



**COMPANY ANNOUNCEMENT**  
**MEDSERVREGIS P.L.C.**  
**(THE “COMPANY”)**

**Half Yearly Report**

<b>Date of Announcement</b>	30 August 2021
<b>Reference</b>	250/2021
<b>Capital Market Rule</b>	CMR5.16.20

**Quote**

The Board of Directors has today approved the half yearly report of the Company for the financial period 1 January 2021 to 30 June 2021, 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

**MedservRegis p.l.c.**

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Company registration No: C28847



# MedservRegis p.l.c.

(formerly Medserv p.l.c.)

## Interim Report

### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND DIRECTORS' REPORT (UNAUDITED)

For the Period 1 January 2021 to 30 June 2021

#### MedservRegis p.l.c.

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# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Directors' Report pursuant to Listing Rule 5.75.2

For the Period 1 January 2021 to 30 June 2021

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*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 2021 and for its comparative period in 2020 (unaudited). The comparative consolidated statement of financial position has been extracted from the audited financial statements as at 31 December 2020. 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) and the requirements set out by IFRS 3 – Business Combinations for reverse acquisition accounting as described in note 6. These condensed consolidated interim financial statements were approved by the Board of Directors on 30 August 2021. 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, through its subsidiaries, 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. It also provides equipment, procurement, and specialised services to a wide range of customers, including national and international energy companies, drilling and mining companies, as well as product and equipment manufacturers and other heavy industry-related contractors across the globe, reaching the Mediterranean countries, Middle East, South America, South Africa and a number of emerging markets such as Mozambique, Uganda, Tanzania and Angola.

### Board of Directors

Anthony S Diacono  
Carmelo (a.k.a. Karl) Bartolo  
Joseph Zammit Tabona  
Laragh Cassar  
David S. O'Connor (appointed on 25 June 2021)  
Olivier N. Bernard (appointed on 25 June 2021)  
Keith N. Grunow (appointed on 25 June 2021)  
Anthony J Duncan (resigned on 25 June 2021)  
Etienne Borg Cardona (resigned on 25 June 2021)  
Kevin Rapinett (resigned on 25 June 2021)

### Registered Office

Port of Marsaxlokk  
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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2021 to 30 June 2021

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#### Reverse acquisition

On 25 June 2021, MedservRegis plc (formerly Medserv p.l.c. and hereinafter referred to as the "Company") completed a share for share exchange with Regis Holdings Limited (Regis), resulting in the Company owning 100% of the share capital and voting rights in Regis. From a legal and taxation perspective, the Company is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in note 6 to these condensed interim financial statements. The transaction has therefore been accounted for as a reverse acquisition from a consolidated perspective, where Regis is the accounting acquirer, and the Company is the legal acquirer. As a result, these interim statements represent a continuation of Regis' financial statements except for the capital structure as described in note 6. While the Condensed Consolidated Interim Statement of Financial Position as at 30 June 2021 represents the consolidation of both the formerly Medserv Group of companies and the acquired Regis Group of Companies, on the other hand, the Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income and Cash Flows for the six-month period ended 30 June 2021 do not include the performance results of the formerly Medserv Group of companies given that the share for share exchange took place close to the reporting date of 30 June 2021. Instead, the Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income and Cash Flows consist of the results of Regis Group of Companies for the full six-month period ended 30 June 2021. The comparative information presented is therefore as per the last annual consolidated financial statements of Regis as at and for the year ended 31 December 2020, re-presented due to a discontinued operation (see note 8).

This acquisition brings together the complementary strengths of both Medserv and Regis and allows the Group to successfully respond to the deep changes taking place in the energy market. The global reach of the Company now spans across four continents, comprising a presence in twelve countries and operations out of ten bases. This is expected to strengthen the Company's market position and broaden its geographic footprint in strategic locations around the Mediterranean region (Libya, Malta, Cyprus & Egypt), in the Middle East (UAE, Oman and Iraq), Sub-Saharan Africa (Mozambique, Uganda, Angola and South Africa) and South America (Suriname). The board of directors of the Company is confident that the synergies created by this transaction will strengthen the Company's financial position and improve its capability of delivering value to all stakeholders.

#### Review of performance

The Group's reported turnover for the six-month period ended 30 June 2021 amounted to €6,026,946 compared to €6,319,086 registered in the comparative period up to 30<sup>th</sup> June 2020, representing a decrease in turnover of €292,140, equivalent to 4.6%.

The Group's reported adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) for the six-month period ended 30<sup>th</sup> June 2021 amounted to negative €56,604, an increase of 96% when compared with the negative amount of €1,257,961 for the first half of 2020. The negative adjusted EBITDA of €56,604 includes an impairment allowance of €1,327,145 (30 June 2020: €nil) on a trade receivable balance which is not added back in calculating this performance measure. The adjusted EBITDA before the above-mentioned impairment allowance amounts to €1,270,541. This impairment was already considered in the determination of the value of the consideration for the share for share exchange.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2021 to 30 June 2021

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### Review of performance (continued)

After recognising depreciation amounting to €277,899 (2020: €1,298,960), and impairment loss on property, plant and equipment of €168,711 (30 June 2020: €nil), the Group registered an operating loss amounting to €503,214 (2020: operating loss of €2,563,283).

The impairment loss on property, plant and equipment relates to the write down of the carrying amount at reporting date of the bulk vessel named MV Baltic Trader owned by Regis Shipping Limited to its fair value less costs of disposal (FVLCD). Subsequent to reporting date, an agreement was signed for the sale of this vessel by the fourth quarter of 2021 for €0.5 million. The recoverable amount of this asset was determined with reference to this sale agreement. This impairment was already considered in the determination of the value of the consideration for the share for share exchange.

After adding the net finance income amounting to €1,267,091 (30 June 2020: net finance income of €38,970) mainly due to foreign exchange gains and the share of profit of equity-accounted investees of €29,101 (30 June 2020: €41,601), the Group registered a profit before tax of €792,978 (30 June 2020: loss before tax of €2,482,712). Profit from continuing operations after accounting for taxation amounted to €706,653 (30 June 2020: loss from continuing operations of €2,796,031).

As part of the conditions precedent to the share for share exchange, Regis has transferred out of the Regis Group its shareholding in a number of non-core businesses (see note 8 to the condensed interim financial statements for further detail). The transfer out was executed by way of a secured loan agreement in the amount of €6,007,615 between Regis and Drill Stem Testing International Limited following the reorganization described above. This resulted in a profit from discontinued operation of €1,148,777 (30 June 2020: loss of €386,311) due to a one-off non-cash transaction.

After accounting for the profit from discontinued operation, profit for the period amounted to €1,855,430 (30 June 2020: loss for the period of €3,182,342).

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 arising from Regis and amounts to negative €1,041,250 (30 June 2020: positive €2,287,789). This result is a reporting calculation and not a realised exchange difference.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2021 to 30 June 2021

### Review of performance (continued)

The table below presents the financial performance of the formerly Medserv p.l.c Group during the first six months ended 30 June 2021, prior to the reverse acquisition accounting.

	6 months ended 30.06.21	6 months ended 30.06.20
	€ Million	€ Million
Total turnover	<b>12.70</b>	18.51
- Integrated Logistics Support Services (ILSS)	<b>5.41</b>	9.55
- Oil Country Tubular Goods (OCTG)	<b>7.04</b>	8.70
- Photovoltaic Farm	<b>0.25</b>	0.26
Adjusted EBITDA	<b>1.62</b>	3.09
- Integrated Logistics Support Services (ILSS)	<b>(0.62)</b>	0.77
- Oil Country Tubular Goods (OCTG)	<b>1.99</b>	2.07
- Photovoltaic Farm	<b>0.25</b>	0.25
Loss for the period	<b>(4.54)</b>	(3.82)
EBITDA margin in %	<b>12.76%</b>	16.68%

The equity position of MedservRegis p.l.c. as at the financial reporting date stood at €72.5 million (2020: €43.4 million) following the reverse acquisition.

### Outlook

Demand for energy increased in year 2021 reflecting the improved economic outlook. However, the expected recovery in demand is dependent on the pandemic being successfully contained. International Energy Companies (IECs) are beginning to schedule their onshore and offshore drilling programmes. This allows logistics service companies such as the Company to obtain visibility on these projects. Some of the largest energy projects scheduled for the coming five years are in the Middle East, Sub-Saharan Africa, Mediterranean rim countries and Guyana/Suriname basin. MedservRegis is strategically positioned in these markets to service these projects from a geographical perspective but more importantly from a quality service offering.

The EBITDA performance of MedservRegis is expected to improve in the second half of the year compared to the previous six months. This is underpinned by the resumption of drilling activity in Cyprus and Egypt and the upturn in supply chain logistics and engineering activity in the Middle East and projects in Mozambique. A further positive contributor is work orders received from international contractors who have been awarded projects related to the development of wells and the construction of the world's longest heated pipeline in Uganda scheduled to commence later this year.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

Directors' Report pursuant to Listing Rule 5.75.2 (continued)

For the Period 1 January 2021 to 30 June 2021

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### Outlook (continued)

The Company's participation in these projects is secured by long-term contracts with several IECs and their multinational contractors. The Company is also at an advanced stage of signing a facility in the Misurata Free Zone to create a service hub for the oil and gas Libyan market by using Misurata Free Zone as a gateway for onshore drilling activity across Libya. The concept is that the logistics service hub in the Misurata Freezone will include workshops and machine shops certified by international premium licenses held by MedservRegis and affiliated partners.

