

Registration Number C 89481

ENDO FINANCE P.L.C.

Annual Report and Financial Statements

For the period ended 31 December 2019

ENDO FINANCE P.L.C.

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ENDO FINANCE P.L.C.

Directors, Officers and Others Information

Directors:	Mr Christopher Frendo Mr Nicholas Frendo Mr Anthony Busuttil Mr Francis Gouder Ms Erica Scerri
Secretary:	Dr Luca Vella
Registered office:	10, Timber Wharf Marsa MRS 1443 Malta
Country of incorporation:	Malta
Company registration number:	C 89481
Auditors:	Nexia BT The Penthouse, Suite 2 Capital Business Centre, Entrance C Triq taz-Zwejt, San Gwann SGN 3000 Malta
Bankers:	Bank of Valletta plc Triq San Bartolomew Qormi QRM 2186 Malta
Legal advisors:	GVZH Advocates 192, Old Bakery Street Valletta VLT 1455 Malta

ENDO FINANCE P.L.C.

Directors' Report

Principal activities

Endo Finance plc (the 'Company') was incorporated on 20 November 2018. The was formed principally to act as a finance and investment company, in particular the financing of companies within the Endo Group.

The Endo Group is composed of Endo Ventures Ltd (C 86730) as the parent company and its direct and indirect subsidiaries, including the Company, International Fender Providers Ltd (C 69877), IFP International Fender Providers Limited (a company registered under the laws of Cyprus with company registration number HE 348221), P & C Limited (C 13033), Endo One Maritime Ltd (C 88665), Endo Two Maritime Ltd (C 88666), Endo Three Maritime Ltd (C 88674) and any other subsidiary and associated company or entity, in which Endo Ventures Ltd has a controlling interest, which entities are involved, amongst other activities, in the business of acquiring, financing, managing and chartering commercial vessels.

Performance review

The Company's operating income is mainly derived from interest income from related parties within the Endo Group. Investment income amounted to €584,302 and finance costs amounted to €464,159. Administrative expenses amounted to €81,858. Profit before taxation during the period under review amounted to €38,285.

The resulting earnings per share for the year under review was €0.04. This comprises the profit attributable to ordinary shareholders divided by the average number of shares in issue during the period.

Total equity as at period-end amounted to €259,354, reflecting the retained profits for the period.

Financial Key Performance Indicators

	2019 €
Investment income	584,302
Finance costs	464,159
Net profit after tax	9,354
Total equity and liabilities	13,982,204

Directors' Report

Principal risks and uncertainties

The Company is exposed to risks inherent to its operation and can be summarized as follows:

1. Strategy Risk

Risk management falls under the responsibility of the Board of Directors. The Board is continuously analysing its risk management strategy to ensure that risk is adequately identified and managed. The Audit Committee regularly reviews the risk profile adopted by the Board of Directors.

2. Operational Risks

The Company's revenue is mainly derived from interest charged to related parties and hence the Company is heavily dependent on the performance of the Endo Group. The Company regularly reviews the financial performance of Endo Group companies to ensure that there is sufficient liquidity to sustain its operations.

3. Legislative risks

The Company is governed by a number of laws and regulations. Failure to comply could have financial and reputational implications and could materially affect the Company's ability to operate. The Company has embedded operating policies and procedures to ensure compliance with existing legislation.

Financial risk management and exposures

Note 17 to the financial statements provides a detailed analysis of the financial risks to which the Company is exposed.

Dividend and reserves

The directors do not recommend the payment of a dividend and propose to transfer the profit for the period to reserves.

Events after the reporting period

Events after the reporting period are disclosed in Note 20 to these financial statements.

Directors

The directors, who served throughout the period, were:

- Mr Christopher Frendo (appointed upon incorporation of the Company - 20 November 2018)
- Mr Nicholas Frendo (appointed upon incorporation of the Company - 20 November 2018)
- Mr Anthony Busuttil (appointed upon incorporation of the Company - 20 November 2018)
- Mr Francis Gouder (appointed upon incorporation of the Company - 20 November 2018)
- Ms Erica Scerri (appointed upon incorporation of the Company - 20 November 2018)

In accordance with the Company's articles of association, the present directors remain in office.

