RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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The Board of Directors
MedservRegis p.l.c.
Malta Freeport,
Port of Marsaxlokk,
Birzebbugia, BBG3011
Malta

26 July 2022

Dear Sirs,

MedservRegis plc – update to the Financial Analysis Summary (the **"Update FAS")**

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Update FAS set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to MedservRegis plc (the "**Issuer**") and Medserv Operations Ltd (the "**Guarantor**") in relation to the €20 million 6% Secured Bonds 2020/23 via a note programme issued by the Company in 2013.

The data in this Update FAS is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2019 to 2021 extracted from both the Issuer and the Guarantor's audited statutory financial statements for the three years in question;

(b) The forecast data for the financial year ending 31 December 2022 has been extracted from the forecast financial information provided by the management of the Issuer and the Guarantor;

(c) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the audited financial statements and assisted by management of the Issuer and Guarantor;

(d) The ratios quoted in the Update FAS have been computed by us applying the definitions set out beneath each ratio; and

(e) Relevant financial data in respect of other issuers with same-maturing bond issues as analysed in Part D of this report has been extracted from public sources such as the web sites of the companies concerned or financial statements filed at the Registry of Companies.

The Update FAS is meant to assist existing and potential investors by summarising the more important financial data of the Issuer and the Guarantor. The Update FAS does not contain all data that is relevant to potential investors and is meant to complement and not replace financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the listed bonds that the Issuer has outstanding on the Official List of the Malta Stock Exchange and should not be interpreted as a recommendation to invest in the bonds or otherwise. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained herein. Potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY

Update 2022

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority on 5 March 2013 and last updated on 21 August 2021.

26 JULY 2022

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List of Abbreviations

AES	Angola Environmental Servicos Lda
BP	BP plc
BP Egypt	BP Exploration (Delta) Limited
CPF	Central Processing Facility
EBITDA	Earnings before interest, tax, depreciation, and amortisation
Eni	Eni S.p.A.
IEA	International Energy Agency
IEC	International Energy Companies
IEOC	IEOC Production B.V. (Eni's subsidiary in Egypt)
ILSS	Integrated Logistics Support Services
MedOps	Medserv Operations Limited
MOG	Mellitah Oil & Gas B.V. (Libyan Branch)
OCTG	Oil Country Tubular Goods
OPEC	Organisation of the Petroleum Exporting Countries
PDO	Petroleum Development Oman
RUL	Regis Uganda Limited
SONILS	Sonangol Integrated Logistics Services Lda
Sumitomo	Sumitomo Corporation Middle East FZE
TotalEnergies	TotalEnergies SE
UAE	United Arab Emirates

Important Information

Purpose of the Document

MedservRegis plc (the "**Issuer**" or the "**Company**" or the "**Group**") issued €20 million 6% Secured Bonds 2020/23 via a note programme in 2013 pursuant to a base prospectus dated 12 August 2013 (the "**Bond Issue**"). The final terms issued pursuant to the prospectus (dated 30 August 2013 and 7 April 2014) included a Financial Analysis Summary ("**FAS**") in line with the requirements of the Listing Policies of the Listing Authority dated 5 March 2013 and last updated on 21 August 2021. The purpose of this report is to provide an update to the FAS (the "**Update FAS**") on the performance and on the financial position of the Company and Medserv Operations Limited, as guarantor to the Bond Issue (the "**Guarantor**" or "**MedOps**").

Sources of Information

The information that is presented has been collated from a number of sources, including the Company's website (www.medservregis.com), the audited Financial Statements for the years ended 31 December 2019, 2020 and 2021 and forecasts for financial year ending 31 December 2022 for both the Company and the Guarantor.

Forecasts that are included in this document have been prepared and approved for publication by the directors of the Company and Guarantor, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1 January to 31 December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

- FAS dated 30 August 2013 *(appended to the final terms)*
- FAS dated 7 April 2014 *(appended to the final terms)*
- FAS dated 15 May 2015
- FAS dated 18 May 2016
- FAS dated 5 April 2017
- FAS dated 11 May 2018
- FAS dated 22 May 2019
- FAS dated 15 July 2020
- FAS dated 28 June 2021

PART A — BUSINESS & MARKET OVERVIEW UPDATE

1 UPDATE ON THE OIL AND GAS INDUSTRY

The global oil and gas industry has undergone significant changes in the past few years, mainly driven by a period of rebalancing in inventories, a pandemic-fuelled economic recession, and a marked shift across the globe towards the increased use of sustainable, renewable, and more environment-friendly sources of energy. In 2021, the International Energy Agency ("**IEA**") published a detailed report which describes the changes in energy demand and energy mix if the world is to achieve net-zero emissions by 2050, including the eventual halt to new oil and gas exploration projects[1]. The forecasted changes in demand combined with the complex and changing political situation in the Middle East and North Africa, makes the oil and gas sector an extremely challenging business for every company that is dependent on it.

The Organisation of Petroleum Exporting Countries ("**OPEC**") is composed of 13 member countries, which together hold an estimated 80.4% of the world's proven oil reserves[2]. Along with some of their industry allies such as Russia, Azerbaijan and Oman, they are collectively referred to as OPEC+. The OPEC+ countries represent the majority of the world oil production, which was about 57% in 2016 and declined to 51% in 2020. OPEC+ market share is expected to recover to above 52% by 2026 and continue to increase thereafter as non-OPEC+ countries shift to other energy sources.

The fundamental challenge for this industry remains the intrinsic volatility within the sector. International Energy Companies ("**IEC**") need time to address the swings of an over- or under-supplied market and develop a resilient strategy to mitigate the risks related thereto. This uncertainty leads to caution threading by the oil and gas companies who in recent years have curbed their investment for a while, assessing the right opportunity that is indicative of stabilisation of the industry dynamics.

The IEA expects world oil demand for 2022 to increase by 1.8 mb/d (million barrels per day) on average to 99.4 mb/d. Russia's invasion of Ukraine since February 2022 presented major disruptions to the industry as various countries opted to impose sanctions on Russian fuels. By June 2022, the European Union agreed on six packages of sanctions which are set to ban about 90% of Russian oil imports to the EU.

Meanwhile, the interest in drilling activity by the large IECs continued in the east Mediterranean following various gas finds in the waters between Egypt and Cyprus, which offer substantial opportunities for the provision of Integrated Logistics Support Services ("**ILSS**") within the region.

From an oil price perspective, Brent crude exceeded pre-pandemic levels of around $60 to $70 per barrel during 2021 and continued to climb following an extensive global vaccination programme and various fiscal incentives and accommodative monetary policies, which boosted economic activity and led to a further demand for oil. As a result, the oil price hovered around the $80 per barrel level by the end of 2021. Russia's invasion of Ukraine towards the end of February 2022 led to a further uplift in the price of oil as the various

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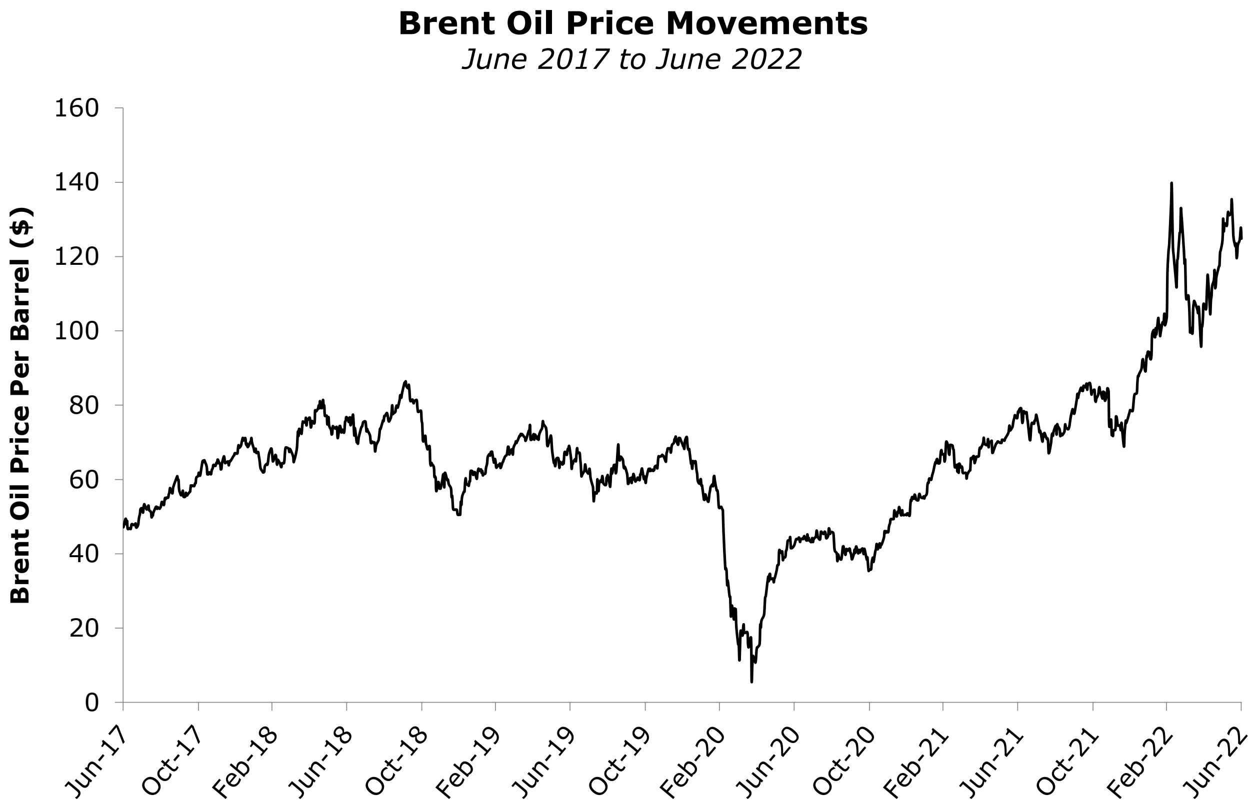
[1] IEA, Net Zero by 2050, May 2021
[2] OPEC share of world crude oil reserves, 2021: https://www.opec.org/opec_web/en/data_graphs/330.htm

sanctions imposed on Russian fossil fuelled by the governments of major economies led to a sharp reduction in the supply for oil and gas. In fact, in March 2022, Brent crude even exceeded a 10-year high of $120 per barrel and traded in the region of $100 to $120 per barrel for most of the first half of 2022 as shown in the chart below:



Source: Refinitiv Eikon

2 COVID-19

The COVID-19 pandemic resulted in the creation of significant uncertainties within the energy industry, which consequently necessitated the Group to take quick and tough decisions. The pandemic also led to the suspension of most offshore drilling and mining activities from Q2 2020 to Q4 2021, due to the inability to provide a safe working environment.

Throughout the worst phase of the pandemic, the Group's main objective was to preserve liquidity and ensure that it continues to register positive earnings before interest, tax, depreciation, and amortisation ("**EBITDA**"). In this respect, immediate cost containment measures were put in place across all the Group's operations. These included restructuring to the new norm and postponing any capital expenditure plans. Such measures ensured that MedservRegis had sufficient funds to meets its obligations through the course of 2020 and 2021. Furthermore, the Group also benefitted from the varying schemes adopted by the various governments where the Group operates to mitigate the significant economic and financial repercussions from the COVID-19 pandemic.