MedservRegis continues to participate in international tenders to secure new work within its global reach. The Company has maintained a presence in the Guyana-Suriname basin and is negotiating strategic alliances with developers of port facilities to act as the operator of the logistics shore bases which will be required by the IECs and service contractors. Additionally, the Company is supporting non-oil & gas logistics work across its operating regions, including logistics for the graphite mining industry in Mozambique and other industries.

This current environment demands a new operating model of better collaboration across the people and material supply chains. The Company, whilst focusing on the continued integration of operations, will continue to seek and work with other strategic players within its supply chain in order to provide fully integrated solutions to customers. Despite the current headwinds in the industry, the Company is poised for growth and the driver for this growth is the significant economic development of the countries in which MedservRegis operates in today.

The Company is evaluating its borrowings to optimise its finance costs. The target is to return the Group to a profitable position thus enabling the resumption of dividend payments.

### 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 29 to the condensed consolidated interim financial statements.

### Dividends

No interim dividends are being recommended.

Approved by the Board of Directors on 30 August 2021 and signed on its behalf by:



Anthony S. Diacono  
Chairman



David S. O'Connor  
Director & CEO

MedservRegis p.l.c.

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# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2021

		At 30.06.21	At 31.12.20
	Note	€	€
<b>ASSETS</b>			
Property, plant and equipment	11	38,350,469	12,093,029
Intangible assets and Goodwill	13	25,722,126	278,452
Other properties, classified as investment properties	12.1	-	619,043
Loan receivable from related party	14	6,007,615	-
Investment in associates	15	606,853	564,594
Right-of-use assets	27	61,152,070	-
Investment at FVTPL	16	3,828,582	3,442,639
Other investments	17	-	6,284,259
Deferred tax assets	18	3,945,432	-
<b>Total non-current assets</b>		<b>139,613,147</b>	<b>23,282,016</b>
Inventories	19	1,640,285	1,391,142
Current tax assets		224,211	-
Trade and other receivables	20	19,310,921	10,295,448
Contract costs	21	318,080	-
Contract assets		48,024	-
Cash at bank and in hand	22	9,824,192	8,637,631
Assets held for sale	12.2	-	3,044,966
<b>Total current assets</b>		<b>31,365,713</b>	<b>23,369,187</b>
<b>Total assets</b>		<b>170,978,860</b>	<b>46,651,203</b>
<b>EQUITY</b>			
Share capital	23.1	10,163,763	5,374,441
Share premium	23.2	27,778,073	-
Retained earnings		33,413,683	41,077,160
Foreign currency translation reserve	23.3	712,754	1,754,004
Reverse acquisition reserve	23.5	997,742	(5,373,706)
Other reserves	23.4	572,384	572,384
<b>Equity attributable to owners of the Company</b>		<b>73,638,399</b>	<b>43,404,283</b>
Non-controlling interest		(1,133,523)	-
<b>Total equity</b>		<b>72,504,876</b>	<b>43,404,283</b>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Condensed Consolidated Interim Statement of Financial Position (continued)

As at 30 June 2021

	Note	At 30.06.21 €	At 31.12.20 €
<b>LIABILITIES</b>			
Loans and borrowings	24	54,230,212	1,426,972
Employee benefits	25	852,076	45,294
Lease liabilities	27	16,827,706	-
Trade and other payables	26	1,933,290	-
Deferred tax liabilities	18	11,476,450	-
<b>Total non-current liabilities</b>		<b>85,319,734</b>	<b>1,472,266</b>
Bank overdraft	22	2,613,882	-
Income tax liability		11,566	46,041
Loans and borrowings	24	2,308,724	-
Trade and other payables	26	7,030,804	1,728,613
Lease liabilities	27	1,189,274	-
<b>Total current liabilities</b>		<b>13,154,250</b>	<b>1,774,654</b>
<b>Total liabilities</b>		<b>98,473,984</b>	<b>3,246,920</b>
<b>Total equity and liabilities</b>		<b>170,978,860</b>	<b>46,651,203</b>

The notes on pages 13 to 64 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 6 to 64 were approved by the Board of Directors on 30 August 2021 and were signed by:

  
Anthony S. Diacono  
Chairman

  
David S. O'Connor  
Director & CEO

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

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

For the Period 1 January 2021 to 30 June 2021

	Note	6 months ended 30.06.21 €	6 months ended 30.06.20 € Re-presented*
<b>Continuing operations</b>			
Revenue		6,026,946	6,319,086
Cost of sales		(3,987,256)	(2,088,425)
<b>Gross profit</b>		<b>2,039,690</b>	<b>4,230,661</b>
Other income		2,051,164	287,684
Administrative expenses		(3,098,212)	(4,593,838)
Impairment loss on financial assets		(1,327,145)	-
Other expenses		(168,711)	(2,487,790)
<b>Results from operating activities</b>		<b>(503,214)</b>	<b>(2,563,283)</b>
Finance income		1,269,130	40,828
Finance costs		(2,039)	(1,858)
<b>Net Finance income</b>		<b>1,267,091</b>	<b>38,970</b>
Share of profit of equity accounted investees		29,101	41,601
<b>Profit/(loss) before income tax</b>		<b>792,978</b>	<b>(2,482,712)</b>
Tax expense		(86,325)	(313,319)
<b>Profit/(loss) from continued operations</b>		<b>706,653</b>	<b>(2,796,031)</b>
<b>Discontinued operation</b>			
Profit/(loss) from discontinued operation, net of tax	8	1,148,777	(386,311)
<b>Profit/(loss) for the period</b>		<b>1,855,430</b>	<b>(3,182,342)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		(1,054,108)	2,287,789
Foreign currency translation differences - equity-accounted investees		12,858	-
<b>Other comprehensive income for the period</b>		<b>(1,041,250)</b>	<b>2,287,789</b>
<b>Total comprehensive income for the period</b>		<b>814,180</b>	<b>(894,553)</b>
<b>Loss attributable to:</b>			
Owners of the Company		1,855,430	(3,666,546)
<b>Profit/(loss) for the period</b>		<b>1,855,430</b>	<b>(3,666,546)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		814,180	(894,553)
<b>Total comprehensive income for the period</b>		<b>814,180</b>	<b>(894,553)</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>	9	<b>3c4</b>	<b>(5c9)</b>
<b>Earnings per share – Continuing operations</b>			
<b>Basic earnings per share</b>	9	<b>1c3</b>	<b>(5c2)</b>
<b>Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)</b>	10	<b>(56,604)</b>	<b>(1,257,961)</b>

\*Comparative information has been re-presented due to a discontinued operation. See Note 8.

The notes on pages 13 to 64 are an integral part of these condensed consolidated interim financial statements.

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**Condensed Consolidated Interim Statement of Changes in Equity**

For the Period 1 January 2021 to 30 June 2021

	Share capital	Share premium	Translation reserve	Revaluation reserve	Reverse acquisition reserve	Retained earnings	Total	Non- controlling interest	Total equity
	€	€	€	€	€	€	€	€	€
Balance at 1 January 2020	5,374,441	-	2,148,649	-	(5,373,706)	51,226,782	53,376,166	-	53,376,166
<b>Total comprehensive income</b>									
Loss for the period	-	-	-	-	-	(3,666,546)	(3,666,546)	-	(3,666,546)
Other comprehensive income	-	-	2,287,789	-	-	-	2,287,789	-	2,287,789
Total comprehensive income	-	-	2,287,789	-	-	(3,666,546)	(1,378,757)	-	(1,378,757)
<b>Balance at 30 June 2020</b>	<b>5,374,441</b>	<b>-</b>	<b>4,436,438</b>	<b>-</b>	<b>(5,373,706)</b>	<b>47,560,236</b>	<b>51,997,409</b>	<b>-</b>	<b>51,997,409</b>

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Condensed Consolidated Interim Statement of Changes in Equity (continued)

For the Period 1 January 2021 to 30 June 2021

	Share capital €	Share premium €	Translation reserve €	Revaluation reserve €	Reverse acquisition reserve €	Retained earnings €	Total €	Non- controlling interest €	Total equity €
Balance at 1 January 2021	5,374,441	-	1,754,004	572,384	(5,373,706)	41,077,160	43,404,283	-	43,404,283
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	1,855,430	1,855,430	-	1,855,430
Other comprehensive income	-	-	(1,041,250)	-	-	-	(1,041,250)	-	(1,041,250)
<b>Total comprehensive income</b>	-	-	(1,041,250)	-	-	1,855,430	814,180	-	814,180
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
Issue of ordinary shares related to reverse acquisition (see notes 6.1 and 6.5)	4,789,322	27,778,073	-	-	6,371,448	-	38,938,843	-	38,938,843
Distribution of non-cash assets (see note 8)	-	-	-	-	-	(6,614,343)	(6,614,343)	-	(6,614,343)
Dividends	-	-	-	-	-	(2,904,564)	(2,904,564)	-	(2,904,564)
<b>Total contributions and distributions</b>	4,789,322	27,778,073	-	-	6,371,448	(9,518,907)	29,419,936	-	29,419,936
<b>Changes in ownership interests</b>									
Acquisition of subsidiary with NCI related to reverse acquisition	-	-	-	-	-	-	-	(1,133,523)	(1,133,523)
<b>Total changes in ownership interests</b>	-	-	-	-	-	-	-	(1,133,523)	(1,133,523)
<b>Total transactions with owners of the Company</b>	4,789,322	27,778,073	-	-	6,371,448	(9,518,907)	29,419,936	(1,133,523)	28,286,413
<b>Balance at 30 June 2021</b>	<b>10,163,763</b>	<b>27,778,073</b>	<b>712,754</b>	<b>572,384</b>	<b>997,742</b>	<b>33,413,683</b>	<b>73,638,399</b>	<b>(1,133,523)</b>	<b>72,504,876</b>

