MedservRegis p.l.c.

Annual Report

2021

MedservRegis p.l.c.

MedservRegis p.l.c.
Port of Marsaxlokk
Birzebbugia, BBG 3011
Malta

T +356 2220 2000
E info@medservregis.com

W www.medservregis.com
Company registration No: C28847

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Chairman's Statement

For the Year Ended 31 December 2021

This is the first end of year statement I have the honour to make for the newly formed Group of Companies, MedservRegis Plc. The coming together of two likeminded groups of companies in June of 2021 has created a financially and operationally stronger organization as well as giving the new group a global reach not available in the past to facilitate growth.

On the back of the crippling pandemic and its disastrous effect on the global economy the shareholders and directors of both Regis and Medserv acted to ensure they protect their investment and market position. This action created a strong Group able to meet the expected upturn in business. As anticipated the economic activity in the second half of 2021 was stronger than the first six months of the same year, and this growth is expected to accelerate during 2022.

The integration process of the two Groups is ongoing and should deliver not only a more cost-effective operation but also enhance the service product offered to our client base across the Globe. This process has brought about some significant changes at board of directors and senior management level. The new board of directors of MedservRegis is made up of a mix of individuals with a long track record serving both companies as well as the addition of new blood to help implement change. It would be amiss of me not to take this opportunity to thank all outgoing directors of both Regis and Medserv for their stellar service over the years.

The changes put in place at executive management levels are also designed to reflect the change in ownership as well as to meet the demands of the global markets MedservRegis is competing in. David O'Connor has assumed the responsibility as Group CEO assisted by two deputy CEOs, Karl Bartolo and Olivier Bernard. All senior management has been retained and the few members of management that were due to retire have not been replaced as their duties were absorbed by the integration process.

Our industry and indeed our Group is conscious of our responsibility towards reaching a carbon neutral economy. MedservRegis invested directly in solar farm activity and is introducing other measures to reduce our carbon footprint. Our main clients, the Oil and Gas Majors, are investing heavily in alternative and renewable energy. MedservRegis has already secured business supporting new investment made by International Energy Companies in renewable energy projects. The transition from fossil fuel to alternate fuels is an ongoing process that needs both time and paradoxically the very same fossil fuel to make this change happen. MedservRegis is well positioned to support this transition and beyond.

I am confident that the global economy is on an upward trajectory and the changes at MedservRegis have made it possible for my board and I to see our group returning to profitability and deliver value to our shareholders. This is possible not only due to the strategic developments implemented by the Directors but also due to the professionalism and dedication shown by the Group's management and staff in the four corners of the world.

Anthony S. Diacono
Chairman

16 June 2022

CEO's Statement

For the Year Ended 31 December 2021

"Joining Forces and Transforming into a Global Player "

With the ongoing Covid pandemic, 2021 continued to be a year of tough challenges. This, together with the insurgency in northern Mozambique which forced the suspension of all works at the Total LNG facility, added pressure to business operations. Notwithstanding these challenges, business has stabilised from the downturns of 2019 and 2020 and is registering signs of growth.

Management successfully completed the share for share transaction with Mauritius based Regis Holdings Ltd at the end of June 2021. The listed entity, now known as MedservRegis plc., has an expanded base of operations in Sub-Sahara Africa most notably Mozambique, Uganda and Angola.

The economic environment in 2021 remained slow and uncertain as a result of the continued suspension of projects due to the pandemic, the fragmented political situation in Libya resulting in the postponement of the start of new drilling activity and most notably the force-majeure announced by Total Energies at their LNG facility situated in northern Mozambique. On the positive side our Egypt operations were awarded two substantial projects which commenced mid-year. This is expected to improve operations and contribute significantly to the Group's results and we expect Egypt to register improved revenues and profits over the next three years. Our operations in the Middle East continue to generate profits with further expected growth for 2022 and 2023 as a result of an increase in the number of onshore wells being drilled.

The Group's total revenues for year 2021 amounted to €29.9 million. Earnings, before interest, tax, depreciation and amortisation (EBITDA) amounted to €5.3 million. A detailed analysis of the Company's financial performance for the reporting year can be found in the Directors' report.

One of the prime objectives of the Company this year was to conclude the share for share transaction with Regis Holdings Ltd and to commence with the integration of business units into one management mindset. Following the successful conclusion of the share for share transaction, the Regis business infused significant cash reserves into the Group, which has significantly strengthened the combined financial structure of the Company. On the back of this strengthened financial position the Group, together with its strong business pipeline, is now in a better position to approach the financial markets and restructure its debt.

The Group today is represented on four continents, present in twelve countries and operating twelve bases, transforming the Company into a global player. The Group is adapting to the market changes as integration of supply chain management and the increase of resource sharing is the driver to remain sustainable and continue to be of value to our international energy clients. With the increase in the energy prices, we are experiencing a surge in invitations to tenders and requests for proposals across all our operating entities. The driver for this growth is the significant economic development of the countries in which MedservRegis operates in today. Of particular importance for the Company will be the Uganda business unit which is expected to achieve double digit growth in 2022 following the Final Investment Decision (FID) taken by the project's joint venture partners and Uganda National Oil Company for Uganda's Lake Albert development project in February 2022.

CEO's Statement (continued)

For the Year Ended 31 December 2021

Our strategic targets for 2022 are for the Company to return to pre-Covid19 growth levels and to register profits for shareholders and at the same time, continue to instil across all operating jurisdictions a work culture consistent to the shareholders' values: being health, safety, security, environment and integrity.

In closing, we thank our customers for their business, our shareholders for their support and our loyal and hardworking team for their invaluable contribution in these trying times.

David S. O'Connor
CEO

16 June 2022

Statement of Corporate Social Responsibility

For the Year Ended 31 December 2021

As the Company grows, from the Mediterranean and the Middle East, to now spanning the African continent, MedservRegis recognises the impact of its global reach and scale. As the Company broadens its geographic footprint, it does so with increased recognition of the responsibility to its network of stakeholders including partners, regulators, employees and the broader communities in which we all live and work.

COVID-19 response

MedservRegis renewed its focus on doing what was necessary, and more importantly what was right. Throughout the life-altering pandemic, it prioritised the safety and well-being of its employees and their families, customers, and partners. At the onset of the COVID-19 pandemic, the Company quickly developed robust health and safety protocols and aligned with the government directives and public health authorities' guidance. At various MedservRegis bases, the Company offered reimbursement for COVID-19 testing for team members, including free rapid testing. The measured and methodical response to the pandemic, provided a good ground to the Company to safely bring employees back to the workplace.

Corporate governance

Maintaining integrity, ethical responsibility and reputation is a top priority at MedservRegis, one that is reliant on sound corporate governance. The Board of Directors sets high standards for the Company's employees, officers and directors. In addition, it serves as the prudent fiduciary for the Company's shareholders and is responsible for overseeing the management of the Company's business. At MedservRegis, management ensures strict adherence to all applicable laws and practices fundamental to the business in every country it operates. As part of the Company's risk framework, MedservRegis' Financial Risk Committee reports quarterly to the Audit Committee and has oversight over risk management governance, risk management procedures and risk control infrastructure for the Company's business and operations.

Environmental impact

Climate change is one of the defining issues of the time. MedservRegis strives for continual improvement of the environmental management system and conserve water and other natural resources, eliminate toxic and hazardous materials, prevent pollution, recover, reuse, and recycle materials. It addresses climate change by reducing the carbon footprint of its operations and services. The Company will continue to invest in conservation and work to reduce environmental footprint through renewable energy of photovoltaic panels, use water efficiently and responsible handling and disposal of hazardous waste.

Philanthropy

MedservRegis has engaged in a variety of philanthropic efforts to improve the local communities. The Company supports several global charitable organisations and have participated in volunteer opportunities related to environmental stewardship, reducing global hunger, promoting education and supporting equality.

In August 2021, Medserv (Cyprus) Ltd supported the wildfire victims in Greece by contributing and collecting money, food, medicine and other supplies to hundreds of homeless families, following the extensive destruction caused by the large-scale fires in Greece. Other donations were made towards voluntary, non-profit, charitable organisations who offer services and programs to cancer patients and their families including the Association of Cancer Patients and Friends (PASYKAF) in Cyprus and the Action for Breast Cancer Foundation in Malta.

During 2021, the promotion towards community development and contribution towards poverty alleviation was also present across the MedservRegis group. To mention a few, several non-profit organisations in Mauritius, including Ti Rayons Soleil, Livina Foundation and I61 Foundation, were supported and allocated Corporate Social Responsibility funding to uplift those oppressed of poverty and social injustice.

Looking ahead

The Company's approach to Corporate Social Responsibility is rooted in its core values and is applicable to the planet, people, and communities. MedservRegis considers each a key stakeholder to its business and remains focused on embedding sustainability throughout the organisation and beyond. Whether it's reducing the carbon footprint of customers, supporting the development and inclusion of the global workforce, or giving back to the communities, the Company continues to believe that long-term sustainability is not simply held responsible or good for the business, but is required.

Statement of the Directors pursuant to Capital Markets Rule 5.68

The directors have prepared this directors' report for MedservRegis p.l.c. ("the Company") in accordance with Article 177 of the Companies Act, 1995 (Chapter 386, Laws of Malta) ("the Act") including the further provisions as set out in the Sixth Schedule to the Act together with the financial statements of the Company for the year ended 31 December 2021.

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)
Monica De Oliveira Vilabril (appointed on 25 October 2021)
Anthony J. Duncan (resigned on 25 June 2021)
Etienne Borg Cardona (resigned on 25 June 2021)
Kevin Rapinett (resigned on 25 June 2021)

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, and Angola.

The Group operates under three trading names, namely 'Medserv' in the Mediterranean basin, 'METS' being Middle East Tubular Services in the Middle East region and 'Regis' in sub-Saharan market.

Reverse acquisition

On 25 June 2021, Medserv p.l.c. completed a share for share exchange with Regis Holdings Ltd (Regis) that resulted in Regis controlling the Medserv plc group of companies. Following the transaction, the combined group changed its name to MedservRegis p.l.c. (hereafter the 'Company'). From a legal and taxation perspective, the Company is considered the acquiring entity. However for accounting purposes the transaction has been accounted for as a reverse acquisition in the consolidated financial statements, where Regis is the accounting acquirer, and the Company is the legal acquirer. As a result, these financial statements represent a continuation of Regis' financial statements except for the capital structure.

As a result of the reverse acquisition:

a) the Consolidated Statement of Financial Position as at 31 December 2021 represents the consolidated financial position of the combined Medserv and Regis group of companies; whereas
b) the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021 includes the financial results of the continued operations of Regis group of companies for the entire year and financial results of the formerly Medserv group of companies from 1 July 2021 until year-ended 31 December 2021.

MedservRegis p.l.c.

Statement of the Directors pursuant to Capital Markets Rule 5.68

The comparative information of the Group presented in these financial statements is the last annual consolidated financial statements of Regis as at and for the year ended 31 December 2020, re-presented and restated due to a discontinued operation and other restatements, see notes 8 and 41, respectively.

This acquisition brings together the complementary strengths of both Medserv and Regis group of companies and allows the Group to successfully respond to the fundamental 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 twelve 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 business development

During year 2021 the global economy continued to be impacted by the COVID-19 pandemic outbreak. The pandemic resulted in most of the offshore drilling and mining activities being suspended from the second quarter of 2020 to fourth quarter of 2021, due to the inability to provide a safe working environment. The economic shocks caused by the pandemic, the conflict in North Mozambique and political instability in Libya impacted the Company's business during year 2021.

During the year 2021 the COVID-19 vaccine started being rolled out, allowing for nations to begin to emerge from national lockdowns. This started to provide improved economic stability in the second half of the year and oil and gas projects to resume. The Company's business activities improved steadily, albeit slowly, resulting in securing two new contracts with new clients being BP Egypt and Dubai Petroleum.

The EBITDA performance of MedservRegis improved in the second half of the year compared to the previous six months even after taking into consideration 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. This is underpinned by the contract award in Egypt and the upturn in supply chain logistics activity in the Middle East in the second half of the year.

During the year under review, the largest contributor to EBITDA remains the Oman division. MedservRegis started implementing its integration plan following the share for share exchange with Regis. This resulted in a number of cross-selling opportunities within the core competencies of the Company. Furthermore, the Company is in discussions to restructure its debt. The Company's strategy remains that of sustainable growth and returning to profitability. The transaction with Regis has significantly improved both the net cash and equity to debt position of the Company.

Business Model

The Company's objectives are that of sustainable growth and registering profits. The strategy being adopted by the Company to achieve these objectives is a combination of securing growth opportunities in its core business, unlocking value with other key players in the supply chain as well as streamlining the business by increasing automation within its operations.

This operating culture is implemented through board of directors'oversight of management's implementation of corporate strategy and financial objectives by reference to several criteria, including revenue, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), projected earnings, country by country analysis and other anticipated criteria.

Statement of the Directors pursuant to Capital Markets Rule 5.68

The Board of Directors sets the policy which then defines the requirement of the corporate management standards. Presently the Company's corporate management system consists of fourteen key standards which are to be followed by its employees in their day-to-day operations.

The Board of Directors continues to instil a drive for growth within a business environment where our employees need to act in an exemplary manner in the following areas: health, safety, security, environment, social and governance in all their forms. It is through strict adherence to these values and to this course of action that the Company intends to build strong and sustainable growth for itself and for all its stakeholders.

Additionally, the Board sets non-financial smart objectives and targets on an annual basis to support continue improvement of its Business Model. Progress and oversight of these non-financial smart objectives and targets is carried out through an internal audit programme and a reporting environment.

In order to evaluate the business management system, the Company is certified to international standards including ISO9001 Quality Management System, IS014001 Environmental Management Systems, ISO28001 Security Management System, ISO45001 Health Safety Management System, and which are part of a surveillance audit plan by an external accredited body.

Principal risks and uncertainties

The Board considers the nature and the extent of the risk profile that is acceptable to the Board and the impact these risks pose to the Group. The most important strategic, corporate and operational risks, as well as uncertainties identified together with the actions taken by the Group to reduce these risks, are listed below:

Concentration risk: The Group's business is heavily dependent on a relatively few customers both in the shore base logistics and OCTG. The Group's objective continues to be to increase client spread within the oil and gas industry. The strategic development team is continuously working to secure business with new Integrated Energy Companies (IECs) and in new countries. The acquisition of METS by Medserv in 2016 and the share for share exchange transaction with Regis during the year were both significant measures taken to reduce client concentration risk. The Company is also marketing its services to various energy industries and using its key assets to service non-oil and gas business in order to reduce its concentration on the oil and gas industry.

Political risk: The Group's results may be significantly impacted positively or negatively as a result of political decisions. Regulatory and environmental decisions, as well as political instability can delay, disrupt or cancel projects. The fiscal and economic conditions in Libya remained fragile during the year, characterised by inflation and a persistent political strife. In Iraq, the political and security situation has been improving but the political impasse impacts the commencement of projects. Cabo Delgado province in Mozambique had by early 2021 spiralled into a jihadist insurgency threatening regional security. The Group now operates in twelve jurisdictions, mainly in Africa and the Middle East, with the intention of increasing its operational footprint in these regions and others to continue to minimise this risk.

Statement of the Directors pursuant to Capital Markets Rule 5.68

Regulatory and environmental risk: The Group operates in twelve jurisdictions which are highly regulated, and all have their own unique compliance frameworks. Environmental risks arise from exposures to activities that may cause or be affected by environmental degradation, such as pollution. An infringement in any of these laws and regulations may have significant liabilities and tarnish the Group's brands, being Medserv, Regis and METS.

Oil price: Oil service companies tend to have greater volatility of earnings than oil majors, given their sensitivity to the capital spending plans of oil explorers, which wax and wane with oil prices. Similar to other players in the industry, an increase in oil prices would directly benefit the Company from increased services required by oil companies in preparation of the oil exploration, development and production. On the other hand, as oil prices decline, energy production companies focus their efforts on increasing operating efficiencies, these actions apply downward pressure on the rates charged by drillers, oilfield services companies, and other suppliers such as the Company. Accordingly, the Company's profit margins may be tightened due to such weakened demand for the services offered and heightened industry competition to maintain market share. The Group is always striving to reduce this risk by investing in countries where cost of oil production is low, primarily in the Middle East and Africa. Also, the Group's strategy is to increase the number of services offered.

Financial performance

The Group's turnover for the year amounted to €29,924,554. The Adjusted Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) of the Group amounted to €5,304,677. After recognising depreciation amounting to €4,327,724 and net provision for impairment losses on property, plant and equipment amounting to €5,158,514, the Group sustained an operating loss amounting to €7,426,064. After adding the net finance income amounting to €36,265, and the share of profit of equity-accounted investees of €29,101, the Group registered a loss before tax of €7,360,698. Loss for the year after accounting for taxation and profit from discontinued operation, net of tax, amounted to €7,202,667.

Cash generation from operations remained stable across the entire Group and during the year amounted to €6,579,652.

The Group's EBITDA performance improved in the second half of the year compared to the first half particularly due to a general improvement in the business environment as the COVID19 pandemic began to wind down and demand for energy increased. Additionally, the award of new contracts in Egypt contributed further to this improved performance.

Revenue

The Group's revenue was generated as follows:

Operating Segment	%
Integrated Logistics Support Services (ILSS)	68%
Oil Country Tubular Goods (OCTG)	27%
Trading Activity	4%
Photovoltaic income	1%

Cost of sales and administrative expenses

The cost of sales of the Group for the year amounted to €22,526,528. Cost of sales also include the amortisation of the intangible assets amounting to €1,145,241 which consist mainly of customer relationships.

Other income amounting to €2,286,320 is mainly made up of the foreign exchange differences during the year. Other expenses mainly include the impairment losses on property, plant and equipment, goodwill and intangible assets totalling to €7,228,675 and loss on disposal of property, plant and equipment of €388,933. The increase in administrative expenses over last year is mainly due to the professional fees in relation to the acquisition. In addition, during the year, the Group continued its investment in its business development with the objective of participating in new tenders as opportunities presented themselves.

The Group - Financial key performance indicators from continuing operations

	Year 2021 € Million	Year 2020 € Million
Total turnover	**29.92**	11.29
- Integrated Logistics Support Services (ILSS)	**20.23**	9.66
- Oil Country Tubular Goods (OCTG)	**8.18**	-
- Photovoltaic Farm	**0.22**	-
- Trading Activity	**1.29**	1.63
Adjusted EBITDA	**5.30**	(4.01)
Loss from continuing operations	**(7.20)**	(12.68)
Net cash generated from operating activities	**6.58**	6.47
Cash and cash equivalents	**9.11**	8.64
Equity	**62.82**	41.96
Balance sheet total	**150.79**	44.94
Capital expenditure	**(2.02)**	(1.98)
EBITDA margin in %	**17.73%**	(35.55%)
Net debt to EBITDA	**10.35**	N/a
Debt to Equity ratio*	**0.87**	0.03
EPS	**(13c7)**	(€11c30)
Average number of employees for the year	**609**	101

** debt to equity is worked out by dividing loans and borrowings by total equity*

Financial position

The consolidated equity attributable to the owners of the Company as at 31 December 2021 amounted to €60 million. The equity attributable to the owners of the Company as at 31 December 2021 amounted to €18.6 million.

Dividends

No reserves are available for distribution.

Reserves

Retained earnings (accumulated losses) amounting to €23.15 million and (€31.35 million) for the Group and the Company, respectively, are being carried forward.

Statement of the Directors pursuant to Capital Markets Rule 5.68

Future developments

In line with the Group's strategy for diversification in geographic markets, client base and product services, the Group is actively positioning itself for growth in various new significant developing energy markets, particularly in Africa and Caribbean region. The Group is awaiting adjudication on tenders relating to ILLS in Trinidad & Tobago, Suriname, Mauritania and Uganda.

The Company is experiencing an increasing number of opportunities within its core ILSS and OCTG competencies for organic growth as well as opportunities of a strategic nature allowing the Company to unlock value in the supply chain and be part of the industry transition.

Events occurring after the end of the accounting period

The war in Ukraine to date had no material impact on the Company's operational capacity, financial performance and financial position. Nor has it sustained any threats of any nature on the Company's modus operandi. The Company's geographical position is mainly in the Mediterranean, Sub-Saharan Africa, Middle East and the Caribbean region. The directors do not foresee any direct or indirect impact on its business arising from the war in Ukraine.

Additionally, the Company has shut down its shipping unit. Regis shipping was the owner and operator of two vessels, a bulk vessel named MV Baltic Trader, and a landing craft named MV Regis Kaskazi. MV Baltic trader was disposed during year 2021 and the MV Regis Kaskazi was disposed in March 2022. Management did not consider such an activity to form a core competency of the MedservRegis plc .

Outlook

The energy sector in 2022 will be one of growth, as consumption looks set to exceed 2019. The oil price upward trend during the past six months as well as the recent tensions in the gas market is expected to foster additional investments by the IECs in countries the Company operates in. New projects have the potential to translate into significant commercial opportunities for the Company. With contracts, a good track record and resources in place, the Company is well placed to benefit from the rebound of the Exploration and Production activities in all markets where it operates.

With the increase in both demand for gas and energy prices, the Company is experiencing an upturn in invitations to tender and requests for proposals across the majority of its operating entities. The Company's geographical reach in the Mediterranean basin, Sub-Saharan Africa and the Middle East allows the Company to provide solutions to its client base. 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 and Trinidad 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 political risks and at times unrest in the countries the Company operates in, the Company is poised for growth. The drivers for this increase in demand for the Company's services are the significant economic development of the countries in which it operates today, as well as the change in Europe's energy policy and the current energy prices.

Our strategic targets for 2022 remains for the Company to return to pre-Covid19 trading levels and register profitability in the short to medium term.

Going concern

MedservRegis p.l.c.

Statement of the Directors pursuant to Capital Markets Rule 5.68

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

Auditors

The Company completed a tendering process for the provision of independent external audit services. The audit tender process was overseen by the Company's Audit Committee with a resolution by the board of directors proposing the appointment of PricewaterhouseCoopers as the selected firm being put to shareholders at the 2022 Annual General Meeting.

DISCLOSURE IN TERMS OF THE LISTING RULES

PURSUANT TO CAPITAL MARKETS RULE 5.64

Company Secretary:	Dr Laragh Cassar LL.D.
Registered Office of Company:	Port of Marsaxlokk Birzebbugia Malta C28847
Telephone:	(+356) 2220 2000

Approved by the Board of Directors on 16 June 2022 and signed on its behalf by:

Anthony S. Diacono Chairman	David S. O'Connor Director & CEO

Statement of the Directors pursuant to Capital Markets Rule 5.68

To the best of the knowledge of the directors:

(i) the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(ii) the Directors' report includes a fair review of the performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Board of Directors on 16 June 2022 by Anthony S. Diacono and David S. O'Connor as per Directors' Declaration on ESEF Annual Report submitted in conjunction with the Annual Report 2021.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance

Introduction

Pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority, MedservRegis p.l.c. (the "**Company**") as a company whose equity securities are listed on a regulated market, should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Capital Markets Rules (the "**Code**"). In terms of Capital Market Rule 5.94, the Company is obliged to prepare a report explaining how it has complied with the Code. For the purposes of the Capital Markets Rules, the Company is hereby reporting on the extent of its adoption of the recommended Code.

The directors all share the conviction that the practices recommended by the Code are in the best interests of the MedservRegis plc group of companies (the "**Group**") and its shareholders generally and that compliance therewith is not only expected by investors but also evidences the directors' and the Company's commitment to a high standard of governance.

Good corporate governance is the collective responsibility of the board of directors of the Company (the "**Board**"). As demonstrated by the information set out in this statement, the Company believes that it has, save as indicated in the section entitled "Non-Compliance with the Code", throughout the accounting period under review, applied the principles and complied with the provisions of the Code. In the Non-Compliance section, the Board indicates and explains the instances where it has departed from or where it has not applied the Code, as allowed by the Code.

Part 1: Compliance with the Code

Principle 1: The Board

The Board's principal purpose is to provide the required leadership of the Company, to set the present and future strategy of the Company and to ensure proper oversight and accountability.
During 2021, the Board was composed of the following directors:

Name	Position
Anthony S. Diacono (Chairman)	Executive Director
Carmelo (a.k.a Karl) Bartolo	Executive Director
Joseph Zammit Tabona	Non-Executive Independent Director
Laragh Cassar	Non-Executive Director
David O'Connor (appointed on 25 June 2021)	Executive Director
Olivier Bernard (appointed on 25 June 2021)	Executive Director
Keith Grunow (appointed on 25 June 2021)	Non-Executive Independent Director
Monica Vilabril (appointed on 25 October 2021)	Non-Executive Independent Director
Anthony J. Duncan (resigned on 25 June 2021)	Executive Director
Kevin Rapinett (resigned on 25 June 2021)	Non-Executive Independent Director
Etienne Borg Cardona (resigned on 25 June 2021)	Non-Executive Independent Director

Anthony S. Diacono, Joseph Zammit Tabona, Laragh Cassar and Karl Bartolo were nominated by the shareholders and appointed automatically with effect from the annual general meeting held on the 6 June 2021. David O'Connor, Olivier Bernard and Keith Grunow were co-opted by the Board on the 25 June 2021 and Monica Vilabril was co-opted by the Board on the 25 October 2021.

The Board is composed of persons who have the necessary characteristics and experience to render them fit and proper to direct the business of the Company.

The Board is of view that the directors have the requisite elements of honesty, competence and integrity to qualify as fit and proper persons. The presence of the executive directors on the Board is designed to ensure that the Board has direct access to the individuals having the prime responsibility for the executive management of the Company and the implementation of approved policies. Each director is provided with the information and explanations as may be required by any particular agenda item.

The Board delegates specific responsibilities to an Audit Committee, to a Remuneration Committee and to a Financial Risk Committee. Further details in relation to the said committees and the responsibilities of the Board are found in Principles 4 and 5 of this Statement.

The directors and Restricted Persons (as defined in the Capital Markets Rules) are informed and are aware of their obligations on dealings in securities of the Company within the established parameters of the law and the Capital Markets Rules. Each such Director and Senior Officer has been provided with the Market Abuse Procedure policy required in terms of Capital Markets Rule 5.106. During 2022, the Company shall provide training on the obligations arising thereunder to all Directors and Senior Officers, in particular for those directors that joined the board in the second half of 2021.

Principle 2: Chairman and Chief Executive

The Chairman of the Company (which position is occupied by Anthony S. Diacono) leads the Board and sets its agenda. In addition, the Chairman ensures that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company and that effective communication with shareholders is maintained. The Chairman also encourages active engagement by all directors for discussion of complex or contentious issues. Working hand in hand with the Chairman is the Chief Executive Officer (CEO), who leads the executive management of the Group. The CEO is assisted by two Deputy CEOs – Deputy CEO for Business occupied by Karl Bartolo and Deputy CEO for Finance, Administration, Investment and Trade, occupied by Olivier Bernard.

The CEO has the primarily task of leading the development and execution of the Company's long-term strategy as well as providing direction and leadership toward the achievement of the Company's philosophy, mission, strategy and its annual goals and objectives.

As set out in Part 2: Non-Compliance with the Code, Principle 2 - Code Provision 2.3, whilst considering Anthony S. Diacono as duly fulfilling the role required of a Chairman in terms of the Capital Markets Rules, Anthony S. Diacono is not considered to meet the independence criteria set out in the Capital Markets Rules.

Principle 3: Composition of the Board

The Board considers that the size of the Board, whilst not being large as to be unwieldy, is appropriate, taking into account the size of the Company and its operations. The combined and varied knowledge, experience and skills of the Board members provides the balance of competences that are required, adds value to the functioning of the Board and gives direction to the Company. The competencies of the Directors ranges from industry, financial and legal expertise. Each of the directors has applied the necessary time and attention for the performance of his/her duties to the Company.

As set out above, the board is composed of a mix of executive and non-executive directors. The presence of Non-Executive Directors on the Board serves to, *inter alia,* constructively challenge the Executive Directors and management of the Company, and particular focus is made on strategy and the integrity of financial performance and management.

Joseph Zammit Tabona (Non-Executive Director), Keith Grunow (Non-Executive Director) and Monica Vilabril (Non-Executive Director) are all considered to be independent within the meaning provided by the Code. Additionally, for the period of their tenure Etienne Borg Cardona and Kevin Rapinett were considered to be independent. Laragh Cassar acts as the Company Secretary and legal counsel of the Company and is therefore not considered as independent.

Each presently appointed non-executive director has declared to the Board as stipulated under the Code Provision 3.4 undertaking:

a) to maintain in all circumstances his/her independence of analysis, decision and action;
b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
c) to clearly express his/her opposition in the event that he/she finds that a decision of the board may harm the Company.