3 Key Recent Developments and Outlook for 2022

Transaction with Regis Holdings Limited

As economic activity across the world started to rebound in the second half of 2020, the Group sought opportunities to consolidate its market position, broaden its geographic footprint in strategic locations, and strengthen its financial position. To this effect, an agreement was reached with Regis Holdings Limited ("**Regis**") in April 2021 for the two companies to join forces and create a truly global player that will allow the combined entity to successfully respond to the deep changes taking place in the energy market. Through its subsidiaries, Regis provides 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, and Angola.

Following the completion of the share for share exchange with Regis on 25 June 2021, the global outreach of MedservRegis now spans across four continents, comprising a presence in twelve countries and operations out of twelve bases.

In addition, the trading prospects of Medserv plc following the transaction with Regis will enable the combined Group to:

(i) present an integrated logistics solution to its customers in the Sub-Saharan region whilst also allow it to participate in some significant upcoming logistics projects in Africa;

(ii) offer energy companies mill-to-well supply chain management services in new jurisdictions whilst also onboard new clients operating in other sectors with a view of reducing the overall exposure and reliance on the energy segment;

(iii) cross-sell in new countries;

(iv) increase its geographical, product, and client spread, thus contributing to reducing the Group's concentration risks as a result of increased diversification whilst also reducing the fluctuations in earnings and improve underlying profitability; and

(v) strengthen the financial and equity base in support of its growth ambitions and targets.

Malta Operations (including Libya Branch)

In recent years, the Malta base continued to provide shore base services for the development of offshore Libya projects. Despite the ongoing political and hostile environment currently ensuing in Libya, management is confident that the Company will remain the shore base for all oil and gas operations offshore Libya. This is because the Company's base in Malta is seen as a reliable and safe haven for the storage and mobilisation of oil field equipment employed by companies engaged in offshore Libya projects.

Following the completion of the Bahr Essalam Phase II project in August 2019 (which was Libya's largest offshore producing gas field), MedservRegis will be acting as the logistics base for the development of new gas offshore structures for Mellitah Oil & Gas B.V. (Libyan Branch) ("**MOG**") which, in turn, is a joint venture between the Libyan National Oil Corporation and Eni North Africa B.V. In aggregate, MedservRegis will be providing the necessary logistics for MOG's projects involving the drilling of over 30 wells. These projects are now expected to start during year 2023. In addition to the provision of ILSS, the Company's contract with MOG also covers the management of a considerable volume of Oil Country Tubular Goods ("**OCTG**") and related equipment.

In March 2020, the Company signed a long-term agreement with Air Liquide Oil & Gas Services Ltd to install and operate a compressed gases filling plant to provide diving and welding gases to the offshore industry in the Mediterranean basin. After obtaining necessary permits, the facility was installed at MedservRegis' base at the Malta Freeport and operations commenced in Q4 2020.

Also in 2020, the Company was awarded a contract by Eni to provide logistics marine base and associated services for its oil and gas activities taking place offshore Libya. The term of the contract is three years with the option for Eni to extend for a further year and came into effect on 1 January 2021. Moreover, MedservRegis was also awarded a contract by OMV AG (a multinational integrated oil and gas company headquartered in Vienna with operational activities in the onshore Murzuk and Sirte basin of Libya) to provide international freight forwarding services including the transportation of goods and drilling related equipment from global sites to specified locations in Libya through the facilities that MedservRegis has at the Malta Freeport. The framework agreement entered into force on 30 October 2020 and is for a duration of three years with the option to extend for a further two years.

As such, the Malta base which also supports the activity offshore Libya continued to serve the aforementioned business in 2021, although much of the activity related to the contracts with MOG and Eni North Africa was suspended throughout the year due to COVID-19 coupled with the political instability in Libya. Nonetheless, as the Company managed to renew its contracts with its two major clients operating offshore Libya for the coming years, the Malta base is expected to continue acting as the logistics hub for such activity going forward, including the installation of structures for MOG which represents the key operating activity for the Group out of its base located in the Malta Freeport.

Cyprus Operations

Following the end of the first phase of drilling of the ExxonMobil campaign, Medserv Cyprus went into non-active mode on 1 April 2019. During this phase, ExxonMobil have requested that Medserv Cyprus continues providing a number of services, including the storage of their equipment at the Limassol base.

In 2019, Medserv Cyprus was awarded another logistics contract by TotalEnergies E&P Cyprus BV who were expected to drill 2 wells in Block 11 as the operators in a joint venture with Eni Cyprus in April 2020. The Company is contracted to provide its services from its facilities in the port of Limassol. The award of this contract was another major step to broaden the Company's oil and gas client portfolio within the Eastern Mediterranean region.

2020 and 2021 were characterized by the COVID-19 pandemic. In 2020, the Company incurred significant operational losses given that the personnel it recruited from the period of November 2019 had to be let go during 2020 when the projects were postponed after notice was received by Eni due to the port closures as a result of COVID-19. Similarly in 2021, the Company was again active in Q4 of the year, supporting ExxonMobil in its drilling campaign of one well in Block 10, with ramping up of operations taking place between October and November 2021 and the activity starting officially mid-December 2021 until completion in June 2022. During the non-active period in 2021, Medserv Cyprus still provided a number of logistic and inspection services.

Meanwhile, Eni/TotalEnergies have started drilling again in Block 6 on the 'Cronos-1' prospect. Eni and TotalEnergies are collaborating together on this project with Eni who holds a participating interest of 50% acting as the operator while TotalEnergies has the remaining 50%. The well was spudded at the beginning of June 2022 and is expected to be completed by the end of July 2022. This drilling campaign started in March 2022 with the preparation work at the supply base for the drilling. The Company's contract with Eni Cyprus has been extended during the year until 18 June 2023.

Egypt Operations

In January 2021, following an international tender by BP Exploration (Delta) Limited ("**BP Egypt**"), the Company was awarded a 3+1 year contract to provide materials and warehouse management services for BP Egypt's drilling and gas production projects in Egypt. Following the contract award in January 2021, the Company has been awarded a second contract by BP Egypt. This second contract is for the provision of Integrated Facility Management of the West Nile Delta Site in Idku. The contract took effect in June 2021 for a term of three years with an option for BP Egypt to extend the term by a further year. This award resulted in significant improvement in the performance of the Company for the reporting year.

IEOC Production B.V. ("IEOC") Contract

The contract with IEOC Production B.V. ("**IEOC**") expired on 31 December 2020 and was extended until 30 June 2021. This resulted in a downsize in the scope (i.e. equipment provided to IEOC) which took place during the contract extension beyond June 2021. Another reduction in scope took place in September 2021 through another addendum which extended the contract to June 2022. The current IEOC contract was again extended in May 2022 until 31 December 2022.

BP Egypt Contracts

The Company secured two 3+1 year contracts with BP Egypt in 2021 – the first one was awarded in January 2021 whilst the second contract was awarded in May 2021. Similar to the IEOC contract, the BP Egypt contract provides for fixed monthly rates for the provision of equipment and manpower.

Under the scope of the first contract with BP Egypt, the Company performs Integrated Materials Management and Warehousing Services for BP Egypt in Idku. The second contract, which covers an Integrated Facility Management of the West Nile Delta Site in Idku, namely consists of the provision of the management, mobilisation and delivery of all hard and soft facilities management, maintenance and catering services.

Oman Operations

In January 2017, Sumitomo Corporation Middle East ("**Sumitomo**") announced the extension of their contract to supply OCTG's to Petroleum Development Oman ("**PDO**") for a further 5 years. Sumitomo first started supply of OCTG including Supply Chain Management services to PDO, the Sultanate's largest oil and gas producer, in 2003. Since then, the companies have enjoyed a continuous and mutually beneficial relationship.

As a result, in February 2017, METS was awarded the Sumitomo contract for a period of five years with a five-year renewal option and a new METS company (METS Duqm) was established. Consequently, the Company set up a new facility of 119,622 sqm at the port of Duqm in order to be able to cater for the significant increase in volumes of product to be handled and ensuing business.

In Oman, the demand for seamless OCTG has increased slightly during 2021 compared to 2020 at the height of the pandemic, and this can be confirmed by the volumes of OCTG handled by both the company and the group entity in Sohar.

Oman OCTG volumes are on the increase as PDO intensifies its drilling program from 600 wells drilled annually to over 800 wells to be drilled starting in August 2023 and reach 1,000 wells drilled annually in 2025/2026. As this schedule increases in volume coupled with the current international disruption in the shipping lines calling at Duqm Port, Sumitomo are occasionally using Sohar yard for OCTG goods. Consequently, in January 2022 METS Sohar signed a five-year agreement with Sumitomo to provide import product management and storage facilities for 30,000MT of OCTG.

During February 2022, Marubeni has been awarded a three-year tubing supply contract with Oman Oil in the North. Average materials will be 15,000 MT per year. Marubeni confirmed that they will be using METS Sohar for the OCTG incoming management until customer call-off.

United Arab Emirates Operations

In September 2020, METS UAE secured a new contract with Tenaris in Abu Dhabi for the supply of tubular handling, equipment, yard and inspection services. This award was the result of the exceptional work done for

Tenaris over the past years. The contract is for a period of 3 years starting 1 October 2020 until 30 September 2023. The contract may be extended for an additional term of 1+1 year upon written agreement between the parties.

The new management drive following the merger with Regis and the improved market conditions are expected to surpass the Company's revenues generated in previous years and register a profit in year 2022 inclusive of METS UAE share of corporate costs. The main contributors for this improvement are the increase in the machine shop order book and increased demand for services by Tenaris in Abu Dhabi.

Iraq Operations

In 2021, the Company managed to regain the position and generate an adequate amount of revenue from machine shop. In fact, during 2021, the Company generated revenues of $3.2 million (2020: $1.9 million). Management explained that while machine shop services increased by 92% and inspection revenue dropped 89% over that of 2020, revenue from handling and storage increased by 59% as a result of the Company's ability to secure a number of rig storage packages during the year.

During 2022, BP continued to remain a significant generator of the Company's revenue but through management efforts the Company increased its client base and managed to secure new clients and generate substantial new revenues both in machine shop orders and storage and handling of rigs. In fact, the Company is projecting to generate $4 million in terms of revenues during 2022 which represents a 25% increase over that generated during the prior year, with 67% of revenue to be generated from the Company's machine shop and the remaining 33% from handling and storage of rigs.

The Regis Subsidiaries

Angola Operations

Business in Angola is conducted through Regis Management Services Ltd which is based in Mauritius. The main clients of Regis Management Services are Sonangol Integrated Logistics Services Lda ("**SONILS**") and Angola Environmental Servicos Lda ("**AES**") with which Regis Management Services has yearly contracts.

Regis Management Services acts as a 'one stop solution' with an emphasis on global procurement and logistics. It procures a wide range of products and services for its clients including personal protection equipment, valves, piping, heavy machinery, computer equipment and pre-engineered steel structures. The company also contracts staffs to its clients and provides technical services. In addition, the company provides comprehensive procurement services from sourcing to delivery as per client requirements.

Despite the fall in revenue over the past couple of years mainly attributable to COVID-19, the business is expected to sustain a minimum level of revenue given its agreements with clients. Furthermore, the economic activity in Angola is expected to start recovering in 2022 with rising oil prices and the gradual loosening of output cuts implemented when demand for oil collapsed in 2020.

Mozambique Operations

Regis Mozambique is a fully owned subsidiary of MedservRegis plc (indirect holding via Regis Holdings Limited and Regis Management Services Limited). It operates a fully-fledged logistics facility in Pemba, Mozambique. The size of this Logistics Service Centre is approximately 50,000 sqm. The Cabo Delgado province in Northern Mozambique has seen major discoveries of natural gas and graphite over the last numbers of years and Regis Mozambique is well located to serve these projects.

