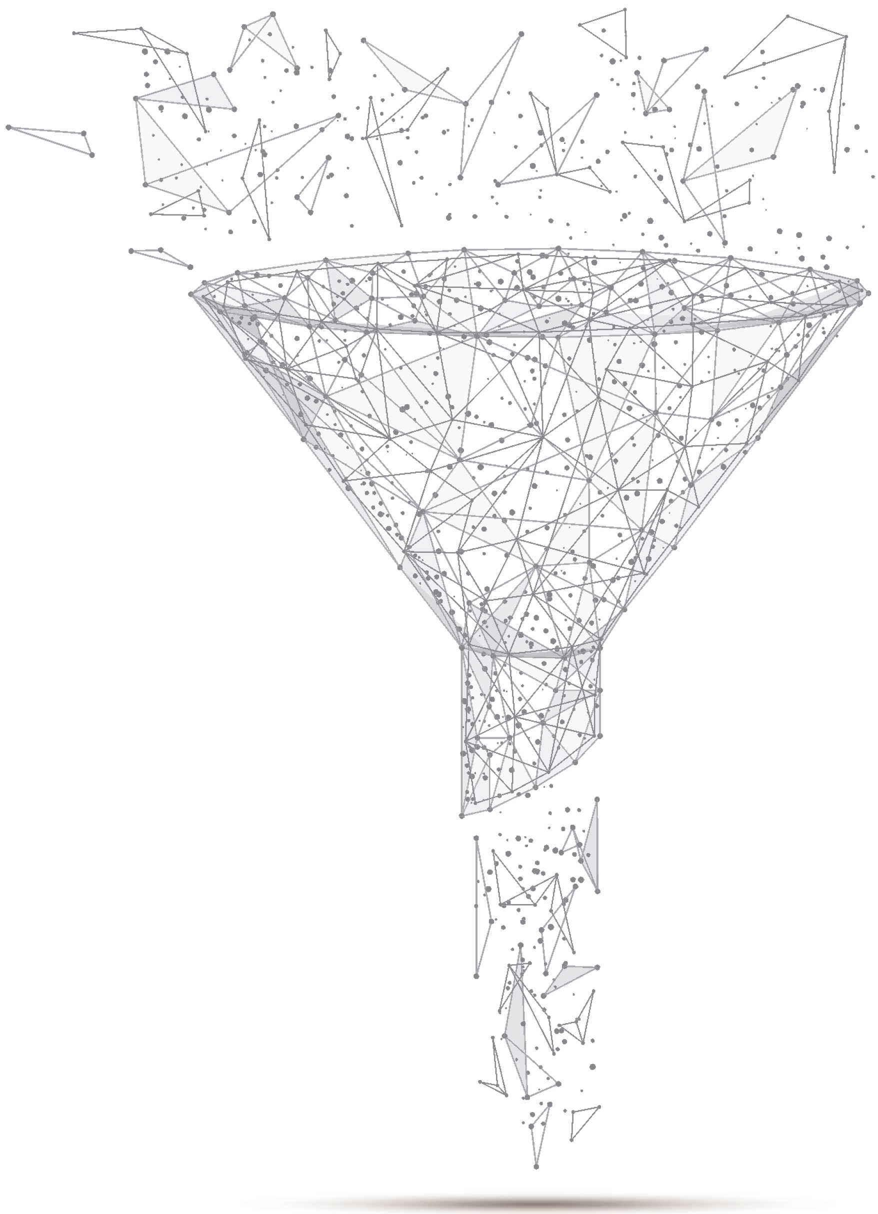

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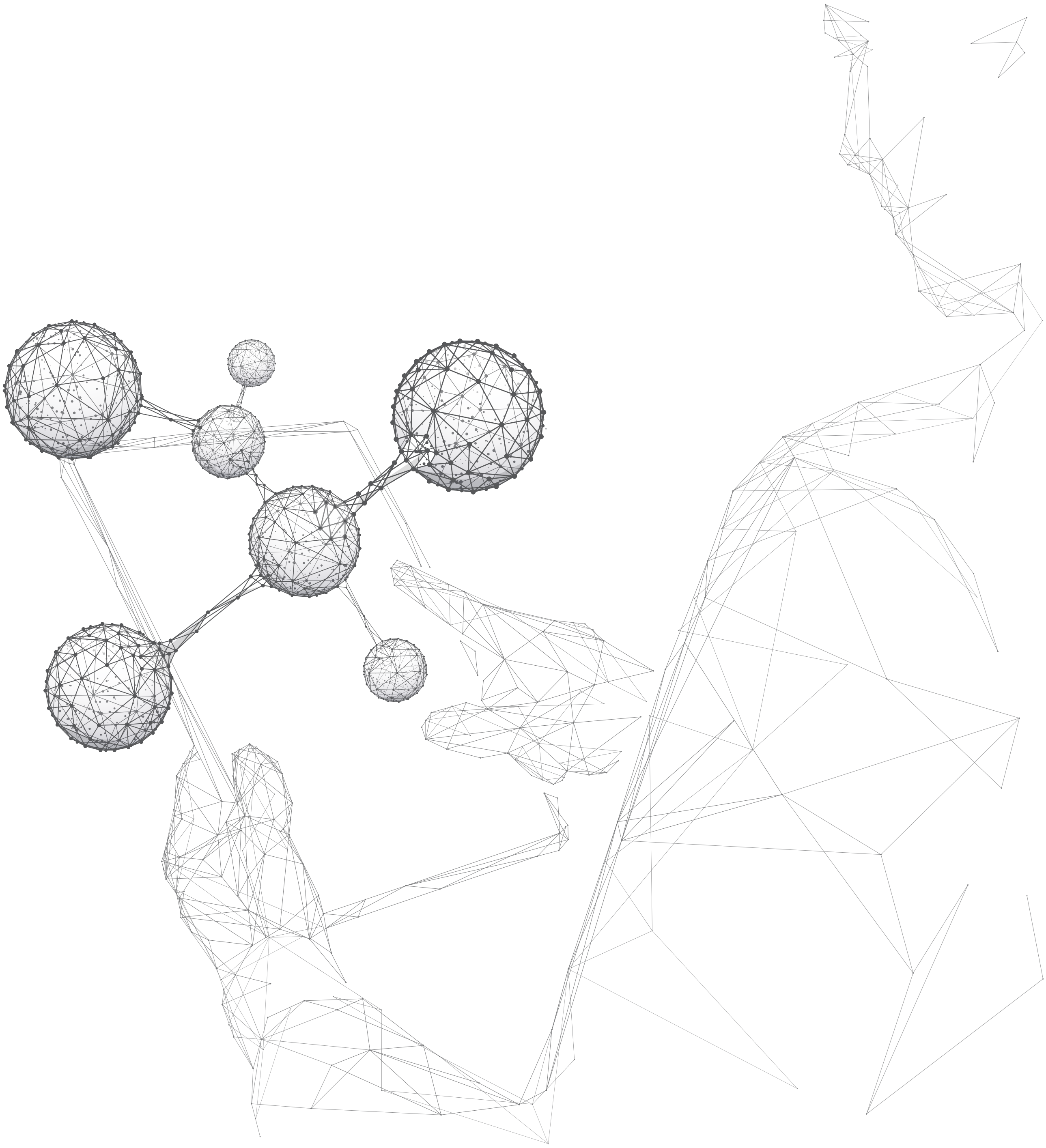
Strategic Report

With a track record of over four decades, IDH has established a reputation as a trusted and quality provider of diagnostic tests with internationally recognised accreditations



Who We Are

Integrated Diagnostics Holdings ("IDH," the "Group," or the "Company") is a leading consumer healthcare company in the Middle East and Africa with operations in Egypt, Jordan, Sudan and Nigeria. The Group has a 40-years track record and is a trusted and quality provider of pathology and radiology services with internationally recognised accreditations, offering a suite of over 1,400 diagnostic tests. As at 31 December 2019, IDH operated a network of 452 branches across its geographic footprint, deploying a CAPEX-light Hub, Spoke and Spike business model to fuel its continued expansion. In 2019, IDH established Wayak, an Egypt-based subsidiary investing in data mining and artificial intelligence with a view to generating growth opportunities in the healthcare management space.

Parallel to the Group's continued investment in organic growth, IDH also pursues strategic acquisition opportunities in new markets where it can leverage its business model to capitalise on similar healthcare and consumer trends. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange since May 2015.

+40 YEARS
track record at the subsidiary levels

4
countries across the Middle East & Africa

7
key brands with strong awareness in underserved markets

LSE
listed since May 2015

EGP2.2 bn
in revenue in 2019, up 16% on 2018

452
operational branches as at 31 December 2019

OUR BRANDS

IDH's core brands include Al Borg, Al Borg Scan and, Al Mokhtabar and Wayak in Egypt, Biolab in Jordan, Ultralab and Al Mokhtabar Sudan in Sudan, and Echo-Lab in Nigeria.

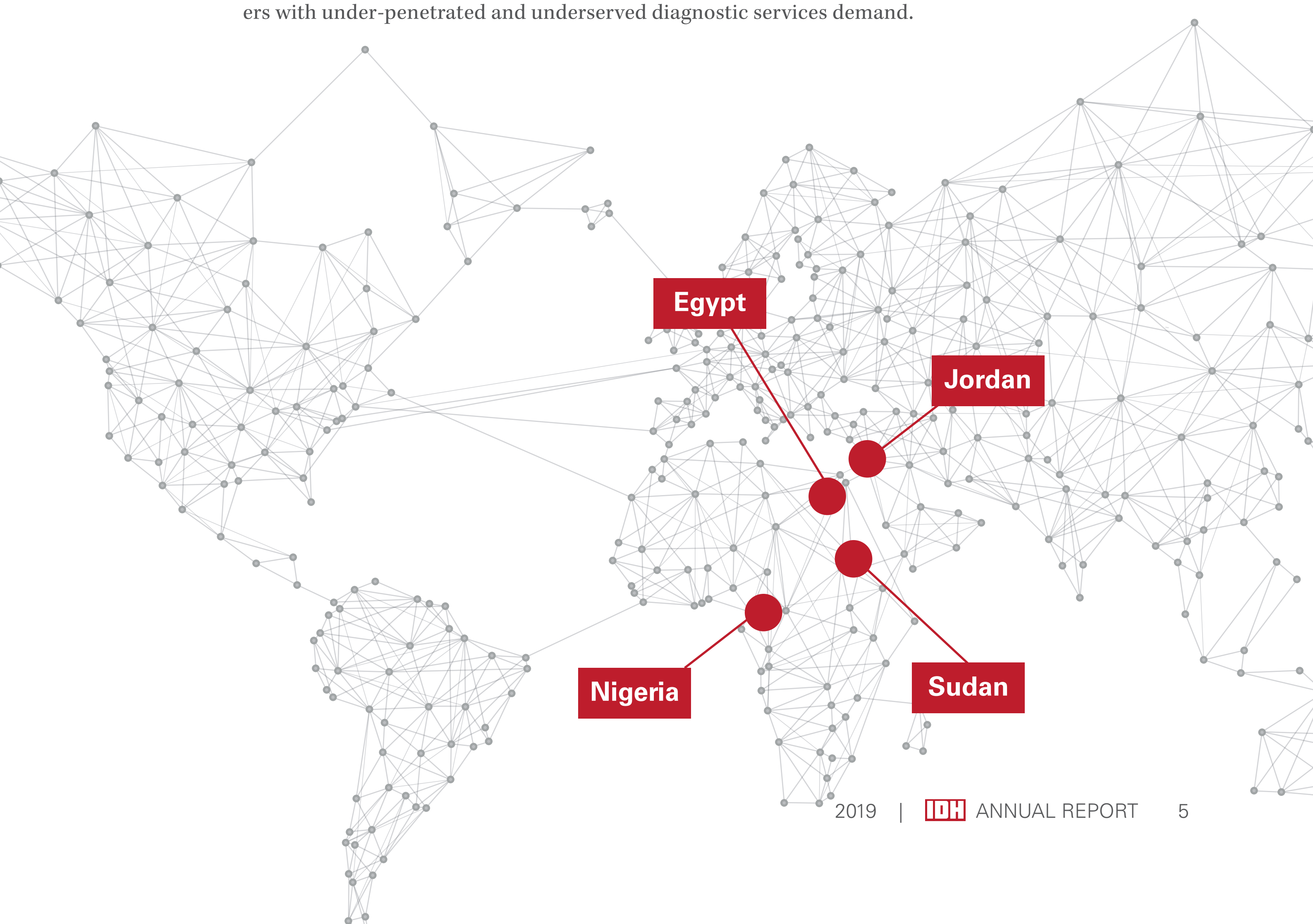
OUR SERVICES

Through IDH's brands, the Group offers over 1,400 internationally accredited pathology tests ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders. IDH also offers the full suite of radiology services through Al Borg Scan in Egypt and Echo-Lab in Nigeria. Additionally, Wayak in Egypt leverages advanced data systems to provide patients with highly tailored healthcare management services.

Immunology	Microbiology	Haematology
Endocrinology	Clinical Chemistry	Molecular Biology
Cytogenetics	Histopathology	Radiology

OUR MARKETS

IDH's geographic presence includes four countries across the Middle East and Africa including Egypt, Sudan, Jordan and Nigeria. These markets are underpinned by strong structural growth drivers with under-penetrated and underserved diagnostic services demand.



Our Patients

IDH serves two principal types of clients: contract (corporate) and walk-in (individuals). Within each of these categories, the Group also offers a house call service, and within the contract segment, a lab-to-lab service.

IDH's walk-in clients, also referred to as "self-payers", represented 40% of the Group's revenues, and include individuals who pay out of pocket in advance of tests being completed.

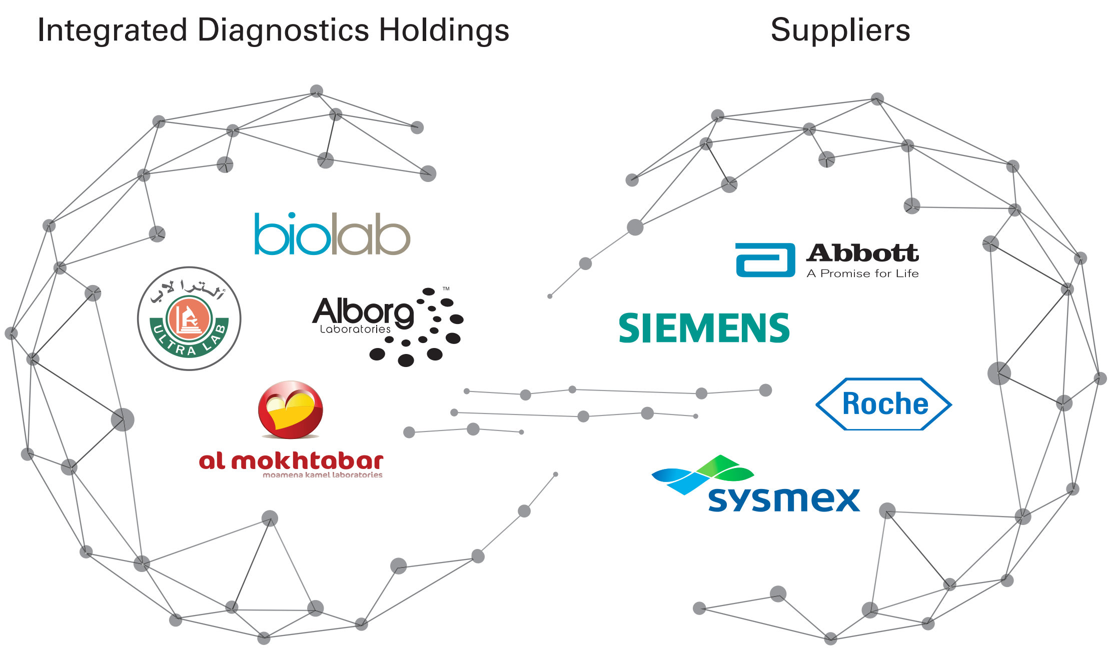
IDH's contract clients, who in 2019 represented 60% of the Group's revenues, include institutions such as unions, syndicates, private and public insurance companies, banks and corporations who enter into one-year renewable contracts at agreed rates per-test and on a per-client basis.

An Asset-Light Business Model

IDH deploys an asset-light business model that enables the Group to grow in a capital-efficient manner. There are two strategic components to the model, one of which is a "Hub, Spoke and Spike" network of branch laboratories that is easily scalable. The other is key supplier relationships that also support rapid expansion without the Company having to purchase expensive medical diagnostic equipment.

Supplier Relationships

The operational strength awarded to IDH by its business model is also illustrated by its supplier relationships. The Group's position as the largest provider of diagnostics services in the MENA region provides it with significant bargaining power and has allowed it to successfully negotiate favourable contracts terms with its medical equipment and test kits suppliers. The Group's contracts with its key suppliers of medical testing kits include the provision of the equipment to analyse the laboratory test results. These agreements have minimum annual

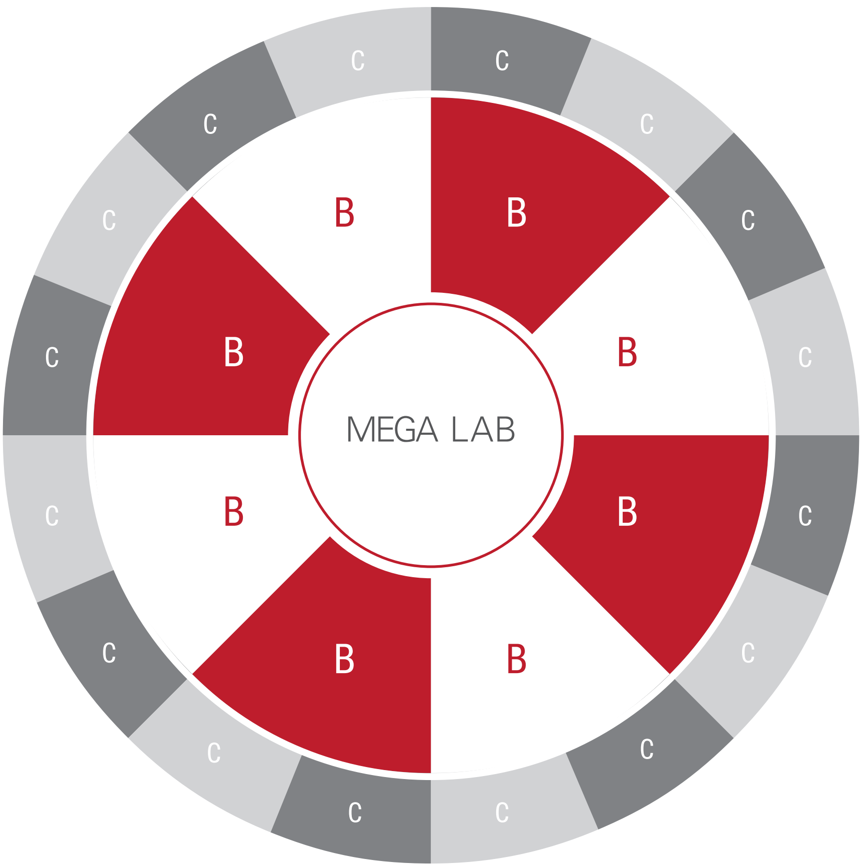


commitment payments to cover the medical diagnostic equipment, kits and chemicals to be used for testing and ongoing maintenance and support services.

Thanks to its increasing test volumes, the Group's business size easily covers these minimum annual commitment payments, while its high volume of kit consumption supports its pricing power, thereby reducing the cost per test while at the same time incurring no initial capital outlay for the purchase of medical diagnostic equipment.

Hub, Spoke and Spike

The Group's CAP-accredited Mega Lab functions as its Hub and is equipped with state-of-the-art equipment, advanced diagnostic tools and sufficient capacity to process all tests and services for samples collected by the B-Labs (Spokes) and C-Labs (Spikes) across four countries. IDH utilises its B-Labs to process routine test and leverages their capacity to manage traffic to the Group's Mega Lab when needed. Meanwhile, C-Labs or Spikes function primarily as collection centres and most importantly increase the Group's geographic reach to clients nationwide. This "plug and play" business model forms the operational backbone of the Group and provides it with significant leverage in extracting favourable revenue and cost synergies.



Highlights of 2019

16%

Revenue growth in 2019

> *Egypt was the primary driver of growth during the year, recording an 18% year-on-year increase in revenue to EGP 1,903 million*

Financial Highlights

Revenues

increased 16% year-on-year to EGP 2,226 million in 2019, supported primarily by improved average pricing as well as higher patient and test volumes. Egypt was the primary driver of growth during the year, recording an 18% year-on-year increase in revenue to EGP 1,903 million in 2019.

Gross Profit

recorded EGP 1,084 million in 2019, up 14% year-on-year, with a stable gross profit margin of 49%.

Operating Profit

grew by 15% to EGP 791 million in 2019 with a 36% margin, partly supported by the adoption of IFRS 16 along with the release of provision related to a training fund amounting to EGP 11.8 million. Operating profit margin remained stable versus the previous year. Operating profit was affected by losses recorded in Nigeria and ramp-up costs related to Wayak.

EBITDA*

recorded EGP 945 million for 2019, up 24% against the EGP 762 million in 2018, with an EBITDA margin 42% versus 40% in 2018. EBITDA strength was driven by revenue growth and the effect of adopting IFRS 16, which added EGP 68.2 million to EBITDA in 2019.

**Consolidated EBITDA is calculated as operating profit plus depreciation and amortisation. Consolidated EBITDA includes negative contributions from its newly launched Nigerian operation which is still in the value-building phase*

Normalized EBITDA

which excludes the EGP 68.2 million related to the adoption of IFRS 16, reached EGP 877 million, up 15% year-on-year and with an EBITDA margin of 39%. Normalized EBITDA growth came despite the negative contribution from Nigeria and pre-operating expenses related to Wayak.

Net Profit

recorded EGP 505 million in 2019, up 2% against 2018 and with a net profit margin of 23% versus 26% in 2018. Bottom-line profitability was affected by higher interest charges related to Al Borg Scan and IDH's new headquarters, lower interest income due rate cuts, and the effect of adopting of IFRS 16.

Normalized Net Profit

which excludes the effect of IFRS 16 (EGP 15.3 million), would reach EGP 520 million, up 5% versus 2018 and with a 23% net profit margin.

Earnings Per Share

of EGP 3.41 compared to EGP 3.35 in 2018.

Dividend

Due to the Covid-19 pandemic and consequent uncertainty regarding the macroeconomic environment, the Board of Directors has deemed it more appropriate to focus on retaining resources and will thus suspend the dividend decision till September 2020. At which point, further consideration will be given to developments in the global pandemic and confidence regarding the Group's future needs and financial outlook.

Operational Highlights

34

new branches added in 2019 bringing the Group's network to 452 branches across its footprint.

30.5

million tests performed across the Group in 2019 compared to 28.8 million last year.

7.5

million patients served in across the Group in 2019 compared to 7.0 million last year.

Radiology

services ramp-up at Al Borg Scan with increasing contribution to revenue and EBITDA and a second branch commencing operations in early 2020.

Nigeria

expansion with three new Echo-Lab branches established during 2019, bringing the total number of branches in the country to 13. Eight of the existing branches had been renovated by year-end 2019.

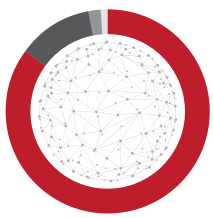
Wayak

established as new Egyptian subsidiary in September 2019 with the aim of offering its patients healthcare management services such as home-delivery of medications, diagnostics testing reminders and referrals to service providers.

Revenue by Geography

% of total revenue in 2018

Egypt	84%
Jordan	13%
Sudan	2%
Nigeria	2%



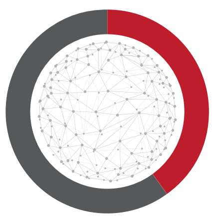
% of total revenue in 2019

Egypt	85%
Jordan	12%
Sudan	2%
Nigeria	1%

Revenue by Type

% of total revenue in 2018

Walk in	41%
Contract	59%



% of total revenue in 2019

Walk in	40%
Contract	60%

Results Summary*

Indicator	Units	2019	2018	Change
Operational				
Numbers of Tests	mn	30.5	28.8	6%
Number of Patients	mn	7.5	7.0	6%
Number of Branches	#	452	418	8%
Tests per Patient	#	4.1	4.1	-
Financial				
Revenues	EGP mn	**2,226**	**1,921**	**16%**
Cost of Sales	EGP mn	(1,143)	(973)	17%
Gross Profit	EGP mn	**1,084**	**948**	**14%**
Gross *Profit Margin*	%	*48.7%*	*49.4%*	*(0.7 pts)*
Operating Profit	**EGP mn**	791	685	15%
Depreciation	EGP mn	(99)	(71)	39%
Depreciation on Right of Use Assets	EGP mn	(48)	-	-
Amortization	EGP mn	(7)	(6)	17%
EBITDA[1]	**EGP mn**	**945**	**762**	**24%**
EBITDA Margin	%	*42.4%*	*39.7%*	*2.7 pts*
IFRS 16 adjustment on EBITDA	EGP mn	(68)	-	-
Normalized EBITDA[2]	**EGP mn**	**877**	**762**	15%
Normalized *EBITDA Margin*	%	**39.4%**	**39.7%**	**(0.3 pts)**
Net Profit	**EGP mn**	**505**	**497**	**2%**
Net *Profit Margin*	%	*22.7%*	*25.9%%*	*(3.2 pts)*
IFRS 16 adjustment on Net Profit	EGP mn	**15**	-	-
Normalized Net Profit[3]	**EGP mn**	**520**	**497**	**5%**
Normalized Net *Profit Margin*	%	*23.3%*	*25.9%*	*(2.6 pts)*
Earnings Per Share	**EGP**	***3.41***	***3.35***	***2%***

**Decimals are rounded to the nearest whole number.*

[1] Consolidated EBITDA is calculated as operating profit plus depreciation and amortisation. Consolidated EBITDA includes negative contributions from its Nigerian operation which is still in the value-building phase.

[2] Normalised EBITDA is calculated as consolidated EBITDA adjusted for the effect of adopting IFRS 16.

[3] Normalised Net Profit is calculated as Net Profit adjusted for the effect of adopting IFRS 16

Chairman's Message

Lord St John of Bletso
Chairman

Dear Shareholders,

We live in unprecedented times. The full global economic impact of Covid-19 will take several quarters to analyse and digest. Your Company fortunately has strong defensive qualities as well as a strong and impressive track record.

I am pleased to report that we continued to deliver impressive growth in 2019. Despite increased competition in Egypt and challenging market conditions in Sudan and Nigeria, IDH maintained its competitive edge as the leading healthcare provider with its scalable platform and value-added diagnostic services.

In 2019, we achieved a 16% growth in revenue, benefiting from our strong core business, and we maintained encouraging gross margins. The Company continued its organic expansion with additional branches and expanding Al Borg Scan. We also restructured the business in Nigeria which will take time to mature. Your management is confident in the strong fundamentals of IDH's markets and we are committed to driving growth through these expansions.

A key development during 2019 was the opening of IDH's new headquarters in Smart Village on the West side of Cairo. This brought the IDH family together and has boosted productivity, efficiency and morale.

IDH is growing its regional footprint and working to further strengthen its competitive advantage by offering patients value propositions

“Your Company is cognizant and committed to our ESG policy and responsibilities promoting gender equality, increased training programs and following best practices on transparency, accountability and good governance”

that increase retention rates and safeguard our Company’s leading market position.

Apart from the immediate challenges for global businesses with the Covid-19 threat, Egypt has experienced a more stable economic and political environment in the last year with a strengthening pound and a commitment by the Government to promote proactive healthcare services.

We are also seeing a gradual improvement in Sudan, where our business remains stable after a year of significant political transition, and we are particularly pleased with Jordan, which has been a solid and growing business.

Your Company is cognizant and committed to our ESG policy and responsibilities promoting gender equality, increased training programs and following best practices on transparency, accountability and good governance.

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

IDH’s success relies on the dedication and hard work of its senior management team, and we constantly review our KPIs and remuneration policy to retain and promote talent. We are also cognizant of succession planning.