Principle 4: The Responsibilities of the Board

The Board has the first level responsibility for executing the four basic roles of Corporate Governance, namely accountability, monitoring, strategy formulation and policy development. The four basic corporate governance principles, regulatory obligations and general ethical market practices are implemented and exercised through the internal Company policies such as its Company Code of Conduct policy, Anti-Bribery policy and Anti-Money laundering Policy. Moreover, in order to avoid implications of regulatory arbitrage when dealing with third party market participants, the Company requires reciprocity in terms of level of standards. The Board has established a clear internal and external reporting system so that it has access to accurate, relevant and timely information and ensures that management constantly monitor performance and report to its satisfaction. The Board, at least on a quarterly basis, evaluates management's implementation of corporate strategy and financial objectives by reference to a number of criteria, including Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), revenue, projected earnings, country by country analysis and other anticipated criteria.

The Board has an active succession plan in place in respect of the responsibilities assumed by the Executive Directors for which the Chairman holds key responsibility. – the Company has implemented a number of measures aimed at strengthening the Company's management structure. In addition, the Board organises information sessions including statutory and fiduciary duties, the Company's operations and prospects, the skills and competence of senior management, the general business environment and the board's expectations for Directors from time to time. In 2020 the Company focused its training session on the Company's and the Board's obligations in terms of the market abuse policy. In 2021, pursuant to the share-for-share exchange transaction, the Company centred its attention on the on-going integration exercise between both the Medserv and Regis group companies ensuring the information and professional development of the Company's management, staff and employees. The Company ensured that all incoming Directors of the Company were provided with the necessary information and explanations on the corporate and regulatory aspect of their roles, individually as part of their induction (upon the on-boarding and appointment process) and collectively during Board and Audit Committee meetings wherein the legal advisor of the Company provided explanations and updates on legal and regulatory matters. The Company recognises that the integration process will culminate in further training sessions, at all levels of the Company, towards the third quarter of 2022 in anticipation of numerous changes to the Company's logistics, governance and operations to establish the Company's efficiency and competitiveness.

The Board of Directors and the Audit Committee met regularly during 2022 with a view to publishing the financial statements of the Company by the 30th April 2022. However, for the reasons set out in the company announcement issued on the 13th April 2022, the Company faced a number of delays in publishing the annual consolidated and audited financial statements for the year ended 31 December 2021. The required disclosure of non-compliance in this regard is being set out under Part 2: 'Non-Compliance with the Code'.

Principle 5: Board Meetings

For the period under review the Board met eleven (11) times. As a matter of practice, each board meeting to be held throughout the year is scheduled well in advance of their due date and each director is provided with detailed Board papers relating to each agenda item in good time prior to the actual meetings. Board meetings concentrate mainly on strategy, operational performance and financial performance of the Company. After each Board meeting and before the next, Board minutes that faithfully record attendance, key issues and decisions are sent to the directors.

During 2021, meetings were attended as follows:

Name	Attendance during tenure
Anthony S. Diacono (Chairman)	8 of 11[1]
Anthony J. Duncan	8 of 11[2]
Joseph Zammit Tabona	11 of 11
Laragh Cassar	11 of 11
Karl Bartolo	11 of 11
Kevin Rapinett (resigned on 25 June 2021)	7 of 7
Etienne Borg Cardona (resigned on 25 June 2021)	7 of 7
David O'Connor (appointed 25 June 2021)	4 of 4
Olivier Bernard	4 of 4
Keith Grunow (appointed 25 June 2021)	4 of 4
Monica Vilabril[3] (appointed 25 October 2021)	-

The Board also delegates specific responsibilities to the management team of the Company, the Audit Committee, the Remuneration Committee and the Financial Risk Committee, which Committees operate under their formal terms of reference.

Audit Committee

The Board delegates certain responsibilities to the Audit Committee, the terms of reference of which, reflect the requirements stipulated in the Capital Markets Rules and under applicable law, including the roles set out in Capital Markets Rules 5.127 to 5.130. In addition, unless otherwise dealt with in any other manner prescribed by the Capital Markets Rules, the Audit Committee has the responsibility to, *inter alia,* monitor and scrutinise, and, if required, approve Related Party Transactions, if any, falling within the ambits of the Capital Markets Rules and to make its recommendations to the Board of any such proposed Related Party Transactions. The Audit Committee establishes internal procedures and monitors these on a regular basis. The terms of reference for the Audit Committee are designed both to strengthen this function within the Company and to widen the scope of the duties and responsibilities of this Committee. The Committee also has the authority to summon any person to assist it in the performance of its duties, including the Company's external auditors. KPMG, as external auditors of the Company, were invited to attend each of the Company's audit committee meetings. During 2020, the internal audit function within the Company was made redundant. The Company continues to keep the matter under observance with a view to resuming internal audit functions within the Group at the earliest opportunity.

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[1] Anthony S. Diacono was absent from three (3) of the 2021 Board meetings due to a declared conflict, in line with the Company's Articles of Association.
[2] Anthony J. Duncan was absent from three (3) of the 2021 Board meetings due to a declared conflict, in line with the Company's Articles of Association.
[3] There were no further board meetings in 2021 following Monica Vilabril's co-option by the Board on the 25th October 2021.

The appointment of the auditors of the Company was made in line with the Statutory Audit Regulation (Regulation (EU) No 537/2014), in particular in compliance with Articles 16 and 17 of Title III of the said Regulation. During 2022, the Audit Committee issued a tender in respect of the appointment of an external auditor of the Company for the forthcoming financial year, in line with the requirements of the said Statutory Audit Regulation.

The Chairman of the Audit Committee was appointed by the Board of Directors.

During 2021, the Audit Committee met twelve (12) times.

Name	Attendance during tenure
Joseph Zammit Tabona (Chairman)	11 of 12
Laragh Cassar	12 of 12
Kevin Rapinett (resigned on 25 June 2021)	7 of 7
Etienne Borg Cardona (resigned on 25 June 2021)	7 of 7
Keith Grunow (appointed on 25 June 2021)	5 of 5
Monica Vilabril (appointed on 25 October 2021)	3 of 3

The Board appointed Joseph Zammit Tabona as Chairman of the Audit Committee who is considered to be independent of the Company, its management and controlling shareholder and competent in accounting and/or auditing (in each case, for the period of his respective tenure). Such determination was based on his substantial experience in various audit, accounting and risk management roles throughout his career.

When examining the independence criteria of an Audit Committee member, the Board assesses whether an individual has any business, family or other relationships, including with any of the controlling shareholder or management of the Company which may give rise to a conflict of interest. Moreover, and in line with the Capital Markets Rules, the Board also determines whether an Audit Committee member has been an executive officer of employee of the company, has had a significant business relationship with the Company, received any additional remuneration from the Company apart from the engaged director's fees and whether the individual has been within the last three years an engagement partner or a member of the external audit team of the Company.

The Board is confident that the Audit Committee Members, as a whole, have competence relevant to the sector in which the Issuer is operating, which competence was garnered over the years as a result of their involvement with the MedservRegis Group.

Financial Risk Committee

The Board has set up a Financial Risk Committee with a view to manage the Group's currency, interest rates, liquidity and foreign exchange risks and to manage the Group's own financial investments. The Committee operates under specific terms of reference approved by the Board. The financial controllers within the MedservRegis Group are invited to attend each meeting of the Financial Risk Committee.

During 2021, the Financial Risk Committee met four (4) times.

Name	Attendance during tenure
Anthony J. Duncan (resigned on 25 June 2021)	-
Kevin Rapinett (resigned on 25 June 2021)	3
Karl Bartolo	4
Silvio Camilleri	4
Colin Galea (replaced on 30 August 2021)	3
Olivier Bernard (appointed on 30 August 2021)	1
Salman Manjoo (appointed on 30 August 2021)	1

Remuneration Committee - This is considered under Principle 8.

Principle 6: Information and Professional Development

The Board appoints the Chief Executive Officer. Appointments and changes to senior management are the responsibility of the CEO and Executive Directors and are approved by the Board. The Board actively considers the professional and technical development of the Board itself, all senior management and staff members. The CEO also has systems in place to monitor management and staff morale. Management prepares detailed reviews for each Board meeting covering all aspects of the Company's business.

On joining the Board, a new director is provided with the opportunity to consult with the executive directors and senior management of the Company in respect of the operations of the Group. Each director is made aware of the Company's on-going obligations in terms of the Companies Act, the Capital Markets Rules and other relevant legislation. Directors have access to the advice and services of the Company Secretary and to the legal counsel of the Company. The Company is also prepared to bear the expense incurred by the directors requiring independent professional advice should they judge it necessary to discharge their responsibilities as directors.

Principle 7: Evaluation of the Board's Performance

With respect to the year under review, the Board undertook an evaluation of its own performance, the Chairman's performance and that of its committees. The Board did not *per se* appoint a committee to carry out this performance evaluation but the evaluation exercise was conducted through a questionnaire, copies of which were sent to the Chairman of the Audit Committee and the results were reported to the Chairman of the Board. No material changes were made to the Company's structures as a result of the Board evaluation.

Principle 8: Remuneration Committee

The Board has set up a Remuneration Committee commissioned with overseeing the development and implementation of the remuneration and related policies of the MedservRegis Group.

During the year under review, the Committee was composed of Joseph Zammit Tabona (Chairman), Laragh Cassar, Etienne Borg Cardona (up to 25 June 2021) and Kevin Rapinett (up to 25 June 2021) all of whom are non-executive directors. Etienne Borg Cardona and Kevin Rapinett were succeeded by Keith Grunow and Monica Vilabril upon their appointment on 25 June 2021 and 25 October 2021 respectively. All of the said members (other than Laragh Cassar) are considered to be independent directors.

The Remuneration Committee convened met once during FY 2021

Principle 9: Relations with Shareholders and with the Market & Principle 10: Institutional Investors

The Board is of the view that over the period under review, notwithstanding the difficulties posed by the COVID19 pandemic, the Company has communicated effectively with the market through a number of company announcements that it published informing the market of significant events happening within the Company.

The Company also communicates with its shareholders through its Annual General Meeting (further detail is provided under the section entitled General Meetings). The Chairman arranges for all directors to attend the annual general meeting and for the Chairmen of the Audit Committee and Remuneration Committee to be available to answer questions, if necessary. During 2021, due to the COVID19 restrictions, it was not possible for the Company’s annual general meeting to be held *in person* and therefore, the Company availed itself of the possibility to hold a remote general meeting. The Board ensures that sufficient contact is maintained with major shareholders to understand issues and concerns.

Apart from the annual general meeting, the Company intends to continue with its active communication strategy in the market and shall accordingly continue to communicate with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and through the directors’ statements published on a six-monthly basis, and by company announcements to the market in general. During 2021, the Company also communicated to the market through brokers on two occasions. The Company recognises the importance of maintaining a dialogue with the market to ensure that its strategies and performance are well understood and disclosed to the market in a timely manner.

The Company's website (http://www.medservenergy.com) also contains information about the Company and its business which is a source of further information to the market.

In terms of the Companies Act, Cap 386 of the laws of Malta, any shareholder/s having 10% or more of the issued share capital of the Company can call a general meeting. This is also reflected in Article 34 of the Company’s Articles of Association.

Principle 11: Conflicts of Interest

The directors are aware that their primary responsibility is always to act in the interest of the Company and its shareholders as a whole irrespective of who appointed them to the Board. Acting in the interest of the Company includes an obligation to avoid conflicts of interest. In such instances, the Company has strict policies in place which allow it to manage such conflicts, actual or potential, in the best interest of the Company. Each director’s service contract contains provisions which require the director to:

a) ensure that his/her personal interests do not conflict with the interests of the Company;
b) not carry on, directly or indirectly, business in competition with the Company;
c) not make personal gains or profits from his post without the consent of the Company, or from confidential information;
d) not use any property, information or opportunity of the Company for his own benefit or for the benefit of any third party,
e) not obtain any benefit in connection with the exercise of his powers, except with the consent of the Company in general meeting.

Furthermore, any director that has a conflict (actual or potential) is required to disclose and record the conflict in full and in time to the Board and is also precluded from participating in a discussion concerning matters in such conflicted matters (unless the Board finds no objection to the presence of such Director). Moreover, each director must disclose his or her beneficial or non-beneficial interest in the share capital of the Company and is only permitted to deal in such shares as allowed by law. Under no circumstance is the conflicted director, permitted to vote on the matter. This requirement is reflected in Article 68.2 of the Company's Articles of Association.

Principle 12: Corporate Social Responsibility

The Company places substantial importance on its corporate social responsibility to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large.

The Company is fully aware of its obligation to preserving the environment and continues to implement policies aimed at respecting the natural environment and to avoiding/minimising pollution. During the year, the Company's Solar Farm generated 3,023,867 kwh and avoided 1,959,466 kg of CO_2 emissions over the year.

The Company promotes open communication with its workforce, responsibility and personal development.

The Company maintains a staff development programme aimed at providing training to staff to assist their development with an aim to improve the Company's competitiveness.

The Company's Health, Safety, Security, Environment & Quality (HSSEQ) team as well as our HR and management teams were essential in supporting the staff and ensuring operations were carried out in strict adherence to the HSSEQ processes in place whilst maintaining social distancing and in line with additional COVID-19 measures.

Part 2: Non-Compliance with the Code

Principle 2 - Code Provision 2.3

Whilst steps have been taken by the Company to segregate the office of Chairman and Chief Executive Officer through the appointment of a Chief Executive Officer of the Group, the Chairman of the Company is not considered to meet the independence criteria set out in the Capital Markets Rules largely due to his executive role within the Group (being responsible for strategy) and also being one of the major shareholders of the Company. The Board considers that Anthony S. Diacono duly fulfils the role required of a Chairman in terms of the Capital Markets Rules, notwithstanding his lack of formal independence.

Principle 4: The Responsibilities of the Board

Provision 4.7 of the Code requires the Board to "*ensure that the financial statements of the Company and the annual audit thereof are completed within the stipulated time periods*". As set out in the company announcement issued on the 13th April 2022, the annual consolidated financial statements of the Company were not published by the 30th April 2022, as statutorily required. The reasons for this include the increased complexity in the financial statements resulting from the share for share exchange announced on the 25th June 2021, disruptions caused by the COVID-19 pandemic and an unfortunate incident relating to the Deputy CEO for Finance, Administration, Investment and Trading of the Company, Olivier Bernard.

Principle 6: Information and Professional Development

Code Provision 6.4.4 recommends that the CEO establishes a succession plan for senior management. The Company identified its successors for existing senior management within the existing staff and a formal succession plan, in coordination with the Company's on-going integration exercise, will be formulated and implemented.

Principle 7 – Code Provision 7.1 Evaluation Committee

The Board has not appointed an *ad hoc* committee to evaluate its own performance. As set out above, the evaluation was conducted through a questionnaire and considers this to be a process sufficient to evaluate the performance of the board.

Principle 8B (Nomination Committee)

Pursuant to the Company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the Company's shareholders (in line also with general and commonly accepted practice in Malta). Any shareholder/s who in the aggregate hold not less than 0.5% of the total number of issued shares having voting rights in the Company is entitled to nominate a fit and proper person for appointment as a director of the Company. Furthermore, in terms of the memorandum and articles of association of the Company, the directors themselves are entitled to make recommendations and nominations to the shareholders for the appointment of directors at the following annual general meeting.

Within this context, the Board believes that the setting up of a Nomination Committee is not required since the Board itself has the authority to recommend and nominate directors. Notwithstanding this, the Board will retain the matter under review.

Code Provision 9.3

The Company does not have a formal mechanism in place as required by Code provision 9.3 to resolve conflicts between minority shareholders and controlling shareholders. No such conflicts have arisen to date and in view of the relatively small shareholder base of the Company, the Board does not consider it necessary to establish a formal mechanism for this process.

Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss. Included with the Company's internal control system are procedures to identify, control and report major risks within a relevant timeframe. Financial reporting is prepared monthly and consolidated quarterly which performance is analysed against budgets and shared with senior management and directors. The Board reviews the effectiveness of the Company's system of internal controls. The Company strengthens this function through the Audit Committee that has initiated a business risk monitoring plan, the implementation of which is regularly monitored.

The key features of the Company's system of internal control are as follows:

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance

Organisation

The Company operates through the Chief Executive Officer with clear reporting lines and delegation of powers. Whilst members of the senior management of the Group are in constant contact, formal management meetings are scheduled on a monthly basis. They are attended by the Chief Executive Officer, their deputies and senior executive management and other members of staff, upon invitation.

Control environment

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Company executives participate in periodic strategic reviews, which include consideration of long-term projections and the evaluation of business alternatives. Annual budgets and strategic plans are prepared. Performance against these plans is actively monitored and reported to the Board, at minimum on a quarterly basis.

Risk identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. The mandate of the Audit Committee and the Financial Risk Committee also includes the continuous assessment and oversight of such key risks.

General Meetings and Shareholders' Rights

Conduct of general meetings

It is only shareholders whose details are entered into the register of members on the record date that are entitled to participate in the general meeting and to exercise their voting rights. In terms of the Capital Markets Rules, the record date falls 30 days immediately preceding the date set for the general meeting to which it relates. The establishment of a record date and the entitlement to attend and vote at general meeting does not, however, prevent trading in the shares after the said date.

In order for business to be transacted at a general meeting, a quorum must be present. In terms of the Articles of Association, 51% of the nominal value of the issued equity securities entitled to attend and vote at the meeting constitutes a quorum. If within half an hour, a quorum is not present, the meeting shall stand adjourned to the same day the next week, at the same time and place or to such other day and at such other time and place as the directors may determine. In any event, the adjourned meeting must be held at least ten days after the final convocation is issued and no new item must be put on the agenda of such adjourned meeting. If at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the member or members present shall constitute a quorum. Generally, the Chairman of the Board presides as Chairman at every general meeting of the Company. At the commencement of any general meeting, the Chairman may, subject to applicable law, set the procedure which shall be adopted for the proceedings of that meeting. Such procedure is binding on the members.

If the meeting consents or requires, the Chairman shall adjourn a quorate meeting to discuss the business left unattended or unfinished. If a meeting is adjourned for 30 days or more, notice of the quorate meeting must be given as in the case of an original meeting. Otherwise, it is not necessary to give any notice of an adjourned meeting or of the business to be transacted at such quorate meeting.

At any general meeting, a resolution put to a vote shall be determined and decided by a show of hands, unless a poll is demanded before or on the declaration of the result of a show of hands by:

(i) the Chairman of the meeting; or

(ii) by at least three (3) members present in person or by proxy; or

(iii) any member or members present in person or by proxy and representing not less than one tenth of the total voting power of all members having the right to vote at that meeting; or

(iv) a member or members present in person or by proxy holding equity securities conferring a right to vote at the meeting, being equity securities on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the equity securities conferring that right.

Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost together with an entry to that effect in the minute book, shall constitute conclusive evidence of the fact without need for further proof. If a resolution requires a particular majority in value, in order for the resolution to pass by a show of hands, there must be present at that meeting a member or members holding in the aggregate at least the required majority. A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at the discretion of the Chairman. In the case of equality of votes, whether on a show of hands or on a poll, the chairman has a second or casting vote. On a show of hands every member present in person or by proxy shall have one vote for each equity security carrying voting rights of which he is the holder, provided that all calls or other sums presently payable by him in respect of equity securities have been paid.

Proxy

Every member is entitled to appoint one person to act as proxy holder to attend and vote at a general meeting instead of him. The proxy holder shall enjoy the same rights to participate in the general meeting as those to which the member thus represented would be entitled. If a member is holding shares for and on behalf of third parties, such member shall be entitled to grant a proxy to each of his clients or to any third party designated by a client and the said member is entitled to cast votes attaching to some of the shares differently from the others. In the case of voting by a show of hands, a proxy who has been mandated by several members and instructed to vote by some shareholders in favour of a resolution and by others against the same resolution shall have one vote for and one vote against the resolution.

The instrument appointing a proxy must be deposited at the office or by electronic mail at the address specified in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or, in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll. The same applies to the revocation of the appointment of a proxy.

A form of instrument of proxy shall be in such form as may be determined by the directors and which would allow a member appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance

Including items on the agenda

A shareholder or shareholders holding not less than 5% of the issued share capital may include items on the agenda of the general meeting and table draft resolutions for items included on the agenda of a general meeting. Such right must be exercised by the shareholder at least 46 days before the date set for the general meeting to which it relates.

Questions

Shareholders have the right to ask questions which are pertinent and related to the items on the agenda.

Electronic voting

In terms of the Articles of Association of the Company, the directors may establish systems to:

a) allow persons entitled to attend and vote at general meetings of the Company to do so by electronic means in accordance with the relevant provisions of the Capital Markets Rules; and
b) allow for votes on a resolution on a poll to be cast in advance.

Where a shareholder requests the Company to publish a full account of a poll, the Company is required to publish the information on its website not later than 15 days after the general meeting at which the result was obtained.

Further details on the conduct of a general meeting and shareholders' rights are contained in the Memorandum and Articles of Association of the Company and in line with chapter 12 of the Capital Markets Rules.

Signed on behalf of the Board of Directors on 16 June 2022 by:

Joseph Zammit Tabona
Director and Chairman of Audit Committee

Remuneration Statement and Report

THIS STATEMENT AND REPORT ON THE REMUNERATION OF MEDSERVREGIS PLC'S (THE "**COMPANY**") BOARD OF DIRECTORS, INCLUDING THE EXECUTIVE DIRECTORS, HAS BEEN DRAWN UP IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 5 AND 12 OF THE CAPITAL MARKETS RULES AND CONTAINS INFORMATION REQUIRED BY THE PROVISIONS OF APPENDIX 12.1 OF THE CAPITAL MARKETS RULES.

1. *The Remuneration Committee*

The Remuneration Committee (**RemCom**) is required to devise the appropriate packages needed to attract, retain and motivate Directors, whether executive or not, as well as senior executives with the right qualities and skills for the proper management of the Company. The RemCom issues recommendations to the Board for its consideration.

The Committee's terms of reference establish the composition, role and function of the Committee, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Committee is a sub-committee of the Board and directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time subject to the requirements of the Maltese law.

2. *RemCom Membership & Meetings*

The members of the Committee are appointed by the Board and comprise of the three non-executive directors with no personal financial interest other than as shareholders in the Company. One of these members shall be an independent director who chairs the Committee.. The Committee may co-opt additional members as they think fit to provide specialist advice, provided that any member so co-opted must also be fully independent of management. The Committee may ask the members of senior management to attend meetings either regularly or by invitation, but the invitees have no right of attendance and no vote. The Company Secretary or their nominee acts as the Secretary of the Committee.

As at 31 December 2021, the Committee was composed of Joseph Zammit Tabona (Chairman), Laragh Cassar, Keith Grunow and Monica Vilabril[4]. During 2021, the RemCom met once.

3. *Remuneration Policy*

The Company's remuneration of its Board of Directors and executive management is based on the Remuneration Policy adopted and approved by shareholders at the annual general meeting of 31 July 2020. This policy may be viewed on the Company's website at http://www.medservenergy.com/remuneration-policy.

The Remuneration Policy is designed to ensure that the Company can attract, motivate and retain the right individuals to implement the Company's strategy. The main parameters and rationale for any annual bonus scheme and any other non-cash benefits are the discretion of the Company with the exception of the bonus payable to the CEO and the Deputy CEO for Finance, Administration, Investment and Trading as further detailed in section 5. During 2021, there were no changes implemented to the Remuneration Policy. The Policy is applicable for a period of four years. The Company's Remuneration Policy is in line with the policy for the remuneration paid to Directors and senior executives in the preceding financial period.

No changes to the Remuneration Policy are being proposed for the approval of the shareholders at the Company's next Annual General Meeting. The Company has complied with the procedure for the implementation of the Remuneration Policy as set out in Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority.

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[4] Etienne Borg Cardona and Kevin Rapinett resigned on 25 June 2021 and were succeeded by Keith Grunow and Monica Vilabril.

4. *Non-Executive Directors' Remuneration*

The Board believes that, in line with local practice, the fixed honorarium for non-executive directors is the principal component that compensates directors for their contribution as members of the Board. None of the non-executive directors have employment contracts with the Company and each non-executive director serves from one annual general meeting to the next, when the appointment of directors is conducted at the annual general meeting.

Accordingly, none of the non-executive directors are entitled to any compensation if they are removed from office. Such removal would require an ordinary resolution of the shareholders at a general meeting. The directors are entitled to be paid travelling and other reasonable expenses incurred by them in the performance of their duties as directors. Other than the payment for legal and company secretarial services rendered by Dr Laragh Cassar, the Company does not remunerate the non-executive directors in any other manner, nor does it provide any loans or other guarantees to them. In this regard, the non-executive directors' remuneration are all fixed in nature and the ratio of the fixed and variable remuneration was 100%-0% in 2021. Exceptionally during 2020, the ratio of the fixed and variable remuneration for Joseph Zammit Tabona and Joseph FX Zahra was 66%-34% and 60%-40% respectively due to a one-time bonus paid during the year for their additional efforts during the year. There were no other variable payments made to the other non-executive directors during 2020 and no variable payments were made to the non-executive directors during 2021.

The actual directors' fees paid to the non-executive directors during the financial year ended 31 December 2021 was €99,994 (2020: €92,999).

The table below shows the total annual remuneration applicable to the non-executive directors during the financial year ended 31 December 2021. The year-on-year percentage increase arises as a result of the remuneration for the additional committee and group directorships undertaken by the non-executive directors during the year compared to the previous year.

Non-Executive Directors	*Fixed Remuneration*	*Remuneration For Committee/ Group Directorships*	*Total Remuneration 2021*	*Total Remuneration 2020*	*YoY Percentage Difference*
	€	€	€	€	%
Joseph Zammit Tabona	20,000	10,000	30,000	35,000**	(14.3%)
Laragh Cassar	20,000	5,000	25,000	18,833	32.7%
Etienne Borg Cardona[5]	10,000	5,000	15,000	8,333	50.0% *
Kevin Rapinett[6]	10,000	2,500	12,500	8,333	25.0% *
Keith Grunow[7]	12,847	NIL	12,847	n/a	n/a
Monica Vilabril[8]	4,647	NIL	4,647	n/a	n/a
Joseph FX Zahra[9]	NIL	NIL	NIL	22,500**	n/a
Total	**77,494**	**22,500**	**99,994**	**92,999**	

** For calculating the annual change of remuneration for a director ("YoY Percentage Difference") whose mandate began or ended during the reported financial year, the respective remuneration has been annualised to allow a meaningful comparison.*

*** This figure includes a one-time bonus of €12,000 paid during 2020 as described above.*

[5] Resigned on 25 June 2021
[6] Resigned on 25 June 2021
[7] Appointed on 25 June 2021
[8] Appointed on 25 October 2021
[9] Resigned on 31 July 2020

5. Senior Management

The Company has four senior executives (as per the definition in the Code of Principles of Good Corporate Governance) at year end, all of which are also appointed members of the Board.

The executive directors are:

a. Anthony S. Diacono (the Chairman),
b. Anthony J. Duncan (Finance Director)[10],
c. David O'Connor (CEO),
d. Carmelo Bartolo (Deputy CEO for Business and Operations) and
e. Olivier Bernard (Deputy CEO for Finance, Administration, Investment and Trading),

each of whom have service contracts with the Group entitling them to a fixed salary. The CEO and the Deputy CEOs are employed on an indefinite basis whereas the Chairman is employed on a definite contract. None of the said service contracts include provisions for termination payments and other payments linked to early termination or supplementary pensions/retirement schemes.

<u>Fixed Remuneration – Salary</u>

The executive directors of the Company are entitled to receive directors' fees for the remuneration as directors and a salary for their executive role within the Group. The total directors' fees paid to the executive directors during the year was €70,556 (2020: €45,999).