The company provides laydown facilities and integrated logistics solutions to the multinational subcontractors and local contractors working for the international energy companies. The company also provides rental of equipment and manpower to Syrah Resources Limited, the Australia-based industrial minerals and technology company engaged in the production of natural graphite products from Balama Graphite Operation in Mozambique.

Despite the operational challenges presented by COVID-19 and the declaration of force majeure by TotalEnergies, following the jihadist insurgency in Cabo Delgado province in early 2021 threating regional security the company has remained fully operational and continued to service its clients.

Uganda Operations

Regis Uganda Limited ("**RUL**") represents Regis' early penetration in Uganda in anticipation of the construction of a 1,440 km crude oil pipeline from Uganda's Albertine region to Tanzania's seaport of Tanga. RUL imported a fleet of equipment to establish a logistics service centre to service the oil and gas industry and the technical service providers to general heavy industry. Activity is expected to increase significantly as a result of the recent final investment decision to start construction of the pipeline.

RUL provides integrated logistics services and all lifting and materials handling related support in Uganda. The company has a fleet of cranes and forklifts. The Group has invested heavily in Uganda and have a dedicated service base in Kampala, procuring its own fleet and local workforce. The company has been engaged on several infrastructure-related works, including positioning of flyover bridges in Kapchorwa, a similar project in Kampala, as well as construction works aligned to the sugar industry in Jinja.

Despite the operational challenges presented by COVID-19, the company remained fully operational and during the pandemic continued to service its clients.

Management expects the results for year 2022 to improve over year 2021 as the company has signed a conditional letter of intent with a major OCTG supplier for the provision of OCTG associated services in relation to the call for tender issued by TotalEnergies for its Tilenga project.[3]

In addition, the company leased a site measuring 24,000 sqm to set up a new base for the upcoming projects in Uganda. The land is located in the Buliisa district, 4km away from the Central Processing Facility ("**CPF**") being developed by TotalEnergies. This site will be developed into a logistics facility providing a staging point and supporting solution to TotalEnergies CPF facility.

4 KEY CLIENTS AND CONTRACTS

The Group identifies Eni, Sumitomo, and BP as its major key clients.

In the case of Eni, the relationship extends over 40 years and involves a number of independently operated entities forming part of this Group. Notwithstanding this, the Issuer has been gaining recognition internationally with other blue-chip IECs and sub-contractors, and these are now contracting the Group companies for various drilling and exploratory projects.

Following the acquisition of METS in February 2016 and the large contract awarded to METS Oman in February 2017, Sumitomo also became a key client of MedservRegis. Similarly, the volume of business with BP increased significantly in 2021 following the award of long-term contracts in Egypt. However, prior to the award of these long-term contracts, through its shareholding in METS, MedservRegis already had a strong business relationship with BP as the latter represented the primary source of revenue for the Company's operations in Iraq.

[3] Further information about the Tilenga project is available at: (i) https://totalenergies.com/projects/liquids-low-carbon-fuels/tilenga-and-eacop-acting-transparently; and (ii) https://totalenergies.com/sites/g/files/nytnzq121/files/atoms/files/uganda-projects_introduction.pdf.

5 Governance & Management

The Board of Directors is currently composed of the following directors:

Board of Directors	Role
Mr Anthony S. Diacono	Executive Chairman
Mr Carmelo *sive* Karl Bartolo	Executive Director
Mr David O'Connor *(appointed on 25 June 2021)*	Executive Director
Mr Olivier Bernard *(appointed on 25 June 2021)*	Executive Director
Mr Joseph Zammit Tabona*	Non-Executive Independent Director
Dr Laragh Cassar	Non-Executive Director & Company Secretary
Mr Keith Grunow *(appointed on 25 June 2021)*	Non-Executive Independent Director
Ms Monica De Oliveira Vilabril *(appointed on 25 October 2021)*	Non-Executive Independent Director

**During the upcoming Annual General Meeting of MedservRegis plc, scheduled to be held on 28 July 2022, all Directors except for Mr Joseph Zammit Tabona are expected to be reappointed to the Board. Meanwhile, Mr Jean Pierre Lhote is expected to be appointed to the Board.*

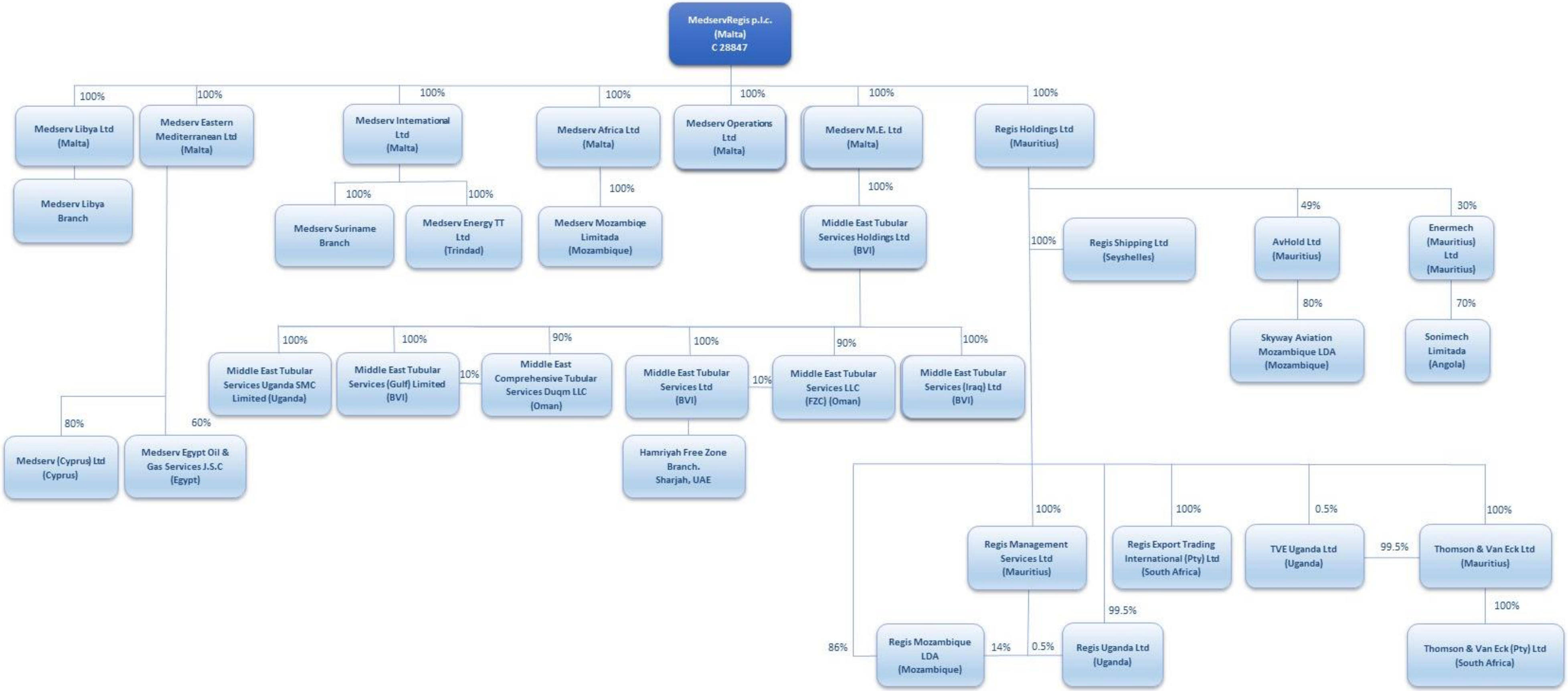
On 25 June 2021, pursuant to the completion of the share for share transfer, Mr Anthony J. Duncan, Mr Etienne Borg Cardona and Mr Kevin Rapinett resigned from their position of directors of the Company. Mr David O'Connor, Mr Olivier Bernard and Mr Keith Grunow were appointed in their stead.

The Executive management of MedservRegis plc is composed of the following:

Executive Management	Role
Mr Anthony S. Diacono	Chairman
Mr David O'Connor	Chief Executive Officer
Mr Carmelo *sive* Karl Bartolo	Deputy CEO for Business and Operations
Mr Olivier Bernard	Deputy CEO for Finance, Administration, Investment and Trading
Mr Silvio Camilleri	Chief Financial Officer
Mr Edward Farrugia	Chief Information Officer
Mr George Douglas	Chief Health, Safety, Security, Environmental and Quality Corporate Officer
Mr Godfrey Attard	Chief Special Projects Officer
Ms Linda De Beer	Chief HR Officer
Mr Rob Bennett	Chief Business Development Officer

6 Group Structure

The Group is composed of the Issuer, which is the holding company of several subsidiary companies, as shown in the organigram overleaf. MedservRegis plc is continuously working to cross-sell its services across the Group's various geographical locations and client base.


MedservRegis p.l.c. (Malta) C 28847
100%
Medserv Libya Ltd (Malta)
Medserv Libya Branch
Medserv Eastern Mediterranean Ltd (Malta)
80%
Medserv (Cyprus) Ltd (Cyprus)
60%
Medserv Egypt Oil & Gas Services J.S.C (Egypt)
Medserv International Ltd (Malta)
Medserv Suriname Branch
Medserv Energy TT Ltd (Trindad)
Medserv Africa Ltd (Malta)
Medserv Mozambiqe Limitada (Mozambique)
Medserv Operations Ltd (Malta)
Medserv M.E. Ltd (Malta)
Middle East Tubular Services Holdings Ltd (BVI)
Middle East Tubular Services Uganda SMC Limited (Uganda)
Middle East Tubular Services (Gulf) Limited (BVI)
10%
90%
Middle East Comprehensive Tubular Services Duqm LLC (Oman)
Middle East Tubular Services Ltd (BVI)
Hamriyah Free Zone Branch. Sharjah, UAE
Middle East Tubular Services LLC (FZC) (Oman)
Middle East Tubular Services (Iraq) Ltd (BVI)
Regis Holdings Ltd (Mauritius)
Regis Shipping Ltd (Seyshelles)
49%
AvHold Ltd (Mauritius)
Skyway Aviation Mozambique LDA (Mozambique)
30%
Enermech (Mauritius) Ltd (Mauritius)
70%
Sonimech Limitada (Angola)
Regis Management Services Ltd (Mauritius)
Regis Export Trading International (Pty) Ltd (South Africa)
0.5%
TVE Uganda Ltd (Uganda)
99.5%
Thomson & Van Eck Ltd (Mauritius)
Thomson & Van Eck (Pty) Ltd (South Africa)
86%
Regis Mozambique LDA (Mozambique)
14%
Regis Uganda Ltd (Uganda)

7 Major Assets

The Group's major capital assets are split in three: 'Property, Plant & Equipment' (PPE); 'Intangible Assets & Goodwill'; and 'Right-of-use assets' (ROU).

The below schedule provides a split of the components within each asset class.

