COMPANY ANNOUNCEMENT

MEDSERV P.L.C.
(THE **"COMPANY"**)

Half Yearly Report

Date of Announcement	30 August 2019
Reference	194/2019
Listing Rule	LR 5.16

QUOTE

The Board of Directors has today approved the half yearly report of the Company for the financial period 1 January 2019 to 30 June 2019, 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

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MEDSERV PLC

Interim Report

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIRECTORS' REPORT

For the Period 1 January 2019 to 30 June 2019

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Medserv p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2

For the Period 1 January 2019 to 30 June 2019

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 2019 and for its comparative period in 2018 (unaudited). The comparative consolidated statement of financial position has been extracted from the audited financial statements as at 31 December 2018. 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 30 August 2019. 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 and engineering services to the offshore oil and gas industry 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 and South America, supporting International Oil Companies (IOCs) in their offshore activities, ranging from exploration to development and production. 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 2019 amounted to €29,863,692 compared to €18,137,739 registered in the comparative period to 30th June 2018, representing an increase in turnover of €11,725,953, equivalent to 65%. The improvement in performance over the comparative period is mainly attributable to the Group's Integrated Logistic Support Services (ILSS) segment, in particular the subsidiary in Suriname which started operating in the beginning of the year and the improved performance in Egypt. The OCTG segment has registered an overall improvement specifically in the Iraq business unit.

The Group's adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) for the six-month period ended 30th June 2019 amounted to €6,176,653, an improvement of 81% when compared with the amount of €3,414,298 for the first half of 2018.

Review of performance (continued)

After recognising depreciation amounting to €3,759,666 (2018: €3,402,648) and amortisation amounting to €895,534 (2018: €1,028,067), the Group registered an operating profit amounting to €1,521,453 (2018: operating loss of €1,016,418). During the reporting period, the Group has engaged an external independent expert to review the estimated useful life of its property, plant and equipment. The impact in the reporting period of the change in estimate is disclosed in note 8.

After deducting the net finance costs amounting to €2,648,333 (2018: €1,657,490), the Group registered a loss before tax of €1,126,880 (2018: loss before tax of €2,673,907). Loss after accounting for taxation amounted to €982,454 (2018: €2,610,207).

Reported in 'Other Comprehensive Income' are foreign currency translation differences arising from translating the financial results of the Company's subsidiaries to its reporting currency in Euro. This difference is mainly arising from METS and amounts to positive €162,321 (2018: positive €538,810). Netting this amount are changes in cash flow hedges amounting to negative €60,395 (2018: negative €198,423). The net effect for the reporting period amounts to positive €101,926 (2018: positive €340,387). This result is a reporting calculation and not a realised exchange difference.

During this period all business units registered positive EBITDA with the second quarter results continuing at the trading levels registered in the first quarter of the reporting year. The Company remains confident that current year forecast EBITDA will be achieved.

Outlook

The Company remains focused on value growth. The geographical markets in which it operates continue to roll out new oil and gas projects and demand for the Company's niche service offering is increasing both in existing and new markets. The performance achieved in the first six months of the year is expected to improve in the second half of the year as it continues to service existing and potential new contracts. The Company has strategically positioned itself both geographically and in product offering to allow minimum floor base earnings to be attained in the long-term as well as participate in upcoming new exploratory markets, the latter having variable levels of earnings.

The ILSS segment is serviced out of Malta (in respect of the Libyan market), Egypt, Cyprus and Suriname, that between them service most of the offshore oil and gas projects in these respective countries. Malta continues to provide shore base services for the development of offshore Libya projects. Following the completion this month of the Bahr Essalam Phase Two project, the Company will be acting as the logistics base for the development of the two new offshore structures in this gas field. This project, coupled with increase in drilling activity in the Mediterranean basin, has resulted in a new potential product offering being presented to the Malta facility which the Company is evaluating.