The following table shows the overall annual remuneration of executive directors of the Company and its subsidiary companies for the financial year ended 31 December 2021 (and includes comparative information for 2020, where relevant):

Executive Director	Directors' Fee		Gross Salary		Fringe Benefits		Total Fixed Remuneration		YoY Percentage Difference
	2021	2020	2021	2020	2021	2020	2021	2020	
	€	€	€	€	€	€	€	€	%
Anthony S. Diacono	20,000	18,833	234,987	235,614	NIL	NIL	254,987	254,447	0.2%
Anthony J. Duncan[11]	10,000	18,833	83,940	176,942	NIL	NIL	93,940	195,775	(4%)*
David O'Connor[12]	10,278	n/a	88,757	n/a	23,943	n/a	122,979	n/a	n/a
Olivier Bernard[13]	10,278	n/a	88,757	n/a	25,352	n/a	124,387	n/a	n/a
Carmelo Bartolo	20,000	8,333	240,639	238,016	3,744	1,976	264,383	248,325	1.7%*
Total	**70,556**	**45,999**	**737,081**	**650,572**	**53,039**	**1,976**	**860,676**	**698,547**	

[10] Resigned on 25 June 2021
[11] Retired on 25 June 2021
[12] Appointed on 25 June 2021
[13] Appointed on 25 June 2021

** For calculating the annual change of remuneration ("YoY Percentage Difference") for a director whose mandate began or ended during the reported financial year, the respective remuneration has been annualised to allow a meaningful comparison.*

The CEO and the Deputy CEO for Finance, Administration, Investment and Trade are entitled to a car cash allowance and the use of a company car respectively. They are also entitled to health insurance for themselves and their spouses and children and life insurance equivalent to four years' basic salary.

Variable remuneration

Any bonus payable to the Chairman, and the Finance Director, is payable entirely at the discretion of the Company and based on personal and company results achieved. No bonuses were paid to both the Chairman, and the Finance Director during 2021. The Deputy CEO for Business and Operations is entitled to a bonus which is calculated by reference to the Company's earnings over a specified threshold. The CEO and the Deputy CEO for Finance, Administration, Investment and Trading were entitled to a bonus equivalent to one months' salary (mandatory in terms of the laws of Mauritius, which is the law regulating their employment).

The present variable remuneration payable by the Company does not contemplate the possibility of it being reclaimed. Moreover, share options are currently not part of the Company's remuneration policy.

During the 2021 financial year, the following bonuses were paid to the members of the executive management:

Executive Director	Variable Remuneration	Variable Remuneration	Total Remuneration	Total Remuneration	YoY Percentage Difference	Proportion of fixed to variable remuneration 2021	Proportion of fixed to variable remuneration 2020
	2021	2020	2021	2020			
	€	€	€	€	%	%	%
Anthony S Diacono	NIL	NIL	254,987	254,447	0.2%	100 / 0	100 / 0
Anthony J Duncan[14]	NIL	NIL	93,940	195,775	(4%)*	100 / 0	100 / 0
David O'Connor[15]	6,620	NIL	129,598	n/a	n/a	95 / 5	n/a
Olivier Bernard[16]	6,620	NIL	131,007	n/a	n/a	95 / 5	n/a
Carmelo Bartolo	29,622	30,000	294,005	278,325	1.4%*	90 / 10	89 / 11
Total	**42,862**	**30,000**	**903,537**	**728,547**			

[14] Retired on 25 June 2021
[15] Appointed on 25 June 2021
[16] Appointed on 25 June 2021

** For calculating the annual change of remuneration ("YoY Percentage Difference") for a director whose mandate began or ended during the reported financial year, the respective remuneration has been annualised to allow a meaningful comparison.*

The total remuneration package complies with the adopted remuneration policy, which has been designed to ensure that the Company can attract, motivate and retain the right individuals to contribute to the long-term performance of the Company by implementing the Company's strategy. The performance criteria applied includes the use of the Company's financial metrics such as revenue and Adjusted Earnings Before Interest, Tax, Depreciation & Amortization (adjusted EBITDA) as well as the individual's performance against set targets.

During the year, there were no deviations from the procedure for the implementation of the remuneration policy.

The total actual directors' fees paid to the executive and non-executive directors during the financial year ended 31 December 2021 was €170,550 (2020: €138,998), falling within the amount approved by the shareholders in general meeting in 2014, that is €450,000.

6. Company's *Performance*

Performance Indicators:

	2021* €	2020** €	Percentage Difference
Adjusted Earnings Before Interest, Tax, Depreciation & Amortization (adjusted EBITDA)	5,304,677	5,565,272	(4.7%)
Turnover	29,924,554	32,411,788	(7.7%)
No of Operating Countries / No. of Exposed Countries	10	7	42.9%

Average remuneration on full-time equivalent basis of employee:

	2021*	2020**	% Difference
Employees of the Group	€18,343	€23,065	(20.5%)

** the figures for 2021 represent the reverse acquisition accounting as per Group's consolidated financial statements for the year ended 31 December 2021 as described in detail in note 1 to the financial statements. The decrease in the average remuneration on full-time equivalent basis of employee over the previous year is mainly resulting due to the inclusion of the operating bases in Sub-Saharan Africa.*

*** the comparative figures were extracted from the 2020 Annual Report of Medserv plc prior to the reverse acquisition for comparison purposes. This differs from the comparative information as presented under the reverse acquisition accounting in the Group's consolidated financial statements for the year ended 31 December 2021 as described in detail in note 1 to the financial statements.*

The year-on-year percentage difference of the directors' remuneration is disclosed in the tables under sections 4 and 5 of this report which can allow a meaningful comparison against the Company's performance as disclosed in the table above.

The Company does not have any employees. All employees are employed and remunerated by the main operating subsidiaries, including the executive and non-executive directors of the Company.

The foregoing Remuneration Report is being put forward to an advisory vote of the 2022 AGM in accordance with the requirements of the MFSA Capital Markets Rule 12.26L.

This remuneration report has been prepared by the directors and is signed by the Chairman of the RemCom, as authorised by the board.

The contents of this remuneration report have been checked by the auditors as required by Capital Markets Rule 12.26N and their report is appended herewith.

Joseph Zammit Tabona

Chairman, Remuneration Committee

16 June 2022

MedservRegis p.l.c.

Financial Statements

2021

MedservRegis p.l.c.

Statements of Financial Position

As at 31 December 2021

MedservRegis p.l.c.

Statements of Financial Position

As at 31 December 2021

		The Group		The Company	
		2021	2020	**2021**	2020
			Restated*		
	Note	**€**	€	**€**	€
ASSETS					
Property, plant and equipment	16	**36,051,726**	10,949,678	-	-
Investment property	17.1	-	619,043	-	-
Intangible assets and goodwill	18	**21,108,095**	278,452	-	-
Loan receivable from related companies	22	**4,147,488**	-	-	-
Loan receivable from subsidiaries	23	-	-	**25,348,176**	39,516,253
Investment in subsidiaries	24	-	-	**49,140,053**	17,786,446
Equity-accounted investees	25	-	564,594	-	300
Right-of-use assets	38	**50,014,250**	-	-	-
Investments at FVTPL	26	**4,006,665**	3,442,639	-	-
Other investments at FVTPL	27	-	6,284,259	-	-
Total non-current assets		**115,328,224**	22,138,665	**74,488,229**	57,302,999
Inventories	20	**1,066,568**	816,039	-	-
Current tax assets		**306,243**	-	**805**	399
Loans receivable from subsidiaries	23	-	-	**910,164**	-
Trade and other receivables	21	**21,881,604**	10,299,720	**32,841**	71,216
Contract assets	9	**202,286**	-	-	-
Cash at bank and in hand	29	**11,984,028**	8,637,631	-	1,035,682
Assets held for sale	17.2	**17,186**	3,044,966	-	-
Total current assets		**35,457,915**	22,798,356	**943,810**	1,107,297
Total assets		**150,786,139**	44,937,021	**75,432,039**	58,410,296

MedservRegis p.l.c.

Statements of Financial Position

As at 31 December 2021

		The Group		The Company	
		2021	2020	**2021**	2020
			Restated*		
	Note	**€**	**€**	**€**	**€**
EQUITY					
Share capital	30.1	**10,163,764**	5,374,441	**10,163,764**	5,374,441
Share premium	30.2	**27,778,073**	-	**39,781,902**	12,003,829
Retained earnings / (accumulated losses)		**23,150,848**	39,319,970	**(31,351,333)**	(11,944,440)
Translation reserve	30.3	**744,170**	2,638,833	**-**	-
Hedging reserve	30.5	**(412,381)**	-	**-**	-
Reverse acquisition reserve	30.4	**(1,394,906)**	(5,373,706)	**-**	-
Equity attributable to owners of the Company		**60,029,568**	41,959,538	**18,594,333**	5,433,830
Non-controlling interest	32	**2,788,916**	-	**-**	-
Total equity		**62,818,484**	41,959,538	**18,594,333**	5,433,830
LIABILITIES					
Loans and borrowings	33	**53,402,760**	1,426,972	**50,563,570**	49,799,298
Employee benefits	34	**1,427,395**	45,294	**-**	-
Lease liabilities	38	**12,720,183**	-	**-**	-
Trade and other payables	35	**71,482**	-	**-**	-
Deferred tax liabilities	19	**5,317,833**	-	**-**	-
Total non-current liabilities		**72,939,653**	1,472,266	**50,563,570**	49,799,298
Bank overdraft	29, 33	**2,876,904**	-	**68,442**	-
Employee benefits	34	**64,502**	-	**-**	-
Current tax liabilities		**6,694**	46,041	**-**	-
Loans and borrowings	33	**1,537,711**	-	**-**	-
Trade and other payables	35	**8,626,734**	1,249,827	**6,205,694**	3,177,168
Lease liabilities	38	**1,721,604**	-	**-**	-
Deferred income	28	**193,853**	209,349	**-**	-
Total current liabilities		**15,028,002**	1,505,217	**6,274,136**	3,177,168
Total liabilities		**87,967,655**	2,977,483	**56,837,706**	52,976,466
Total equity and liabilities		**150,786,139**	44,937,021	**75,432,039**	58,410,296

*The comparative information is restated on account of correction of errors. See note 41.

The notes on pages 10 to 133 are an integral part of these financial statements.

These financial statements on pages 1 to 133 were approved by the Board of Directors and authorised for issue on 16 June 2022 and signed on its behalf by Anthony S. Diacono (Chairman) and David S. O'Connor (Chief Executive Officer) as per Directors' declaration on ESEF Annual Report submitted in conjunction with Annual Report 2021.

MedservRegis p.l.c.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	The Group 2021 €	The Group 2020 Restated* €	The Company 2021 €	The Company 2020 €
Continuing operations					
Revenue	9	**29,924,554**	11,286,556	**-**	-
Cost of sales	11	**(22,526,528)**	(8,394,408)	**-**	-
Gross profit		**7,398,026**	2,892,148	**-**	-
Other income	10	**2,286,320**	586,431	**-**	-
Administrative expenses	11	**(8,897,762)**	(5,589,628)	**(5,635,038)**	(4,742,781)
Net impairment loss on financial assets	37.4	**(440,368)**	(2,103,562)	**(12,967,353)**	(2,286,661)
Other expenses	10	**(7,772,280)**	(4,907,216)	**-**	-
Results from operating activities		**(7,426,064)**	(9,121,827)	**(18,602,391)**	(7,029,442)
Finance income	13	**2,426,341**	5,077	**2,691,461**	3,147,878
Finance costs	13	**(2,390,076)**	(2,906,687)	**(3,495,816)**	(3,605,357)
Net finance costs		**36,265**	(2,901,610)	**(804,355)**	(457,479)
Share of profit of equity-accounted investees	25	**29,101**	501,023	**-**	-
Loss before income tax		**(7,360,698)**	(11,522,414)	**(19,406,746)**	(7,486,921)
Tax income (expense)	14	**57,562**	(734,414)	**(147)**	(147)
Loss from continued operations		**(7,303,136)**	(12,256,828)	**(19,406,893)**	(7,487,068)
Discontinued operation					
Profit (loss) from discontinued operation, net of tax	8	**100,469**	(419,568)	**-**	-
Loss for the year		**(7,202,667)**	(12,676,396)	**(19,406,893)**	(7,487,068)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Net loss on hedge of net investment in a foreign operation	30	**(412,381)**	-	**-**	-
Defined benefit plan actuarial losses	34	**(190,788)**	-	**-**	-
Re-measurement of retirement benefit obligations		**-**	(14,364)	**-**	-
Foreign currency translation differences – foreign operations		**718,521**	376,275	**-**	-
Other comprehensive loss for the year		**115,352**	361,911	**-**	-
Total comprehensive loss for the year		**(7,087,315)**	(12,314,485)	**(19,406,893)**	(7,487,068)
Loss attributable to:					
Owners of the Company		**(7,512,179)**	(12,676,396)	**(19,406,893)**	(7,487,068)
Non-controlling interests	32	**309,512**	-	**-**	-
Loss for the year		**(7,202,667)**	(12,676,396)	**(19,406,893)**	(7,487,068)
Total comprehensive income attributable to:					
Owners of the Company		**(7,068,684)**	(12,314,485)	**(19,406,893)**	(7,487,068)
Non-controlling interests	32	**(18,631)**	-	**-**	-
Total comprehensive loss for the year		**(7,087,315)**	(12,314,485)	**(19,406,893)**	(7,487,068)
Earnings per share					
Basic earnings per share	31	**(13c7)**	(€11c30)	**(24c7)**	(13c9)
Earnings per share – Continuing operations					
Basic earnings per share	31	**(13c9)**	(€10c92)	**(24c7)**	(13c9)
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)	15	**5,304,677**	(4,012,109)	**-**	-

*Group comparative information has been restated due to prior period errors (see Note 41). Group comparative information has also been re-presented due to a discontinued operation (see Note 8).

The notes on pages 10 to 133 are an integral part of these financial statements.

MedservRegis p.l.c.

Statement of Changes in Equity – The Group

For the year ended 31 December 2021

	Share capital	Share premium	Translation reserve	Reverse acquisition reserve	Hedging reserve	Retained earnings	
	€	€	€	€	€	€	
Balance at 1 January 2020, as previously reported	5,374,441	-	2,148,649	(5,373,706)	-	51,226,782	53
Translation adjustment	-	-	113,909	-	-	(113,909)	
Impact of correction of errors	-	-	-	-	-	(1,724,136)	(1,
Restated balance at 1 January 2020 (note 41)	5,374,441	-	2,262,558	(5,373,706)	-	49,388,737	51
Total comprehensive income for the year (restated)							
Loss for the year	-	-	-	-	-	(12,676,396)	(12,
Other comprehensive income for the year	-	-	376,275	-	-	(14,364)	
Total comprehensive income for the year (restated)	-	-	376,275	-	-	(12,690,760)	(12,
Transactions with owners of the Company							
Reversal of dividends	-	-	-	-	-	3,066,362	3
Other adjustments	-	-	-	-	-	(444,369)	(
Total transactions with owners of the Company	-	-	-	-	-	2,621,993	2
Restated balance at 31 December 2020	**5,374,441**	**-**	**2,638,833**	**(5,373,706)**	**-**	**39,319,970**	**41**

MedservRegis p.l.c.

Statement of Changes in Equity – The Group

For the year ended 31 December 2021

	Share capital	Share premium	Translation reserve	Reverse acquisition	Hedging reserve	Retained earnings
	€	€	€	€	€	€
Balance at 1 January 2021	**5,374,441**	**-**	**2,638,833**	**(5,373,706)**	**-**	**39,319,970**
Total comprehensive income						
Loss for the year	-	-	-	-	-	**(7,512,179)**
Other comprehensive income	-	-	**718,521**	-	**(412,381)**	**(172,157)**
Total comprehensive income	-	-	**718,521**	-	**(412,381)**	**(7,684,336)**
Transactions with owners of the Company						
Contributions and distributions						
Issue of ordinary shares related to business combination (see note 6.5)	**4,789,323**	**27,778,073**	-	**3,978,800**	-	-
Transfers	-	-	**(2,753,155)**	-	-	**2,753,155**
Distribution pre-business combination (see note 8)	-	-	**139,971**	-	-	**(8,149,287)**
Dividends	-	-	-	-	-	**(3,088,654)**
Total contributions and distributions	**4,789,323**	**27,778,073**	**(2,613,184)**	**3,978,800**	-	**(8,484,786)**
Changes in ownership interests						
Acquisition of NCI on business combination	-	-	-	-	-	-
Total charges in ownership interests	-	-	-	-	-	-
Total transactions with owners of the Company	**4,789,323**	**27,778,073**	**(2,613,184)**	**3,978,800**	-	**(8,484,786)**
Balance at 31 December 2021	**10,163,764**	**27,778,073**	**744,170**	**(1,394,906)**	**(412,381)**	**23,150,848**

Statements of Changes in Equity – The Company

For the year ended 31 December 2021

	Share capital	Share premium	Retained earnings	Total equity
	€	€	€	€
Balance at 1 January 2020	5,374,441	12,003,829	(4,457,372)	12,920,898
Total comprehensive income				
Loss for the year	-	-	(7,487,068)	(7,487,068)
Balance at 31 December 2020	**5,374,441**	**12,003,829**	**(11,944,440)**	**5,433,830**
Balance at 1 January 2021	**5,374,441**	**12,003,829**	**(11,944,440)**	**5,433,830**
Total comprehensive income				
Loss for the year	-	-	**(19,406,893)**	**(19,406,893)**
Total comprehensive income for the period	-	-	**(19,406,893)**	**(19,406,893)**
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	**4,789,323**	**27,778,073**	-	**32,567,396**
Total contributions and distributions	**4,789,323**	**27,778,073**	-	**32,567,396**
Balance at 31 December 2021	**10,163,764**	**39,781,902**	**(31,351,333)**	**18,594,333**

The notes on pages 10 to 133 are an integral part of these financial statements.

MedservRegis p.l.c.

Statements of Cash Flows

For the year ended 31 December 2021

		The Group		The Company	
		2021	2020	**2021**	2020
	Note	**€**	**€**	**€**	**€**
Cash flows from operating activities					
Loss for the year		**(7,202,667)**	(12,676,396)	**(19,406,893)**	(7,487,068)
Adjustments for:					
Depreciation	16, 37	**4,382,060**	1,824,036	-	-
Amortisation of intangible assets	18.1	**1,145,241**	-	-	-
Impairment losses on trade receivables, contract assets and related party receivables	37.4	**440,368**	2,103,562	-	-
Impairment losses on property, plant and equipment	10.2	**5,287,202**	1,304,031	-	-
Impairment loss on intangible assets	18	**910,193**	-	-	-
Reversal of impairment losses on property, plant and equipment	16	**(128,688)**	-	-	-
Loss/(gain) on disposal of property, plant and equipment	10.2	**388,933**	(16,971)	-	-
Net finance costs (income)	13	**(36,265)**	2,901,610	**804,355**	457,479
Net increase in fair value of financial assets at FVTPL	10	**(309,087)**	(986,975)	-	-
Share of profit of equity-accounted investees, net of tax	25	**(29,101)**	(501,023)	-	-
Write-down of inventory	10.2	-	170,423	-	-
Write-off of property, plant and equipment	16	**154,672**	101,232	-	-
Impairment of goodwill	18.3	**1,031,280**	2,582,045	-	-
Exchange differences	10.2	**(1,519,373)**	905,474	-	-
Gain on disposal of assets			-	-	-
Retirement benefit obligation	34	**202,244**	8,995	-	-
Tax expense		**(57,562)**	749,951	**147**	147
Impairment loss on amounts owed by subsidiaries			-	**12,967,353**	2,371,152
Impairment losses on investments in subsidiaries	24.1		-	**4,351,654**	3,487,810
Impairment loss on receivables from joint venture			-	**7,075**	67,179
		4,659,450	(1,530,006)	**(1,276,309)**	(1,103,301)
Changes in:					
Inventories		**481,742**	131,084	-	-
Trade and other receivables		**(1,228,782)**	8,732,595	**(10,150)**	(160,824)
Contract assets		**(154,262)**	-	-	-
Trade and other payables		**177,679**	(444,216)	**134,220**	102,421
Related party balances		**2,429,362**	-	**2,667,507**	4,835,822
Provisions and employee benefits		**407,378**	-	-	-
Cash generated from operating activities		**6,772,567**	6,889,457	**1,515,268**	3,674,118
Bank interest paid		**(44,529)**	(40,762)	-	-
Bank interest received		**56,334**	-	-	-
Taxation paid		**(204,720)**	(378,415)	**(253)**	(1,045)
Net cash from operating activities		**6,579,652**	**6,470,280**	**1,515,015**	**3,673,073**

MedservRegis p.l.c.

Statements of Cash Flows (continued)

For the year ended 31 December 2021

		The Group		The Company	
		2021	2020	**2021**	2020
	Note	**€**	€		
Net cash from operating activities b/f		**6,579,652**	6,470,280	**1,515,015**	3,673,073
Cash flows from investing activities					
Acquisition of other investments and properties		-	(1,845,716)	-	-
Acquisition of property, plant and equipment		**(1,977,229)**	(3,148,297)	-	
Addition to investment property	17	-	(408,461)	-	-
Investment in associate		-	(400)	-	-
Proceeds from disposal of property, plant and equipment	16	**169,620**	35,394	-	-
Disposal of discontinued operation, net of cash disposed of	8	**(2,737,031)**	-	-	-
Net cash acquired following reverse acquisition	6.3	**2,651,632**	-	-	-
Interest received from subsidiaries		-	5,077	-	-
Net cash used in investing activities		**(1,893,008)**	(5,362,403)		
Cash flows from financing activities					
Loan received from related companies	22	**2,134,799**	-	-	-
Repayments of bank loans		**(1,857,973)**	-	-	-
Interest paid on bank loans		**(50,546)**	-	-	-
Interest paid on notes		**(1,315,331)**	-	**(2,630,663)**	(2,651,616)
Retirement benefits paid	34	**(5,270)**	(7,294)	-	-
Advances to associates	25	**(8,283)**	-	-	-
Dividends paid		**(3,088,654)**	-	-	-
Payment of lease liabilities	38	**(1,099,146)**	-	-	-
Net cash used in financing activities		**(5,290,404)**	(7,294)	**(2,630,663)**	(2,651,616)
Effect of exchange rate fluctuations on cash held		**1,153,055**	(954,264)	**11,524**	-
ECL allowance on cash at bank	37.4	**(79,802)**	-	-	-
Net (decrease) increase in cash and cash equivalents		**469,493**	146,319	**(1,104,124)**	1,021,457
Cash and cash equivalents at beginning of year		**8,637,631**	8,491,312	**1,035,682**	14,225
Cash and cash equivalents at end of year*	29	**9,107,124**	8,637,631	**(68,442)**	1,035,682

Cash at bank and in hand	29	**11,984,028**	8,637,631	-	1,035,682
Bank overdraft	29, 33	**(2,876,904)**	-	**(68,442)**	-
Cash and cash equivalents at end of year	**29**	**9,107,124**	**8,637,631**	**(68,442)**	**1,035,682**

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

The notes on pages 10 to 134 are an integral part of these financial statements.

1 Reporting company

MedservRegis p.l.c. (formerly Medserv p.l.c.) (the "Company") is a public liability company domiciled and incorporated in Malta. The principal activity of the Company is that of a holding company (see note 24).

The consolidated financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as 'the Group' and individually 'Group entities'). The Group is primarily involved in 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, and Angola.

On 25 June 2021, Medserv p.l.c. completed a share for share exchange with Regis Holdings Limited (Regis) that resulted in Regis controlling Medserv plc group of companies. Following the transaction, the combined group changed its name to MedservRegis p.l.c. (hereafter the 'Company'). From a legal and taxation perspective, the Company is considered the acquiring entity. For accounting purposes the transaction been accounted for as a reverse acquisition (see Note 6) in the consolidated financial statements, where Regis is the accounting acquirer and legal acquiree, whereas, the Company (formerly Medserv p.l.c.) is the legal acquirer and accounting acquiree. As a result, the consolidated financial statements represent a continuation of Regis' financial statements except for the capital structure for current year as described in note 6.

As a result of the reverse acquisition:

a) the Consolidated Statement of Financial Position as at 31 December 2021 represents the consolidated financial position of the combined Medserv and Regis group of companies; whereas
b) the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021 includes the financial results of the continued operations of Regis group of companies for the entire year and financial results of the formerly Medserv group of companies from 1 July 2021 until year-ended 31 December 2021.

The comparative information of the Group presented in these financial statements is 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 and prior period errors, see notes 8 and 41, respectively.

The financial statements of Medserv p.l.c. as at and for the year ended 31 December 2020 is available to the public through the Malta Business Registry.

2 Basis of preparation

2.1 Statement of compliance

These consolidated and separate financial statements as at and for the year ended 31 December 2021 have been prepared in accordance with International Reporting Standards (IFRS) as adopted by the EU. All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. These financial statements have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act").

Article 4 of Regulation 1606/2002/EC requires that, for each financial year starting on or after 1 January 2005, companies governed by the law of an EU Member State shall prepare their consolidated financial statements in conformity with IFRS as adopted by the EU if, at their reporting date, their securities are admitted to trading on a regulated market of any EU Member State.

Details of the Group's accounting policies are included in Note 4.

2.2 Going concern

The Group sustained a loss after tax for the year amounting to €7.2 million (2020: €12.68 million), it reported a positive adjusted EBITDA (note 15) of €5.3 million (2020: negative EBITDA €4 million) and generated operating cash inflows of €6.58 million (2020: €6.47 million). The Group's net asset value amounted to €60 million (2020: €41.96 million) and it had positive working capital amounting to €20.4 million (2020: €21.29 million).

The Company, which primarily acts as a funding vehicle for the Group, sustained a loss for the year amounting to €19.4 million (2020: €7.5 million), had a net asset value of €18.6 million (2020: €5.4 million) and had a negative working capital of €5.3 million (2020: negative working capital of €2.1 million). The Group has €11.8 million of resources comprising cash and cash equivalents, unused credit lines and investments at FVTPL as at reporting date.

The reverse acquisition between the Company and Regis Holdings Limited in June 2021 further strengthened the Group's financial and liquidity position and improved its capability of delivering value to all stakeholders. The recovery in oil and gas pricing is encouraging the major international energy companies to start revisiting their drilling programmes and future investment projects. As global oil markets progressively recover from the effects of the pandemic and the related unprecedented declines in demand, the Group and the Company are well positioned to pursue growth opportunities in both existing and new markets and participate in many of the largest energy projects scheduled over the next five years.

Considering the factors and circumstances as described above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2 Basis of preparation (continued)

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investments at FVTPL.

2.4 Functional and presentation currency

These financial statements are presented in euro (€), which is the Company's functional currency.

3 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 16 and 38 – impairment test of property, plant and equipment and right-of-use assets of Company's subsidiaries: key assumptions underlying recoverable amounts;
- Note 23 and Note 24 – impairment test of loans receivable from, and investments in, subsidiaries: key assumptions underlying recoverable amounts;
- Note 18 – impairment test of goodwill and intangible assets: key assumptions underlying recoverable amount;
- Note 19 – recognition of deferred tax assets: availability of future taxable profit against which investment tax credits can be utilised; and
- Note 37.4 – measurement of ECL allowance for trade receivables: key assumptions in determining the loss given default and macro-economic adjustments.

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 the acquired set of activities and assets meets the definition of a business and 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.

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.

4 Significant accounting policies

4.1 Basis of consolidation *(continued)*

4.1.5 Interests in equity-accounted investees (continued)

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. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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 Significant accounting policies (continued)

4.2 Foreign currency

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.

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 Significant accounting policies (continued)

4.2 Foreign currency (continued)

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.

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 Significant accounting policies (continued)

4.3 Financial instruments (continued)

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.

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 Significant accounting policies (continued)

4.3 Financial instruments (continued)

4.3.2 Classification and subsequent measurement (continued)

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.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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).

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

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

The Company's financial assets comprise loans to subsidiaries, cash and cash equivalents and trade and other receivables. The Group's financial assets comprise loans to related companies, cash and cash equivalents, trade and other receivables, contract assets and investments in equity and debt instruments.

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.

For financial assets at FVTPL, these are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

4.3.2.5 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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 Significant accounting policies (continued)

4.3 Financial instruments (continued)

4.3.3 Derecognition (continued)

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 has a current 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.

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.

4 Significant accounting policies (continued)

4.5 Property, plant and equipment (continued)

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

Deprecation 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.

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

	2021	2020
	Years	Years
• Buildings and base improvements*	20 – 50	20
• Furniture and fittings	10	10
• Office equipment	4-5	4
• Computer equipment	5	5
• Plant and equipment	10-15	10
• Motor vehicles	4-10	5 - 10
• Cargo carrying units	10	-
• Photovoltaic farm	20	-

**The useful life of buildings and base improvements on leased property is based on the lower of the useful life of the asset and lease term.*

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

4 Significant accounting policies (continued)

4.6 Intangible assets and goodwill

4.6.1 Recognition and measurement

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.

Intangible assets include the trade names, trademarks and related assets, customer contracts and non-contractual customer relationships. 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. Subsequent to initial recognition, these intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The tradenames, trademarks and related assets comprise the "Medserv" and the "METS" brands. These are regarded as having an indefinite life, since based on all relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows. The "Medserv" and "METS" brands have existed for over 40 and 15 years respectively which is comparable to other brands in the oil and gas industry.