The notes on pages 13 to 64 are an integral part of these condensed consolidated interim financial statements.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Condensed Consolidated Interim Statement of Cash Flows

For the Period 1 January 2021 to 30 June 2021

	Note	6 months ended 30.06.21 €	6 months ended 30.06.20 €
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		1,855,430	(3,346,864)
Adjustments for:			
Depreciation		277,899	1,298,960
Net finance income		(1,267,091)	(38,970)
Fair value adjustments		(385,943)	242,102
Share of profit of equity-accounted investees, net of tax		29,101	(41,601)
Impairment losses on trade receivables, contract assets and related party receivables		1,327,145	-
Provision for impairment on property, plant and equipment	11.2	168,711	-
Exchange differences		(1,538,281)	-
Gain on sale of discontinued operation, net of tax	8	249,204	-
Tax expense		86,325	-
		802,500	(1,886,373)
Changes in:			
Inventories		945,648	114,639
Trade and other receivables		397,473	6,424,207
Current tax assets		(6,578)	-
Trade and other payables		(107,876)	435,263
Provisions and employee benefits		1,502	-
		2,032,669	5,087,736
Cash generated from operating activities		2,032,669	5,087,736
Bank interest paid		(301)	-
Bank interest received		28,269	1,858
Taxation paid		128,124	(63,632)
<b>Net cash from operating activities carried forward</b>		<b>2,188,761</b>	<b>5,025,962</b>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Condensed Consolidated Interim Statement of Cash Flows (continued)

For the Period 1 January 2021 to 30 June 2021

	Note	6 months ended 30.06.21 €	6 months ended 30.06.20 €
<b>Net cash from operating activities brought forward</b>		<b>2,188,761</b>	<b>5,025,962</b>
<b>Cash flows from investing activities</b>			
Acquisition of other investments/properties		-	(290,121)
Acquisition of property, plant and equipment	11.1	(1,541,653)	(1,816,333)
Receipts from disposal of property, plant and equipment		-	272,282
Disposal of discontinued operation, net of cash disposed of	8	(98,691)	-
Net cash acquired following reverse acquisition	6.3	2,624,738	-
Dividends received		61,190	-
<b>Net cash from/ (used in) investing activities</b>		<b>1,045,584</b>	<b>(1,834,172)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank loans	24	(1,426,972)	-
Dividends paid	23.6	(2,904,564)	-
<b>Net cash used in financing activities</b>		<b>(4,331,536)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,097,191)</b>	<b>3,191,790</b>
Cash and cash equivalents at beginning of period		8,637,631	8,491,312
Effect of exchange rate fluctuations on cash held		(330,130)	(71,239)
<b>Cash and cash equivalents at end of period*</b>		<b>7,210,310</b>	<b>11,611,863</b>

\* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes on pages 13 to 64 are an integral part of these condensed consolidated interim financial statements.

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# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

### 1 Reporting company

MedservRegis p.l.c. (the “Company”) is a public liability company domiciled and incorporated in Malta. These condensed consolidated interim financial statements (‘interim financial statements’) as at and for the six-months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as ‘the Group’ and individually ‘Group entities’).

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

The comparative information in the table below represents the legal ownership interests by the formerly Medserv plc group prior to the share for share exchange. See note 6.

The subsidiaries and sub-subsidiaries consist of the following:

Subsidiaries	Registered office	Ownership interest		Nature of business	Paid up
		30.06.21	31.12.20		
		%	%		%
Medserv International Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Holding company	25
Medserv Eastern Mediterranean Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Holding company	20
Medserv Africa Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Holding company	20
Medserv Libya Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Logistical support and other services	20
Medserv M.E. Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Holding company	100
Medserv Operations Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	100.00	Logistical support and other services	100
Regis Holdings Limited	Oak Management (Mauritius) Ltd 1st Floor, Block B Ruisseau Creole Complex Black River 90625 Mauritius	100.00	-	Holding company	100

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## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

### 1 Reporting company (continued)

Subsidiaries	Registered office	Ownership interest		Nature of business	Paid up
		30.06.21	31.12.20		
<b>Sub-subsidiaries</b>					
Medserv (Cyprus) Limited	Karaiskakis Street Limassol Cyprus	80.00	80.00	Logistical support and other services	100
Medserv Energy TT Limited	18, Scott Bushe Street Port of Spain Trinidad & Tobago, W.I.	100.00	100.00	Logistical support and other services	100
Medserv Egypt Oil & Gas Services J.S.C	51, Tanta Street Cairo, Egypt	60.00	60.00	Logistical support and other services	100
Middle East Tubular Services Holdings Limited	Belmont Chambers Road Town Tortola, British Virgin Islands	100.00	100.00	Holding company	100
Middle East Tubular Services Limited	Belmont Chambers Road Town Tortola, British Virgin Islands	100.00	100.00	OCTG services in U.A.E.	100
Middle East Tubular Services LLC (FZC)	PO Box 561 PC322 Al Falaj-Al Qabail Sohar Sultanate of Oman	100.00	100.00	OCTG services in Sultanate of Oman	100
Middle East Tubular Services (Iraq) Limited	Belmont Chambers Road Town Tortola, British Virgin Islands	100.00	100.00	OCTG services in Southern Iraq	100
Middle East Comprehensive Tubular Services (Duqm) L.L.C.	PO Box 45 PC102 The Special Economic Zone of Duqm Al Duqm, Al Wusta Sultanate of Oman	100.00	100.00	OCTG services in Sultanate of Oman	100
Middle East Tubular Services (Gulf) Limited	Belmont Chambers Road Town Tortola, British Virgin Islands	100.00	100.00	Holding company	100

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# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

### 1 Reporting company (continued)

Subsidiaries	Registered office	Ownership interest		Nature of business	Paid up
		30.06.21	31.12.20		
<b>Sub-subsidiaries (continued)</b>					
Middle East Tubular Services Uganda SMC Limited	BMK House 4 <sup>th</sup> Floor RM 402 Plot 4-5 Nyabong Road, Kololo Kampala P.O. Box 27689, Kampala	100.00	100.00	OCTG services in Uganda	100
Medserv Mozambique Limitada	Mozambique, Cidade de Maputo Distrito Kampfumo Bairro da Sommeschield, Rua Frente de libertacao de Mozambique, n. 224	100.00	100.00	Logistical support and other services	100
Regis Shipping Limited	c/o Abacus (Seychelles) Limited, Suite 3, Global Village, Jivan's Complex, Mont Fleuri, Mahe Seychelles	100.00	-	Vessel operator	100
Regis Management Services Limited	C/o Oak Management (Mauritius) Limited 1st Floor, Block B, Ruisseau Creole Complex Black River 90625, Mauritius	100.00	-	Logistical support and other services	100
Regis Export Trading Services (Pty) Limited	343 KENT AVENUE, RANDBURG, GARDEN MALL, FERNDAL, RANDBURG, GAUTENG 2194	100.00	-	Trading and Exportation activities	100
Thomas & Van Eck Limited	C/o Oak Management (Mauritius) Limited 1st Floor, Block B, Ruisseau Creole Complex Black River 90625, Mauritius	100.00	-	Holding Company	100
Thomas & Van Eck (Pty) Limited	343 Kent Avenue, Randburg, Garden Mall, Ferndale, Randburg, Gauteng 2194	100.00	-	Engineering services	100

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# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

### 1 Reporting company (continued)

Subsidiaries	Registered office	Ownership interest		Nature of business	Paid up
		30.06.21	31.12.20		
Regis Mozambique Limitada	Rua do Porto Nr. 94/4, Pemba, Cabo Delgado, Mozambique	100.00	-	Logistical support and other services	100
Regis Uganda Limitada	7th Floor, Course view towers, Plot 21, Yusuf Lule Road, Nakasero, C/O P.O.Box 7166, Kampala, Uganda	100.00	-	Logistical support and other services	100

### 2 Basis of preparation

#### 2.1 Statement of compliance

These interim financial statements as at and for the six-months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and should be read in conjunction with the last annual consolidated financial statements of MedservRegis plc (formerly known as Medserv plc) and Regis Holdings Limited ("Regis") as at and for the year ended 31 December 2020 (together referred to as "last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). 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 financial statements.

Given that the share for share exchange completed on 25 June 2021 has been accounted for as a reverse acquisition (see note 6), these interim financial statements represent a continuation of Regis' financial statements with the exception of the capital structure. The amount recognised as equity instruments in these interim financial statements represents the issued equity of the Company adjusted to reflect the equity issued by the Company on acquisition. The Condensed Consolidated Interim Statement of Financial Position as at 30 June 2021 represents the consolidation of both the formerly Medserv Group of companies and the acquired Regis Group of Companies. The Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income and Cash Flows for the six-month period ended 30 June 2021 do not include the performance results of the formerly Medserv Group of companies in accordance with IFRS 3 *Business Combinations*. Instead, the Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income and Cash Flows consist of the results of Regis Group of Companies for the full six-month period ended 30 June 2021.

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## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

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### 2 Basis of preparation (continued)

#### 2.2 Going concern

As required by Listing Rule 5.62, upon due consideration of the Group's performance and statement of financial position, capital adequacy and solvency, the directors confirm the Group's ability to continue operating as a going concern for the foreseeable future.

### 3 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates 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 described in the last annual financial statements.

### 4 Significant accounting policies

#### 4.1 Basis of consolidation

##### 4.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see note 4.1.2). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 4.11). Any gain on a bargain purchase is recognised in profit or loss immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

##### 4.1.2 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.1 Basis of consolidation (continued)

##### 4.1.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### 4.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest 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.

