The following is a Company Announcement issued by Endo Finance p.l.c., a company registered under the laws of Malta with company registration number C 89481 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta (hereinafter the "Company"), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Financial Analysis Summary

The Company hereby announces that the updated Financial Analysis Summary dated 28th June 2022 is available for viewing below as an attachment to this announcement and at the Company's registered office, and is also available for download from the Company's website: https://www.endofinance.com/.

Unquote

By order of the Board.

Dr Luca Vella
Company Secretary

28th June 2022

Company Announcement: END35

Calamatta Cuschieri

The Directors
Endo Finance p.l.c.
10, Timber Wharf,
Marsa, MRS 1443
Malta

28 June 2022

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Endo Finance p.l.c. (the "**Issuer**"), and International Fender Providers Ltd (C 69877) and Endo Properties Ltd (C 13033) collectively (the "**Guarantors**"), and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

a) Historical financial data for the three years ending 31 December 2019, 2020, and 2021 has been extracted from the audited financial statements of the Issuer and the Guarantors.

b) The forecast data for the financial year ending 31 December 2022 has been provided by management.

c) Our commentary on the Issuer and Guarantors' results and financial position has been based on the explanations provided by management.

d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.

e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

____
Nick Calamatta
Director

FINANCIAL ANALYSIS

SUMMARY 2022

Endo Finance p.l.c.
28 June 2022

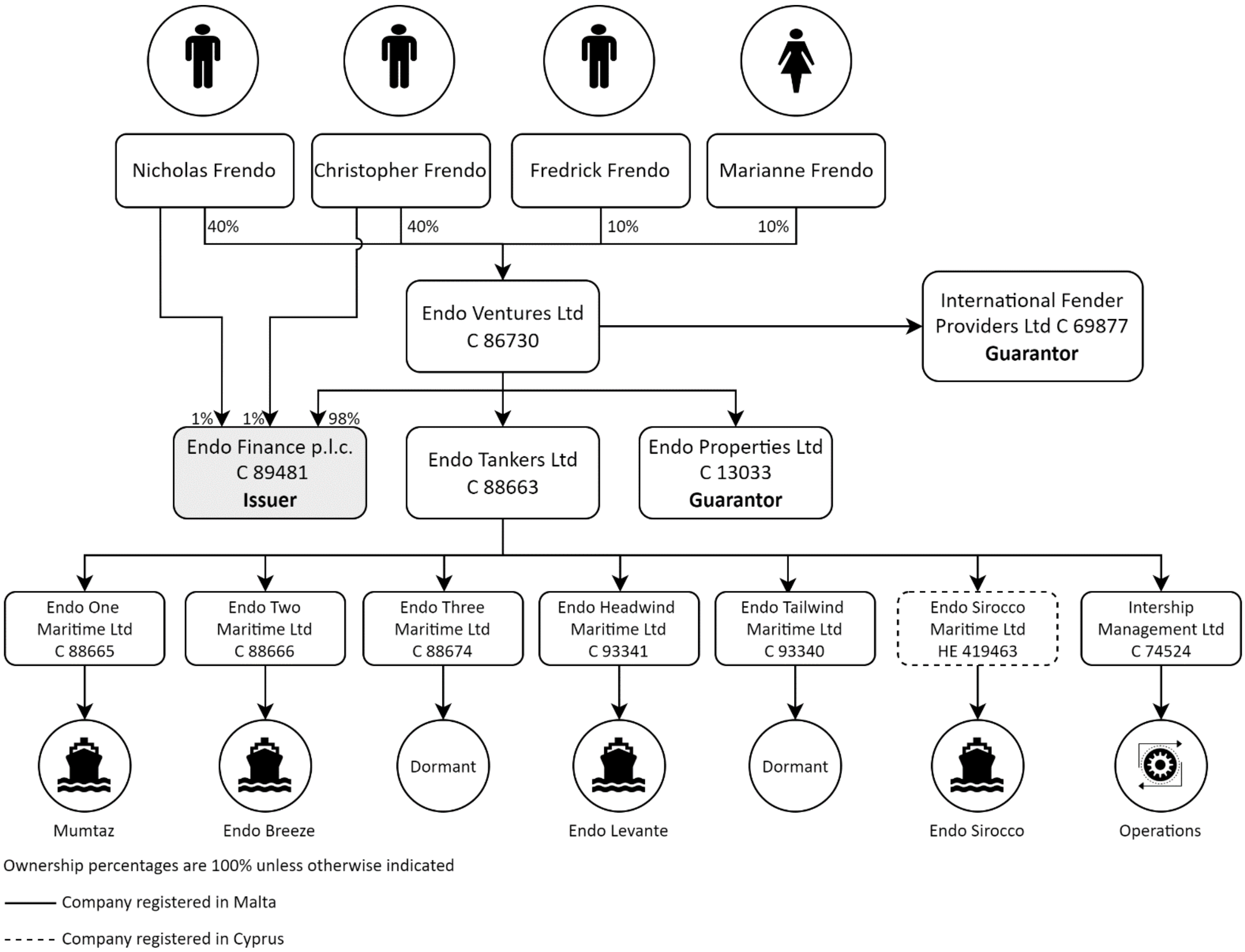
Prepared by Calamatta Cuschieri Investment Services Ltd

Table of Contents

Part 1 Information about the Group

1.1 The Group's Key Activities and Structure

The Group structure is as follows:



The "**Endo Group**" (or "**Group**") of companies consists of Endo Ventures Ltd being the "**Parent**" company, the Issuer, the Guarantors, and Endo Tankers Ltd, which includes its subsidiaries Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd, Endo Headwind Maritime Ltd, Endo Tailwind Maritime Ltd, Endo Sirocco Maritime Ltd, and Intership Management Ltd. The objective of the Endo Group is to acquire, finance, manage and charter commercial vessels, in addition to providing ship-to-ship services.