The customer contracts and non-contractual customer relationships acquired by the Group have finite useful lives.

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.

4.6.3 Amortisation

Amortisation is calculated to write off the cost of 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 and the brands and trademarks are not amortised.

The estimated useful lives for the current period are as follows:

- customer contracts and non-contractual relationships 2-9 years

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.

4 Significant accounting policies (continued)

4.7 Investment Property (continued)

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.

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.

4.9.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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.

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 1 and 39 years. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

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. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.

From 1 January 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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 Significant accounting policies (continued)

4.9 Leases (continued)

4.9.1 As a lessee (continued)

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these lease as an expense on a straight-line basis over the lease term.

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.

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.

4 Significant accounting policies (continued)

4.11.1 Financial assets (continued)

4.11.1.2 Measurement of ECLs

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.

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;

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 Significant accounting policies (continued)

4.11.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, inventories, contract assets and investment properties, 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.

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 Significant accounting policies (continued)

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.

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.

4.13.4 Retirement benefit obligations

The Group operates a fixed contribution plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under this plan is determined using the projected unit credit method.

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 Significant accounting policies (continued)

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 7. 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.

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
Logistic support services	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. Invoices are issued on a monthly basis and are usually payable within 30 to 90 days. Uninvoiced amounts are presented as contract assets.	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.

4.15 Revenue (continued)

4.15.1 Performance obligations and revenue recognition policies (continued)

4.15.1.1 Integrated Logistics Support Services (ILSS) (continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Engineering services	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. Invoices are issued according to contractual terms and are usually payable within 30 to 60 days. Uninvoiced amounts are presented as contract assets.	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. 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.
Supply of goods	The Group is involved in procuring various goods and supplies to its customers for use on the offshore rigs and their supply vessels. 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 - 90 days.	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. 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.

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
Storage and handling	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.	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.
Inspection	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.
Repairs of pipes	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.

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
Supply of electricity	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. Invoices are issued on receipt of the monthly statement issued by the counterparty and are payable within 15 days.	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
Supply of goods	The Group is involved in procuring agricultural commodities and supplies to its customers. 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.	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. 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.

4 Significant accounting policies (continued)

4.15 Revenue (continued)

4.15.1.5 Chartering of vessels

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Charter of vessels	The Group is involved in chartering of its owned vessels. Billing is based on agreed rates per charter agreement. Revenue is recognised over time as the charter services are provided. Invoices are usually payable within 30 days.	Revenue is recognised over time as the charter services are provided in line with the charter agreement. Charter rates, duration of charter and other performance obligations are specific to each client and documented in the charter agreement.

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

The Group's finance income and finance costs include:

- interest income recognised on financial assets;
- interest expense on borrowings;
- the net change in fair value of financial assets at FVTPL; and
- exchange gains or losses on financial assets and financial liabilities.

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

4 Significant accounting policies (continued)

4.16 Finance income and finance costs

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

4.18 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

– represents a separate major line of business or geographic area of operations;

– is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

– is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4 Significant accounting policies (continued)

4.19 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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax. 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.

4 Significant accounting policies (continued)

4.20 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.

4.21 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 financial statements. The following sets out the effective date and impact of forthcoming amendments to standards and new standards on the Company's financial statements:

	EU effective date (financial period on or after)	Impact assessment
Standards available for early adoption		
Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022	No significant impact
Annual Improvements to IFRS Standards 2018-2020	1 January 2022	No significant impact
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use	1 January 2022	No significant impact
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022	No significant impact
IFRS 17 Insurance Contracts	1 January 2023	Not applicable
Standards not yet endorsed by the EU		
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective 1 January 2023)	Not yet endorsed	Not applicable
Amendments to IAS 1: Classification of liabilities as current or non-current (effective 1 January 2023)	Not yet endorsed	No significant impact
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023)	Not yet endorsed	No significant impact
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023)	Not yet endorsed	No significant impact
Amendments to IAS 8: Definition of Accounting Estimate (effective 1 January 2023)	Not yet endorsed	No significant impact

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"), a limited liability company registered under the laws of Mauritius with company registration number 120300. Regis 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, and Angola. 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 of companies generated a revenue of €12,711,387 and the consolidated loss for the period and adjusted negative EBITDA amounted to €4,856,274 and €1,264,527 respectively. If the acquisition had occurred on 1 January 2021, management estimates that total consolidated revenue would have been €42,635,941 and consolidated loss for the period and adjusted EBITDA would have been €16,327,711 and €3,938,913 respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

For the six months period from 1 July to 31 December 2021, Medserv p.l.c. group of companies contributed revenue of €18,625,176 and a loss of €6,584,317 to the group results.

6.1 Consideration transferred

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 (€4,789,323) and a share premium of €0.58c per share (€27,778,073) totalling to €32,567,396 in favour of DOCOB Limited (the "Regis shareholder").

Under the reverse acquisition principles, since the shares of Regis were not traded in an active market, the acquisition-date fair value of the consideration transferred by Regis (legal acquiree) for its interest in the Company (the legal acquirer) has been based on the market price of the shares of Medserv p.l.c. prior to the transaction, of €36,546,196.

The difference between the notional consideration of €36,546,196 and the shares issued by the Company at a total of €32,567,396 inclusive of the share premium amounting to €3,978,800 has been transferred to the reverse acquisition reserve.

6 Reverse acquisition

6.2 Acquisition-related costs

The Company incurred acquisition-related costs of €147,714 relating to external legal fees and compliance costs during the year. These costs have been incurred by the Company prior to the acquisition-date and are thus not included in the consolidated statement of profit or loss and OCI in view of the reverse acquisition accounting principles.

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.

	€
Property, plant and equipment	31,782,880
Intangible assets	13,954,468
Equity-accounted investees	300
Right-of-use assets	51,438,794
Inventories	732,271
Current tax assets	217,633
Trade and other receivables	10,353,102
Contract assets	48,024
Cash at bank and in hand	5,265,514
Deferred income	(29,252)
Loans and borrowings	(55,371,472)
Employee benefits	(1,039,225)
Lease liabilities	(14,783,667)
Trade and other payables	(7,830,276)
Deferred tax liabilities	(5,446,525)
Bank overdraft	(2,613,882)
Current tax liabilities	(5,464)
Total identifiable net assets acquired	**26,673,225**

6 Reverse acquisition (continued)

6.4 Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Relief-from-royalty-method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flow expected to be generated by the intangible assets by excluding any cash flows related to contributory assets.
Inventories	Market comparison technique: the fair value is determined based on the estimated selling price in the ordinary course of business less estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.
Favourable leases	The fair value of off-market terms was measured using the discounted cash flow method (income approach), by projecting the estimated off-market terms net of tax shield and discounting them to present value at an appropriate market discount rate.

Trade and other receivables comprised gross contractual amounts due of €11,023,281 of which €670,179 was expected to be uncollectable at the date of acquisition.

6 Reverse acquisition (continued)

6.5 Goodwill

Goodwill arising from the acquisition has been recognised as follows:

		€
Consideration transferred		**36,546,196**
NCI, based on their proportionate interest in the recognised amounts of assets and liabilities		**367,371**
		36,913,567
Fair value of identifiable net assets of the legal acquirer	6.3	**(26,673,225)**
Goodwill		**10,240,342**

The goodwill is attributable mainly to the skills and technical talent of the Medserv's sub-group work force, Medserv's geographical reach and the synergies expected to be achieved from integrating the Medserv group into the combined MedservRegis group. None of the goodwill recognised is expected to be deductible for tax purposes. Taking control of Medserv p.l.c. group of companies will enable the MedservRegis group, market entry into critical growing markets and strengthen the Company's equity base and liquidity position. Following the acquisition, the global reach of the Company 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).

7 Operating segments

7.1 The Group has five reportable operating segments, as described below, which represent the Group's strategic divisions. 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.

7 Operating segments (continued)

7.1 (continued)

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. Performance is measured based on segment EBITDA as included in the internal management reports that are reviewed by the Board of Directors. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

7 Operating segments (continued)

7.2 Information about reportable segments

2021	Integrated logistics support services	Oil country tubular goods	Trading activity	Photovoltaic farm
	€	€	€	€
External revenue	19,021,775	8,177,183	2,501,384	224,212
Inter-segment revenue	-	-	-	-
Segment revenue	19,021,775	8,177,183	2,501,384	224,212
Net finance costs	(370,323)	1,286,142	-	76,913
Depreciation on property, plant and equipment	1,945,208	87,221	-	-
Depreciation on right-of-use assets	1,183,367	255,929	-	-
Other material non-cash items:				
- Amortisation of intangible assets	404,423	740,819	-	-
- net impairment on property, plant and equipment	4,419,197	868,005	-	-
- Impairment loss on intangible assets	910,193	-	-	-
- Impairment loss on goodwill	1,031,280	-	-	-
Reportable segment profit (loss) before tax	(8,340,961)	754,846	(22,351)	147,299
Adjusted EBITDA	1,000,950	3,368,445	(22,351)	189,414
Reportable segment assets	125,127,149	21,751,909	1,433,505	2,473,575
Capital expenditure	1,996,213	25,455	-	-
Reportable segment liabilities	69,080,365	13,547,087	1,501,999	3,838,204

** See Note 8*

7 Operating segments (continued)

7.2 Information about reportable segments (continued)

2020 *	Integrated logistics support services	Trading activity	Property Segment (discontinued)*	Tota
	€	€	€	€
External revenue	9,659,409	1,627,147	385,792	11,672,348
Segment revenue	**9,659,409**	**1,627,147**	**385,792**	**11,672,348**
Net finance costs	(2,857,461)	(14,232)	(29,917)	(2,901,610
Depreciation on property, plant and equipment	(1,702,024)	(565)	(121,447)	(1,824,036
Amortisation	-	-	-	
Other material non-cash items:				
- impairment losses on financial assets	(2,103,562)	-	-	(2,103,562
- net impairment on property, plant and equipment	(324,059)	-	(979,972)	(1,304,031
Reportable segment loss before tax	(8,352,080)	(3,641,439)	(404,030)	(12,397,549
Adjusted EBITDA	(3,468,537)	(3,626,641)	727,306	(6,367,872
Reportable segment assets	21,830,255	9,116,299	13,990,467	44,937,021
Capital expenditure	3,437,016	-	-	3,437,016
Reportable segment liabilities	1,118,919	311,402	1,547,162	2,977,483

* The comparative information is restated on account of correction of errors (see Note 41)

** Property segment is a discontinued operation (see Note 8)

7 Operating segments (continued)

7.3 Reconciliation of information on reportable segments to the amounts reported in the financial statements

	2021 €	2020 Restated* €
Revenues		
Total revenues for reportable segments	**30,090,873**	11,672,348
Elimination of discontinued operation	**(166,319)**	(385,792)
Consolidated revenues	**29,924,554**	11,286,556
Profit or loss		
Loss before tax for reportable segments	**(7,360,698)**	(11,522,414)
Elimination of discontinued operation	**100,469**	(419,568)
Consolidated loss before income tax	**(7,260,229)**	(11,941,982)
Assets		
Total assets for reportable segments	**133,405,739**	45,215,473
Other unallocated amounts	**17,380,400**	(278,452)
Consolidated total assets	**150,786,139**	44,937,021
Liabilities		
Total liabilities for reportable segments	**87,967,655**	2,977,483
Consolidated total liabilities	**87,967,655**	2,977,483
Adjusted EBITDA		
Total adjusted EBITDA for reportable segments	**5,175,107**	(4,093,564)
Share of profit of equity-accounted investee	**29,101**	501,023
Elimination of discontinued operation	**100,469**	(419,568)
Consolidated adjusted EBITDA	**5,304,677**	(4,012,109)

* See note 41

7.4 Geographical information

7.4.1 The ILSS segment is managed from Malta with a satellite office in Mauritius and operates base facilities and/or offices in Malta, Cyprus, Egypt, Suriname, Libya, Mozambique and Uganda. The OCTG segment is managed from U.A.E. and operates base facilities in U.A.E., Southern Iraq and Sultanate of Oman. The trading activity segment is managed and operates from Mauritius.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. Non-current assets exclude goodwill which amounts to €9,209,062 net of impairment losses (2020: €278,452).

7 Operating segments (continued)

7.4 Geographical information (continued)

	Revenues	Non-current assets
	€	€
2021		
Cyprus	**2,951,553**	**3,229,193**
Malta	**3,523,287**	**58,510,643**
Egypt	**3,909,127**	**4,287,743**
Middle East	**8,179,247**	**11,716,343**
South America	**61,962**	**-**
Sub-Saharan Africa	**11,299,378**	**12,469,542**
	29,924,554	**90,213,464**
2020 Restated*		
Uganda	448,221	1,710,347
Angola	5,722,706	-
South Africa	2,221,367	3,015,721
Mozambique	2,911,308	4,568,576
Mauritius	-	582,752
Australia	368,746	2,255,919
Property segment (discontinued)	(385,792)	-
	11,286,556	12,133,315

*See notes 8 and 41

Non-current assets exclude investments at FVTPL, other investments at FVTPL and Goodwill.

7.4.2 Major customers

Revenues from four (2020: three) major external customers during the year amounted to approximately €13.6 million (2020: €5.9 million) of the Group's total revenues. Revenues are being analysed by country of incorporation of customers.

7.4.3 Situation in Libya and Mozambique

Despite the political instability in Libya, the Group's operations in Libya were minimally impacted as the Group continues servicing normally the clients' operations offshore Libya, which are located 120 kilometres north of the Libyan coast.

A major insurgent attack took place in Palma (Cabo Delgado), Mozambique in the first quarter of 2021, which drastically paralyzed the operations in northern Mozambique. This led to TotalEnergies withdrawing all personnel from the Afungi site and declared Force Majeure on the LNG project. TotalEnergies remain committed to the project and plans to restart the project in second half of 2022.

8 Discontinued operations

8.1 As part of the business combination with Regis, the Group carved out the following entities:

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). The segment covers various geographical markets such as Australia, Mauritius and South Africa. The segment's primary activities include investment, lease, development and sale of real properties, field service provision and well-evaluation, and drill stem testing. Management committed to a plan in transferring out this division, following a strategic decision to put 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 assets of the Property segment accounted for 31% of total assets of Regis Group as at 31 December 2020.

The Property segment was not previously classified as held-for-sale or as a discontinued operation in the comparative year. The comparative consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations. Comparative financial information is presented as corresponding figures (including also related disclosures).

8 Discontinued operations (continued)

8.2

	2021	2020
	€	€
Results from discontinued operation		
Revenue	**367,926**	385,792
Elimination of inter-segment revenue	**(201,606)**	-
External revenue	**166,320**	385,792
Income (expenses)	**1,863,894**	(789,822)
Elimination of inter-segment revenue	**(1,761,858)**	-
External expenses	**102,036**	(789,822)
Results from operating activities	**268,356**	(404,030)
Income tax	(167,887)	(15,538)
Results from operating activities, net of tax	**100,469**	(419,568)
Gain on sale of discontinued operation	**-**	-
Profit (loss) from discontinued operation, net of tax	**100,469**	(419,568)
Basic earnings (loss) per share (euro)	**0c1**	(37c)

The profit from the discontinued operation of €100,469 (2020: loss of €419,568) is attributable entirely to the owners of the Company. Of the loss from continuing operations of €7,303,136 (2020: loss of €12,256,828, as restated), an amount of €7,612,648 is attributable to the owners of the Company (2020: loss of €12,256,828, as restated).

8.3 Cash flows from (used in) discontinued operation

	2021	2020
	€	€
Net cash used in operating activities	**22,740**	(268,482)
Net cash from investing activities	**2,652,563**	(238,954)
Net cash from financing activities	**61,728**	573,026
Net cash flow for the year	**2,737,031**	65,590

8 Discontinued operations (continued)

8.4 Distribution of assets and liabilities to shareholders pre-business combination

	€
Goodwill	(287,688)
Property, plant and equipment	(2,236,241)
Investment property	(592,797)
Investment in associates	(612,423)
Inventories	(73,249)
Other investments	(4,261,423)
Trade and other receivables	(1,371,383)
Cash and cash equivalents	(2,994,154)
Assets held for sale	(3,128,135)
Bank borrowings	1,483,112
Trade and other payables	6,065,065
Net assets and liabilities	**(8,009,316)**
Consideration received*	-
Cash and cash equivalents disposed of	(2,994,154)
Net cash outflow	**(2,994,154)**

*Prior to the business combinations with Regis Holdings Limited, the Group restructured its business to carve out the property segment and other non-core assets by the transfer of the subsidiary entities listed in note 8.1 to Drill Stem Testing International Limited ("DSTI"). Following the restructuring, the Group transferred its shareholding in DSTI for €nil consideration to DOCOB Limited, an entity owned and controlled by the same ultimate beneficiary owners. This transfer has been treated in these financial statements as a distribution to owners of the Company. The Company measured the value of the net assets and liabilities transferred with reference to their net book values at transaction date on 24 June 2021.

9 Revenue

9.1 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major se
recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments

	Continuing operations			
2021	**Integrated logistics support services**	**Oil country tubular goods**	**Trading activity**	**Photovoltaic farm**
	€	**€**	**€**	**€**
Malta	**3,299,075**	**-**	**-**	**224,212**
Middle East	**2,064**	**8,177,183**	**-**	**-**
Cyprus	**2,951,553**	**-**	**-**	**-**
South America	**61,962**	**-**	**-**	**-**
Egypt	**3,909,127**	**-**	**-**	**-**
Sub-Saharan Africa	**10,009,010**	**-**	**1,290,368**	**-**
Australia	**-**	**-**	**-**	**-**
	20,232,791	**8,177,183**	**1,290,368**	**224,212**

*See note 8

9 Revenue (continued)

9.1 Disaggregation of revenue from contracts with customers (continued)

2021	Integrated logistics support services	Oil country tubular goods	Continuing operations Trading activity	Photovoltaic farm
	€	€	€	€
Major service lines				
Logistic support services	16,346,907	-	-	-
Supply of goods	2,010,384	-	1,290,368	-
Engineering services	397,088	-	-	-
Storage and handling	1,478,412	6,089,172	-	-
Inspection	-	606,570	-	-
Repairs of pipes	-	1,481,441	-	-
Supply of electricity	-	-	-	224,212
Others	-	-	-	-
	20,232,791	8,177,183	1,290,368	224,212
Timing of revenue recognition				
Transferred over time	18,222,407	8,177,183	-	224,212
Point in time	2,010,384	-	1,290,368	-
	20,232,791	8,177,183	1,290,368	224,212

*See note 8

Revenue net of discontinued property segment amount to €11,286,556.

9 Revenue (continued)

9.1 Disaggregation of revenue from contracts with customers (continued)

	Continuing operations			
2020	**Integrated logistics support services**	**Oil country tubular goods**	**Trading activity**	**Photovoltaic farm**
	€	**€**	**€**	**€**
Uganda	448,221	-	-	-
Angola	5,722,706	-	-	-
South Africa	577,174	-	1,627,147	-
Mozambique	2,911,308	-	-	-
Australia	-	-	-	-
	9,659,409	-	1,627,147	-

*See note 8

9 Revenue (continued)

9.1 Disaggregation of revenue from contracts with customers (continued)

	Continuing operations			
2020	**Integrated logistics support services**	**Oil country tubular goods**	**Trading activity**	**Photovoltaic farm**
	€	**€**	**€**	**€**
Major service lines				
Logistic support services	2,114,342	-	1,627,147	-
Labour	3,608,364	-	-	-
Equipment hire	3,359,529	-	-	-
Shipping line	582,642	-	-	-
Others	(5,468)	-	-	-
	9,659,409	-	1,627,147	-
Timing of revenue recognition				
Transferred over time	7,550,535	-	-	-
Point in time	2,108,874	-	1,627,147	-
	9,659,409	-	1,627,147	-

*See note 8

9 Revenue (continued)

9.2 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 December 2021	31 December 2020
	€	€
Trade receivables, which are included in 'trade and other receivables' (note 21)	**16,305,959**	7,792,076
Contract assets	**202,286**	-

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

10 Other income and other expenses

10.1 Other income

		The Group	
		2021	2020
	Note	**€**	€
Government grants		-	88,531
Reversal of impairment loss on property, plant and equipment	16	**128,688**	-
Income from investments at FVTPL		**8,257**	61,099
Fair value gain on investments at FVTPL	26	**309,087**	156,084
Other income		-	280,717
Exchange differences		**1,840,288**	-
		2,286,320	586,431

10 Other income and other expenses (continued)

10.2 Other expenses

		The Group	
		2021	2020 Restated*
	Note	**€**	€
Loss on disposal of property, plant and equipment	16	**388,933**	-
Impairment loss on intangible assets	18	**910,193**	-
Impairment loss on property, plant and equipment	16	**5,287,202**	324,059
Write-down of value of PPE transferred to assets held for sale	16	**154,672**	-
Impairment loss on goodwill	18	**1,031,280**	2,582,045
Exchange differences		-	2,001,112
		7,772,280	4,907,216

*Comparative information has been restated due to prior period errors (see Note 41).

11 Expenses by nature

11.1

		The Group		The Company	
	Note	2021	2020	2021	2020
		€	€	€	€
Direct cost of services		11,379,357	8,642,017	-	-
Consumables		92,091	44,954	-	-
Employee benefits	12	7,707,219	1,570,557	366,364	149,732
Depreciation	16, 37	4,327,724	1,702,591	-	-
Amortisation of intangible assets	18	1,145,241	-	-	-
Administration fees		-	334,094	3,404	-
Professional fees		1,349,664	628,754	777,942	848,358
Listing expenses		75,043	-	94,701	70,289
Rental expense		244,606	249,485	-	-
Travelling and telecommunications		337,622	114,880	1,630	1,083
Impairment losses on investments in subsidiaries		-	-	4,351,654	3,639,480
Impairment losses on amounts due by joint venture		-	-	7,075	-
Repairs and maintenance		1,139,841	2,169	-	-
Insurance		808,571	148,096	12,951	-
Security services		185,689	23,256	-	-
Staff welfare		941,341	-	-	-
Utilities		-	21,618	-	-
Other		1,690,282	501,565	19,317	33,839
Total cost of sales and administrative expenses		**31,424,290**	13,984,036	**5,635,038**	4,742,781
Categorised as follows:					
Cost of sales		22,526,528	8,394,408	-	-
Administrative expenses		8,897,762	5,589,628	5,635,038	4,742,781
Total cost of sales and administrative expenses		**31,424,290**	13,984,036	**5,635,038**	4,742,781

11.2 The total fees charged to the Group and the Company by the independent auditors during 2021 can be analysed as follows:

2021	The Group	The Company
	€	€
Auditors' remuneration	561,000	426,500
Tax advisory services	13,312	3,500
Other non-audit services	117,860	117,860
	692,172	547,860

12 Personnel expenses

Personnel expenses incurred by the Group during the year are analysed as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Directors' emoluments:				
Salaries	**400,111**	414,813	**-**	-
Fees	**85,550**	25,466	**171,319**	115,000
	485,661	440,279	**171,319**	115,000
Wages and salaries	**6,950,909**	1,043,642	**195,045**	34,732
Social security contributions	**238,467**	86,636		
Government grant - employment aid	**(8,050)**	-	**-**	-
Other statutory contributions	**40,232**	-	**-**	-
	7,707,219	1,570,557	**366,364**	149,732

The weekly average number of persons employed by the Group during the year was as follows:

	2021	2020
	No.	No.
Operating	**561**	95
Management and administration	**48**	6
	609	101

The Company had no employees during the current and comparative year. Employee benefits in note 11.1 represent salaries recharged to the Company by one of its subsidiaries.

13 Finance income and finance costs

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Interest receivable from banks	**56,508**	-	**-**	-
Interest receivable from subsidiaries	**-**	-	**2,072,516**	2,284,073
Interest receivable from associates	**-**	5,077	**-**	-
Unrealised exchange differences	**2,060,746**	-	**618,945**	863,805
Net change in fair value of financial assets at FVTPL	**309,087**	-	**-**	-
Finance income	**2,426,341**	5,077	**2,691,461**	3,147,878
Interest payable on bank loans	**(109,672)**	-	**-**	-
Other bank interest payable	**(42,886)**	-	**-**	-
Interest payable to note holders	**(1,521,817)**	-	**(2,776,928)**	(2,814,561)
Finance cost on finance leases	**(466,826)**	-	**-**	-
Realised exchange differences	**(248,875)**	-	**-**	-
Exchange differences	**-**	(2,906,687)	**(718,888)**	(790,796)
Finance costs	**(2,390,076)**	(2,906,687)	**(3,495,816)**	(3,605,357)
Net finance income/ (costs)	**36,265**	(2,901,610)	**(804,355)**	(457,479)

14 Tax expense

14.1 Recognised in the statement of profit or loss and other comprehensive income

	The Group		The Company	
	2021	2020 Restated*	**2021**	2020
	€	€	**€**	€
Current tax expense				
Current year	**(110,630)**	(293,103)	**(147)**	(147)
	(110,630)	(293,103)	**(147)**	(147)
Deferred tax movement				
Movement in temporary differences	**168,192**	(441,311)	**-**	-
Tax income (expense)	**57,562**	(734,414)	**(147)**	(147)

**Comparative information has been restated due to prior period errors (see Note 41).*

14.2 The tax expense for the year and the result of the accounting loss multiplied by the tax rate applicable in Malta, the Company's country of incorporation, are reconciled as follows:

	The Group		The Company	
	2021	2020 Restated*	**2021**	2020
	€	€	**€**	€
Loss before tax	**(7,360,698)**	(11,522,414)	**(19,406,746)**	(7,486,921)
Tax using the domestic tax rate	**2,576,244**	1,728,362	**6,792,361**	2,620,422
Tax effect of:				
Disallowed expenses	**(3,583,767)**	(2,666,649)	**(6,793,049)**	(2,621,110)
Difference in tax rates	**351,119**	15,870	**541**	541
Exempt income	**713,966**	2,524,066	**-**	-
Utilised tax losses	**-**	(2,135,030)	**-**	-
Foreign withholding tax suffered	**-**	(201,033)	**-**	-
Tax income (expense)	**57,562**	(734,414)	**(147)**	(147)

In the comparative year, the applicable tax rate of the Group is that of the country of incorporation of Regis Holdings Limited, the accounting acquirer, at 15%.

**Comparative information has been restated due to prior period errors (see Note 41*

14 Tax expense (continued)

14.3 Recognised in the income statement

The applicable tax rate during the current year is the statutory local income tax rate of 35% for income generated in Malta.

The tax expense on continuing operations excludes the tax income/(expense) from the discontinued operation of €167,886 (2020: (€15,538). The tax expense on the gain on discontinued operation is €nil, as the related net assets have been transferred to ultimate controlling party as dividend in kind.

The results from operations in Cyprus and Egypt are subject to the statutory local income tax of 12.5% and 22.5% respectively. The Company's subsidiary in the Sohar Free Zone in the Sultanate of Oman is exempt from income tax for a period of 10 years starting from 15 January 2012 and it is permissible to extend the exemption for consecutive periods of five years up to a maximum of twenty-five years according to the procedures set in the concession agreement and subject to achieving the required Omanisation levels. This subsidiary is in the process of obtaining the tax exemption certificate and management is confident that it will be able to obtain and claim tax exemption for the aforementioned and following tax periods. Hence, no provision for income tax has been made in these financial statements.

The Company's subsidiary in the Special Economic Zone in Duqm in the Sultanate of Oman is exempt from income tax for a period of 30 years starting from 1 November 2017. The Company's subsidiaries in the U.A.E. and Southern Iraq are exempt from income tax.

The Company's subsidiary, Medserv Operations Limited is eligible to the incentives provided by regulations 5, 31 and 32 of the Business Promotion Regulations, 2001 ("BPRs") and regulation 4 of the Investment Aid Regulations ("IARs") (see note 19.3).

The results from operations in Mauritius, Mozambique, Uganda and South Africa are subject to income tax at the rate of 15%, 32%, 30% and 28% respectively. The Company is not subject to tax as per the tax regime in Seychelles applicable to international businesses incorporated in Seychelles. It is only subject to tax on incomes derived in Seychelles.

A dividend of €3,088,654 was paid to DOCOB Ltd as the sole shareholder of Regis Holdings Ltd prior to the share for share exchange. All the discontinued entities were also distributed as dividend in kind.

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

The Directors have presented the performance measure adjusted EBITDA because 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 income (costs), depreciation, amortisation and impairment losses related to goodwill, intangible assets, property, plant and equipment.