As at 31 December	FY2019	FY2020	FY2021*
	€'000	*€'000*	*€'000*
Property, Plant & Equipment	**31,472**	**27,736**	**36,052**
Buildings & base Improvements	*13,512*	*13,338*	*13,846*
Plant & equipment	*12,322*	*9,845*	*18,743*
PV farm	*2,871*	*2,663*	*2,474*
Cargo carrying units	*1,647*	*1,300*	*575*
Furniture, fittings & office equipment	*710*	*302*	*306*
Motor vehicles	*183*	*53*	*108*
Assets not yet in use	*226*	*235*	-
Intangible Assets & Goodwill	**11,751**	**9,836**	**21,108**
Goodwill	*2,668*	*2,403*	*9,209*
Brand	*175*	*147*	*1,139*
Customer Relationships	*8,696*	*7,286*	*10,760*
Licences	*212*	-	-
Right-of-use assets	**75,848**	**62,190**	**50,014**
Total Major Assets	**119,071**	**99,762**	**107,174**
Total Assets	**150,446**	**121,768**	**150,786**
Major Assets as a % of Total Assets	***79.1%***	***81.9%***	***71.1%***

**Note: The balance sheet for the year ending 31 December 2021 has been produced taking into account the combination of the Medserv Group and the Regis Group, while the assets listed for FY2019 and FY2020 are of Medserv plc.*

Property, Plant and Equipment ("PPE") includes those assets used in the operations of the Group, which in turn are primarily composed of 'Buildings and base improvements' and 'plant and equipment'. The majority of the 'buildings and base improvements' relate to the shore base in Malta and includes warehouses, workshops, open yard facilities and offices. Meanwhile, 'plant and equipment' consist mainly of heavy lifting equipment spread across the Group and fully equipped bulk plant facilities in Malta for the cutting of and storage of cement, barite and bentonite. The value of 'plant and equipment' doubled in FY2021 when compared to FY2020 as a result of the combination of the Medserv Group and the Regis Group. The PV farm is located at the Group's base in Malta and consists of over 8,000 photovoltaic panels producing around 2MWp of electricity which is sold back to the local grid. The Group also owns a fleet of cargo carrying units (CCUs), furniture, fittings and office equipment as well as a number of motor vehicles.

The Intangible Assets & Goodwill were first recognised in FY2016 upon the acquisition and consolidation of the METS Group. The intangible assets consist mainly of acquired customer relationships and is being amortised over a period of ten years. The remaining intangible assets are amortised over their useful life. Following the completion of the transaction with Regis, the Intangible Assets and Goodwill more than doubled, primarily due to the increase in goodwill attributable to future customer contracts, the synergies expected to be achieved from combining the operations of both groups, together with their skills and technical talent. The combination of the two groups also led to the recognition of additional customer relationships. Goodwill has been capitalised as an intangible asset and an impairment assessment is carried out at least annually for the trademarks, tradenames, and related assets with an indefinite useful life, and whenever there is an indicator of impairment on all intangibles including the customer contacts and non-contractual customer relationships.

The Right-of-Use Assets relate to the recognition of the leases of the Group's bases, namely in Malta, Cyprus, Oman, UAE and Iraq in line with International Financial Reporting Standards (IFRS 16 – *Leases*). The majority of the right-of-use assets consist of the revalued property rights held at the Malta Freeport Terminals, which comprise industrial land and the overlying buildings and facilities and the property rights at Hal Far Industrial Estate, which comprise two adjacent plots of industrial land. The valuation of all these property rights was carried out on the basis of market value on the assumption that the property rights could be sold subject to any existing third-party obligations. The right-of-use assets are 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.

8 ISSUER PERFORMANCE & FINANCIAL POSITION OVERVIEW

This section provides an analysis of the FY2021 figures. The historic information is in the main sourced from published annual reports as issued by the Group (or Medserv plc for prior years), supported by additional information sourced from management.

The projections for the current financial year ending 31 December 2022 have been prepared by management and are based on the new structure of MedservRegis plc. The forecasts have been based on the key developments that the Group expects to happen during FY2022, as described further in section 3 above.

Unless otherwise stated, all amounts in the tables below are in thousands of Euro (€'000) and have also been subject to rounding.

8.1 INCOME STATEMENT

for the year ended 31 December	ACTUAL 2019 €'000	ACTUAL 2020 €'000	ACTUAL 2021* €'000	FORECAST 2022 €'000
Revenue	68,730	32,412	29,925	48,780
Cost of Sales	(50,257)	(21,178)	(17,140)	(29,502)
Gross Profit	**18,473**	**11,234**	**12,785**	**19,278**
Other income	1,376	2,214	2,286	78
Administrative expenses	(7,017)	(7,614)	(8,812)	(9,013)
Impairment loss on financial assets	(69)	(258)	(440)	-
Other expenses	(44)	(10)	(544)	(6)
Share of profit of equity-accounted investees	-	-	29	-
EBITDA	**12,719**	**5,566**	**5,305**	**10,337**
Depreciation	(7,840)	(7,974)	(4,328)	(6,349)
Impairment on PPE and Intangible Assets	-	(1,351)	(7,229)	-
Amortisation of Intangible Assets	(1,791)	(1,791)	(1,145)	(2,056)
Results from operating activities	**3,088**	**(5,550)**	**(7,397)**	**1,931**
Finance income	*51*	*1,043*	*2,426*	-
Finance costs	*(5,693)*	*(5,044)*	*(2,390)*	*(3,653)*
Net finance costs	(5,641)	(4,001)	36	(3,653)
Loss before tax	**(2,553)**	**(9,551)**	**(7,361)**	**(1,722)**
Tax (expense) / income	(808)	756	58	1,034
Loss from continued operations	**(3,361)**	**(8,795)**	**(7,303)**	**(688)**
Profit from Discontinued Operations	28	-	100	-
Loss for the period	**(3,333)**	**(8,795)**	**(7,203)**	**(688)**

Depreciation and amortisation	Actual	Actual	Actual	Forecast
for the year ended 31 December	2019	2020	2021*	2022
Within:	*€'000*	*€'000*	*€'000*	*€'000*
Cost of Sales – PPE and Int. Assets	(4,528)	(4,564)	(3,657)	(4,913)
Cost of Sales – Right-of-Use Assets	(4,607)	(4,702)	(1,729)	(3,407)
Administrative expenses	(496)	(499)	(86)	(86)
Total depreciation and amortisation	**(9,631)**	**(9,765)**	**(5,473)**	**(8,406)**

Note: The FY2021 income statement comprises the first six months of operations of Regis Holdings Limited as well as a six-month contribution (July to December 2021) from MedservRegis plc, as further detailed in Section 8.5 of this report.

FY2021 Review

The share for share transaction with Regis Holdings Limited was considered a reverse acquisition which necessitated the consolidation of Medserv plc into Regis Holdings Limited, as the latter was considered the accounting acquirer in the transaction. As such, the audited financial statements covering FY2021 represented a continuation of Regis Holding Limited's financial statements (which also included a number of business activities which have since been discontinued and do not form part of the merged group). As a result, the income statement for FY2021 was based on a 12-month period of Regis Holdings Limited coupled with only a six-month contribution from Medserv plc (from 1 July 2021 to 31 December 2021). Therefore, the figures for FY2021 are not comparable to the performance of Medserv plc in FY2019 and FY2020.

The business conditions during FY2021 were characterised by uncertainties due to the continued suspension of client projects due to the pandemic, the fragmented political situation in Libya and the conflict in northern Mozambique. Meanwhile, the Group was awarded two substantial projects in Egypt which commenced mid-2021 and continued to operate profitably in the Middle East as detailed in section 3.

The Group's total revenues in FY2021 amounted to €29.9 million, of which €11.3 million were generated by Regis Holdings Limited primarily in Sub-Saharan Africa while €18.6 million represent the six-month contribution from Medserv plc through its activities in Malta, Cyprus, Egypt and the Middle East. From a sectoral perspective, most of the income (€20.2 million) was generated from the 'Integrated Logistics Support Services' ("**ILSS**") while the remaining income was generated by the 'Oil Country Tubular Goods' ("**OCTG**") segment (€8.18 million), 'Trading Activity' (€1.29 million)[4], and the Photovoltaic farm (€0.22 million).

On the expenditure side, cost of sales amounted to €17.1 million while other costs net of other income amounted to €7.5 million. As a result, EBITDA for FY2021 amounted to €5.3 million.

[4] Trading activity relates to trading and exportation of agricultural commodities and supplies by Regis Holdings Limited in South Africa. This activity was discontinued following the reverse acquisition.

The financial performance in 2021 was impacted by depreciation and amortisation charges totalling €5.5 million as well as impairments on PPE and intangible assets of €7.2 million. The Group registered an operating loss of €7.4 million.

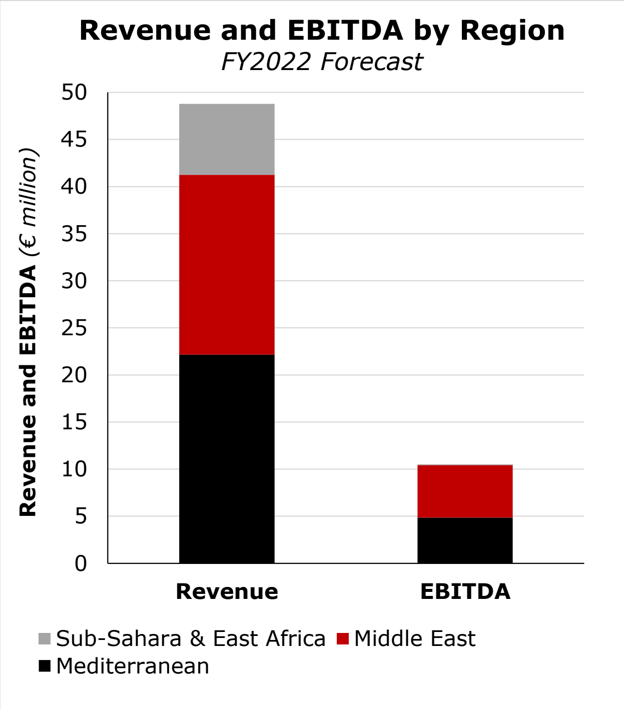
The Group also accounted for net finance income of €0.04 million as the unrealised currency exchange differences, interest receivables, and net fair value gains of financial assets outweighed the interest charges and other finance costs of the Group.

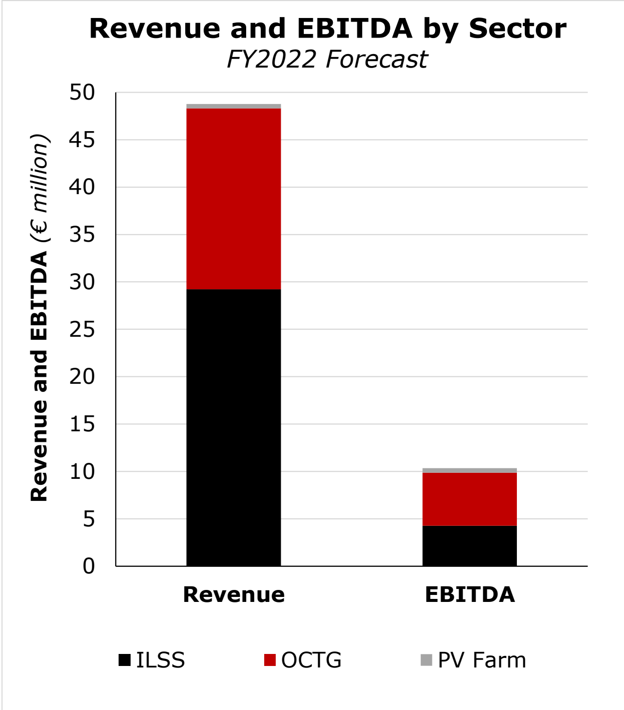
Overall, the Group registered a pre-tax loss of €7.4 million and a net loss of €7.2 million.