Endo Ventures Ltd, company registration number C 86730, was set up on 11 June 2018 and acts as the parent company of the Endo Group. The Parent's ultimate beneficial owners are Mr Christopher Frendo (40% ownership), Mr Nicholas Frendo (40% ownership), Mr Fredrick Frendo (10% ownership), and Ms Marianne Frendo (10% ownership).

Endo Tankers Ltd ("**Endo Tankers**"), company registration number C 88663, was incorporated on 8 October 2018 and is the parent company of "**Endo Tankers Ltd**". The Endo Tankers Sub-Group is primarily involved in the acquisition, financing, management, and chartering of commercial vessels. Endo One Maritime Ltd ("**Endo One**"), Endo Two Maritime Ltd ("**Endo Two**"), Endo Three Maritime Ltd ("**Endo Three**"), Endo Headwind Maritime Ltd, Endo Tailwind Maritime Ltd, Endo Sirocco Maritime Ltd, and Intership

Management Ltd are all wholly owned subsidiaries of Endo Tankers.

The Issuer, Endo Finance plc, company registration number C 89481, is a public limited liability company registered in Malta on 20 November 2018. The Issuer is, except for one ordinary share which is held by Christopher Frendo, and another ordinary share held by Nicholas Frendo, a wholly owned subsidiary of the Parent. The Issuer, which was set up and established to act as a finance vehicle, has as of the date of this Analysis an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

The Guarantors of the listed bond of the Issuer are International Fender Providers Ltd and Endo Properties Ltd.

International Fender Providers Ltd ("**IFP Malta**"), a wholly-owned subsidiary of the Parent, is a private limited liability company incorporated and registered in Malta on 2 April 2015, with company registration number C 69877. The authorised and issued share capital of IFP Malta is €16,000 divided into 16,000 ordinary shares having a nominal value of €1 each, all fully paid up. The principal activity of IFP Malta is a ship-to-ship service provider with ship-to-ship bases in Malta, Augusta, and Cyprus. It assists with the transfer of any cargo between any sized ships with all ship-to-ship operations carried out as per Oil Companies International Marine Forum (OCIMF) guidelines. As part of its service, IFP Malta also offers the hire of Yokohama fenders and hoses used for the transfer of cargo from one ship to another.

Endo Properties Ltd (formerly P & C Ltd), a wholly owned subsidiary of the Parent, is a private limited liability company incorporated and registered in Malta on 28 August 1991, with company registration number C 13033. The authorised and issued share capital of Endo Properties Ltd ("**Endo Properties**") is €774,690 divided into 774,690 Ordinary shares of €1 each, paid up and allotted as to (i) 11,647 Ordinary shares of €1 each, 20% paid up, and (ii) 763,043 Ordinary shares of €1 each, 100% paid up. With effect from 28 April 2020, the company's name was changed from P & C Ltd to Endo Properties Ltd. The principal objective of Endo Properties is to purchase or otherwise acquire, under any title whatsoever, any immovable or otherwise deal in and hold for the purpose of development or resale and traffic in any freehold, leasehold, or other property or any estate or interest whatsoever.

IFP International Fender Providers Ltd ("**IFP Cyprus**"), used to be a wholly owned subsidiary of IFP Malta and was a private limited liability company incorporated and registered in Cyprus on 26 October 2015, with company registration number HE 348221. As of 1st January 2021, IFP Malta acquired IFP Cyprus and it succeeded to all the rights, assets, obligations, and liabilities of IFP Cyprus from the date of the merger directly owns the assets and assumes the liabilities of IFP Cyprus and its assets are being treated from tax and accounting purposes as being those of IFP Malta. The merger did not have an effect on the rights of the bondholders.

Endo One was set up to acquire a 599 DWT (deadweight tonnage) vessel "Mumtaz", an oil tanker used for the transportation of petroleum products and for the transfer and carriage of dry cargo on deck. Endo Two was incorporated in order to acquire a vessel, being a medium-range ("MR") 45,000 to 50,000 DWT oil tanker, as set out in the prospectus of the Issuer dated 6 March 2019. It took delivery of this marine vessel ("Endo Breeze") on 22 May 2019. Endo Three was incorporated in order to acquire a vessel, being a coastal 5,000 to 8,000 DWT oil tanker to be used for the transportation of petroleum products and for bunkering operations. It took delivery of this maritime vessel ("Endo Sirocco") on 9 September 2020.

Following a recent Group corporate restructuring exercise, Endo Three has transferred ownership of Endo Sirocco to a newly incorporated Cypriot entity Endo Sirocco Maritime Ltd, which is wholly owned by Endo Tankers Ltd. Consequent to the aforementioned sale and transfer of the vessel, Endo Sirocco was deleted from the Malta flag on 14 April 2021 and registered under the Cyprus flag on the same date. This transaction has not impacted the security held by the bondholders, therefore, all collateral rights concerning this vessel previously owned by Endo Three have been reconstituted in full pursuant to the transfer of the vessel to Endo Sirocco Maritime Limited. Further information in relation to the vessels owned by the Endo Tankers Sub-Group is found in sub-section 1.3 below. In the process, Endo Three has been made dormant and does not currently carry out any operating activities.