Your Company continues to enjoy strong organic growth momentum and is constantly evaluating potential M&A opportunities in the Middle East and Africa to further accelerate this trajectory.

We are grateful to the loyalty and support of our shareholders. At a time of volatility in the listed healthcare sector, your Company is well positioned to maintain growth and profitability in an increasingly competitive landscape.

Lord St John of Bletso
Chairman

Chief Executive's Report

Dr. Hend El-Sherbini
Chief Executive Officer

"As a healthcare business, IDH has a role to play in our community — and an equally important role to play in keeping our staff safe as we navigate this new normal and ensure business continuity"

Before unpacking our performance in 2019, I note that as of this writing, the novel coronavirus that causes the covid-19 illness continued to spread across the globe including in our markets. This pandemic has pushed governments, businesses and communities to adopt unprecedented mitigation efforts to control the spread of the disease. As a healthcare business, IDH has a role to play in our community — and an equally important role to play in keeping our staff safe as we navigate this new normal and ensure business continuity.

We have thus prepared a Crisis Management Plan (CMP) outlining measures to mitigate the risks posed by the pandemic, with a focus on strengthening our health and safety protocols, maintaining compliance and efficient stakeholder communication, assessing business strengths and financial resilience and running stress tests to better ascertain the financial impact on IDH under rapidly evolving scenarios. Our primary goal is to ensure safe continuity of business activities and keeping critical functions running. The CMP is regularly reviewed and updated by a specialized crisis committee that is responsible for daily monitoring of the situation across our footprint and ensuring our organization is prepared for any eventualities.

As of date, the health ministry in Egypt has made testing for the SARS CoV-2 the exclusive responsibility of state-owned laboratories. Were we to be called by the national health authority to assist with testing, we stand ready with the necessary systems and having reviewed our risk matrix and our staff are trained on how to safely administer the test. Whilst there is a nationwide nighttime curfew in Egypt, our branches continue to operate and we are offering free house visits by phlebotomist to encourage patients to stay home.

In Jordan, a complete nationwide lockdown had initially seen 17 of our 19 Biolab branches shutdown, however, as of date 17 of our branches are fully operational, with only two branches located within shopping centres remaining closed. We are also currently conducting testing for SARS CoV-2 at one location in Jordan. In Nigeria, covid-19 cases remain few according to official numbers and all our branches continue to operate despite the complete lockdown in the country. Finally, in Sudan, the government has imposed a curfew and we are currently operating with four branches.

As we continue to operate across our footprint, our primary focus is to ensure staff and patient safety and to mitigate the risk of disease spread. Key health and safety measures include:

- All of our staff use appropriate protective equipment when interacting with patients, including those suspected of having covid-19 or any other infectious disease. We maintain a robust stock of protective equipment to ward against supply-chain risk.
- All of our frontline staff are trained on procedures for interacting with patients suspected of carrying covid-19 or any other communicable disease. Managers regularly review these procedures with their teams and a refresher has been disseminated to all employees. These procedures include steps that are taken to (a) protect our staff and (b) protect other patients presenting at our clinics for testing.
- Daily temperature check conducted for all employees and visitors at the headquarters and the Mega Lab.
- The Mega Lab and branch employees are split into two alternating groups for two continuous weeks. In case of infection, the Mega Lab/branch will undergo a complete sterilization, and the off duty group will be called on to resume work the following day.
- Our team have a protocol for referring patients they suspect may carry covid-19 to the nearest state lab for testing.
- We are prepared with standard operating procedures for SARS CoV-2 testing in the event that we are asked by a competent health authority to participate in testing efforts.
- All staff who may come into contact with a covid-19 patient are given a 14-day home leave and are monitored carefully.
- All members of our team are subject to regular messages reminding them that they may not report to work if they have symptoms of a covid-19 infection.
- Headquarters employees have alternating attendance, meetings are conducted virtually, and remote work is encourage where possible.
- Weekly attendance plan is prepared and implemented by each department for all employees, ensuring a minimum labor force and separate teams to limit interactions.

On the business continuity front, we have outlined measures to ensure preparedness in the case of a complete lockdown in Egypt which would require headquarter employees to work from home. Currently, our headquarters is operating with a 50% employee capacity and we have tested the tools and IT infrastructure – including Customer Relationship Management, Laboratory Management Systems and SAP – to allow for stable and remote day-to-day operations. These measures extend across all functions, including our marketing activities and relevant digital media campaigns to maintain and strengthen customer relationships.

IDH is also in constant communication with all its key suppliers to mitigate against supply chain disruptions, with daily monitoring of kit use and raw materials. As at 31 March 2020, our average testing kit stock covers three months of operation (with the exception of short shelf life kits which constitute c.10% of total number of kits). We are therefore covered through to July 2020 and we have placed a new order for a further three-month supply, which is expected to be delivered in April 2020 and would extend coverage to September 2020.

Most importantly, we are ensuring prudent cash management and preparing for changes in our cash conversion cycle. Management is continuously monitoring our short-term liquidity position, including daily revenue, debt retirement schedules and covenants. IDH's strong liquidity position and underleverage balance sheet places us in a very resilient position, and we are actively working to preserve this position through cost discipline and a reduction of non-critical uses of cash such as in training, CAPEX and marketing.

The strength of our position in the face of these unprecedent challenges is thanks to IDH's long track record of growth and prudent financial policies, and I am pleased to report that our performance in 2019 was no different. The Group's results for the year reflect the defensive nature of our business and the strength of our market position.

Resilient Growth and Operational Performance

Against a backdrop of sluggish consumer spending in our primary market of Egypt, along with political and economic challenges in Sudan, IDH delivered 16% growth in its top line while maintaining a normalized EBITDA[1] margin at 39%. IDH's strong brand equity and its comprehensive suite of diagnostic services allowed us to attract a growing number of patients in 2019, with consumer loyalty remaining intact amidst a multitude of forces weighing down on their purchasing power, including the cumulative impact of subsidy cuts, higher energy prices, erosion of disposable income, higher taxes and runaway inflation since the float of Egyptian pound in late 2016.

Alongside strong organic growth of our business, our Group in 2019 also continued to make headway on its strategic initiatives. We have ramped-up operations at Al-Borg Scan, our new radiology unit in Egypt, which is increasingly contributing to revenue and EBITDA; and we are witnessing good momentum in volumes in Nigeria as we continue renovating and expanding our branch network while deploying new state-of-the-art equipment. While these expansions have weighed down the Group's consolidated net profit, we expect Al Borg Scan and Nigeria to turn to bottom-line profitability in the near term.

IDH recorded revenue of EGP 2,226 million in 2019, a 16% increase over the EGP 1,921 million recorded in the previous year, with growth being primarily driven by improved pricing and test mix as well as higher volumes during the year. Stronger pricing delivered 11 percentage points of the Group's growth in 2019, in step with average inflation rates, while higher volumes contributed 6 percentage points. IDH recorded a 6% increase in both number of patients served, and tests performed, closing the year with 7.5 million patients and over 30.5 million completed tests. Meanwhile, one percentage point of the Group's local-currency growth was lost to currency translation on account of the Egyptian pound's appreciation.

Our contract segment reported a 17% year-on-year increase in revenue in 2019, making up 60% of the Group's top-line and contributing circa 10 percentage points to total growth. The segment's performance was driven by a higher number of patients served (+7% compared to 2018) as well as improved pricing, which drove average revenue per patient up 9%. On the other hand, walk-in revenues grew 15% in 2019, similarly driven by growing number of patients during the year (+4%) along with better pricing leading to a 10% increase in average revenue per patient.

Our ability to absorb higher volumes and capture resilient demand for our services is underpinned by IDH's continued investment in its geographic footprint. In 2019, our Group has opened 33 labs in Egypt and three in Nigeria, while closing two unprofitable

[1] Normalised EBITDA is calculated as consolidated EBITDA adjusted for the effect of adopting IFRS 16.

branches in Sudan, leaving us with a branch network of 452 locations as at year-end, up from the 418 branches operated as at 31 December 2018. IDH's Egyptian expansion drive continues to be supported by its state-of-the-art, College of American Pathology-accredited Mega Lab, which is the backbone of our "Hub, Spoke and Spike" business model. IDH's Mega Lab is the sole CAP-accredited facility in Egypt, deploying the most advanced technology to run more than 20,000 tests per hour. The facility also provides a leading clinical trials laboratory service, helping biopharmaceutical and diagnostics customers develop new medical insights.

Regionally, our Group witnessed strong and improving performance in 2019 across our core businesses in Egypt, Jordan and Sudan.

In Egypt, revenue grew 18% year-on-year to EGP 1,903 million and continued to make up the largest share of both the Group's consolidated revenue and total revenue growth for the year. Egypt's performance continued to be driven by the market's strong fundamentals and rising healthcare awareness. In that regard, I am particularly pleased with our subsidiaries' participation in the state-sponsored 100 Million Healthy Lives campaign, which ran from November 2018 through June 2019 with the aim of eradicating Hepatitis C in Egypt through testing of asymptomatic people. Our participation in national health awareness campaigns is a natural outgrowth of our responsibilities as a healthcare provider and we are proud to have helped the 250,000 people who walked through our doors under the campaign's umbrella to lead better and healthier lives.

I am also pleased with the Group's performance in Jordan, where we delivered growth despite exogenous factors including austerity measures and a decade-long price freeze maintained by the regulator. Biolab was successful in growing patient and test volumes to deliver a 6% increase in revenue to EGP 257 million for the year (+12% in JOD terms), while cost efficiencies are yielding substantial improvements in profitability. Jordan's EBITDA grew by a sharp 74% year-on-year in 2019 to EGP 90 million, and its EBITDA margin expanded 6 percentage points to 27% when normalizing for the positive impact of IFRS 16.

In Sudan, despite nationwide protests last year that culminated in significant political change and the continued impact of a sharp currency devaluation that began in 2018, we were successful in growing patient numbers and passing on price increases in step with inflationary pressures. The results are clear with revenue in local-currency (SDG) terms recording a strong 64% increase, while in EGP terms the geography delivered a 4% increase in the top-line to EGP 37 million, the first year-on-year growth since 2017. Moreover, Sudan's profitability improved at the gross profit and EBITDA levels owing to a turnaround in revenue and following staff localization efforts to lower foreign currency-denominated salaries.

At the holding level, the Group's gross profitability remained intact with gross profit for the year increasing 14% over 2018; we also maintained a healthy gross profit margin of 49%. This is a direct consequence of management's focus on increasing operational efficiency and on cost-reduction initiatives throughout the year. As such, our raw materials cost as a percentage of sales has decreased to 18.3% in 2019, down from last year's 19.3%. EBITDA grew 24% to EGP 945 million with an EBITDA margin of 42% (2018: 40%), partly owing to the adoption of IFRS 16 which added EGP 68.2 million to EBITDA in 2019. Nonetheless, normalized EBITDA[1] increased 15% year-on-year, and normalized EBITDA margin was largely stable year-on-year despite the negative contribution for Nigeria, which incurred increased ramp-up costs and lower capacity as branch renovations took place.

The Group recorded a 2% year-on-year increase in net profit to EGP 505 million in 2019, with net profit margin at 23%, partly affected by the adoption of IFRS 16. When excluding the effect of applying IFRS 16, normalised net profit for the year would reach EGP 520 million, up 5% year-on-year. A detailed breakdown of the effects of adopting IFRS 16 is provided in the Performance section of this report on pages 50 – 61. Our bottom-line profitability was affected by higher net interest charges related to Al Borg Scan and IDH's new headquarters and lower interest income due to rate cuts.

Growth in Nigeria

IDH pressed on with its value-building program in Nigeria during 2019, including refurbishment of existing Echo-Lab branches and the rollout of new locations. As of year-end, we had completed renovations at eight out of our current 13 branches in the geography, as well as inaugurating two new locations in Victoria Island and Akowonjo.

Despite rotating downtime during the upgrade period, we are witnessing strong volume growth: number of tests was up by 38% in 2019 compared to the previous year, and patient numbers rose 8% year-on-year. This growth is being driven by Echo-Lab's strengthening position in the market with a growing reputation as a quality provider of diagnostic services with new state-of-the-art radiology equipment. IDH recently installed new radiology equipment at Echo-Lab, including magnetic resonance imaging (MRI) and computed tomography scan (CT) that started operation in the second half of 2019. Echo-Lab is also implementing marketing and business development activities to drive higher volumes, with a key focus on engaging with corporate clients as well as targeting doctor forums to build referral networks.

We have also completed the deployment at Echo-Lab of the Group's Laboratory Information Systems (LIS) and its System Application and Product (SAP) platform and expanded our Nigerian subsidiary's range of diagnostic testing by sending select samples to our Mega Lab in Egypt. Most importantly, IDH continues to train Echo-Lab staff on quality standards and procedures, supported by strong commitments to training and development of operational staff as well as the recruitment of new management to help deliver on its strategic goals for the geography.

Our efforts to ramp up operations in Nigeria and improve Echo-Lab's service offering are beginning to reflect on the geography's performance, with revenues in NGN terms recording a 23% year-on-year increase. However, the Egyptian pound's appreciation during 2019 saw revenue remain flat year-on-year at EGP 30 million when translated into our consolidated financial statements.

Ramp up at Al Borg Scan

The Group's first full-fledged radiology branch in Egypt began operations in October 2018 under the Al Borg Scan brand and has since been delivering a promising growth trajectory with strong profitability. The sole branch's first full year of operations saw it record EGP 14 million in revenue for 2019, contributing one percentage point to IDH's 16% consolidated revenue growth in 2019. I am also pleased to report that with only one operational branch thus far, Al Borg Scan is an EBITDA positive operation having recorded EGP 1.8 million in 2019.

Throughout the year, Al Borg Scan served more than 19,000 patients and conducted over 27,000 tests, including 4,000 CT scans, 4.8 thousand MRIs and 6.8 thousand x-rays. The branch is attracting patients through various corporate accounts, physicians and by leveraging the strong relationship between the Al Borg brand and its millions of customers. Our high-quality offering is delivered by state-of-the-art technology supplied by global brand names including Siemens, Hitachi and GE Healthcare, and a highly trained staff of radiologists, technicians and front office personnel.

We anticipate significant growth at Al Borg Scan as we continue with our branch rollout plan, starting with a second location in Cairo set to commence operations in early 2020. Our expansion into this adjacent, high-value segment will continue to be supported by strong marketing campaigns, capitalizing on Al Borg's strong brand equity and in tune with the Group's overarching strategy of raising healthcare awareness.

Our Commitment to our Stakeholders

As a woman-led business offering quality, affordable consumer healthcare solutions for millions of people across Africa and the Middle East, IDH has long taken into account what it means to be a good corporate citizen. This starts with our prime motivator: To leave the communities in which we do business healthier than we found them by ensuring everyone has the tools they need to take charge of their health.

Our team, more than 30% of which are women, pride themselves on their support of national healthcare campaigns that expand access to affordable healthcare, including most recently the c. 2.4 million tests we completed for the 100 Million Healthy Lives campaign in Egypt. And we continue to run awareness campaigns for patients suffering from treatable chronic conditions that impact patients' health and quality of life.

It is against this backdrop that I welcome the growing calls in the investment community for more reporting on environmental, social and governance (ESG) issues — and for real-world policies that drive improvement in key matrixes.

Since we went public on the London Stock Exchange, we have been governed by a world-class Board of Directors made of up majority independent, non-executive directors and backed up by a robust policy framework. And by the nature of our business, IDH has both a low environmental footprint compared to many enterprises and a high social impact.

I am, however, very cognizant that there is much more to do. Late in 2019, our management team began laying the groundwork for an ESG review that will result in both the creation of our first ESG policy, in our establishing a matrix of responsibility for key indicators, and in our regular reporting on these indicators before the end of 2020.

In doing so, we aim to tell a story that emphasizes where we have room for improvement — and that clearly outlines the benefits IDH delivers to patients, to our employees and the communities in which we are privileged to operate.

Proposed Dividend and Dividend Policy

Whilst we maintain our long-term dividend policy that sees us return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations and expansions, our Board of Directors will postpone the dividend decision in light of the current situation and uncertainty surrounding the covid-19 pandemic. We will review the situation in our upcoming Board meeting in September and assess the Group's cash position at the time before a decision is made and a distribution date is set.

2020 Outlook

We remain fundamentally optimistic about the outlook for our businesses following the resolution of the covid-19 crisis. Egypt is (and for the foreseeable future will remain) our largest business, with key long-term growth drivers unaffected by current events. Regionally, we expect continued growth in Jordan, which enjoys some of the most modern health CARE infrastructure in the Middle East and where strong fundamentals have allowed IDH to deliver growth despite strict price regulation. I am also increasingly confident in the growth prospects of our business in Sudan, where increasing stability supports growth in number of patients and test volumes and with it improved financial performance. In Nigeria, we will continue to focus on implementing our value-building phase.

In short, we believe the business is well served by strong market positions, supporting macroeconomic and industry trends over the long-term, an expanding services portfolio, and clearly defined strategies that will allow us to deliver consistent growth once the current global crisis resolves.

H. El Sherbini

Dr. Hend El-Sherbini
Chief Executive Officer

Our Markets

Key Market Dynamics

IDH operates across emerging markets that share key dynamics different from those in Western healthcare sectors. General practitioners (also referred to as family medicine practitioners or primary care specialists) are rare in these emerging markets and are, accordingly, not the gatekeepers through which patients access primary or specialist care.

In emerging markets, a patient may seek medical care either through a hospital outpatient clinic or emergency room, attending a polyclinic or directly seeking the services of a specialist physician. Physicians ordering diagnostic testing may recommend that the patient complete these tests at a specific service provider, but patients enjoy a high degree of freedom in choosing the service provider they attend based on perceived quality and pricing or on insurance or corporate arrangements. Walk-in patients (also referred to as "self-payers") pay out of pocket in advance of the tests being completed.

Patients then typically obtain test results in person (often with an accompanying report from a pathologist, geneticist, radiologist or other specialist) and return with the results to the physician who requested the tests in the first instance. It is noteworthy that IDH has the ability to deliver test results to patients on the same day electronically as well as via a mobile app.

IDH accordingly engages in sales and marketing activities that separately target:

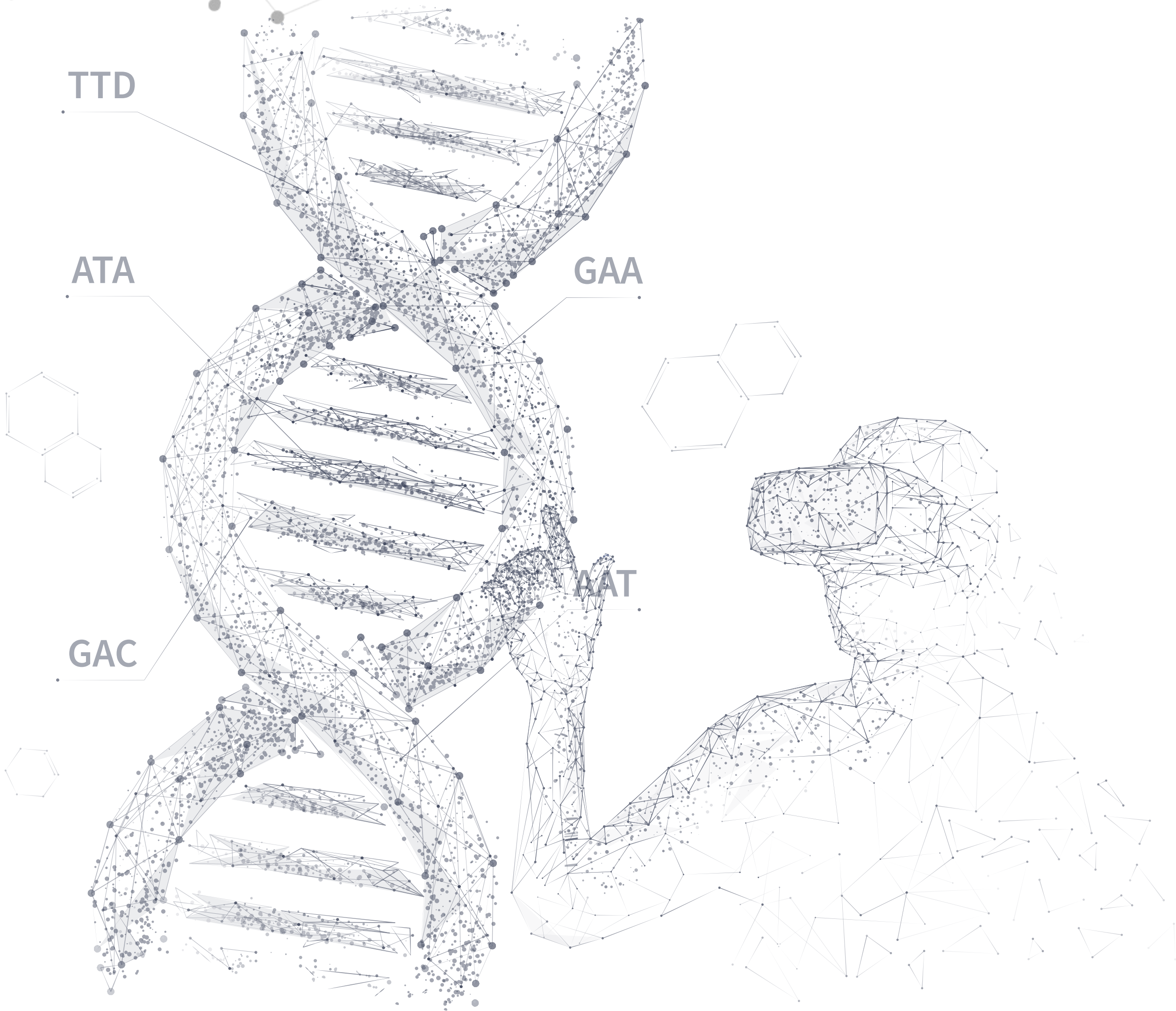
- **Physicians:** through direct sales visits to individual practitioners, periodic gatherings for physicians within a speciality, promotional giveaways as well as discount cards for physicians and their families, incentive-based physician loyalty programs and the organisation or sponsorship of conferences;
- **Walk-in Patients:** through social media channels, mass-market and targeted health awareness campaigns, outdoor advertising, television, radio and online advertising; and;
- **Corporate Patients:** through direct outreach to insurers and employers.

452

Branches as at
31 December 2019

4

Geographies where the Group
Operates



Barriers to Market Entry

Accreditation of Facilities

Attracting contract clients requires accredited, high-quality testing capabilities.

Brand Equity and Reputation

Patients are loyal to leading brands with a strong track record.

Market Reach

Fragmented market necessitates a wide geographic presence to allow for broad customer reach.

Relationship with Key Stakeholders

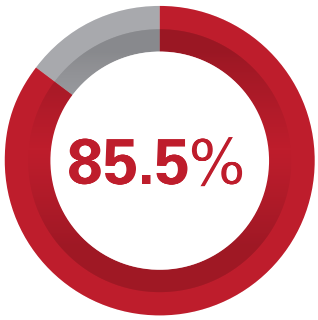
Building a scalable platform requires strong relationship with stakeholders such as physicians, patients and hospitals.

Egypt

The Egyptian diagnostics industry enjoys powerful structural growth drivers. With a population of over 100 million, Egypt is the most populous country in the Middle East North Africa ("MENA") region and hosts a significant population of elderly people. The population is marked by a rising prevalence of diseases, including communicable and non-communicable diseases, tropical diseases, and lifestyle diseases such as diabetes. The government has adopted a strategy to increase awareness on the importance of diagnostic testing in preventative healthcare, supporting the growth in laboratory diagnostics as a tool in clinical practice. Most recently, the government sponsored the nationwide 100 Million Healthy Lives campaign with the aim of eradicating hepatitis C in Egypt. The campaign ran from November 2018 through June 2019 with diagnostic testing targeting 50 million citizens. Following its success, the government launched a new awareness campaign in July 2019 targeting women and the early detection of breast cancer with diagnostic testing.

The Egyptian diagnostic market can be broadly divided into public and private sector infrastructure, with the latter including both labs attached to private hospitals and independent standalone labs (chains and single labs). Most labs in Egypt are concentrated in big cities, with substantial room to increase accessibility across the country's 27 governorates for greater coverage of the population. The corporate market is emerging as a driver for diagnostic services, as more companies offer healthcare coverage to their employees.

Contribution to consolidated revenues in 2019



IDH is in a strong competitive position in the Egyptian diagnostic industry, having created formidable barriers to entry with its 40-year track record, trusted brands, scalable business model and network of 399 branch labs at year-end 2019. According to the Boston Consulting Group (BCG), IDH is the largest fully integrated private sector diagnostics service provider, with more than 50% share by revenue of the private chain market in Egypt.

Operational Highlights

Revenues in Egypt increased 18% y-o-y to EGP 1,903 million in 2019, with growth being driven by favourable pricing across both the walk in and contract segments and higher test volumes. The number of total patients served and of tests performed increased 6% y-o-y, with the first reaching 6.9 million and the latter recording 27.9 million for the year. Egypt's performance was further buoyed by

EGP**1,903**mn

Revenues in 2019, up 18% y-o-y

the ramp up of operations at the new Al Borg Scan branch – the Group's radiology unit – with the sole operational branch recording EGP 14 million in revenues in 2019, making up 1% of Egypt's total revenue for the year. Operations in Egypt contributed 93% of the Group's EBITDA, with EBITDA margin remaining stable at 46% in 2019 including the positive effect of adopting IFRS 16. For a detailed breakdown of the effect of adopting IFRS 16 on Egypt's EBITDA please refer to the Performance section of this report on pages 50 – 61.

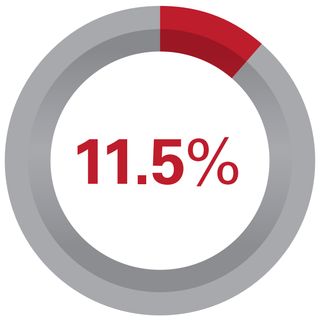
> *“ Egypt's performance was buoyed by the ramp up of operations at the new Al Borg Scan branch*

A key development in Egypt included the launch of the government-sponsored 100 Million Healthy Lives awareness campaign, which ran from November 2018 through June 2019. This was the largest health campaign under the directive of the Egyptian President Abdel-Fattah El-Sisi, which aims to eradicate hepatitis C across Egypt as part of the administration's strategic 2020 plan. The campaign also aims to stymie the growth of chronic diseases such as high blood pressure, diabetes and obesity. The campaign contributed to higher volumes for IDH during 2019, with 224 thousand patients served and c.2.4 million tests performed.

Jordan

Jordan has one of the most modern health care infrastructures in the Middle East, with services highly concentrated in Amman and c. 70% of Jordanians having medical insurance. The strong fundamentals of the Jordanian market have allowed IDH to deliver consistent growth despite strict price regulation on medical laboratories with a set price list that has not changed since its issuance by the Jordanian Ministry of Health in 2008. Biolab has thus focused on driving volume growth in the market, deploying strategies to expand its services portfolio and packages that encourage increased testing per patient.

Contribution to consolidated revenues in 2019



Unlike Al Borg and Al Mokhtabar in Egypt, Biolab does not operate a Hub, Spoke and Spike business model. Whilst Biolab's 19 central labs perform many of the 1,000+ pathology tests offered, four that are considered specialty labs perform particular types of tests including, but not limited to, haematology, endocrinology, immunochemistry, parasitology, oncology, transfusion medicine, molecular genetics and antenatal diagnostics and gene sequencing. Furthermore, Biolab does not share purchasing, supply and logistics, IT, marketing or sales functions with its Egyptian parent company.

During 2019 Biolab followed through with its agreement with Georgia Healthcare Group PLC (GHG) to establish a Mega Laboratory (Mega Lab) in the Georgian capital of Tbilisi. The 7,500 square meter, multi-disciplinary Mega Lab is the largest of its kind in Georgia.

In exchange for providing information technology and management services, Biolab holds an 8.025% equity stake in the Mega Lab project and receives annual IT support services fees for a period of 10 years and annual management service fees for a period of two years.