##### 4.1.5 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

##### 4.1.6 Transactions eliminated on consolidation

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

#### MedservRegis p.l.c.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.2 Foreign currency

##### 4.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

##### 4.2.2 Foreign operations

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- financial liabilities denominated in USD and designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see note 4.2.4); and
- qualifying cash flow hedges to the extent the hedges are effective (see note 4.2.4).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and presented within equity in the translation reserve, except to the extent that the translation difference is allocated to NCI. However, if the operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.2 Foreign currency (continued)

##### 4.2.3 Hedge accounting

The Group designates certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

##### 4.2.4 Hedge of a net investment in foreign operation

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

##### *Net investment hedges*

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative are recognised immediately in profit or loss.

The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.2 Foreign currency (continued)

##### 4.2.5 Foreign currency gains and losses

Foreign currency gains and losses relating to operating activities are recognised in profit or loss and reported on a net basis as either “other income” or “other expenses” depending on whether foreign currency movement is in a net gain or net loss position. Other non-operating foreign currency gains and losses are recognised in profit or loss are reported on a net basis as either “finance income” or “finance costs” depending on whether foreign currency movement is in a net gain or net loss position.

##### 4.3 Financial instruments

##### 4.3.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### 4.3.2 Classification and subsequent measurement

##### 4.3.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.3 Financial instruments (continued)

##### 4.3.2 Classification and subsequent measurement (continued)

##### 4.3.2.1 Financial assets (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### 4.3.2.2 Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.3 Financial instruments (continued)

##### 4.3.2 Classification and subsequent measurement (continued)

##### 4.3.2.3 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

##### 4.3.2.4 Financial assets – Subsequent measurement and gains and losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company’s financial assets comprise loans to subsidiaries, cash and cash equivalents and trade and other receivables. The Group’s financial assets comprise cash and cash equivalents, trade and other receivables and contract assets.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

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#### 4 Significant accounting policies (continued)

##### 4.3 Financial instruments (continued)

##### 4.3.3 Derecognition

###### 4.3.3.1 Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

###### 4.3.3.2 Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### 4.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### 4.4 Share capital

Share capital consists of ordinary shares that are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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### Notes to the Condensed Consolidated Interim Financial Statements

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#### 4 Significant accounting policies (continued)

##### 4.5 Property, plant and equipment

###### 4.5.1 *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within "other income" or "other expenses" in profit or loss.

###### 4.5.2 *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

###### 4.5.3 *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Property developed and related improvements made on leased land are depreciated over the shorter of the land's lease term and the useful lives of the building and improvements unless it is reasonably certain that the Group will obtain ownership of the land by the end of the lease term. Depreciation commences when the item is available for use.

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#### 4 Significant accounting policies (continued)

##### 4.5 Property, plant and equipment (continued)

##### 4.5.3 Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
• Buildings and base improvements	3 - 42
• Furniture and fittings	10
• Office equipment	4
• Computer equipment	5
• Plant and equipment	10
• Motor vehicles	5 - 10
• Cargo carrying units	10
• Photovoltaic farm	20

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

##### 4.6 Intangible assets and goodwill

##### 4.6.1 Recognition and measurement

Intangible assets include customer relationships, licenses, brand and contractual rights that are acquired by the Group and have finite useful lives. Intangible assets acquired as part of a business combination are measured at fair value at the date of acquisition less accumulated amortisation and any accumulated impairment losses.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. Goodwill that arises upon the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

##### 4.6.2 Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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#### 4 Significant accounting policies (continued)

##### 4.6 Intangible assets and goodwill (continued)

###### 4.6.3 Amortisation

Amortisation is calculated to write off the cost of the intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### 4.7 Investment Property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### 4.8 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

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#### 4 Significant accounting policies (continued)

##### 4.8 Assets held for sale (continued)

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

##### 4.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

##### 4.9.1 As a lessee

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, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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#### 4 Significant accounting policies (continued)

##### 4.9 Leases (continued)

##### 4.9.1 As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets vary between 3 and 42 years. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Subsequent to initial recognition, right-of-use assets that convey to the lessee rights over the use of land are revalued periodically, such that its carrying amount does not differ materially from that which would be determined using the fair value at the date of the statement of financial position. Any surpluses arising on revaluation are accounted for in terms of IAS 16 *Property, Plant and Equipment*, and thus credited to a revaluation reserve. Any deficiencies from decrease in value are deducted from this reserve to the extent that it is sufficient to absorb them, with any excess charged to profit or loss.

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, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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#### 4 Significant accounting policies (continued)

##### 4.9 Leases (continued)

###### 4.9.1 As a lessee (continued)

The Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the statement of financial position.

##### 4.10 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

##### 4.11 Impairment

###### 4.11.1 Financial assets

###### 4.11.1.1 Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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#### 4 Significant accounting policies (continued)

##### 4.11 Impairment (continued)

##### 4.11.1 Financial assets (continued)

##### 4.11.1.1 Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### 4.11.1.2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

##### 4.11.1.3 Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

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#### 4 Significant accounting policies (continued)

##### 4.11 Impairment (continued)

##### 4.11.1 Financial assets (continued)

##### 4.11.1.4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the Statement of Profit or loss and OCI.

##### 4.11.1.5 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off on its financial assets based on whether there is a reasonable expectation of recovery and with reference to its historical experience of recoveries. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### 4.11.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

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For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.11 Impairment (continued)

##### 4.11.2 *Non-financial assets (continued)*

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

For impairment testing of Goodwill that is allocated to a group of CGUs, any resulting impairment losses are allocated first to reduce the carrying amounts of the other assets in the group of CGUs, and then to reduce the carrying amount of Goodwill.

##### 4.12 Investments in subsidiaries

Investments in subsidiaries are shown in the statement of financial position of the Company at cost less any accumulated impairment losses.

##### 4.13 Employee benefits

##### 4.13.1 *Defined contribution plans*

The Group contributes towards the State defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of fixed contributions. Obligations for contributions to the defined contribution plan are recognised in profit or loss as incurred.

##### 4.13.2 *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on German Government Bonds that have maturity dates approximating the terms of the Group's obligations.

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#### 4 Significant accounting policies (continued)

##### 4.13 Employee benefits (continued)

###### 4.13.3 Severance payments

Pursuant to United Arab Emirates (U.A.E.) and Sultanate of Oman labour regulations, severance payments have to be paid on termination of employment by the employer. The Group's net obligation in respect of this defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of the liability is performed annually at each reporting date using the projected unit credit method. Re-measurement of the liability, which comprise actuarial gains and losses, are recognised immediately in OCI.

The Group determines the interest expense on the liability for the period by applying the discount rate used to measure the obligation at the beginning of the annual period to the then-net liability, taking into account any changes in the liability during the period as a result of payments. Interest expense is recognised in profit or loss. The Group recognises gains and losses on the settlement of a liability when the settlement occurs.

##### 4.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost.

##### 4.15 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer.

###### 4.15.1 Performance obligations and revenue recognition policies

The following is a description of the principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments, see note 5.

The Group is engaged in providing integrated logistics support services (ILSS) to the offshore oil and gas industry and OCTG services to the onshore oil and gas market and as such is involved in providing support services that span over a term. Services and support provided to the offshore oil and gas industry consists of integrated offshore logistics, engineering support services, supply of goods and management services. OCTG services to the onshore oil and gas market consist of handling and storage, inspection and machine shop services and other ancillary services.

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#### 4 Significant accounting policies (continued)

##### 4.15 Revenue (continued)

##### 4.15.1 Performance obligations and revenue recognition policies (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

##### 4.15.1.1 Integrated Logistics Support Services (ILSS)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<b>Logistic support services</b>	<p>The Group performs and provides logistics services to international oil companies carrying out offshore drilling campaigns. The Group delivers fully integrated supply base services which connect all the elements of the clients' logistics and materials management activities. Logistics support services include provision of equipment, personnel, warehousing, quays and land in a certified facility aimed at supporting offshore oil and gas drilling activities.</p> <p>Invoices are issued on a monthly basis and are usually payable within 30 to 60 days. Uninvoiced amounts are presented as contract assets.</p>	<p>Logistic support services provided are routine or recurring in nature and span over a period of time. These services have been identified as a series of distinct services transferred to the customer in the same pattern. The customer simultaneously receives the benefits provided as the services are being rendered. Revenue is recognised over time as the services are provided.</p>
<b>Engineering services</b>	<p>The Group through its engineering division carries out a full range of essential, non-critical engineering and technical services for the offshore platforms and drilling rigs. Services range from fabric maintenance, corrosion protection, riser inspection services, rig repair, technical services and general fabrication and maintenance. Engineering services have been identified as a bundle of distinct goods or services that form one single obligation.</p> <p>Invoices are issued according to contractual terms and are usually payable within 30 to 60 days. Uninvoiced amounts are presented as contract assets.</p>	<p>As the Group's performance creates or enhances an asset that the customer controls as the asset is created. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue is assessed based on surveys of work performed.</p> <p>If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on customer-specific contract or based on the list prices at which the Group sells the services in separate transactions.</p>

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#### 4 Significant accounting policies (continued)

##### 4.15 Revenue (continued)

##### 4.15.1 Performance obligations and revenue recognition policies (continued)

##### 4.15.1.1 Integrated Logistics Support Services (ILSS)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<b>Supply of goods</b>	<p>The Group is involved in procuring various goods and supplies to its customers for use on the offshore rigs and their supply vessels.</p> <p>Clients obtain control of goods when the goods are delivered to and have been accepted at their specified location. Invoices are generated at that point in time. Invoices are usually payable within 60 days.</p>	<p>Revenue from supply of goods is recognised when the goods are delivered as this is the point in time that the consideration is unconditional since only the passage of time is required before payment is due.</p> <p>Delivery occurs when the goods have been shipped to the specific location or loaded onto the client's vessel, the risks and rewards have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Generally, for such goods, the customer has no right of return.</p>