Endo Headwind Maritime Ltd, which was incorporated on 24 September 2019 under the Merchant Shipping Act, will be renamed to Endo Levante Maritime Ltd. Through this company, the Group has recently acquired another vessel which will be renamed Endo Levante, and which will be chartered to third parties on a time charter basis. The acquisition of this vessel will be funded through internally generated cash flows over a two-year period.

Intership Management Ltd is a ship management company that provides a complete and comprehensive set of ship management services (provision of crew, management, repairs and maintenance, navigation, operation, and dry-docking of vessels) to Mumtaz and Endo Sirocco. The company is certified by Bureau Veritas and complies with the International Management Code for the Safe Operation of Ships and for Pollution Prevention. Additionally, the Endo Tankers Sub-Group owns another company, Endo Tailwind Maritime Ltd, which is currently dormant and does not carry out any operating activities.

1.2 Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Christopher Frendo	Executive Director
Mr Nicholas Frendo	Executive Director
Mr Anthony Busuttil	Independent Non-executive Director
Mr Francis Gouder	Independent Non-executive Director
Ms Erica Scerri	Independent Non-executive Director

The Issuer is currently managed by a board of five directors who are responsible for its overall direction and management. The board currently consists of two executive directors, who are entrusted with the Issuer's day-to-day management, and three non-executive directors, all of whom are also independent of the Issuer, whose main functions are to monitor the operations of the executive directors and their performance, as well as to review any proposals tabled by the executive directors. This practice goes in accordance with the generally accepted principles of sound corporate governance, where at least one of the directors shall be a person independent of a group of companies. No directors have been removed since the Issuer's inception. The Issuer's employees remained unchanged from FY20 and amounted to 2 employees during FY21.

The business address of all the directors of the Issuer is the registered office of the Issuer. Dr Luca Vella acts as the company secretary.

Board of Directors - Guarantor

As of the date of this Analysis, the following persons constitute the board of directors of the Guarantors:

IFP Malta:

Name	Office Designation
Mr Christopher Frendo	Executive Director, company secretary
Mr Nicholas Frendo	Executive director

Endo Properties:

Name	Office Designation
Mr Christopher Frendo	Executive Director
Mr Nicholas Frendo	Executive director, company secretary

Each Guarantor has its own board of directors that is entrusted with the responsibility of the direction and management of the respective Guarantor entity within the strategic parameters established by the respective Board. Both Guarantors are governed by the same two executive directors.

The business address of the directors of the Guarantors is the registered office of the Issuer.

The Group is managed by Mr Christopher Frendo and Mr Nicholas Frendo, the same two executive directors governing both the Issuers and Guarantors. During 2021, the Group employed on average 12 persons (FY20: 7), 6 of which were in operations and 5 in administration.

1.3 Major Assets owned by the Group

The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Endo Group, and, as such, its assets are intended to consist primarily of loans issued to the Endo Tankers Sub-Group's companies.

Endo One - Mumtaz

In March 2016, a related group ("Palm Group"), which is controlled by the same beneficial owners of the Endo Group, acquired its first vessel Mumtaz. The vessel, built in 2002 in Puesta de Quilla in Dubai and having a total length of 44.84 meters, is a 599 DWT oil tanker used for the transportation of petroleum products and for the transfer and carriage of dry cargo on deck, both in the Maltese territorial waters and international waters. Mumtaz, bearing IMO (International Maritime Organisation) number 9268514, is currently being leased under a bareboat charter[1] agreement to a subsidiary of Palm Group. Mumtaz was registered with the Registrar of Ships in Malta on 9 March 2016.

Following its incorporation, Endo One acquired Mumtaz from Palm Group on 1 November 2018 for the price of €1.8m, being an amount equivalent to the value of the vessel. This amount due to Palm Group was novated upwards within the Endo Group, where the liability of €1.8m was capitalised and exchanged for shares to the ultimate beneficiary owners of the Endo Group, which effectively increased the issued share capital of the Parent.

The bareboat charter agreement to which Mumtaz has been subject to as from 1 November 2018 is entered into with International Fuel Suppliers Ltd ("**IFS**"), an entity forming part of the Palm Group, and in virtue of which agreement IFS has agreed to charter the vessel Mumtaz for a period extending to 31 December 2028. IFS has engaged Intership Management Ltd to manage Mumtaz and, further to such engagement, the latter company provides the crew, manages, maintains, navigates, operates, insures, fuels, repairs, and dry-docks the vessel. Against this service, Intership Management Ltd charges a ship management fee to IFS. All direct costs in relation to this vessel are borne by IFS, given that Mumtaz is chartered under a bareboat charter agreement.

For clarity, dry-docking refers to the process when a vessel is taken to the service yard and brought to dry land so that submerged portions of the hull can be cleaned and inspected. This work is both preventative as well as a regulatory requirement within the industry. Oil tankers are scheduled for full dry-docking once every five years, with intermediate dry-docking taking place every two years.