The Mega Lab is integrating with GHG's network, with 49 locations installing the lab's Laboratory Information Managements Systems (LIMS), and the facility currently serving 21 branches, 43 polyclinics and 6 hospitals. Initially serving GHG's network, that is expected to utilize one-third of the facility's capacity, the Mega Lab plans to develop a B2B network of healthcare providers outside the Group to reach full utilization.

EGP257mn

Revenues in 2019, up 6% y-o-y

biolab

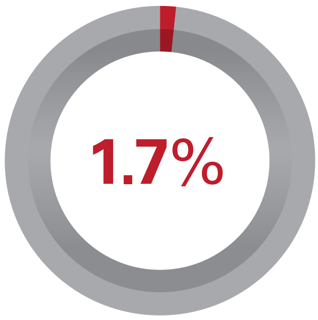
Operational Highlights

Consumers in Jordan continued to adjust to pressures related to the government's austerity measures, including an increase in income tax rates by 1%, with IDH recording revenues of EGP 257 million in 2019, a 6% y-o-y rise (up 12% in JOD terms). Biolab, the Group's Jordanian subsidiary, served 311 thousand patients in 2019, a 12% increase y-o-y, while the total number of tests performed also increased 12% y-o-y during the year. Biolab reported an impressive 74% increase in EBITDA to EGP 90 million for 2019 on the back of raw material cost optimization and cost saving efforts, along with the returns from the Georgia investment. EBITDA margin increased to 35% (27% when excluding IFRS 16) compared to 21% recorded in 2018. Should we exclude the effect of IFRS 16, the EBTDA margin of 2019 would have reached 27%. For a detailed breakdown of the effect of adopting IFRS 16 on Jordan's EBITDA please refer to the Performance section of this report on pages 50 – 61.

> “*Biolab reported an impressive 74% increase in EBITDA to EGP 90 million for 2019*

Sudan

Contribution to consolidated revenues in 2019



Sudan's economic backdrop continued to be affected by the social conflict and civil unrest which has endured since the 2011 secession of South Sudan, and subsequent loss of c.75% of oil production. These events have hindered the country's economic growth, deprived it of its major foreign currency sources which culminated in a severe currency devaluation in 2018 with the Sudanese Pound lose c.85% of its value. During 2019, economic hardships and political unrest led to month-long protests early in the year and the removal of long-time president Omar Al-Bashir in April 2019. While the forging of a sovereign council of civilian and military representative to manage a transitional period has brought fragile stability in recent months, management is carefully monitoring the situation and developments on the ground in relation to IDH's business.

IDH operates under two brand names in Sudan, Ultralab and Al Mokhtabar Sudan. Al Borg acquired a majority interest in Ultralabs in 2011, whilst Al Mokhtabar Sudan had been established in 2010 prior to the Group's acquisition of Al Mokhtabar in Egypt.

Operational Highlights

Despite nationwide protest in Sudan and civil unrest affecting patient and test volumes at IDH, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. Additionally, IDH has been successful in offsetting the effect of lower volumes due to protest with higher pricing. Consequently, revenues in Sudan recorded a 4% increase in 2019 to EGP 37 million, the first year-on-year increase in EGP terms since 2017 and the sharp currency devaluation. IDH's repricing efforts are more evident in SDG terms where revenue recorded a strong 64% increase, primarily driven by the walk-in segment. It should also be noted that with increased political stability, test volumes began to recover starting September 2019. Sudan's EBITDA recorded EGP 7.5 million, up from the negative EGP 2.6 million figure recorded last year. EBITDA margin stood at 20% (15% when

EGP37mn

Revenues in 2019, up 4% y-o-y

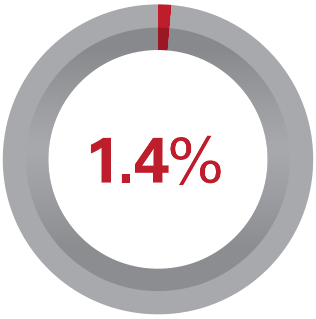
excluding IFRS 16) compared to the negative 7% margin recorded in 2018. Improved profitability was driven by strong revenue growth toward the second half of the year as well lower salaries after IDH replaced Egyptian expatriates with Sudanese employees. For a detailed breakdown of the effect of adopting IFRS 16 on Sudan's EBITDA please refer to the Performance section of this report on pages 50 – 61.

> *Sudan recorded the first year-on-year revenue increase in EGP terms since 2017 and the sharp currency devaluation*

Nigeria

IDH's operations in Nigeria commenced in February 2018 following its acquisition of Eagle Eye Echo-Scan Limited ("Echo-Scan") through a strategic alliance with Man Capital LLC ("Man Capital"), the London-based investment arm of the Mansour Group, called Dynasty Holding Group ("Dynasty"), which is 51% owned and controlled by IDH. In turn, Dynasty partnered with the International Finance Corporation ("IFC") and invested in Echo-Scan (since rebranded as Echo-Lab) to capture the opportunity present in the country's large medical diagnostics industry, valued at c. US$ 140 million in 2017 and projected to reach US$ 1 billion by 2025* .

Contribution to consolidated revenues in 2019



Whilst also highly fragmented, the industry can be broadly divided into three groups. The largest is independent standalone labs (chains and single labs), followed by public and private hospitals.

Since acquisition, the Group rolled out an integration and value-building plan for the expansion of Echo-Lab's branch network, renovating existing branches, procuring state-of-the-art equipment and growing the lab's service offerings and enhancing its quality standards.

Operational Highlights

During 2019, the Group's value-building phase saw it continue with refurbishment works on existing branches, with eight out of 13 branches renovated, including inaugurating three new branches as well as the closure of two non-performing branches during the year. Alongside network expansion Echo-Lab also installed new state-of-the-art radiology equipment from General Electric, including Magnetic resonance imaging ("MRI") and computed tomography scan ("CT"), that have commenced operation in the second half of 2019. The Group had also deployed its Laboratory Information Systems (LIS) and its System Application and Product (SAP) platform in 2018 and expanded its range of diagnostic testing by sending samples to its Mega Lab in Egypt. Most importantly, IDH continues to indoctrinate its quality standards and procedures and is investing heavily in training of operational staff and has hired a new management to help deliver on its strategic goals for the geography.

** Source: Boston Consulting Group*

EGP30 mn

Revenues in 2019, flat y-o-y

Echo-Lab's revenues in NGN terms recorded a 23% y-o-y rise for 2019, driven by growing volumes. However, in EGP terms, following an appreciation of the Egyptian pound over the course of the year, revenues in Nigeria remained stable year-on-year at EGP 30 million for 2019. Meanwhile, increased restructuring costs and delayed branch openings led to a negative EBITDA of EGP 30 million in 2019. With branch renovations progressing and with the installation of new state-of-the-art radiology equipment expected to increase patient volumes, management expects the Group's Nigerian operations to turn EBITDA positive during 2020.

"Echo-Lab's revenues in NGN terms recorded a 23% y-o-y rise for 2019, driven by growing volumes

Our Brands

IDH's core brands include Al Mokhtabar, Al Borg and Al Borg Scan in Egypt, Biolab in Jordan, Ultralab and Al Mokhtabar Sudan in Sudan, and Echo-Lab in Nigeria. An Egypt-based subsidiary, Wayak, was launched in 2019 to build electronic medical records and offer patients healthcare management services.

> *"Wayak was launched in 2019 to build electronic medical records and offer patients healthcare management services*

Al Mokhtabar – Egypt

Al Mokhtabar originates in 1979, when Dr. Moamena Kamel, Professor of Immunology at Cairo University's, founded MK Lab, which merged with Al Mokhtabar in 2004. The combined care provider has since built a strong reputation for quality, with a portfolio of over 1,200 clinical analysis tests encompassing immunology, hematology/coagulation, clinical chemistry, parasitology, microbiology/infectious diseases, toxicology, cytology, surgical pathology, flowcytometry, molecular biology and cytogenetics. As at 31 December 2019, Al Mokhtabar operated a network of 214 branches across Egypt. Over 3.8 million patients were served in 2019, with 15.4 million tests performed.

Al Borg Laboratories – Egypt

Founded in 1991, Al Borg Laboratories is the first Middle Eastern medical-laboratory operation to successfully implement a Hub, Spoke and Spike business model. Al Borg is now the largest privately owned laboratory group in the region, offering more than 2,000 test categories. This extensive product offering covers the whole spectrum of conventional and non-conventional medical-testing solutions. Through a network of 183 branches, Al Borg served more than 3 million clients in 2019, handling 12.5 million tests per annum. The company caters to outpatient walk-in customers in addition to corporate, insurance and lab-to-lab clients.

Al Borg Scan – Egypt

IDH established Al Borg Scan in 2018 with eye to capturing a share of Egypt's high-value radiology space. Offering a full range of radiology services, Al Borg Scan leverages Al Borg's brand equity and its large customer base to consolidate its position as the Egyptian market's premium provider of medical imaging. As at 31 December 2019, the company operated one state-of-the art facility in Egypt. Al Borg Scan draws on the latest technology to offer the highest quality in MRI, CT, ultrasound, x-ray, mammogram and cath lab services. Led by some of the Egypt's most capable and recognized radiologists, Al Borg Scan is a key component of IDH's strategy to build a national brand in Egypt.

Wayak – Egypt

Wayak was launched in 2019 to invest in data mining and artificial intelligence platforms and capitalise on IDH's patient database to capture new growth opportunities in the healthcare management space. With a database covering more than 13 million patients, of which 10% suffer from chronic diseases, Wayak will allow IDH to build electronic medical records of patients and better cater to their needs with innovative patient healthcare profiles, home-delivery of medications, diagnostics testing reminders, referrals to service providers under the IDH network with discounted prices as well as follow-up services.

alborg scan

UltraLab – Sudan

Founded in 2008, Ultralab has rapidly developed into Sudan's largest and most respected laboratory chain. Ultralab operated 13 laboratories at year-end 2019, including 10 independent labs and 3 hospital / clinical centre-based labs. The company enjoys broad geographic exposure in Sudan, with Khartoum, Om Dorman and Port Sudan. 2019 saw Ultralab serve 154 thousand patients in 2019, performing a total of 522 thousand tests.

Al Mokhtabar Sudan – Sudan

Established in 2010 prior to IDH's acquisition of Al Mokhtabar in Egypt, Al Mokhtabar Sudan offers a similar suite of diagnostic services as that provided by UltraLab. Both of IDH's Sudanese subsidiaries organise their operations using a Hub, Spoke and Spike model, mirroring those implemented by Al Borg and Al Mokhtabar in Egypt. As at 31 December 2019, Al Mokhtabar Sudan operated a network of 8 branches, serving 26 thousand patients and performing 75 thousand tests.

Biolab – Jordan

IDH established Biolab in 2001 with the aim of leading Jordan's private medical laboratory space. Using state-of-the-art medical technology and a nationwide network of 19 branches, Biolab offers a suite of over 1,000 diagnostic tests to a customer base including patients, physicians, hospitals and referring clinical laboratories. Biolab is accredited by the Jordanian Ministry of Health ("MOH"), with two branches accredited with ISO 15189 and Joint Commission International (JCI) and one branch receiving CAP accreditation in 2018. Biolab served over 311 thousand patients in 2019, performing more than 1.8 million tests.

Echo-Lab – Nigeria

IDH acquired Nigerian medical diagnostics firm Echo-Lab (previously Echo-Scan) in 2018. The acquisition follows on the Group's strategy of broadening its exposure to fragmented and underpenetrated African and Middle Eastern markets, where it can leverage advantageous market conditions similar to those prevailing in its core geographies. Echo-Lab offers a comprehensive suite of pathology and radiology diagnostic testing, consolidating different test categories under the same roof. The company operated a network of 13 branches as at 31 December 2019, serving 109 thousand patients and performing 179 thousand tests.

biolab

ECHO LAB RADIOLOGY & LABORATORY SERVICES

Our Services

Through IDH's brands, the Group covers the full spectrum of diagnostic testing services with over 1,400 internationally accredited pathology tests ranging from basic blood glucose tests for diabetes to advanced molecular testing for genetic disorders, and a full suite of radiology services. IDH also leverages its patient database and wide geographic reach to build electronic medical records and offer its patients tailored services – home-delivery of medications, diagnostics testing reminders and referrals to service providers – under its subsidiary Wayak.

Pathology

IDH's comprehensive pathology product portfolio covers immunology, haematology, endocrinology, clinical chemistry, molecular biology, cytogenetics, histopathology and microbiology.

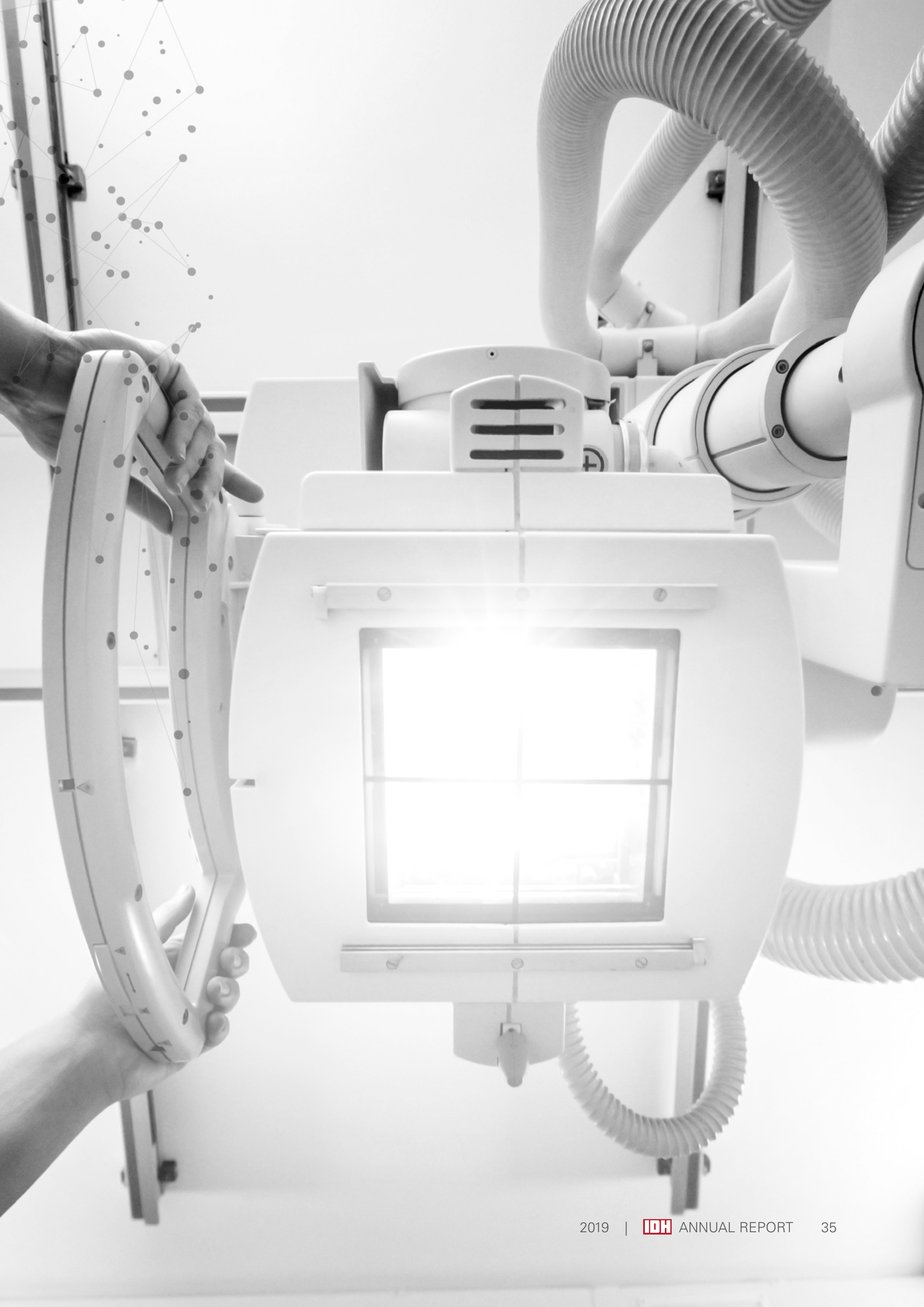
Immunology	Microbiology	Haematology
Endocrinology	Clinical Chemistry	Molecular Biology
Cytogenetics	Histopathology	Radiology

Radiology

DH offers the full suite of radiology services through Al Borg Scan in Egypt and Echo-Lab in Nigeria, including but not limited to magnetic resonance imaging (MRI), computed tomography (CT), ultrasound, x-ray, mammograms and cath lab facilities.

Healthcare Management Services

In 2019, IDH launched its new Egypt-based subsidiary "Wayak" to capitalize on the Group's patient database and capture new growth opportunities in the healthcare management space and offer targeted services to its customers. With a database covering more than 13 million patients, of which c.10% suffer from chronic diseases, Wayak invests in data mining and artificial intelligence platforms to build electronic medical records of patients and better cater to their needs with new value propositions. These include buil ing patient healthcare profiles, home-delivery of medications, diagnostics testing reminders, refe rals to service providers under IDH's network with discounted prices as well as follow-up services, amongst others.



CAP

Accredited since 2018

Internationally-Accredited Test Portfolio

Across its brand portfolio, IDH maintains international-quality accreditations with a stringent internal audit process to ensure best-in-class service.

ISO

ISO accreditation requires an initial inspection of laboratory practices, calibration and medical analysis by an accreditation body. For Al Mokhtabar and for Al Borg, it was URS Certification (accredited internationally by the United Kingdom Accreditation Service); and for Biolab, it was the Jordanian Accreditation System (JAS). The inspection involves the clinical chemistry area, the virology unit, the haematology unit and the general laboratory management practice. The accreditation's standards include both management and technical requirements. The Company's ISO 9001:2008 accreditations for both Al Mokhtabar and Al Borg passed year end accreditation reviews in 2018 and will next be renewed in 2019.

College of American Pathologists (CAP)

Unlike ISO accreditation, CAP certification is awarded to individual labs, rather than the Group's operations as a whole and is widely considered the leader in laboratory quality assurance globally. The Group's central Mega Lab in Cairo, inaugurated in 2015, received its CAP certification In February 2018, and replaced two smaller, independent "A-labs" one of which was also CAP certified. IDH operates the only laboratory in Egypt to receive this distinguished certification, which is subject to renewal every two years.

300

Employees trained per month

Quality Assurance

IDH's quality assurance programme ensures that all internal diagnostic processes, lab testing procedures and results analyses are accurate. The quality assurance program ensures that all the standards of the CAP and ISO accreditations are met by inspecting hardware and equipment, ensuring compliance with procedure manuals, inspecting the accuracy of results and administering competency assessments for employees. The internal audit team also maintains a specific audit checklist for the basic and routine tests conducted in the Group's C-labs, including conformity of process; testing the competency of employees through oral, observational, practical and written tests; and conducting managerial audits to assess the labs' management and administrative efficiency.

Employee Training

The Group views education as an essential means of ensuring quality across its laboratories. To help develop the skills of employees, IDH has a dedicated training facility in Cairo with four training laboratories. The centre provides training to around 300 employees per month, including doctors, chemists, receptionists, branch and area managers, sales personnel and administrators. The training curriculum is determined based on performance KPIs, internal audit reports, management reviews, competency assessment reports and analysis of customer feedback and complaints. IDH's employee training is structured along four modules: new employee training, competency-based, need-based and practical re-training.

Competitive Strengths & Growth Strategy

IDH is implementing an ambitious growth strategy which leverages the scalability of its business model and the broad experience of its management team.

Competitive Strengths

Exposure to resilient markets with favourable dynamics

IDH's markets enjoy favourable structural characteristics, with diagnostic services demand relatively underserved. Given the counter-cyclical nature of the diagnostic and healthcare industries, the Group is well insulated against economic and other instability across its geographic footprint, illustrated by its maintenance of double-digit rates of top-line growth.

Strong market position with over three decades of industry experience

IDH enjoys strong barriers to entry in the markets where it operates (as detailed in Our Markets on page 20). Players with an established market position enjoy a significant advantage. With nearly four decades of industry experience, IDH's subsidiaries have earned patients' trust and loyalty, strengthening their brand equity. IDH leverages its internationally-accredited facilities to attract contract clients, while its scalable business model and relationships with key stakeholders extend its reach in a fragmented market.

Scalable asset-light business model

A Hub, Spoke and Spike business model allows IDH to efficiently and organically expand its geographic footprint through a capital-light platform. IDH's centralised Mega Lab is equipped with modern, high-capacity facilities. Significant throughput facilitates the rapid launch throughout the Group's markets of asset-light, plug and play C labs for sample collection and simple testing. Safety and testing procedures are continuously enhanced as more tests are performed using the advanced diagnostic tools and state-of-the-art technology installed at IDH's Mega Lab.

Strong balance sheet and cash generation capacity

An asset-light business model allows IDH to maintain a low-debt funding mix, offering significant strategic flexibility. Core profitability is consistently strong, with the Group delivering EBITDA margins exceeding 40% and maintaining healthy cash balances despite the prevalence of adverse macroeconomic and political headwinds.

Experienced and entrepreneurial management

IDH enjoys a management team with several decades of healthcare experience, while its world-class Board of Directors is composed of experts in healthcare, investing and the MENA region.

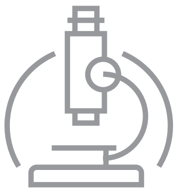
Long Term Growth Strategy

IDH leverages its competitive strengthens to capture substantial opportunities and deliver on a four-pillar growth, namely 1) continue to expand customer reach; (2) increase tests per patient by expanding the Group's services portfolio; (3) expand into new geographic markets through selective, value-accretive acquisitions; and (4) introduce new medical services by leveraging the Group's network and reputable brand position.

Expand Customer Reach

IDH works to increase patient accessibility and expand its customer base, capitalising on the favourable market dynamics prevailing across its geographic footprint. Its scalable, asset-light business model allows IDH to rapidly and efficiently launch new labs and deepen its exposure to Middle Eastern and African markets. Besides its core offerings, IDH provides a suite of add-on services, including house calls, e-services and results delivery, offering a frictionless customer experience to current and prospective patients.

Increase Tests per Patient



The Group's state-of-the-art Mega Lab enhances its ability to perform specialized and advanced tests not offered in other labs, driving volumes. IDH bundles testing services into discounted health packages offered to existing customers, further driving volume growth and revenue per patient. Awareness campaigns targeting certain diseases are frequently mounted both by IDH and as part of government-led initiatives, which highlight the importance of preventative healthcare with diagnostic testing especially for people with lifestyle diseases like diabetes and high cholesterol. Such efforts have successfully driven volume growth in IDH, bolstering average test and revenue per patient.

30.5 mn

Tests performed in 2019

Geographic Expansion

Highly fragmented and underpenetrated markets in the Middle East and Africa are the primary target of IDH's strategic expansion efforts. IDH's business model is well-suited to capitalise on healthcare and consumer trends prevalent in these regions. Leveraging the strength of its balance sheet, IDH delivers on this strategic objective through value-accretive acquisitions, including that of Echo-Lab of Nigeria in 2018.

Diversify into New Medical Services

As Egypt's medical testing space evolves from a single-doctor model towards branded chains, IDH recognises an opportunity to offer services not currently provided at large scale by any private healthcare provider. The Group believes that its brand equity, experience and patient following ideally position it to pursue opportunities in adjacent markets. To this end, the Group marked its expansion into the high-value radiology segment in October 2018 through Al Borg Scan. Additionally, the Company's newly launched Egypt-based subsidiary Wayak, which aims invest in artificial intelligence and data-mining to provide tailored healthcare management services to its patients and increase loyalty and retention rates.

Principle Risks, Uncertainties & Their Mitigation

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

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

Specific Risk	Mitigation
Country risk — Political & Security	
Egypt and the wider MENA region, where the Group operates, have experienced political volatility and there remains a risk of occasional civil disorder.	See mitigants for "Country/regional risk — Economic," below.
Sudan continued to face political unrest during 2019, with protests leading to the removal of long-time president Omar Al-Bashir in April 2019 by the military. Protest continued throughout the year demanding the military hand over power to a civilian government, which culminated in a power-sharing agreement signed between the military and an opposition coalition in July 2019. While relative stability has been restored, the situation remains volatile and a return to civil unrest could adversely affect IDH's business.	While nationwide protests do affect patient and test volumes at IDH, the diagnostic industry is relatively immune given the inelastic demand for healthcare services. Additionally, IDH has been successful in offsetting the effect of lower volumes due to protest with higher pricing, and in 2019 the geography recorded its first year-on-year revenue growth in EGP terms since 2017. The current power-sharing agreement and subsequent formation of a sovereign council composed of civilian and military representatives will see the country through a three-year transitional period after which elections are to be held.
Nigeria is facing security challenges on several fronts, including re-emerging ethnic tensions and resurgent attacks by Islamist militants in the northeast. Against the backdrop of a sluggish economy and the slow implementation of reforms, mounting discontent could translate into further social unrest.	Echo-Lab's laboratories are located primarily in Lagos, Abuja and Benin, far from the current unrest occurring in the northeast part of Nigeria. Regarding other operating risks, including but not limited to legal and compliance risks, IDH will apply the same rigorous standards to evaluating all aspects of its business processes in Nigeria as it has implemented in all of the emerging markets in which it operates.

Specific Risk	Mitigation
Country/regional risk — Economic	
The Group is subject to the economic conditions of Egypt specifically and, to a lesser extent, those of the wider MENA region. Egypt accounted for c. 85% of our revenues in 2019 (2018: 84%).	As with country risk, this is largely not subject to mitigation. In both political/security and economic risk, management notes that IDH operates in a defensive industry and that the business continued to grow year-on-year through two revolutions, as well as under extremely difficult operating conditions in 2016.
High inflation in Egypt: According to the Central Bank of Egypt, headline inflation recorded 7.1% in December 2019, continuing a declining trend from 11.97% in December 2018, 21.6% in January 2018 and a record high of c.35% in July 2017 following the November 2016 devaluation of the Egyptian Pound and subsequent energy subsidy cuts. Meanwhile core inflation that strips out volatile items dropped to 2.37%% in December 2019 from 8.3% in December 2018.	High inflation is one consequence of Egypt's policy-restructuring cycle. The structural change underway in government spending and general repricing of goods and services represents a reversal of 50 years of comprehensive government support. Whilst it will take time, the reform program is designed to put the country on a more sustainable path to growth and fiscal consolidation. According to Egypt's Ministry of Planning and Administrative Reform, as of the fiscal year ended June 2019 Egypt recorded GDP growth of 5.6%, while the budget deficit as a percentage of GDP had declined to 8.4% compared to 9.8% in the fiscal year ended June 2018. The Group's contemplated acquisitions outside of Egypt would also mitigate the Egypt-specific country risk over time.
High Inflation in Sudan: Following substantial currency devaluation in Sudan during 2018 that saw the currency lose 85% of its value, the Sudanese Pound's official rate versus the US Dollar remained relatively stable during 2019 at 45.11 as of 31 December as per the Central Bank of Sudan. However, the currency continued to devalue on the parallel market, leading to sustained high inflation rates of 57.01% as of December 2019 according to Trading Economics.	The Group is closely monitoring the economic and political situation in Sudan and has implemented several price increase to keep instep with inflationary pressures. IDH is also working to limit expatriate salaries and foreign currency needs by increasing dependence on local hires.
Nigeria: Capital controls could make profit repatriation difficult in the short term.	In Nigeria, until currency exchange policy is clarified and there is greater visibility regarding profit repatriation, IDH expects to reinvest early profits into its Nigerian business. Dividend payments are not expected to be repatriated in the first four years of operation.