ENDO FINANCE P.L.C.

Directors' Report

Auditors

The auditors, Nexia BT, have intimated their willingness to remain in office and a resolution will be put before the members at the next annual general meeting.

Approved by the board of directors and signed on its behalf on 24th April 2020 by:

A blue ink signature of Mr Christopher Frendo, consisting of a large 'C' and 'F' intertwined.

Mr Christopher Frendo

Director

A blue ink signature of Mr Nicholas Frendo, consisting of a large 'N' and 'F' intertwined.

Mr Nicholas Frendo

Director

Statement of Directors' Responsibilities

The directors are required by the Companies Act (Cap. 386 of the laws of Malta) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company at the end of each financial period and of the profit or loss of the Company for the period then ended. In preparing the financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis; and
- value separately the components of asset and liability items.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance - Statement of Compliance

Pursuant to Listing Rule 5.97 issued by the Listing Authority within the Malta Financial Services Authority, the Company is hereby reporting on the extent of its adoption of "the Code of Principles of Good Corporate Governance" (the Code) previously established by the Malta Stock Exchange. The Board has reviewed its Corporate Governance practices and an explanation of how the Principles of Good Governance have been applied is contained in this report.

The Company acts as a finance company to the Endo Group of companies and as such has minimal operations emanating from this task. Its primary function is the lending and monitoring of the proceeds of the €13.5 million 4.5% Unsecured Bonds 2029 issued to the public in 2019 by the Company pursuant to and in terms of a prospectus dated 6 March 2019. Said Bonds are guaranteed jointly and severally by three companies forming part of the same group: International Fender Providers Ltd (C 69877), IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033).

Compliance

Although the adoption of the Code is not mandatory, the Board has considered the principles embodied in the Code and has noted the Code's recommended practices aimed towards the fulfilment of these same principles. The Board has also taken into account the nature of the Company's structure, business activities and operations and in the light of such considerations it has formulated the view that the Company was generally in compliance with the Code throughout the period, with the following exceptions:

The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role as recommended in Principle Seven, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders and the rules by which the Company is regulated as a listed company.

The Company does not have a Remuneration Committee or a Nomination Committee as recommended in Principle Eight. Given that the Company does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Company to maintain a remuneration committee. Neither has the Company incorporated a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Board of Directors

The Board of Directors of Endo Finance p.l.c. (the Board) is currently made up of five directors, three of whom are completely independent from the Company or any related Endo Group company. Pursuant to generally accepted practices, as well as the Company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the Company's shareholders.

The present directors are Mr Christopher Frendo, Mr Nicholas Frendo, Mr Anthony Busuttil, Mr Francis Gouder and Ms Erica Scerri. Mr Anthony Busuttil, Mr Francis Gouder and Ms Erica Scerri are independent directors in that they have no involvement or relationship with the Company or with the majority shareholders.

Corporate Governance - Statement of Compliance

Mr Christopher Frendo chairs the Board, which met four times during the period under review. The Board has a formal schedule of matters reserved to it for decision. Directors receive board and committee papers 10 days in advance of meetings and have access to the advice and services of the Company Secretary. Directors may, in the furtherance of their duties, take independent professional advice on any matter at the Company's expense.

The role of the CEO is jointly carried out by the executive directors. The latter are accountable to the Board for all business operations of the Company.

Audit Committee

The Audit Committee held three meetings during the period under review, besides having ongoing consultations with the Board of Directors, in the fulfilment of its task of monitoring and reviewing procedures and internal control systems.

The Audit Committee is chaired by Mr Francis Gouder, and its other members are Mr Anthony Busuttill and Ms Erica Scerri. The audit committee's composition is in compliance with the Listing Rules. All three directors forming the audit committee are non-executive directors and are totally independent from the Company or the Endo Group of companies. Ms Erica Scerri is an ACCA member.

The Company Secretary acts as secretary to the committee, which also receives the assistance of the Endo Group Financial Controller; Mr Glen Grima.