##### 4.15.1.2 Oil country tubular goods (OCTG)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<b>Storage and handling</b>	<p>Invoices for storage and handling are issued on a monthly basis and are usually payable within 30 days. Revenue is recognised over time as the services are provided.</p>	<p>If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative standalone selling prices. The standalone selling prices are determined based on the agreed selling prices as per customer-specific contract or based on the list prices at which the Group sells the services in separate transactions.</p>

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#### 4 Significant accounting policies (continued)

##### 4.15 Revenue (continued)

##### 4.15.1 Performance obligations and revenue recognition policies (continued)

##### 4.15.1.2 Oil country tubular goods (OCTG)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<i>Inspection</i>	Invoices for inspection are issued on a monthly basis and are usually payable within 30 days.	Revenue is recognised over time as the services are provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative standalone selling prices. The standalone selling prices are determined based on the agreed selling prices as per customer-specific contract or based on the list prices at which the group sells the services in separate transactions.
<b>Repairs of pipes</b>	Invoices for repair of pipes are issued on a monthly basis and are usually payable within 30 days.	Revenue is recognised over time as the services are provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative standalone selling prices. The standalone selling prices are determined based on the agreed selling prices as per customer-specific contract or based on the list prices at which the group sells the services in separate transactions.

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#### 4 Significant accounting policies (continued)

##### 4.15 Revenue (continued)

##### 4.15.1 Performance obligations and revenue recognition policies (continued)

##### 4.15.1.3 Photovoltaic income

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<b>Supply of electricity</b>	<p>Revenue from supply of electricity is generated from the Group's investment in the Photovoltaic farm. Invoices are issued on a monthly basis. Prices are based on the published Feed-in-Tariffs.</p> <p>Invoices are issued on receipt of the monthly statement issued by the counterparty and are payable within 15 days.</p>	Revenue is recognised over time based on the monthly readings of kWh of energy supplied as per monthly statements issued by the counterparty.

##### 4.15.1.4 Trading activity

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
<b>Supply of goods</b>	<p>The Group is involved in procuring agricultural commodities and supplies to its customers.</p> <p>Clients obtain control of goods when the goods are delivered to and have been accepted at their specified location. Invoices are generated at that point in time. Invoices are usually payable within 30 days.</p>	<p>Revenue from supply of goods is recognised when the goods are delivered as this is the point in time that the consideration is unconditional since only the passage of time is required before payment is due.</p> <p>Delivery occurs when the goods have been delivered to the client's location or loaded onto the client's vessel, the risks and rewards have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Generally, for such goods, the customer has no right of return.</p>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.15 Revenue (continued)

##### 4.15.2 *Determining transaction price and allocation to performance obligations*

The Group's amount of consideration which it expects to be entitled to in exchange for transferring of services to a customer is determined on a per-service usage basis and is payable in accordance with customary payment terms. Accordingly, a transaction price is determined separately for each performance obligation.

##### 4.15.3 *Dividend income*

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

##### 4.16 Finance income and finance costs

Finance income comprises interest income recognised on financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

##### 4.17 Government grants

The Group recognises government grants that are related to assets as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In that case, the grant is recognised when it becomes receivable.

Government assistance in the form of a guarantee from the government for loans from financial institutions is considered part of the unit of account in determining the fair value of the loan.

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For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

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For the Period 1 January 2021 to 30 June 2021

#### 4 Significant accounting policies (continued)

##### 4.19 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. This EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, the calculation of EPS for all periods presented shall be adjusted retrospectively.

##### 4.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors, the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Company's assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

#### 5 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

#### 6 Reverse acquisition

On 25 June 2021, MedservRegis plc (formerly Medserv p.l.c.) acquired 100% of the share capital and voting rights in Regis Holdings Limited ("Regis"). Regis Holdings Limited is a holding company whose subsidiaries provide logistics, equipment, procurement and specialised services to a wide range of customers, including national and international energy companies, drilling and mining companies as well as product and equipment manufacturers and other heavy industry-related contractors in South Africa, Mozambique, Uganda, Tanzania and Angola.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 6 Reverse acquisition (continued)

Through this reverse acquisition, the two companies joined forces and created a truly global player that will allow the combined entity to successfully respond to the deep changes taking place in the energy market. Together, the global outreach of MedservRegis spans across four continents, comprising a presence in twelve countries and operations out of ten bases. This is expected to strengthen the Company's market position and broaden its geographic footprint in strategic locations around the Mediterranean region (Libya, Malta, Cyprus and Egypt), in the Middle East (UAE, Oman and Iraq), Sub-Saharan Africa (Mozambique, Uganda, Angola and South Africa) and South America (Suriname).

From a legal and taxation perspective, the Company is considered the acquiring entity (legal acquirer). However, the acquisition has the features of a reverse acquisition as described in IFRS 3 *Business Combinations*.

The transaction has therefore been accounted for as a reverse acquisition from a consolidated perspective, where Regis is the accounting acquirer (legal acquiree) and the Company is the accounting acquiree (legal acquirer). As a result, these interim statements represent a continuation of Regis' financial statements with the exception of the capital structure as described in note 2.1.

The board of directors of the Company is confident that the synergies created by this transaction will strengthen the Company's financial position and improve its capability of delivering value to all stakeholders.

During the six-month period ended 30 June 2021 and prior to the reverse acquisition, the formerly Medserv p.l.c. Group generated a revenue of €12,699,647 and the consolidated loss for the period and adjusted EBITDA amounted to €4,545,376 and €1,621,024 respectively. If the acquisition had occurred on 1 January 2021, management estimates that total consolidated revenue would have been €18,726,593 and consolidated loss for the period and adjusted EBITDA would have been €2,689,946 and €1,564,420 respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

##### 6.1 Consideration transferred

Given that this is a reverse acquisition, no cash consideration was paid. The purchase price of the acquisition was the issuance by Medserv of 47,893,229 ordinary shares of a nominal value of €0.10c per share (€4,789,322) and a share premium of €0.58c per share (€27,778,073) totalling to €32,567,395 in favour of DOCOB Limited (the "Regis shareholder").

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 6 Reverse acquisition (continued)

##### 6.1 Consideration transferred (continued)

Under the reverse acquisition principles, the acquisition-date fair value of the consideration transferred by Regis Holdings Limited (legal acquiree) for its interest in the Company (the legal acquirer) is based on the number of equity interests Regis Holdings Limited would have had to issue to give the owners of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition. The fair value of the number of equity interests calculated in this way is used as the fair value of consideration transferred in exchange for the Company. The fair value of the notional number of equity instruments that Regis Holdings Limited would have had to issue to the Company to give the owners of the Company the same percentage ownership in the combined entity is €38,938,843.

The difference between the notional consideration of €38,938,843 and the shares issued by the Company at a total of €32,567,396 inclusive of the share premium amounts to €6,371,448 and has been transferred to the reverse acquisition reserve.

##### 6.2 Acquisition-related costs

The Group incurred acquisition-related costs of €174,390 relating to external legal fees and due diligence costs during the first six months ended 30 June 2021. These costs have been incurred by the Company as the legal acquirer and expensed as incurred but not included in the condensed consolidated statement of profit or loss and OCI in view of the reverse acquisition accounting principles.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 6 Reverse acquisition (continued)

##### 6.3 Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities of the Company (being the accounting acquiree) assumed at the date of acquisition.

	<i>Note</i>	€
Property, plant and equipment		27,355,725
Intangible assets and goodwill		9,152,666
Equity-accounted investees		300
Right-of-use assets		61,152,070
Deferred tax assets		3,945,432
Inventories		1,194,790
Current tax assets		217,633
Trade and other receivables		9,412,947
Contract costs		318,080
Contract assets		48,024
Cash at bank and in hand		5,238,620
Loans and borrowings	24	(56,538,936)
Employee benefits		(805,280)
Lease liabilities		(18,016,980)
Trade and other payables		(7,343,435)
Deferred tax liabilities		(11,476,451)
Bank overdraft		(2,613,882)
Current tax liabilities		(5,463)
<b>Total identifiable net assets acquired</b>		<b>21,235,860</b>

Trade and other receivables comprised gross contractual amounts due of €10,938,741 of which €1,525,795 was credit impaired at the date of acquisition.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 6 Reverse acquisition (continued)

##### 6.4 Fair values measured on a provisional basis

The initial accounting for the reverse acquisition has only been provisionally determined at 30 June 2021. At the date of finalisation of these interim financial statements, the necessary market valuations and other calculations had not been finalised and the fair value of the identifiable assets and liabilities of the Company, as well as any identifiable intangible assets (such as customer relationships, brand values etc), associated deferred tax liabilities and goodwill in note 6.5 have therefore only been provisionally determined based on the likely fair value of the identifiable assets acquired and liabilities assumed in view of the limited timeframe. The identifiable intangible assets would then be amortised over the remaining useful life of such assets whilst any goodwill would need to be tested for impairment at least annually. Depending on the outcome of this assessment, the value of the identifiable assets acquired and liabilities assumed and any residual goodwill amount can increase or decrease according to the final valuations, with the net impact reflected in total equity.