Specific Risk	Mitigation
Nigeria: Depreciation of the naira would make imported products and raw materials more expensive and would reduce Nigeria's contribution to consolidated Company revenues. Whilst capital controls have helped the official exchange converge with the black-market rate, the central bank has yet to allow the naira to float freely.	IDH will capitalise on its regional agreements with suppliers to procure kits at competitive prices.
Country Risk – COVID-19 The global spread of COVID-19 presents business continuity risks to IDH including, but not limited to, supply-chain disruptions and their effect on the delivery of business-critical materials such as test kits, government enforced quarantines and their effect IDH business operations including patient volumes and staff mobility and risk of infection among IDH employees.	IDH is in continual dialogue with key suppliers to gauge the risk associated with a shortage of materials and is yet to identify a weakness. The Group will aim to build inventory of key test kits as necessary, should supply disruptions begin to emerge. IDH is also preparing new standard operating procedures for SARS CoV-2 testing in the event that the Group's subsidiaries are asked by a competent health authority to participate in testing efforts. All of IDH staff use appropriate protective equipment when interacting with patients, including those suspected of having covid-19 or any other infectious disease. All of the Group's employees are subject to regular messages reminding them that they may not report to work if they have symptoms of a covid-19 infection. IDH has identified head-office functions that can be performed from home and is reviewing its disaster recovery and business continuity policies to ensure that the Group is prepared for any eventuality.

Specific Risk	Mitigation
Foreign currency and banking regulation risk	
Foreign currency risk: The Group is exposed to foreign currency risk on the cost side of the business. The majority of supplies it acquires are paid in Egyptian pounds (EGP), but given they are imported, their price will vary with the rate of exchange between the EGP and foreign currencies. In addition, a portion of supplies are priced and paid in foreign currencies. The CBE moved to a fully floating foreign exchange regime on 3 November 2016, since which time the value of the Egyptian pound against the US dollar has been set by the interbank market. After losing more than 50% of its value in 2016, the Egyptian pound closed 2019 at mid-market CBE rate of 16.04 per US$1 against an opening rate of EGP 17.91. The Egyptian pound was valued at 15.69 to US$ 1.00 as of 13 February 2020.	Only 13% of IDH's cost of supplies (c.2% of revenues) are payable in US dollars, minimising the Group's exposure to foreign exchange (FX) scarcity and in part, the volatility of the Egyptian pound. In 2019, IDH recorded a net foreign exchange loss/gain of EGP 15.5 million, largely stable compared to a net foreign exchange loss of EGP 15.7 million in 2018. The Egyptian Pound's appreciation during 2019 was driven by multiple factors, most notable of which include the elimination of the foreign investment repatriation mechanism; an improving net oil balance as production from the mega Zohr gas field commenced; rising tourism revenues, rate cuts by the US Federal Reserve and continued capital inflow to Egyptian treasury bills due to their attractive yields.
Banking regulation risk: A priority list and allocation mechanism imposed by the CBE was in effect throughout 2016 to prioritise essential imports. This mechanism was in place in response to an active parallel market for foreign exchange. Whilst foreign exchange is increasingly available following the November 2016 float of the Egyptian pound and prices set by the interbank mechanism, IDH faces the risk of variability in the exchange rate as a result of economic and other factors.	Foreign currency also continued to be available in the market throughout 2019 whether from the banks or exchange companies; and the with CBE foreign currency reserves maintained at record-highs during 2019 to close the year at US$ 45 billion, the return of capital controls previously implemented following the pound's devaluation is unlikely.

Specific Risk	Mitigation
Supplier risk IDH faces the risk of suppliers re-opening negotiations in the face of cost pressure owing to the prevailing inflationary environment and/or a possible albeit limited devaluation risk in 2020. IDH's supplier risk is concentrated amongst three key suppliers — Siemens, Roche and BM (Sysmex)— who provide it with kits representing 45% of the total value of total raw materials in 2019 (2018: 42%).	IDH has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Company purchases, IDH is able to negotiate favourable pricing and maintain raw material costs increases at a rate slower than inflation. In 2019, average raw material cost per test increased only 4%. Total raw materials costs as a percentage of sales were 18.3% in 2019 compared with 19.3% in 2018.
Remittance of dividend regulations and repatriation of profit risk The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions where, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends.	As a foreign investor in Egypt, IDH does not have issues with the repatriation of dividends, but is exposed to risk in the form of cost of foreign exchange in the markets in which the Group operates, particularly Egypt and Sudan. As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. Notably, in October 2017 the US lifted a host of sanctions imposed 20 years ago that included a comprehensive trade embargo, a freeze on government assets and tight restrictions on financial institutions dealing with the country.
Legal and regulatory risk to the business The Group's business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition-related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.	The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes. On the antitrust front, the private laboratory segment (of which IDH is a part) accounts for a small proportion of the total market, which consists of small private labs, private chain labs and large governmental and quasi-governmental institutions.

Specific Risk	Mitigation
Quality control risks Failure to establish and comply with appropriate quality standards when performing testing and diagnostics services could result in litigation and liability for the Group and could materially and adversely affect its reputation and results of operations. This is particularly key as the Group depends heavily on maintaining good relationships with healthcare professionals who prescribe and recommend the Group's services.	The Group's quality assurance (QA) function ensures compliance with best practices across all medical diagnostic functions. All laboratory staff participate in ongoing professional education with quality assurance emphasised at each juncture. The head of quality assurance for the Group is a member of the senior management team at the IDH level, which meets weekly to review recent developments, plan strategy and discuss issues of concern to the Group as a whole.
Risk from contract clients Contract clients including private insurers, unions and corporations, account for c. 60% of the Group's revenue in 2019. Should IDH's relationship with these clients deteriorate, for example if the Group was unable to negotiate and retain similar fee arrangements or should these clients be unable to make payments to the Group, IDH's business could be materially and adversely affected.	IDH diligently works to maintain sound relationships with contract clients. All changes to pricing and contracts are arrived at through discussion rather than blanket imposition by IDH. Relations are further enhanced by regular visits to contract clients by the Group's sales staff. IDH's attractiveness to contract clients is enhanced by the extent of its national network. No single client contract currently accounts for more than 1% of total revenues or 1.4% of Corporate revenues.
Pricing pressure in a competitive, regulated environment The Group faces pricing pressure from various third-party payers that could materially and adversely affect its revenue. Pricing may be restrained in cases by recommended or mandatory fees set by government ministries and other authorities. This risk may be more pronounced in the context of headline monthly inflation in Egypt, which as of December 2019 stood at 7.1% as per the Central Bank of Egypt.	This is an external risk for which there exist few mitigants. In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c. 60% of our revenue is generated by servicing contract clients (private insurer, unions and corporations) who prefer IDH's national network to patchworks of local players. IDH has a limited ability to influence changes to mandatory pricing policies imposed by government agencies, as is the case in Jordan, where basic tests that account for the majority of IDH's business in that nation are subject to price controls.

Specific Risk	Mitigation
Carrying value of goodwill and other intangible assets A decline in financial performance could lead to an impairment risk over the carrying value of IDH's goodwill and other intangible assets. Goodwill and intangible assets have arisen from historic acquisitions made by the Group and include the brand names used in the business.	IDH carries out an annual impairment test on goodwill and other intangible assets in line with IAS 36. The results of the annual impairment test show headroom between the recoverable amount (based on value in use) and the carrying value of each of the identified Cash Generating Units and no impairment is deemed to be required. For more detail see note (12) of the Financial Statements.
Business continuity risks Management concentration risk: IDH is dependent on the unique skills and experience of a talented management team. The loss of the services of key members of that team could materially and adversely affect the Company's operations and business. Business interruption: IT systems are used extensively in virtually all aspects of the Group's business and across each of its lines of business, including test and exam results reporting, billing, customer service, logistics and management of medical data. Similarly, business interruption at one of the Group's larger laboratory facilities could result in significant losses and reputational damage to the Group's business as a result of external factors such as natural disasters, fire, riots or extended power failures. The Group's operations therefore depend on the continued and uninterrupted performance of its systems.	IDH understands the need to support its future growth plans by strengthening its human capital and engaging in appropriate succession planning. The Company is committed to expanding the senior management team, led by its CEO Dr. Hend El Sherbini, to include the talent needed for a larger footprint. The Group has constituted an Executive Committee led by Dr. El Sherbini and composed of heads of departments. The Executive Committee meets every second week. The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems and the use of mobile data systems as alternatives to landlines, among multiple other factors. IDH tests its disaster recovery plans on a regular basis.

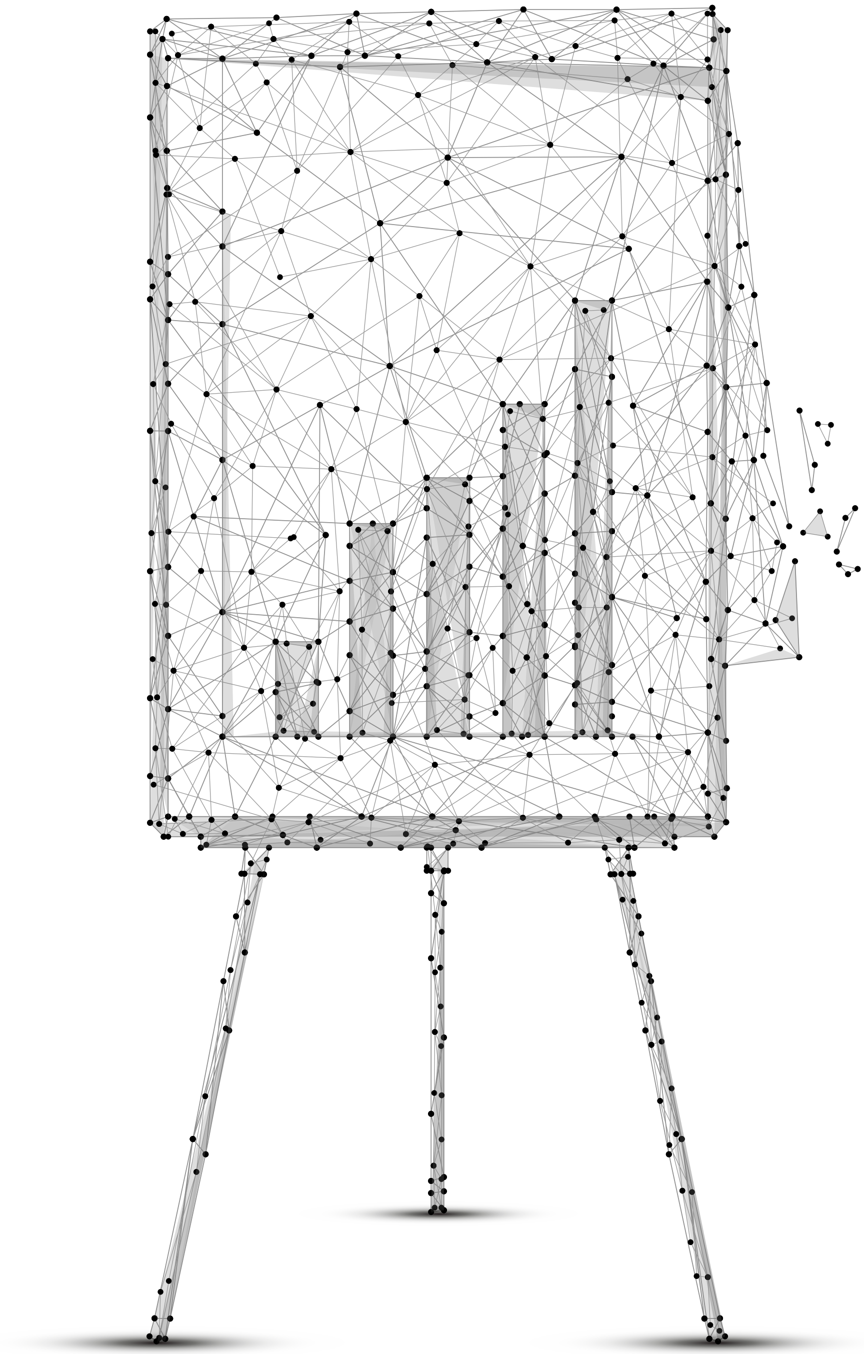
Specific Risk	Mitigation
Loss of talent IDH depends on the skills, knowledge, experience and expertise of its senior managers to run its business and implement its strategies. The Group's senior management has an average of 15 years of industry experience and the majority are medical doctors. Furthermore, IDH is reliant on its ability to recruit and retain laboratory professionals. Loss of senior managers could materially and adversely affect the Group's results of operations and business.	In addition to competitive compensation packages, the Group also ensures it has access to a broad pool of trained laboratory professionals through its own in-house recruitment and training program. We furthermore have in place a program to monitor the performance of graduates of the training program. Egypt is a net exporter of trained healthcare professionals as there is surplus staff in the market. IDH's efforts are accordingly focused on retention of qualified staff as opposed to recruitment of new personnel.
In Nigeria, IDH will face a more limited talent pool of healthcare workers due to a weak education system and the tendency for trained professionals to move abroad.	In Nigeria, IDH intends to offer a strong value proposition for staff that includes opportunity for both compensation and training. The Group will seek to bring in expatriates to fill key leadership roles whilst local teams are being trained and developed.
Loss of certifications and accreditations Many of IDH's facilities have received internationally accreditations for high-quality standards. The failure to renew these certifications, including the College of American Pathologists (CAP) accreditation for the Mega Lab or the International Organization for Standards (IOS) for other facilities, would call into question the Group's quality standards and competitive differentiators.	In October 2017, IDH's central Mega Lab in Cairo was accredited by CAP which is subject to renewal every two years. The accreditation was renewed in October 2019 with the next renewal date in October 2021. The Company also renewed its ISO certifications in 2019, with the next renewal due in three years. In Jordan, Biolab has received Joint Commission International (JCI) accreditation, as well as ISO 150189, HCAC and CAP certifications in 2018. Branches in Sudan and Nigeria are not accredited. IDH's ability to keep current its certifications and accreditation are supported by ongoing QA, training and internal audit procedures.
Cybersecurity risk The company controls a vast amount of confidential data for its patients' records; to this end, there is a cybersecurity risk emerged as for both data confidentiality and data security.	The company has stringent control over its security and regularly does stress tests over its IT infrastructure, and is currently commissioning an independent leading international service provider to perform independent stress tests and to diagnose its IT infrastructure controls, in order to ensure the confidentiality of all data.

Performance

IDH delivered a strong financial performance in 2019, despite operational challenges in its markets

16%

revenue growth in 2019 to EGP 2.2 bn



Financial and Operational Review

Results*

(EGP million)	2019	2018	change
Revenues	**2,226**	**1,921**	**16%**
Cost of Sales	(1,143)	(973)	17%
Gross Profit	**1,084**	**948**	**14%**
Gross Profit Margin	*49%*	*49%*	-
Operating Profit	791	685	15%
EBITDA[1]	**945**	**762**	**24%**
EBITDA Margin	42%	40%	2 pts
Net Profit	**505**	**497**	**2%**
Net Profit Margin	*23%*	*26%*	*(3 pts)*
Cash Balance	**631**	**664**	**-5%**

IDH revenues came in at EGP 2,226 million in 2019, 16% above last year's figure on the back of both higher volumes and favourable pricing. Top-line growth for the year was supported by both the company's walk in and contract segments with the first recording a 15% year-on-year rise in revenues and the latter reporting a 17% year-on-year top-line expansion.

Revenue Growth Drivers

	2019	2018
Volume	6%	12%
Price & Mix	11%	16%
Foreign Currency Translation	(1%)	(1%)
Total	**16%**	**27%**

Revenue Growth Drivers by Geography

	2019	2018
Egypt	15%	24%
Jordan	0.7%	2%
Sudan	0.1%	(1%)
Nigeria	-	2%
Total	**16%**	**27%**

Decimals are rounded to the nearest whole number

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

The company's cost of sales recorded a 17% year-on-year increase in 2019 to EGP 1,143 million with IDH's gross profit margin for the year unchanged at 49%. EBITDA margin grew two percentage points year-on-year to 42% in 2019 following the implementation of IFRS 16 (stable at 40% when the application of IFRS 16 and Wayak's results are excluded). Profitability for the year was further supported by a strong improvement in Jordan where EBITDA grew 74% year-on-year in 2019 and EBITDA margin expanded 14 percentage points to 35%. On a similar note, operations in Sudan generated a positive EBITDA of EGP 7 million (margin of 20%) for the year, compared to the negative EGP 3 million EBITDA in 2018.

On the operational front, IDH expanded its branch network to 452 branches as at year-end 2019. This is up from the 418 branches operated as at 31 December 2018. The Group's network expansion drive continues to be supported by its state-of-the-art Mega Lab which allows IDH to deploy its Hub, Spoke and Spike business model in Egypt to roll out capital-efficient "C" labs more rapidly. Over the last year, IDH has opened 33 labs in Egypt, three in Nigeria, and closed two unprofitable branches in Sudan.

Branches by Country

	31-Dec-2019	31-Dec-2018	Change
Egypt	399	366	9%
Jordan	19	19	-
Sudan	21	23	(9%)
Nigeria	13	10	30%
Total Branches	**452**	**418**	**8%**

Our Customers

IDH serves two principal types of clients: contract (corporate), including institutions such as unions, private insurance companies and corporations who enter into one-year renewable contracts at agreed rates per-test and on a per-client basis, and walk-in (individuals). Within each of these categories, the Group also offers a house call service, and within the contract segment, a lab-to-lab service.

IDH served a total of 7.5 million patients between both segments during 2019, 6% above last year's figure. During the year, the total number of tests performed reached 30.5 million, up 6% year-on-year. The ratio of contract to walk-in patients during the year was 73:27 largely unchanged from last year's ratio.

Key Performance Indicators* (Excluding Wayak)**

	Contract Segment			Walk-in Segment			Total		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
Revenue (EGP '000)	1,141,483	1,331,160	17%	779,969	894,703	15%	1,921,452	2,225,863	16%
% of Revenue	59%	60%		41%	40%				
Patients ('000)	5,078	5,433	7%	1,970	2,048	4%	7,048	7,481	6%
% of Patients	72%	73%		28%	27%				
Revenue per Patient (EGP)	225	245	9%	396	437	10%	273	298	9%
Tests ('000)	22,206	23,553	6%	6,560	6,918	5%	28,766	30,471	6%
% of Tests	77%	77%		23%	23%				
Revenue per Test (EGP)	51	57	10%	119	129	9%	67	73	9%
Test per Patient	4.4	4.3	(1%)	3.3	3.4	1%	4.1	4.1	-

** Percent changes are calculated based on exact decimal numbers which are rounded to the nearest whole number in the table*
*** KPIs exclude Wayak's top-line figure amounting to EGP 632 thousand in 2019, inclusion of which would distort the KPIs with an unrelated line of business.*

Revenue Analysis: Contribution by Patient Segment

The Group's contract segment reported a 17% y-o-y rise in revenues during 2019, making up 60% of the company's total revenues and contributing to 62% of IDH's total revenue growth for the year. During 2019, IDH served 5.4 million contract patients (up 7% y-o-y) and performed 23.6 million tests (up 6% y-o-y).

Average revenue per contract test witnessed a 10% y-o-y rise to EGP 57 in 2019, while average revenue per contract patient was up 9% to EGP 245 in 2019 from EGP 225 recorded last year.

Within the Group's walk-in segment, revenues recorded a 15% y-o-y increase to EGP 895 million, making up 40% of the Group's total revenues for the year and contributing to 38% of the Group's total revenue growth in 2019. The segment's revenue growth for the year was both volume and price driven as average revenues per walk-in test increased 9% y-o-y to EGP 129, while the total number of walk-in tests increased 5% y-o-y for the period to 6.9 million tests.

IDH's overall average revenue per test rose 9% y-o-y to EGP 73 in 2019. The Group's combined average revenue per patients also reported a 9% y-o-y to EGP 298.

Revenue Analysis: Contribution by Geography

2018

Egypt	84%
Jordan	13%
Sudan	2%
Nigeria	2%

2019

Egypt	85%
Jordan	12%
Sudan	2%
Nigeria	1%

At IDH's Egyptian operations, revenues expanded 18% y-o-y to EGP 1,903 million in 2019. Growth for the year came on the back of both higher volumes and favourable pricing. Both the number of total patients served and of tests performed increased 6% y-o-y, with the first reaching 6.9 million and the latter recording 27.9 million for the year.

On a segment basis, contract patients served by IDH in Egypt reached 5.1 million, up 6% y-o-y, while walk in patients increased 5% y-o-y to 1.7 million in 2019. Test performed at the company's contract segment reached 22.1 million in 2019, up 5% y-o-y. At the walk-in segment, tests performed were up 7% y-o-y to 5.7 million. Egypt's contract segment recorded revenues of EGP 1,197 million in the year, a 17% y-o-y increase, while at the walk-in segment revenues reached EGP 705 million, up 20% y-o-y. Wayak recorded revenues of EGP 632 thousand in 2019.

In Jordan, where consumers continued to adjust to the government's austerity measures, including an increase in income tax rates, IDH reported revenues of EGP 257 million in 2019, a 6% y-o-y rise (up 12% in JOD terms). Biolab, the Group's Jordanian subsidiary, served 311 thousand patients in 2019, a 12% increase y-o-y, while the total number of tests performed also increased 12% y-o-y during the year reaching 1.8 million.

In Sudan, revenues came in 4% above last year's figure at EGP 37 million as results continued to be impacted by the devaluation of the Sudanese pound. However, in SDG terms, revenues increased 64% y-o-y as increasingly favourable pricing more than offset the lower test volumes on account of political unrest in the early part of 2019. Growth in SDG terms came on the back of a strong rise in revenue per test at the Group's walk-in segment as the company passed on price increases in step with currency devaluation.

At the Group's Nigerian subsidiary, revenues came in flat at EGP 30 million for the year as results continued to be impacted by ongoing restructuring works and delays in new branch openings. As of year-end 2019 the Group has renovated a total of 8 out of 13 branches in the country and rolled out its new Victoria Island and Akowonjo branches which came online in June and October of 2019, respectively. In NGN terms, the division's top-line increased by a 23% y-o-y in 2019 driven by rising volumes.

Cost of Sales

IDH's cost of sales increased 17% y-o-y to EGP 1,143 million in FY 2019. The Group's gross profit reached EGP 1,084 million in FY 2019, up 14% y-o-y. Gross profit margin for the year came in unchanged at 49%.

COGS Breakdown as a Percentage of Revenue

	2019	2018
Raw Materials including cost of tests sent abroad	18.3%	19.3%
Wages & Salaries	17.2%	16.3%
Depreciation	6.0%	3.7%
Other Expenses	9.8%	11.3%
Total	**51.3%**	**50.6%**

Raw materials costs, increased 10% y-o-y to EGP 408 million in FY 2019, continuing to contribute the largest share of total consolidated COGS at 35.7%. The average raw material cost per test performed during the year stood at EGP 13.4, up from the EGP 12.9 with a modest increase of 4%. Raw materials as a percentage of sales decreased to 18.3% from last year's 19.3% in line with management's efficiency and cost-reduction initiatives, and EGP appreciation.

Direct salaries and wages continued to make up the second largest share of total COGS during the year at 33.5% in FY 2019, as they reached EGP 383 million for the period, 22% above last year's figure. Direct salaries and wages as a percentage of sales increased almost one percentage point to 17.2% for the year.

Direct depreciation and amortisation rose 87% y-o-y to EGP 133 million, on the back of capitalised leases amounting to EGP 265 million (gross) related to the implementation of IFRS 16 (noting that related depreciation amounts to EGP 48 million). Growth in depreciation was also driven by the addition of new equipment at Al Borg-Scan and Nigeria, with their depreciation recording EGP 7.6 million and EGP 7.8 million respectively. As such, direct depreciation and amortisation as a percentage of revenues increased to 6.0% in FY 2019 from the 3.7% figure last year.

EBITDA

IDH's consolidated EBITDA in FY 2019 stood at EGP 945 million, up 24% y-o-y. EBITDA margin for the year was 42%, up two percentage points versus the 40% EBITDA margin recorded in FY 2018 supported by the positive impact of adopting IFRS 16. When normalising for the impacts of IFRS 16, normalized EBITDA records EGP 877 million, up 15% y-o-y, with a normalized EBITDA margin of 39% despite the negative contributions from Nigeria and pre-operating expenses related to Wayak.

Operating Profit to Normalised EBITDA Reconciliation

(EGP million)	2019	2018	Change
Operating Profit	791	685	15%
Depreciation	99	71	39%
Depreciation on Right of Use Assets	48	-	-
Amortisation	7	6	17%
EBITDA	945	762	24%
EBITDA Margin	42.4%	39.7%	2.7 pts
Rent Expenses Related to the Adoption of IFRS 16	(68)	-	-
Normalised EBITDA	877	762	15%
Normalised EBITDA Margin	39.4%	39.7%	(0.3 pts)

IFRS 16 Effect on 2019 EBITDA by Region*

(EGP million)	EBITDA	Margin	Rent Expense Related to the Adoption of IFRS 16	Normalised EBITDA	Margin
Egypt	877	46%	(44)	833	44%
Jordan	90	35%	(20)	70	27%
Sudan	8	20%	(2)	5	15%
Nigeria	(30)	(99%)	(2)	(32)	(107%)
Total	**945**	**42%**	**(68)**	**877**	**39%**

* *Decimals are rounded to the nearest whole number*

Egypt's EBITDA recorded EGP 877 million in 2019, up 19% y-o-y. EBITDA margin stood at 46% during the year (44% when controlling for IFRS 16), down 2% from last year's figure, which is mainly attributable to the recognition of EGP 27 million related to employees' profit share as well as pre-operating expenses related to Wayak.

In Jordan, IDH's operations reported an impressive 74% y-o-y rise in EBITDA for 2019, with the associated margin rising to 35% (27% when excluding IFRS 16) compared to 21% recorded in 2018. The significant rise came on the back of raw material cost optimization along with further cost savings attributable to salaries and the decrease in rent related to the training centre. In it is important to note that 2019 EBITDA figure includes a USD 400 thousand related to the IT & Technology purchase agreement with Mega Lab in Georgia.

Sudan's EBITDA for the year recorded EGP 7.5 million, up from the negative EGP 2.6 million figure recorded last year. EBITDA margin stood at 20% (15% when excluding IFRS 16) compared to the negative 7% margin recorded in FY 2018. Stronger EBITDA results were supported by a significant increase in 3Q 2019 revenues due to continued price increases in addition to the decrease in salaries expense as the Company replaced Egyptian expats with Sudanese employees.

In Nigeria, EBITDA losses increased to EGP 30 million from negative EGP 25 million EBITDA recorded last year. The loss was largely related to delays in new branch openings along with the large amount of salaries as a percentage of revenue. As branch renovations are completed along with the installation of new state-of-the-art radiology equipment, management expects the Group's Nigerian operations to turn EBITDA positive during 2020.

Interest Income / Expense

IDH recorded interest income of EGP 44 million in 2019, 27% below last year's EGP 59 million figure. The fall is largely attributable to the multiple rate cuts by the Central Bank of Egypt during the course of 2019 (a cumulative 450 bps cut) combined with the decrease in cash balances during the first half of the year to secure the dividends' payment in June 2019.

Interest expenses came in at EGP 65 million for the year versus the EGP 15 million recorded in 2018. The increase came on the back of the implementation of IFRS 16 which added EGP 35 million to the period's interest expense. As at year-end 2019, IDH's borrowing costs stood at EGP 20 million for the year related to medium term loans for the Al Borg Scan expansion (EGP 6.5 million) and the Group's new headquarters in Cairo's Smart Village (EGP 13.5 million).

Foreign Exchange

IDH recorded net forex losses of EGP 15.5 million in FY 2019.

Taxation

Tax expenses for the year stood at EGP 254 million up from the EGP 220 million tax expense recorded in 2018. The effective tax rate was 33% in 2019 compared to 31% last year. The increase in the Group's effective tax rate recorded during the year is largely attributable to:

- EGP 6.25 million related to the new healthcare tax law imposed by the Egyptian Government (0.25% of revenues);
- Starting January 2019, the Jordanian corporate tax rate increased 1% to reach 21% with a net effect amounting to EGP 552 thousand.
- The increase in Sudan tax rate from 15% to 30% with a net effect amounting to EGP 221 thousand.

There is no tax payable for IDH's two companies at the holding level. Tax was paid on profits generated by operating companies in Egypt, Jordan and Sudan.