Adjusted EBITDA is not a defined performance measure in IFRS Standards. 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

		The Group	
		2021	2020 Restated*
	Note	**€**	€
Loss for the year from continuing operations		**(7,303,136)**	(12,256,828)
Tax (income) expense	14	**(57,562)**	734,414
Loss before tax		**(7,360,698)**	(11,522,414)
Adjustments for:			
- Net finance costs (income)	13	**(36,265)**	2,901,610
- Depreciation	16, 37	**4,327,724**	1,702,591
- Amortisation of intangible assets	18	**1,145,241**	-
- Impairment loss on property, plant and equipment	16	**5,287,202**	324,059
- Impairment loss on intangible assets	18	**910,193**	-
- Impairment loss on goodwill	18	**1,031,280**	2,582,045
Adjusted EBITDA		**5,304,677**	(4,012,109)

**Comparative information has also been restated on account of correction of errors. See Note 41.*

16 Property, plant and equipment – The Group

16.1 Reconciliation of carrying amount

	Total	Land and buildings	Base improvements	Plant and equipment	Photovoltaic farm	Ca carry ur
	€	€	€	€	€	
Cost						
Balance at 01.01.20, as previously reported	21,361,937	2,799,084	-	16,670,627	-	
Effect of restatement	(1,377,352)	-	-	(1,347,178)	-	
Restated balance at 01.01.20	19,984,585	2,799,084	-	15,323,449	-	
Additions	3,437,017	123,575	-	3,294,416	-	
Write-offs and transfers	(120,557)	(51,221)	-	(23,463)	-	
Reclassification	(288,719)	-	-	(288,719)	-	
Disposals	(102,783)	-	-	(102,701)	-	
Effect of movements in exchange rates	(4,302,136)	(589,114)	-	(3,407,487)	-	
Balance at 31.12.20	18,607,407	2,282,324	-	14,795,495	-	
Balance at 01.01.21	**18,607,407**	**2,282,324**	**-**	**14,795,495**	**-**	
Acquisitions through business combinations	**31,782,880**	**10,334,310**	**3,244,800**	**14,691,734**	**2,525,884**	**683,3**
Additions	**1,977,229**	**266,622**	**183**	**1,623,162**	**-**	
Reclassification to assets held for sale	**(30,248)**	**-**	**-**	**(30,248)**	**-**	
Write-offs and transfers	**(353,591)**	**218,383**	**-**	**(564,717)**	**-**	
Disposals	**(855,970)**	**-**	**-**	**(855,323)**	**-**	
Distribution pre-business combination (see note 8.4)	**(5,400,832)**	**(555,732)**	**-**	**(4,344,442)**	**-**	
Effect of movements in exchange rates	**3,412,698**	**531,408**	**58,781**	**2,563,171**	**-**	
Balance at 31.12.21	**49,139,573**	**13,077,315**	**3,303,764**	**27,878,832**	**2,525,884**	**683,3**

16 Property, plant and equipment – The Group (continued)

16.1 Reconciliation of carrying amount (continued)

	Total	Land and buildings	Base improvements	Plant and equipment	Photovoltaic farm	Cargo carrying units
	€	**€**	**€**	**€**	**€**	**€**
Depreciation and impairment losses						
Balance at 01.01.20	7,389,920	39,981	-	6,327,318	-	-
Charge for the year	1,824,036	39,400	-	1,498,013	-	-
Disposals	(92,010)	-	-	(92,010)	-	-
Write-offs and transfers	(19,326)	(417)	-	-	-	-
Impairment loss	1,304,031	-	-	1,302,425	-	-
Effect of movements in exchange rates	(2,748,922)	(12,342)	-	(2,644,535)	-	-
Balance at 31.12.20	7,657,729	66,622	-	6,391,211	-	-
Balance at 01.01.21	**7,657,729**	**66,622**	**-**	**6,391,211**	**-**	**-**
Charge for the year	**2,653,168**	**304,013**	**233,113**	**1,658,388**	**52,310**	**108,051**
Reversal of impairment recognised in profit and loss	**(128,688)**	**-**	**-**	**(128,688)**	**-**	**-**
Reclassification to assets held for sale	**(13,062)**	**-**	**-**	**(13,062)**	**-**	**-**
Impairment loss	**5,441,874**	**1,483,844**	**418,216**	**3,525,490**	**-**	**-**
Distribution pre-business combination (see note 8.4)	**(3,164,591)**	**-**	**-**	**(2,711,300)**	**-**	**-**
Disposals	**(297,417)**	**-**	**-**	**(297,298)**	**-**	**-**
Write-offs and transfers	**(219,146)**			**(211,889)**	**-**	**-**
Effect of movements in exchange rates	**1,157,980**	**25,089**	**4,297**	**922,553**	**-**	**-**
Balance at 31.12.21	**13,087,847**	**1,879,568**	**655,626**	**9,135,405**	**52,310**	**108,051**

16 Property, plant and equipment – The Group (continued)

16.1 Reconciliation of carrying amount (continued)

	Total	Land and buildings	Base improvements	Plant and equipment	Photovoltaic farm
	€	€	€	€	€
Carrying amounts					
At 1 January 2020, as previously reported	13,972,017	2,759,103	-	10,343,309	-
At 1 January 2020, restated	12,594,665	2,759,103	-	8,996,931	-
At 31 December 2020, as previously reported	12,093,030	2,215,702	-	9,525,791	-
At 31 December 2020, restated	10,949,678	2,215,702	-	8,404,284	-
At 31 December 2021	**36,051,726**	**11,197,747**	**2,648,138**	**18,743,427**	**2,473,574**

16 Property, plant and equipment – The Group (continued)

16.2 Certain Group's buildings and base improvements are situated on land held under title of temporary emphyteusis (see note 38.1).

16.3 Commitments

At 31 December 2021, the Group had no contractual commitments (2020: €nil).

16.4 Security

At 31 December 2021, the Group's emphyteutical rights on the Medserv site at the Malta Freeport at the Port of Marsaxlokk (refer to note 38) were subject to a general hypothec and a special hypothec in relation to the notes issued by the Company and bank borrowings by the Group (refer to note 33.3).

16.5 Change in estimates

During 2021, Regis Mozambique Lda has revised the useful life of its plant and equipment from five years to ten and fifteen years for trucks and heavy lifting equipment in line with the Group's policy. The effect of these changes on the expected annual depreciation expense included in 'cost of sales', is as follows:

	2021	2022	2023	2024	2025	Later
	€	€	€	€	€	€
(Decrease)/increase in depreciation expense	**(1,030,065)**	(778,143)	(616,857)	(310,832)	61,652	2,576,880

16.6 Impairment test

At reporting date, as a result of the losses sustained in the current and/or comparative years and in consideration of the following risk factors:

- global and regional political and economic uncertainties, particularly in an extended COVID-19 scenario;
- concentration risk due to the dependency on a few customers; and
- increased volatility in oil and gas prices and related demand for oil and gas and their impact on the customers' business activity

indicator of impairment were identified on the property, plant and equipment pertaining to the operations of the following subsidiaries:

(i) Middle East Tubular Services Limited ("METS UAE"),
(ii) Middle East Tubular Services LLC (FZC) ("METS Oman")
(iii) Middle East Tubular Services (Iraq) Limited ("METS Iraq"),
(iv) Medserv Operations Limited ("Medserv Operations")
(v) Medserv Egypt Oil and Gas Services J.S.C. ("Medserv Egypt"),
(vi) Medserv (Cyprus) Limited ("Medserv Cyprus")
(vii) Regis Shipping Limited ("Regis Shipping")
(viii) Regis Mozambique Limitada ("Regis Mozambique")
(ix) Regis Uganda Limited ("Regis Uganda")

16 Property, plant and equipment – The Group (continued)

16.6 Impairment test (continued)

Consequently, these assets were tested for impairment. The following impairment losses were recognised:

Base	Assets class impaired	Operating segment	Carrying amount (gross of impairment) €	Impairment €	Carrying amo (ne impairm
Medserv Operations (Logistics hub)	Buildings, base improvements, plant and equipment, motor Vehicles	ILSS	14,344,248	1,394,211	12,950,037
METS UAE	Buildings, base improvements, plant and equipment, furniture and fittings, motor vehicles, office & computer equipment	OCTG	2,571,644	412,510	2,159,134
METS Iraq	Buildings, base improvements, plant and equipment, furniture and fittings, office & computer equipment	OCTG	2,863,180	430,409	2,432,771
METS Oman	Buildings, base improvements, plant and equipment, furniture and fittings, office & computer equipment	OCTG	167,240	25,086	142,154
Medserv Cyprus	Base improvements, plant and equipment, furniture and fittings, office & computer equipment	ILSS	1,791,810	143,458	1,648,352
Medserv Egypt	Plant and equipment, furniture and fittings, motor vehicles	ILSS	5,365,757	1,078,014	4,287,743
Regis Mozambique	Buildings and motor vehicles	ILSS	6,852,583	1,154,144	5,698,439
Regis Uganda	Plant and equipment	ILSS	1,657,166	229,977	1,427,189
Regis Shipping	Plant and equipment	ILSS	1,720,960	419,393	1,301,567
Total			**37,334,588**	**5,287,202**	**32,047,**

16 Property, plant and equipment – The Group (continued)

16.6 Impairment test (continued)

The recoverable amount of the individual assets tested for impairment was determined using FVLCD in view 1that this resulted in a higher recoverable amount than the value-in-use of the related assets or CGU to which they make part of. The fair value measurement was categorised as Level 3 in the fair value hierarchy. Management estimated recoverable amount of these assets by using the Depreciated Replacement Cost (DRC) valuation model. The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence. The main valuation inputs used were the economic useful life of the non-current assets (ranging between 10 to 50 years, average of 31.1 years), the inflation rate (ranging between 0% to 17.1%, average of 3.1%). Costs of disposal were estimated by management ranging between 7.5% to 17.5%, average of 12.8%.

A total impairment loss of €5,287,202 was recognised as per above table and recorded in “other expenses”.

17 Other properties – The Group

17.1 Investment property

17.1.1 Reconciliation of carrying amount

	Note	Land	Buildings and related costs	Borrowing costs	Option on property purchase	Total
		€	€	€	€	€
At 1 January 2020		1,505,609	2,181,786	265,023	1,345,151	5,297,569
Amount capitalised during the year		-	336,303	72,158	-	408,461
Reclassification of VAT recoverable		-	222,555	-	-	222,555
Reclassification to 'Assets held for sale'	17.2	(1,167,529)	(1,764,962)	(294,706)	-	(3,227,197)
Reclassification to 'Other receivables'	17.1.3	-	-	-	(1,230,064)	(1,230,064)
Exchange difference		(338,080)	(356,639)	(42,475)	(115,087)	(852,281)
At 31 December 2020		-	619,043	-	-	619,043
Distribution pre-business combination (see note 8.4)		-	**(592,797)**	-	-	**(592,797)**
Exchange differences		-	**(26,246)**	-	-	**(26,246)**
At 31 December 2021		-	-	-	-	-

Investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provided the fair value of the Group's investment property portfolio within a period of 5 years or a 5 year gap from the day these were put in use. The fair value measurement of all the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Directors have assessed the properties' fair values in the subsidiary, Thomson & Van Eck Proprietary International Limited, which represents units acquired in a mall to approximate their fair value of acquisition at 31 December 2020, and thus, no fair valuation adjustment to the carrying amount was deemed necessary. Changes in fair values were recognised as gains in profit or loss and included in 'other income'. All gains were unrealised.

During 2021, all investment properties were classified as a discontinued operation (see note 8).

17 Other properties – The Group (continued)

17.1 Investment property (continued)

17.1.1 Reconciliation of carrying amount

17.1.2 Rental income recognised by the Group during 2021 was €73,750 (2020 €158,119) and was included in 'Discontinued Operations' (note 8). Maintenance expense, included in 'Discontinued Operations' (note 8) was of €6,656 (2020: €3,302).

17.1.3 In 2015, the Group acquired purchase options on nine plots of land with the intention of selling this land at a profit. Up to year 2020, the Group had sold five plots and the remaining plots were being marketed for sale. In the event that these plots of land were not sold, the Group would have had to buy the land.

With this view, the Group's purchase options were extended till 30 June 2025. The commitment on the option agreements on term of the maturity, in the circumstance that these plots remain unsold was of USD 3.5 million. At 31 December 2020, the Group assessed as remote the likelihood of selling these plots and that it was highly probable that it would be required to obtain title of the land and has thus reclassified these options to deposits included within Other receivables (see note 21.1).

17.2 Assets held for sale

	Note	2021	2020
		€	€
Transfer from property, plant and equipment		**17,186**	-
Transfer from investment property	17.1	**-**	3,227,197
Capitalisation of VAT irrecoverable		**-**	38,168
Exchange differences		**-**	(220,399)
At end of reporting period		**17,186**	3,044,966

In 2020, the investment property, following its completion, was classified as 'Assets held for sale' in view that its carrying amount was to be recovered principally through a sale transaction rather than continued use. During 2020 and 2021, the Group continued to look for potential buyers for the disposal of this property. In June 2021, the subsidiary that owns the investment property was carved out as part of the a Group restructuring and was transferred to a related company (see note 8.4).

Assets held for sale amounting to €17,186 as at 31 December 2021 comprise various damaged plant and equipment with a carrying amount of €171,857. These have been transferred from property, plant and equipment and written down to their scrap value as at year end.

18 Intangible assets and goodwill - The Group

18.1 Reconciliation of carrying amount

	Note	Total €	Goodwill €	Trademarks, Tradenames and related assets €
Cost				
Balance at 1 January 2020		2,932,462	2,932,462	-
Effects of movements in exchange rates		(250,616)	(250,616)	-
Balance at 31 December 2020		2,681,846	2,681,846	-
Balance at 1 January 2021		**2,681,846**	**2,681,846**	**-**
Acquisition through business combination	6.3	**24,194,809**	**10,240,341**	**1,138,936**
Distribution pre-business combination (see note 8.4)		**(2,681,846)**	**(2,681,846)**	
Balance at 31 December 2021		**24,194,809**	**10,240,341**	**1,138,936**
Amortisation and impairment losses				
Balance at 1 January 2020	18.3	2,582,045	2,582,045	-
Effects of movements in exchange rates		(178,651)	(178,651)	-
Balance at 31 December 2020		2,403,394	2,403,394	-
Balance at 1 January 2021		**2,403,394**	**2,403,394**	**-**
Impairment	10.2	**1,941,473**	**1,031,280**	**-**
Amortisation		**1,145,241**	**-**	**-**
Distribution pre-business combination (see note 8.4)		**(2,403,394)**	**(2,403,394)**	**-**
Balance at 31 December 2021		**3,086,714**	**1,031,280**	**-**

18 Intangible assets and goodwill - The Group (continued)

18.1 Reconciliation of carrying amount (continued)

	Total	Goodwill	Trademarks, Tradenames and related assets	Custom custor
	€	€	€	
Carrying amounts				
Balance at 1 January 2020	350,417	350,417	-	
Balance at 31 December 2020	278,452	278,452	-	
Balance at 31 December 2021	**21,108,095**	**9,209,061**	**1,138,936**	

18 Intangible assets and goodwill – The Group (continued)

18.2 Amortisation

The amortisation of intangible assets is included in 'cost of sales' in the statement of profit or loss and other comprehensive income.

18.3 Impairment test

18.3.1 Impairment test for previously recognised goodwill

In the comparative year, the Group tested goodwill for impairment which resulted in the carrying amount to exceed the recoverable amount, which was calculated as the higher of the value in use and fair value less costs of disposal. Due to the severe lack of activity and prolonged project delays, the carrying amount was reduced to its recoverable amount estimated at €278,452. The impairment loss recognised in the comparative year of €2,582,045 is included within 'other expenses'. This goodwill which had been allocated to the property segment was transferred out during the current year as part of a Group restructuring (see note 8.4).

18.3.2 Impairment test for goodwill and intangible assets arising from business combination

Goodwill and intangible assets allocated to CGUs within the Group's operating segments

Goodwill arising from the reverse acquisition (see note 6) of the Medserv group of companies ('the Medserv subgroup') is mainly attributable to future customer contracts, the synergies expected to be achieved from combining the operations of the Medserv subgroup with the Regis group and the skills and technical talent of the Medserv subgroup's work force. Identifiable intangible assets also arising from the reverse acquisition comprise the Medserv and METS trademarks, tradenames and related assets with an indefinite useful life initially measured at a fair value of €1,138,936 and customer contracts and non-contractual customer relationships initially measured at a fair value of €12,815,532 relating to the OCTG and ILSS segments of the Medserv subgroup.

18 Intangible assets and goodwill (continued)

18.3 Impairment test (continued)

18.3.2 Impairment test for goodwill and intangible assets arising from business combination (continued)

On the date of the reverse acquisition, the gross carrying amount of goodwill of €10,240,341 has been allocated to the group of CGUs making up the OCTG and ILSS segments based on the fair value of the identified assets and liabilities on business combination. Goodwill has been capitalised as an intangible asset, and an impairment assessment is carried out at least annually for the goodwill and 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 contracts and non-contractual customer relationships. For the purposes of impairment testing, the gross carrying amounts of the goodwill and intangible assets have been allocated to the following groups of CGUs and segments:

31 December 2021	**ILSS**	**OCTG**	**Total**
Goodwill	€8,357,892	€1,882,449	**€10,240,341**
Trademarks, tradenames and related assets	€791,568	€347,368	**€1,138,936**
Customer contracts and non-contractual customer relationships	€3,391,389	€8,278,901	**€11,670,290**

Valuation approaches

The recoverable amount of the CGUs within the ILSS segment was based on (i) the Fair Value Less Costs of Disposal ('FVLCD') for the Malta-based CGUs and (ii) the value-in-use ('VIU') for the Egypt and Cyprus-based CGUs. The recoverable amount of the CGUs within the OCTG segment was based on the VIU.

The VIU is determined by discounting the expected future cash flows to be generated from the continuing use of the CGUs within the OCTG and ILSS segments.

The FVLCD is determined by discounting to present value the future cash flows expected to be derived from the CGU by a market participant from both the continuing use and ultimate disposal of the CGU. Costs of disposal are incremental costs directly attributable to the disposal of the CGU.

Key assumptions and inputs

The businesses of the CGUs underlying the OCTG and ILSS segments are subject to the following risks:

- the global and regional political and economic risks, particularly in an extended COVID-19 scenario;
- the concentration risk due to dependency on a few customers; and
- the volatility in oil and gas prices and related demand for oil and gas and their impact on the customers business activity.

18 Intangible assets and goodwill (continued)

18.3 Impairment test (continued)

18.3.2 Impairment test for goodwill and intangible assets arising from business combination (continued)

Key assumptions and inputs (continued)

Due to the increase in the level of uncertainty, the VIU was estimated using a discounted cash flow (DCF) analysis applying the expected cash flow approach. This approach uses multiple cash flow projections taking into consideration assumed probabilities of future events and/or scenarios instead of a single cash flow scenario.

Under the FVLCD approach, the fair value element is measured under the income approach, which converts future amounts, such as cash flows or income streams which reflect current market expectations about those future amounts, to a current amount discounted to present value on the measurement date. The costs of disposal were assumed to be 3%. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

While many scenarios and probabilities may exist under both the VIU and FVLCD, management believes that three scenarios (base case, upside and downside) generally reflect a representative sample of possible outcomes under both the VIU and FVLCD approaches.

The calculations use cash flow projections that are based on financial budgets and business plans prepared by management and approved by the Board of Directors. The budgets and business plans are updated to reflect the most recent developments as at the reporting date. Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make.

For each scenario, management has assigned probability weights. The recoverable amount was estimated by calculating the present value of the probability-weighted expected cash flows.

The key assumptions used in the estimation of VIU and FVLCD were as follows.

		2021	
Goodwill and Trademarks, Tradenames and related assets	**OTCG VIU**	**ILSS VIU**	**ILSS FVLCD**
Discount rates, range	10.0% - 18.0%	11.5% - 23.4%	8.0% - 9.5%
Weighted average discount rates	12.4%	18.2%	8.1%
Weighted average EBITDA margin	36.8%	34.0%	38.6%
Extrapolation growth rate	2.0%	2.0%	2.0%
Weighted average annual revenue growth rate	1.3%	2.1%	31.1%

18 Intangible assets and goodwill (continued)

18.3 Impairment test (continued)

18.3.2 Impairment test for goodwill and intangible assets arising from business combination (continued)

Key assumptions and inputs (continued)

	2021	
Customer contracts and non-contractual customer relationships	**ILSS VIU**	**ILSS FVLCD**
Discount rates, range	13.5%	7.5%
Weighted average EBITDA margin	28.8%	35.0%
Weighted average annual revenue growth rate	20.9%	32.6%

For the base case, the cash flow projections for projects-related CGUs considered specific estimates for the expected duration of the projects. The other CGUs' cash flow projections included specific estimates up to 2060.

- *Scenarios and probability weights:* Management has subjectively assigned probability weights to each scenario based on its experience in times of recession and its expectations for the economy under and following the COVID-19 pandemic. Management believes that the probability weight assignment presents a reasonable assessment of the likelihood of the scenarios, taking into account the potential of improved market conditions on the upside and an extended COVID-19 scenario and reduced level of business activity assuming volatility in oil and gas prices and related demand for oil and gas, on the downside.

  The probability weights for the applied scenarios are as follows:

	2021	
Goodwill and Trademarks, Tradenames & related assets	**VIU**	**FVLCD**
Base case scenarios range	50%-80% 52.6%	60%-80%
Base case scenarios average		61.6%
Upside scenarios range	10% - 25% 23.9%	10%-20%
Upside scenarios average		19.2%
Downside scenarios range	10% - 25% 23.6%	10% - 20% 19.2%
Downside scenarios average		

18 Intangible assets and goodwill (continued)

18.3 Impairment test (continued)

18.3.2 Impairment test for goodwill and intangible assets arising from business combination (continued)

Key assumptions and inputs (continued)

Customer contracts and non-contractual customer relationships	2021 VIU	 FVLCD
Base case scenarios range	50%	60%-80%
Base case scenarios average	50%	61.6%
Upside scenarios range	25%	10%-20%
Upside scenarios average	25%	19.2%
Downside scenarios range	25%	10% to 20% 19.2%
Downside scenarios average	25%	

- *Discount rates:* The discount rates used is the weighted-average cost of capital (WACC). The discount rate does not reflect risks for which the estimated cashflow have been adjusted. The discount rate under the VIU is a pre-tax measure based on the CGU-specific, adjusted for currency and country risk relevant to the individual CGU. The discount rate under the FVLCD was a post-tax measure estimated based on the weighted-average cost of capital.
- *Revenue growth rate:* This was projected taking into account estimates of sales volumes and price growth for the duration of the projections including probability-weighted expectations for large accounts and uncontracted business.
- *EBITDA margin:* EBITDA margin was based on management's expectations of market developments and future outcomes, taking into account past performance. It was assumed that sales prices would increase in line with forecast inflation over the projected period.

Impairment losses

The recoverable amount of the Group of CGUs making up the ILSS segment was lower than their carrying amount by approximately €1.03 million and thus an impairment loss was recognised in profit or loss during 2021. The impairment loss of €1.03 million was fully allocated to goodwill and is included in 'other expenses'.

An impairment of €0.9 million was recognised with respect to customer contract and non-contractual customers relationships in the ILSS segment. The impairment loss was recognised in the statement of profit or loss and other comprehensive income included in other expenses.

The estimated recoverable amount of the group of CGUs making up the OCTG segment exceeded their carrying amount by approximately €1.04 million and thus no impairment loss was recognised.

18 Intangible assets and goodwill (continued)

18.3 Impairment test (continued)

18.3.2 Impairment test for goodwill and intangible assets arising from business combination (continued)

Key assumptions and inputs (continued)

— ILSS segment was lower than their carrying amount by approximately €0.9 million and thus an impairment loss was recognised in profit or loss. The impairment loss of €0.9 million was allocated to the customer relationships and is included in 'other expenses'.

Sensitivity analysis

The following table shows the amount by which these assumptions would need to change individually across the CGUs within the OCTG segment for the estimated recoverable amount of those CGUs to be equal to the carrying amount.

31 December 2021 **Goodwill and Trademarks, tradenames and related assets**	**Change required CGUs within OCTG segment**
Discount rate	+0.71%
EBITDA margin	-0.82%
Pessimistic scenario increase/ base scenario decrease	+20.1%/-20.1%

Therefore, any further adverse movement in the above key assumptions would lead to impairment on the goodwill and/or intangible assets allocated to the CGUs within the OCTG segment.

19 Deferred tax assets and liabilities

19.1 Deferred tax assets and liabilities are attributable to the following:

The Group	Assets		Liabilities		Net	
	2021	2020	**2021**	2020	**2021**	2020
	€	€	**€**	€	**€**	€
Property, plant and equipment	**-**	-	**(2,028,759)**	-	**(2,028,759)**	-
Employee benefits	**92,798**	-	**-**	-	**92,798**	-
Provision for volume discounts	**11,008**	-	**-**	-	**11,008**	-
Provision for exchange fluctuations	**-**	-	**(920,165)**	-	**(920,165)**	-
Impairment loss on receivables	**326,599**	-	**-**	-	**326,599**	-
Investment tax credits	**9,066,217**	-	**-**	-	**9,066,217**	-
Unabsorbed capital allowances and unutilised tax losses	**1,491,887**	-	**-**	-	**1,491,887**	-
Right-of-use assets	**-**	-	**(15,149,443)**	-	**(15,149,443)**	-
Lease liabilities	**2,659,908**	-	**-**	-	**2,659,908**	-
Intangible assets	**-**	-	**(867,883)**	-	**(867,883)**	-
Tax assets/(liabilities)	**13,648,417**	-	**(18,966,250)**	-	**(5,317,833)**	-
Set-off of tax	**(13,648,417)**	-	**13,648,417**	-	**-**	-
Net tax assets/(liabilities)	**-**	-	**(5,317,833)**	-	**(5,317,833)**	-

19 Deferred tax assets and liabilities (continued)

19.2 Movement in temporary differences during the year - The Group

	Balance 01.01.21	Acquired through business combination	Recognised in profit and loss	**Balance 31.12.21**
	€	€	€	**€**
Property, plant and equipment	-	(2,644,976)	616,217	**(2,028,759)**
Employee benefits	-	70,512	22,287	**92,798**
Provision for volume discounts	-	11,008	-	**11,008**
Provision for exchange fluctuations	-	(3,466)	(916,699)	**(920,165)**
Impairment loss on receivables	-	234,563	92,036	**326,599**
Investment tax credits	-	9,066,217	-	**9,066,217**
Unabsorbed capital allowances and unutilised tax losses	-	1,731,935	(240,048)	**1,491,887**
Right-of-use assets	-	(15,425,573)	276,130	**(15,149,443)**
Lease liabilities	-	2,730,185	(70,276)	**2,659,909**
Intangible assets	-	(1,256,430)	388,545	**(867,884)**
	-	(5,486,025)	168,192	**(5,317,833)**

	Balance 01.01.20	Acquired through business combination	Recognised in OCI	Recognised in profit and loss	Balance 31.12.20
	€	€	€	€	€
Unutilised tax losses	453,885	-	(12,574)	(441,311)	-
	453,885	-	(12,574)	(441,311)	-

19.3 Set-off

In accordance with accounting policy 4.19, deferred tax assets and liabilities are offset only if certain criteria are met. The Group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

As a result, the tax effect of taxable temporary differences in the current year are being offset against deferred tax assets in the statement of financial position.

19 Deferred tax and liabilities (continued)

19.4 Recognition of deferred tax asset on investment tax credits

As at 31 December 2021, the Company's subsidiary, Medserv Operations Limited recognised a deferred tax asset of €9,066,217 to the extent of investment tax credits expected to be utilised in the future. Based on the subsidiary's profit forecasts for the foreseeable period, and with reference to historical taxable profits and trading levels registered in the past years, the Directors believe that the subsidiary will have sufficient taxable profits in the future against which this deferred tax asset can be utilised. These profit forecasts were based on reasonable assumptions of business growth, including the expected volume of business arising from maintenance projects and the provision of logistic support services to the offshore oil and gas industry during the forecast period. Historic values of similar projects were used to support and quantify the net result of the future projects and services. The extent of utilization of the investment tax credits was based on the assumption that the profit forecasts will be subject to the current tax rate of 35%. The investment tax credits are available in terms of regulation 5 of the BPRs and regulation 4 of the IARs. None of these investment tax credits, unutilised tax losses and unabsorbed capital allowance are subject to an expiration date.