Forecasts FY2022

The forecasts provided for FY2022 include the full year contribution of the consolidated group and thus give a more appropriate gauge of the business performance of the MedservRegis Group, albeit FY2022 is still expected to be characterised by a number of delays following the suspension of client projects due to the pandemic and the fragmented political situation in a number of regions in which the Group operates in.

The Group is forecasting revenues for FY2022 totalling €48.8 million, of which €22.2 million are expected to be generated from the Mediterranean region, €19.1 million from the Middle East, and the remaining €7.5 million from Sub-Sahara and East Africa. Within the Mediterranean, the Group's income is envisaged to emanate from primarily from improved drilling activity in Cyprus and Egypt as well as from the Malta base where the Group is also offering a number of non-oil and gas services. In the Middle East, most revenues are generated in Oman while in the African continent, the income is predominantly generated from Mozambique and Angola. Moreover, operations at the Group's Uganda business unit are expected to achieve double digit growth following the decision taken by the project's joint venture partners and Uganda National Oil Company for Uganda's Lake Albert development project in February 2022 that will result in increased activity for this segment as explained further in section 3 above.





From a sectoral perspective, the ILSS segment is anticipated to generate the lion's share of revenues (€29.2 million) whilst the OCTG segment is the other major income generator (€19.1 million). The remaining revenues amounting just under €0.5 million are expected to emanate from the photovoltaic farm.

The Group is anticipating cost of sales amounting to €29.5 million and administrative expenses of €9 million. As a result, EBITDA is expected to reach €10.3 million and representing an EBITDA margin of 21.2%. The majority of EBITDA is expected to emanate from the Middle East where the Group's operations largely involve OCTG related activities provided through METS. Other main EBITDA drivers for FY2022 are the operations in Cyprus and Egypt.

Management is forecasting depreciation and amortisation charges totalling €8.4 million as well as net finance costs of €3.7 million which include net interest charges as well as finance costs on leases. Meanwhile, the Group is cautiously not projecting any finance income.

Overall, the Group is anticipating a pre-tax loss of €1.7 million for 2022. The Issuer is also expecting a tax credit of €1 million which will ease net loss for the year to €0.69 million.

8.2 STATEMENT OF CASH FLOWS

for the year ended 31 December	Actual 2019 *€'000*	Actual 2020 *€'000*	Actual 2021* *€'000*	Forecast 2022 *€'000*
Net cash from operating activities	8,675	10,124	6,580	8,758
Net cash used in investing activities	(1,171)	(1,680)	(1,893)	(2,572)
Free Cash Flow	**7,504**	**8,444**	**4,687**	**6,186**
Net cash used in financing activities	(9,036)	(3,976)	(5,290)	(6,736)
Net movements in cash and cash equivalents	**(1,532)**	**4,467**	**(603)**	**(550)**
Cash and cash equivalents at beginning of the year	2,407	625	8,637	9,107
Effects of exchange rate fluctuations on cash held	(223)	(414)	1,153	-
ECL Allowance	(27)	(27)	(80)	(80)
Cash and cash equivalents at end of year	**625**	**4,652**	**9,107**	**8,477**

****Note: The FY2021 statement of cash flows comprises the first six months of operations of Regis Holdings Limited as well as a six-month contribution (July to December 2021) from MedservRegis plc, as further detailed in Section 8.5 of this report.***

FY2021 REVIEW

Similar to the income statement, the statement of cash flows for FY2021 was based on a 12-month period of Regis Holdings Limited coupled with only a six-month contribution from Medserv plc (from 1 July 2021 to 31 December 2021), thus the movement in cash flows in FY2021 are not comparable to those of Medserv plc in FY2019 and FY2020 as presented above. For this reason, the opening cash balance of 2021 does not tally with the closing cash balance of 2020.

The Group generated net cash from operating activities of €6.6 million comprising the cash generated from its ordinary course of business, net of bank interest and tax payments.

With respect to investing activities, the Group acquired PPE amounting to €2 million and also incurred a cash outflow of €2.7 million in connection with the disposal of discontinued operations. Meanwhile, the reverse acquisition resulted in a cash inflow of €2.7 million. Overall, net cash used in investing activities amounted to €1.9 million, resulting in free cash flow of €4.7 million.

In terms of financing activities, during FY2021, the Group incurred cash outflows related to interest payments and repayments of bank loans as well as dividend payments (effected prior to the reverse acquisition). Overall, the net cash used in financing activities amounted to €5.3 million, resulting in overall negative cash movements of €0.6 million. However, the Group benefitted from currency exchange differences of €1.2 million on cash held, which ultimately resulted in a cash and cash equivalents balance at end of year totalling €9.1 million.

FORECASTS FY2022

The cash flow forecasts for FY2022 include the full year contribution of the consolidated group. Management is forecasting net cash from operating activities of €8.8 million reflecting the growing business activity of the Group following its enhanced presence in strategic locations associated with energy markets as well as the activity related to the several projects that were awarded in recent years as explained in earlier sections of this document.

The Group is envisaging a net cash outflow from investing activities amounting to €2.6 million as it continues to invest in assets that support its various activities. In this respect, the capital expenditure for FY2022 primarily involves the purchase of equipment and the setting up of the new base in Uganda during the year. Furthermore, the Group will also invest in a new Environmental, Health, and Safety software to improve the Group's operational efficiency and reporting, as well as reduce costs and better manage the environmental impact. As a result, the free cash flow for FY2022 is projected to reach €6.2 million.

Meanwhile, in terms of financing activities, the Group is forecasting net cash outflows amounting to €6.7 million reflecting interest payments as well as the repayment of borrowings in line with the Group's strategy of restructuring its debt, including a partial repayment of its outstanding bond and the refinancing of the balance through another bond issue (subject to the appropriate regulatory approvals).

Overall, the Group is projecting an overall cash outflow of €0.55 million in FY2022, resulting in a positive cash position of €8.5 million as at the end of FY2022.

8.3 STATEMENT OF FINANCIAL POSITION

As at 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021* €'000	Forecast 2022* €'000
ASSETS				
Goodwill and intangible assets	11,751	9,836	21,108	19,052
Property, plant and equipment	31,472	27,736	36,052	33,625
Contract costs	368	-	-	-
Loan Receivable	-	-	4,147	-
Investments at FVTPL	-	-	4,007	4,007
Right-of-use assets	75,848	62,189	50,014	46,607
Deferred tax assets	4,065	3,491	-	-
Total non-current assets	**123,504**	**103,252**	**115,328**	**103,291**
Inventories	1,383	1,087	1,067	773
Current tax asset	107	183	306	306
Contract costs	318	318	-	-
Contract assets	1,608	32	202	-
Trade and other receivables	17,784	9,629	21,882	24,605
Cash at bank and in hand	5,743	7,267	11,984	9,020
Assets held for sale	-	-	17	-
Total current assets	**26,942**	**18,516**	**35,458**	**34,704**
Total assets	**150,446**	**121,768**	**150,786**	**137,995**
LIABILITIES				
Deferred income	31,072	30,575	-	-
Loans and borrowings	2,449	5,508	3,912	5,874
Bond (listed)	50,343	49,799	49,491	42,491
Trade and other payables	1,860	2,120	71	-
Lease liabilities	29,171	17,345	12,720	10,373
Deferred tax liabilities	1,984	608	5,318	4,284
Provisions & employee benefits	960	799	1,427	1,363
Total non-current liabilities	**117,839**	**106,754**	**72,939**	**64,385**
Current tax payable	12	6	6	7
Deferred income	776	812	193	193
Lease liabilities	1,374	1,024	1,722	1,723
Loans and borrowings	7,264	4,427	4,415	2,081
Trade and other payables, provisions & employee benefits	9,095	4,453	8,692	7,476
Total current liabilities	**18,519**	**10,722**	**15,028**	**11,480**
Total liabilities	**136,358**	**117,476**	**87,967**	**75,865**
EQUITY				
Share capital	5,374	5,374	10,164	10,164
Share premium	12,004	12,004	27,778	27,778
Reserves	9,829	8,499	(1,063)	(1,063)
Retained earnings	(12,439)	(20,533)	23,151	21,467
Shareholders' Funds	**14,768**	**5,344**	**60,030**	**58,346**
Non-controlling interest	(680)	(1,052)	2,789	3,784
Total equity	**14,088**	**4,292**	**62,819**	**62,130**
Total equity and liabilities	**150,446**	**121,768**	**150,786**	**137,995**

**Note: The statement of financial position for the year ending 31 December 2021 and forecast as at 31 December 2022 have been produced taking into account the combination of the Medserv Group and the Regis Group.*

FY2021 Review

The Group's total asset base expanded by 23.8% to €150.8 million reflecting the combination of the Medserv Group and the Regis Group following the completion of the share-for-share exchange with Regis Holdings Limited. Among the major assets, 'Property, Plant and Equipment' increased by 30% to €36.1 million reflecting the additional equipment spread across the Group following the merger. The reverse acquisition also led to a surge in 'Goodwill and Intangible Assets' which more than doubled to €21.1 million primarily due to the increase in goodwill attributable to future customer contracts, the synergies expected to be achieved from combining the operations of both groups as well as the skills and technical talent. The combination of the two groups also led to the recognition of additional customer relationships. The reverse acquisition also resulted in an increase in 'trade and other receivables' which more than doubled to €21.9 million (FY2020: €9.6 million) as well as an increase of 65% in cash balances to €12 million. Meanwhile, right-of-use assets declined to €50 million (FY2020: €62.2 million) largely due to a reduction in the recognition of right-of-use assets of the Guarantor which was brought about by the negative effect of the revaluation of the land as explained in section 9.3 of this report.

The Group also registered a reduction in liabilities, primarily due to the derecognition of €30.6 million in deferred income as well as the recognition of lower levels of lease liabilities. The Group also reduced its bank loans by €1.6 million which, combined with the aforementioned reduction in lease liabilities, resulted in a reduction of 7.5% in the Group's total debt amounting to €72.3 million (including €14.4 million in lease liabilities).

Group Debt *for the year ended 31 December*	Actual 2019* *€'000*	Actual 2020* *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
Loans and borrowings (non-current)	2,449	5,508	3,912	5,874
Bond (listed)	50,343	49,799	49,491	42,491
Loans and borrowings (current)	7,264	4,427	4,415	2,081
Lease liabilities	30,545	18,370	14,442	12,096
Total Debt	**90,600**	**78,104**	**72,260**	**62,542**
Cash at bank and in hand	5,743	7,267	11,984	9,020
Net Debt	**84,857**	**70,837**	**60,276**	**53,522**

**Note: The Total Debt and Net Debt for FY2019 and FY2020 are being restated as lease liabilities are now included as per IFRS16.*

The reverse acquisition also led to a substantial improvement in the Group's equity position as it increased to €62.8 million as at 31 December 2021 from just €4.2 million as at the end of FY2020.

Forecasts FY2022

The Group's total assets are expected to decline by 8.5% to €138 million as PPE is expected to ease by 6.7% to €33.6 million reflecting the effect of depreciation while 'goodwill and intangible assets' are envisaged to drop by 9.7% to €19.1 million due to amortisation. The Group is also expecting further declines in the value of its right-of-use assets, which are forecasted to be 6.8% lower at €46.6 million. The cash position is also expected to decrease by €3 million to €9 million as the Group embarks on the restructuring of its borrowings. Indeed, the Group expects to reduce the amount of listed bonds by €7 million to €42.5 million. Overall, MedservRegis plc's total debt is anticipated to be 13.4% lower at €62.5 million as at 31 December 2022, including €12.1 million in lease liabilities. The Group's total equity is forecasted to ease by 1.1% to €62.1 million reflecting a reduction in retained earnings following the projected loss for the year.