Net Profit

IDH's consolidated net profit increased 2% y-o-y in 2019 to reach EGP 505 million. Net profit margin stood at 23% for the year compared to 26% in 2018. Declined net profitability was due to net losses sustained at Nigeria, higher borrowing costs related to Al Borg Scan and IDH's new headquarters, a decrease in interest income and the adoption of IFRS 16 (negative EGP15.3 million). When excluding the effect of IFRS 16, net profit records EGP 520 million, up 5% y-o-y with a net profit margin of 23%.

Net Effect of IFRS 16 on Net Profit*

(EGP million)	Depreciation	Interest	Rent	Net Effect
Egypt	(29.9)	(28.4)	44.0	(14.3)
Jordan	(15.5)	(5.2)	19.7	(1.0)
Sudan	(1.1)	(1.4)	2.0	(0.6)
Nigeria	(1.8)	-	2.5	0.6
Total	**(48.4)**	**(35.1)**	**68.2**	**(15.3)**

** Decimals are rounded to the nearest whole number*

Balance Sheet

On the assets side of the balance sheet, IDH held gross property, plant and equipment (PPE) of EGP 1,131 million as at year-end 2019, up from the EGP 973 million as at 31 December 2018. The rise came largely on the back of CAPEX outlays for the addition and renovation of branches totalling EGP 146 million (EGP 71 million in Egypt, EGP 64 million in Nigeria and EGP 11 million in Jordan), and reflects foreign currency translation adjustments of negative EGP 48 million.

As at 31 December 2019, accounts receivable stood at EGP 261 million compared to EGP 220 million at year-end 2018. Accounts receivables' days-on-hand (DOH) normalised at 129 days (based on credit revenues of EGP 726 million) following the increase witnessed at year-end 2018.

The Group's "days inventory outstanding" came in unchanged from last year at 82 days for 2019.

IDH's cash balances stood at to EGP 631 million as at year-end 2019 compared to EGP 664 million as at 31 December 2018, remaining relatively stable despite the distribution of EGP 451 million (US$ 26.4 million) in dividends for 2018 paid in June 2019. It should be noted that cash balances include cash on hand, current accounts, time deposits, treasury bills and restricted cash.

On the liabilities side, accounts payable as at year-end 2019 stood at EGP 145 million compared to the EGP 158 million as at 31 December 2018. The Group's days payable outstanding (DPO) decreased to 141 days from 145 days as at 31 December 2018.

The adoption of IFRS 16 led to the addition of EGP 37 million in short-term lease liabilities and EGP 232 million in long-term lease liabilities as at 31 December 2019.

Cash Flow

Net cash flow from operating activities recorded EGP 704 million in 2019 compared to EGP 556 million in the previous year, demonstrating the company's strong cash generation ability. Net cash used in investing activities totalled EGP 143 million in 2019, driven by acquisition of property, plant and equipment which recorded EGP 213 million during the year. Finally, net cash used in financing activities reached EGP 549 million in 2019, driven primarily by the EGP 451 dividend payment in June 2019.

Dividend

Due to the Covid-19 pandemic and consequent uncertainty regarding the macroeconomic environment, the Board of Directors has deemed it more appropriate to focus on retaining resources and will thus suspend the dividend decision till September 2020. At which point, further consideration will be given to developments in the global pandemic and confidence regarding the Group's future needs and financial outlook.

Corporate Social Responsibility

Founded on the principle of providing quality medical assistance and services to better the lives of individuals and the community at large, IDH views corporate responsibility initiatives as an extension of its core purpose, with the aim of improving the communities in which it does business.

IDH commits up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development, which in 2019 amounted to EGP 5.3 million compared with EGP 5.0 million in 2018. The Foundation was established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University, founder of IDH subsidiary Al-Mokhtabar Labs, and mother of the CEO, Dr. Hend El Sherbini.

The Foundation allocates sums received from IDH to organisations and groups in need of assistance, with a particular focus on making a difference in the lives of residents of Cairo's Al Duweiqa community along with several other villages across Egypt. The Foundation deploys an integrated program and vision for the communities it helps that include economic, social and healthcare development initiatives.

AThe Foundation's primary services include:

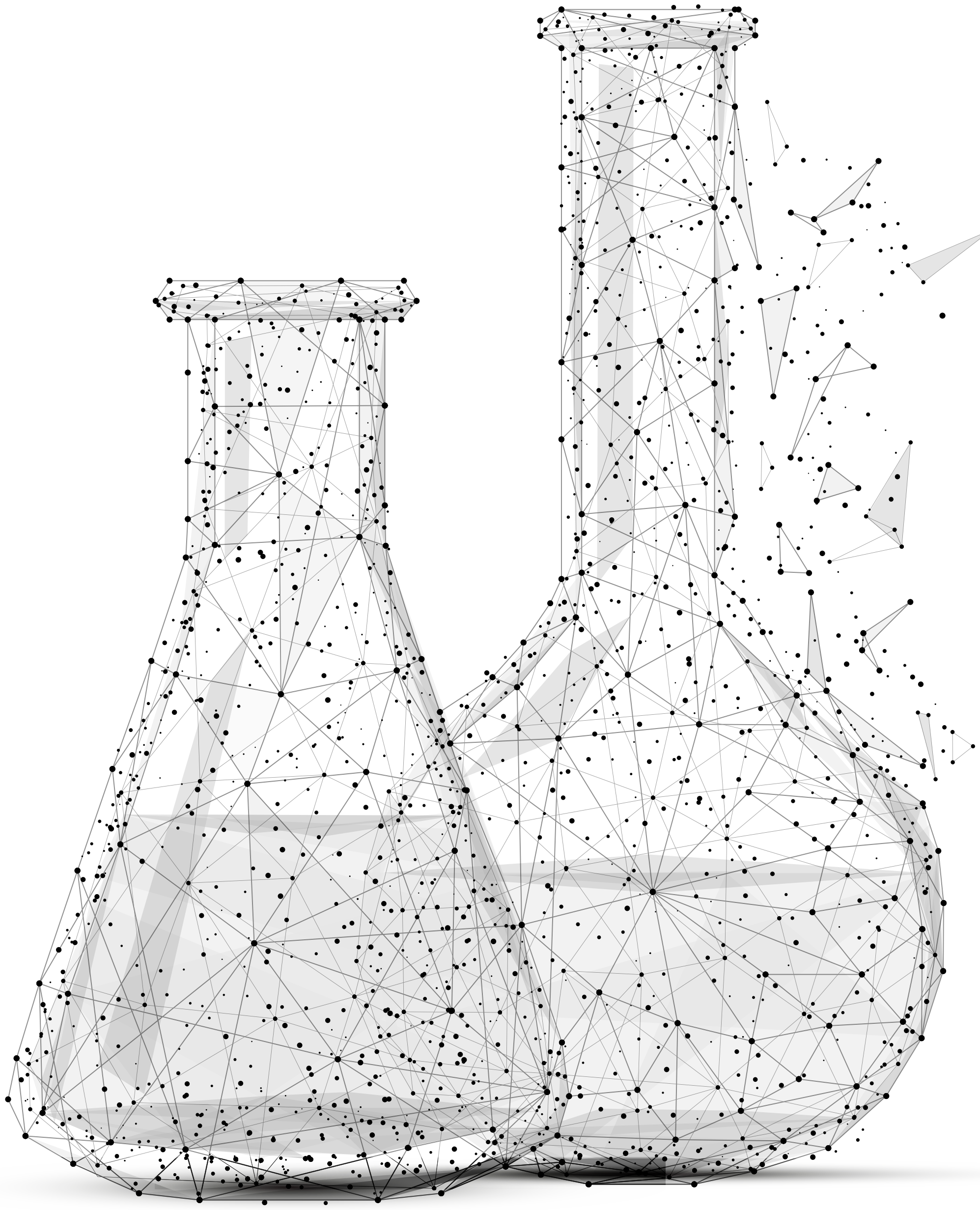
- Free healthcare clinics
- Loans for entrepreneurial women
- Educational services for the children of Al Duweiqa community

> *"IDH commits up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development*

- Providing food for families in need of such assistance
- Coverage of running costs for the ICU at Cairo's public-sector Kasr El Aini Hospital
- IDH has also been expanding the reach of its Corporate Responsibility initiatives in recent years to include:
- Additional services to Kasr El Aini Hospital that include providing medical supplies to the ICU and other units; monthly incentives for nurses in the ICU; and 12-20 hospital beds
- Financial and in-kind support to El Manial Hospital
- Financial and in-kind support to the Egyptian people during natural disasters
- Ramadan Iftar (feast) meals to underprivileged Egyptians during the holy month of Ramadan
- Free medical tests to underprivileged Egyptian children
- Sponsorship of medical convoys to the city of Fayoum

Corporate Governance

Best industry practices in governance to build a profitable and sustainable business as well as safeguarding shareholder interests



Board of Directors

IDH's Board of Directors is comprised of four independent members, one non-executive member and one executive director, all of whom offer significant experience in the healthcare market, MENA region and investment activities.

Lord St John of Blesto (Age 62)
Independent Non-Executive Chairman

Lord St John has been a member of the House of Lords of the U.K. Parliament since 1978 and is currently Deputy Chairman of Strand Hanson Ltd., Non-Executive Chairman of Global Resources Investment Trust, a member of the Advisory Board of Silicon Valley Bank, Non-Executive Director of Albion Ventures LLP, Chairman of the Governing Board of Certification International and holds advisory roles with Milio International, Alliance Media Group USA, Sapinda and ABN Corporation. Lord St John received a BA and a BSocSc in Psychology from Cape Town University, a BProc in Law from the University of South Africa and an LLM from the London School of Economics.

Prof. Dr. Hend El Sherbini (Age 51)
Group Chief Executive Officer

Dr. El Sherbini is a professor of clinical pathology at the Faculty of Medicine, Cairo University and currently sits on the board of American Society of Clinical Pathology (Egypt) and consults on the international certification process. She received her MBBCh, Masters in Clinical and Chemical pathology, PhD in Immunology from Cairo University, and MBA from London Business School. Dr. El Sherbini served as CEO of Al Mokhtabar since 2004, until becoming CEO of the Group in 2012

Hussein Choucri (Age 69)
Independent Non-Executive Director and Chairman of the Remuneration Committee

Mr. Choucri is Chairman and Managing Director of HC Securities & Investment, which he established in May 1996. He currently sits on the boards of EDITA Food Industries S.A.E and SODIC (Sixth of October Development & Investment Company), as well as the Egyptian British Business Council and the Egyptian Greek Business Council. Mr. Choucri served as a Managing Director of Morgan Stanley from 1987 to 1993 and served as Advisory Director at Morgan Stanley from 1993-2007. He received his Management Diploma from the American University in Cairo in 1978.

James Patrick Nolan (Age 60)

Independent Non-Executive Director and Chairman of the Audit Committee

Mr. Nolan is an Independent Director. He recently joined Intertrust as Head of Strategy and Mergers & Acquisitions. Prior to that he spent 15 years with Royal Philips NV, latterly as Head of Mergers & Acquisitions, and has also served as Head of Mergers & Acquisitions at Veon Inc., a major mobile telecoms operator in Emerging Markets. During his time at Philips, he led a series of acquisitions in diagnostic imaging, an area in which Philips is now a global leader. He has extensive quoted-company board experience having served on the boards of M*Modal Inc., Navteq Inc and SHL Telemedicine Ltd. Mr. Nolan graduated from Oxford University in Law in 1983 and is a qualified barrister in England and Wales. He also holds an MBA from INSEAD.

Dan Olsson (Age 54)

Independent Non-Executive Director

Mr. Olsson has long and extensive international experience in the diagnostic and healthcare services sector, where he has served in a range of executive positions. Among others as head of diagnostics in the pan-European healthcare group Capio, CEO of Unilabs, a pan-European diagnostic provider, CEO of Helsa, a Swedish healthcare group as well as CEO of Team Olivia Group, a Nordic care services group. Mr. Olsson has worked in the healthcare sector since 1999. Mr. Olsson studied economics at the University of Lund in Sweden.

Richard Henry Phillips (Age 55)

Non-Executive Director

Mr. Phillips is a founding partner of Actis LLP, the emerging markets private equity group. As Actis LLP is one of the Company's major shareholders, Mr. Phillips is not considered by the Board as being independent. He is the Head of Private Equity for Actis and is is a member of the Actis Investment Committee. Mr. Phillips is a director on the board of a number of companies including Emerging Markets Knowledge Holdings (Mauritius) Limited, Les Laboratoires Medis SA, and others. Mr. Phillips holds a degree in Economics from the University of Exeter.

Corporate Governance Report

Your Board of Directors ("the Board") is responsible for providing strong leadership and effective decision making, safeguarding in the process the interests of all shareholders of Integrated Diagnostics Holdings. Under my chairmanship, the Board has maintained an unwavering commitment to provide oversight and guidance to senior management as the Group continues to execute its regional growth strategy.

IDH has a standard listing on the London Stock Exchange and is thus not required to comply with the requirements of the 2018 U.K. Corporate Governance Code ("the Code") as issued by the Financial Reporting Council, nor does IDH voluntarily comply with the Code. That said, it is the view of your Board that we continue our path of improving our corporate governance structure. We strongly believe that the gradual adoption of best industry practices in governance will assist us in building a profitable and sustainable business as well as safeguarding shareholder interests.

We are compliant with Financial Conduct Authority Disclosure Guidance and Transparency Rules (DTR) subchapters 7.1 and 7.2, which set out certain mandatory disclosures: 7.1 concerns audit committees and bodies carrying out equivalent functions; 7.2 concerns corporate governance standards that are included in the Directors Report or, in this case, as part of the Strategic Review (DTR 7.2.1).

To that end, we have an Audit Committee as well as Remuneration and Nomination Committees. The Board may establish additional committees as appropriate going forward. This Annual Report includes reports from both the Audit and Remuneration Committees.

Your Board aims to work towards implementing best practices in corporate governance, calling on both the expertise of individual Directors as well as that of outside parties, including legal counsel and global professional services firms.

Functioning of the Board

We met five times as a Board during the course of 2019 and have invested significant time discussing and evaluating the Group's strategy and prospects for future growth, the outcome of which is presented in our statement of strategy on page 38. We are confident that we have in place the right strategy and the right management team to deliver shareholder returns going forward.

Composition of the Board

Under its Articles of Association, the Group must have a minimum of two Directors. While there is no maximum number of Directors, the Board presently includes six Board members and has no intention at present of appointing additional members. Notably, Directors have no share qualification, meaning they do not need to be shareholders of the Group in order to serve.

I am pleased to report that we have four Independent Non-Executive Directors. Together, the Directors offer IDH a world standard mix of expertise in areas including strategy, finance and medical diagnostics — as well as diverse experience in Europe, the Middle East and Africa. We have relevant commercial and technical experience to help direct the Group as it delivers on its strategy in a very technical field and across rapidly changing geographies.

Your Board in 2019 and their biographies are set out on pages 64 and 65 of this Annual Report and are summarised in the following table.

Board of Directors of Integrated Diagnostics Holdings Plc

Name	Position (Date of Appointment)
Lord St John of Blesto	Independent Non-Executive Chairman (12 January 2015)
Prof. Dr. Hend El Sherbini	Group Chief Executive Officer (23 December 2014)
Hussein Choucri	Independent Non-Executive Director (12 January 2015)
James Patrick Nolan	Independent Non-Executive Director (8 April 2015)
Dan Olsson	Independent Non-Executive Director (12 January 2015)
Richard Henry Phillips	Non-Executive Director (23 December 2014)

Leadership

We continue to operate on the basis of a clear division of responsibilities between the role of the Chairman and that of the Group Chief Executive. This segregation of roles was agreed at the Board meeting held 12 January 2015. The Board continues to believe that this segregation of roles remains appropriate, taking into account the size and structure of the Group.

As Chairman, I ensure the Board is effective in the execution of all aspects of its role. The Group Chief Executive Officer, meanwhile, is responsible for managing the day-to-day running of the business. In this, she is supported by a senior management team. The Group Chief Executive and I have a good working relationship and discuss matters of Group strategy and performance on a regular basis.

We also work together to ensure that Board meetings cover relevant matters, including a quarterly review of financial and operational performance (including key performance indicators), and in partnership with the Group secretary ensure that all Directors:

- are kept advised of key developments;
- receive accurate, timely and clear information upon which to call in the execution of their duties; and
- actively participate in the decision-making process.

Agendas for meetings of the Board are reviewed and agreed in advance to ensure each Board meeting is efficiently run, allowing all Directors to openly and constructively challenge the proposals made by the Group's senior management. I am pleased to report that throughout the year, each Director has properly exercised those powers with which they have been vested by the Group's Articles of Association and relevant laws.

"The Board has the skills, talent and industry knowledge it needs to effectively deliver the Group's agreed strategy

The Board operates under a Schedule of Matters Reserved, the details of which are unchanged since our last Annual Report. Matters reserved to the Board means any decision that may affect the overall direction, supervision and management of the Group, including, but not limited to:

- approving annually a strategic plan and objectives for the following year for the Group;
- approving any decision to cease to operate all or any material part of the Group's business or to enter into any new business or geographic areas;
- monitoring the delivery of the Group's strategy, objectives, business plan and budget;
- adopting or amending the Group's business plan or annual budget;
- approving the Group's annual report and accounts and half-yearly financial statements and/or any change in the accounting principles or tax policies of any member of the IDH group and/or any change in the end of the financial year of any member of the IDH group except as contemplated by the business plan or annual budget, as required by law or to comply with a new accounting standard;
- any member of the IDH group declaring or paying any dividend or distribution;
- approving the issue of all circulars, prospectuses, listing particulars and general meeting notices to shareholders of the Group;
- ensuring the Group has effective systems of internal control and risk management in place by (i) approving the Group's risk appetite statements and (ii) approving policies and procedures for the detection of fraud, the prevention of bribery and other areas considered by the Board to be material;
- undertaking an annual review of the effectiveness of the Group's risk management and internal control and reporting on that review in the Group's annual report. The review should cover all controls, including financial, operational and compliance controls and risk management;
- carrying out a robust assessment of the principal risks facing the Group, including those that threaten its business, future performance, solvency or liquidity and to report on such assessment in the Group's annual report; and
- reviewing the Group's overall corporate governance arrangements and approving any changes thereto.

Apart from these Reserved matters, the Board delegates specific items to its principal committees, namely the committees on Audit, Remuneration and Nomination. Each Committee is authorised to seek any information it requires from senior management.

Below are brief recaps on each of these committees. Reports from the Chairmen of the Audit and Remuneration Committees appear starting pages 74 and 78 of this Annual Report, respectively.

Board Meetings During 2019

Your Board of Directors held five meetings in 2019:

Meeting Date	Meeting Location
28 January 2019	Conference call (annual budget approval)
20 March 2019	London
14 May 2019	Egypt
9 September 2019	London
24 November 2019	Bahamas

The following standing items are considered at each meeting:

- Determines that notice was given and that a quorum for the meeting has been obtained;
- Hears declarations of interest and considers any conflicts of interest that may arise;
- Establishes the purpose of the meeting; and
- Reviews and approves minutes of the previous meeting of the Board.

Details of our Directors' attendance at Board and Committee meetings are shown in the table on page 71. In the event that any Director is unable to attend a meeting of the Board or Committee of which they are a member, he or she receives the necessary papers, including agendas, meeting outcomes and any documents presented for review or information. Furthermore, I endeavour to discuss with them in advance of the meeting to obtain their views and decisions on the proposals to be considered.

Effectiveness

Having spent considerable time in both formal meetings and in learning about the skills of our Directors one on one — and drawing on my past experience as a Director — I am confident that the Board has the skills, talent and industry knowledge it needs to effectively deliver the Group's agreed strategy. In addition, the Board has undertaken a formal evaluation process, facilitated by the Company Secretary, with involved self-evaluation by each Director, an assessment of the Chairman, the Board as a whole and the Committees with particular focus on:

- strategic matters;
- stakeholder considerations;
- succession planning;
- corporate culture; and
- environmental, social and governance policies.

The results of the evaluation are being carefully considered and the actions for prioritisation will be determined by the Board to implement during the next 12 months.

It is my considered judgement that the Board receives from senior management sufficiently detailed budgets, forecasts, strategy proposals, reviews of the Group's financial position and operating performance, and annual and half yearly reports to ensure that it may be effective. This enables us to effectively ask questions of senior management and to hold discussions on the Group's strategy and performance. In 2019, senior management delivered regular reports to the Board ahead of regularly scheduled Board meetings.

All meetings of the Board and its Committees are minuted by the Group Secretary or a designated alternate. Any concerns raised by Directors are clearly recorded in the minutes of each meeting. I review Board minutes in my capacity as Chairman before these minutes are circulated to all Directors in attendance and then tabled for approval at the next meeting, at which time any necessary amendments are made.

The Group has obtained customary directors' and officers' indemnity insurance covering the Chairman and the Non-Executive Directors.

Overview of the Nomination Committee

The Nomination Committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive and other senior management.

I note in this instance that all members of the Nomination Committee are Non-Executive Directors

Name	Position
Lord St John of Blesto	Chairman of the Committee
Hussein Choucri	Committee Member
Dan Olsson	Committee Member

Overview of the Remuneration Committee

The Remuneration Committee recommends the Group's policy on executive remuneration determines the levels of remuneration for Executive Directors and the Chairman and other senior management and prepares an annual remuneration report.

The full report of the Remuneration Committee for 2019 appears starting on page 78 of this Annual Report.

Name	Position
Hussein Choucri	Chairman of the Committee
James Patrick Nolan	Committee Member
Dan Olsson	Committee Member

Overview of the Audit Committee

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including: reviewing the Group's annual and half-year financial statements and accounting policies and internal and external audits and controls; reviewing and monitoring the independence and scope of the annual audit and the extent of the non-audit work undertaken by external auditors; advising on the appointment of external auditors; and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The Audit Committee will meet not less than three times a year.

The Audit Committee comprises three Independent Non-Executive Directors who hold the necessary competence in accounting and /or auditing, recent financial experience and have competence relevant to the sector in which the Group is operating.

The full report of the Audit Committee for 2019 appears starting on page 74 of this Annual Report

Name	Position
James Patrick Nolan	Chairman of the Committee
Hussein Choucri	Committee Member
Dan Olsson	Committee Member

Table of Director Attendance at 2019 Meetings

Name	Board	Audit	Remuneration	Nomination
Number of Meetings	**5**	**2**	**1**	**0**
Directors:				
Lord St John of Blesto	5	-	-	-
Prof. Dr. Hend El Sherbini	5	-	-	-
Hussein Choucri	3	1	1	-
James Patrick Nolan	4	1	1	-
Dan Olsson	5	2	1	-
Richard Henry Phillips	5	-	-	-

Internal Control and Risk Management

Given the business and geographies in which the Group operates, I believe as Chairman that risk mitigation will be key not just to the creation and preservation of shareholder value, but in the Group's growth going forward. The Company's risk matrix, outlined on pages 42-49, is sufficiently vital that it must be owned equally by the management team and members of the Board.

Our view as a Board is that the Group must be proactive on risk in order to meet shareholder expectations, and I have advised that I expect the IDH management team to be ahead of the curve in this area. You may expect risk and its mitigation will be a theme to which your Board returns repeatedly in 2020, as we did in 2019.

The Board has ultimate responsibility for the Group's internal controls; however, they have delegated oversight of the Group's system of internal controls to the Audit Committee so as to safeguard the assets of the Group and the interests of shareholders. The Audit Committee thus reviews the effectiveness of the Group's internal controls on an ongoing basis to ensure the keeping of proper accounting records, safeguarding the assets of the Group and detecting fraud and other irregularities. The Audit Committee reports back to the Board with their findings and recommendations.

The Board has accordingly established that the Group has in place internal controls to manage risk including:

- the identification and management of risk at the level of operating departments by the heads of those departments; and
- regular Board level discussion of the major business risks of the Group, together with measures being taken to contain and mitigate those risks.

The Group's principal risks and uncertainties and mitigation for them are set out on pages 42-49 of this Annual Report.

Your Board has furthermore put in place a control framework at the Group level that applies to all subsidiaries, including:

- Board approval of the overall Group budget and strategic plans;
- a clear organisational structure delineating lines of responsibility, authorities and reporting requirements;
- defined expenditure authorisation levels;
- a regular process for operational reviews at the senior management level on a weekly, monthly and quarterly basis covering all aspects of the business;
- a strategic planning process that defines the key steps senior management must take to deliver on the Group's long term strategy;
- a comprehensive system of financial reporting including weekly flash reports to management, monthly reporting to management and an annual budget process involving both senior management and the Board; the Board received reports on a quarterly basis in 2019.
- as part of the reporting process in 2019, management reviewed monthly and year-to-date actual results against prior year, against budget and against forecast; these reports were circulated to the Board; any significant changes and adverse variances are reviewed by the Group Chief Executive and by senior management and remedial action is taken where appropriate.

Investor Relations

Engagement with shareholders continues to be a key function at both the senior management and the Board level. Our investor relations function held numerous meetings with current and potential investors during the course of the year. Management met investors at several investor conferences in New York, London, Dubai and Cape Town; welcomed potential and current investors to meetings in Cairo; and handled queries, whether delivered verbally or in writing, from more than 100 investors.

We published both half- and full-year results and further released trading updates on performance at the three- and nine-month periods. We intend to continue publishing trading updates at the first- and third-quarter marks in 2020, while simultaneously meeting the minimum regulatory disclosure as required of a UK Standard listed entity.

The Board communicates with shareholders through public announcements disseminated via the London Stock Exchange, analyst briefings, roadshows and press interviews. Copies of public announcements and financial results are published on the Group's website, along with a number of other investor relations tools. It is worth highlighting that the Group launched new corporate and investor relations websites in 2018, offering more comprehensive and better structured information on the Group along with additional shareholder tools and a richer interface.

IDH also retained the services of outside consultants to help enhance its public relations outfit Hudson Sandler in London to advise the company, increase media traction and widen our audience as well as organize results meetings to better communicate IDH's on-the-ground performance. Hudson Sandler are working in partnership with IDH's Cairo-based investor relations advisors Inktank Communications.

The Board receives regular updates from the senior management team on the views of major shareholders and on milestones in the investor relations program. We will continue throughout 2020 to grow our investor relations program to ensure that our shareholders and stakeholders remain informed of the Group's strategy and ongoing financial and business performance.

Annual Reporting and Annual General Meeting of Shareholders

We typically publish our Annual Report in March in respect of the prior year ended 31 December. Where possible we follow corporate governance best practice to send a Notice of Meeting of an Annual General Meeting (AGM) and related papers to shareholders at least 20 working days prior to the meeting.

The Group's fifth Annual General Meeting as a listed company will be held virtually on 23 June 2020. Shareholders are encouraged to attend the AGM and to ask questions about the business, its financial performance and its strategy. All Board members are scheduled to attend the upcoming AGM. Details of the AGM are included in the Notice of Meeting that accompanies this Annual Report and which is available on our website.

At the AGM, all of the Group's Directors will retire and submit themselves for re-election.

The outcome of the voting at the AGM will be announced by way of a London Stock Exchange announcement and full details will be published on the Group's website shortly after the AGM.

Limitations of this Report

As I noted earlier, the Group is not bound to adhere to the requirements of the 2018 U.K. Code of Corporate Governance. Nevertheless, we have endeavoured to ensure that this Annual Report is, as a whole, fair, balanced and understandable.

In formulating this Annual Report, we have called on the Group Chief Executive and her senior management staff to provide us with clear documentary evidence of the Group's performance and policies for 2019. The Audit Committee has confirmed to us that the financial statements as contained in the 2019 Annual Report are true and fair and that the work of the external auditor has been accurate and effective.

Lord St John of Bletso
Chairman
27 April 2020

Audit Committee Report

James Nolan
Chairman, Audit Committee

> *The Audit Committee is responsible for overseeing IDH's internal financial reporting and ensuring the integrity of the Group's financial statements*

The Audit Committee is responsible for overseeing IDH's internal financial reporting and ensuring the integrity of the Group's financial statements. The Committee is also responsible for reviewing and monitoring the effectiveness of the Group's risk management processes and internal controls, as well as for ensuring that audit processes are robust.