Dealings by Directors and Senior Officers

Conscious of its responsibility for monitoring dealings by directors and senior officers in the Company's securities, the Board approved a Code of Conduct for Securities Transactions by Directors, Executives and Employees in compliance with Listing Rules 5.102 to 5.116. The code provides guidance to the Company's officers and serves as a minimum standard of good practice when dealing in the Company's securities.

During the period under review, there were no transactions in the Company's securities involving directors or any of the Company's employees in possession of unpublished price-sensitive information.

Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

The Audit Committee continued to review the Company's systems of internal controls which are monitored by the Group's Finance Department, and is satisfied with their effectiveness.

A policy is in place, laying down the minimum required reports that should be made available to the Board in order to keep it informed in a structured and systematic manner on the operational and financial performance of the Company. Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

Corporate Governance - Statement of Compliance

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Policies and procedures are in place for the reporting and resolution of fraudulent activities. The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives.

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company is involved. These risks are assessed on a continual basis.

General Meetings

The general meeting is the highest decision-making body. A general meeting is called by fourteen days' notice and it is conducted in accordance with the Articles of Association.

The Annual General Meeting (AGM) deals with what is termed as "ordinary business", namely, the receiving or adoption of the annual financial statements, the declaration of a dividend, if any, the appointment of the auditors, Board authorisation to fix the auditors' emoluments and the Election of Directors. Other business which may be transacted at a general meeting (including at the AGM) will be dealt with as Special Business.

No business shall be transacted at a general meeting of the Company unless a quorum of members is present at the time the meeting proceeds to business. The quorum at any shareholder's meeting shall be any number of members holding not less than seventy-five per cent of the issued paid up shares conferring voting rights in the Company. Provided that if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time or place or to such other day and such other time and place as all the Directors may determine and if at the adjourned meeting a quorum is not present as described above, the member/s present shall constitute a quorum providing they hold not less than fifty per cent of the issued paid up shares conferring voting rights in the Company. Each share shall entitle the holder thereof to one vote.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the company secretary.

Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or by such persons as the Directors may delegate for that purpose.

Risk Identification

Management is responsible for the identification and evaluation of key risks applicable to their areas of business. Risks may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

The Board reviews its risk management policies and strategies and oversees their implementation to ensure that identified operational risks are properly assessed and managed.

Corporate Governance - Statement of Compliance

Directors' Remuneration

The Board determines the remuneration of the Directors. The independent, non-executive directors' annual remuneration for the financial period under review, as previously approved by the Board, was as follows:

	€
Mr Anthony Busuttil	8,000 *
Mr Francis Gouder	8,000 *
Ms Erica Scerri	8,000 *

** includes the audit committee fee*

Mr Christopher Frendo and Mr Nicholas Frendo, indirectly through Endo Ventures Ltd, hold a controlling interest in the Company.

Commitment to Maintain an Informed Market

The Company recognises the importance of maintaining a dialogue with its stakeholders to ensure that its strategies and performance are understood. The Company communicates with bondholders by way of the Annual Report and Financial Statements and by publishing its results on a six-monthly basis during the year, and through company announcements to the market as and when necessary.

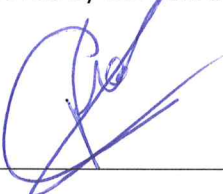
The information as provided above is a fair summary of the Company's adoption of the Code of Principles of Good Corporate Governance. Overall, the Company has broadly implemented the Code where the Board believes that it would add value to its stakeholders.

The Board will continue to monitor the Code in future years and will decide on an annual basis if the position stated above will apply.

Going Concern

Under Corporate Governance requirements, the Directors confirm that, having reviewed the Company's budget and forecast for 2020, they consider that the Company has adequate resources to continue in operation and existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Approved by the board of directors and signed on its behalf on 24th April 2020 by:



Mr Christopher Frendo

Director



Mr Nicholas Frendo

Director

Independent Auditors' Report to Endo Finance p.l.c. on Corporate Governance Matters

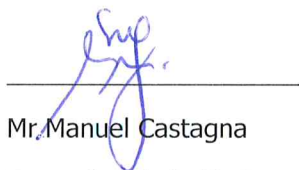
Pursuant to the Listing Rules issued by the Listing Authority within the Malta Financial Services Authority, the directors are required to include in their annual report a Statement of Compliance to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with these principles.

