



COMPANY ANNOUNCEMENT

MEDSERV P.L.C.
(THE “COMPANY”)

Interim Report

Date of Announcement	30 November 2019
Reference	198/2019
Listing Rule	LR 5.16

Financial Summary

	Qtr 3 2019	Qtr 3 2018	YTD 30 Sep 19	Year 2019F	Year 2018A
	€ Million	€ Million	€ Million	€ Million	€ Million
Turnover	19.3	8.4	49.1	64.2	36.2
- Integrated Logistics Support Services (ILSS)	14.4	4.5	37.0	48.7	21.5
- Oil Country Tubular Goods (OCTG)	4.8	3.8	11.7	15.0	14.2
- Photovoltaic Farm	0.1	0.1	0.4	0.5	0.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3.2	1.5	9.3	14.1	7.3
EBITDA margin in %	16.6%	17.9%	18.9%	22.0%	20.2%

Turnover for the third quarter of 2019 is 130% higher than that achieved in the third quarter of year 2018, resulting in EBITDA improving by 113% over same period last year. The Company is confident it will achieve the published EBITDA for the year amounting to €14.1 million, a 93% increase over the amount generated in year 2018.

Trading Update

The ILSS segment is registering significant improvement earnings compared to same period last year. The Malta base continues providing shore base services for exploration drilling offshore Libya and hosts the planning team for the development of the two new offshore structures in the Sabratha gas field. The Company continues to seek to increase its value in Libya particularly in engineering and technical services. These projects coupled with increased drilling activity in the Mediterranean basin have resulted in new potential product offering being presented out of Malta.

The Cyprus shore base has been active in the third and fourth quarter of this year in preparation for new drilling programs in the coming period. Recent gas discoveries by Eni and ExxonMobil are expected to increase the number of wells to be drilled by the International Oil Companies



(IOCs) in the coming years. Drilling in Cyprus is expected to resume in year 2020. IOCs owning offshore acreage in neighbouring countries including Greece and Crete are expected to start their offshore exploration program during the next few years.

In Egypt, the Company is awaiting adjudication of a tender submitted to another Supermajor IOC operating offshore. Award is expected early 2020.

Positive earnings continue to be generated from the shore base in Suriname. The Company's client, Staatsolie, drilled a total of six wells. This initial drilling program will end in the fourth quarter of this year. The Company is committed to maintain its presence in the region. The large finds in Guyana, Trinidad and Tobago, as well as future activity in Suriname makes this region an exciting area for exploration in the oil and gas industry. The Company to date has not secured any new contracts.

Improvements have also been registered in the OCTG segment. Iraq is expected to generate positive earnings for year 2019 with an increased pipeline of projects in year 2020. Growth potentials for OCTG is significant both in the Middle East and Africa. The Company awaits adjudication of an award of additional Supply Chain Management (SCM) contracts in the United Arab Emirates. The award of these contracts has been pushed back to early next year.

The Uganda-Tanzania pipeline project has been further delayed. Differences between the Uganda State Authority and the IOCs have not been resolved yet. The Company has signed a conditional award letter for machine shop services with a major international supplier of OCTG in anticipation of a resolution in the dispute.

The Company is also evaluating various opportunities for provision of SCM of OCTG and machine shop services in the African region.

Outlook

Major restructuring is still ongoing across the industry in response to developments in the market. The Company is taking steps to ensure it is in a position to continue in its growth program. The entry into by the majority shareholders with AMT S.A. Advanced Maritime Transports of a conditional agreement to launch a Voluntary Bid (ref: Company Announcement 196/2019) is intended to accelerate and further supplement the Group's growth and internationalisation strategy.

A handwritten signature in blue ink, appearing to read "Laragh Cassar".

Laragh Cassar
Company Secretary