



COMPANY ANNOUNCEMENT

MEDSERV P.L.C.
(THE “COMPANY”)

Share for Share Exchange Regis Holdings Limited

Date of Announcement	12 April 2021
Reference	234/2021
Listing Rule	LR 5.162

QUOTE

The Board of directors of the Company is pleased to announce that it has successfully concluded a conditional agreement with the shareholders of Regis Holdings Limited, a limited liability company registered under the laws of Mauritius with company registration number 120300 (**Regis**). Regis is the holding company of a group of companies, (the **Regis Group**) which provides logistics, equipment, procurement and specialised services to a wide range of customers, including national and international energy companies, drilling and mining companies as well as product and equipment manufacturers and other heavy industry-related contractors in South Africa, Mozambique, Uganda, Tanzania and Angola.

The execution of the said agreement will, upon completion, bring together the two groups of companies and, subject to shareholder approval, the Company will be renamed MedservRegis. This new alliance brings together the complementary strengths of both Medserv and Regis and will allow them to successfully respond to the deep changes taking place in the energy market.

The acquisition of the shares in Regis will be financed through the issuance of 47,893,229 ordinary shares of a nominal value of €0.10c per share and a share premium of €0.58c in favour of the shareholders of Regis, subject always, amongst others, to the approval of shareholders of the Company in general meeting.

The transaction with Regis is expected to provide the Company with market entry into critical growing markets and to strengthen the Company’s equity base and liquidity position.

Upon completion of the acquisition, the total consolidated assets of the Company are forecasted to be in the region of €170 million, of which circa €25million represents cash and cash equivalents (€16.6million), investments held for re-sale (€3.6million) and a non-operating asset that should be received in cash in the short to medium term (€5million). Total liabilities are estimated to be just under €100million, which include



circa €23million of lease liabilities. Equity of the Company is forecasted to be circa €70 million. Prospective financial information setting out the forecast consolidated statement of financial position as at the date of acquisition and the forecast statement of comprehensive income for the years ending 31 December 2021 and 2022 (accompanied by an accountants' report) shall be made available to shareholders in due course through the issuance of a shareholder circular.

The global reach of the Company, would, following the acquisition span across four continents, comprising a presence in twelve countries and operations out of ten bases. This is expected to strengthen the Company's market position and broaden its geographic footprint in strategic locations around the Mediterranean region (Libya, Malta, Cyprus & Egypt), in the Middle East (UAE, Oman and Iraq), Sub-Saharan Africa (Mozambique, Uganda, Angola and South Africa) and South America (Suriname).

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

The following are the key details of the transaction:

Date of Agreement	12 April 2021
Parties	<p><u>Sellers:</u></p> <p>(1) Abacus (Seychelles) Limited acting as trustee and in representation of the Doc Trust, a trust created and existing under the laws of Seychelles, the named beneficiaries of which are Mr Dave O'Connor and Mr Olivier Bernard;</p> <p>(2) Abacus (Seychelles) Limited acting as trustee and in representation of the Siger Trust, a trust created and existing under the laws of Seychelles, the appointed beneficiary of which is Mr Dave O'Connor and named beneficiaries are Mr Dave O'Connor's spouse and descendants;</p> <p>(3) Safyr Utilis Corporate And Trust Services Ltd, acting as trustee and in representation of the Renaissance Trust, a trust created and validly created under the laws of Mauritius, the appointed beneficiary of which is Mr Olivier Bernard and the named beneficiaries of which are Mr Olivier Bernard's descendants.</p> <p>(4) Docob Limited, a limited liability company registered under the laws of Mauritius with company registration number C178883, also beneficially owned by the Siger Trust and Renaissance Trust (Docob)</p> <p><u>Purchaser:</u> Medserv plc</p>



	<p>Guarantors Dave O'Connor and Oliver Bernard (the Regis Shareholders)</p>
Sale	As a result of the share purchase agreement, the Sellers have agreed to sell, and the Company has agreed to acquire, the entire issued capital of Regis Holdings Limited, in consideration of which the Company will issue ordinary shares (see below section 'Consideration') to Docob, subject to the terms and conditions set out therein.
Consideration and how it is being satisfied	The purchase price of the acquisition is the issuance by the Company of 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, subject, <i>inter alia</i> , to Medserv shareholder approval (see below section 'Conditions Precedent').
Conditions Precedent	<p>The acquisition of Regis is subject to the following conditions precedent:</p> <ul style="list-style-type: none"> a) the approval by the shareholders of Medserv plc of <ul style="list-style-type: none"> i) the acquisition of the entire issued share capital of Regis; ii) the issuance of shares in favour of the Regis Shareholders' and iii) the change in name of Medserv plc to MedservRegis plc; b) the delisting of Regis from the Stock Exchange of Mauritius; c) the transfer out of the Regis Group of the shareholding in the following entities (representing non-core businesses): <ul style="list-style-type: none"> (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; <p>(the Reorganisation).</p> (xii) The transfer by the DOC Trust, the Renaissance Trust and the Siger Trust to Docob of the shareholding in Regis (which will then act as seller to Medserv of the shareholding in Regis); (xiii) the receipt by the Sellers of the Foreign Direct Investment Clearance; (xiv) the execution of a loan agreement in the amount of USD 6,675,093 (and the provision of security) between Regis and Drill Stem Testing International Limited (a company that will be extracted from the Regis Group following the reorganization above described), for the purpose of ensuring that the Medserv group is adequately protected from any liability resulting from the said reorganisation.
Closing	Subject to the satisfaction of all conditions precedent, completion of the transaction is required to take place by the 31 July 2021, unless otherwise agreed between the parties.



