



COMPANY ANNOUNCEMENT

MEDSERV P.L.C.
(THE “COMPANY”)

Half Yearly Report

Date of Announcement	27 August 2018
Reference	177/2018
Listing Rule	LR5.16.20

Quote

The Board of Directors has today approved the half yearly report of the Company for the financial period 1 January 2018 to 30 June 2018, a copy of which is attached hereto and is available for public inspection in electronic form on the Company’s website (<http://www.medservenergy.com/medserv-plc-financial-statements>).

Unquote

Laragh Cassar
Company Secretary



MEDSERV PLC

Interim Report

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIRECTORS' REPORT For the Period 1 January 2018 to 30 June 2018



Medserv p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2

For the Period 1 January 2018 to 30 June 2018

This report is published in terms of Chapter 5 of the Listing Rules of The Listing Authority, Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005.

The condensed consolidated interim financial statement figures have been extracted from the Group's unaudited accounts for the six months ended 30 June 2018 and for its comparative period in 2017 (as restated - see note 3). The comparative consolidated statement of financial position has been extracted from the audited financial statements as at 31 December 2017. These condensed consolidated interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 - Interim Financial Reporting). These condensed consolidated interim financial statements were approved by the Board of Directors on 27 August 2018. In terms of Listing Rule 5.75.5, the directors state that this half-yearly financial report has not been audited or reviewed by the Group's independent auditors.

Principal activities

The Group's principal activities consist of providing shore base logistics to the offshore oil and gas industry and engineering and supply chain management for Oil Country Tubular Goods (OCTG) to support the onshore oil and gas industry. Shore base logistics is mainly provided from the Group's bases set up in Mediterranean rim countries, supporting International Oil Companies (IOCs) in their offshore activities, ranging from exploration to development and production. Engineering and supply chain management for OCTG are mainly provided by Middle East Tubular Services Group of Companies (METS) from its facilities in the Middle East. The Group is continuously working to cross-sell its services within its Group's operating segments.

Review of performance

The Group's turnover for the six-month period ended 30th June 2018 amounted to €18,137,739 compared to €13,619,788 registered in the comparative period to 30th June 2017, representing an increase in turnover of €4,517,951, equivalent to 33.2%. The improvement in performance over the comparative period is mainly attributable to the Group's Integrated Logistic Support Services (ILSS) segment, in particular the subsidiaries in Malta and Cyprus as a result of the increased oil and gas exploration activities and engineering services.

After adding back the amortisation charge of the contract costs, administrative expenses increased by 8% over the same period last year. Such increase is reflective of the Group's implementation of its diversification strategy as it expands its geographic reach, client base and product services. As announced during January 2018, the Group secured a three year contract in Egypt, with the option of extending for further periods to provide the integrated logistics support services for the production phase of offshore operations being conducted by an International Oil Company (IOC). In addition, the Group has also secured another contract with a multinational oil and gas corporation to provide Shore Base Logistics services for exploration activities taking place offshore Cyprus. The costs incurred to set up the necessary facilities have all been incurred during the first half of 2018 with positive earnings expected to be generated over the coming months.



Medserv p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2018 to 30 June 2018

Review of performance (continued)

Included in other expenses is a provision for impairment of a trade receivable amounting to €208,986 which relates to a customer who is experiencing financial difficulties in meeting his payment obligations. Management together with its legal advisors are currently seeking various alternatives to recover the overdue amount.

The Group's adjusted earnings before interest, tax, depreciation, amortisation and impairment losses on trade receivables (EBITDA) for the six-month period ending 30th June 2018 amounted to €3,396,702, an improvement of 19% when compared with the restated amount of €2,865,388 for the first half of 2017. After recognising depreciation amounting to €3,402,648 (2017: €2,827,953), amortisation amounting to €736,494 (2017: €833,006), net finance costs amounting to €1,657,490 (2017: €2,198,837), unrealised exchange gain amounting to €226,582 (2017: income of €196,941), amortisation of contract costs amounting to €291,573 (2017: €556,640) and impairment losses on trade receivables amounting to €208,986 (2017: €Nil), the Group registered a loss before tax of €2,673,907 (2017: €3,354,106). Loss after accounting for taxation amounted to €2,610,207 (2017: €3,851,571).