##### 6.5 Intangible assets and goodwill

Intangible assets and goodwill arising from the acquisition amounts in total to €25,443,674 of which €9,152,666 had been already recognized by the former Medserv p.l.c. Group and Regis prior to the acquisition. The remaining intangible assets and goodwill have been provisionally determined as follows:

Total consideration transferred		€ 38,938,843
Non-controlling interest, based on their proportionate interest in the recognised amounts of assets and liabilities		(1,133,523)
		37,805,320
Fair value of identifiable net assets of the legal acquirer	6.3	(21,235,860)
<b>Intangible assets and goodwill</b>		<b>16,569,460</b>

Identifiable net tangible assets acquired		€ 12,083,194
Intangible assets and goodwill		9,152,666
<b>Total identifiable net assets acquired</b>	6.3	<b>21,235,860</b>
Additional intangible assets and goodwill		16,569,460
Non-controlling interest, based on their proportionate interest in the recognised amounts of assets and liabilities		1,133,523
<b>Total consideration transferred</b>	6.1	<b>38,938,843</b>

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For the Period 1 January 2021 to 30 June 2021

## 7 Operating segments

**7.1** Following the acquisition of Regis (see note 6), the Group has aggregated all its reporting segments into five reportable operating segments, as described below, which represent the Group's strategic divisions. Prior to acquisition, the Company had three reportable operating segments, namely integrated logistics support services, oil country tubular goods and photovoltaic farm.

These divisions offer different products and services and are managed separately because they require different resources and marketing strategies. For each of the strategic divisions, the Board of Directors, which is the chief operating decision maker, reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments

Integrated logistics support services	Includes the provision of comprehensive logistical support services to the offshore oil and gas industry from the Group's bases in Malta, Cyprus, Egypt, Suriname (South America) and Africa.
Oil country tubular goods	Includes the provision of an integrated approach to OCTG handling, inspection, repairs and other ancillary services based in three Middle East locations, namely U.A.E., Southern Iraq and Sultanate of Oman.
Trading activity	Involves the trading and exportation of locally produced goods and operates principally in South Africa.
Photovoltaic farm	Involves the generation of electricity which is sold into the national grid for a twenty-year period at a price secured under the tariff scheme regulated by subsidiary legislation S.L. 423.46 in Malta.
Property segment (discontinued)	Involves income generated from the investment properties.

Information regarding the results of each reportable segment is included below.

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For the Period 1 January 2021 to 30 June 2021

#### 7 Operating segments (continued)

##### 7.2 Information about reportable segments

	Integrated Logistics		Property Segment		Trading Activity		Total	
	Support Services		(Discontinued) *					
	6mths to 30.06.21	6mths to 30.06.20	6mths to 30.06.21	6mths to 30.06.20	6mths to 30.06.21	6mths to 30.06.20	6mths to 30.06.21	6mths to 30.06.20
	€	€	€	€	€	€	€	€
External revenues	4,999,875	4,970,577	13,385	207,355	1,027,071	1,348,509	6,040,331	6,526,441
Inter-segment revenue	-	1,420,641	186,635	64,516	-	1,027,638	186,635	2,512,795
<b>Total revenue</b>	<b>4,999,875</b>	<b>6,391,218</b>	<b>200,020</b>	<b>271,871</b>	<b>1,027,071</b>	<b>2,376,147</b>	<b>6,226,966</b>	<b>9,039,236</b>
Segment profit/(loss) before tax	1,108,271	(1,370,883)	1,397,981	(397,949)	(315,293)	(1,111,829)	2,190,959	(2,862,661)
<b>Adjusted EBITDA</b>	<b>568,711</b>	<b>(513,980)</b>	<b>1,397,981</b>	<b>(379,949)</b>	<b>(596,214)</b>	<b>(702,380)</b>	<b>1,370,478</b>	<b>(1,596,309)</b>

\* See Note 8

# MedservRegis p.l.c. (formerly Medserv p.l.c.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

### 7 Operating segments (continued)

#### 7.3 Reconciliation of information on reportable segments

##### 7.3.1 Revenues

	6 months ended 30.06.21 €	6 months ended 30.06.20 €
Total revenue for reportable segments	6,226,966	9,039,236
Elimination of inter-segment revenue	(186,635)	(2,512,795)
Elimination of discontinued operations (see note 8)	(13,385)	(207,355)
<b>Consolidated revenue</b>	<b>6,026,946</b>	<b>6,319,086</b>

##### 7.3.2 Profit before tax

	6 months ended 30.06.21 €	6 months ended 30.06.20 €
Total profit/(loss) before tax for reportable segments	2,190,959	(2,862,661)
Elimination of discontinued operation (see note 8)	(1,397,981)	379,949
<b>Consolidated profit / (loss) before tax from continuing operations</b>	<b>792,978</b>	<b>(2,482,712)</b>

##### 7.3.2 Adjusted EBITDA

	6 months ended 30.06.21 €	6 months ended 30.06.20 €
Total adjusted EBITDA for reportable segments	1,370,478	(1,596,309)
Share of profit of equity-accounted investee	(29,101)	(41,601)
Elimination of discontinued operation (see note 8)	(1,397,981)	379,949
<b>Consolidated adjusted EBITDA</b>	<b>(56,604)</b>	<b>(1,257,961)</b>

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## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

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### 8 Discontinued operations

As part of the reorganisation following the acquisition of Regis Group by Medserv Group (refer to note 1), during the reporting period, there was the transfer out of the Regis Group of the shareholding in the following entities, representing non-core businesses:

- i. Worx Developments Limited;
- ii. Bel Ombre Investments Ltd;
- iii. Regis Property Holdings (Australia) Pty Ltd;
- iv. Thomson and Van Eck International Proprietary Limited;
- v. Drill Stem Testing International Ltd;
- vi. DST Australia (PTY) Limited;
- vii. International Assurance Limited PCC;
- viii. PSV Holdings Limited;
- ix. Capital Mineral Resource Investments Limited;
- x. units held by Regis in OzProp Investment Trust;
- xi. Regis Tanzania Limited;

The Group transferred out its entire Property segment (see note 7). Management committed to a plan in transferring out this division, following a strategic decision to plan greater focus on the Group's key competencies, being the rendering of Integrated Logistics Support Services and providing Oil Country Tubular Goods to the oil and gas industry.

The Property segment was not previously classified as held-for-sale or as a discontinued operation. The comparative condensed consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

## 8 Discontinued operations (continued)

### 8.1

	6 months ended 30.06.21 €	6 months ended 30.06.20 €
<b>Results from discontinued operation</b>		
Revenue	13,385	271,871
Elimination of inter-segment revenue	186,635	(64,516)
External revenue	200,020	207,355
Income / (expenses)	1,197,961	(758,587)
Elimination of expenses related to inter-segment sales	-	171,282
External expenses	1,197,961	(587,305)
<b>Results from operating activities</b>	<b>1,397,981</b>	<b>(379,950)</b>
Income tax	-	(6,361)
<b>Results from operating activities, net of tax</b>	<b>1,397,981</b>	<b>(386,311)</b>
Loss on sale of discontinued operation	(249,204)	-
<b>Profit (loss) from discontinued operation for the period, net of tax</b>	<b>1,148,777</b>	<b>(386,311)</b>
<b>Basic earnings per share (euro)</b>	<b>2c1</b>	<b>(0c7)</b>

### 8.2 Cash flows from (used in) discontinued operation

	6 months ended 30.06.21 €	6 months ended 30.06.20 €
Net cash used in operating activities	6,293,422	(39,430)
Net cash from investing activities	(6,469,112)	(288,187)
Net cash from financing activities	110,061	190,004
<b>Net cash flow for the period</b>	<b>(65,629)</b>	<b>(137,613)</b>

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 8 Discontinued operations (continued)

##### 8.3 Effect of disposal on the financial position of the Group

	€
Property, plant and equipment	2,259,851
Investment property	3,784,569
Investment in associates	96
Inventories	73,249
Other investments	6,544,164
Trade and other receivables	1,498,986
Cash and cash equivalents	98,691
Deferred tax assets	334,727
Trade and other payables	(8,056,908)
<b>Net assets and liabilities</b>	<b>6,537,425</b>
Cash and cash equivalents disposed of	(98,691)
<b>Net cash outflow</b>	<b>(98,691)</b>

#### 9 Earnings per share

##### 9.1 Basic earnings per share

The calculation of basic earnings per share of the Group and the Company is based on the profit or loss attributable to ordinary shareholders of the Company as shown in the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, divided by the weighted-average number of ordinary shares at 30 June 2021.

There were no dilutive potential ordinary shares during the current and comparative year.

##### **Profit/(Loss) attributable to ordinary shareholders (basic)**

	6 months ended 30.06.21			6 months ended 30.06.20		
	Continuing operations	Discontinued operations	Total	Continuing operations (restated)	Discontinued operations (restated)*	Total
	€	€	€	€	€	€
<b>Profit / (loss) for the period, attributable to the owners of the Company</b>	<b>706,653</b>	<b>1,148,777</b>	<b>1,855,430</b>	<b>(2,796,031)</b>	<b>(386,311)</b>	<b>(3,182,342)</b>

\* See note 8.