Endo Two – Endo Breeze

The Endo Tankers Sub-Group, through Endo Two and pursuant to the successful completion of the appropriate structural and condition inspections into the vessel, acquired the MR vessel Endo Breeze, a 44,999 DWT product/chemical tanker being 176 metres in length. The MR vessel Endo Breeze was built in Croatia and delivered in 2003 and is today registered under the Malta Maritime Flag with hull (IMO) number 9239977 with a gross tonnage of 26,914. Endo Breeze was acquired by Endo Two following the 2019 bond issue.

Specifically, Endo Two took delivery of the marine vessel Endo Breeze on 22 May 2019, and ownership of Endo Breeze vests in Endo Two with effect from said date. Additionally, on the same day, a first priority mortgage on Endo Breeze was registered with the Merchant Shipping Directorate within Transport Malta in favour of the Custodian for the benefit of bondholders.

With effect from 20 May 2019, Endo Two entered into a time charter agreement with a third party for the chartering of Endo Breeze for a period of 3 years, during which term the vessel will be 100% utilised. Endo Breeze is managed by Columbia Shipmanagement Ltd, which has over 40 years' experience in the ship management and maritime services industry.

More recently, Endo Two installed a new ballast water treatment system on Endo Breeze. The water treatment system was capitalised as vessel improvement on the Group's balance sheet.

Endo Three and Endo Scirocco Maritime - Endo Sirocco

The third vessel, being Endo Sirocco, was acquired on 9 September 2020 by Endo Three. In 2021, the Group transferred the ownership of this vessel to Endo Sirocco Maritime Ltd and subsequently, registered Endo Sirocco under the Cypriot flag.

The coastal vessel Endo Sirocco, with hull (IMO) number 9118161, was built in 1997. It is a 4,967 DWT product/chemical tanker with a total length of 91m and a gross tonnage of 3,368. The acquisition was financed from the 2019 bond issue.

The time charter agreement to which Endo Sirocco has been subject to as from 15 October 2020 is entered into with International Fuel Suppliers Ltd, an entity forming part of the Palm Group, and in virtue of which agreement Endo Three (and subsequently Endo Sirocco Maritime Ltd as from 14 April 2021) has agreed to charter the vessel Endo Sirocco for a period extending to 15 October 2030. Endo Three (and subsequently Endo Sirocco Maritime Ltd as from 14 April 2021) has engaged Intership Management Ltd to manage Endo Sirocco and, further to such engagement, the latter

[1] A bareboat charter is an arrangement for the hiring of a vessel whereby the charterer obtains possession and full control of the vessel along with the right to trade it as it chooses for a specified period as well as the legal and financial responsibility for it, and no administration or technical maintenance is included as part of the agreement. The charterer typically pays for all operating expenses, including fuel, crew, port expenses and Protection & Indemnity and Hull & Machinery insurance.

company provides the crew, manages, maintains, navigates, operates, insures, fuels, repairs and dry-docks the vessel. Against this service, Intership Management Ltd charges a ship management fee to Endo Three (and subsequently to Endo Sirocco Maritime Ltd as of 14 April 2021). All direct costs in relation to this vessel are borne by Endo Three (and subsequently Endo Sirocco Maritime Ltd as from 14 April 2021), given that Endo Sirocco is chartered under a time charter agreement.

Endo Headwind – Endo Levante

The Group has recently acquired a vessel that it is going to be renamed Endo Levante. The chemical tanker with hull (IMO) number 9145011 was built in 1997. It is a 4,765 DWT product/chemical tanker with a total length of 91.4m and a gross tonnage 2,760. Endo Levante will enter into a time charter agreement with a third party commencing from the second half of 2022. From the commencement date of the charter agreement, the vessel will be 100% utilised. The Group has engaged Intership Management Ltd (its own ship management company) to manage the vessel, with the assistance of Columbia Shipmanagement Ltd (who are already managing the Group's other vessel Endo Breeze).

IFP Malta

As part of its operations as a ship-to-ship service provider, IFP Malta requires fenders and hoses for the transfer of cargo from one ship to another. Fenders offer protection to the ships by absorbing energy as the vessels berth alongside each other and hoses are used to transfer cargo between ships. Currently, IFP Malta owns 6 sets of fenders and hoses, of which it acquired 2 sets from IFP Cyprus through the merger. Each set mainly consists of 4 or 5 primary fenders, 2 secondary fenders, and 4 hoses.

Endo Properties

Endo Properties owns an investment property which is situated at 9, 10, Timber Wharf in Marsa. The premises comprise a large street-level warehouse with a floor area of *circa* 500m^2 and three floors of office space and receded floor. As per the latest financial statements, this property is valued at €7.2m. Endo Properties generates its revenue through the rental of its property in Marsa to third parties as well as to a related company within Palm Group. Apart from the rental income, Endo Properties Ltd also charges management fees to this related group.

Additionally, Endo Properties owns other properties which amount to €3.0m. These properties were transferred by the ultimate beneficial owners of the Group in November 2019 and consist of; (i) an apartment situated in Sir George Borg Street, Sliema, (ii) an apartment situated in The Strand, Sliema, (iii) an apartment situated in Tower Road, Sliema, (iv) an apartment situated in Birzebbuga, and (v) an apartment situated in Ta' Xbiex. This transaction did not result in any cash outflows for Endo Properties as the liability was capitalised and exchanged for shares to the ultimate beneficiary owners of the Endo Group.