At the date of this report, the Audit Committee comprises three Non-Executive Directors, all of whom are considered independent. In addition to myself, the members are Dan Olsson and Hussein Choucri.

2019 marked my fifth year as Chairman of the Audit Committee, having been appointed to that role owing to my relevant financial experience as required by the Code. I have served on the audit committees of three publicly quoted companies in the past. I have held the positions of Global Head of Mergers & Acquisitions both at Veon and at Royal Philips. I hold an MBA from INSEAD and studied law at university. The other members of the Committee have a broad range of appropriate skills and experience covering financial and healthcare industry matters and their biographies are summarised on pages 64 and 65. I am very grateful for their valuable contributions and am happy that we work well together as a team.

During 2019, the Audit Committee convened twice, once in March and once in September. We provided governance of external financial reporting, risk management and internal controls and reported our findings and recommendations to the Board. Outside of scheduled committee meetings, the Audit Committee also communicated throughout 2019 on an as-needed basis with the Group Chief Financial Officer and with KPMG as our external auditors. Going forward, the Audit Committee would aim to meet three time per year.

The audit partner and audit manager from the Group's external auditor, KPMG, are invited to attend meetings of the Committee on a regular basis. During 2019, they attended meetings in whole or in part, both in person and by telephone. The Vice-President Finance and Strategy, who is not a member of the executive board, attends our meetings by invitation, and other members of the senior management team attend as required; these include the Director of Investor Relations and the Group Secretary.

There are also private meetings between the Audit Committee and the external auditor outside the half-year and year end timetable at which senior management is not present. The Committee will continue with the practice of meeting in private with the external auditor in the future.

FRC Audit Quality Review

The FRC is the UK's independent regulator responsible for promoting high-quality corporate governance and reporting to foster investment. The FRC's responsibilities include independent monitoring of audits of listed and certain other public interest entities performed by firms registered to conduct audits in the UK by a Recognised Supervisory Body (further details are set out on the FRC's website). This monitoring is performed by the FRC's Audit Quality Review ('AQR') team. The reviews of individual audit engagements are intended to contribute to safeguarding and promoting improvement in the overall quality of auditing in the UK. The Group's previous accounts have not been subject to a review in the period.

Roles and Duties of the Audit Committee

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including:

- reviewing the Group's annual and half-year financial statements;
- reviewing the Group's accounting policies, internal and external audits and controls;
- reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors; and
- advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group.

During its scheduled meetings, the Committee also considers the following matters:

- confirm compliance with Directors' duties and consider any new conflicts of interest;
- review minutes of previous meetings;
- review actions from previous meetings; and
- review progress against current year objectives.

Audit Committee Meetings During 2019

During 2019 the Audit Committee had two scheduled meetings, one in March and one in September. At each scheduled meeting, the Committee considers the matters outlined above under the subheading "Roles and Duties of the Audit Committee."

Meeting Dates
20 March 2019
9 September 2019

Significant Issues

The Committee considered several significant accounting issues, matters and judgements in relation to the Group's financial statements and disclosures for the year ended 31 December 2019. As part of the half-year and full-year reporting process, management communicates key accounting issues to the Committee, and the external auditor is asked to comment on the key significant areas of accounting judgement and disclosure. The information presented is used by the Committee to critically review and assess the key policies and judgements that have been applied, the consistency of policy application from year to year and the appropriateness of key disclosures made, together with compliance with the applicable accounting standards. The significant issue arising and a description of how it was addressed is shown in the following table:

Issue	How it is being addressed
IDH adopted IFRS 16 for annual reporting periods beginning on 1 January 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Giving that IDH has more than 500 contracts, and that the calculation is currently conducted manually on excel sheets, there were a number of manual errors in the lease calculations resulting from human error on entering contractual information.	During 2019, management has mitigated the risk through manual reconciliation and has purchased IFRS 16 software from SAP with the aim of having it operational in 2H 2020.

Issue	How it is being addressed
The Group has considered the impact of COVID-19 on the adoption of the going concern basis of preparation.	The Group has considered several downside scenarios and stress tests. One of the stress tests considered the following key assumptions: a complete lockdown with a substantial loss of revenue by more than 75% for a period of eight months (from May to December), no fixed costs reductions, forecasted capital expenditure (mainly the yearly expansionary plan of opening new branches that are not required for the current operation) reduced in 2020 by 86%, and cessation of dividend payments. The conducted stress test displayed the ability of full repayment of the existing loans balances. The downside scenarios showed that the Group's current financial position and cash balance will alleviate any potential downside risk in the Group's cash flow generated from its operational activities, thus the Directors continue to adopt the going concern basis in preparing the financial information.

External Auditor

KPMG has acted as the Group's external auditor since appointment in July 2015, with Mr. David Neale serving as audit partner on behalf of KPMG since August 2017.The Auditors' independence was considered by the Committee during the year and following careful consideration, it was agreed that the Auditors remained independent. We aim to comply with the requirement to rotate the audit partner every five years, and thus the term of appointment of our audit partner is expected to end in 2022.

In acknowledgment of the Competition and Markets Authority's proposal that companies must put their statutory audit engagement out to tender at least every ten years, it is possible that we will tender the audit process in 2025, or earlier if KPMG's performance falls short of the Audit Committee's expectations.

Provision of Non-Audit Services

IDH may, on occasion, retain the external auditor for non-audit services on matters including accounting advice in relation to acquisitions and divestments, corporate governance and risk management advice, among other services.

The Audit Committee reviewed the work completed by the external auditor, as well as the provision of non-audit services to ensure that the auditor maintained its independence. The Audit Committee confirms that during 2019, EGP 164,000 was paid to KPMG in respect of non-audit work compared to the audit fee for the Group financial statements for the year ended 31 December 2019 of EGP 14,211,000 (audit fee for the Group financial statements for the year ended 31 December 2018: EGP 8,972,000). This non-audit work was related to the review of the half year financial statements and tax services.

Recommendation

Ultimately, it is the Board's responsibility to review and approve the Group's full-year and half-year financial statements, as well as to determine that, taken as a whole, the Annual Report is balanced, understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. It is the Audit Committee's role to assist the Board in discharging its responsibilities with regards to financial reporting, external and internal audits and controls. Following a review of the process around the annual audit and the content of the financial statements, the Audit Committee advised the Board at its meeting on 25 March 2020 that is was their opinion that the financial statements as at 31 December 2019 provide a true and fair view of the financial performance of the Group and recommend that it be adopted by the Board and recommended to shareholders for approval at the forthcoming Annual General Meeting.

The Audit Committee has recommended to the Board that the Auditors be put forward for re-election at the forthcoming Annual General Meeting. The Committee arrived at this recommendation after having: met with the Audit partner and Audit team; reviewed the quality of the Auditors' reports and the quality of the work undertaken in respect of the half-yearly and Annual Report; considered the Audit fees of both Audit and Non-Audit work; and reviewed the Auditors' independence.

James Nolan
Chairman, Audit Committee
27 April 2020

Remuneration Committee Report

Hussein Choucri
Chairman, Remuneration Committee

In this report from the Remuneration Committee, I outline on behalf of my colleagues and myself the basis on which Directors and select members of senior management will be remunerated for their service in 2019. A detailed discussion of the basis on which the aforementioned (as well as one key member of senior management) were remunerated for their service in 2019 appears below and is summarised in tabular form on page 79.

Chairman: Lord St John of Bletso is entitled to receive an annual salary of US$ 75,000. He is entitled to the reimbursement of reasonable expenses.

Independent Non-Executive Directors: Hussein Choucri, James Patrick Nolan and Dan Olsson have been engaged by the Group as Independent Non-Executive Directors under letters of appointment. Hussein Choucri and Dan Olsson are each entitled to an annual fee of US$ 55,000, while James Patrick Nolan is entitled to an annual fee of US$ 60,000. The Independent Non-Executive Directors are all entitled to the reimbursement of reasonable expenses.

Non-Executive Directors: Richard Henry Phillips has been engaged by the Group as a Non-Executive Director under letter of appointment. He will not be entitled to receive any fee from the Group for this role. The Non-Executive Directors are all entitled to the reimbursement of reasonable expenses

Remuneration Committee Meetings During 2019

Meeting Dates
25 February 2019 (Conference Call)

Remuneration of Directors in 2019*

Name**	Base Salary / fees 2019	Base Salary / fees 2018	Annual Bonus 2019	Annual Bonus 2018	Total 2019	Total 2018
Executive Director						
Dr. Hend El Sherbini[1]	9,025,201	7,942,500	450,000	450,000	9,475,201	8,392,500
Non-Executive Director						
Lord St John of Blesto	1,226,813	1,323,563	-	-	1,226,813	1,323,563
Hussein Choucri	462,078	974,279	-	-	462,078	974,279
James Patrick Nolan	981,450	1,062,850	-	-	981,450	1,062,850
Dan Olsson	899,663	974,279	-	-	899,663	974,279
Richard Henry Phillips[2]	-	-	-	-	-	-

** There are no taxable benefits, corporate pensions or long-term incentive plans for the Company's directors.*
*** Average USD:EGP exchange rate was 17.71 in 2018 and 16.68 in 2019*

Hussein Choucri
Chairman, Remuneration Committee
27 April 2020

[1] Dr. Hend El Sherbini receives part of her annual bonus in the form of an annual award amounting to EGP 450,000.
[2] Mr. Philips is the board representative of a major shareholder, Actis, and is therefore not remunerated

Directors' Report

The statements and reviews on pages 2 to 49 comprise the Strategic Report, which contains certain information that is incorporated into this Directors' Report by reference, including indications as to the Group's likely future business developments.

Directors

The Directors who held office at 31 December 2019 and up to the date of this report are set out on pages 64 and 65 along with their photographs and biographies. The remuneration of the Directors (including their respective shareholdings in the Group, where applicable) is set out in the Remuneration Report on page 78.

Directors' and Officers' Liability Insurance and Indemnification of Directors

Subject to the conditions set out in the Companies (Jersey) Law 1991 (as amended), the Group has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

Principal Activities

The Group's principal activity is the provision of medical diagnostics services. An overview of the Group's principal activities is an integral component of the Strategic Review included in this Annual Report beginning on page 34.

Business Review and Future Developments

A review of the development and performance of the Group's business forms an integral part of this Annual Report in sections including the Chairman's Message (page 12), Chief Executive's Report (pages 14 to 19), Strategic Report (beginning page 2) and particularly the Performance section (beginning on page 50). Financial statements for 2019 appear in the Audited Financial Statements (starting on page 84).

Results and Dividends

The Group's Results for 2019 are set out in the Audited Financial Statements starting on page 84.

Due to the Covid-19 pandemic and consequent uncertainty regarding the macroeconomic environment, the Board of Directors has deemed it more appropriate to focus on retaining resources and will thus suspend the dividend decision till September 2020. At which point, further consideration will be given to developments in the global pandemic and confidence regarding the Group's future needs and financial outlook.

Principal Risks and Uncertainties

The principal risks and uncertainties that may affect IDH's business, as well as their potential mitigants, are outlined on pages 42 to 49 of this Annual Report.

Share Capital

The Group has 150,000,000 ordinary shares each with a nominal value of US$ 1.00. There are no other shares in issue, other than ordinary shares. Note 20 to the consolidated financial statements on page 133 summarises the rights of the ordinary shares as well as the number issued during 2019.

Substantial Share Holdings

As at 28 February 2020, the Company ascertained from its own analysis that the following held interests of 3% or more of the voting rights of its issued share capital:

Shareholder	Number of Voting Rights	of Voting Rights %
Hena Holdings Ltd.	38,245,589	25.50
Actis IDH Limited	31,500,000	21.00
HSBC Global Asset Mgmt (UK)	12,771,933	8.51
Fidelity Management & Research (Boston)	6,527,469	4.35
T Rowe Price International (London)	6,013,635	4.01

The Directors certify that there are no issued securities that carry special rights with regard to control of the Company. There are similarly no restrictions on voting rights. Chief Executive Officer Dr. Hend El-Sherbini jointly holds voting rights to shares held by Hena Holdings Ltd. with her mother, Dr. Moamena Kamel.

Committees of the Board

The Board has established Audit, Nominations and Remuneration Committees. Details of these Committees, including membership and their activities during 2019, are contained in the Corporate Governance section of this Annual Report and in the Remuneration and Audit Reports.

Corporate Responsibility

The Group's report on Corporate Responsibility is set out on page 60.

Corporate Governance

The Group's report on Corporate Governance is on pages 62 to 83.

Articles of Association

The Company's Articles of Association set out the rights of shareholders including voting rights, distribution rights, attendance at general meetings, powers of Directors, proceedings of Directors as well as borrowing limits and other governance controls. A copy of the Articles of Association can be requested from the Group Company Secretary.

The Articles of Association may be amended by members of the Company via special resolution at a General Meeting of the Company.

Rules on the Appointment and Replacement of Directors

Rules on the appointment and replacement of Directors are set out in the Group's Articles of Association, a copy of which may be requested from the Group Company Secretary.

Agreements Related to Change of Control of the Group

No such agreements exist.

Conflicts of Interest

During the year, no Director held any beneficial interest in any contract significant to the Group's business, other than a contract of employment. The Company has procedures set out in the Articles of Association for managing conflicts of interest. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they are required to notify the Board as soon as reasonably practicable.

Political Donations

The Group made no political donations in 2019 (2018: nil).

Financial Instruments

The Group's principal financial instruments comprise cash balances, balances with related parties, trade receivables and payables and other payables and receivables that arise in the normal course of business. The Group's financial instruments risk management objectives and policies are set out in Note 2 to the Financial Statements.

Employees

The Group has one (1) Executive Director, namely Group Chief Executive Dr. Hend El Sherbini, as identified in the Corporate Governance section. Her biographical information appears on page 64 of this Annual Report, and her compensation is reported in the Remuneration Committee Report on page 79. IDH has service agreements with the Group Chief Executive and with the Group Chief Financial Officer, Mr. Omar Bedewy, who is not a Company Director. Dr. Hend El Sherbini leads the Company's Executive Committee, which also includes all heads of departments and meets every second week to review and discuss performance, priorities and upcoming events in light of the Group's strategic plan. In view of the Company's regional growth plans, IDH is committed to building out its senior management team in preparation for a larger footprint. The Group and its subsidiaries had total of 5,440 employees as at 31 December 2019 (2018: 4,942) employed in Egypt, Jordan, Sudan and Nigeria.

Creditor Payment Policy

Individual subsidiaries of the Group are responsible for agreeing on the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions.

Going Concern

The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. The Board has considered the potential impact of the COVID-19 outbreak on the Group's financial position and liquidity, but given the unknown magnitude of COVID-19, Management has considered several downside scenarios and stress tests. One of the stress tests considered the following key assumptions: a complete lockdown with a substantial loss of revenue by more than 75% for a period of eight months (from May to December), no fixed costs reductions, forecasted capital expenditure (mainly the yearly expansionary plan of opening new branches that are not required for the current operation) reduced in 2020 by 86%, and cessation of dividend payments . Reducing revenues by more than 75% will negatively impact EBITDA and consequently will affect the Group's ability to meet financial covenants such as Debt service Coverage Ratio. The conducted stress test displayed the ability of full repayment of the existing loans balances. The downside scenarios showed that the Group's current financial position and cash balance will alleviate any potential downside risk in the Group's cash flow generated from its operational activities, thus the Directors continue to adopt the going concern basis in preparing the financial information. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Review on pages 2 to 49. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and notes thereon on pages 84 to 143.

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting

unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

Disclosure of Information to the Auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditors, each Director has taken all the steps that he/she is obliged to take as a Director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Annual General Meeting (AGM)

The 2020 AGM will be held virtually on 23 June 2020.

The Chairman of the Board and of each of the Board's Committees as well as all company Directors will be in attendance virtually at the AGM to answer questions from shareholders.

During the AGM, all of the Group's Directors will retire and submit themselves for re-election.

Auditor

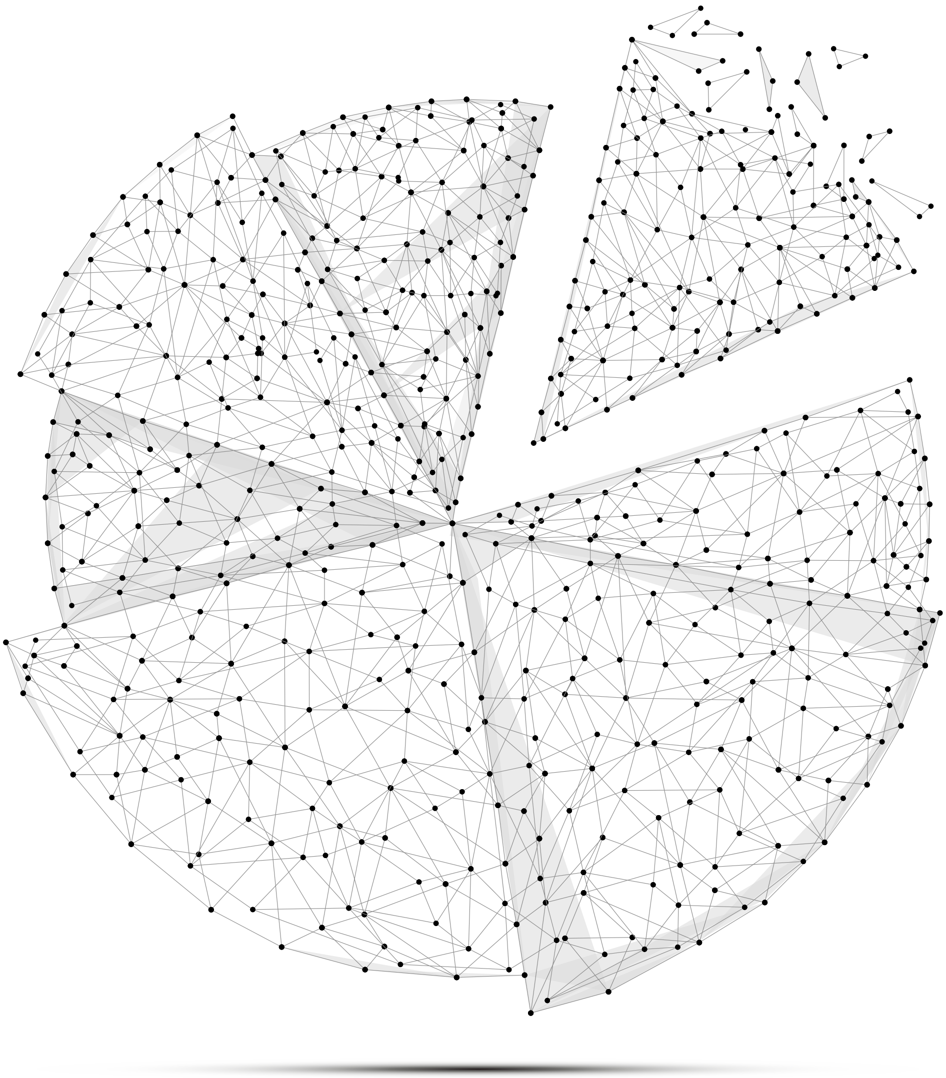
KPMG LLP has expressed its willingness to continue in office as auditor and separate resolutions will be proposed at the forthcoming AGM concerning their reappointment and to authorise the Board to agree their remuneration.

By order of the Board

H. El Sherbini

Dr. Hend El Sherbini
Executive Director
27 April 2020

Financial Statements



Independent Auditor's Report

1. Our opinion is unmodified

We have audited the consolidated financial statements of Integrated Diagnostics Holdings plc ("the Company") for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 2.

In our opinion the consolidated financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the Group's affairs as at 31 December 2019 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: group financial statements as a whole	EGP32m (2018:EGP29m) 4.2% (2018: 4.5%) of Group profit before tax
Coverage	100% (2018: 99%) of Group profit before tax
Key audit matters	
New risk	Going Concern
New risk	Application of IFRS 16 lease accounting

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our opinion above, the key audit matter was as follows:

	The risk	Our response
Going Concern	**Disclosure quality** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group. That judgement is based on an evaluation of the inherent risks to the Group's business model and how those risks might affect the Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's available financial resources over this period arose as a result of the global pandemic caused by the emergence of a novel coronavirus, COVID-19. The principle risks were: • Demand for the Group's services declines significantly during extended periods of curfew or lockdown in the geographies in which the Group operates; • Covenants in loan agreements are likely to be breached should a significant decline in operations be experienced; • The Group's supply chain may be disrupted due to temporary closures or business failures of key suppliers or logistics operators in geographies impacted by COVID-19. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	Our procedures included: **Funding assessment:** Assessed the Group's ability to comply with loan covenants and make any necessary repayments of capital and interest in the event of a covenant breach. **Historical comparisons:** Assessed the directors' historical forecasting accuracy by comparing previous forecasts with the actual cashflows achieved in the respective periods. **Key dependency assessment:** Identified the critical factors in determining whether there is a risk of failure by identifying the material drivers of cashflows that are most exposed to the economic uncertainty that COVID-19 presents. **Sensitivity analysis:** Considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively; Challenged the directors' assessment of forecast revenue with reference to the most recent actual cashflows achieved and also assessed the Group's loan covenants by stress testing the critical factors and considering the impact on the forecasts and cash outflows. **Evaluating directors' intent:** Evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise; Assessed that the Directors took the decision to postpone the declaration of a dividend in respect of the financial year until the economic situation is clearer. Considered the ability of the Group to halt planned capital expenditure that they are not committed to undertake. **Assessing transparency:** Assessed the completeness and accuracy of the matters covered in the going concern disclosure in light of critical factors arising from COVID-19 and the assessments performed.

2. Key audit matters: our assessment of risks of material misstatement (cont'd)

	The risk	Our response
Application of IFRS 16 lease accounting on transition (EGP260 million; 2018: EGP Nil) Refer to page 74 (Audit Committee Report), page 98 (accounting policy) and page 138 (financial disclosures)	**Accounting Application** The Group is required to adopt IFRS 16 Leases as at 1 January 2019. There is a high volume of leases relating to the branch network. The majority of the leases in the portfolio have a term of 5 to 10 years. There are different payment terms and contractual clauses between leases. The recognition of these leases will generate new, material balances within non-current assets, current and non-current liabilities. **Data Capture and Calculation Error** The manual input and collation of data, the completeness of the lease population and varying contractual terms gives rise to the risk of error over the calculations	**Our procedures included:** • **Methodology implementation:** Assessed whether the methodology of the lease calculation was in line with the requirements of the standard. • Evaluated the appropriateness of the selection of accounting policies based on the requirements of IFRS 16, our business understanding and industry practice. • Considered the appropriateness of the transition approach and that the practical expedients applied were in line with the standard. • **Tests of details:** Assessed the completeness of the IFRS 16 lease population by reconciling the leases included within the model prepared by management to the revenue generating branches held by the Group. • Selected a sample of leases included within the model to check the calculation by inspecting the relevant contracts and ensuring the contractual terms had been appropriately captured and recorded in the model and checking the lease payments made. • **Extended scope:** Increased substantive testing in sampling of lease contracts due to the identification of lease payment methods within contracts that differed to those recorded in the model. • Where calculation errors were identified by our testing assessed that similar errors were not pervasive throughout the model.

We continue to perform procedures over recoverability of goodwill and indefinite life brand intangible assets. However, we have observed a continued trend of strong financial performance of those cash generating units to which the majority of the goodwill and indefinite life brand intangibles relate. Therefore, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of Group materiality and an overview of the scope of our audit

Materiality for the group financial statements as a whole was set at EGP32m (2018: EGP 29m), determined with reference to a benchmark of Group profit before tax, of which it represents 4.2% (2018: 4.0%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding EGP1.6m (2017: EGP1.45m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 13 (2018: 13) reporting components, we subjected 5 (2018: 6) to full scope audits for Group reporting purposes and 5 (2018: 5) to specified risk-focused audit procedures over cash and cash equivalents. The latter were not individually financially significant enough to require full scope audit for Group reporting purposes, but did present specific individual risk that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite.

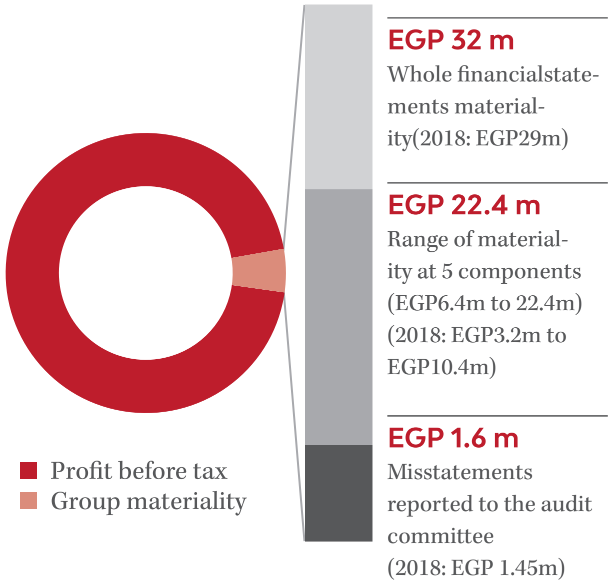
The remaining 0.4% (2018: 0.6%) of total Group revenue, 0.2% (2018: 0.5%) of Group profit before tax and 1.2% (2018: 0.2%) of total Group assets is represented by 3 (2018: 2) reporting components, none of which individually represented more than 0.6% of any of total Group revenue, Group profit before tax or total Group assets. For these residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team instructed the component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved component materialities which ranged from EGP6.4m to EGP22.4m (2018: EGP3.2m to EGP10.4m), having regard to the mix of size and risk profile of the Group across the components. The work on 5 of the 10 components (2018: 7 of the 11 components) was performed by component auditors and the rest was performed by the Group team.

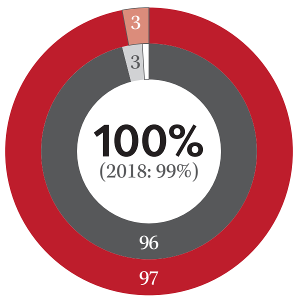
The Group team visited 5 (2018: 5) components, all based in the same location, in Egypt, including to assess the audit risk and strategy. Telephone conference meetings were also held with these component auditors and with the component auditors of the Jordanian and Nigerian components that were not physically visited. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

Profit before tax
EGP758m (2018:EGP717m)

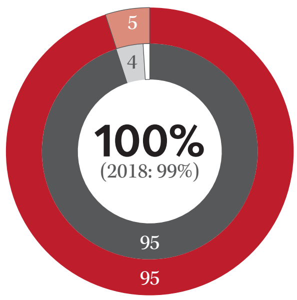
Group Materiality
EGP32m (2018:EGP29m)



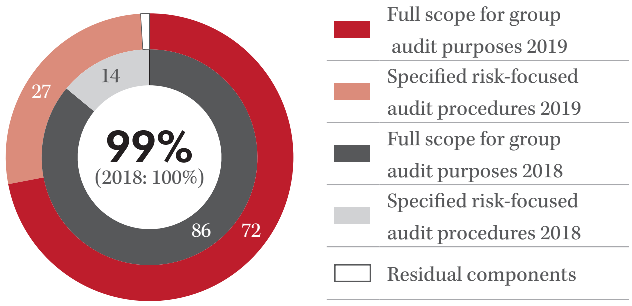
Group revenue



Group profit before tax



Group total assets



4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or to cease its operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group will continue in operation.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.
We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Company, or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- The Company's consolidated financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 82, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991.Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Neale
for and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor
15 Canada Square
London
E14 5GL
27 April 2020

Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019 EGP'000	2018 EGP'000
Assets			
Non-current assets			
Property, plant and equipment	10	785,546	705,779
Intangible assets and goodwill	11	1,660,836	1,672,463
Right-Of-Use Asset	27	264,763	-
Other investments	13	6,391	-
Total non-current assets		**2,717,536**	**2,378,242**
Current assets			
Inventories	15	84,339	91,079
Trade and other receivables	16	322,805	299,991
Restricted cash	18	247	11,965
Other investments	19	221,617	239,905
Cash and cash equivalents	17	408,892	412,607
Total current assets		**1,037,900**	**1,055,547**
Total assets		**3,755,436**	**3,433,789**
Equity			
Share capital	20	1,072,500	1,072,500
Share premium reserve	20	1,027,706	1,027,706
Capital reserves	20	(314,310)	(314,310)
Legal reserve	20	46,330	37,959
Put option reserve	20	(229,164)	(145,275)
Translation reserve	20	155,823	194,764
Retained earnings		456,661	396,706
Equity attributable to the owners of the Company		**2,215,546**	**2,270,050**
Non-controlling interests	6	144,710	130,588
Total equity		**2,360,256**	**2,400,638**
Non-current liabilities			
Deferred tax liabilities	8	174,000	168,361
Other provisions	22	5,273	14,842
Loans and borrowings	25	81,305	101,439
Long-term financial obligations	26	306,384	79,191
Total non-current liabilities		**566,962**	**363,833**
Current liabilities			
Trade and other payables	23	320,083	287,367
Short-term financial obligations	24	260,853	156,665
Loans and borrowings	25	25,416	25,416
Current tax liabilities		221,866	199,870
Total current liabilities		**828,218**	**669,318**
Total liabilities		**1,395,180**	**1,033,151**
Total equity and liabilities		**3,755,436**	**3,433,789**

The accompanying notes on pages 97- 143 form an integral part of these consolidated financial statements.