Outlook (continued)

The Cyprus shore base has been active in the first quarter of this year but was put in mothball in the second quarter of 2019 until the IOCs finalise their new drilling programmes. Recent gas discoveries by Eni and ExxonMobil, together with the recent award by a third IOC, are expected to increase the number of wells to be drilled in the coming two years. Drilling is forecast to resume in the fourth quarter this year and continue late into year 2020. An increased level of activity is being seen across the Eastern Mediterranean region, with the Company receiving enquiries from new IOCs for the provision of ILSS.

Following the successful ongoing performance in Egypt, the Company is scouting for tenders in Egypt to be rolled out by new potential IOCs within the Company's core competencies. The Company is keen to increase its participation in this significant growing energy market especially given its proven in-country track record to date.

Positive earnings continue to be generated from the newly setup shore base in Suriname and the Company has been successful in cross-selling OCTG services. The Company is pursuing potential growth opportunities to increase both its client base in Suriname as well as increase its footprint in the region.

The supply chain management of OCTG segment has continued to grow. Oman remains the overall consistent contributor to date to the Group. The business unit in Iraq has registered significant recovery and generated positive earnings in the first six months of the year. Iraq is showing a healthy pipeline of projects which include the provision of both Supply Chain Management services and machine shop services. Further growth is expected in Iraq in year 2020.

The recent award in the United Arab Emirates (UAE) by Abu Dhabi National Oil Company (ADNOC) to three steel pipe manufacturers for the provision of significant volume of casing and tubing is expected to result in demand for the Company's services. Discussions are being held with the pipe manufacturers for awarding the Supply Chain Management of their product in the UAE to the Group. The size and value of this work is still to be confirmed.

As previously reported the Company is still awaiting the Final Investment Decision (FID) to be taken by the Uganda State Authority for the Uganda pipeline project to proceed. Should the project receive the necessary approvals, the Group will be setting up a machine shop in Uganda as an exclusive supporting service provider for the construction of this pipeline.

Outlook (continued)

The Company makes reference to the prospective sale by the Company's major shareholders. As communicated to the market on the 20th May 2019, the due diligence process is still ongoing. The Company will provide further information to the market once the said shareholders have received binding bids from *bona fide* offerors and have notified the Company accordingly.

The Company's main focus remains delivering its strategy of value growth by continuing to build on its business pipeline. The Company's geographical reach, core competencies within a niche market and discipline in quality are the necessary contributors to achieving its commitment to increase shareholder value. The Company's target is to deliver positive results enabling resumption of dividend payment, the reduction in structural debt and the free cashflows to meet investment requirements.

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 of Directors on 30 August 2019 and signed on its behalf by:

Anthony J Duncan
Director

Anthony S Diacono
Director

Medserv p.l.c.

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2019

	Note	At 30.06.19	At 31.12.18
		€	€
ASSETS			
Property, plant and equipment	8	**32,154,842**	33,200,767
Intangible assets and goodwill		**12,446,344**	13,162,169
Contract costs		**496,658**	636,168
Right-of-use assets		**76,301,853**	78,335,057
Deferred tax assets		**8,847,795**	9,418,534
Non-current assets		**130,247,492**	134,752,695
Inventories		**1,327,295**	1,274,704
Current tax assets		**755**	755
Trade and other receivables		**21,303,183**	14,730,612
Contract costs		**318,080**	334,299
Contract assets		**-**	67,775
Cash at bank and in hand		**6,462,294**	5,616,232
Current assets		**29,411,607**	22,024,377
Total assets		**159,659,099**	156,777,072
EQUITY			
Share capital		**5,374,441**	5,374,441
Share premium		**12,003,829**	12,003,829
Retained earnings		**(9,466,795)**	(8,215,519)
Other reserves		**10,565,977**	10,186,890
Equity attributable to owners of the Company		**18,477,452**	19,349,641
Non-controlling interests		**(661,265)**	(652,926)
Total equity		**17,816,187**	18,696,715

Medserv p.l.c.