8.4 Ratio Analysis

The following set of ratios have been computed by Rizzo Farrugia & Co (Stockbrokers) Ltd using the figures extracted from annual reports and management information.

Note: where the ratios were non-computable because of a negative return or a negative result, the ratio has been recorded as 'n/a' or excluded from the list of ratios presented in view of negative returns in all years under review.

Profitability Ratios

The below is a set of ratios prepared to assist in measuring the Company's ability to generate profitable sales from its assets.

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Gross Profit margin *(Gross Profit / Revenue)*	26.88%	34.66%	42.72%	39.52%
EBITDA margin *(EBITDA / Revenue)*	18.51%	17.17%	17.73%	21.19%
Operating Profit margin *(Operating Profit / Revenue)*	4.49%	n/a	n/a	3.96%

Since the FY2021 income statement comprise the twelve-month operations of Regis Holdings Limited as well as the six-month operations of Medserv plc, the profitability ratios of FY2021 are not fully comparable to the ratios of the previous two years which were compiled from the income statement of Medserv plc on a stand-alone basis.

In FY2021, the Group registered a gross profit margin of just under 43% and an EBITDA margin of close to 18%. However, in FY2021 MedservRegis plc posted an operating loss as the depreciation, amortisation and impairment on PPE & intangible assets were higher than the level of EBITDA.

In FY2022, the Group is expecting a gross profit margin of circa 40% and EBITDA margin of just over 21%. However, after accounting for depreciation and amortisation, the Group's operating profit margin is only anticipated to reach 4%.

Liquidity Ratios

The below is a set of ratios prepared to assist in measuring the Company's ability to meet its short-term obligations.

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Current Ratio *(Current Assets / Current Liabilities)*	1.45x	1.73x	2.36x	3.02x
Cash Ratio *(Cash & cash equivalents / Current*	0.31x	0.68x	0.80x	0.79x

The consolidation of the Medserv Group and the Regis Group brought a substantial improvement to the Group's current assets when compared to previous years. Indeed, the current ratio increased to 2.36 times as at the end of FY2021, boosted by higher levels of 'trade and other receivables' and 'cash and cash equivalents. Furthermore, the current ratio is expected to increase further to just over 3 times as at 31 December 2022 as the Group will seek to restructure its debt and hold lower levels of current loans and borrowings.

Solvency Ratios

The below is a set of ratios prepared to assist in measuring the Company's ability to meet its debt obligations.

	Actual FY2019*	Actual FY2020*	Actual FY2021	Forecast FY2022
Interest Coverage ratio *(EBITDA / Net finance costs)*	2.25x	1.39x	n/a	2.83x
Gearing Ratio (1) *(Net debt inc. leases / Total Equity)*	6.02x	16.51x	0.96x	0.86x
Gearing Ratio (2) *[Total debt inc. leases /*	0.87x	0.95x	0.53x	0.50x
Net Debt to EBITDA *(Net Debt inc. leases/ EBITDA)*	6.67x	12.73x	11.36x	5.18x

**Note: The Gearing Ratios and Net Debt to EBITDA for FY2019 and FY2020 are being restated as lease liabilities are now included as per IFRS16.*

Since the FY2021 income statement comprise the twelve-month operations of Regis Holdings Limited as well as the six-month operations of Medserv plc, the EBITDA for FY2021 is not comparable to the previous two years and as such, debt metrics using the EBITDA value of FY2021 do not provide the most appropriate gauge of the Group's ability to meet its financing obligations. Furthermore, in 2021 the Group registered a net finance gain as its finance income outweighed its finance costs. As a result, the interest coverage ratio for FY2021 is not applicable. In FY2022, the interest coverage ratio is expected to reach 2.83 times.

From a gearing perspective, the consolidation of the Medserv Group and the Regis Group resulted in a stronger financial position due to the significant improvement in the Group's equity position. Indeed, the Group's net debt was lower than its total equity as at the end of FY2021, resulting in a gearing ratio (calculated as Net debt inc. leases / Total Equity) of 0.96 times from 16.51 times in FY2020. Similarly, the gearing calculated as total debt divided by total debt plus equity moved sharply lower to 0.53 times as at 31 December 2021, compared to 0.95 times in the previous year. As the Group expects to lower its borrowings during 2022, the gearing is anticipated to improve further to 0.50 times as at the end of FY2022.

The improvement in the financial performance of MedservRegis plc coupled with the reduction in debt, the net debt to EBITDA multiple is envisaged to amount to 5.18 times for FY2022.

Additional Ratios

Since the company did not register a net profit in FY2019, FY2020 and FY2021, and is also not forecasting a profit for FY2022, the Earnings Per Share ratio cannot be computed. Similarly, the Group did not declare any dividends during the years under review and as such, the computation of the Dividend Cover ratio is not possible.

8.5 VARIATIONS IN THE ISSUER'S FINANCIAL PERFORMANCE

The below income statement information has been extracted from the forecast income statement published in the FAS Update of 28 June 2021 (column designated as 'forecast') and the published income statement for the year ended 31 December 2021 (designated as 'actual').

for the year ended 31 December	Actual 2021 *€'000*	Forecast 2021 *€'000*
Revenue	29,925	44,595
Cost of Sales	(17,140)	(27,473)
Gross Profit	**12,784**	**17,122**
Other income	2,286	1,022
Administrative expenses	(8,812)	(7,452)
Impairment loss on financial assets	(440)	-
Other expenses	(544)	-
Share of profit of equity-accounted investees	29	-
EBITDA	**5,305**	**10,692**
Depreciation	(4,328)	(8,831)
Amortisation of Intangible Assets	(1,145)	(1,757)
Impairment on PPE & intangible assets	(7,229)	-
Results from operating activities	**(7,397)**	**104**
Finance income	*2,426*	*87*
Finance costs	*(2,390)*	*(4,211)*
Net finance costs	36	(4,124)
Loss before tax	**(7,361)**	**(4,020)**
Tax income / (expense)	58	(147)
Loss from continued operations	**(7,303)**	**(4,167)**
Profit/(loss) from discontinued operation	100	-
Loss for the period	**(7,203)**	**(4,167)**

The forecasted Income Statement provided in the Financial Analysis Summary Update dated 28 June 2021 reflected the full twelve-month operations of Medserv plc as well as the six-months (covering from the period from 1 July to 31 December 2021) operations of Regis Holdings Limited ("**Regis**").

As explained in the Company's announcement[5] dated 16 June 2022, the forecasts were prepared on the basis of the consolidation of Regis into Medserv plc, reflecting the legal understanding of the acquisition. However, following additional advice from the Company's financial advisers and auditors, the reverse acquisition necessitated the consolidation of Medserv plc into Regis, as Regis was expected to be considered the accounting acquirer of the share-for-share exchange of Medserv plc.

As such, the audited financial statements covering the financial year ended 31 December 2021, published on 16 June 2022, represented a continuation of Regis' financial statements (which also included a number of

[5] https://cdn.borzamalta.com.mt/download/announcements/MDS263.pdf

business activities which have since been discontinued and do not form part of the merged group) except for the capital structure which reflects that of Medserv plc.

As a result, while the Consolidated Statement of Financial Position as at 31 December 2021 represented the combination of Medserv plc and Regis, the Consolidated Statements of Profit or Loss, Other Comprehensive Income, and Cash Flows were based on a 12-month period of Regis coupled with only a six-month contribution of Medserv plc – from 1 July 2021 to 31 December 2021 – given that the share-for-share exchange was concluded towards the end of June 2021.

In view of the aforementioned, the 2021 forecasts published in the Financial Analysis Summary Update dated 28 June 2021 and the actual results for the same financial year are not comparable and thus do not provide scope for an appropriate variance analysis.

9. GUARANTOR PERFORMANCE & FINANCIAL POSITION OVERVIEW

Set up in 1974, Medserv Operations Limited ("**MedOps**") is one of the main operating subsidiaries of the Group providing ILSS. MedOps is the Guarantor of the bond issue to which this FAS relates to (i.e. the bond programme for the €20 million 6% bond 2020/23) and also holds the emphyteutic rights over the site within the Malta Freeport.

What follows is an analysis of the FY2021 figures in comparison to the previous two years and a presentation of the forecasts for the current year. The historic information is sourced from published annual reports as issued by MedOps as well as from additional information provided by management. The forecasts have been provided and approved by the Guarantor's management.

Unless otherwise stated, all amounts in the tables below are in thousands of Euro (€'000) and have been subject to rounding.

9.1 INCOME STATEMENT

for the year ended 31 December	Actual 2019 *€'000*	Actual 2020* *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
Revenue	13,768	10,506	6,528	7,031
Cost of Sales	(8,919)	(7,205)	(4,028)	(4,659)
Gross Profit	**4,849**	**3,301**	**2,500**	**2,372**
Other income	941	1,405	962	812
Administrative and other expenses	(1,965)	(2,128)	(2,025)	(1,790)
(Impairment) / reversal of loss on financial assets	1,232	(258)	269	-
Adjusted EBITDA	**5,057**	**2,320***	**1,706**	**1,395**
Depreciation and amortisation	(2,506)	(2,512)	(2,288)	(1,986)
Other expenses (impairment on PPE)	-	(444)	(447)	-
Results from operating activities	**2,551**	**(636)**	**(1,029)**	**(591)**
Net finance costs	(1,160)	(813)	(713)	(664)
Profit / (Loss) before tax	**1,391**	**(1,448)**	**(1,743)**	**(1,255)**
Tax income / (expense)	(204)	814	1,430	429
Net Profit / (Loss) for the year	**1,187**	**(634)**	**(313)**	**(826)**

**Note: The EBITDA for 2020 in the FAS dated 28 July 2021 amounting to €1.88 million included the impact of the impairment on PPE amounting to €0.44 million. In the 2021 annual report, the EBITDA was adjusted to exclude the impairment on PPE.*

Depreciation and amortisation *for the year ended 31 December* **Within:**	Actual 2019 *€'000*	Actual 2020 *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
Cost of Sales	*(966)*	*(975)*	*(835)*	*(767)*
Cost of Sales – Right-of-Use Assets	*(1,405)*	*(1,405)*	*(1,405)*	*(1,199)*
Administrative and other expenses	*(135)*	*(132)*	*(48)*	*(20)*
Total depreciation and amortisation	**(2,506)**	**(2,512)**	**(2,288)**	**(1,986)**

FY2021 Review

The Guarantor's total revenue for FY2021 amounted to €6.5 million (FY2020: €10.5 million), representing a drop of 37.9% over the previous year. The oil and gas business segment of MedOps, which is the principal income stream of the Guarantor, continued to be negatively impacted by the project delays in Libya because of the COVID-19 pandemic. In contrast, non-oil and gas business has grown and accounted for about 43% of the Guarantor's revenues for FY2021.

The EBITDA of MedOps declined by 26.5% to €1.7 million compared to €2.3 million in FY2020. The Guarantor recognised lower levels of depreciation amounting to €2.3 million (FY2020: €2.5 million) and net finance costs amounting to €0.7 million (FY2020: €0.8 million), as well as an unchanged impairment on PPE of €0.4 million. The Guarantor registered a loss before tax of €1.7 million (FY2020: loss before tax of €1.4 million). After accounting for tax credit amounting to €1.4 million, MedOps' loss for the year amounted to €0.3 million, compared to a loss of €0.6 million in FY2020.