These consolidated financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 27 April 2020 by:

Dr. Hend El Sherbini
Chief Executive Officer

Hussein Choucri
Independent Non-Executive Director

Consolidated Income Statement

For the year ended 31 December 2019

	Notes	2019 EGP'000	2018 EGP'000
Revenue	3	2,226,495	1,921,452
Cost of sales		(1,142,681)	(973,073)
Gross profit		**1,083,814**	**948,379**
Marketing and advertising expenses		(115,764)	(94,887)
Administrative expenses		(189,465)	(160,055)
Impairment loss on trade and other receivable	16	(8,647)	(9,635)
Other Income		20,902	1,141
Operating profit		**790,840**	**684,943**
Finance costs		(80,105)	(31,015)
Finance income		47,409	63,430
Net finance cost	7.2	(32,696)	32,415
Profit before tax		**758,144**	**717,358**
Income tax expense	8	(253,609)	(220,444)
Profit for the year		**504,535**	**496,914**
Profit attributed to:			
Owners of the Company		510,931	502,092
Non-controlling interests	6	(6,396)	(5,178)
		504,535	**496,914**
Earnings per share (expressed in EGP)	9		
Basic and Diluted		3.41	3.35

The accompanying notes on pages 97- 143 form an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the Year Ended 31 December 2019

	2019	2018
	EGP'000	EGP'000
Net profit	**504,534**	**496,914**
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Currency translation losses on foreign currency subsidiaries	(59,402)	(2,566)
Other comprehensive income for the year, net of tax	**(59,402)**	**(2,566)**
Total comprehensive income for the year	**445,132**	**494,348**
Attributable to:		
Owners of the Company	471,991	493,146
Non-controlling interests	(26,859)	1,202
	445,132	**494,348**

The accompanying notes on pages 97- 143 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 EGP'000	2018 EGP'000
Cash flows from operating activities			
Profit or loss for the year		758,143	717,358
Adjustments for:			
Depreciation of property, plant and equipment ('PPE')	7	146,617	70,989
Amortisation of intangible assets	12	6,862	6,398
Unrealised foreign exchange gains and losses	7	15,517	15,706
Interest Income	7	(43,544)	(59,305)
Interest Expense	7	61,184	11,855
Gain/(Loss) on sale of PPE		(926)	(138)
Impairment in trade and other receivables	7	8,647	9,635
Reversal of impairment in trade and other receivables	16	(1,155)	(1,056)
Equity settled share based payment receipt		(6,391)	-
Hyperinflation		(3,836)	-
Cash (used in)/generated from operating activities		**941,118**	**771,442**
Income taxes paid		(184,856)	(140,537)
Change in Provisions	22	(9,314)	143
Change in Inventories		4,933	(21,144)
Change in Trade and other receivables		(78,167)	(118,042)
Change in Trade and other payables		23,700	64,446
Net cash from operating activities		**697,414**	**556,308**
Cash flows from investing activities			
Proceeds from sale of PPE		3,555	3,500
Interest received		48,086	71,412
Acquisition of PPE		(213,310)	(331,550)
Acquisition of intangible assets		(4,688)	-
Decrease in restricted cash	18	11,718	1,261
Change in other investment "acquisition"		(282,781)	(448,155)
Change in other investment "sale"		301,069	217,399
Acquisition of subsidiary		-	20,519
Net cash from investing activities		**(136,351)**	**(465,614)**
Cash flows from financing activities			
Proceeds from loans and borrowings		(25,416)	(20,514)
Repayment of loans and borrowings		5,283	94,369
Payment of finance lease liabilities		(64,451)	(27,668)
Dividends paid		(450,502)	(434,953)
Interest paid		(63,192)	(8,647)
Injection of cash by non controlling interest		49,540	38,684
Net cash flows used in financing activities		**(548,738)**	**(358,729)**
Net increase/(decrease) in cash and cash equivalents		**12,325**	**(268,035)**
Cash and cash equivalents at 31/12/2018		412,607	685,211
Effect of exchange rate fluctuations on cash held		(16,040)	(4,569)
Cash and cash equivalents at 31/12/2019	17	**408,892**	**412,607**

The accompanying notes on pages 97- 143 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

(All amounts in Egyptian Pounds "EGP'000")	Share Capital	Share premium	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Total attributed to the owners of the Company	Non-Controlling interests	Total Equity
As at 1 January 2019	**1,072,500**	**1,027,706**	**(314,310)**	**37,959**	**(145,275)**	**194,763**	**396,706**	**2,270,049**	**130,588**	**2,400,637**
Profit for the period	-	-	-	-	-	-	510,931	510,931	(6,397)	504,534
Other comprehensive income for the period	-	-	-	-	-	(38,940)	-	(38,940)	(20,462)	(59,402)
Total comprehensive income	-	-	-	-	-	**(38,940)****	**510,931**	**471,991**	**(26,859)**	**445,132**
Transactions with owners of the Company										
Contributions and distributions										
Dividends	-	-	-	-	-	-	(442,116)	(442,116)	(8,386)	(450,502)
Legal reserve formed during the year*	-	-	-	8,371	-	-	(8,371)	-	-	-
Non-controlling interests resulting from consolidating subsidiaries	-	-	-	-	-	-	-	-	-	-
during the year										
Restatement for impact of hyperinflation	-	-	-	-	-	-	(489)	(489)	(175)	(664)
Movement in put option liability in the year	-	-	-	-	(83,889)	-	-	(83,889)	-	(83,889)
Non-controlling interest cash injection in subsidiaries during the year	-	-	-	-	-	-	-	-	49,540	49,540
Total contributions and distributions	-	-	-	**8,371**	**(83,889)**	-	**(450,976)**	**(526,494)**	**40,979**	**(485,515)**
Change in ownership interests										
At 31 December 2019	**1,072,500**	**1,027,706**	**(314,310)**	**46,330**	**(229,164)**	**155,823**	**456,661**	**2,215,546**	**144,710**	**2,360,256**
As at 1 January 2018	**1,072,500**	**1,027,706**	**(314,310)**	**33,383**	**(93,256)**	**203,709**	**315,856**	**2,245,588**	**68,502**	**2,314,090**
Profit for the period	-	-	-	-	-	-	502,092	502,092	(5,178)	496,914
Other comprehensive income for the period	-	-	-	-	-	(8,946)	-	(8,946)	6,380	(2,566)
Total comprehensive income	-	-	-	-	-	**(8,946)**	**502,092**	**493,146**	**1,202**	**494,348**
Transactions with owners of the Company										
Contributions and distributions										
Dividends	-	-	-	-	-	-	(423,560)	(423,560)	(11,393)	(434,953)
Legal reserve formed during the year*	-	-	-	4,576	-	-	(4,576)	-	-	-
Non-controlling interests resulting from consolidating subsidiaries during the year	-	-	-	-	-	-	-	-	69,804	69,804
Restatement for impact of hyperinflation	-	-	-	-	-	-	6,894	6,894	2,473	9,367
Movement in put option liability in the year	-	-	-	-	(52,019)	-	-	(52,019)	-	(52,019)
Total contributions and distributions	-	-	-	**4,576**	**(52,019)**	-	**(421,242)**	**(468,685)**	**60,884**	**(407,801)**
Change in ownership interests										
At 31 December 2018	**1,072,500**	**1,027,706**	**(314,310)**	**37,959**	**(145,275)**	**194,764**	**396,706**	**2,270,050**	**130,588**	**2,400,638**

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

** Part of the translation is an amount related to hyperinflation of EGP 7,434k

Notes to the Condensed Consolidated Financial Statements

For the Year Ended 31 December 2019

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

1. Corporate information

The consolidated financial statements of Integrated Diagnostics Holdings plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 27 April 2020. Integrated Diagnostics Holdings plc "IDH" or "the company" has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257.

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

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

2. Basis of preparation

Statement of compliance

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

Basis of measurement

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

Functional and presentation currency

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

Going concern

The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. The Board has considered the potential impact of the COVID-19 outbreak on the Group's financial position and liquidity, but given the unknown magnitude of COVID-19, Management has considered several downside scenarios and stress tests. One of the stress tests considered the following key assumptions: a complete lockdown with a substantial loss of revenue by more than 75% for a period of eight months (from May to December), no fixed costs reductions, forecasted capital expenditure (mainly the yearly expansionary plan of opening new branches that are not required for the current operation) reduced in 2020 by 86%, and cessation of dividend payments*. Reducing revenues by more than 75% will negatively impact EBITDA and consequently will affect the Group's ability to meet financial covenants such as Debt service Coverage Ratio. The conducted stress test displayed the ability of full repayment of the existing loans balances. The downside scenarios showed that the Group's current financial position and cash balance will alleviate any potential downside risk in the Group's cash flow generated from its operational activities, thus the Directors continue to adopt the going concern basis in preparing the financial information. At 31 December 2019, the Group had net assets amounting to EGP 2,360,256,000. The Group is profitable and cash generative and the Directors have considered the Group's cash forecasts for a period of 12 months from the signing of the balance sheet. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Review on pages 2 to 49. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and notes thereon on pages 86 to 143.

* Please refer to P.12 for more details

2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

i. Subsidiaries

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

ii. Change in subsidiary ownership and loss of control

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

iii. Transactions eliminated on consolidation

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

2.2. Changes in significant accounting policies

The Group has initially adopted IFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019, but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the Modified Retrospective Approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019.

Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease of the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.
On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed.

B. As a lessee

The Group leases many assets, including properties, production equipment and IT equipment.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

C. Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measurement at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

D. Transition

Previously, the Group classified property leases as operating under IAS 17. These include warehouse and factory facilities. The leases typically run for a period of 5 to 10 years.

At transition, for leases that were classified as operating leases under IAS 17, lease liabilities are measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rates at 1 January 2019. Right-of-use assets are measured at either:

- Their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- The incremental borrowing rate (IBR) used by the Group was determined by region and the period of the lease contract as follows:

	1-5 Years	5-10 Years	More than 10 Years
Egypt	18.75%	18.75%	18.75%
Jordan	9.00%	9.50%	10.00%
Sudan	29.84%	29.84%	n/a
Nigeria	23.86%	24.73%	n/a

The IFRS 16 defines incremental borrowing rate (IBR) as "the rate of interest that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor."

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

E. Impact of transition

On transition to IFRS 16, the Group recognized the addition of right-of-use assets, including investment property and additional lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarised below.

	1-Jan-19 EGP'000
Right-of-use assets presented in financial statement	213,870
Lease liabilities	213,870

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rates applied for each region are (Egypt 18.75% - Jordan 9.5% - Sudan 29.84% - Nigeria 24.30%).

	1-Jan-19 EGP'000
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	440,978
Discounted using the incremental borrowing rate at 1 January 2019	216,518
Finance lease liabilities recognized as at 31 December 2018	90,581
Recognition exemption for leases with less than 12 months	
of lease term at transition	(2,648)
Lease liabilities recognized at 1 January 2019	**304,451**

F. Impacts for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized EGP 264,763K of net right-of-use assets and EGP 269,401K of net lease liabilities balance as at 31 December 2019.

Also in relation to those leases under IFRS 16, the Group has recognized depreciation and interest expense, instead of operating lease expense. During the year ended 31 December 2019, the Group recognized EGP 47,716K of depreciation charges and EGP 35,136K of interest costs from these leases.

For the impact of IFRS 16 on segment information and EBITDA, see notes 3.

a) Business combinations and goodwill

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

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

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

b) Fair value measurement

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

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

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

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

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

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

c) Revenue recognition

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

The following steps are considered for patients served under contracts:

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

d) Income Taxes

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

e) Foreign currency

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

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

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

f) Hyperinflationary Economies

The financial statements of "SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co." report their financial statements in the currency of a hyperinflationary economy. In accordance with IAS 29 financial reporting in Hyperinflationary Economies, the financial statements of those subsidiaries were restated by applying the consumer price index at closing rates in December 2019 2,321 (2018 December, 1,490) before they were included in the consolidation financial statements. The comparative information as the financial information of SAMA Medical Laboratories Co. and AL-Mokhtabar Sudanese Egyptian Co whose functional currency is hyperinflationary is translated into a different presentation currency (EGP), this is done in accordance with IAS 21 as follows. If the presentation currency is not hyperinflationary, then comparative amounts are not restated for changes in either the general price level in the functional currency (i.e. as otherwise required by IAS 29) or the exchange rate between the functional and presentation currencies. As such, the comparative amounts remain those amounts reported as current for the previous reporting period. When the functional currency of a foreign operation is the currency of a hyperinflationary economy, all assets, liabilities, equity items, income and expenses are translated using an official exchange rate prevailing at the end of each reporting period. Exchange differences arising, if any, are recognized on other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

g) Property, plant and equipment

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

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

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

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

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

h) Intangible assets

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

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

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

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

- IT development and software 4-5 years

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

Goodwill

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

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

Brand

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

The Group brand names are considered to have indefinite useful life as the Egyptian brands have been established in the market for more than 30 years and the health care industry is very stable and continues to grow.

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

J) Financial instruments – initial recognition and subsequent measurement

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

i. Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

The Group did not hold financial assets classified as financial assets at fair value through the profit or loss at 31 December 2019 and 31 December 2018.

Derecognition

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

- The rights to receive cash flows from the asset have expired

Or

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

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

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

Impairment of financial assets

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

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

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

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

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

ii. Financial liabilities

Initial recognition and measurement

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

All of the Group's financial liabilities are classified as financial liabilities carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

The Group's financial liabilities include trade and other payables, finance lease liabilities, put option and loans and borrowings including bank overdrafts.

Derecognition

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

iii. Offsetting of financial instruments

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

k) Impairment of non-financial assets

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

Disclosures for significant assumptions and estimates	Note 2.3
Goodwill and intangible assets with indefinite lives	Note 12

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

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

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

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

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

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

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.

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

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

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

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 36,012K (31 December 2018: EGP 29,295K)

l) Inventories

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

m) Cash and short-term deposits

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

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

n) Provisions

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

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

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

o) Pensions and other post-employment benefits

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

p) Segment reporting

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

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

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

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

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

Judgments

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

Estimates and assumptions

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

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

Impairment of intangible assets

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

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

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet. committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3. Segment information

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

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

	Revenue by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-19	1,902,788	36,927	256,700	30,080	**2,226,495**
31-Dec-18	1,613,484	35,347	242,489	30,132	**1,921,452**

	Net profit by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-19	499,745	3,684	44,162	(43,057)	**504,534**
31-Dec-18	505,769	(6,241)	26,193	(28,807)	**496,914**

	Revenue by categories	
	2019	2018
	EGP'000	EGP'000
Walk-in	895,336	779,969
Corporate	1,331,160	1,141,483
	2,226,495	**1,921,452**

	Revenue by type		Net profit by type	
	2019	2018	2019	2018
	EGP'000	EGP'000	EGP'000	EGP'000
Pathology	2,182,208	1,889,418	556,929	524,248
Radiology	44,287	32,034	(52,395)	(27,334)
	2,226,495	**1,921,452**	**504,534**	**496,914**

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

	2019 EGP'000	2018 EGP'000
Profit from operations	790,840	684,943
Property, plant and equipment depreciation	147,269	70,989
Amortization of Intangible assets	6,862	6,398
EBITDA	**944,971**	**762,330**

Non- current assets by geographic location are as follows:

	Non-current assets by geographic location				
For the year ended	Egypt region	Sudan region	Jordan region	Nigeria region	Total
31-Dec-19	2,334,043	17,518	237,155	128,820	**2,717,536**
31-Dec-18	2,122,027	10,054	174,976	81,185	**2,378,242**

4. Capital management

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

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

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

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

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

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

	2019 EGP (000)	2018 EGP (000)
Total liabilities	1,215,907	849,948
Less: cash and short-term deposits (Note 17)	(408,892)	(412,607)
Net (cash)/debt	**807,015**	**437,341**
Total Equity	**2,360,256**	**2,400,638**
Net debt to equity ratio	34.2%	18.2%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

5. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% equity interest 2019	% equity interest 2018
Al Borg Laboratory Company (“Al-Borg”)	Medical diagnostics service	Egypt	99.3%	99.3%
Al Mokhtabar Company for Medical Labs (“Al Mokhtabar”)	Medical diagnostics service	Egypt	99.9%	99.9%
Molecular Diagnostic Center[*]	Medical diagnostics service	Egypt	99.9%	99.9%
Medical Genetic Center	Medical diagnostics service	Egypt	55.0%	55.0%
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Medical diagnostics service	Jordan	60.0%	60.0%
Golden Care for Medical Services	Holding company of SAMA	Egypt	100.0%	100.0%
Integrated Medical Analysis Company (S.A.E)	Medical diagnostics service	Egypt	99.6%	99.6%
SAMA Medical Laboratories Co. ("Ultralab medical laboratory ")	Medical diagnostics service	Sudan	80.0%	80.0%
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	65.0%	65.0%
Integrated Diagnostics Holdings Limited	Intermediary holding company	Caymans Island	100.0%	100.0%
Dynasty Group Holdings Limited	Intermediary holding company	England and Wales		
	51.0%	51.0%		
Eagle Eye				
	Intermediary holding company	Mauritius		
	76.5%	73.6%		
Echo-Scan				
	Medical diagnostics service	Nigeria		
	100.0%	100.0%		
WAYAK Pharma[**]	Medical services	Egypt	99.99%	-

*Molecular Diagnostic Center” put under liquidation on 5 May 2016 following the start of liquidation proceedings by the liquidator (Abd EL Wahab Kamal) under Egyptian Law. The liquidation processes were completed and finalized on 19 January 2020.

** On 7 August 2019, AL-Mokhtabar; one of the IDH’ subsidiaries has established Wayak Company with Khaled Ismail for the purpose of creating an Electronic Medical Record “EMR” platform .

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

6. Non-Controlling interest

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

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

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2019	2018
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group (Hash-emite Kingdom of Jordan)	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	20.0%
Al Borg Laboratory Company	Egypt	0.7%	0.7%
Dynasty Group Holdings Limited	England and Wales	49%	49%
Eagle Eye	Mauritius	23.53%	26.4%

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

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of profit or loss for 2019:						
Revenue	7,628	256,700	877,334	1,502,166	30,712	2,674,540
Profit	(385)	43,504	273,833	451,559	(47,624)	720,887
Other comprehensive income	-	(11,778)	-	190	(20,526)	(32,114)
Total comprehensive income	**(385)**	**31,726**	**273,833**	**451,749**	**(68,150)**	**688,773**
Profit allocated to non-controlling interest	(173)	17,402	2,248	217	(26,090)	(6,396)
Other comprehensive income allocated to non-controlling interest	-	(4,711)	-	44	(15,795)	(20,462)
Summarised statement of financial position as at 31 December 2019:						
Non-current assets	788	169,491	280,546	521,362	160,677	1,132,864
Current assets	6,300	77,892	397,241	795,497	26,572	1,303,502
Non-current liabilities	-	(52,208)	(69,193)	(94,556)	-	(215,957)
Current liabilities	(1,605)	(46,347)	(123,186)	(170,939)	(27,156)	(369,233)
Net assets	**5,483**	**148,828**	**485,408**	**1,051,364**	**160,093**	**1,851,176**
Net assets attributable to non-controlling interest	**2,468**	**59,531**	**3,436**	**829**	**78,445**	**144,708**
Summarised cash flow information for year ended 31 December 2019:						
Operating	310	44,566	229,414	443,173	(500)	716,963
Investing	-	(15,595)	68,369	(53,730)	(66,569)	(67,525)
Financing	-	(26,501)	(260,183)	(429,260)	34,865	(681,079)
Dividend to NCI	-	6,577	-	-	-	6,577
Net increase/(decrease) in cash and cash equivalents	**310**	**9,047**	**37,600**	**(39,817)**	**(32,204)**	**(25,064)**

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Dynasty Group EGP'000	Total EGP'000
Summarised statement of profit or loss for 2018:						
Revenue	11,506	242,489	754,038	1,302,116	30,132	2,340,281
Profit	1,603	27,263	258,554	364,108	(24,407)	627,121
Other comprehensive income	-	534		1,046	10,403	11,983
Total comprehensive income	**1,603**	**27,797**	**258,554**	**365,154**	**(14,004)**	**639,104**
Profit allocated to non-controlling interest	722	10,905	1,830	(6,989)	(11,646)	(5,178)
Other comprehensive income allocated to non-controlling interest	-	**214**	-	**(39)**	**6,205**	**6,380**
Summarised statement of financial position as at 31 December 2018:						
Non-current assets	876	99,687	214,161	361,292	101,393	777,409
Current assets	6,866	62,167	382,160	757,482	26,589	1,235,264
Non-current liabilities	(42)	(2,511)	(40,136)	(136,218)	(6,062)	(184,969)
Current liabilities	(3,796)	(56,088)	(216,606)	(349,679)	(18,267)	(644,436)
Net assets	**3,904**	**103,255**	**339,579**	**632,877**	**103,653**	**1,183,268**
Net assets attributable to non-controlling interest	**1,758**	**41,302**	**2,403**	**34,335**	**50,790**	**130,588**
Summarised cash flow information for year ended 31 December 2018:						
Operating	(444)	18,798	259,199	360,138	(53,649)	584,042
Investing	15	(8,674)	(213,920)	(162,152)	(247,252)	(631,983)
Financing	(590)	6,495	(291,166)	(105,002)	310,855	(79,408)
Dividend to NCI	(483)	(6,988)	(2,325)	-	-	(9,796)
Net increase/(decrease) in cash and cash equivalents	**(1,502)**	**9,631**	**(248,212)**	**92,984**	**9,954**	**(137,145)**

7. Expenses and other income

Included in profit and loss are the following:

	2019 EGP'000	2018 EGP'000
Impairment on trade and other receivables	8,647	9,635
Charge for increase in provisions	3,521	793
Professional and advisory fees	9,499	31,938
Amortisation	6,862	6,398
Depreciation	146,617	70,989
Total	**175,146**	**119,753**

7.1 Auditor's remuneration

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

	2019 EGP'000	2018 EGP'000
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	11,385	6,344
The audit of the Company's subsidiaries pursuant to legislation	2,826	2,528
Tax compliance and advisory services	164	55
	14,375	**8,927**

7.2 Net finance costs

	2019 EGP'000	2018 EGP'000
Interest expense	(60,997)	(11,855)
Net foreign exchange loss	(15,517)	(15,706)
Bank Charges	(3,591)	(3,454)
Total finance costs	**(80,105)**	**(31,015)**

	2019 EGP'000	2018 EGP'000
Interest income	43,576	59,305
Gain on hyperinflationary net monetary position	3,833	4,125
Total finance income	47,409	63,430
Net finance income /(cost)	**(32,696)**	**32,415**

7.3 Employee numbers and costs

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

	2019			2018		
	Medical	Administration	Total	Medical	Administration	Total
Average number of employees	4,168	1,272	5,440	3,672	1270	4,942

	2019 EGP'000			2018 EGP'000		
	Medical	Administration	Total	Medical	Administration	Total
Wages and salaries	357,308	109,932	**467,240**	290,508	98162	**388,670**
Social security costs	20,082	4,647	**24,729**	17,958	4157	**22,115**
Contributions to defined contribution plan	5,700	1,399	**7,099**	4,974	1334	**6,308**
Total	**383,090**	**115,978**	**499,068**	**313,440**	**103,653**	**417,093**

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

8. Income tax

a) Amounts recognised in profit or loss

	2019 EGP'000	2018 EGP'000
Current year tax	(220,390)	(196,477)
WHT suffered	(27,581)	(21,587)
Current tax	**(247,971)**	**(218,064)**
DT on undistributed reserves	(5,241)	(6,761)
DT on reversal of temporary differences	(397)	4,381
Total Deferred tax	**(5,638)**	**(2,380)**
Tax expense recognized in profit or loss	**(253,609)**	**(220,444)**

b) Reconciliation of effective tax rate

The Company is treated as a tax resident of Jersey for the purpose of Jersey tax laws and is subject to a tax rate of 0%. The Company tax domicile in the UK. As a holding company for the IDH group, the Board concluded that the UK represents the most effective and efficient jurisdiction from which to manage the Company. The current income tax charge for the Group represents tax charges on profits arising in Egypt, Jordan and Sudan. The significant profits arising within the Group subject to corporate income tax are generated from the Egyptian operations and subject to 22.5% (2018: 22.5%) tax rate. The reconciliation of effective income tax rate has been performed using this rate.

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

In July 2018, the Egyptian Government imposed a new tax related to health care of 0.25% on total income. As result the Group has recorded an additional EGP 6.3m in income tax expense.

	2019 EGP'000	2018 EGP'000
Profit before tax	758,143	717,357
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2018: 22.5%)	170,582	161,405
Effect of tax rate in Jersey of 0% (2018: 0%)	12,901	9,466
Effect of tax rates in Jordan, Sudan and Nigeria of 20%, 30% and 30% respectively (2018: 20%, 15% and 30%)	(3,705)	-1,154
Tax effect of:		
Change in unrecognized deferred tax assets	2,018	1,823
Deferred tax arising on undistributed dividend	32,822	28,348
Non-deductible expenses for tax purposes - employee profit share	22,430	14,314
Current year losses for which no deferred tax asset was recognized	12,025	-
Non-deductible expenses for tax purposes - other	4,536	6,242
Tax expense recognised in profit or loss	**253,609**	**220,444**

Deferred tax

Deferred tax relates to the following:

	2019		2018	
	Assets EGP'000	Liabilities EGP'000	Assets EGP'000	Liabilities EGP'000
Property, plant and equipment	-	(17,460)	-	(20,562)
Intangible assets	-	(108,365)	-	(106,125)
Undistributed reserves from group subsidiaries*	-	(49,534)	-	(44,293)
Provisions and finance lease liabilities	1,360	-	2,619	-
Total deferred tax assets - liability	**1,360**	**(175,359)**	**2,619**	**(170,980)**
	-	**(174,000)**	-	**(168,361)**

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

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

2018	Net balance at 1 January	Deferred tax recognised in profit or loss	Deferred tax effect of current tax recognised in profit and loss on dividend payment	Acquired in business combinations	Net balance 31 December
Property, plant and equipment	(17,159)	(3,403)	-	-	(20,562)
Intangible assets	(106,651)	7,795	-	(7,269)	(106,125)
Undistributed dividend from group subsidiaries	(37,532)	(28,348)	21,587	-	(44,293)
Provisions and finance lease liabilities	2,630	(11)	-	-	2,619
	(158,712)	**(23,967)**	**21,587**	**(7,269)**	**(168,361)**

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account. Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2018 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2018: 22.5%), Jordan 21% (2018: 20%), Sudan 30% (2018: 15%) and Nigeria 30% (2018: 30%).