19.5 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of:

- Unutilised carry forward tax losses amounting to €1,802,128 generated during the current and prior years available to Medserv (Cyprus) Limited, since it is not probable that future taxable profit will be available against which these can be offset. Tax losses in Cyprus may be carried forward for a period of five years.

- Unutilised carry forward tax losses amounting to €315,216 generated during the current and prior years available to Thomson & Van Eck Proprietary Limited, since it is not probable that future taxable profit will be available against which these can be offset.

20 Inventories

	2021	2020
	€	€
Goods for resale	**29,159**	488,742
Production supplies	**-**	176,449
Spares and accessories	**497,665**	150,848
Work in progress	**12,975**	-
Raw materials	**526,769**	-
Inventories	**1,066,568**	816,039

In 2021, inventories amounting to €1,707,356 (2020: €71,225) were recognised as an expense and included in 'cost of sales'.

During the year, the Group has written off inventory value of €nil (2020: €170,426) included in 'other expenses'.

21 Trade and other receivables

21.1

		The Group		The Company	
	Note	2021	2020	2021	2020
		€	€	€	€
Current assets					
Trade receivables		**16,305,959**	7,792,076	**-**	-
Amounts due by subsidiaries	21.2	**-**	-	**19,558**	68,083
Other receivables	21.3	**3,328,512**	197,199	**240**	633
Advance payments		**457,676**	575,103	**-**	-
Prepayments	17.1	**1,230,116**	1,735,342	**13,043**	2,500
VAT and other tax assets		**559,341**	-	**-**	-
Total trade and other receivables		**21,881,604**	10,299,720	**32,841**	71,216

21.2 During the current and comparative years, the Company entered into a number of assignment and capital contribution agreements with its subsidiaries whereby amounts due by subsidiaries were capitalized and treated as part of the subsidiaries' equity by way of support to the subsidiaries (see note 24.2) and as part of the Company's net investment in subsidiaries. The remaining outstanding amounts due by subsidiaries at reporting date are unsecured, interest-free and repayable on demand. Transactions with related parties are set out in note 39 to these financial statements.

21 Trade and other receivables (continued)

21.3 Other receivables consist of fixed-term cash collaterals with maturity exceeding three months and other deposits paid.

21.4 The Group's exposure to credit and currency risks and impairment losses relating to trade receivables are disclosed in note 37.

22 Loans receivable from related companies

On 25 June 2021, Regis Holdings Limited signed a loan agreement with Drill Stem Testing International Limited ('DSTI') whereby the latter assumed the obligation to settle outstanding loans, totalling USD 6.265 million, that were issued by Regis Holdings Limited to its subsidiaries and which entities have been carved out from the combined MedservRegis group as a result of the business combination. This transaction was made for the purpose of ensuring that the formerly Medserv p.l.c. group is adequately protected from any liability resulting from the reorganisation of Regis Group. At 31 December 2021, the carrying amount of the loan stood at €3,679,558 (equivalent to USD4,1671,467) and was secured by a pledge over all the shares held by DSTI in Worx Developments Limited, a carved out entity (see note 8). In addition, the Group has an outstanding loan due by a related company, TVE International Proprietary Limited, with a carrying amount of €467,930. These loans are subject to an interest rate based on the United States Federal Funds Rate plus 3% and is repayable by 31 December 2023.

23 Loans receivable from subsidiaries

23.1 The Company

Loans receivables from subsidiaries have the following terms and conditions:

	Currency	**Nominal interest rate**	**Year of maturity**	**2021**	2020
				€	€
Unsecured loan	EUR	4.50%	2026	-	941,217
Unsecured loan	EUR	4.50%	2026	**21,434,705**	21,393,013
Unsecured loan	USD	5.75%	2026	**8,244,682**	7,602,050
Unsecured loan	EUR	6.00%	2023	**9,484,140**	9,434,879
Unsecured loan	EUR	6.25%	2022	**910,164**	910,125
Unsecured loan	EUR	6.00%	2024	**1,628,134**	1,628,633
				41,701,825	41,909,917
Recognition of expected credit losses under IFRS 9				**(15,443,485)**	(2,393,664)
				26,258,340	39,516,253
Non-current				**25,348,176**	39,516,253
Current				**910,164**	-

23 Loans receivable from subsidiaries (continued)

23.2 During the year, the loan receivables from subsidiaries were set off against amounts due to subsidiaries amounting to €951,501.

23.3 The Group's exposure to credit and currency risks are disclosed in note 37.

23.4 Loans receivable included in non-current receivables from subsidiaries include loans receivable from Medserv M.E. Limited ("Medserv ME") and Medserv Eastern Mediterranean Limited ("MEM") amounting to €23,720,042 (2020: €36,143,278) and €1,628,134 (2020: €1,628,633), respectively.

For loans receivable which are in default, the Company assesses at the reporting date whether those receivables are credit impaired. Any credit losses are measured at the present value of all cash shortfalls. In estimating any shortfalls (and therefore any expected credit loss) on these loans receivable, the Company applied the same projections used in value-in-use analysis prepared in estimating the recoverable amount of the related Company's investments in subsidiaries as the recoverability of these loans receivable is supported by the same projections and subject to the same risks factors and key assumptions as those underlying the calculation of the recoverable amount of the related investments in subsidiaries.

At reporting date the expected credit loss on the loan receivable from Medserv M.E. was of €15,443,485, which resulted in an impairment of €13,074,353 being recorded in the statement of profit and loss and other comprehensive income under the "administrative expenses". Also refer to note 24.4.

During the year, the expected credit loss on the loans receivable from MEM decreased and as a result an impairment loss reversal of €107,000 was recorded.

24 Investment in subsidiaries

24.1

	Loans receivable	Capital subscribed	Total
	€	€	€
At 1 January 2020	19,883,572	344,333	20,227,905
Issue of loans receivable to subsidiary	2,689,747	-	2,689,747
Redemption of loans advanced	(1,564,410)		(1,564,410)
Impairment losses	(3,566,796)	-	(3,566,796)
At 31 December 2020	17,442,113	344,333	17,786,446
At 1 January 2021	**17,442,113**	**344,333**	**17,786,446**
Acquisition	**-**	**32,567,396**	**32,567,396**
Issue of loans receivable to subsidiary	**3,150,542**	**-**	**3,150,542**
Redemption of loans advanced	**(12,677)**	**-**	**(12,677)**
Impairment losses	**(4,351,654)**	**-**	**(4,351,654)**
At 31 December 2021	**16,228,324**	**32,911,729**	**49,140,053**

24 Investment in subsidiaries (continued)

24.2 During the year, intercompany balances between the subsidiaries amounting to €1,348,015 (2020: €4,605,615) were assigned to the Company. These balances together with other receivables which subsidiaries owed to the Company which in aggregate amount to €3,150,542 (2020: €2,689,747), were capitalized and treated as part of the subsidiaries' equity by way of support to the subsidiaries. The loans receivable from the subsidiaries as at 31 December 2021 are unsecured, interest free, with no fixed date of repayment and repayable at the option of the counterparty.

24.3 List of subsidiaries and sub-subsidiaries

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

The subsidiaries and sub-subsidiaries consist of the following:

Subsidiaries	Registered office	Ownership interest 31.12.21	Ownership interest 31.12.20	Nature of business	Paid up
		%	%		%
Medserv International Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	99.99	Holding company	25
Medserv Eastern Mediterranean Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	99.99	Holding company	20
Medserv Africa Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	99.83	Holding company	20
Medserv Libya Limited	Port of Marsaxlokk Birzebbugia Malta	100.00	99.99	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	99.99	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

24 Investment in subsidiaries (continued)

24.3 List of subsidiaries and sub-subsidiaries (continued)

Subsidiaries	Registered office	Ownership interest 31.12.21	Ownership interest 31.12.20	Nature of business	Paid up
		%	%		%
Sub-subsidiaries					
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

24 Investment in subsidiaries (continued)

24.3 List of subsidiaries and sub-subsidiaries (continued)

Subsidiaries	Registered office	Ownership interest 31.12.21	Ownership interest 31.12.20	Nature of business	Paid up
		%	%		%
Sub-subsidiaries (continued)					
Middle East Tubular Services Uganda SMC Limited	BMK House 4th 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 sBairro da Sommesrchield, Rua Frente de libertacao de Mozambique, n. 224	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	Oak Management (Mauritius) Ltd 1st Floor, Block B Ruisseau Creole Complex Black River 90625 Mauritius	100.00	-	Logistical support and other services	100
Regis Export Trading International Proprietary Limited	343 Kent Avenue, Ranburg, Garden Mall, Ferndale, Randburg, Gauteng 2194	100.00	-	Trading and Exportation activities	100
Thomson & Van Eck Limited	Oak Management (Mauritius) Ltd 1st Floor, Block B Ruisseau Creole Complex Black River 90625 Mauritius	100.00	-	Holding company	100

24 Investment in subsidiaries (continued)

24.3 List of subsidiaries and sub-subsidiaries (continued)

Subsidiaries	Registered office	Ownership interest 31.12.21	Ownership interest 31.12.20	Nature of business	Paid up
		%	%		%
Sub-subsidiaries (continued)					
Thomson & Van Eck Proprietary Limited	343 Kent Avenue, Ranburg, Garden Mall, Ferndale, Randburg, Gauteng 2194	100.00	-	Engineering services	100
Regis Mozambique Limitada	Rua da Porto Nr. 94/4, Pemba, Cabo Delagado, Mozambique	100.00	-	Logistical support and other services	100
Regis Uganda Limited	7th Floor, Course view towers, Plot 21, Yususf Lule Road, Nakasero, P.O. Box 7166, Kampala, Uganda	100.00	-	Logistical support and other services	100

24.4 Impairment test

At reporting date, the Company tested the investment in Medserv M.E. Limited ("Medserv ME"), Medserv Eastern Mediterranean Limited ("MEM") and Medserv Libya Limited ("Medserv Libya") for impairment as a result of the losses sustained in the current and/or comparative years and in consideration of the following risk factors:

- global and regional political and economic uncertainties, particularly in an extended COVID-19 scenario;
- the concentration risk due to the dependency on a few customers; and
- the volatility in oil and gas prices and related demand for oil and gas and their impact on the customers' business activity.

In estimating the recoverable amount of the investment in Medserv ME, the Company applied the same value-in-use analysis prepared in estimating the recoverable amount of goodwill allocated to OCTG CGU (see note 18) as the recoverability of the net investment in Medserv ME is supported by the same projections and subject to the same risk factors and key assumptions as those underlying the calculation of the recoverable amount of the OCTG CGU. The recoverable amount was determined by discounting the future cash flows to be generated from its continuing use. The carrying amount of Medserv ME exceeded the recoverable amount of the investment and thus an impairment loss of €1,335,067 (2020: €2,606,482) was recognised. The discount rate used in the estimation of value-in-use calculation of Medserv ME ranged 11.50% - 18%.

24 Investment in subsidiaries (continued)

24.4 Impairment test (continued)

Due to the increase in the level of uncertainty, the VIU of these investments was estimated using a discounted cash flow (DCF) analysis applying the expected cash flow approach. This approach uses multiple cash flow projections taking into consideration assumed probabilities of future events and/or scenarios instead of a single cash flow scenario. While many scenarios and probabilities may exist, management ultimately believes that the three scenarios (base case, upside and downside) reflect a representative sample of possible outcomes. The calculations use cash flow projections that are based on financial budgets and business plans prepared by management and approved by the Board of Directors. The budgets and business plans are updated to reflect the most recent developments as at the reporting date.

Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make. For each scenario, management has assigned probability weights. The recoverable amount was estimated by calculating the present value of the probability-weighted expected cash flows.

The estimated recoverable amount of the investment in MEM at reporting date, was arrived at by reference to the value-in-use of its subsidiaries, Medserv Egypt Oil & Gas Services J.S.C. ("Medserv Egypt") and Medserv (Cyprus) Limited, determined by discounting the future cash flows using value-in-use analysis. An impairment loss of €3,005,445 (2020: €875,823) was determined on the investment in MEM. The impairment loss in the current year was mainly the result of the expenses incurred by MEM on behalf of its subsidiaries. The recoverable amount of this investment was determined with reference to the net asset value adjusted with fair value changes of the assets held by the underlying subsidiaries.

An impairment loss of €11,142 (2020: €84,491) on the Company's investment in Medserv Libya Limited ("Medserv Libya") was recognised, writing down the carrying amount of the investment to €Nil as a result of the losses incurred as the subsidiary ceased trading in view of the conflict in Libya.

The carrying amounts (net of accumulated impairment) of the Company's investments in Medserv ME, MEM and Medserv Libya at reporting date stood at €nil (2020: €nil), €3,155,355 (2020: €4,356,226), €Nil (2020: €Nil), respectively.

These impairment losses were recognised in the income statement in "administrative expenses".

25 Equity-accounted investees

		The Group		The Company	
	Note	**2021**	2020	**2021**	2020
		€	€	**€**	€
Interest in joint venture	25.1	**-**	-	**-**	-
Interest in associate	25.2	**-**	564,594	**-**	300
Balance at 31 December		-	564,594	-	300

25.1 Joint venture

InMedco Limited is a joint venture in which the Company had joint control and a 50% ownership interest. It was principally engaged in selling and distributing survival products and services and delivery of high specification technical services to the oil and gas industry. The jointly controlled entity has stopped trading and has been placed into liquidation and dissolved during the year. The carrying amount of this investment amounting to €120 was fully impaired in the past years. The Company's share of losses of the joint venture exceeds its interest in the joint venture and as a result, the Company has stopped recognising its share of further losses.

25.2 Associates

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Balance at 1 January	**564,594**	107,472	**300**	300
Additions	**-**	400		
Net share of profit or loss	**28,668**	501,022	**(300)**	-
Exchange losses	**19,159**	(44,300)		
Distribution pre-business combination (see note 8.4)	**(612,421)**	-	**-**	-
Balance at 31 December	-	564,594	-	300

25.2.1 The Company

Investment in FES Libya Limited (hereafter "FES")

The Company has a 25% interest in FES, a Maltese incorporated company which was registered on 28 August 2019 to act as a distributor of downhole tools and services in Libya. FES Libya Limited has not yet started operating.

25 Equity-accounted investees (continued)

25.2 Associates (continued)

25.2.1 The Company

Investment in FES Libya Limited (hereafter "FES") (continued)

Summary of financial information for the associated entity is as follows:

	2021	2020
	€	€
Non-current assets	**507,662**	-
Current assets	**64,068**	1,200
Current liabilities	**(699,150)**	-
Net (liabilities) assets	**(127,420)**	1,200
Company's share of net (liabilities) assets (25%)	**(31,855)**	300
Revenue	**60,285**	-
Loss for the period (100%)	**(118,642)**	-
Company's share of loss (25%)	**(300)**	-

The Company's share of losses of the associate exceeds its interest in the associate and as a result, the Company has discontinued recognizing its share of further losses. As a result, the carrying amount of the associate amounting to €300 has been written down to €Nil.

25 Equity-accounted investees (continued)

25.2 Associates (continued)

25.2.2 The Group

The Group has a number of investments in associates with shareholding interest ranging from 30% to 49%.

Investment in International Assurance Limited (hereafter "IAL")

The following table summarizes the financial information of IAL which was considered a material associate for the Group. The information for 2020 presented in the table includes the results of IAL for the year-ended 31 December 2020. The information for 2021 includes the results of IAL only for the period from 1 January to 30 June 2021 as it was transferred out to another related company as part of the reorganization of the Regis Group prior to the share for share exchange transaction.

	2020
Ownership interest	40%
	€
Non-current assets	340,056
Current assets	1,464,698
Current liabilities	(393,269)
Net assets	1,411,485
Group's share of net assets (40%)	564,594
Carrying amount of interest in associate	387,249
Revenue	1,303,288
Profit from continuing operations (100%)	1,272,543
Total comprehensive income (100%)	1,272,543
Group's share of total comprehensive income	509,017

Investment in Enermech (Mauritius) Limited (hereafter "Enermech")

The Group has a 30% interest in Enermech a company incorporated in Mauritius which holds an investment in Sonimech Lda.

Summary of financial information for the associated entity as at 31 December 2021 and 31 December 2020 is as follows:

25 Equity-accounted investees (continued)

25.2 Associates (continued)

Investment in Enermech (Mauritius) Limited (hereafter "Enermech")

	2021	2020
	€	€
Non-current assets	-	-
Current assets	-	2,825
Current liabilities	-	(25,816)
Non-current liabilities	-	(1,980,987)
Net liabilities (100%)	-	(2,003,978)
Company's share of net liabilities (30%)	-	(601,193)
Revenue	-	-
Profit from continuing operations (100%)	-	(9,449)
Total comprehensive income (100%)	-	(9,449)
Company's share of loss (30%)	-	-

Enermech is in the process of being liquidated. The Group investment in Enermech is fully written off.

Investment in Avhold Limited (hereafter "Avhold")

The Group has a 49% interest in Avhold, a company incorporated in Mauritius which holds an investment in a licensed domestic flight operator in Mozambique which started operating during the year. Summary of financial information for the associated entity as at 31 December 2021 and 31 December 2020 is as follows:

	2021	2020
	€	€
Non-current assets	**214,109**	144,650
Current assets	**275,678**	308,219
Current liabilities	**(138,047)**	(126,526)
Non current liabilities	**(380,231)**	(328,464)
Net liabilities (100%)	**(28,491)**	(2,121)
Company's share of net asset (49%)	**(13,961)**	(1,039)
Revenue	-	-
Loss from continuing operations (100%)	**(13,491)**	(3,156)
Total comprehensive income (100%)	**(13,491)**	(3,156)
Company's share of loss (49%)	-	-

The Group's share of losses of the associate exceeds its interest in the associate and as a result, the Company has discontinued recognizing its share of further losses.

26 Investments at FVPTL

The Group	2021	2020
	€	€
Balance at 1 January	**3,442,639**	1,233,919
Additions	**1,713,089**	1,845,716
Disposals	**(1,458,150)**	
Fair value gains (see note 10)	**309,087**	284,277
Effect of movements in exchange rates	**-**	78,727
Balance at 31 December	**4,006,665**	3,442,639

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 closing rates for the fair valuation of these instruments at each reporting date. The investments are classified under Level 1, Level 2 and Level 3 as per the classification of IFRS 13 *Fair Value Measurements.*

27 Other investments at FVTPL

27.1

The Group	2021	2020
	€	€
Balance at 1 January	**6,284,259**	6,156,878
Increase in fair value	**303,704**	702,698
Effect of movements in exchange rates	**128,189**	(575,317)
Distribution pre-business combination	**(6,716,152)**	-
Balance at 31 December	-	**6,284,259**

Other investments consist of 60% unit shares in an investee company which in turn holds properties. These investments was transferred out for €nil consideration as part of the reorganisation of Regis Group prior to the reverse acquisition (see note 8.4). On transfer date the fair value of these investments was measured using 'similar properties' market comparison and the 'income approach' whereby the future rentals are estimated over the life of the properties and discounted to present value. These investments was classified in the comparative year under Level 3, as per the classification requirements of IFRS 13, Fair Value Measurements.

28 Deferred income

In respect of the Group, deferred income amounting to €193,853 (2020: €209,349) comprises payments made in advance by customers for services yet to render.

29 Cash and cash equivalents

	Note	The Group 2021	The Group 2020	The Company 2021	The Company 2020
		€	€	€	€
Cash in hand		**190,973**	-	**-**	-
Cash management fund		**-**	2,368,061	**-**	-
Bank balances		**11,793,055**	6,269,570	**-**	1,035,682
		11,984,028	8,637,631	**-**	1,035,682
Bank overdraft used for cash management purposes	33	**(2,876,904)**	-	**(68,442)**	-
Cash and cash equivalents		**9,107,124**	8,637,631	**(68,442)**	1,035,682

The Group's and Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 37.

30 Capital and reserves

30.1 Share capital

	Ordinary shares No.
In issue at 1 January 2020	53,744,405
In issue at 31 December 2020 – fully paid	**53,744,405**
In issue at 1 January 2021	**53,744,405**
Issued in business combination (see note 6.1)	**47,893,229**
In issue at 31 December 2021 – fully paid	**101,637,634**

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 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.

30 Capital and reserves (continue)

30.2 Share premium

The Company's share premium amounting to €39,781,902 (2020: €12,003,829) represents:

- premium on issue of 8,744,399 ordinary shares of a nominal value of €0.10 each at a share price of €1.50, net of transaction costs of €238,330 directly attributable to the issue of ordinary shares; and
- premium on issue of 47,893,229 ordinary shares of a nominal value of €0.10 each at a share price of €0.68 each relating to the share for share exchange with Regis in the current year (see note 6.1).

The share premium in the consolidated financial statements amounting to €27,778,073 (2020: €nil) relates only to the share-for-share exchange with Regis in the current year and therefore the premium on issue of 47,893,229 ordinary shares of a nominal value of €0.10 each at a share price of €0.68 each (see note 6.1).

30.3 Translation reserve

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.

30.4 Reverse acquisition reserve

The reverse acquisition reserve was created in accordance with IFRS 3 *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 in these consolidated financial statements. As a result,this reserve movement arises as the difference between the nominal value of the shares issued by the legal acquirer amounting to €32,567,396 and the consideration effectively transferred of €36,546,196 by the accounting acquirer.

30.5 Hedging reserve

The hedging reserve comprises the net loss on hedge of net investment in foreign operations and the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss or are directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

30.6 Dividends

No reserves were available for distribution by the Company in the current and comparative year. Prior to the reverse acquisition, Regis Holdings Limited declared and paid an interim dividend amounting to €3,088,654 (2020: nil) to its shareholders as per agreement for the share for share exchange.

31 Earnings per share

31.1 Basic earnings per share

The calculation of basic EPS of the Group and the Company has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

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

Loss attributable to ordinary shareholders (basic)

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
		(restated)*		
Continuing operations	**(7,612,648)**	(12,256,828)	**(19,406,893)**	(7,487,068)
Discontinued operations	**100,469**	(419,568)	**-**	-
Loss for the year attributable to ordinary shareholders	**(7,512,179)**	(12,676,396)	**(19,406,893)**	(7,487,068)

* See Notes 8 and 41.

Weighted-average no of ordinary shares (basic)

	Note	*The Group* 2021	2020	*The Company* 2021	2020
		No.	*No.*	***No.***	*No.*
Issued ordinary shares at 1 January		**53,744,405**	1,000	**53,744,405**	53,744,405
Effect of shares issued related to a business combination	6	**(299,116)**	1,121,171	**24,930,722**	-
Weighted-average number of ordinary shares at31 December		**53,445,289**	1,122,171	**78,675,127**	**53,744,405**

Earnings per share of the Group and the Company for the year ended 31 December 2021 amounted to a negative €0.137 (2020: negative €11.296) and negative €0.247 (2020: negative €0.139), respectively.

32 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2021	Medserv (Cyprus) Limited	Medserv Egypt Oil & Gas Services JSC	Intra-group eliminations	Total
Country of registration	**Cyprus**	**Egypt**		
Principal activity	**ILSS**	**ILSS**		
NCI Percentage	**20%**	**40%**		
	€	**€**	**€**	**€**
Non-current assets	2,784,174	6,247,396	-	9,031,570
Current assets	2,611,726	2,978,707	-	5,590,433
Non-current liabilities	(2,282,509)	(809,626)	-	(3,092,136)
Current liabilities	(1,896,617)	(2,052,573)	-	(3,949,190)
Net assets	**1,216,774**	**6,363,904**	**-**	**7,580,677**
Net assets attributable to NCI	**243,355**	**2,545,561**	**-**	**2,788,916**

32 Non-controlling interest (continued)

31 December 2021	Medserv (Cyprus) Limited	Medserv Egypt Oil & Gas Services JSC	Intra-group eliminations	Total
	€	€	€	€
Revenue	2,951,553	3,909,127	-	6,860,680
Profit	1,068,725	239,418	-	1,308,143
OCI	-	(46,577)	-	(46,577)
Total comprehensive income	**1,068,725**	**192,841**	**-**	**1,261,566**
Profit allocated to NCI	213,745	95,767	-	309,512
OCI allocated to NCI	-	(18,631)	-	(18,631)
Total comprehensive income allocated to NCI	**213,745**	**77,136**	**-**	**290,881**
Cash flows attributable to NCI				
Cash flows used in operating activities	148,027	868,906	-	1,016,933
Cash flows used in investing activities	(2,407)	(77,929)	-	(80,336)
Cash flows from financing activities	(14,541)	(499,318)	-	(513,859)
Net increase in cash and cash equivalents	**131,079**	**291,659**	**-**	**422,738**

33 Loans and borrowings

33.1 This note provides information about the contractual terms of the Group's and Company's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 37.

	The Group		**The Company**	
	2021	2020	**2021**	2020
	€	€	**€**	€
Non-current liabilities				
Secured bank loans	**3,912,052**	1,426,972	**-**	-
Secured notes	**20,310,098**	-	**20,185,335**	20,100,431
Unsecured notes	**29,180,610**	-	**30,378,235**	29,698,867
	53,402,760	1,426,972	**50,563,570**	49,799,298
Current liabilities				
Secured bank loans	**1,537,711**	-	**-**	-
Bank overdrafts	**2,876,904**	-	**68,442**	-
	4,414,615	-	**68,442**	-

33.2 Terms and debt repayment schedule

The terms and conditions of outstanding loans are as follows:

		The Group			
		Carrying amount			
	Original currency	**2021**	2020	**Nominal interest rate**	**Year of maturity**
		€	€		
Bank loan	USD	**-**	1,426,972	LIBOR 1-month + 4.00%	2022
Bank loan	EUR	**281,696**	-	Bank's base rate + 3.00%	2022
Bank loan	EUR	**4,790,238**	-	Fixed rate of 2.5% for first 2 years and variable thereafter at Bank's base rate + 3%	2026
Bank loan	OMR	**377,829**	-	5.50%	2022
Secured notes	EUR	**20,310,098**	-	6.00%	2023
Unsecured notes	EUR	**21,287,860**	-	4.50%	2026
Unsecured notes	USD	**7,892,750**	-	5.75%	2026

33 Loans and borrowings (continued)

33.2 Terms and debt repayment schedule (continued)

		The Company			
		Carrying amount			
	Original currency	2021	2020	Nominal interest rate	Year of maturity
		€	€		
Secured notes	EUR	**20,185,335**	20,100,431	6.00%	2023
Unsecured notes	EUR	**22,198,365**	22,156,776	4.50%	2026
Unsecured notes	USD	**8,179,870**	7,542,091	5.75%	2026

In 2020, Medserv Operations Limited, the operating subsidiary in Malta was granted a bank loan of €5 million from a local bank in relation to the Malta Development Bank ('MDB') COVID-19 Guarantee 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. In 2020, the Company's subsidiary was further provided a 12-month moratorium on loan capital repayments and a 6-month moratorium on interest. This 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.

On loan origination, 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% relates to financial assistance provided by the government to compensate 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 as at reporting date. Furthermore, the Company's subsidiary 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.

The USD denominated debt are designated as hedging instruments in a net investment hedge (see Note 37.6).

33 Loans and borrowings (continued)

33.3 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 of Medserv Operations Limited;
b. second special hypothec for €7,500,000 on overdraft basis over temporary utile dominium of Medserv site and property of Malta Freeport;
c. guarantee for €12,270,000 given by the Company to secure all liabilities of the subsidiary, Medserv Operations Limited;
d. first pledge and second 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;
f. Guarantees for €2,699,574 given by the Company;
g. a letter of undertaking by the Company whereby it undertakes not to declare dividends or pay shareholders' loans without the bank's written consent and to maintain the present level control and interest in the subsidiary, Medserv Operations Limited;
h. First and third general hypothec for MDB loan of €5,000,000 over all present and future assets of the subsidiary, Medserv Operations Limited.
i. First charge over the purchased machinery, equipment, vehicles by a subsidiary in favour of the bank;
j. Marginal deposit by way of monthly margin built up of OMR2,700 for 36 months till the balance reaches OMR 97,200; and
k. Letter of undertaking to route 100% of receivables of a particular customer through the Group's bankers.

33.4 The carrying amount of the notes is made up as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Balance at 1 January	**-**	-	**49,799,298**	50,343,740
Acquisitions through business combinations	**48,872,233**	-	**-**	-
Effect of movement in exchange rate	**408,277**	-	**618,007**	(706,066)
Amortisation of transaction costs during the	**210,198**	-	**146,265**	161,624
Balance at 31 December	**49,490,708**	**-**	**50,563,570**	**49,799,298**

Notes issued in 2016 with a carrying amount as at 31 December 2021 of €30,378,235 (2020: €29,698,867) are unsecured. The other notes are secured by the Company's subsidiary, Medserv Operations Limited, through a general hypothec and a special hypothec over its emphyteutical rights on the Medserv site at the Malta Freeport at the Port of Marsaxlokk (refer to note 16.4).