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#### 9 Earnings per share (continued)

##### 9.1 Basic earnings per share (continued)

###### *Weighted-average number of ordinary shares (basic)*

	Note	2021 No. of shares	2020 No of shares
Issued ordinary shares at 1 January		53,744,405	53,744,405
Effect of shares issued related to reverse acquisition	6	1,587,621	-
<b>Weighted-average number of ordinary shares at 30 June</b>		<b>55,332,026</b>	<b>53,744,405</b>

#### 10 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.

##### Reconciliation of adjusted EBITDA to loss from continuing operations

	6 months ended 30.06.21	6 months ended 30.06.20
	€	Re-presented* €
<b>Profit from continuing operations</b>	706,653	(2,796,031)
Tax expense	86,325	319,681
<b>Profit before tax</b>	<b>792,978</b>	<b>(2,476,350)</b>
Adjustments for:		
- Net finance income	(1,267,091)	(38,970)
- Depreciation	277,899	1,298,960
- Provision for impairment losses on Property, plant and equipment	168,711	-
- Share of profit of equity-accounted investees, net of tax	(29,101)	(41,601)
<b>Adjusted EBITDA</b>	<b>(56,604)</b>	<b>(1,257,961)</b>

\*Comparative information has been re-presented due to a discontinued operation. See Note 8.

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 11 Property, plant and equipment

11.1 During the six months ended 30 June 2021, the Group acquired assets with a cost of €1,541,653 (six months ended 30 June 2020: €1,816,333). In addition, following the reverse acquisition, the Group acquired property, plant and equipment of €27,355,726. See note 6.

11.2 The impairment loss of €168,711 on property, plant and equipment recognised during the period relates to the write down of the carrying amount at reporting date of the bulk vessel named MV Baltic Trader owned by Regis Shipping Limited to its fair value less costs of disposal (FVLCD). Subsequent to reporting date, an agreement was signed for the sale of this vessel by the fourth quarter of 2021 for €0.5 million. The recoverable amount of this asset was determined with reference to this sale agreement.

#### 12 Other properties

##### 12.1 Investment properties

	Land	Building and Building related costs	Borrowing costs	Option on property purchase	Total
	€	€	€	€	€
At 1 January 2020	2,020,582	1,351,330	242,348	1,230,064	4,844,324
Amount capitalised during the year	-	336,303	72,158	-	408,461
Reclassification of VAT recoverable from prior years to investment properties	-	222,555	-	-	222,555
Reclassified as 'Assets held for sales' on completion (note 12 (b))	(1,167,529)	(1,764,962)	(294,706)	-	(3,227,197)
Reclassified as "Other Receivables" (note 21)	-	-	-	(1,230,064)	(1,230,064)
Exchange difference	(234,010)	(145,226)	(19,800)	-	(399,036)
<b>At 31 December 2020</b>	<b>619,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619,043</b>
Transfer out (see note 8)	(619,043)	-	-	-	(619,043)
<b>At 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 12.2 Assets held for sale

	30.06.21	31.12.20
	€	€
Transfer from investment properties	-	3,227,268
Capitalisation of VAT irrecoverable	-	38,168
Exchange differences	-	(220,470)
<b>At end of reporting period</b>	<b>-</b>	<b>3,044,966</b>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 13 Intangible assets and goodwill

	<i>Note</i>	€
<b>Cost</b>		
Balance at 1 January 2021		2,681,629
Acquisition through business combination	6.5	25,443,674
<b>Balance at 30 June 2021</b>		<b>28,125,303</b>
<b>Accumulated amortisation and impairment losses</b>		
Balance at 1 January 2021		2,403,177
Amortisation		-
<b>Balance at 30 June 2021</b>		<b>2,403,177</b>
<b>Carrying amounts</b>		
Balance at 1 January 2021		278,452
<b>Balance at 30 June 2021</b>		<b>25,722,126</b>

#### 14 Loan receivable from related party

Following the reorganisation within the Regis Group as a result of the reverse acquisition (see note 8), a loan agreement amounting to €6,007,615 was entered into between Regis and Drill Stem Testing International Limited for the purpose of ensuring that the formerly Medserv p.l.c. Group is adequately protected from any liability resulting from the said reorganisation. The loan is secured in favour of Regis by a pledge over all the shares held in Worx Developments Limited. The loan has an interest rate based on the United States Federal Funds Rate plus 3% and is repayable by 31 December 2023.

#### 15 Investment in associates

	<b>30.06.21</b>	31.12.20
	€	€
Balance at 1 January	<b>564,594</b>	98,279
Addition through reverse acquisition (see note 6.3)	<b>300</b>	400
Net share of profit or loss on associates	<b>29,101</b>	465,915
Effects of movements in exchange rates	<b>12,858</b>	-
<b>Balance as per reported period</b>	<b>606,853</b>	<b>564,594</b>

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 15 Investment in associates (continued)

The investment in associates consist of the following:

Associates	Registered office	Ownership interest		Nature of business	Paid up
		30.06.21	31.12.20		
		%	%		%
FES Libya Limited	Port of Marsaxlokk Birzebbugia Malta	25.00	25.00	Engineering services in Libya	100
Specialised Mechanical Technologies Limited	c/o Oak Management Mauritius Limited, 1st Floor, Block B, Ruisseau Creole Complex, Black River 90625, Mauritius	40.00	40.00	Technical services and Logistics in Angola	100
Enemech (Mauritius) Limited	c/o Oak Management Mauritius Limited, 1st Floor, Block B, Ruisseau Creole Complex, Black River 90625, Mauritius	30.00	30.00	Holding company in Sonimech Lda	100
AvHold Limited	C/o Navitas Management Services Ltd, Navitas House, Robinson Lane, Floreal, Mauritius	49.00	49.00	Holding company in a licensed domestic flight operator	100

#### 16 Investment at fair value through profit or loss (FVPTL)

	30.06.21	31.12.20
	€	€
Balance at 1 January	3,442,639	1,128,374
Additions	-	1,845,716
Foreign exchange movement	-	203,965
Fair value adjustment	385,943	264,584
<b>Balance at reporting period</b>	<b>3,828,582</b>	<b>3,442,639</b>

The Group holds a portfolio of equity shares, bonds and other securities, which is managed by its custodian. These investments represent marketable and listed instruments which are highly liquid, and the Group uses the market close out rates for the fair valuation of these instruments at each reporting date. The investments are classified under Level 1, as per the classification of IFRS 13 *Fair Value Measurements*.

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 17 Other investments

	30.06.21	31.12.20
	€	€
Balance at 1 January	6,284,259	5,630,239
Fair value adjustment	-	654,020
Transfer out (see note 8)	(6,284,259)	-
<b>Balance at reporting period</b>	<b>-</b>	<b>6,284,259</b>

Other investments consist of 60% unit shares in an investee company which in turn holds properties. This investment was transferred out as part of the reorganisation of Regis Group (see note 8) prior to the reverse acquisition on 25 June 2021. The current unit value, based on the valuation of the properties, are used to determine the fair value of these investments held by the Group. The technique of valuation of these properties consists of the similar properties market comparable and the income approach whereby the future rentals are estimate over the life of the properties. As of 31 December 2020, the Directors considered the Current Unit Value as per their statement of holding provided by the investee company to be appropriate approximation of the fair value of these investments. These investments are classified under Level 3, as per the classification requirements of IFRS 13, Fair Value Measurements.

#### 18 Deferred tax assets and liabilities

	Balance 30.06.21	Acquired through business combination	Balance 01.01.21
	€	€	€
Property, plant and equipment	(1,860,156)	(1,860,156)	-
Provision for discounted gratuity payments	17,874	17,874	-
Provision for exchange fluctuations	(3,466)	(3,466)	-
Impairment loss on receivables	378,586	378,586	-
Investment tax credits	8,339,822	8,339,822	-
Unutilised tax losses and unabsorbed capital allowances	963,463	963,463	-
Provision for impairment loss on property, plant and equipment	155,442	155,442	-
Provision for volume discounts	(20,501)	(20,501)	-
Right-of-use assets	(30,020,021)	(30,020,021)	-
Lease liabilities	14,517,939	14,517,939	-
	<b>(7,531,018)</b>	<b>(7,531,018)</b>	<b>-</b>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 19 Inventories

	Balance 30.06.21	Balance 31.12.20
	€	€
Inventory	1,557,287	858,579
Work in progress	82,998	532,563
	<b>1,640,285</b>	<b>1,391,142</b>

For the six-month period ended 30<sup>th</sup> June 2021, inventories of €1,071,855 (2020: €1,060,388) were recognised as an expense during the period and included in 'cost of sales'.

#### 20 Trade and other receivables

	Balance 30.06.21	Balance 31.12.20
	€	€
<b>Current assets</b>		
Trade receivables	16,312,966	8,362,908
Other receivables	1,953,284	197,199
Prepayments	1,044,671	1,735,341
<b>Total trade and other receivables</b>	<b>19,310,921</b>	<b>10,295,448</b>

#### 21 Contract costs

The contract costs include the carrying amount of a signing bonus amounting to €318,080 (2020: €nil) granted to certain key management personnel of METS during 2016 subject to vesting period. See note 6.3.

#### 22 Cash and cash equivalents

		Balance 30.06.21	Balance 31.12.20
	Note	€	€
Cash in hand		162,649	2,368,061
Bank balances		9,661,543	6,269,570
		<b>9,824,192</b>	<b>8,637,631</b>
Bank overdraft used for cash management purposes	24	(2,613,882)	-
<b>Cash and cash equivalents</b>		<b>7,210,310</b>	<b>8,637,631</b>

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## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

## 23 Capital and reserves

### 23.1 Share capital

	Ordinary shares No.
In issue at 1 January 2020	53,744,405
<b>In issue at 31 December 2020 – fully paid</b>	<b>53,744,405</b>
In issue at 1 January 2020	<b>53,744,405</b>
Shares issued during the year (see note 6.1)	<b>47,893,229</b>
<b>At 31 December 2020</b>	<b>101,637,634</b>

The Company's authorised share capital amounts to 120,000,000 shares of €0.10 each (2020: 120,000,000 ordinary shares of €0.10 each).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Group and the Company's residual assets.