Reported in 'Other Comprehensive Income' are foreign currency translation differences arising from the operations of METS amounting to positive €538,810 (2017: negative €1,808,261). Netting this amount are changes in cash flow hedges amounting to negative €198,423 (2017: positive €800,935). The net effect for the reporting period amounts to positive €340,387 (2017: negative €1,007,326). This result is a reporting calculation and not a realised exchange difference.

During this reporting period, the Group has recognized in profit or loss amortization amounting to €1,028,067 (2017: €1,389,646) for which the Group has still to reap its benefits as it continues to grow its business in the Middle East. Also, the Group has positioned itself for further growth in existing and new geographical markets and implemented a succession plan resulting in a strong management team, the expense of which is being recognized to profit or loss. The benefits of such a strategy are not immediate, but long term.

Outlook

The Group's outlook is positive. Major onshore and offshore projects all with long term potential and already contracted to the Group are commencing. This is further augmented by the overall industry pickup and the new opportunities the Group is positioned to secure.

ILSS business has picked up significant momentum as all shore bases register positive cashflows and contribute to the Group's EBITDA. The recent award of a contract with a multinational oil and gas corporation to provide Shore Base Logistics Services for exploration activities offshore Cyprus has increased the Company's client portfolio. This award coupled with the business already contracted with other IOCs secured earlier this year in both Cyprus and Egypt has positioned the Group to benefit significantly, especially when the drilling programs commence in the Eastern Mediterranean. An additional find in Cyprus by an IOC would fuel a multi-drilling program and development.



Medserv p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2018 to 30 June 2018

Outlook (continued)

Operations in Egypt commenced at the beginning of the year. As in any startup the contract implementation for the first six months were challenging. However, the Company has finalized both the recruitment of key personnel and the purchase of all its own equipment during the first six months of the reporting year. The majority of this new equipment has been commissioned after the reporting period and the increased income will be reflected in the second half of the year. Following the execution of this important contract, the Group is already in discussion with other operators in Egypt to provide services of similar scope. The Portugal base remains in mothball mode as environmental issues persist over the offshore exploratory drilling in Portugal.

The Group continues to service the offshore Libya, Bahr Essalam Phase two project. Work volume is anticipated to increase in line with ENI's offshore development strategy plan to increase offshore field production volumes in Libya. This includes the potential construction of two new structures, known as the A & E structure. This major development will make heavy use of both the Group's shore base logistics and engineering services in Malta.

OCTG is expected to register an improvement in the second half of the year, particularly in Oman. The long-term supply chain management (SCM) contract awarded by Sumitomo in the first quarter of year 2017 became operational towards the end of the second quarter of this year, thereby increasing the scope of services. Moreover volume (tonnage) handled is expected to increase by 15% in the second half of this year.

The performance of the Group's subsidiary in Iraq remains weak. Despite this, the subsidiary in Iraq continues to participate in long-term OCTG tenders which are being issued as a result of the improving country conditions. Adjudication of this work is scheduled towards the end of this year. The Group is continuously reviewing the performance of this business unit especially given the premium sole threading license it presently holds in the country.

Growth in the OCTG segment is forecast in the year 2019 as the Group is in advanced stages in securing a contract in Uganda for the provision of premium threading services. As previously reported this would be a long-term contract with consistent, dependable revenues. Of more significance is the potential award of additional major SCM contracts in the Middle East earlier next year. The Group is already participating in tenders for the provision of these services as more IOCs adopt the 'Mill to Rig' model which the Group already provides in Oman between the pipe manufacturers and their clients.

The turnaround in the industry and the Group's operational reach in the Middle East and Africa is presenting new tendering opportunities for both OCTG and ILSS business. West Africa is being considered as a new supplier of energy and the Group is being invited to bid by the IOCs for the provision of its services.