33 Loans and borrowings (continued)

33.5 Furthermore, as at 31 December 2021, the Group enjoyed general overdraft facilities of €3,000,000 (2020: nil) at the following terms and conditions:

Bank overdraft	Nominal Interest rate
2021:	
€2,500,000	**5.35% (bank base rate + 3%)**
€500,000	**5.15% (bank base rate + 3%)**

At 31 December 2021, the Group had unutilised bank overdraft facilities of €705,240 (2020: €Nil) and unutilised foreign exchange facility of €300,000 (2020: €Nil).

At 31 December 2021, the Group availed of credit card facilities amounting to approximately €1,951,544 (2020: €nil) for OCTG customs clearance purposes.

34 Employee benefits – The Group

34.1

	Note	2021	2020
		€	€
Liability for severance payments		**1,208,247**	-
Liability for retirement gratuities	34.2.1	**283,650**	45,294
		1,491,897	45,294
Non-current		**1,427,395**	45,294
Current		**64,502**	-
		1,491,897	45,294

34 Employee benefits – The Group (continued)

34.2 Severance payments

34.2.1 The following table shows a reconciliation for the liability for severance payments.

	2021	2020
	€	€
Balance at 1 January	**45,294**	33,736
Included in profit or loss:		
DBO acquired as result of merger	**1,039,225**	-
Current service cost	**64,158**	4,363
Benefits paid	**(5,270)**	(7,837)
Interest cost	**19,641**	922
Past service cost	**118,445**	3,710
Included in OCI:		
Actuarial (gains)/ losses on economic assumptions	**(6,835)**	12,642
Actuarial losses on experience	**196,127**	1,722
Translation reserve	**21,112**	(3,964)
Balance at 31 December	**1,491,897**	45,294
Non-current	**1,427,395**	45,294
Current	**64,502**	-
	1,491,897	45,294

The components of the movement in employee benefits recognised in profit or loss is as follows:

	2021	2020
	€	€
Current Service cost	**64,158**	4,363
Interest cost	**19,641**	922
Past service cost	**118,445**	3,710
	202,244	8,995

34 Employee benefits – The Group (continued)

34.2 Severance payments (continued)

The components of the movement in employee benefits recognised in other comprehensive income is as follows:

	2021	2020
	€	€
Actuarial losses/(gains) on economic assumptions	**(6,835)**	12,642
Actuarial losses on experience	**196,127**	1,722
	189,292	14,364

34.2.2 Actuarial assumptions

The main actuarial assumptions used for accounting purposes are as follows:

	2021	2020
Discount rate	**5.74%**	1.60%
Inflation rate	**2.55%**	6.40%
Future salary growth rate	**6.63%**	2.80%
Net pre-retirement rate	**(0.94%)**	(1.17%)

34.2.3 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		2021		2020		
	Movement	**Revised**	**Impact**	Movement	Revised	Impact
	€	**€**	**€**	€	€	€
Discount rate: +1%	**82,185**	**1,409,712**	**5.51%**	13,523	31,784	29.85%
Discount rate: -1%	**(90,013)**	**1,581,910**	**(6.03%)**	(15,480)	60,788	(34.17%)
Salary increase: +1%	**(174,655)**	**1,666,552**	**(11.71%)**	(14,031)	59,338	(30.97%)
Salary increase: -1%	**169,710**	**1,322,187**	**11.38%**	12,593	32,714	27.79%

35 Trade and other payables

35.1

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Trade payables	**4,417,279**	799,090	**24,692**	49,953
Amounts due to shareholders	**61,014**	-	**61,014**	61,014
Amounts due to note holders	**19,171**	-	**19,171**	14,815
Amounts due to subsidiaries	**-**	-	**5,741,336**	2,851,386
Amounts due to non-controlling interest	**379,644**	-	**-**	-
Amounts due to other related party	**71,482**	-	**-**	-
Indirect taxes payable	**517,554**	-	**-**	-
Accrued expenses	**2,151,220**	314,723	**359,481**	200,000
Other payables	**1,080,852**	136,014	**-**	-
	8,698,216	1,249,827	**6,205,694**	3,177,168
Current	**8,626,734**	1,249,827	**6,205,694**	3,177,168
Non-current	**71,482**	-	**-**	-
	8,698,216	1,249,827	**6,205,694**	3,177,168

35.2 During 2020 amounts due to subsidiaries amounting to €1,135,270 were set off against loans receivable from subsidiaries (see note 21.2).

35.3 Amounts due to subsidiaries and shareholders are unsecured, interest free and repayable on demand. Transactions with related parties are set out in note 39 to these financial statements.

35.4 An amount of €160,978 in the amounts due to the non-controlling interest is unsecured, bears an interest of 5.50% and is repayable by 30 April 2022. Another amount of €214,185 included in the amounts due to non-controlling interest is unsecured, bears an interest of 6.25% and repayable by 15 September 2022. The remaining amounts due to non-controlling interest is unsecured, interest free and repayable within twelve months.

35.5 The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 37.

36 Contingencies

36.1 At reporting date, the Group had the following contingent liabilities:

- Guarantees given by the Group's bankers in favour of third parties amounting to €2,096,904;
- The Company acts as a guarantor to a bank in respect of credit facilities granted to one of its subsidiary for €530,309;
- The Company acts as a guarantor to certain banks in respect of credit facilities granted to one of its subsidiary up to a limit of €12,270,000;
- Irrevocable assignment of payments from a customer of a subsidiary in favour of the bank;

36.2 The Company has uncalled share capital on its investments in subsidiaries, namely Medserv International Limited, Medserv Libya Limited, Medserv Africa Limited (formerly Medserv Western Mediterranean Limited) and Medserv Eastern Mediterranean Limited amounting to €37,821 (2020: €37,821) (see note 24).

36.3 The Group has entered into a sponsorship agreement with the bank of a related company whereby the Group guaranteed any cash shortfalls or amounts due with respect to the bank loan obtained by the related company. The Group has initiated the process to fully discharge its responsibility as sponsor for the related party with the bank. The related party has not defaulted on any payment as of the date of signing this report and has the financial support of its shareholder.

37 Financial instruments – Fair values and risk management

37.1 Accounting classifications

The Group classifies non-derivative financial assets into the categories of 'amortised cost or 'fair value through profit or loss (FVTPL)'. The Group classifies non-derivative financial liabilities into the category of 'other financial liabilities'. At reporting date, the Group's financial assets at amortised cost comprised cash and cash equivalents and trade and other receivables, and the Group's financial assets at FVTPL comprised equity and debt investments. Whereas the Company's financial assets at amortised cost comprised loans receivable from subsidiaries, cash and cash equivalents and trade and other receivables. At reporting date, the Group's non-derivative financial liabilities comprised secured notes, loans and borrowings, bank overdrafts and trade and other payables whereas the Company's non-derivative financial liabilities comprised secured notes and trade and other payables.

37 Financial instruments – Fair values and risk management

37.2 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible.

Significant valuation issues are reported to the Group's Audit Committee.

37.2.1 *Valuation techniques and significant unobservable inputs*

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuations techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

37 Financial instruments – Fair values and risk management (continued)

37.2 Measurement of fair values (continued)

37.2.1 *Valuation techniques and significant unobservable inputs (continued)*

The Group

	31 December 2021			31 December 2020		
	Carrying amount	**Fair Value**	**Level**	Carrying amount	Fair Value	Level
	€	**€**		€	€	
Financial instruments measured at fair value						
Investments at FVTPL	**4,006,665**	**4,006,665**	**1**	3,442,639	3,442,639	1
Cash management fund	**-**	**-**	**1**	2,368,061	2,368,061	1
Other investments at FVTPL	**-**	**-**	**3**	6,284,259	6,284,259	3
Financial instruments not measured at fair value						
Secured notes	**(20,310,098)**	**(20,398,000)**	**2**	-	-	-
Unsecured notes	**(29,180,610)**	**(29,435,801)**	**2**	-	-	-

Level 3 financial instruments relate to shares in an investee company which in turn held investment properties. Valuation techniques used in measuring these fair values is disclosed in note 27.1.

The Company

	31 December 2021			31 December 2020		
	Carrying amount	**Fair Value**	**Level**	Carrying amount	Fair Value	Level
	€	**€**		€	€	
Financial instruments not measured at fair value						
Secured notes	**(20,185,334)**	**(20,398,000)**	**2**	(20,100,431)	(19,400,000)	2
Unsecured notes	**(30,378,235)**	**(29,435,801)**	**2**	(29,698,867)	(27,946,898)	2

The Company did not have any financial instruments measured at fair value in the current and comparative year.

The fair value of financial instruments not measured at fair value was determined as follows:

37 Financial instruments – Fair values and risk management (continued)

37.2 Measurement of fair values (continued)

37.2.1 *Valuation techniques and significant unobservable inputs (continued)*

Secured and unsecured notes issued

This category of liabilities is carried at amortised cost. Its fair value has been determined by reference to the market price as at 31 December 2021 and classified as Level 2 in view of the infrequent activity in the market.

Financial assets at amortised cost

This category of assets is reported net of impairment allowances to reflect the estimated recoverable amounts. Cash at bank and trade and other receivables are all short-term in nature. The carrying amounts of these financial assets are deemed to approximate their fair values.

Secured bank loans

The fair values of the Group's interest-bearing borrowings and loans are determined by using the discounted cash-flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Other financial liabilities

This category of liabilities is carried at amortised cost. The carrying value of these liabilities which are short term in nature, approximates their fair values.

37.2.2 *Transfers between Level 1 and 2*

There were no transfers from Level 2 to Level 1 and vice-versa in 2021 and no transfers in either direction in 2020.

37.3 Financial risk management

37.3.1 The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital management. The information presented in this note should be read in conjunction with the commentary in the Directors' Report under "Principal risks and uncertainties".

37 Financial instruments – Fair values and risk management (continued)

37.3 Financial risk management (continued)

37.3.2 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Financial Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

37.4 Credit risk

37.4.1 Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's bank balances, trade and other receivables, contract assets and loans receivable from subsidiaries.

The carrying amounts of financial assets represent the maximum credit exposure as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Trade and other receivables and contract assets	**19,836,757**	7,989,275	**32,841**	71,216
Loans receivable from subsidiaries	**-**	-	**26,258,340**	39,516,253
Cash at bank	**11,793,055**	6,269,570	**-**	1,035,682
	31,629,812	14,258,845	**26,291,181**	40,623,151

Impairment losses on financial assets recognised in profit or loss were as follows:

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Impairment loss on trade and other receivables	**(360,566)**	(2,103,562)	**-**	-
Impairment loss on loans receivable from subsidiaries	**-**	-	**(13,074,353)**	(2,230,256)
	(360,566)	(2,103,562)	**(13,074,353)**	(2,230,256)

37.4.2 Trade receivables and contract assets

The Group offers logistical and OCTG services to National and International Energy Companies (IECs), their subcontractors and other companies operating in the oil and gas industry. These customers operate huge budgets and historically have sufficient funds to meet their obligations towards the Group. The Group also services mining companies as well as product and equipment manufacturers and other heavy industry-related contractors. The Group's services include the provision of heavy machinery and lifting equipment, management services as well as contracting staff to clients and provide Technical Services Agreement (TSA) facilities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in note 7.4.

Through the Financial Risk Management Committee, the Group has an internal control system which identifies at an early stage any events of default. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information. Most of the Group's customers have been transacting with the Group for a number of years, and losses rarely occur. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including geographic location, aging profile, maturity, trade history with the Group and existence of previous financial difficulties.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

As at 31 December 2021, the Group's two (2020: one) most significant customers accounted for €8.3 million (2020: €6.19 million) of the trade receivables net of Expected Credit Loss.

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.2 Trade receivables and contract assets (continued)

The exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

	The Group	
	2021	2020
	€	€
Carrying amount		
Domestic	**437,174**	-
Eurozone countries	**1,804,051**	-
Libya	**2,000,901**	-
Middle East	**5,242,241**	-
Angola	**6,231,673**	7,015,552
South Africa	**93,807**	88,782
Mozambique	**443,528**	351,782
Uganda	**24,802**	285,946
Other regions	**230,067**	50,014
	16,508,245	7,792,076

The summary quantitative data about the Group's exposure to credit risk for trade receivables and contract assets is as follows.

	The Group	
	2021	2020
	€	€
Not-credit impaired		
External credit ratings at least Baa3 from *Moody's* or BBB- from Standard & Poor's	**5,613,122**	-
Other customers:		
- Four or more years' trading history with the Group	**5,933,528**	3,373,254
- Less than four years' trading history with the Group	**2,081,354**	776,525
- Higher risk	**6,401,281**	6,085,950
Total gross carrying amount	**20,029,285**	10,235,729
Loss allowance	**(3,521,040)**	(2,443,653)
Carrying amount	**16,508,245**	7,792,076

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.2 Trade receivables and contract assets (continued)

Other customers comprise reputable international energy companies and their subcontractors who have over five years' trading history with the Group.

Expected credit loss assessment for corporate customers

The Group uses different provisioning matrices to measure the ECLs of trade receivables:

- Loss rates calculated using a 'roll rate' method is based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures by different type of customer.
- Specific provisions for externally rated customers

Loss rates are based on actual credit loss experience over the past three to six years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following tables provide information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers as at 31 December 2021.

The Group

31 December 2021	Weighted-average loss rate	Gross carrying amount	Impairment loss allowance	Credit-impaired
		€	€	
Current (not past due) and <30 days past due	5.59%	3,512,943	192,406	No
Past due 31 to 60 days	17.75%	717,136	127,318	No
Past due 61 to 90 days	23.45%	439,132	102,964	No
Past due > 90 days	70.53%	2,100,429	1,481,427	Yes
		6,769,640	1,904,115	

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.2 Trade receivables and contract assets (continued)

Expected credit loss assessment for corporate customers (continued)

31 December 2021 Equivalent to external credit rating	Weighted-average loss rate	Gross carrying amount	Impairment loss allowance	Credit-impaired
		€	€	
Externally rated				
AA	**0.00%**	**1,010,652**	**-**	**No**
A	**0.16%**	**593,873**	**926**	**No**
BBB	**0.00%**	**3,733,071**	**107**	**No**
BB	**0.00%**	**328,554**	**-**	**No**
B	**2.12%**	**337,204**	**7,142**	**No**
CCC	**14.26%**	**6,586,460**	**938,919**	**No**
Internally rated				
Equivalent to D	**100.00%**	**669,831**	**669,831**	**Yes**
		13,259,645	**1,616,925**	

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers as at 31 December 2020.

The Group 31 December 2020	Weighted-average loss rate	Gross carrying amount	Impairment loss allowance	Credit-impaired
		€	€	
Current (not past due) and <30 days past due	7.73%	889,250	68,725	No
Past due 31 to 60 days	13.90%	498,728	69,337	No
Past due 61 to 90 days	18.43%	391,657	72,193	No
Past due > 90 days	26.41%	8,456,096	2,233,398	No
		10,235,730	2,443,653	

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.2 Trade receivables and contract assets (continued)

Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows.

	The Group	
	2021	2020
	€	€
Balance at 1 January	**2,443,653**	552,008
Net remeasurement of loss allowance	**360,566**	2,103,562
Acquired on reverse acquisition	**670,179**	-
Amounts written off	**(81,074)**	-
Effect of movement in foreign exchange rate	**127,716**	(211,917)
Balance at 31 December	**3,521,040**	2,443,653

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.3 Cash at bank

As at 31 December 2021, the Group held cash at bank of €11,793,055 (2020: €6,269,570) while the Company had an overdrawn bank balance of €68,442 (2020: positive €1,035,682). The Group cash deposits are held with bank and financial institution which are rated A+ to B-, based on Standards & Poor's ratings, except for €0.3m in 2020 which were held with an unrated bank.

Impairment on cash at bank has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash at bank have low credit risk based on the external credit ratings of the counterparties.

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
At amortised cost				
A+	**-**	5,450	**-**	-
A	**618,344**	311,205	**-**	1,035,682
A-	**468,834**	-	**-**	-
BBB-	**350,637**	3,910,520	**-**	-
BB+	**6,758,536**	1,001,150	**-**	-
BB	**234,749**	-	**-**	-
BB-	**1,001,643**	-	**-**	-
B+	**1,240,120**	-	**-**	-
B	**1,112,101**	1,041,245	**-**	-
B-	**87,893**	-	**-**	-
Gross carrying amounts	**11,872,857**	6,269,570	-	1,035,682
Loss allowance	**(79,802)**	-	**-**	-
Carrying amount	**11,793,055**	6,269,570	-	1,035,682

37 Financial instruments – Fair values and risk management (continued)

37.4 Credit risk (continued)

37.4.4 Amounts due by subsidiaries

During 2021, a net impairment loss of €13,156,824 (2020: €2,230,256) on the amounts owed by subsidiaries was recognised during the year.

37.4.5 Guarantees

At 31 December 2021, the Company has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (see note 36).

37.5 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly reviews the costing of its services in its effort to monitor its cash flow requirements. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days, including the servicing of financial obligations. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At 31 December 2021, the expected cash flows from trade and other receivables maturing within three months were €16.3 million and the expected cash outflows due within three months were €10 million comprising trade and other payables of €8.3 million and loan repayments of €1.7 million. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following other lines of credit, which remain undrawn at 31 December 2021:

- €705,240 bank overdraft facilities which bears interest at the Bank's Base Rate plus 3 per cent;
- Untilised foreign exchange facility of €300,000;
- €1,375,065 unutilized credit card facilities used for OCTG customs clearance purposes

37 Financial instruments – Fair values and risk management (continued)

37.5 Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are
contractual interest payments and exclude the impact of netting agreements:

The Group	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 –
	€	€	€	€	
31 December 2021					
Financial liabilities					
Secured notes	**20,310,098**	**(22,400,000)**	**(1,200,000)**	**(21,200,000)**	
Unsecured notes	**29,180,611**	**(36,595,611)**	**(1,453,400)**	**(1,453,400)**	**(33,68**
Secured bank loans	**5,449,763**	**(5,771,180)**	**(1,664,498)**	**(1,198,492)**	**(2,90**
Bank overdraft	**2,876,904**	**(2,876,904)**	**(2,876,904)**	**-**	
Lease liabilities	**14,441,789**	**(33,035,864)**	**(2,585,561)**	**(2,533,339)**	**(5,12**
Trade and other payables	**8,698,216**	**(8,698,216)**	**(8,698,216)**	**-**	
	80,957,381	**(109,377,775)**	**(18,478,579)**	**(26,385,231)**	**(41,72**

37 Financial instruments – Fair values and risk management (continued)

37.5 Liquidity risk (continued)

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 –
	€	€	€	€	
31 December 2020					
Financial liabilities					
Secured bank loans	1,426,972	(1,541,865)	(1,541,865)	-	
Trade and other payables	1,249,827	(1,249,827)	(1,249,827)	-	
	2,676,799	**(2,791,692)**	**(2,791,692)**	**-**	

MedservRegis p.l.c.

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37 Financial instruments – Fair values and risk management (continued)

37.5 Liquidity risk (continued)

The Company	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 –
	€	€	€	€	
31 December 2021					
Financial liabilities					
Secured notes	**20,185,335**	**(22,400,000)**	**(1,200,000)**	**(21,200,000)**	
Unsecured notes	**30,378,235**	**(36,595,611)**	**(1,453,400)**	**(1,453,400)**	**(33,68**
Trade and other payables	**6,205,694**	**(6,205,694)**	**(6,205,694)**	-	
	56,769,264	**(65,201,305)**	**(8,859,094)**	**(22,653,400)**	**(33,68**
31 December 2020					
Financial liabilities					
Secured notes	20,100,431	(23,600,000)	(1,200,000)	(1,199,425)	(21,20
Unsecured notes	29,698,867	(37,247,132)	(1,416,557)	(1,418,128)	(4,25
Trade and other payables	3,177,168	(3,177,168)	(3,177,168)	-	
	52,976,466	(64,024,300)	(5,793,725)	(2,617,553)	(25,45

37 Financial instruments – Fair values and risk management (continued)

37.5 Liquidity risk (continued)

It is not expected that the cash flows included in the maturity analysis are likely to occur significantly earlier, or at significantly different amounts.

37.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

37.6.1 Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of Group companies are primarily the Euro and US Dollar (USD). The currencies in which these transactions are primarily denominated are Euro, US Dollar (USD), Libyan Dinar (LYD), Omani Rial (OMR), Egyptian Pounds (EGP), British Pounds (GBP), United Arab Emirates Dirham (AED), Mozambique New Metical (MZN), Mauritian Rupee (MUR), Australian Dollar (AUD), South African Rand (ZAR) and Ugandan Shilling (UGX).

The Group does not hedge against foreign currency risk.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.1 *Currency risk (continued)*

31 December 2021	USD	EGP	LYD	OMR	AED	GBP	MZN	UGX
Trade receivables	10,213,696	-	-	1,839,202	3,381,169	-	104,626,626	907,954,29
Trade payables	(1,337,471)	-	-	(144,988)	(1,071,928)	-	(29,375,621)	4,232,527
Unsecured notes	(9,269,320)	-	-	-	-	-	-	-
Bank loan	-	-	-	(526,606)	-	-	-	-
Available funds in foreign currency	6,729,407	17,792,177	9,246	137,254	1,089,246	460	38,876,882	138,864,72
Net statement of financial position exposure	6,336,312	17,792,177	9,246	1,304,862	3,398,487	460	114,127,886	1,051,051,5

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.1 *Currency risk (continued)*

	31 December 2020					
	USD	**MZN**	**AUD**	**ZAR**	**MUR**	**UGX**
Trade receivables	3,316,131	440,393	2,957	77,395	11,717	69,449
Trade payables	(317,225)	(78,278)	(896)	(282,518)	(2,027)	-
Available funds in foreign currency	3,986,060	460,572	1,214	177,936	55,428	19,673
Net statement of financial position exposure	**6,984,966**	**822,687**	**3,275**	**(27,187)**	**65,118**	**89,122**

The Company's exposure to foreign currency risk was as follows based on notional amounts in foreign currency:

	31 December 2021	31 December 2020
Denominated in:	**USD**	USD
Unsecured notes	**(8,943,906)**	(9,249,418)
Available funds in foreign currency	**5,346**	994,856
Net statement of financial position exposure	**(8,938,560)**	(8,254,562)

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2021	2020	**2021**	2020
USD	**1.1831**	1.1414	**1.13318**	1.2264
GBP	**0.859**	0.889	**0.8391**	0.898
OMR	**0.449**	0.438	**0.436**	0.471
AED	**4.340**	4.192	**4.161**	4.504
EGP	**18.569**	18.015	**17.864**	19.262
MZN	**77.822**	78.9362	**72.339**	91.4521
AUD	**1.5749**	1.6615	**1.561**	1.6039
ZAR	**17.483**	18.755	**18.057**	17.953
MUR	**49.285**	44.885	**49.285**	48.531
UGX	**4249.30**	4227.47	**3997.16**	4542.12

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.1 *Currency risk (continued)*

A 10 percent strengthening of the Euro against the following currencies as at 31 December would have increased / (decreased) profit or loss and equity by the pre-tax amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss		Equity	
	The Group	The Company	The Group	The Company
31 December 2021	**€**	**€**	**€**	**€**
USD	**(99,696)**	**472**	**(459,466)**	**(817,992)**
GBP	**(55)**	**-**	**-**	-
LYD	**(178)**	**-**	**-**	-
OMR	**-**	**-**	**(299,588)**	-
AED	**-**	**-**	**(81,675)**	-
EGP	**-**	**-**	**(99,598)**	-
MUR	**-**	**-**	**(30)**	-
MZN	**-**	**-**	**(157,768)**	-
UGX	**-**	**-**	**(26,295)**	-
ZAR	**-**	**-**	**(16,301)**	-
31 December 2020				
USD	(698,497)	99,486	(698,497)	754,209
MZN	(82,269)	-	(82,269)	-
AUD	(328)	-	(328)	-
ZAR	2,719	-	2,719	-
MUR	(6,512)	-	(6,512)	-
UGX	(8,912)	-	(8,912)	-

A 10 percent weakening of the Euro against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.2 *Interest rate risk*

Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Carrying amount			
	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Variable-rate instruments				
Financial assets	**15,940,543**	5,283,644	**-**	1,035,682
Financial liabilities	**(8,326,667)**	(1,426,972)	**(68,442)**	-
	7,613,876	3,856,672	**(68,442)**	1,035,682
Fixed-rate instruments				
Financial assets	**-**	6,811,049	**26,258,340**	39,516,253
Financial liabilities	**(49,490,708)**	-	**(50,563,570)**	(49,799,298)
	(49,490,708)	6,811,049	**(24,305,230)**	(10,283,045)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity	
	50 bp increase	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
31 December 2021				
Variable-rate instruments	**38,069**	**(38,069)**	**38,069**	**(38,069)**
Cash flow sensitivity				
31 December 2020				
Variable-rate instruments	19,283	(19,283)	19,283	(19,283)
Cash flow sensitivity				

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.2 *Interest rate risk*

Profile

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 50 basis points in interest rates would have increased or decreased equity by €247,454 an €121,526 before tax for the Group and the Company respectively (2020: €34,055 and €51,415). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

37.6.3 *Net investment hedges*

A foreign currency exposure arises from the Group's net investment in METS that has a USD functional currency. The risk arises from the fluctuation in spot exchange rates between the USD and the Euro, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening USD against the Euro that will result in a reduction in the carrying amount of the Group's net investment in METS.

Part of the Group's net investment in METS is hedged by a USD denominated bond of €7,892,750 (2020: €nil) which mitigates the foreign currency risk arising from the sub-group's net assets. The bond is designated as hedging instrument for the changes in the value of the net investment that is attributable to changes in the EUR/USD spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debts that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

37 Financial instruments – Fair values and risk management (continued)

37.6 Market risk (continued)

37.6.3 *Net investment hedges*

The amounts related to items designated as hedging instruments were as follows:

	The Group
	2021
	€
Foreign exchange denominated debt	
USD denominated notes	**7,892,750**
	7,892,750
Change in fair value used for calculating hedge ineffectiveness	**412,381**
Change in value of hedging instrument recognised in OCI	**(412,381)**
Translation reserve	**(412,381)**

37.6.4 *Other market price risk*

The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by external advisers in this regard. Certain investments are designated at FVTPL because their performance is actively monitored and they are managed on a fair value basis. The Group's equity investments are marketable or listed securities classified as at FVTPL. The impact of a 1% increase in the market price at the reporting date on profit or loss would have been an increase of €40,067 (2020: €97,269). An equal change in the opposite direction would have decreased profit or loss by an equal but opposite effect.

37.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

37 Financial instruments – Fair values and risk management (continued)

37.7 Operational risk (continued)

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

The management team is taking actions to ensure that its Group entities' operations remain ongoing, with the lowest possible disruptions, through its business continuity plan across all the jurisdictions in which the Group is present.

37.8 Capital management

The Group defines capital as paid-in capital stock, additional paid-in capital and retained earnings, both appropriated and unappropriated. Other components of equity such as cumulative translation adjustments are excluded from capital for the purposes of capital management.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period is deemed adequate by the Board of Directors. There were no changes in the Group's approach to capital management during the year.

38 Leases

38.1 As a lessee

As a result of the reverse 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. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

38.1.1 Right-of-use assets

	Property 2021 €
Balance at 1 January	-
Acquired in business combination (see Note 6)	**51,438,794**
Depreciation	**(1,728,892)**
Modifications	**2,490**
Effect of movement in exchange rates	**301,858**
Balance at 31 December	**50,014,250**

Right-of-use assets related to Malta base

Medserv Operations Limited, the Company subsidiary, leases a quay, premises and ancillary facilities at Malta Freeport, Kalafrana and premises at Hal Far Industrial Estate under separate operating leases. The lease at Malta Freeport, Kalafrana runs for a period of 48 years from 5 December 2012. This lease has been granted to the subsidiary under title of temporary emphyteusis. The lease at Hal Far Industrial Estate runs for a period of ten years from 20 October 2014 with the option exercisable by the subsidiary to extend the lease for three further periods of 10 years each.