Condensed Consolidated Interim Statement of Financial Position (continued)

As at 30 June 2019

	Note	At 30.06.19	At 31.12.18
		€	€
LIABILITIES			
Loans and borrowings		53,474,992	54,028,322
Employee benefits		886,197	819,163
Deferred income		31,457,297	31,851,634
Lease liabilities		27,335,060	28,682,854
Deferred tax liabilities		5,768,673	6,485,536
Total non-current liabilities		118,922,219	121,867,509
Bank overdraft		5,470,450	3,209,219
Current tax liabilities		-	37,176
Loans and borrowings		2,074,409	2,075,411
Trade and other liabilities		9,629,787	8,145,393
Deferred income		3,413,622	875,533
Lease liabilities		2,293,347	1,825,925
Provisions		39,078	44,191
Total current liabilities		22,920,693	16,212,848
Total liabilities		141,842,912	138,080,357
Total equity and liabilities		159,659,099	156,777,072

The notes on pages 12 to 18 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 5 to 18 were approved by the Board of Directors on 30 August 2019 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 2019 to 30 June 2019

	Note	6 months ended 30.06.19 €	6 months ended 30.06.18 €
Continuing operations			
Revenue		**29,863,692**	18,137,739
Cost of sales		**(26,100,786)**	(16,984,342)
Gross profit		**3,762,906**	1,153,397
Other income		**708,080**	752,983
Administrative expenses		**(2,928,129)**	(2,694,769)
Impairment of financial assets		**24,255**	(208,986)
Other expenses		**(45,659)**	(19,043)
Results from operating activities		**1,521,453**	(1,016,418)
Finance income		**48,205**	757,426
Finance costs		**(2,696,538)**	(2,414,915)
Loss before income tax		**(1,126,880)**	(2,673,907)
Tax income		**144,426**	63,700
Loss for the period		**(982,454)**	(2,610,207)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		**162,321**	538,810
Net loss on hedge of net investment in a foreign operation		**(60,395)**	(198,423)
Other comprehensive income		**101,926**	340,387
Total comprehensive income		**(880,528)**	(2,269,820)
Loss attributable to:			
Owners of the Company		**(1,380,768)**	(2,398,103)
Non-controlling interests		**398,314**	(212,104)
Loss for the period		**(982,454)**	(2,610,207)
Total comprehensive income attributable to:			
Owners of the Company		**(872,189)**	(2,051,935)
Non-controlling interest		**(8,339)**	(217,885)
Total comprehensive income for the period		**(880,528)**	(2,269,820)
Earnings per share			
Basic earnings per share	6	**(2c6)**	(4c5)
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)	7	**6,176,653**	3,414,298

The notes on pages 12 to 18 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 2019 to 30 June 2019

	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
Adjustment from adoption of IFRS9, net of tax	-	-	-	-	-	(583,237)	(583,237)	-	(583,237)
Adjusted balance at 1 January 2018	5,374,441	12,003,829	(1,656,630)	11,022,539	354,734	568,556	27,667,469	(151,958)	27,515,511
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	-	-	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	(1,829,547)	25,615,533	(369,842)	25,245,691

Medserv p.l.c.

Condensed Consolidated Interim Statement of Changes in Equity (continued)

For the Period 1 January 2019 to 30 June 2019

	Share capital	Share premium	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total equity
	€	€	€	€	€	€	€	€	€
Balance at 1 January 2019	**5,374,441**	**12,003,829**	**(443,533)**	**10,763,556**	**(133,133)**	**(8,215,519)**	**19,349,641**	**(652,926)**	**18,696,715**
Total comprehensive income									
Loss	-	-	-	-	-	(1,380,768)	(1,380,768)	398,314	(982,454)
Other comprehensive income	-	-	568,974	-	(60,395)	-	508,579	(406,653)	101,926
Total comprehensive income	**-**	**-**	**568,974**	**-**	**(60,395)**	**(1,380,768)**	**(872,189)**	**(8,339)**	**(880,528)**
Transfers between reserves	-	-	-	(129,492)	-	129,492	-	-	-
Balance at 30 June 2019	**5,374,441**	**12,003,829**	**125,441**	**10,634,064**	**(193,528)**	**(9,466,795)**	**18,477,452**	**(661,265)**	**17,816,187**