Our responsibility as laid down by Listing Rule 5.98 requires us to include a report on the Statement of Compliance.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We are not required to perform additional work necessary to, and we do not, express an opinion on the effectiveness of either the Company's system of internal control or its corporate governance procedures.

In our opinion, the Statement of Compliance set out on pages 6 to 9 (both included) above has been properly prepared in accordance with the requirements of the Listing Rules.



Mr. Manuel Castagna

For and on behalf of

Nexia BT

Certified Public Accountants

The Penthouse, Suite 2
Capital Business Centre, Entrance C
Triq taz-Zwejt
San Gwann SGN 3000
Malta

Date: 24th April 2020

Independent Auditors' Report to the members of Endo Finance p.l.c.

Opinion

We have audited the accompanying financial statements of Endo Finance p.l.c., which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Endo Finance p.l.c. as of 31 December 2019 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386 of the laws of Malta).

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 entity in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession Act in Malta, and we have fulfilled our 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 audit opinion.

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. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

1. Financial assets at amortised cost

Key audit matter

The Company acts as the main finance vehicle of the Endo Group of companies. Financial assets at amortised cost, which are composed from loans to related parties, are the largest asset category of the Company.

How the key audit matter was addressed in our audit

Financial assets at amortised cost were checked and confirmed with the financial information of the respective related parties and related agreements. We also checked the financial situation of the related parties to ensure that there are no recoverability issues.

Independent Auditors' Report to the members of Endo Finance p.l.c.

2. Debt securities in issue

Key audit matter

The Company's main liability is with respect to the payment of interest and repayment of debt securities in issue.

How the key audit matter was addressed in our audit

Debt securities in issue were reconciled to the terms of the Prospectus. It was ensured that capitalisation of bond issue costs and amortisation of debt securities in issue was in accordance with the Company's accounting policies. We also considered the Company's liquidity risk, to ensure that the Company can meet these obligations as they fall due.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report and the Statement of Compliance. Our opinion on the financial statements does not cover the other information.

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.

With respect to the Directors' report, we also considered whether it includes the disclosures required by Art. 177 of the Companies Act (Cap. 386).

Based on the work we have performed, in our opinion, the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Directors' report has been prepared in accordance with the Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report and other information. We have nothing to report in this regard.

Responsibilities of the directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance to International Financial Reporting Standards as adopted by the EU and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements the directors are responsible for assessing the entity'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report to the members of Endo Finance p.l.c.

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.

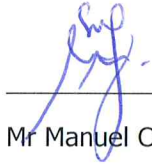
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 entity'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 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 entity'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 entity to cease to continue as a going concern.
- 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.

ENDO FINANCE P.L.C.

Independent Auditors' Report to the members of Endo Finance p.l.c.

We communicate with the directors 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.



Mr Manuel Castagna

For and on behalf of

Nexia BT

Certified Public Accountants

The Penthouse, Suite 2
Capital Business Centre, Entrance C
Triq taz-Zwejt
San Gwann SGN 3000
Malta

Date: 24th April 2020

ENDO FINANCE P.L.C.**Statement of Profit or Loss and Other Comprehensive Income**

For the period from 20 November 2018 to 31 December 2019

	Note	2019 €
Investment income	4	584,302
Finance costs	5	(464,159)
Gross profit		120,143
Administrative expenses		(81,858)
Profit before taxation	6	38,285
Income tax	7	(28,931)
Profit for the period		9,354
Total comprehensive income for the period		9,354

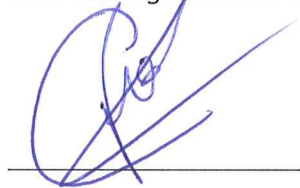
The notes on pages 19 to 30 form an integral part of these financial statements.