Vessels owned by the Group

The following table summarizes key data on the vessels owned by Endo Tankers Sub-Group:

Company	Endo One	Endo Two	Endo Sirocco Maritime	Endo Headwind Maritime Ltd - will be changed to Endo Levante Maritime Ltd
Vessel Name	Mumtaz	Breeze	Endo Scirocco	Endo Levante
Vessel Size Class	Bunker	Medium Range	Chemical Tanker	Chemical Tanker
Dead Weight Tonnage (Metric Tons)	599	44,999	4,967	4,765
Length (meters)	45	176	91	91.4
Years from Build (as of 2022)	20	19	25	25
Additional Useful Life (from 2022)	18	7	15	15
Certified by approved the Classification Society	Yes	Yes	Yes	Yes
Classification Society	Bureau Veritas SA	DNV GL	Bureau Veritas SA	Bureau Veritas SA

The Group, through an independent ship broker, obtained an assessment of the useful life of the vessel classes owned or to be acquired by the Endo Tankers Sub-Group. The ship broker estimated the useful lifetime of the vessels as follows: Endo Sirocco at 35-40 years, Mumtaz at 40-45 years, and Endo Breeze at 25–30 years. In 2020, the Group also reassessed the useful life of Mumtaz and it is now estimated to have an additional useful life of 20 years.

Additionally, the useful life of the Group's vessels averaging 25 years is based on industry practice. As per the latest available financial statements of the largest listed crude tanker companies, the estimated useful life for crude oil tankers is 25 years. Amongst others, the list includes Teekay Tankers Ltd, Frontline Ltd, Nordic American Tankers Ltd, and SFL Corporation Ltd.

1.4 Operational Developments

The Endo Tankers Sub-Group was incorporated to engage in the business of acquiring, financing, managing, and chartering commercial vessels, in addition to strengthening the operations of Palm Group, being the bunkering and transportation of petroleum products. Endo Two successfully acquired Endo Breeze on 22 May 2019 and Endo Three successfully acquired Endo Sirocco on 9 September 2020, which was subsequently transferred to Endo Sirocco Maritime Ltd on 14 April 2021. Endo Breeze is currently leased on a time charter agreement with a third party, while Endo Sirocco is currently leased on a time charter agreement with an entity forming part of Palm Group for a period of 10 years. The newly acquired vessel, Endo Levante, will be leased on a time charter basis to a third party.

During the year under review, vessel Endo Breeze underwent its scheduled intermediary drydocking, costing around $0.9m. During the same drydocking period, a new ballast water treatment system was installed on the vessel, with an additional investment of $1m which will be depreciated over the remaining useful life of the vessel, in addition to other vessel improvements costing approximately $0.2m. These were all funded from cash flows generated by Endo Group.

1.5 COVID-19 impact on the Group's operational and financial performance

Throughout 2021, Endo Group continued to monitor the developments resulting from the outbreak of the COVID-19 pandemic and the effect on the global economy, with specific reference to the shipping industry. According to research and feedback from major industry players and ship brokers, the tanker shipping market has been one of the few industries that was positively affected by the COVID-19 pandemic as freight rates remain at drastically elevated levels globally.

The measures issued by the Maltese authorities since the outbreak in March 2020, particularly the travel bans, provided an exemption in relation to cargo ships and tankers carrying essential fuels. Hence, ship-to-ship operations carried out by IFP Malta were not negatively affected by the pandemic.

Despite the uncertain situation, the Group still managed to improve on its actual revenue over last year and also exceeded previous expectations. Current events are so far not expected to have any material impact on the performance and financial position of the Group in the future. However, management confirmed that they will keep monitoring the current situation to ascertain how the shipping industry can be impacted.

The Group continued its operations normally during the pandemic and it took all possible measures in order to protect its staff in line with health authorities' guidelines.

1.6 Subsequent events after the reporting period: Conflict in Ukraine

The Group is carefully monitoring the fast evolving situation in Ukraine. Given that the conflict began in February 2022, there were no implications for its 2021 operations. As for the possible impact on the forecasted 2022 operations, the Group does not foresee any specific event directly related to the operations, however the possible impacts are still being evaluated.

Part 2 Historical Performance and Forecasts

The Issuer's historical financial information for the years ended 31 December 2019 to 31 December 2021, in addition to the financial forecast for the year ending 31 December 2022, are set out below in sections 2.1 to 2.3 of this Analysis.

For the purpose of this document, the focus is on a review of the performance of the Guarantors and the Endo Group. The Guarantors' historical financial information for the period ended 31 December 2019 to 31 December 2021 and their respective projections are set out in sections 2.4 to 2.6. The Group's financial performance review is set out in sections 2.7 to 2.9. The forecast data for the current financial year 2022 has been provided by management.