Forecasts FY2022

The financial performance of the Guarantor expected to show a marginal improvement in FY2022 when compared to FY2021. Revenues are anticipated to rebound by 7.7% to €7 million reflecting an improvement in business activity as previously explained in Part A of this report. However, EBITDA is projected to drop by 18.2% to €1.4 million as a result of higher cost of sales. Meanwhile, MedOps is also envisaging lower levels of depreciation (principally in view of the impairments applied to the ROU assets) and amortisation amounting to €2.0 million, leading to an operating loss of €0.59 million, compared to the operating loss of €1.0 million recorded in FY2021.

Management believes that the Guarantor will continue to remain the shore base of choice for operations offshore Libya despite the continued political turmoil and hostile environment in the country. The storage capabilities in Malta remain an attractive offering, while MedOps is also pursuing other business opportunities to grow its non-oil and gas business segment.

9.2 Statement of Cash Flows

for the year ended 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
Net cash from operating activities	2,934	2,281	4,222	5,234
Net cash used for investing activities	(618)	(208)	(227)	(778)
Free cash flow	**2,316**	**2,073**	**3,995**	**4,456**
Net cash from / (used for) financing activities	(3,637)	515	(5,092)	(1,836)
Net movements in cash and cash equivalents	**(1,321)**	**2,588**	**(1,097)**	**2,620**
Cash and cash equivalents at beginning of the year	(2,305)	(3,625)	(1,038)	(2,135)
Cash and cash equivalents at end of year	**(3,626)**	**(1,038)**	**(2,135)**	**485**

FY2021 Review

The cash contribution from operating activities during FY2021 nearly doubled to €4.2 million compared to €2.3 million in the previous year, in view of the much higher levels of trade payables.

Investing activities during the year remained at the €0.2 million level, in line with FY2020 as MedOps maintained the cost reduction measures which were implemented in 2020 with a view of preserving cash resources. As such, free cash flow (being the result of net cash from operating activities less net cash used in investing activities) amounted to just under €4.0 million (FY2020: €2.1 million).

Meanwhile, in terms of cash flows used for financing activities, the Guarantor used €5.1 million for the repayment of bank borrowings, interest and lease liability payments as well as advances to related parties. This contrasts to the financing activities of FY2020 during which MedOps received €5.0 million in bank borrowings which offset the amounts used for the payment of lease liabilities, interest, and advances to related parties.

The Guarantor closed the year 2021 in a negative cash position of €2.1 million compared to a negative cash position of €1.0 million as at 31 December 2020.

Forecasts FY2022

The forecasts for FY2022 indicate a further 24% increase in cash flows from operating activities to €5.2 million reflecting the improvement in business particularly related to the services to the activity taking place offshore Libya. Cash used for investing activities are also expected to increase markedly to €0.8 million (FY2021: €0.2 million). Conversely, the Guarantor is expected to use lower amounts of cash for financing activities in the region of €1.8 million. Overall, MedOps is anticipating ending the 2022 financial year with a positive cash balance of just under €0.5 million.

9.3 STATEMENT OF FINANCIAL POSITION

as at 31 December	Actual 2019 *€'000*	Actual 2020 *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
ASSETS				
Property, plant and equipment	16,256	15,448	14,384	14,375
Right-of-use assets	57,104	55,698	46,231	45,032
Deferred tax assets	2,581	3,396	7,648	8,076
Total non-current assets	**75,941**	**74,542**	**68,263**	**67,483**
Contract asset	542	2	63	-
Trade and other receivables	8,015	7,958	8,780	3,876
Cash at bank and in hand	83	182	160	728
Total current assets	**8,640**	**8,143**	**9,003**	**4,604**
Total assets	**84,581**	**82,685**	**77,266**	**72,087**
LIABILITIES				
Deferred income	31,021	30,533	29,762	28,949
Non-current portion of loan from parent	2,077	941	-	-
Non-current portion of bank loan	235	5,034	3,811	2,846
Lease liabilities	10,043	10,086	10,115	10,161
Provisions	33	51	11	27
Total non-current liabilities	**43,409**	**46,646**	**43,699**	**41,983**
Deferred income	776	808	867	866
Current portion of bank loan and bank overdraft	4,023	1,688	3,530	1,225
Provision	16	-	16	-
Trade and other payables	3,356	1,176	2,341	2,026
Total current liabilities	**8,171**	**3,672**	**6,754**	**4,117**
Total liabilities	**51,580**	**50,317**	**50,453**	**46,100**
Equity				
Share capital	233	233	233	233
Parent company contribution	13,074	13,074	13,074	13,074
Reserves	18,844	18,584	13,812	13,687
Retained earnings	851	476	(306)	(1,007)
Total equity	**33,001**	**32,367**	**26,813**	**25,987**
Total equity and liabilities	**84,581**	**82,685**	**77,266**	**72,087**

FY2021 Review

During FY2021, the Guarantor's total assets declined by €5.4 million to €77.3 million, largely due to a reduction in the value of the right-of-use assets which was brought about by the negative effect of the revaluation of the land due to the impact of the pandemic on real estate in Malta, coupled with a decrease in the discount rate due to the low interest rate environment during the year and an increase in inflation[6].

Meanwhile, total liabilities remained virtually unchanged and amounted to €50.5 million as at 31 December 2021. The main movements within the liabilities were related to the shift of part of bank loans as a current liability from a non-current liability.

In view of the loss recorded in FY2021, retained earnings dropped to negative €0.3 million and reserves dropped by €4.8 million, primarily driven by the aforementioned reduction in the revaluation of land, bringing total equity down to €26.8 million from €32.4 million in FY2020.

Forecasts FY2022

The asset base as at the end of FY2022 is expected to contract by a further 6.7% to €72.1 million reflecting lower trade and other receivables and a further reduction in the right-of-use assets which will outweigh the increase in cash balances of €1.1 million. The trade and receivables balances as at the end of FY2021 included amounts owed to MedOps by its parent – MedservRegis plc – in relation to a loan taken under the Malta Development Bank COVID-19 scheme that was used by the Company to finance its bond interest costs. The improved operations envisaged for FY2022 are expected to lead to a lower balance of trade and receivables, following the repayment of this loan by the Company to MedOps.

MedOps' liabilities are expected to drop by €4 million largely reflecting the repayment of bank loans. Meanwhile, MedOps is expecting a marginal reduction in reserves and retained earnings, leading to a forecasted total equity of €26.7 million as at 31 December 2022.

[6] MedOps recognises and measures the value of land at fair value, but since the land is leased, the market value of land is then multiplied by the leasehold factor. Further details are disclosed in note 23 of the 2021 annual report, page 59.

9.4 Ratio Analysis

The following set of ratios have been computed by Rizzo Farrugia & Co (Stockbrokers) Ltd using the figures extracted from annual reports and information and forecasts provided by management.

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

Profitability Ratios

Such ratios assist in measuring the Guarantor's ability to generate profitable sales from its assets.

	Actual FY2019*	Actual FY2020	Actual FY2021	Forecast FY2022
Gross Profit margin *(Gross Profit / Revenue)*	35.22%	31.42%	38.30%	33.74%
EBITDA margin *(EBITDA / Revenue)*	36.72%	22.09%	26.13%	19.84%
Operating Profit margin *(Operating Profit / Revenue)*	18.53%	n/a	n/a	n/a
Net Profit margin *(Profit for the period / Revenue)*	8.62%	n/a	n/a	n/a
Return on Equity *(Profit for the period / Average Equity)*	3.64%	n/a	n/a	n/a
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	2.85%	n/a	n/a	n/a
Return on Assets *(Profit for the period / Average Assets)*	1.29%	n/a	n/a	n/a

**Note: The EBITDA margin and Operating Profit margin for FY2019 differs from that published in the 2020 FAS, since in the 2020 FAS the impact of the net impairment loss/(reversal) on amounts receivable from related parties was excluded from the EBITDA of FY2019 but is no longer excluded given that impairments on current assets are normally included in the calculation of EBITDA.*

The Guarantor's gross profit margin exceeded pre-pandemic levels in FY2021 but will drop in FY2022 reflecting higher cost of sales. Similarly, the EBITDA margin exhibited some recovery in FY2021 but will move lower in FY2022 as the increases in cost of sales will outweigh the reduction in administrative expenses. The Guarantor is still expected to generate a net loss in 2022 and thus other related profitability ratios will remain negative.

Liquidity Ratios

Such ratios assist in measuring the Guarantor's ability to meet its short-term obligations.

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Current Ratio *(Current Assets / Current Liabilities)*	1.06x	2.22x	1.33x	1.12x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.01x	0.05x	0.02x	0.18x

MedOps' current assets remained above the current liabilities between FY2019 and FY2021 and are expected to remain so in FY2022. Dependency of the Guarantor on the bank overdraft was essential between FY2019 and FY2021, as evidenced by the Guarantor's cash ratio of 0.01 to 0.05 times, largely due to the situation with respect to delays to payments emanating from Libya. This situation is anticipated to somewhat improve in FY2022 albeit marginally, reflecting the increase in cash reserves resulting from the improved business activity as well as the receipt of long outstanding trade receivables, including the repayment of €5 million by the parent company to the Guarantor.

Solvency Ratios

Such ratios assist in measuring the Guarantor's ability to meet its debt obligations.

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Interest Coverage ratio *(EBITDA / Net finance costs)*	4.36x	2.85x	2.39x	2.10x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.49x	0.54x	0.65x	0.52x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	0.33x	0.35x	0.39x	0.35x
Net Debt to EBITDA *(Net Debt / EBITDA)*	3.22x	7.57x	10.14x	9.68x

Note: The Gearing Ratios and Net Debt to EBITDA for FY2019 and FY2020 are being restated as lease liabilities are now included as per IFRS16.

Interest cover in dropped to 2.39 times in 2021 reflecting the lower level of EBITDA and will drop further to 2.10 times in FY2022.

Gearing ratios for FY2021 increased following the deterioration in the equity of MedOps compared to the previous year but are expected to decline again in FY2022 due to lower levels of debt.

The net debt to EBITDA multiple climbed higher in FY2021 amid lower levels of EBITDA but the Guarantor is expected to achieve an improved net debt to EBITDA multiple of 9.68 times in FY2022 amid the anticipated recovery in business.

9.5 VARIATIONS IN THE GUARANTOR'S FINANCIAL PERFORMANCE

for the year ended 31 December	Actual 2021 €'000	Forecast 2021 €'000	*Variance* %	*Variance* €'000
Revenue	6,528	11,330	*-42.4%*	*-4,802*
Cost of Sales	(4,028)	(7,751)	*-48.0%*	*3,723*
Gross Profit	**2,500**	**3,579**	*-30.1%*	*-1,079*
Other income	962	776	*24.0%*	*186*
Administrative and other expenses	(2,025)	(2,036)	*-0.5%*	*11*
(Impairment) / reversal of loss on financial assets	269	-	*n/a*	*269*
Adjusted EBITDA	**1,706**	**2,319**	*-26.4%*	*-613*
Depreciation and amortisation	(2,288)	(2,531)	*-9.6%*	*243*
Other expenses (impairment on PPE)	(447)	-	*n/a*	*-447*
Results from operating activities	**(1,029)**	**(212)**	*385.4%*	*-817*
Net finance costs	(713)	(761)	*-6.3%*	*48*
Loss before tax	**(1,743)**	**(973)**	*79.1%*	*-770*
Tax income / (expense)	1,430	(259)	*-652.1%*	*1,689*
Net Loss for the year	**(313)**	**(1,232)**	*-74.6%*	*919*

The Guarantor's performance in FY2021 was significantly below the forecasted levels as revenues were delayed due to the pandemic, leading to an EBITDA level 26.4% below expectations. MedOps was also impacted by an impairment of €0.45 million on PPE that was not forecasted. In contrast, the Guarantor incurred lower amounts of depreciation and amortisation and net finance costs. Furthermore, MedOps benefitted from a tax credit rather than an expense, resulting in a lower net loss than originally anticipated.