ENDO FINANCE P.L.C.**Statement of Financial Position**

At 31 December 2019

	Note	2019 €
ASSETS		
<i>Non-current assets</i>		
Intangible assets	8	3,193
Financial assets at amortised cost	9	11,953,826
		<u>11,957,019</u>
<i>Current assets</i>		
Trade and other receivables	10	630,590
Cash at bank and in hand	11	1,394,595
		<u>2,025,185</u>
Total assets		<u>13,982,204</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Called up issued share capital	12	250,000
Retained earnings		9,354
Total equity		<u>259,354</u>
<i>Non-current liabilities</i>		
Debt securities in issue	13	13,199,858
<i>Current liabilities</i>		
Debt securities in issue	13	30,014
Trade and other payables	14	464,048
Current tax payable	15	28,930
		<u>522,992</u>
Total liabilities		<u>13,722,850</u>
Total equity and liabilities		<u>13,982,204</u>

These financial statements were approved by the board of directors, authorised for issue on 24th April 2020 and signed on its behalf by:



Mr Christopher Frendo

Director



Mr Nicholas Frendo

Director

The notes on pages 19 to 30 form an integral part of these financial statements.

ENDO FINANCE P.L.C.**Statement of Changes in Equity**

For the period from 20 November 2018 to 31 December 2019

	Called up issued share capital	Retained earnings	Total €
Profit for the period	-	9,354	9,354
Other comprehensive income	-	-	-
Total Comprehensive Income	-	9,354	9,354
Issue of share capital	250,000	-	250,000
At 31 December 2019	250,000	9,354	259,354

ENDO FINANCE P.L.C.**Statement of Cash Flows**

For the period from 20 November 2018 to 31 December 2019

	Note	2019 €
<i>Cash flows from operating activities</i>		
Profit before taxation		38,285
Adjustments for:		
Amortisation		355
Bond issue costs amortisation for the period		30,014
Capitalisation of bond issue costs		(300,142)
Interest expense		464,159
Interest income		(584,302)
Operating profit before working capital movements		(351,631)
Movement in trade and other receivables		(630,590)
Movement in trade and other payables		464,048
Cash flows used in operations		(518,173)
Interest paid		(464,159)
Interest received		584,302
Taxation paid		(1)
Net cash used in operating activities		(398,031)
<i>Cash flows from investing activities</i>		
Acquisition of intangible assets		(3,548)
Movement in loans to related parties		(11,953,826)
Net cash used in investing activities		(11,957,374)
<i>Cash flows from financing activities</i>		
Increase in debt securities in issue		13,500,000
Issue of share capital		250,000
Net cash generated from financing activities		13,750,000
Net movement in cash and cash equivalents		1,394,595
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	11	1,394,595

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

1. General information

Endo Finance p.l.c is a limited liability company incorporated in Malta. The Company was principally formed for the financing or re-financing of the funding requirements of related companies. The Company was incorporated on 20 November 2018.

2. Significant accounting policies

Accounting convention and basis of preparation

These financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the Company. They are prepared under the historical cost convention as modified by the fair valuation convention where required by International Financial Reporting Standards, in accordance with the provisions of the Companies Act, 1995 enacted in Malta, and the requirements of International Financial Reporting Standards as adopted by the EU. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

New and revised standards that are effective for the current period

Implementation of IFRS 16

In the current year, the Company applied IFRS 16, 'Leases' that is effective for periods that begin on or after 1 January 2019. IFRS 16, 'Leases' introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised, with the exception of short-term and low-value leases. IFRS 16 will supersede the current lease guidance of IAS 17 and the related interpretations.

The adoption of IFRS 16 has not had an impact on the financial position and financial performance of the Company.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

New and revised standards that are issued but not yet effective

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

Amendments to References to the Conceptual Framework in IFRS Standards

The IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The directors do not expect that the adoption of the amended Standards will have a material impact on the financial statements of the Company.

Intangible assets

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the Statement of Profit or Loss and Other Comprehensive Income in the period of derecognition.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rates used are as follows:

Website - 10% Straight Line

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

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

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets at amortised cost

Financial assets at amortised cost are financial assets that meet the following conditions and are not designated at FVTPL:

- They are held within a business model whose objective is to hold the financial assets and collect contractual cashflows; and
- The contractual loans of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is not material.