On 25 June 2021, the Company issued 47,893,229 ordinary shares of a nominal value of €0.10c per share and a share premium of €0.58c per share in favour of DOCOB Limited as a result of the share for share exchange. The Company has applied for the admissibility of the said shares with the Malta Financial Services Authority in terms of Capital Markets Rule 3.15.

### 23.2 Share premium

Share premium amounting to €27,778,073 (2020: €nil) represents premium on issue of 47,893,229 ordinary shares of a nominal value of €0.10 each at a share price of €0.58 each (see note 6.1).

### 23.3 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

### 23.4 Revaluation reserve

The revaluation reserve relates to the revaluation of the property, plant and equipment.

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 23 Capital and reserves (continued)

##### 23.5 Reverse acquisition reserve

The reverse acquisition reserve was created in accordance with IFRS3 *Business Combinations*. Since the shareholders of Regis became the majority shareholders of the enlarged group, the acquisition is accounted for as though there is a continuation of the Regis financial statements.

##### 23.6 Dividends

A dividend amounting to €2,904,564 (2020: €nil) was paid by Regis prior to the acquisition in line with the agreement for the share for share exchange. Subsequent to year end, the Regis shareholder have paid €0.9 million out of this dividend as part settlement of the loan between the Company's subsidiary, Regis Holdings Limited and Drill Stem Testing International Limited under the loan agreement (see note 14). Drill Stem Testing International Limited was transferred out of the Regis Group as part of the reorganization prior to the share for share exchange.

#### 24 Loans and borrowings

##### 24.1

	Balance	Balance
	30.06.21	31.12.20
	€	€
<b>Non-current liabilities</b>		
Secured bank loans	4,115,973	1,426,972
Secured notes	50,114,239	-
	<b>54,230,212</b>	<b>1,426,972</b>
<b>Current liabilities</b>		
Secured bank loans	2,308,724	-
Bank overdrafts	2,613,882	-
	<b>4,922,606</b>	<b>-</b>

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 24 Loans and borrowings (continued)

##### 24.2 Terms and debt repayment schedule

The terms and conditions of outstanding loans are as follows:

	Original currency	Carrying amount		Nominal interest rate	Year of maturity
		2021	2020		
Bank loan	USD	-	€1,426,972	LIBOR 1 month + 4.00%	2022
Bank loan	EUR	€429,036	-	Bank's base rate + 3.00%	2022
Bank loan	EUR	€5,000,000	-	Fixed rate of 2.5% for first 2 years and variable thereafter at Bank's base rate + 3%	2026
Bank loan	OMR	€504,135	-	5.50%	2022
Bank loan	EGP	€491,526	-	5.00%	2021
Secured notes	EUR	€20,142,392	-	6.00%	2023
Unsecured notes	EUR	€22,173,161	-	4.50%	2026
Unsecured notes	USD	€7,798,686	-	5.75%	2026

During 2020, the government of Malta introduced a general financial support scheme named the *Malta Development Bank ('MDB') COVID-19 Guarantee Scheme ('CGS')* in response to the economic impacts of the COVID-19 coronavirus pandemic, which provided a guarantee of the full amount of qualifying new corporate loans issued by banks in Malta up to a value of €5 million, to commercial banks in order to enhance access to bank financing for the working capital requirements of businesses facing cash flow disruptions due to the effects of COVID-19.

The operating subsidiary in Malta was granted such a bank loan of €5 million in September 2020 as it qualified for this financial support scheme. This loan is guaranteed by MDB against a guarantee fee which ranges from 0.5% in year 1 up to 2% by year 6. The Company was further provided a 12-month moratorium on loan capital repayments and a 6-month moratorium on interest. The loan matures on 30 September 2026 and has an annual interest rate which varies over the term of the loan. The interest rate ranges from a fixed fee of 2.5% per annum exclusive of a guarantee fee for the first two years, and a margin of 3% per annum inclusive of a guarantee fee chargeable over the bank's base rate for the remaining four years.

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### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 24 Loans and borrowings (continued)

##### 24.2 Terms and debt repayment schedule (continued)

The Group determined that the interest rate for an equivalent loan issued on an arm's length basis without the guarantee would have been 5.35%. The Group concluded that the difference between the interest rate of 2.5%-3% and 5.35% is government assistance that is intended to compensate the Group for interest expense that would otherwise be incurred if the loan were not guaranteed under the financial support scheme. This government assistance is recognised and measured as part of the unit of account in determining the fair value of the loan. There are no unfulfilled conditions or contingencies for the government assistance on 31 December 2020.

Furthermore, the Group expects to also benefit from the MDB COVID-19 Interest Rate Subsidy Scheme (CIRSS), where all beneficiaries under the CGS are eligible for a grant of up to 2.5% on the interest on the loan for the initial two years of the loan. The interest refund is recognised in profit or loss when there is reasonable assurance that the grant will be received.

##### 24.3 Security on bank loans and overdraft facilities

The bank loans and overdraft facilities are secured by:

- a. second general hypothec for €7,500,000 on overdraft basis over all present and future assets with prior charges in favour of bond holders of the €20 million 6% Bond Issue ISIN number MT0000311218;
- b. second special hypothec for €7,500,000 on overdraft basis over temporary utile dominium of Medserv site and property of Malta Freeport with prior charges in favour of bond holders of the €20 million 6% Bond Issue ISIN number MT0000311218;
- c. guarantee for €12,270,000 given by the Company to secure all liabilities of its subsidiary;
- d. first pledge over a combined business policy for €8,568,381 and pledge of insurance cover over purchased equipment for €1,334,000;
- e. a letter of undertaking given by the shareholders that Mr. Anthony J Duncan and Mr. Anthony S Diacono will directly or indirectly retain control and hold more than 51% of the issued capital. The Company has approached its bankers to recognize DOCOB Limited and its ultimate beneficial owners as shareholders in the Company.
- f. Joint and several guarantees for €2,699,574 by the Company;
- g. letter of comfort by the Company whereby it undertakes to maintain the present level of its control over, and interest, in the Company through its shareholding throughout the duration of the facilities; and
- h. a letter of undertaking by the Company whereby it undertakes not to declare dividends or pay shareholders' loans without the bank's written consent.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 25 Employee benefits

	Balance 30.06.21	Balance 31.12.20
	€	€
Liability for severance payments	801,007	-
Liability for retirement gratuities	51,069	45,294
	<b>852,076</b>	<b>45,294</b>

#### 26 Trade and other payables

	Balance 30.06.21	Balance 31.12.20
	€	€
Trade payables	2,028,659	799,090
Amounts due to non-controlling interest	2,010,206	-
Amounts due to shareholders	61,014	-
Amounts due to note holders	15,323	-
Amounts due to other related parties	867,244	-
Accrued expenses	2,343,572	-
Other payables	1,638,076	929,523
	<b>8,964,094</b>	<b>1,728,613</b>
Current	7,030,804	1,728,613
Non-current	1,933,290	-
	<b>8,964,094</b>	<b>1,728,613</b>

#### 27 Leases

As a result of the acquisition (see note 6), the Group has assumed several parcels of leased land and buildings in Malta, Cyprus, Iraq, UAE and Oman. The lease terms for these leases run for various periods, up to a maximum remaining period of 40 years until 2060.



## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

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#### 28 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 2020.

#### 29 Related parties

##### 29.1 Significant shareholders

Following the share for share exchange which was completed on 25 June 2021 (see note 6), 49.9% of the issued share capital of the Company were acquired by DOCOB Limited (referred to in this report as “the Regis shareholder”), a company incorporated in Mauritius with company registration number 178883 and registered office at C/o Oak Management (Mauritius) Limited, 1st Floor, Block B, Ruisseau Creole Complex La Mivoie, Black River, 90625, Mauritius. DOCOB Limited is ultimately owned by Mr. David S. O’Connor and Mr. Olivier N. Bernard. Three of the Company’s directors, namely Mr David S. O’Connor, Mr Olivier N. Bernard and Mr. Anthony S. Diacono hold 27.9%, 21.9% and 14.2% respectively of the issued share capital of the Company either directly or indirectly. Prior to 25 June 2021, two of the Company’s directors, namely Mr Anthony S Diacono and Mr Anthony J Duncan held 29.61% and 34.33% (2020: 29.61% and 34.33%) respectively of the issued share capital of the Company either directly or indirectly.

##### 29.2 Identity of other related parties

The Group has a related party relationship with its directors (“key management personnel”), shareholders and immediate relative of one of the directors (“other related party”). All transactions entered into with group companies have been eliminated in the preparation of these financial statements.

##### 29.3 Transactions with key management personnel

There were no loans to directors during the current and comparative period. Compensation for services provided to the Company by key management personnel or entities under their control during the year amounted to €802,492 (30 June 2021: €10,500).

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over the financial or operating policies of these companies.

## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2021 to 30 June 2021

#### 29 Related parties (continued)

##### 29.4 Other related party transactions

In addition to transactions disclosed in the statements of changes in equity and cash flows and notes 14, 20, 23.6 and 26 to these condensed financial statements, the following transactions were conducted during the period:

	Transactions' value 6 months ended	
	30.06.21	30.06.20
	€	€
<b>Other related party</b>		
Services provided by	22,656	66,896

#### 30 Subsequent events

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

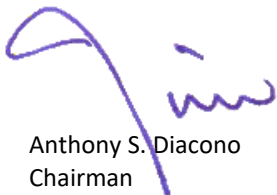
## MedservRegis p.l.c. (formerly Medserv p.l.c.)

### Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

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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 2021, 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 S. Diacono  
Chairman



David S. O'Connor  
Director & CEO

30 August 2021

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