MedservRegis plc's ordinary shares are listed on the Official List of the Malta Stock Exchange – details as follows:

ISIN: MT0000310103

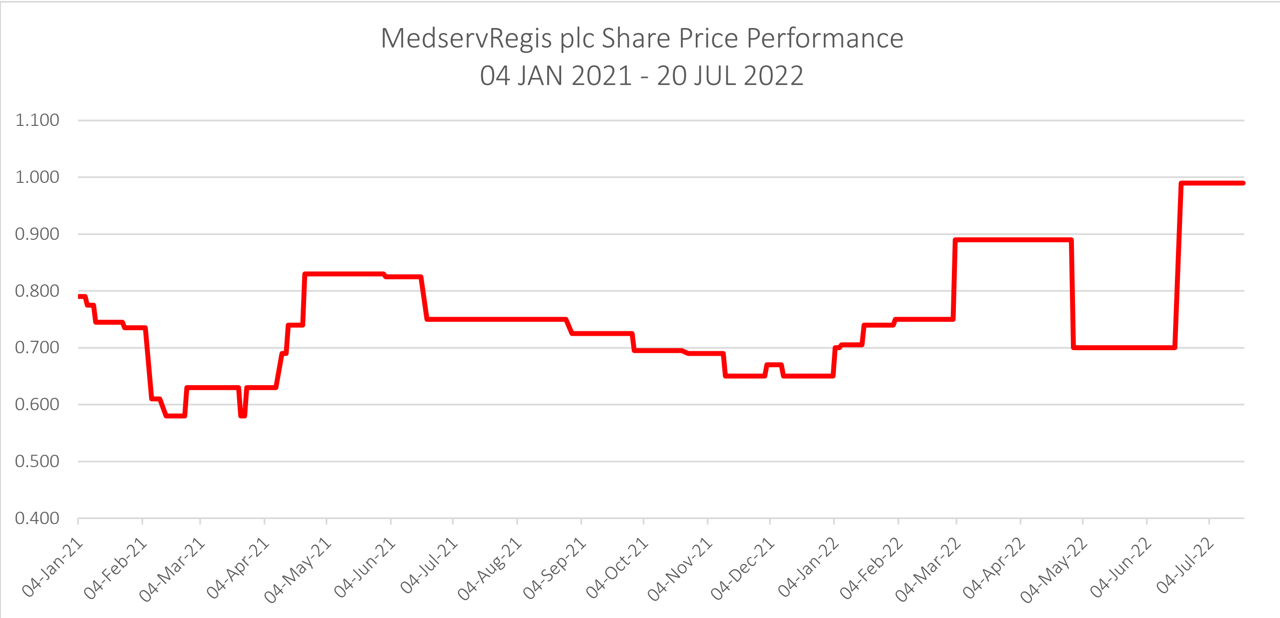
Issued Shares: 101,637,634 ordinary shares

Nominal Value: €0.10

Current Market Price: €0.99 (as at 20 July 2022)

Enterprise Value[7]: €160.9 million

Price to Earnings Ratio: n/a



Apart from the shares, the Issuer has other debt securities which are also listed on the Official List of the Malta Stock Exchange. Details of these bonds are found in the table below:

ISIN	Details	Maturity	Nominal Amount
MT0000311218	6% Secured & Guaranteed 2020/2023 S1 T1 (€)	Callable between 30/09/2020 and 30/09/2023	20,000,000[8]
MT0000311234	4.5% Unsecured 2026 (€)	05/02/2026	21,982,400
MT0000311242	5.75% Unsecured 2026 (USD)	05/02/2026	9,148,100

[7] *Based on the market capitalisation as at 20 July 2022 and the figures extracted from the Statement of Financial Position as at 31 December 2021.*

[8] *MedservRegis plc intends to redeem this bond later this year and issue a fresh bond of €13 million.*

PART D COMPARATIVES

NB: The table below seeks to compare the securities of MedservRegis plc with a selection of securities with a similar term. It is to be noted, however, that there are significant differences in the business models of each of the listed companies being compared below and an exact match to the operations and business of the Issuer (and/or Guarantor) is not available. Thus, while the metrics below can be used as a gauge of MedservRegis's financial strength against other issuers listed locally, they do not capture the quantitative factors such as the different business models of each issuer, their competitive position in the market, KPIs, etc.

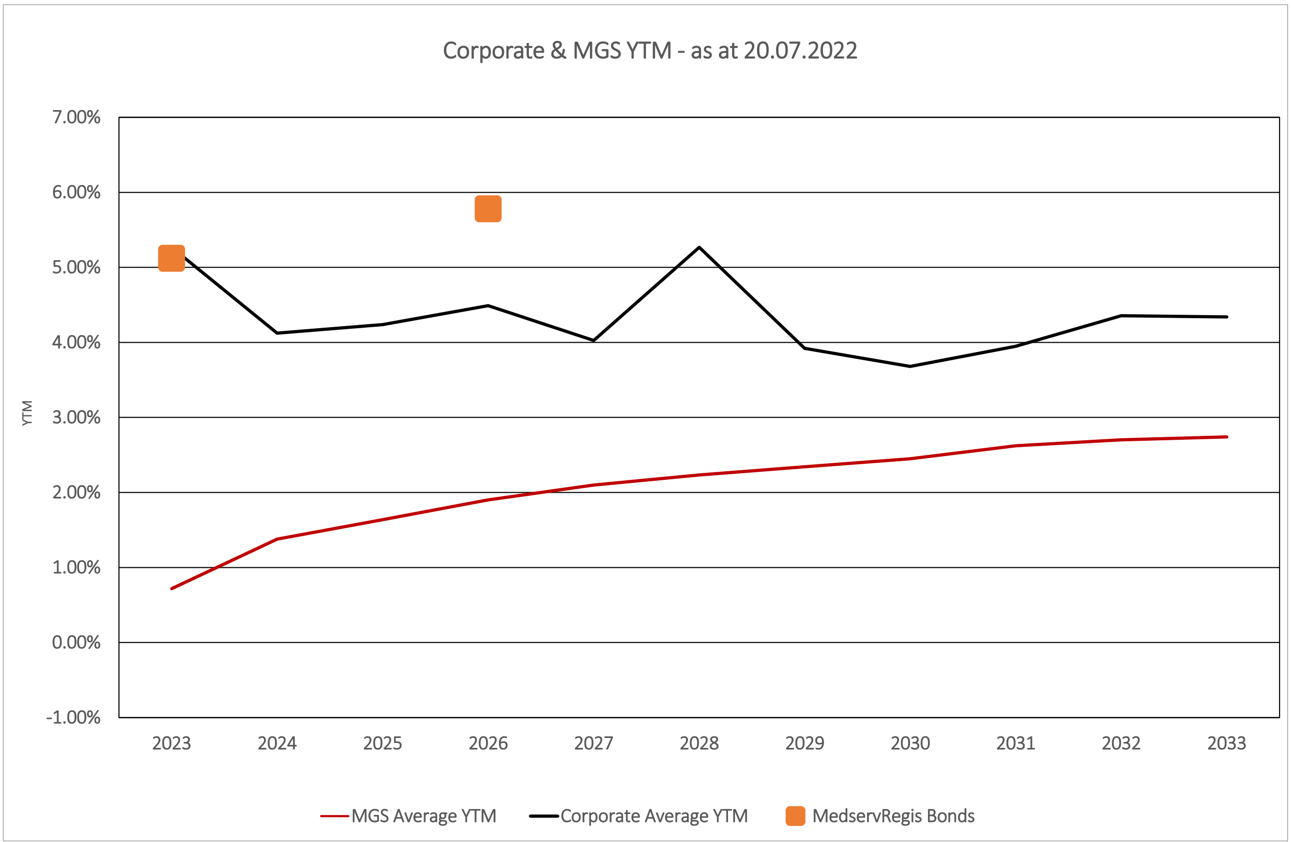
Bond Details	*Amount Outstanding (€)*	*Gearing (%)**	*Net Debt to EBITDA (times)*	*Interest Cover (times)*	*YTM (as at 20.07.2022)*
4.25% GAP Group plc 2023 (Secured)	8,350,000	60.3%	2.7x	14.3x	5.28%
5.50% Med. Inv. Holding plc 2023	20,000,000	27.1%	3.7x	2.3x	6.54%
5.80% Int. Hotel Investments plc 2023	10,000,000	40.1%	38.1x	0.6x	4.97%
6.00% AX Investments plc 2024	40,000,000	25.6%	7.0x	3.0x	4.99%
6.00% MEDSERV PLC 2020/23 (Secured) (Callable)	20,000,000	47.9%	11.0x	2.3x	5.12%
4.00% MIDI plc 2026 (Secured)	50,000,000	32.7%	23.6x	0.9x	4.00%
4.00% Int. Hotel Investments plc 2026 (Secured)	55,000,000	40.1%	38.1x	0.6x	3.35%
4.00% Int. Hotel Investments plc 2026 (Unsecured)	60,000,000	40.1%	38.1x	0.6x	4.12%
3.90% Plaza Centres plc 2026	5,680,000	14.7%	2.8x	5.7x	3.90%
4.50% MEDSERV PLC 2026	21,982,400	47.9%	11.0x	2.3x	5.78%
3.25% AX Group plc 2026	15,000,000	25.6%	7.0x	3.0x	3.27%
3.75% Premier Capital plc 2026	65,000,000	47.2%	0.9x	11.7x	3.49%

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Rizzo, Farrugia & Co (Stockbrokers) Ltd

**Gearing: (Net Debt / [Net Debt + Total Equity]) [Net debt excludes leases]*

The chart overleaf compares the 6% Medserv plc Secured 2020/23 and the 4.5% Medserv plc Unsecured 2026 bonds to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 20 July 2022.

MEDSERV PLC BONDS' YTM VS CORPORATE & MGS YTM – AS AT 20.07.2021



The 6% MedservRegis plc 2020/23 Secured bond is yielding 15 basis points below the corporate bonds average YTM for 2023 and 440 basis points over the average MGS YTM for a similar maturity. The 4.5% MedservRegis plc 2026 bond is yielding 129 basis points over the corporate bonds average YTM maturing in the same year and 388 basis points over the average MGS YTM for a similar maturity.

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Profitability Ratios

Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity (ROE)	ROE measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by average shareholders' equity.
Return on Capital Employed (ROCE)	ROCE indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets (ROA)	ROA measures the rate of return on the assets of the company. This is computed by dividing profit after tax by average total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

Other Definitions

Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
Earnings per Share (EPS)	EPS is calculated by dividing the company's profit by the number of shares in issue.
Dividend Cover	Dividend cover is calculated by dividing the EPS by the dividend per share.
Enterprise Value (EV)	EV measures the company's total value comprising its market capitalisation and net debt.
Price to Earnings (P/E)	The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.

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