(ii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value.

(iii) Debt securities in issue

Debt securities in issue are stated at amortised cost. The amortisation is calculated using the effective yield method and is recognised in profit or loss over the period of the debt security.

(iv) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

(v) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

2. Significant accounting policies (continued)

Impairment testing for intangible assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which asset's (or cash generating unit's) carrying amount exceeds its recoverable amount, which is higher of fair value less costs of disposal and value-in-use. These assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Impairment of financial assets

Impairment calculations for financial assets use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of this impairment model include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts that are not measured at fair value through profit or loss. In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (stage 1), financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (stage 2) and financial assets that have objective evidence of impairment at the reporting date (stage 3).

'12-month expected credit losses' are recognised for the first category and whole 'lifetime expected credit losses' are recognised for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

2. Significant accounting policies (continued)

Taxation

Current tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The charge for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

Employee benefits

The Company contributes towards the state pension in accordance with local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits repayable on demand.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements.

At the statement of financial position date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

ENDO FINANCE P.L.C.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

4. Investment income

	2019 €
Interest income from group companies	584,297
Bank interest receivable	5
	<hr/> 584,302

5. Finance costs

	2019 €
Interest on debt securities in issue	455,625
Bank interest payable	8,534
	<hr/> 464,159

6. Profit before taxation

	2019 €
Profit before taxation is stated after charging:	
Auditors' remuneration	4,750
Directors' remuneration	24,000
Amortisation	355
	<hr/>

Staff costs

The average number of employees (based pro-rata on a 40-hour week) during the period were:

- Administration

1

7. Income tax

	2019 €
Malta Income Tax:	
Current taxation	28,931
	<hr/>

ENDO FINANCE P.L.C.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

7. Income tax (continued)

The accounting profit and the tax charge for the period are reconciled as follows:

	2019 €
Profit before taxation	38,285
Tax thereon at 35%	13,400
Tax effect of permanent differences: Disallowed expenses	15,531
Tax charge for the period	28,931

8. Intangible assets

	Website €
<i>Cost</i>	
Additions	3,548
At 31 December 2019	3,548
<i>Depreciation</i>	
Charge for the period	355
At 31 December 2019	355
<i>Carrying amount</i>	
At 31 December 2019	3,193

9. Financial assets

Financial assets at amortised cost

	Loan to parent €	Loan to related party €	Total €
<i>Cost</i>			
Movement	11,703,826	250,000	11,953,826
At 31 December 2019	11,703,826	250,000	11,953,826

Loans to parent and related party

Loans to parent and related party are unsecured, bear interest at 6.5% per annum and have no fixed date of repayment.

ENDO FINANCE P.L.C.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

10. Trade and other receivables

		2019 €
<i>Current</i>		
Amounts owed from related parties	<i>Note</i>	608,554
Financial assets		608,554
Prepayments		22,036
		<u>630,590</u>

Amounts owed from related parties

Amounts due from related parties are unsecured, bear interest at 6.5% per annum and have no fixed date of repayment.

11. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	2019 €
Cash at bank	1,481
Bond trustee account	1,393,114
	<u>1,394,595</u>

12. Called up issued share capital

	2019 €
<i>Authorised</i>	
250,000 ordinary shares of €1 each	250,000
<i>Called up issued and fully paid up</i>	
250,000 ordinary shares of €1 each	<u>250,000</u>

Each ordinary share gives the right to one vote, participates equally in profits distributed by the Company and carries equal rights upon the distribution of assets by the Company in the event of a winding up.