The Group is confident that current year forecast EBITDA will be achieved and significantly improved in the following year in both business segments, ILSS and OCTG. These improved earnings will enable the Group to continue growing organically.

Medserv p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2018 to 30 June 2018

Related party transactions

Transactions with each category of related parties and the balances outstanding at the end of the reporting periods are set out in note 11 to the condensed consolidated interim financial statements.

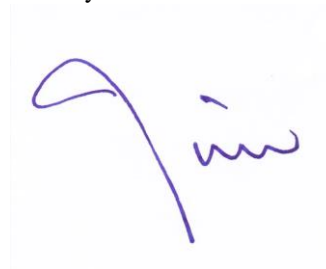
Dividends

No interim dividends are being recommended.

Approved by the Board on 27 August 2018 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read "Anthony J Duncan".

Anthony J Duncan
Director

A handwritten signature in blue ink, appearing to read "Anthony S Diacono".

Anthony S Diacono
Director



Medserv p.l.c.

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2018

		At 30.06.18	At 31.12.17
	Note	€	€
ASSETS			
Property, plant and equipment	8	35,791,372	31,883,439
Intangible assets and goodwill		13,836,405	14,499,708
Trade and other receivables		29,635	483,294
Contract costs		795,201	954,239
Right-of-use assets		74,677,065	75,895,472
Deferred tax assets		9,265,829	9,265,525
		-----	-----
Non-current assets		134,395,507	132,981,677
		-----	-----
Inventories		1,450,689	1,247,944
Current tax assets		902	2,712
Trade and other receivables		17,428,947	14,225,843
Contract costs		318,080	378,593
Contract assets		-	802,611
Cash at bank and in hand		6,283,255	3,633,763
		-----	-----
Current assets		25,481,873	20,291,466
Total assets		159,877,380	153,273,143
EQUITY			
Share capital		5,374,441	5,374,441
Share premium		12,003,829	12,003,829
Retained earnings		(1,246,310)	1,151,793
Other reserves		10,066,810	9,720,643
		-----	-----
Equity attributable to owners of the Company		26,198,770	28,250,706
Non-controlling interests		(369,842)	(151,958)
Total equity		25,828,928	28,098,748

Medserv p.l.c.

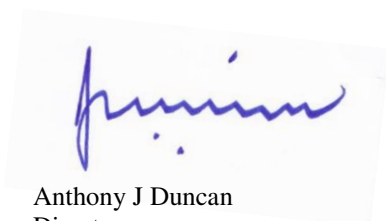
Condensed Consolidated Interim Statement of Financial Position (continued)

As at 30 June 2018

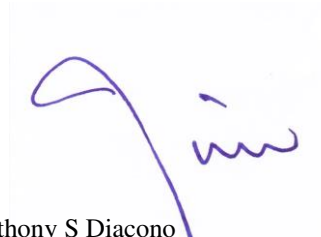
	At 30.06.18	At 31.12.17
Note	€	€
LIABILITIES		
Loan and borrowings	54,869,387	50,792,518
Employee benefits	163,569	614,303
Deferred income	32,239,401	32,631,548
Lease liabilities	25,177,920	25,054,810
Provisions	621,156	600,552
Deferred tax liabilities	5,938,905	6,017,396
	-----	-----
Total non-current liabilities	119,010,338	115,711,127
	-----	-----
Bank overdraft	3,507,328	865,083
Current tax liabilities	-	512
Loans and borrowings	930,783	1,181,635
Trade and other liabilities	8,930,808	5,663,865
Deferred income	904,916	775,533
Lease liabilities	663,075	841,670
Provisions	43,521	40,566
Employee benefits	57,683	94,404
	-----	-----
Total current liabilities	15,038,114	9,463,268
Total liabilities	134,048,452	125,174,395
Total equity and liabilities	159,877,380	153,273,143

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 5 to 16 were approved by the Board of Directors on 27 August 2018 and were signed by:



Anthony J Duncan
Director



Anthony S Diacono
Director



Medserv p.l.c.