The projected financial information relates to events in the future and are based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Issuer's Income Statement

Income statement for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	**€000s**	**€000s**	**€000s**
Finance income	584	745	726	825
Finance costs	(464)	(612)	(608)	(687)
Net finance income	**120**	**133**	**118**	**138**
Administrative expenses	(82)	(90)	(87)	(88)
Profit before tax	**38**	**43**	**31**	**50**
Income tax	(29)	(31)	(28)	(35)
Profit for the year	**9**	**12**	**3**	**15**

Ratio Analysis[2]	2019A	2020A	2021A	2022F
Gross Margin (Net finance income / Finance income)	20.5%	17.9%	16.3%	16.7%
Net Margin (Profit for the year / Finance income)	1.5%	1.6%	0.4%	1.8%

As the Issuer is a finance company and its performance predominantly captures the finance income earned on the net proceeds of the bond granted as a loan to other companies within the Group. Endo Finance has generated €726k in finance income for the period ended 31 December 2021 corresponding to the finance income a year prior. During this period, the Issuer incurred €608k in finance costs and €118k in administrative expenses, which resulted in the Issuer generating a small profit similar to prior years.

The projected revenue is expected to be slightly higher, at €825k, and naturally corresponding finance costs are expected to increase as well to €687k. The reason for this is the higher level of debt the Issuer is expected to hold and then further advance to related parties.

Administrative expenses, as well as income taxes, are projected to be at very similar levels in FY22 when compared to FY21. The bottom line is projected to show a minimal profit figure, similarly to previous years. Consequently, no major change is expected in the profitability ratios of the Issuer.

[2] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance

Calamatta Cuschieri

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2019A	2020A	2021A	2022F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Financial assets	11,954	13,324	13,324	16,872
Intangible assets	3	5	7	7
Total non-current assets	**11,957**	**13,329**	**13,331**	**16,879**
Current assets				
Trade and other receivables	630	699	705	690
Cash and cash equivalents	1,395	1	3	5
Total current assets	**2,025**	**700**	**708**	**695**
Total assets	**13,982**	**14,029**	**14,039**	**17,574**
Equity and liabilities				
Capital and reserves				
Share capital	250	250	250	250
Retained earnings	9	22	25	40
Total equity	**259**	**272**	**275**	**290**
Non-current liabilities				
Debt securities in issue	13,230	13,260	13,290	13,320
Bank loans	-	-	-	3,474
Total non-current liabilities	**13,230**	**13,260**	**13,290**	**16,794**
Current liabilities				
Trade payables	464	464	473	455
Current tax payable	29	33	1	35
Total current liabilities	**493**	**497**	**474**	**490**
Total liabilities	**13,723**	**13,757**	**13,764**	**17,284**
Total equity & liabilities	**13,982**	**14,029**	**14,039**	**17,574**

The Issuer's assets in FY21, similarly to prior years, mainly consisted of loans advanced to its fellow subsidiaries, whereas the major liabilities comprised the €13.5m bonds in question.

The aforementioned loans granted to related parties during FY21 amounted to €13.3m (FY20: €13.3m) and were split as follows: €0.25m to Endo Ventures Ltd (FY20: €0.25m), and €13.1m (FY20: €13.1m) to Endo Tankers Ltd. The bond issue costs are being amortised over the lifetime of the bond by €30k annually, increasing the *'Debt securities in issue'* line item each year by that amount.

Current liabilities mainly consisted of trade payables, mainly being the accrual for interest due on the outstanding bond issue as of 31 December 2021.

In FY22 the Issuer is expected to increase its total assets by increasing the value of loans to related parties by €3.6m, to €16.9m. The projected value of the loans advanced to Endo

Group will be €13.9m, while €3m is expected to be loaned to Palm Group, which will be repaid in monthly instalments over a 12-year period.

As per the Group's projections, the increase in loans advanced to related parties will be financed from €3.4m in new bank loans.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Cash flows from operations	(518)	(128)	(53)	752
Interest paid	(464)	(612)	(608)	(689)
Taxation paid	-	(27)	(60)	(1)
Net cash generated from/(used in) operating activities	**(982)**	**(767)**	**(721)**	**62**
Cash flows from investing activities				
Acquisition of intangible assets	(3)	(2)	(3)	-
Interest received on loans to related parties	584	745	726	-
Intercompany receivables	-	-	-	15
Movement in loans to related parties	(11,954)	(1,370)	-	(3,549)
Movement in bank loans				3,474
Net cash generated from/(used in) investing activities	**(11,373)**	**(627)**	**723**	-
Cash flows from financing activities				
Proceeds from the issue of debt securities	13,500	-	-	-
Proceeds from equity	250	-	-	-
Net cash generated from/(used in) financing activities	**13,750**	**-**	**-**	**(60)**
Net movement in cash and cash equivalents	**1,395**	**(1,394)**	**2**	**2**
Cash and cash equivalents at the beginning of the year	-	1,395	1	3
Cash and cash equivalents at the end of the year	**1,395**	**1**	**3**	**5**

In FY21 the Issuer used €0.7m in operating activities and this mainly reflects the interest paid on the bonds which amounted to €0.6m. Cash used in investing activities represent the interest received from Endo Group companies on the loans granted to them. The Issuer, in line with its limited trading activity, did not carry out any financing activities during both FY20 and FY21.

In FY22, the Issuer's cash flow from operations is expected to be positive due to the projected positive cash flows from operating activities before tax and interest payments. This is projected contrary to the fact that the Issuer expects higher interest paid in FY22 than a year earlier.

Cash flow from investing activities however is projected to generate a large cash inflow mostly netted off by a similarly large cash outflow. The inflow will represent the proceeds from the bank on the basis of a bank loan and the outflow will be related to the same amounts advanced to relating parties.

The Issuer is not expected to generate cash flow from financing activities in FY22.