The notes on pages 12 to 18 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 2019 to 30 June 2019

	6 months ended 30.06.19 €	6 months ended 30.06.18 €
Cash flows from operating activities		
Loss for the period	**(982,454)**	(2,610,207)
Adjustments for:		
Depreciation	**3,759,666**	3,402,648
Tax income	**(144,426)**	(63,700)
(Reversal of) impairment on financial assets	**(24,255)**	208,986
Amortisation of intangible assets	**736,494**	736,494
Amortisation of contract costs	**159,040**	291,573
Exchange differences	**(106,834)**	(226,582)
Provision for gratuity payments	**-**	1,541
Net finance costs	**2,648,333**	1,657,490
Loss on disposal of property, plant and equipment	**(11,887)**	164,247
Reversal of deferred income	**(500,985)**	(460,568)
	--------------	--------------
	5,532,692	3,101,922
Changes in:		
Inventories	**(52,591)**	25,187
Trade and other receivables	**(6,572,571)**	(2,336,353)
Change in contract costs	**155,719**	219,551
Change in contract assets	**67,775**	802,611
Trade and other payables	**1,766,846**	2,406,972
Deferred income	**2,538,089**	-
Provisions and employee benefits	**61,921**	114,589
	--------------	--------------
Cash generated from operating activities	**3,497,880**	4,334,479
Bank interest paid	**(61,499)**	(36,022)
Bank interest received	**-**	1,810
Net cash from operating activities carried forward	**3,436,381**	4,300,267

Medserv p.l.c.

Condensed Consolidated Interim Statement of Cash Flows (continued)

For the Period 1 January 2019 to 30 June 2019

	6 months ended 30.06.19 €	6 months ended 30.06.18 €
Net cash from operating activities brought forward	**3,436,381**	4,300,267
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(776,314)**	(5,415,549)
Receipts from disposal of property, plant and equipment	**15,551**	111,000
Net cash used in investing activities	**(760,763)**	(5,304,549)
Cash flows from financing activities		
Payment of lease liabilities	**(1,855,665)**	(1,273,688)
Loan advanced by bank	**454,561**	4,176,340
Repayments of bank loans	**(1,387,204)**	(561,223)
Interest paid on bank loans	**(298,862)**	(15,414)
Interest paid on notes	**(1,325,248)**	(1,304,649)
Net cash (used in)/from financing activities	**(4,412,418)**	1,021,366
Net (decrease)/increase in cash and cash equivalents	**(1,736,800)**	17,084
Cash and cash equivalents at beginning of period	**2,407,013**	2,768,680
Effect of exchange rate fluctuations on cash held	**321,631**	(9,836)
Cash and cash equivalents at end of period	**991,844**	2,775,928

The notes on pages 12 to 18 are an integral part of these condensed consolidated interim financial statements.

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 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually "Group entities").

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, Medserv Libya Limited, Medserv International Limited, Medserv Energy TT Limited, Medserv M.E. Limited, Middle East Tubular Services Holdings Limited, Middle East Tubular Services (Gulf) 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 South America 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 2018. 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 2018.

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 2018. Certain comparatives have been reclassified to conform with the current year's presentation.

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 2018, except for the change in the useful life of its property, plant and equipment, which is described in note 8.

5 Operating segments

5.1 Information about reportable segments

	Integrated logistics support services		Oil country tubular goods		Photovoltaic farm		Total	
	6mths to 30.06.19	6mths to 30.06.18	**6mths to 30.06.19**	6mths to 30.06.18	**6mths to 30.06.19**	6mths to 30.06.18	**6mths to 30.06.19**	6mths to 30.06.18
	€	€	**€**	€	**€**	€	**€**	€
External revenues	**22,371,419**	11,316,112	**7,220,714**	6,582,073	**271,559**	239,554	**29,863,692**	18,137,739
Inter-segment revenue	**482,475**	127,851	**35,595**	374,786	**-**	-	**518,070**	502,637
Segment profit/(loss) before tax	**1,124,354**	(417,687)	**(2,218,395)**	(2,191,378)	**(32,839)**	(64,842)	**(1,126,880)**	(2,673,907)
	========	========	========	========	========	========	========	========
Adjusted EBITDA	**4,131,013**	1,690,565	**1,774,081**	1,484,179	**271,559**	239,554	**6,176,653**	3,414,298
	========	========	========	========	========	========	========	========