* Undistributed reserves from group subsidiaries

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

	2019 EGP'000	2018 EGP'000
Al Mokhtabar Company for Medical Labs	22,524	19,694
Alborg Laboratory Company	12,343	12,216
Integrated Medical Analysis Company	8,987	7,997
Molecular Diagnostic Center	434	383
Medical Genetics Center	44	58
Al Makhbariyoun Al Arab Group	5,202	3,947
	49,534	**44,295**

Unrecognized deferred tax assets

The following deferred tax assets were not recognized due to the uncertainty that those items will have a future tax benefit as the tax law does not recognize the balance of provisions except when it is used only. No deferred tax asset has been recognised on tax losses due to uncertainty that future taxable profit will be available against which the Group can use the benefits therefrom:

	2019 Gross Amount EGP'000	2019 Tax Effect EGP'000	2018 Gross Amount EGP'000	2018 Tax Effect EGP'000
Impairment of trade receivables (Note 16)	36,012	8,103	29,295	6,591
Impairment of other receivables (Note 16)	8,516	1,916	8,516	1,916
Provision for legal claims (Note 22)	5,082	1,143	2,828	636
Tax losses	57,633	17,290	-	-
	107,243	**28,452**	**40,639**	**9,143**
Unrecognized deferred tax asset	**28,452**		**9,144**	

9. Earnings per share (EPS)

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

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

	2019 EGP'000	2018 EGP'000
Profit attributable to ordinary equity holders of the parent for basic earnings	510,931	502,092
Weighted average number of ordinary shares for basic and dilutive EPS	150,000	150,000
Basic and dilutive earnings per share (expressed in EGP)	**3.41**	**3.35**

There is no dilutive effect from equity.

10. Property, plant and equipment

	Land & Buildings	Medical, electric & information system equipment	Leasehold improvements	Fixtures, fittings & vehicles	Building & Leasehold improvements in construction	Payment on account*	Total
Cost or valuation							
At 1 January 2018	211,774	237,608	147,351	45,050	43,130	-	684,913
Additions	-	106,299	38,732	11,714	104,149	-	260,894
Acquired in business combination	6,411	31,615	-	907	3,771	-	42,704
Disposals	-	(7,860)	(5,381)	(992)	-	-	(14,233)
Exchange differences	478	(49)	(648)	(1,173)	121	-	(1,271)
Transfers	-	-	5,424	-	(5,424)	-	-
At 31 December 2018	**218,663**	**367,613**	**185,478**	**55,506**	**145,747**	**-**	**973,007**
Additions	649	95,107	42,961	14,756	55,738	4,099	213,310
Disposals	-	(4,667)	(1,712)	(2,763)	-	-	(9,142)
Exchange differences	(4,269)	(21,547)	(9,577)	(5,598)	(4,696)	-	(45,687)
Transfers	117,310	46,864	8,131	4,560	(176,865)	-	-
At 31 December 2019	**332,353**	**483,370**	**225,281**	**66,461**	**19,924**	**4,099**	**1,131,488**
Depreciation and impairment							
At 1 January 2018	25,022	105,996	61,606	18,503	-	-	211,127
Depreciation charge for the year	7,310	34,592	24,784	4,303	-	-	70,989
Disposals	-	(5,742)	(4,827)	(303)	-	-	(10,872)
Exchange differences	10	(2,497)	(760)	(769)	-	-	(4,016)
At 31 December 2018	**32,342**	**132,349**	**80,803**	**21,734**	**-**	**-**	**267,228**
Depreciation charge for the year	7,656	58,054	28,051	5,140	-	-	98,901
Disposals	-	(2,924)	(1,352)	(2,238)	-	-	(6,514)
Exchange differences	(280)	(7,433)	(2,395)	(3,566)	-	-	(13,674)
At 31 December 2019	**39,718**	**180,046**	**105,107**	**21,070**	**-**	**-**	**345,941**
Net book value							
At 31-12-2019	**292,634**	**303,324**	**120,173**	**45,391**	**19,924**	**4,099**	**785,547**
At 31-12-2018	**186,321**	**235,264**	**104,675**	**33,772**	**145,747**	**-**	**705,779**

*Payment on account this relates to payments made as a with respect to branches that IDH will receive and own in 2021 and are paying off via a payment schedule.

Leased equipment (classified as a finance lease and IAS 17)

The Group leases medical and electric equipment under lease arrangements. This equipment is supplied to service the Group's new state-of-the-art Mega Lab. At 31 December 2018, the net carrying amount of leased equipment was EGP 40m.

11. Intangible assets

	Goodwill EGP'000	Brand Name EGP'000	Software EGP'000	Total EGP'000
Cost				
At 1 January 2018	**1,260,453**	**387,287**	**44,569**	**1,692,309**
Additions	15,077	-	10,582	25,659
Effect of movements in exchange rates	(4,534)	(530)	19	(5,045)
At 31 December 2018	**1,270,996**	**386,757**	**55,170**	**1,712,923**
Additions (note 6)			4,688	4,688
Effect of movements in exchange rates	(6,910)	(2,343)	(300)	(9,553)
At 31 December 2019	**1,264,086**	**384,414**	**59,558**	**1,708,058**
Amortisation and impairment				
At 1 January 2018	**1,849**	-	**32,208**	**34,057**
Amortisation	-	-	6,398	6,398
Effect of movements in exchange rates	-	-	5	5
At 31 December 2018	**1,849**	-	**38,611**	**40,460**
Amortisation	-	-	6,862	6,862
Effect of movements in exchange rates	-	-	(100)	(100)
At 31 December 2019	**1,849**	-	**45,373**	**47,222**
Net book value				
At 31 December 2019	**1,262,237**	**384,414**	**14,185**	**1,660,836**
At 31 December 2018	**1,269,147**	**386,757**	**16,559**	**1,672,463**

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

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

	2019 EGP'000	2018 EGP'000
Medical Genetics Center		
Goodwill	1,755	1,755
	1,755	**1,755**
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	47,096	52,403
Brand name	20,567	22,885
	67,663	**75,288**
Golden Care for Medical Services ("Ultralab")		
Goodwill	3,353	3,535
Brand name	462	487
	3,815	**4,022**
Alborg Laboratory Company ("Al-Borg")		
Goodwill	497,275	497,275
Brand name	142,066	142,066
	639,341	**639,341**
Al Mokhtabar Company for Medical Labs ("Al-Mokhtabar")		
Goodwill	699,102	699,102
Brand name	221,319	221,319
	920,421	**920,421**
Echo-Scan		
Goodwill	13,656	15,077
	13,656	**15,077**
Balance at 31 December	**1,646,651**	**1,655,904**

The Group performed its annual impairment test in October 2019. Nothing occurred between the impairment test and the balance sheet date that would require the assumptions in the models to be updated. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Management have considered the current effects of Corona virus and believe it represents a non-adjusting post balance sheet event with respect to the impairment testing carried out in October 2019. The impairment calculations were prepared for the purposes of the balance at the balance sheet date 31/12/2019. At this point in time there were no indications of impact of COVID-19 and at that point in time the number of cases were few therefore it has been deemed to be a non-adjusting event. However, the impact of corona virus on the business could have a resulting impact on the headroom and need for impairment in the models should it significantly impact the business for an extended period of time. It is currently too early to determine the full impact that the virus may have on the individual CGU's.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

IDH instructed FinCorp Investment Holding (referred to hereafter as "Fincorp") an independent financial advisor, to prepare an independent impairment assessment of the Group's CGUs. The assessment was carried out based on business plans provided by IDH.

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

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

	Year 2018				
	Ultra Lab	Bio Lab	Al-Mokhtabar	Al-Borg	Echo-Scan
Average annual patient growth rate from 2019 -2023	8%	5%	4%	3%	20%
Average annual price per test growth rate from 2019 -2023	11%	0%	11%	11%	9%
Annual revenue growth rate from 2019 -2023	18%	5%	15%	19%	46%
Average gross margin from 2019 -2023	42%	35%	51%	45%	54%
Terminal value growth rate from 1 January 2024	2%	2%	3%	3%	2%
Discount rate	28.60%	15.10%	19.30%	19.30%	23.70%

During year 2019, The management has conducted business plan projection with the help of an independent advisor (Fincorp), using the key assumptions above to be able to calculate the net present value of the asset in use and determine the recoverable amount. The projected cash flows from 2020- 2024 have been based on detailed forecasts prepared by management for each CGU and a terminal value thereafter. Management have used experience and historic trends achieved in order to determine the key growth rate and margin assumptions set out above. The terminal value growth rate applied is not considered to exceed the average growth rate for the industry and geographic locations of the CGUs.

Management also considered a change in the discount rates of 1-3%, increasing those rates to reflect additional risk that could reasonably be foreseen in the marketplaces in which the Group operates. This did not result in an impairment under any of these scenarios.

This recoverable amount is then compared to the carrying value of the asset as recorded in the books and records of IDH plc. The WACC has been used considering the risks of each CGU.

These risks include country risk, currency risk as well as the beta factor relating to the CGU and how it performs relative to the market.

Moreover, the only CGU where a reasonably possible change in a key assumption which could cause the carrying amount to exceed its recoverable amount is Echo Scan. The estimated recoverable amount of Echo Scan exceeded its carrying amount by EGP 90 million. Management has identified that if the average annual revenue growth rate from 2020-2024 fell by 10.8% (a 25% fall of all revenues in the model) this would cause the recoverable amount to equal the carrying amount. Management is satisfied that the sensitivity analysis doesn't give rise to an impairment risk.
The conclusions from the impairment review were that there was headroom within the forecasts and therefore no impairment is required.

13. Other investments

	2019 EGP'000	2018 EGP'000
Equity investments*	6,391	-
Balance at 31 December	**6,391**	-

* Al Makhbaryoun Al Arab LLC (Biolab) received shares representing an 8.025% interest in JSC Mega-Lab in an agreement signed on 8 April 2019. The shares represent payment for the purchase of IT technology (LIMS) from Biolab in relation to an agreement with EVEX Medical Corporation to establish the biggest laboratory among the West Asia countries located in Tbilisi. This 4000-square-meters diagnostic medical laboratory will connect more than 40 hospitals, and diagnostic centers that are part of EVEX group, utilizing the advanced technological systems that Biolab created in Jordan. EVEX Medical Corporation is the largest chain of hospitals in Georgia, currently represented with 78 clinics in 6 regions of Georgia.

The agreement is based on two elements:

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

14. Financial assets and financial liabilities

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

	2019 EGP'000	2018 EGP'00
Cash and cash equivalent	408,892	412,607
Short term deposits - treasury bills	221,617	239,905
Trade and other receivables (Note 16)	289,833	264,037
Total financial assets	**920,342**	**916,549**

	2019 EGP'000	2018 EGP'00
Trade and other payables	315,054	281,183
Put option liability	229,164	145,275
Lease liabilities	338,073	90,581
Loans and borrowings	111,750	133,039
Total other financial liabilities	994,040	650,078
Total financial instruments	**(73,698)**	**266,471**

The fair values measurements for all the Group companies has been categorized as Level 2, except Echo-Scan which has been categorized as level 3.

Makhbariyoun Al Arab put option (note 24) has been categorized as Level 2.
Echo-Scan put option (note 26) has been categorized as Level 2.

Financial instruments risk management objectives and policies

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

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

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

- Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 December in 2019 and 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

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

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2019 and 2018.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at 31 December 2019 for the effects of the assumed changes of the underlying risk.

- Interest rate risk

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

Exposure to interest rate risk

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

	2019 EGP'000	2018 EGP'000
Fixed-rate instruments		
Lease liabilities (note 27)	338,073	90,581
Variable-rate instruments		
Loans and borrowings (note 25)	106,721	126,855

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

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts EGP 1,067K. This analysis assumes that all other variables, remain constant.

- Foreign currency risk

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

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

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

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

	31-Dec-19							
	Assets			Liabilities				
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance	Trade payables	Total liability	Net exposure
US Dollars	3,715	397	4,112	-	(4,049)	(1,330)	(5,379)	**(1,267)**
Euros	9	-	9	-	-	(14)	(14)	**(5)**
GBP	4	-	4	-	-	-	-	**4**
JOD	986	2,224	3,210	(8,850)	(3,252)	(1,894)	(13,996)	**(10,786)**
SDG	13,608	10,150	23,758	-	(15,559)	(20,253)	(35,812)	**(12,054)**
NGN	237,189	164,878	402,067	(680,298)	(179,290)	(518,718)	(1,378,306)	**(976,239)**

	31-Dec-18							
	Assets			Liabilities				
	Cash and cash equivalents	Other assets	Total assets	Put option	Finance	Trade payables	Total liability	Net exposure
US Dollars	7,012	336	7,348	-	(4,559)	(2,405)	(6,964)	**384**
Euros	32	-	32	-	-	(31)	(31)	**1**
GBP	4	-	4	-	-	-	-	**4**
JOD	601	1,882	2,483	(5,259)	(141)	(1,259)	(6,659)	**(4,176)**
SDG	7,299	18,741	26,040	-	-	(14,754)	(14,754)	**11,286**

The following is the exchange rates applied:

	Average rate for the year ended	
	31-Dec-19	31-Dec-18
US Dollars	16.68	17.71
Euros	18.68	20.83
GBP	21.35	23.51
JOD	23.49	24.96
SAR	4.47	4.68
SDG	0.36	0.57
NGN	0.05	0.06

	Spot rate for the year ended	
	31-Dec-19	31-Dec-18
US Dollars	15.98	17.78
Euros	17.94	20.31
GBP	21.09	22.55
JOD	22.50	25.04
SAR	4.26	4.76
SDG	0.35	0.37
NGN	0.04	0.06

At 31 December 2019, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollar with all other variables held constant, pre-tax profit for the year would have increased / decreased by EGP (1.2m) (2018: EGP 0.7m), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

At 31 December 2019, if the Egyptian Pounds had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 37m (2018: EGP (10.5m)), mainly as a result of foreign exchange gains/losses on translation of JOD - denominated financial assets and liabilities.

At 31 December 2019, if the Egyptian Pounds had weakened / strengthened by 10% against the Sudanese Pound with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 2.6m (2018: EGP 0.4m), mainly as a result of foreign exchange gains/losses on translation of SDG -denominated financial assets and liabilities.

At 31 December 2019, if the Egyptian Pounds had weakened / strengthened by 10% against the Nigeria Naira with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 8m (2018: (0.8m)), mainly as a result of foreign exchange gains/losses on translation of SDG -denominated financial assets and liabilities.

- Price risk

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

- Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Trade receivables

Each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management manages customer credit risk. Credit quality of a customer is assessed based on an individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and the average general credit terms given to contract customers are 45 days.

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

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

Cash and cash equivalents

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

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents disclosed in Note 17.

- Liquidity risk

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

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

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

Year ended 31 December 2018	1 year or less	1 to 5 years	more than 5 years	Total
Lease liabilities	35,805	95,242	-	131,047
Put option liability	131,671	-	16,707	148,378
Loans and borrowings	45,612	113,756	38,495	197,863
Trade and other payables	281,183	-	-	281,183
	494,271	**208,998**	**55,202**	**758,471**

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

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

15. Inventories

	2019 EGP'000	2018 EGP'000
Chemicals and operating supplies	84,339	91,079
	84,339	**91,079**

During 2019, EGP 391,574k (2018: EGP 353,789k) was recognised as an expense for inventories, this was recognised in cost of sales.

16. Trade and other receivables

	2019 EGP'000	2018 EGP'000
Trade receivables	260,746	220,396
Prepaid expenses	32,972	35,954
Receivables due from related parties	6,191	6,588
Other receivables	21,969	31,584
Accrued revenue	927	5,469
	322,805	**299,991**

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

As at 31 December 2019, the expected credit loss related to trade and other receivables was EGP 44,528k (2018: EGP 37,811k). Below show the movements in the provision for impairment of trade and other receivables:

	2019 EGP'000	2018 EGP'000
At 1 January	37,811	29,852
Charge for the year	8,647	9,635
Utilised	(493)	(240)
Unused amounts reversed	(1,155)	(1,056)
Exchange differences	(282)	(380)
At 31 December	**44,528**	**37,811**

No debts have met the group's definition of default

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

Expected credit loss assessment is based on the following:

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

Based on the expected credit loss assessment, additional provision was calculated for each period, yielding an additional Expected Credit Losses (ECL) for IDH Group amounting to EGP 8.6 million. On quarterly basis, IDH revises its forward-looking estimates and the general economic conditions to assess the expected credit loss, which will be mainly based on current and expected inflation rates. The results of the quarterly assessment will increase/decrease the percentage allocated to each period.

A reasonable possible change of 100 basis points in the expected credit loss at the reporting date would have increased (decreased) profit or loss by the amount of EGP 1,957K. This analysis assumes that all other variables remain constant.

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

31-Dec-19	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
Current (not past due)	0.06%	89,066	(56)
1–30 days past due	0.15%	55,915	(81)
31–60 days past due	0.24%	38,601	(94)
61–90 days past due	8.14%	16,544	(1,347)
91–120 days past due	11.09%	9,594	(1,064)
121–150 days past due	12.97%	8,716	(1,131)
More than 150 days past due	41.17%	78,308	(32,239)

31-Dec-18	Weighted average loss rate EGP'000	Gross carrying amount EGP'000	Loss allowance EGP'000
Current (not past due)	0.16%	108,322	(173)
1–30 days past due	0.20%	41,808	(85)
31–60 days past due	1.10%	28,176	(311)
61–90 days past due	3.53%	12,537	(443)
91–120 days past due	5.60%	6,531	(366)
121–150 days past due	6.06%	6,552	(397)
More than 150 days past due	60.13%	45,765	(27,520)

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

	Total	< 30 days	30-60 days	61-90 days	> 90 days
2019	**260,746**	144,856	38,508	15,197	62,185
2018	**220,396**	149,873	27,866	12,094	30,563

17. Cash and cash equivalent

	2019	2018
Cash at banks and on hand	93,471	81,721
Treasury bills	194,302	20,475
Short-term deposits	121,119	310,411
	408,892	**412,607**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and treasury bills are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit average rate 10.10% and Treasury bills 15.17% per annum.

18. Restricted cash

	2019 EGP'000	2018 EGP'000
Restricted cash	247	11,965
	247	**11,965**

The cash balance related to "Molecular Diagnostic Center" is not available for use by the Group as a liquidator has been appointed. During the year 2019 EGP 11,571K has been returned to IDH, the liquidation process was completed and finalized on 19 January 2020.

19. Other investments

	2019 EGP'000	2018 EGP'000
Fixed term deposits	-	145,000
Treasury bills	221,617	94,905
	221,617	**239,905**

The maturity date of the fixed term deposit and treasury bills between 9–12 months and the effective interest rate on the treasury bills is 16.65% and nil (2018: 18.34% and 14.76%).

20. Share capital and reserves

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

	Ordinary shares 31-Dec-19	Ordinary shares 31-Dec-18
In issue at beginning of the year	150,000,000	150,000,000
In issue at the end of the year	**150,000,000**	**150,000,000**

Capital reserve

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

Legal reserves

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

Put option reserve

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

Translation reserve

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

21. Distributions made and proposed

	2019 EGP'000	2018 EGP'000
Cash dividends on ordinary shares declared and paid:		
US$ 0.18 per qualifying ordinary share (2018: US$ 0.16)	442,116	423,560
	442,116	**423,560**

The dividend on ordinary shares are subject to approval at the annual general meeting.

22. Provision

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

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2018			
Provision made during the year	-	793	793
Provision used during the year	-	(234)	(234)
Provision reversed during the year	-	(416)	(416)
At 31 December 2018	**12,014**	**2,828**	**14,842**
Current			
Non- Current	12,014	2,828	14,842

[*]During 2019 management reversed provisions for the employee' training fund balance EGP 11.8m as it is no longer required. See Contingent Liabilities in Note 25.

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2019.

23. Trade and other payables

	2019 EGP'000	2018 EGP'000
Trade payables	145,195	157,891
Accrued expenses	129,357	95,497
Other payables	40,502	27,795
Accrued interest	5,029	6,184
	320,083	**287,367**

24. Short-term financial obligations

	2019 EGP'000	2018 EGP'000
Put option liability	199,141	131,671
Finance lease liabilities	61,712	24,994
	260,853	156,665

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

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

The options are exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016. The vendor has not exercised this right at 31 December 2019

25. 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 31 December 2019 only EGP 110m 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 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 31 December 2019 only EGP 43m 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 amortization, is calculated as follows: Net income after tax and unusual items adding Interest expense, Depreciation, Amortisation and provisions excluding tax related provisions less interest income and Investment income and gains from extraordinary items
"Financial payments": current portion of long-term debt including finance lease payments, interest expense and fees and dividends distributions.

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

"Current ratios": Current assets divided current liabilities.

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Maturity	31 Dec 19	31 Dec 18
CIB - BANK	EGP	CBE corridor rate* +1%	Apr-22	64,070	89,486
AUB - BANK	EGP	CBE corridor rate* +1%	Apr-26	42,651	37,369
				106,721	**126,855**
Amount held as:					
Current liability				25,416	25,416
Non- current liability				81,305	101,439
				106,721	**126,855**

*As at 31 December 2019 corridor rate 13.25% (2018: 17.75%)

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 and therefore a brought forward provision of EGP 11.8m has been released to the income statement. Should a claim be brought against Al Borg Laboratory Company and Al Mokhtabar Company for Medical Labs, an amount of between EGP 16.0m to EGP 34.3m could become payable, however this is not considered probable.

Accounting policies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted using a current pre-tax rate if the time value of money is significant.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

26. Long-term financial obligations

	2019 EGP'000	2018 EGP'000
Lease liabilities building (see note 27)	232,075	-
Lease liabilities Medical equipment (see note 27)	44,287	65,587
Put option liability*	30,022	13,604
	306,384	**79,191**

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

According to the International Private Equity and Venture Capital Valuation Guidelines, there are multiple ways to calculate the put option including Discounted Cash Flow, Multiples, Net assets. Multiple valuation was applied and EGP 30.0 million was calculated as the valuation as at 31 December 2019 (2018; EGP 13.6m). In line with IAS 32 the entity has recognised a liability for the present value of the exercise price of the option price. The ramp-up of Echo-Scan operations driven by the new radiology equipment installed during Q4 2019 in Lago and Abuja will bolster the Company's top line figure significantly starting 2020 and the following years yielding a Compounded Annual Growth Rate of 49% from 2019 to 2024.

27. Leases as lessee (IFRS 16)

The Group leases property and equipment. Property leases include branches, warehouse, parking and administration buildings. The leases typically run for average period from 5-10 years, with an option to renew the lease after that date. Lease payments are renegotiated with renovation after the end of the lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The property leases were entered into as combined leases of land and buildings and were previously, classified as operating leases under IAS 17.

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

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

a)	Right-of-use assets Buildings EGP'000
2019	
Balance at 1 January	213,870
Addition for the year	98,609
Depreciation charge for the year	(47,716)
Balance at 31 December	**264,763**

b) Leases liabilities

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

	2019 EGP'000	2018 EGP'000
*Lease liability – laboratory equipment	67,690	88,279
*Lease liabilities building	269,401	-
Lease liability – other	982	2,302
	338,073	**90,581**

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

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

	Minimum lease payments 2018 EGP'000	Interest 2018 EGP'000	Principal 2018 EGP'000
Less than one year	34,128	10,810	23,318
Between one and five years	94,617	29,656	64,961
More than 5 years	-	-	-
	128,745	**40,466**	**88,279**

c) Amounts recognised in profit or loss

	2019 EGP'000
Interest on lease liabilities	41,491
Expenses related to short-term lease	4,154
2018 - Operating leases under IAS 17	

	2018 EGP'000
Leases expenses	67,197

28. Related party transactions disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2019 and 2018 are as follows:

Related Party	Nature of transaction	Nature of relationship	31-Dec-19 Transaction amount of the year EGP'000	31-Dec-19 Amount (due to Related Party)/ due from Related Party EGP'000
Life Scan (S.A.E)*	Expenses paid on behalf of related party by the group	Affiliate**	14	344
International Fertility (IVF)**	Equipment bought from Related Party	Affiliate**	(584)	5,216***
H.C Security	Provide service	Entity owned by Company's board member	268	(78)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	344	631
	Medical Test analysis		377	
Total				**6,113**

Related Party	Nature of transaction	Nature of relationship	31-Dec-18 Transaction amount of the year EGP'000	31-Dec-18 Amount (due to Related Party)/ due from Related Party EGP'000
Life Scan (S.A.E)*	Expenses paid on behalf of related party by the group	Affiliate**	52	330
International Fertility (IVF)**	Equipment bought from Related Party	Affiliate**	(200)	5,800***
H.C Security	Provide service	Entity owned by Company's board member	261	(91)
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	320	458
	Medical Test analysis		145	
Total				**6,497**

* 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).

*** The group made a loan to International Fertility (IVF) of EGP 5 million which may provide future business opportunities for the company and is expected to be repaid in 2020.

Terms and conditions of transactions with related parties

The transactions with the related parties are not related to trading activities. However, they are related to expenses that have been paid on behalf of those related companies. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2018: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH commits up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2019 EGP 5,259K (2018: EGP 3,733K) was paid to the foundation by the IDH Group.

Compensation of key management personnel of the Group

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

	2019 EGP'000	2018 EGP'000
Short-term employee benefits	43,088	36,662
Total compensation paid to key management personnel	**43,088**	**36,662**

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

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

EGP'000	Other loans and borrowings	Lease liabilities
Balance at 1 January 2018	**60,763**	**117,714**
Proceeds from loans and borrowings	94,369	-
Repayment of borrowings	(20,514)	-
Payment of finance lease liabilities	-	(27,668)
Total changes from financing cash flows	**73,855**	**(27,668)**
Capitalised borrowing costs	13,544	-
Interest expense	2,359	9,182
Interest paid	(17,482)	(8,647)
Total liability-related other changes	**(1,579)**	**535**
Balance at 31 December 2018	**133,039**	**90,581**

30. Post balance sheet events

As a result of the COVID-19 pandemic, the Group has conducted an assessment of the potential financial and operational risks to the business. The Group has a duty of care towards all employees, and therefore we expect some of our staff to be required to self-isolate and a lower level of branch visits to take place than anticipated for a limited period of time. The Group has increased house visits by phlebotomists to encourage patients to stay at home.

The Group has experienced branch closures in both Jordan and Sudan* and reduced operating hours** across its geographical markets, which has impacted revenue in March and April 2020. If the situation continues or worsens further, revenue, supply chain and operation are expected to be impacted. However, the Group has secured an ample level of inventory to mitigate the risk; Currently, raw material and other supplies stock is sufficient to cover until September 2020.

* As of April 23, 2020, 17 branches have been closed in Jordan due to the complete lockdown, while the remaining two branches are open with a special permit from the authority. One of the two branches is located inside a hospital and the other test COVID-19. In Sudan, 17 branches have closed due to the lockdown of Khartoum city.

**As of April 23, 2020, the operating hours per geography are as follows:

- Egypt: from 8 am to 11 pm Two Shifts to 8 am to 7 pm Two Shift
- Jordan: from 8 am to 7 pm Two shifts to 24h for the branch in the hospital, and 8 am to 6 pm for the second, only to test COVID-19
- Nigeria: from 8 am to 6 pm Two shifts to 9 am to 5 pm One shift.
- Sudan: from 8 to 6 pm Two Shifts to 7.30 to 12.30 pm for three branches and the fourth branch from 8 to 5 pm.

Shareholder & Investor Information

Registered and Head Office

12 Castle Street,
St Helier, Jersey JE2 3RT
T: +44 153 484 7000

Egypt Office

Building B216-F7,
Smart Village, Giza

Website

idhcorp.com

Issued Share Capital

150,000,000 ordinary shares

Admission Date

6 May 2015

Annual General Meeting

23 June 2020
Virtual

Auditor

KPMG

Legal Counsel

Freshfields Bruckhaus Deringer LLP

Registrar

Link Asset Services

Shareholder Inquiries

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Copies of the 2019 Annual Report of Integrated Diagnostics Holdings are available for download from the Group's website in .pdf format. Hard copies may be requested from the Director of Investor Relations.

IDH

INTEGRATED DIAGNOSTICS HOLDINGS

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