<p>Gross assets of Regis Group</p>	<p>On the basis of the audited consolidated financial statements of Regis for the financial year ended 31 December 2020, the gross assets of Regis were USD57,211,776, which figure includes the entities being extracted out of the Regis Group as a result of the Reorganisation. The gross assets of the said extracted entities as at 31 December 2020 which materially contributed to the gross assets of Regis were as follows:</p> <ul style="list-style-type: none"> (i) Worx Developments Limited – USD 4,083,771 (ii) Bel Ombre Investments Ltd – USD 1,515,998 (iii) Regis Property Holdings (Australia) Pty Ltd – USD 2,734,363 (iv) Thomson and Van Eck International Proprietary Limited – USD 884,976 (v) Drill Stem Testing International Ltd – USD 1,817 (vi) DST Australia (PTY) Limited – USD 700,286 (vii) International Assurance Limited PCC – USD 693,403 (viii) units held in OzProp Investment Trust – USD 7,706,845.
<p>Profits / (losses) attributable to Regis Group</p>	<p>On the basis of the audited consolidated financial statements of Regis for the financial years ended 31 December 2020, the losses of Regis were USD (11,325,370), which figure includes the entities being extracted out of the Regis Group as a result of the Reorganisation. The profits/(losses) of the said extracted entities as at 31 December 2020 which materially contributed to the profits/(losses) of Regis were as follows:</p> <ul style="list-style-type: none"> (i) Worx Developments Limited – USD (545,709) (ii) Bel Ombre Investments Ltd – USD (16,316) (iii) Regis Property Holdings (Australia) Pty Ltd – USD 211,519 (iv) Thomson and Van Eck International Proprietary Limited – USD (66,002) (v) Drill Stem Testing International Ltd – USD (979,381) (vi) DST Australia (PTY) Limited – USD (453,306) (vii) International Assurance Limited PCC – USD 581,001 (viii) units held in OzProp Investment Trust – USD 1,226,425
<p>Key Persons</p>	<p>The Sellers have identified the following persons as being important to the Regis group:</p> <ul style="list-style-type: none"> a) Dave O’Connor, Chief Executive Officer; and b) Olivier Bernard, Chief Operating Officer <p>Dave O’ Connor – Dave is the founder and the Chief Executive Officer of the Regis Group. Before that, he gained experience in the civil engineering trade, specialising in explosives and air compressors. Later he moved to the steel trade and became involved with export sales to all southern African countries. He capitalised on that experience to launch Regis Trading International in 1992. From this trading platform, supplying the Non-Governmental Organisations and the oil industry, he went on to create Regis Holdings Limited.</p> <p>Olivier Bernard - Olivier is currently the Chief Operating Officer of the Regis Group. In the past he worked for SONILS (SONANGOL group) in Angola, BJ Services (BAKER) in the UK and for Schlumberger in various locations in Africa and Europe.</p>

Agreement between Anthony S. Diacono & Anthony J Duncan	<p>The decision to enter into the share purchase agreement was taken by unanimous vote of the directors, with the exception of Anthony S. Diacono and Anthony J Duncan (the Conflicted Directors) who declared a conflict due to a private agreement reached with the Regis Shareholders for the acquisition by the Regis Shareholders of 1,470,588 shares in Medserv (in the case of Anthony S. Diacono) and 1,450,000 shares in Medserv (in the case of Anthony J. Duncan).</p> <p>Additionally, the Conflicted Directors, in their capacity as shareholders have informed the Company that they have entered into a call option agreement with the Regis Shareholders (acting through the holding company to be incorporated) pursuant to which the latter have been given the right (for three years) to acquire additional shares in the Company at a discounted price. In the event of an exercise of the call option, the Regis Shareholders will become bound to launch a mandatory bid to all shareholders in the Company in line with the provisions of Chapter 11 of the Listing Rules on Takeover Bids.</p> <p>The Company is informed that the above share transfer and call option are conditional upon completion of the share purchase agreement between the Sellers, the Regis Shareholders and Medserv.</p> <p>The Company will issue the required notification to the market upon being notified by the Conflicted Directors that the transfer and call option have become effective.</p>
--	---

The Company shall, in due course, issue a notice to shareholders for the purpose of convening a general meeting to approve the acquisition and the issuance of the above-described shares.

In anticipation of the said meeting, the Company shall also issue a circular to shareholder including all information necessary in terms of the Listing Rules. The said circular shall provide shareholders with additional information on the proposed acquisition, including prospective financial information of Medserv plc for two financial periods ending 31 December 2021 and 31 December 2022 (assuming the acquisition by Medserv plc of the Regis group) and additional information on the organizational chart of the Medserv group of companies following the said acquisition.

UNQUOTE



Laragh Cassar
Company Secretary