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Period 1 January 2018 to 30 June 2018

		6 months ended 30.06.18	6 months ended 30.06.17 Restated*
	Note	€	€
Continuing operations			
Revenue		18,137,739	13,619,788
Cost of sales		(16,984,342)	(12,591,764)
Gross profit		1,153,397	1,028,024
Other income		752,983	600,739
Administrative expenses		(2,694,769)	(2,784,032)
Other expenses		(228,029)	-
Results from operating activities		(1,016,418)	(1,155,269)
Finance income		757,426	14,906
Finance costs		(2,414,915)	(2,213,743)
Loss before income tax		(2,673,907)	(3,354,106)
Tax income/(expense)		63,700	(497,465)
Loss for the period		(2,610,207)	(3,851,571)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		538,810	(1,808,261)
Cash flow hedges – effective portion of changes in fair value		(198,423)	800,935
Other comprehensive income		340,387	(1,007,326)
Total comprehensive income		(2,269,820)	(4,858,897)
Loss attributable to:			
Owners of the Company		(2,398,103)	(3,663,321)
Non-controlling interests		(212,104)	(188,250)
Loss for the period		(2,610,207)	(3,851,571)
Total comprehensive income attributable to:			
Owners of the Company		(2,051,935)	(4,672,992)
Non-controlling interest		(217,884)	(185,905)
Total comprehensive income for the period		(2,269,819)	(4,858,897)
Earnings per share			
Basic earnings per share	6	(4c5)	(6c8)
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)			
	7	3,396,702	2,865,388

* See Note 3

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.



Medserv p.l.c.

Condensed Consolidated Interim Statement of Changes in Equity

For the Period 1 January 2018 to 30 June 2018

	Share capital	Share premium	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total equity
	€	€	€	€	€	€	€	€
Balance at 1 January 2017 *	5,374,441	12,003,829	1,158,653	(755,490)	8,572,973	26,354,406	53,588	26,407,994
Total comprehensive income *								
Loss	-	-	-	-	(3,663,321)	(3,663,321)	(188,250)	(3,851,571)
Other comprehensive income	-	-	(1,810,606)	800,935	-	(1,009,671)	2,345	(1,007,326)
Total comprehensive income	-	-	(1,810,606)	800,935	(3,663,321)	(4,672,992)	(185,905)	(4,858,897)
Balance at 30 June 2017 *	5,374,441	12,003,829	(651,953)	45,445	4,909,652	21,681,414	(132,317)	21,549,097

* See Note 3



Medserv p.l.c.

Condensed Consolidated Interim Statement of Changes in Equity (continued)

For the Period 1 January 2018 to 30 June 2018

	Share capital	Share premium	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total equity
	€	€	€	€	€	€	€	€	€
Balance at 1 January 2018	5,374,441	12,003,829	(1,656,630)	11,022,539	354,734	1,151,793	28,250,706	(151,958)	28,098,748
Total comprehensive income									
Loss	-	-	-	-	-	(2,398,103)	(2,398,103)	(212,104)	(2,610,207)
Other comprehensive income	-	-	544,590	-	(198,423)	-	346,167	(5,780)	340,387
Total comprehensive income	5,374,441	12,003,829	544,590	-	(198,423)	(2,398,103)	(2,051,936)	(217,884)	(2,269,820)
Balance at 30 June 2018	5,374,441	12,003,829	(1,112,040)	11,022,539	156,311	(1,246,310)	26,198,770	(369,842)	25,828,928

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.



Medserv p.l.c.