2.4 Guarantors' Income Statement

Endo Properties Ltd

Income Statement for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	**€000s**	**€000s**	**€000s**
Revenue	192	396	138	137
Administrative expenses	(44)	(282)	(31)	(39)
EBITDA	**147**	**113**	**106**	**98**
Depreciation	(2)	(2)	(2)	(2)
EBIT	**145**	**112**	**104**	**96**
Movement in revaluation of investment property	2,237	-	-	-
Finance costs	(43)	(30)	(34)	(25)
Profit before tax	**2,340**	**81**	**70**	**71**
Taxation	(256)	(23)	(17)	(17)
Profit after tax	**2,083**	**59**	**53**	**54**

Ratio Analysis[3]	2019A	2020A	2021A	2022F
EBITDA Margin (EBITDA / Revenue)	76.8%	28.7%	77.1%	71.5%
Operating (EBIT) Margin (EBIT / Revenue)	75.9%	28.2%	75.7%	70.1%
Net Margin (Profit for the year / Revenue)	1087.3%	14.8%	38.5%	37.2%

Endo Properties Ltd generates revenue through the rental of its property in Marsa to third parties as well as to a related company, Palm Shipping Agency Ltd. Apart from the rental income, Endo Properties also charges management fees to another related company, Palm Enterprises Ltd. Both companies, Palm Shipping Agency Ltd and Palm Enterprises Ltd form part of the Palm Group. Endo Properties also rents out two of its apartments to third parties.

The company generated a revenue of €0.1m during FY21 (FY20: €0.4m). The noticeable decrease in revenue during the year under review was due to the fact that Endo Properties had a €285k extraordinary income in the previous year as the result of a court ruling in relation to a buyer who defaulted on a promise of sale agreement. Endo Properties also incurred a one-off management fee of €250k in FY20, which offset the higher revenue therefore the EBITDA figures remained largely flat year-on-year. Other than the aforementioned, the regular revenue streams and expenses remained largely in line with 2020 figures.

None of the depreciation, finance costs, as well as taxation figures, deviated largely in FY21 from the prior year. Therefore, the profit after tax of Endo Properties was also similar to FY20 figures.

Profitability margins in FY20 have been distorted by the one-off higher revenue and management sales figures. Excluding items, the EBITDA Margin would have amounted to 70.7% in FY20 compared with 75.7% a year later. The Net Margin would have been 57.2% and 38.5%, in FY20 and FY21 respectively.

In FY22, revenue and the key items in the income statement are expected to remain at relatively similar levels to that of FY21. Therefore, financial ratios are only expected to move marginally year-on-year.

[3] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance

International Fender Providers Ltd

Income Statement for the year ended 31 December	2020A	2021A	2022F
	€000s	€000s	€000s
Revenue	3,815	3,397	2,782
Cost of sales (exc. depreciation)	(3,157)	(2,916)	(2,359)
Gross profit	**658**	**481**	**423**
Other income	15	1	20
Administrative expenses	(237)	(181)	(216)
EBITDA	**436**	**302**	**226**
Depreciation	(174)	(100)	(82)
EBIT	**262**	**202**	**144**
Finance costs	(109)	(93)	(61)
Profit before tax	**153**	**108**	**83**
Taxation	(18)	(38)	(22)
Profit after tax	**135**	**70**	**61**

Ratio Analysis[4]	2020A	2021A	2022F
Gross Profit Margin (Gross Profit / Revenue)	14.2%	11.2%	15.2%
EBITDA Margin (EBITDA / Revenue)	6.9%	5.9%	8.1%
Operating (EBIT) Margin (EBIT / Revenue)	6.9%	5.9%	5.2%
Net Margin (Profit for the year / Revenue)	3.5%	2.1%	2.2%

IFP Malta is one of the two Guarantors and is engaged in the service of transferring cargo between ship-to-ship operations, in addition to, hiring fenders and hoses.

As of 1 January 2021, IFP Malta and IFP Cyprus merged (as explained in section 1.1 of this Analysis), and all rights, assets obligations, and liabilities of IFP Cyprus have been transferred to IFP Malta. From 1 January 2021, the transactions of IFP Cyprus were treated for tax and accounting purposes as being those of IFP Malta. In the FY21 financial statements of IFP Malta, the FY20 figures of IFP Malta, and IFP Cyprus had to be consolidated for comparability reasons however this consolidation was not completed for the FY19 results. Consequently, we are only presenting two historical years and one projection year of IFP Malta.

IFP Malta had a relatively stable performance year-on-year with a smaller but noticeable decrease in its revenue from €3.8m to €3.4m.

In FY22, the gross revenue of IFP Malta is expected to be €2.8m. This decrease in revenue when compared to FY21 is mainly due to a reduction in operations carried out by IFP Malta during the first half of the year, which however is expected to recover to FY21 levels during the second part of the year. Nonetheless, the company opted for more prudent forecasts.

In line with the decrease in revenues, the cost of sales also decreased year-on-year and is projected to further decrease in FY22.

In line with the reduction of long-term borrowings as shown in the statement of financial position, finance costs have also decreased year-on-year and are projected to be reduced further in FY22.

Profit before tax, tax expense, and profit after tax, in line with the previous figures, are on a decreasing trend year-on-year and are expected to decrease further during this year.