ENDO FINANCE P.L.C.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

13. Debt securities in issue

	2019 €
Additions	13,500,000
Capitalization of bond issue costs	(300,142)
Bond issue costs amortisation for the period	30,014
	<hr/>
Amortised cost at end of period	13,229,872
	<hr/>
Falling due within one year	30,014
Falling due between two and five years	120,057
Falling due between over five years	13,079,801
	<hr/>
	13,229,872
	<hr/>

As at period-end, the Company had a balance of €13,229,872 from the bond issue of €13,500,000 4.5% bonds of €50,000 nominal value each, redeemable at par in 2029. The amount is made up of the bond issue of €13,500,000 net of the bond issue costs which are being amortised over the lifetime of the bonds. Interest on the bonds is due and payable annually in arrears on 22 March of each year at the above-mentioned rate.

The bonds are guaranteed by three companies forming part of the same group: International Fender Providers Ltd (C 69877), IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033).

14. Trade and other payables

	2019 €
<i>Current</i>	
Indirect taxes	3,200
Accruals	460,848
	<hr/>
	464,048
	<hr/>

15. Current tax payable

	2019 €
Provision for the period	28,931
Settlement tax paid	(1)
	<hr/>
	28,930
	<hr/>

ENDO FINANCE P.L.C.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

16. Related parties

The parent and ultimate parent company of Endo Finance p.l.c. is Endo Ventures Ltd, which is incorporated in Malta. The individual financial statements of the Company are incorporated in the group financial statements of Endo Ventures Ltd, the registered address of which is 10, Timber Wharf, Marsa MRS 1443, Malta. No individual controls the majority of the voting rights of the ultimate parent company.

Outstanding balances with related parties at period-end are disclosed in notes 9 and 10 to these financial statements.

The Company entered into transactions with related parties as follows:

	2019 €
<i>Transactions with parent company:</i>	
Interest receivable	11,130
<i>Transactions with key management personnel:</i>	
Directors' remuneration	24,000
<i>Transactions with other related parties:</i>	
Interest receivable	573,167

17. Risk management objectives and policies

The Company is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from its operating and investing activities. The Company's risk management is coordinated by the directors and focuses on actively securing the Company's short term to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Company is exposed to are described below.

Credit risk

The Company's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position, which are disclosed in Notes 9, 10 and 11.

The Company continuously monitors defaults of customers and other counterparts, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

None of the Company's financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered to be negligible, since the counterparties are reputable institutions with high quality external credit ratings.

Liquidity risk

The Company's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise debt securities, trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Company's obligations when they become due.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

17. Risk management objectives and policies (continued)*Liquidity risk (continued)*

At 31 December 2019, the contractual maturities on the financial liabilities of the Company were as summarised below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Financial Position.

	2019 €
<i>Non-bank borrowings</i>	
Less than 6 months	607,500
From 6 to 12 months	-
From 1 to 5 periods	2,430,000
More than 5 periods	<u>16,063,151</u>

Foreign currency risk

Most of the Company's transactions are carried out in Euro. Exposure to currency exchange rates arise from the Company's transactions in foreign currencies.

The Company's financial assets face minimal foreign currency risk since all sales are made receivable in Euro.

Interest rate risk

The Company's exposure to interest rate risk is limited since its borrowings are at fixed interest rates.

18. Capital management policies and procedures

The Company's capital management objectives are to ensure their ability to continue as a going concern and to provide an adequate return to shareholders by pricing commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital. The Company monitors the level of debt, which includes debt securities, trade and other payables and other financial liabilities less cash and cash equivalents, against total capital on an ongoing basis.

19. Fair values*Fair value of instruments not carried at fair value*

At 31 December 2019, the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

Notes to the Financial Statements

For the period from 20 November 2018 to 31 December 2019

19. Fair values (continued)*Fair value estimation in relation to financial instruments carried at fair value*

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table sets out the carrying amounts of these financial instruments:

	2019 €
Trade and other receivables	630,590
Cash and cash equivalents	1,394,595
Financial Assets	<u>2,025,185</u>
Trade and other payables	464,048
Financial Liabilities	<u>464,048</u>

20. Events after the reporting period

Subsequent to period-end, the World Health Organisation declared the spread of Coronavirus Disease (COVID-19), a worldwide pandemic. COVID-19 is having significant effects on global markets, supply chains, businesses, and communities. The directors are monitoring the situation and taking action to safeguard the interests of the Company. To date, the Company is operating as normal. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.