	Integrated logistics support services		Oil country tubular goods		Photovoltaic farm		Total	
	30.06.2019	31.12.2018	**30.06.2019**	31.12.2018	**30.06.2019**	31.12.2018	**30.06.2019**	31.12.2018
	€	€	**€**	€	**€**	€	**€**	€
Reportable segment assets	**111,580,606**	108,622,312	**42,477,117**	42,470,000	**2,974,947**	3,079,000	**157,032,670**	154,171,312
	========	========	========	========	========	========	========	========
Reportable segment liabilities	**115,033,850**	104,476,048	**20,509,982**	27,326,394	**6,299,080**	6,277,915	**141,842,912**	138,080,357
	========	========	========	========	========	========	========	========

5 Operating segments (continued)

5.2 Reconciliation of reportable segment profit or loss

	6 months ended 30.06.19 €	6 months ended 30.06.18 €
Loss before tax for reportable segments	**(1,126,880)**	(2,673,907)
	------------	------------
Consolidated loss before income tax	**(1,126,880)**	(2,673,907)
	=======	=======

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 and net impairment losses on property, plant and equipment.

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.

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

Reconciliation of adjusted EBITDA to profit from continuing operations

	6 months ended 30.06.19	6 months ended 30.06.18
	€	€
Loss from continuing operations	**(982,454)**	(2,610,207)
Tax income	**(144,426)**	(63,700)
Loss before tax	**(1,126,880)**	(2,673,907)
Adjustments for:		
- Net finance costs	**2,648,333**	1,657,490
- Depreciation	**3,759,666**	3,402,648
- Amortisation of intangible assets	**736,494**	736,494
- Amortisation of contract costs	**159,040**	291,573
Adjusted EBITDA	**6,176,653**	3,414,298

8 Property, plant and equipment

During the six months ended 30 June 2019, the Group acquired assets with a cost of €776,314 (six months ended 30 June 2018: €5,415,549).

As described in note 3.5.3 in the consolidated financial statements as at and for the year ended 31 December 2018, the Group reviews the estimated useful lives of property, plant and equipment as at each reporting date. During the financial period, management determined that the useful life of certain items of equipment, in particular the heavy machinery in Malta and Cyprus should increase from eight years to fifteen years in light of its preventive maintenance program and Health, Safety, Security, Environment & Quality (HSSEQ) standards in place. On the other hand, the useful life of the heavy machinery in Egypt was revised down to six years from eight years in line with the Company's contractual obligation to use modern equipment.

8 Property, plant and equipment (continued)

The effect of these changes on the expected annual depreciation expense included in 'cost of sales', was as follows:

	2019	2020	2021	2022
	€	€	€	€
Decrease in depreciation expenses	**840,281**	840,281	825,777	816,546

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 2018.

10 Subsequent events

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

11 Related parties

The Company has a related party relationship with its subsidiaries and with its directors. All transactions entered into with group companies have been eliminated in the preparation of these financial statements.

11 Related parties (continued)

In addition to transactions disclosed in the statement of cash flows, the following transactions were conducted during the period:

	Transactions' value 6 months ended	
	30.06.19	30.06.18
	€	€
Other related party		
Services rendered by	**17,785**	40,567
	=====	=====

	Balance Outstanding	
	30.06.19	31.12.18
	€	€
Amounts due to		
Shareholders	**60,876**	61,014
	======	======

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 2019, 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.

Anthony J Duncan
Director

Anthony S Diacono
Director

30 August 2019