38 Leases (continued)

38.1 As a lessee (continued)

38.1.2 Lease liabilities

	2021
	€
Maturity analysis - contractual undiscounted cash flows	
Less than one year	(2,585,561)
One to five years	(7,661,523)
Five years to ten years	(4,052,525)
More than ten years	(18,736,255)
Total undiscounted lease liabilities at 31 December	**(33,035,864)**
Current	1,721,604
Non-current	12,720,183
Lease liabilities included in the statement of financial position at 31 December	**14,441,787**

Amounts recognised in profit or loss

	2021
	€
Interest on lease liabilities (note 13)	466,826

Amounts recognised in the statement of cash flows

	2021
	€
Total cash outflow for leases	1,099,146

38 Leases (continued)

38.1 As a lessee (continued)

38.1.3 Extension option

Some leases contain extension options exercisable by the Group up to one year before the end of the contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable by the Group and not by the lessors. The Group assesses at the lease commencement whether it is reasonably certain to exercise the extension options and subsequently reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. The extension options provided to the Group were assessed by management and any extension options exercisable by the Group that were considered to be reasonably certain to be exercised were recognised.

In addition, the Group has estimated that the potential future lease payments, should it exercise the extension options which have not been recognised, would result in an increase in lease liability of €635,018.

39 Related parties

39.1 Significant shareholders

Following the share for share exchange with Regis which was completed on 25 June 2021 (see note 6), 49.995% of the issued share capital of the Company were acquired by DOCOB Limited, 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 David S. O'Connor and Olivier Bernard. Three of the Company's directors, namely David S. O'Connor, Olivier Bernard and Anthony S. Diacono hold 27.99%, 21.99% and 14.2% respectively of the issued share capital of the Company either directly or indirectly.

39.2 Identity of related parties

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

The Company has a related party relationship with its subsidiaries (see note 24), its directors and companies controlled by subsidiaries ("other related companies").

39 Related parties (continued)

39.3 Transactions with key management personnel

There were no loans to directors during the current and comparative year. Compensation for services provided to the Group by key management personnel during the year amounted to €1,799,258 (2020: €604,766). The total remuneration paid to directors during the year amounted to €485,661 (2020: €430,296). In addition to their salaries, the Company also provides non-cash benefits to directors and executive officers. Directors' remuneration is included in note 12.

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.

39.4 Other related party transactions

In addition to the transactions disclosed in the statements of changes in equity and cash flows and notes 21, 22, 23, 24 and 35 to these financial statements, there were the following related party transactions:

	The Company	
	2021	2020
	€	€
Subsidiaries		
Interest charged to	**2,179,399**	2,284,073

	The Group		The Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Other related parties				
Services provided by	**138,285**	26,491	**-**	-
Associates and Joint ventures				
Services provided by	**177,553**	157,179	**-**	-
Recharges to	**79,519**	-	**-**	-
Loans advanced by	**8,910**	161,995	**-**	-
Other related companies				
Services provided by	**911,738**	-	**-**	-

39.5 Related party balances

Information on amounts due from or payable to related parties are set out in notes 21, 22, 23, 24 and 35 to these financial statements.

40 Subsequent events

Subsequent to year end, Regis Uganda Limited leased a site measuring 24,000 sqm to set up a new base for the upcoming projects in Uganda.

In March 2022, the Group has disposed of its remaining vessel namely MV Regis Kaskazi for the amount of USD1.5 million.

On 24 February 2022, Russia invaded Ukraine, marking a steep escalation of the Russo-Ukrainian war. In response, multiple jurisdictions including the EU have imposed a number of economic sanctions on Russia. The war in Ukraine takes place at a time of significant global economic uncertainty and volatility and the effects are likely to interact with and exacerbate the effects of current market conditions. Many sectors and jurisdictions are already facing the impacts of rising commodity prices and increased raw material costs, as a result of surging consumer demand as the COVID-19 pandemic eases. The disruption in the global supply chain arising from the effects of the pandemic continue to persist and may be significantly exacerbated by the wider effects of the war in Ukraine, increasing inflationary pressures and weaking the global post-pandemic recovery.

The Group does not have any customers and operations or significant reliance on Russia, Ukraine, or neighbouring countries. The Board of Directors are closely monitoring the possible impact on the Group's operations and financial performance and are committed to take all necessary steps to mitigate the impact. Currently, there is no impact on the financial statements of the Company and the Group as at date of approval.

41 Correction of errors

a. During 2021, the Group identified that the net book values of certain fully depreciated items of property, plant and equipment were erroneously revalued in the previous years which measurement is not in line with the Group's accounting policies. As a consequence, the carrying amount of these items of property, plant and equipment and related depreciation was overstated.

b. In the current year, the Group identified an impairment loss on property, plant and equipment identified in previous year was erroneously omitted in 2020 consolidated financial statements. As a result, property, plant and equipment and retained earnings were overstated.

c. The Group also discovered that in previous years, the withholding tax relating to sales made in Angola was incorrectly grossed with the receivable amount from customers instead of being recorded in profit or loss in the year in which the sale is made. Consequently, trade receivables and retained earnings were overstated whilst current tax expense was understated.

These errors have been corrected by restating each of the affected financial statement line items for prior periods. The table below summarises the impacts on the Group's consolidated financial statements. The restatements do not affect the statement of cash flows. The third statement of financial position is not presented on the basis of immateriality to the users, as that statement of financial position is derived from the accounting acquiror and not reflective of the Group's performance as at that date.

41 Correction of errors (continued)

Consolidated statement of financial position

	Impact of correction of error				
		Adjustments			
	As previously reported (see Note 1)	(a)	(b)	(c)	As restated
	EUR	EUR	EUR	EUR	EUR
1 January 2020					
Property, plant and equipment	13,972,017	(1,377,352)	-	-	12,594,665
Receivables	19,995,562	-	-	(798,219)	19,197,343
Others	26,501,632	-	-	-	26,501,632
Total assets	**60,469,211**	**(1,377,352)**	**-**	**(798,219)**	**58,293,640**
Deferred tax liability	451,435	(451,435)	-	-	-
Others	6,641,610	-	-	-	6,641,610
Total liabilities	**7,093,045**	**(451,435)**	**-**	**-**	**6,641,610**
Share capital	5,374,441	-	-	-	5,374,441
Retained earnings	51,112,873	(925,917)	-	(798,219)	49,388,737
Reverse acquisition reserve	(5,373,706)	-	-	-	(5,373,706)
Others	2,262,558	-	-	-	2,262,558
Total equity	**53,376,166**	**(925,917)**	**-**	**(798,219)**	**51,652,030**
31 December 2020					
Property, plant and equipment	12,093,030	(841,741)	(301,610)	-	10,949,678
Receivables	10,870,551	-	-	(570,831)	10,299,720
Others	23,687,623	-	-	-	23,687,623
Total assets	**46,651,203**	**(841,741)**	**(301,610)**	**(570,831)**	**44,937,021**
Deferred tax liability	269,357	(269,357)	-	-	-
Others	2,977,483	-	-	-	2,977,483
Total liabilities	**3,246,840**	**(269,357)**	**-**	**-**	**2,977,483**
Share capital	5,374,441	-	-	-	5,374,441
Retained earnings	40,764,795	(572,384)	(301,610)	(570,831)	39,319,970
Reverse acquisition reserve	(5,373,706)	-	-	-	(5,373,706)
Others	2,638,833	-	-	-	2,638,833
Total equity	**43,404,364**	**(572,384)**	**(301,610)**	**(570,831)**	**41,959,538**

41 Correction of errors (continued)

Consolidated statement of profit or loss and OCI

		Impact of correction of error			
		Adjustments			
For the year ended 31 December 2020	**As previously reported (see Note 1)**	**(a)**	**(b)**	**(c)**	**As restated**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Depreciation	(2,118,789)	294,753	-	-	(1,824,036)
Tax expense	(920,904)	-	-	170,953	(749,951)
Impairment of PPE	(979,972)	-	(324,059)	-	(1,304,031)
Others	(8,798,378)	-	-	-	(8,798,378)
Loss for the year	**(12,818,043)**	**294,753**	**(324,059)**	**170,953**	**(12,676,396)**
Total comprehensive income	**(12,456,132)**	**294,753**	**(324,059)**	**170,953**	**(12,314,485)**

Earnings per share

		Impact of correction of error			
		Adjustments			
For the year ended 31 December 2020	**As previously reported (see Note 1)**	**(a)**	**(b)**	**(c)**	**As restated**
Loss for the year	(12,818,043)	294,753	(324,059)	170,953	(12,676,396)
Weighted average number of ordinary shares	1,122,171	-	-	-	1,122,171
Basic earnings per share	**(€11c42)**	**-**	**-**	**-**	**(€11c30)**

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report

To the Shareholders of MedservRegis p.l.c.

1 Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MedservRegis p.l.c. (the "Company") and of the Group of which the Company is the parent, which comprise the statements of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

(a) give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU; and

(b) have been properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") and, additionally, specifically in relation to those of the Group, with the requirements of article 4 of the Regulation on the application of IFRS as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (*including International Independence Standards*) ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta) ("APA"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Emphasis of matter

We draw attention to Note 8 to the financial statements which describes that the Company, discontinued an operation in 2021 and made retrospective adjustments in that regard to the consolidated comparative information (presented as corresponding figures) in the accompanying financial statements. Consequently, the comparative information in the accompanying financial statements insofar as it relates to that of the Group, have been restated. As indicated in Note 1, the corresponding figures (for the Group), other than the capital structure, are derived from the consolidated financial statements of the legal acquiree as a result of the reverse acquisition effected during the period. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period (selected from those communicated to the audit committee), and include a description of the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters, together with our response by way of the audit procedures we performed to address that matter in our audit, and key observations arising with respect to such risks of material misstatement.

Reverse acquisition of Medserv group of companies

On 25 June 2021, formerly Medserv pl.c. completed a share for share exchange with Regis Holdings Limited. This transaction has been accounted for as a reverse acquisition in the consolidated financial statements. The accounting for this transaction is complex due to the identification and measurement of the fair value of the assets acquired.

Accounting policy notes 4.1.1 and 4.6.1 to the financial statements and notes 6 and 18 for further disclosures.

Intangible assets (Group: €11,899,034);
Property, plant and equipment ("PPE") included in 'Property, plant and equipment' (Group: €27,729,671 in aggregate, net of impairment) and Right-of-use assets ("ROU assets") included in 'Right-of-use assets' (Group: €42,918,500 in aggregate).

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

The identifiable assets acquired in a business combination are generally measured at fair value at the date of acquisition.

Our response

We involved our valuation specialist, as appropriate, to support us in our audit procedures and in challenging the valuations produced by the Group and the methodology used to identify the assets. As part of those procedures:

- we assessed the methodologies adopted and key assumptions used in valuing the property, plant and equipment by comparing them with market information and quoted prices for similar assets;
- we assessed the methodology adopted and key assumptions used in valuing the favourable leases related to Medserv Operations Limited by comparing with market information;
- we assessed the key assumptions used to determine the fair value of the customer contracts and non-contractual customer relationships, which included assessing the impact of the underlying business risk factors and the assumptions applied in forecasting EBITDA margins with reference to our understanding of the Group, historical trends, available industry information, available market data and relevant documentation on contracted and current business pipeline;
- we assessed the key assumptions used to determine the fair value of the tradenames, trademarks and related assets which included benchmarking of the royalty rate used to royalty database for similar trademarks and tradenames;
- we assessed whether the discount rates applied in the discounted cash flow forecasts were within a reasonable range by reference to comparable market data; and
- we evaluated the adequacy of the financial statements disclosures, including disclosures of key assumptions and sensitivities.

We have no key observations to report specific to this matter.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

Impairment testing of goodwill, intangible assets and property plant and equipment arising from the business combination

Accounting policy notes 4.1.1, 4.5, 4.6 and 4.11 to the financial statements and notes 6, 16 and 18 for further disclosures.

Goodwill (Group: €9,209,061, net of impairment); Intangible assets (Group: €11,899,034 in aggregate, net of impairment); Property, plant and equipment ("PPE") in relation to (i) Middle East Tubular Services Limited, (ii) Middle East Tubular Services L.L.C. (FZC), (iii) Middle East Tubular Services (Iraq) Limited, (iv) Medserv Operations Limited, (v) Medserv Egypt Oil and Gas Services J.S.C., (vi) Medserv (Cyprus) Limited (vii) Regis Shipping Limited, (viii) Regis Mozambique Limitada and (ix) Regis Uganda Limited included in 'Property, plant and equipment' (Group: €32,047,386 in aggregate, net of impairment).

The Group's assets include goodwill, intangible assets and PPE arising from the business combination relating to businesses operating in the Oil Country Tubular Goods ("OCTG") segment (collectively referred to as "METS sub-group") and businesses operating in Integrated Logistics Support Services ("ILSS segment"). Each of those businesses is considered by the Group to be a separate cash generating unit ("CGU" or "CGUs"). Goodwill arising from the reverse acquisition of the Medserv group of companies has been allocated to a collection of CGUs (i) the OCTG segment as a whole ("OCTG CGU") and (ii) ILSS segment as a whole ("ILSS CGU").

At each reporting date, the Company is required to determine whether there are any indications of impairment in relation to the intangible assets and PPE. 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 CGUs. If such indicators exist (at the asset or separate CGU level), the Company is required to estimate the recoverable amount of that asset or that CGU of which the asset forms part. The OCTG CGU and ILSS CGUs, to which the goodwill relates to, are separately tested for impairment annually.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

The key risk factors identified by the Group for the businesses to which the separate CGUs, OCTG CGU and ILSS CGU relate are: (i) the global and regional political and economic risks particularly within an extended COVID-19 scenario; (ii) the concentration risk due to dependency on a few customers and (iii) the volatility in oil and gas prices and related demand for oil and gas and their impact on the customers business activity.

The recoverable amount for each asset (tested individually) and each separate CGU, the OCTG CGU and ILSS CGU was estimated using either the Fair Value Less Costs of Disposal ('FVLCD') or Value in Use ('VIU') as per the applicable financial reporting framework. The key inputs, specific to the Group, comprise future cash flows, growth rates and discount rates. Those inputs are subject to inherent estimation uncertainty and therefore, significant judgement.

Our response

We involved our valuation specialist, as appropriate, in performing our procedures. As part of those procedures, for each individual asset, separate CGUs, the OCTG CGU and the ILSS CGU identified in this key audit matter:

- we compared the Group's 2021 budgets with the actual performance of each relevant business for the reporting period and made enquiries as to the reasons for any significant variations identified and assessed the reasonableness of the explanations provided, by corroborating these against our knowledge of the Group;

- we assessed the impact of the underlying business risk factors and the assumptions applied in the value-in-use analysis, at reporting date, including projected EBITDA margins with reference to our understanding of the Group, historical trends, available industry information, available market data and relevant documentation on contracted and current business pipeline;

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

- we assessed whether the discount rates applied in the discounted cash flow forecasts were within a reasonable range by reference to comparable market data; and

- we assessed the impact on the impairment assessment of reasonable possible changes in the key assumptions in the value-in-use analysis including discount rate, annual revenue growth rate and EBITDA margins used for estimating the recoverable amount.

We have no key observations to report specific to this matter.

Impairment assessments of investments in and loans receivable from subsidiaries of (i) Medserv M.E. Limited and (ii) Medserv Eastern Mediterranean Limited

Accounting policy notes 4.11 and 4.12 to the financial statements and notes 23 and 24 for further disclosures.

Investments in and loans receivable from (i) Medserv M.E. Limited and (ii) Medserv Eastern Mediterranean Limited included in 'Investments in subsidiaries' (Group: €3,155,355 in aggregate, net of impairment) and 'Loans receivables from subsidiaries' (Group: €25,348,176 in aggregate, net of impairment).

The Company's assets include, amongst others, investments in and loans receivable from Medserv M.E. Limited and Medserv Eastern Mediterranean Limited. Each of those businesses is considered by the Company to be a separate cash generating unit ("CGU" or "CGUs").

At each reporting date, the Company is required to determine whether there is any indication of impairment on the investments in subsidiaries. If such indicators exist (at separate CGU level), the Company is required to estimate the recoverable amount of that CGU.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

The key risk factors identified by the Company for the businesses to which the separate CGUs relate are: (i) the global and regional political and economic risks particularly within an extended COVID-19 scenario; (ii) the concentration risk due to dependency on a few customers and (iii) the volatility in oil and gas prices and related demand for oil and gas and their impact on the customers business activity.

For loans receivable from the subsidiaries which are in default, the Company assesses whether those receivables are credit impaired. Any credit losses are measured at the present value of all cash shortfalls. In estimating any shortfalls (and therefore any expected credit losses), the Company applied the same projections used for the value-in-use analysis prepared in estimating the recoverable amount of investments in these subsidiaries. This, considering that the recoverability of those receivables is supported by the same projections, and subject to the same risks factors and key assumptions as those underlying the calculation of the recoverable amount of the related investments.

In estimating the recoverable amount, as per the applicable financial reporting framework, the directors prepare a value-in-use analysis for each separate CGU. The key inputs, specific to the Company, comprise future cash flows, growth rates and discount rates. Those inputs are subject to inherent estimation uncertainty and therefore, significant judgement.

Our response

We involved our valuation specialist, as appropriate, in performing our procedures in relation to the 'investment in subsidiaries'. As part of those procedures, for each separate CGU:

- we compared the 2021 budgets with the actual performance of each subsidiary for the reporting period and made enquiries as to the reasons for any significant variations identified and assessed the reasonableness of the explanations provided, by corroborating these against our knowledge of that subsidiaries;

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

- we assessed the impact of the underlying business risk factors and the assumptions applied in the projections used for the value-in-use analysis, at the reporting date, including projected EBITDA margins with reference to our understanding of those subsidiaries, historical trends, available industry information, available market data and relevant documentation on contracted and current business pipeline;

- we assessed whether the discount rates applied in the discounted cash flow forecasts were within a reasonable range by reference to comparable market data; and

- we assessed the impact on the impairment assessment of reasonable possible changes in the key assumptions in the projections used for the value-in-use analysis including discount rate, annual revenue growth rate and EBITDA margins used for estimating the recoverable amount.

Our procedures, noted above in relation to the 'investment in subsidiaries' were used to evaluate the Company's assessment of the expected credit loss of the past due loans receivable, for each subsidiary referred to in this key audit matter.

We have no key observations to report specific to this matter.

Deferred tax assets recoverability

Accounting policy note 4.19 to the financial statements and note 19 for further disclosures.

Deferred tax assets on unutilized investments tax credits included in 'Deferred tax liabilities' (Group: €9,066,217).

At the reporting date, the Group recognised deferred tax assets on unutilized investment tax credits related to Medserv Operations Limited. In accordance with the applicable financial reporting framework, the recognition of those deferred tax assets is permitted only to the extent that it is probable that future taxable profits will be available, against which these assets can be used. The recognition of deferred tax assets, therefore, requires significant judgement in estimating future profitability (and the extent of taxable profits) based on profit forecasts drawn up by the directors at the reporting date. Due to estimation uncertainty, the projected relief of tax credits for which the deferred tax assets are recognised, might be materially different from the amount ultimately relieved.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Key audit matters (continued)

Our response

As part of our audit procedures:

- we compared 2021 budget of Medserv Operations Limited with the actual performance for the reporting period and made enquiries as to the reasons for any significant variations identified and assessed the reasonableness of the explanations provided, by corroborating these against our knowledge of that subsidiary; and
- we evaluated the assumptions adopted in the preparation of taxable profit forecasts at the reporting date with reference to our understanding of that subsidiary's business, historical trends, available industry information and available market data and relevant documentation on its contracted and current business pipeline.

We have no key observations to report specific to this matter.

Other information

The directors are responsible for the other information. The other information comprises:

- the 'Chairman's Statement';
- the 'CEO's Statement';
- the 'Statement on Corporate Social Responsibility';
- the 'Directors' Report';
- the 'Statement by the Directors pursuant to Capital Markets Rule 5.68';
- the 'Directors' Statement of Compliance with the Code of Principles of Good
- Corporate Governance'; and
- the 'Remuneration Statement and Report'

but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, other than in the case of the Directors' Report on which we report separately below in our 'Report on Other Legal and Regulatory Requirements', we do not express any form of assurance conclusion thereon.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that (a) give a true and fair view in accordance with IFRS as adopted by the EU, and (b) are properly prepared in accordance with the provisions of the Act, and, additionally, specifically in relation to those of the Group, with the requirements of article 4 of the Regulation on the application of IFRS as adopted by the EU. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and/or the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Consider the extent of compliance with those laws and regulations that directly affect the financial statements, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we make enquiries of directors and other management, and inspect correspondence with the regulatory authority, as well as legal correspondence. As with fraud, there remains a higher risk of non-detection of other irregularities (whether or not these relate to an area of law directly related to the financial statements), as these may likewise involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and/or the Group to cease to continue as a going concern.

KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
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Website www.kpmg.com.mt

Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

2 Report on Other Legal and Regulatory Requirements

Opinion on the Directors' Report

The directors are responsible for preparing a directors' report in accordance with the provisions of article 177 of the Act, and other applicable legal requirements, and is to include a statement that the Company is a going concern with supporting assumptions or qualifications as necessary, as required by Capital Markets Rule 5.62 issued by the Listing Authority in Malta.

We are required to consider whether the information given in the directors' report for the accounting period for which the financial statements are prepared is consistent with those financial statements; and, if we are of the opinion that it is not, we shall state that fact in our report. We have nothing to report in this regard.

Pursuant to article 179(3) of the Act, other than for the non-financial information that is exclusively required to be disclosed by paragraph 8 of the Sixth Schedule of the Act with respect to the Company, and paragraph 11 of the Sixth Schedule of the Act with respect to the Group (and on which we report separately below in our 'Report on Other Legal and Regulatory Requirements'), we are also required to:

- express an opinion on whether the directors' report has been prepared in accordance with the applicable legal requirements; and
- state whether, in the light of the knowledge and understanding of the entity and its environment obtained in the course of our audit of the financial statements, we have identified material misstatements in the directors' report, giving an indication of the nature of any such misstatements.

Pursuant to Capital Markets Rule 5.62 of the Capital Market rules issued by the Listing Authority in Malta, we are required to review the directors' statement in relation to going concern.

In such regards:

- in our opinion, the Directors' Report has been prepared in accordance with the applicable legal requirements;
- we have not identified material misstatements in the Directors' Report; and
- we have nothing to report in relation to the statement on going concern.

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Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Matters on which we are required to report by the Act, specific to public-interest entities

Pursuant to article 179B(1) of the Act, we report as under matters not already reported upon in our 'Report on the Audit of the Financial Statements':

- we were first appointed as auditors by the board of directors on 26 October 2001, and subsequently reappointed by the shareholders at the Company's general meetings for each financial year thereafter. Following the listing of the Company's shares on the Malta Stock Exchange, and excluding the initial period during which those shares were listed (that is, financial year ending 31 December 2006), the period of total uninterrupted engagement is fourteen years;

- our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act); and

- we have not provided any of the prohibited services as set out in the APA.

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Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Matters on which we are required to report by the Act, specific to large undertakings which are public-interest entities and public-interest entities which are parent undertakings of a large group that (individually and on a consolidated basis, respectively) exceed the criterion of an average number of five hundred employees during the financial year

Pursuant to article 179(3) of the Act, we report as under matters not already reported upon in our 'Opinion on the Directors' Report:

The Directors' Report contains the information required by paragraph 8 of the Sixth Schedule, with respect to the Company and paragraph 11 of the Sixth Schedule with respect to the Group.

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

Report on compliance with the requirements of the Commission Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC (the "ESEF Regulation"), by reference to Capital Markets Rule 5.55.6 issued by the Listing Authority

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act, 1979 (Chapter 281, Laws of Malta), *the Accountancy Profession (European Single Electronic Format) Assurance Directive*, on the Group's Annual Report for the year ended 31 December 2021, prepared in a single electronic reporting format.

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Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Responsibilities of the directors for compliance with the requirements of the ESEF Regulation

As required by Capital Markets Rule 5.56A, the directors are responsible for the preparation of the Annual Report in XHTML format, including the specified mark-ups, in accordance with the requirements of the ESEF Regulation.

In addition, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the Annual Report that is in compliance with the requirements of the ESEF Regulation.

Auditors' responsibilities to report on compliance with the requirements of the ESEF Regulation

Our responsibility is to obtain reasonable assurance about whether the Annual Report in XHTML format, including the specified mark-ups, comply in all material respects with the ESEF Regulation based on the evidence we have obtained.

In discharging that responsibility, we:

- obtain an understanding of the entity's financial reporting process, including the preparation of the Annual Report, in accordance with the requirements of the ESEF Regulation;
- perform validations to determine whether the Annual Report has been prepared in accordance with the requirements of the technical specifications of the ESEF Regulation; and
- examine the information in the Annual Report to determine whether all the required mark-ups therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditors' Report (continued)

To the Shareholders of MedservRegis p.l.c.

Opinion

In our opinion, the Annual Report for the year ended 31 December 2021 has been prepared, in all material respects, in accordance with the requirements of the ESEF Regulation, by reference to Capital Markets Rule 5.55.6.

The Principal authorised to sign on behalf of KPMG on the audit resulting in this independent auditors' report is Noel Mizzi.

KPMG
Registered Auditors

16 June 2022

KPMG
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Independent Assurance Report

To the Shareholders of MedservRegis p.l.c

Report required by Capital Markets Rules 5.98 and 12.26N issued by the Malta Financial Services Authority (the "MFSA")

We were engaged by the Directors of MedservRegis p.l.c (the "Company") to report on the disclosures of specific elements in the Corporate Governance Statement and the Remuneration Report (the "Disclosures") as at 31 December 2021 as to whether they are in compliance with the corporate governance regulations and information to be provided in the Remuneration Report set out in the Capital Markets Rules issued by the MFSA (the "Capital Market Rules"). More specifically, we are required to report on the Disclosures in the form of an independent reasonable assurance conclusion about whether:

(a) in light of our knowledge and understanding of the Company and its environment obtained in the course of the statutory audit, we have identified material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 (dealing with the Company's internal control and risk management systems in relation to the financial reporting process) and 5.97.5 (where a takeover bid applies). Where material misstatements are identified in relation to those requirements, we shall, in addition to our conclusion, provide an indication of the nature of such misstatements;

(b) the Disclosures include the other information required by Capital Markets Rule 5.97, insofar as it is applicable to the Company; and

(c) the Disclosures include the information required by Appendix 12.1, '*Information to be provided in the Remuneration Report*', to Chapter 12 of the Capital Markets Rules (as applicable).

Responsibilities of the Directors

The Directors are responsible for preparing and presenting the Disclosures in accordance with the requirements of the Capital Market Rules.
This responsibility includes designing, implementing and maintaining internal control as they determine is necessary to enable the preparation and presentation of the Disclosures that are free from misstatement.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The directors are responsible for ensuring that personnel involved in the preparation and presentation of the Disclosures are properly trained, systems are properly updated and that any changes in reporting relevant to the Disclosures encompass all significant business units.

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Independent Assurance Report

To the Shareholders of MedservRegis p.l.c (continued)

Our Responsibilities

Our responsibility is to examine the Disclosures prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Disclosures are properly prepared and presented, in all material respects, in accordance with the requirements set out in the relevant Capital Markets Rules.

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, together with the ethical requirements that are relevant to our assurance engagement in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The procedures selected and our determination of the nature, timing and extent of those procedures, will depend on our judgment, including the assessment of the risks of material misstatement of the preparation and presentation of the Disclosures whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the Disclosures in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of the Disclosures. Reasonable assurance is less than absolute assurance.

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Independent Assurance Report

To the Shareholders of MedservRegis p.l.c (continued)

Our Responsibilities (continued)

We are not required to, and we do not, consider whether the directors' statements on internal control and risk management systems cover all the risks and controls in relation to the financial reporting process or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures, nor on the ability of the Company to continue in operational existence. Our opinion in relation to the disclosures pursuant to Capital Markets Rules 5.97.4 and 5.97.5 (as appropriate) is based solely on our knowledge and understanding of the Company and its environment obtained in forming our opinion on the audit of the financial statements.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Disclosures nor of the underlying records or other sources from which the Disclosures were extracted.

Other Information

We also read the other information included in the Annual Report that contains the Disclosures, and our report thereon, in order to identify material inconsistencies, if any, with the Disclosures. We have nothing to report in this regard.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Independent Assurance Report

To the Shareholders of MedservRegis p.l.c (continued)

Conclusion (continued)

In our opinion:

(a) in light of our knowledge and understanding of the Company and its environment obtained in the course of the statutory audit, we have not identified material misstatements with respect to the information requirements referred to in Capital Markets Rules 5.97.4 and 5.97.5;
(b) the Disclosures include the other information required by Capital Markets Rule 5.97; and,
(c) the Disclosures include the information required by Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

The Principal authorised to sign on behalf of KPMG on the work resulting in this assurance report is Noel Mizzi.

KPMG
Registered Auditors

16 June 2022