Condensed Consolidated Interim Statement of Cash Flows

For the Period 1 January 2018 to 30 June 2018

	6 months ended 30.06.18 €	6 months ended 30.06.17 Restated* €
Cash flows from operating activities		
Loss for the period	(2,610,207)	(3,851,571)
Adjustments for:		
Depreciation	3,402,648	2,827,953
Tax (income)/expense	(63,700)	497,465
Provision for impairment on trade receivables	208,986	-
Amortisation of intangible assets	736,494	833,006
Amortisation of contract costs	291,573	556,640
Exchange differences	(226,582)	(196,941)
Provision for gratuity payments	1,541	-
Net finance costs	1,657,490	2,198,837
Loss on disposal of property, plant and equipment	164,247	-
Reversal of deferred income	(460,568)	(387,767)
	-----	-----
	3,101,922	2,477,622
Changes in:		
Inventories	25,187	(29,637)
Trade and other receivables	(2,336,353)	167,462
Change in contract costs	219,551	159,042
Change in contract assets	802,611	397,602
Trade and other payables	2,399,691	(953,697)
Provisions and employee benefits	114,589	-
	-----	-----
Cash generated from operating activities	4,334,479	2,218,394
Bank interest paid	(36,022)	(7,318)
Bank interest received	1,810	649
Tax paid	-	(3,613)
Net cash from operating activities carried forward	4,300,267	2,208,112



Medserv p.l.c.

Condensed Consolidated Interim Statement of Cash Flows (continued)

For the Period 1 January 2018 to 30 June 2018

	6 months ended 30.06.18 €	6 months ended 30.06.17 Restated* €
Net cash from operating activities brought forward	4,300,267	2,208,112
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,415,549)	(264,711)
Receipts from disposal of property, plant and equipment	111,000	-
Net cash used in investing activities	(5,304,549)	(264,711)
Cash flows from financing activities		
Payment of lease liabilities	(1,273,688)	(876,176)
Loan advanced by bank	4,176,340	-
Repayments of bank loans	(561,223)	(648,506)
Interest paid on bank loans	(15,414)	(25,835)
Interest paid on notes	(1,304,649)	(1,345,172)
Net cash from/(used in) financing activities	1,021,366	(2,895,689)
Net increase/(decrease) in cash and cash equivalents	17,084	(952,288)
Cash and cash equivalents at beginning of period	2,768,680	6,217,782
Effect of exchange rate fluctuations on cash held	(9,836)	(291,057)
Cash and cash equivalents at end of period	2,775,928	4,974,437

* See Note 3

The notes on pages 12 to 16 are an integral part of these condensed consolidated interim financial statements.



Medserv p.l.c.

Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2018 to 30 June 2018

1 Reporting company

Medserv p.l.c. (the “Company”) is a public liability company domiciled and incorporated in Malta. The principal activities of the Company is that of a holding company. These condensed consolidated interim financial statements as at and for the six-months ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the “Group”).

The subsidiaries consist of Medserv Operations Limited, Medserv Italy Limited, Medserv Eastern Mediterranean Limited, Medserv (Cyprus) Limited, Medserv Egypt Oil & Gas Services J.S.C., Medserv Western Mediterranean Limited, MDS Energy Portugal Unipessoal LDA, Medserv Libya Limited, Medserv International Limited, Medserv Energy TT Limited, Medserv M.E. Limited, Middle East Tubular Services Holdings Limited, Middle East Tubular Services Limited (Sharjah Branch), Middle East Tubular Services LLC (FZC), Middle East Comprehensive Tubular Services (Duqm) LLC and Middle East Tubular Services (Iraq) Limited.

The Group is primarily involved in providing integrated shore base logistics to the offshore oil and gas market operating mainly in the Mediterranean basin and integrated OCTG services to the onshore oil and gas market operating in the Middle East.

2 Basis of preparation

Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2017. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2017.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017. Following the early adoption of IFRS 16 *Leases* and IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 January 2017, certain previously reported comparatives in the condensed consolidated interim financial statements have been restated as disclosed in note 2 in the 2017 Annual Report & Financial Statements.

4 Significant accounting estimates

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements as at and for the year ended 31 December 2017.



Medserv p.l.c.

Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2018 to 30 June 2018

5 Operating segments

5.1 Information about reportable segments

	Integrated logistics support services		Oil country tubular goods		Photovoltaic farm		Total	
	6mths to 30.06.18	6mths to 30.06.17 Restated*	6mths to 30.06.18	6mths to 30.06.17 Restated*	6mths to 30.06.18	6mths to 30.06.17 Restated*	6mths to 30.06.18	6mths to 30.06.17 Restated*
	€	€	€	€	€	€	€	€
External revenues	11,316,112	5,757,004	6,582,073	7,552,449	239,554	310,335	18,137,739	13,619,788
Inter-segment revenue	127,851	89,894	374,786	382,400	-	-	502,637	472,294
Segment (loss)/profit before tax	(489,697)	(1,787,256)	(2,191,378)	(1,574,017)	7,168	7,167	(2,673,907)	(3,354,106)
Adjusted EBITDA	1,899,551	206,940	1,257,597	2,348,113	239,554	310,335	3,396,702	2,865,388

	Integrated logistics support services		Oil country tubular goods		Photovoltaic farm		Total	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	€	€	€	€	€	€	€	€
Reportable segment assets	114,825,153	108,483,234	39,479,326	39,032,481	3,183,060	3,287,117	157,487,539	150,802,832
Reportable segment liabilities	83,364,810	76,127,976	44,515,879	42,808,209	6,167,763	6,238,210	134,048,452	125,174,395

* See Note 3



Medserv p.l.c.

Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2018 to 30 June 2018

5 Operating segments (continued)

5.2 Reconciliation of reportable segment profit or loss

	6 months ended 30.06.18	6 months ended 30.06.17 Restated*
	€	€
Loss before tax for reportable segments	(2,673,907)	(3,354,106)
Consolidated loss before income tax	(2,673,907)	(3,354,106)

* See Note 3

6 Earnings per share

The calculation of the basic earnings per share of the Group is based on the loss attributable to ordinary shareholders of the Company as shown in the condensed consolidated statement of profit or loss and other comprehensive income, divided by the weighted average number of ordinary shares outstanding during the period of 53,744,405 shares. There were no dilutive potential ordinary shares during the current and comparative year.

7 Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)

The Directors of the Group have presented the performance measure adjusted EBITDA as they monitor this performance measure at a consolidated level and they believe this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, unrealised exchange differences and impairment losses related to trade receivables.

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.



Medserv p.l.c.

Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2018 to 30 June 2018

7 Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) (continued)

Reconciliation of adjusted EBITDA to profit from continuing operations

	6 months ended 30.06.18	6 months ended 30.06.17 Restated*
	€	€
Loss from continuing operations	(2,610,207)	(3,851,571)
Tax (income)/expense	(63,700)	497,465
Loss before tax	(2,673,907)	(3,354,106)
Adjustments for:		
- Net finance costs	1,657,490	2,198,837
- Depreciation	3,402,648	2,827,953
- Amortisation of intangible assets	736,494	833,006
- Amortisation of contract costs	291,573	556,640
- Unrealised exchange differences included in other income and other expenses	(226,582)	(196,941)
- Provision for impairment on trade receivables	208,986	-
Adjusted EBITDA	3,396,702	2,865,388

8 Property, plant and equipment

During the six months ended 30 June 2018, the Group acquired assets with a cost of €5,415,549 (six months ended 30 June 2017: €264,711) mainly in relation to the start-up operation in Egypt.

9 Contingencies

There were no major changes in the contingencies of the Group from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2017.

10 Subsequent events

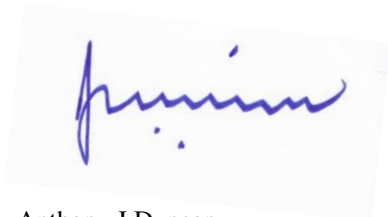
There were no material events which occurred subsequent to the date of the condensed consolidated interim statement of financial position.

Medserv p.l.c.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2018, as well as of the financial performance and cash flows for the six-month period then ended, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*); and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

A handwritten signature in blue ink, appearing to read "Anthony J Duncan".

Anthony J Duncan
Director

A handwritten signature in blue ink, appearing to read "Anthony S Diacono".

Anthony S Diacono
Director

27 August 2018