[4] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance

2.5 Guarantors' Statement of Financial Position

Endo Properties Ltd

Statement of Financial Position as at 31 December	2019A	2020A	2021A	2022F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	10,200	10,200	10,200	10,200
Property, plant and equipment	164	162	162	160
Long-term receivables	-	-	8	8
Total non-current assets	**10,364**	**10,362**	**10,371**	**10,368**
Current assets				
Trade and other receivables	187	42	7	7
Cash at the bank and in hand	-	2	13	31
Current tax recoverable	-	9	-	-
Total current assets	**187**	**54**	**20**	**38**
Total assets	**10,551**	**10,416**	**10,391**	**10,406**
Equity and liabilities				
Capital and reserves				
Called up issued share capital	2	765	765	765
Revaluation reserve	7,127	7,127	7,127	7,127
Retained earnings	392	451	503	554
Total equity	**7,522**	**8,343**	**8,396**	**8,446**
Non-current liabilities				-
Long-term borrowings	786	563	470	525
Trade and other payables	-	440	471	471
Deferred taxation	876	881	884	884
Total non-current liabilities	**1,662**	**1,884**	**1,826**	**1,880**
Current liabilities				
Short term borrowings	119	121	129	37
Trade and other payables	1,238	67	28	28
Current tax payable	9	-	11	15
Total current liabilities	**1,367**	**188**	**169**	**80**
Total liabilities	**3,029**	**2,072**	**1,995**	**1,960**
Total equity and liabilities	**10,551**	**10,416**	**10,391**	**10,406**

In FY21, the total assets of Endo Properties amounted to €10.4m (FY20: €10.4m), which mainly comprise investment property and property, plant, and equipment. All the assets and liabilities of Endo Properties were fairly stable when compared to FY20.

The largest component of non-current assets is investment property, carried at a fair value of €10.2m. The valuation as the basis of the fair value has been carried out by an independent, qualified architect in October 2019. Hence the carrying amount remained stable year-on-year. Similarly, the carrying amount of property plant and equipment did not materially move from FY20 to FY21.

Shareholders' equity also remained stable year-on-year as neither share capital, nor the revaluation reserve changed. Retained earnings moved in an immaterial manner, reflecting the €59k profit the company earned in the previous year.

Total non-current liabilities dropped slightly, from €1.9m to €1.8m due to the lower amount of bank loans in FY21 than in FY20, marginally offset by higher, over 12-month payables values in FY21.

In FY22, the Group does not project any material change in the asset, equity, and liability structure of Endo Properties.

International Fender Providers Ltd

Statement of Financial Position as at 31 December	2020A	2021A	2022F
	€000s	€000s	€000s
Assets			
Non-current assets			
Property, plant and equipment	443	477	396
Long-term receivables	3,048	3,246	3,246
Deferred tax asset	2	1	1
Total non-current assets	**3,492**	**3,724**	**3,643**
Current assets			
Trade and other receivables	664	405	394
Current tax recoverable	-	34	-
Cash at the bank and in hand	17	-	-
Total current assets	**682**	**440**	**394**
Total assets	**4,173**	**4,164**	**4,037**
Equity and liabilities			
Capital and reserves	16	16	16
Retained earnings	1,054	1,124	1,184
Total equity	**1,070**	**1,140**	**1,200**
Non-current liabilities			
Long-term borrowings	700	575	436
Total non-current liabilities	**700**	**575**	**436**
Current liabilities			
Trade and other payables	733	1,679	1,582
Short-term borrowings	1,667	767	797
Current tax payable	4	3	22
Total current liabilities	**2,404**	**2,449**	**2,401**
Total liabilities	**3,103**	**3,024**	**2,837**
Total equity and liabilities	**4,173**	**4,164**	**4,037**

As previously mentioned, the total assets of IFP Malta reflect the combined assets of IFP Malta and IFP Cyprus, following their merger as of 1 January 2021. The FY19 and FY20 figures have been restated to consolidate the assets of the then two separate companies.

The value of total assets of IFP Malta did not materially change in FY21 compared to the previous year: in both years they amounted to €4.2m. The only notable difference was a slight change between long-term and short-term receivables: while in FY20 short-term receivables amounted to €0.7m, they were €0.4m in FY21. Long-term receivables changed in the opposite direction, having €3m in FY20 and €3.2m in FY21.

Shareholders' equity did not move materially from FY20 to FY21.

The total liabilities also remained stable from FY20 to FY21 with the only material changes concerning trade payables and short-term borrowings in current liabilities. In FY20, trade and other payables amounted to €0.7m while short-term borrowings amounted to €1.7m. Conversely, in FY21, short-term borrowings amounted to €0.8m, and trade payables amounted to €1.7m. More specifically, the decrease in borrowings could be attributed to the substantial reduction in bank overdrafts while the increase in payables was mostly due to the increase in amounts owed to related parties. These amounts are unsecured, interest-free, and repayable within one year.

In FY22, no material changes are projected in the assets, the equity, and the liabilities positions of IFP Malta.

2.6 Guarantors' Statement of Cash Flows

Endo Properties Ltd

Statement of Cash Flows for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	€000s	€000s	€000s
Cash flows from operations	163	(914)	153	98
Interest paid	(43)	(30)	(34)	(11)
Taxation paid	(24)	(36)	6	(30)
Net cash flows generated from/(used in) operating activities	**97**	**(980)**	**75**	**57**
Cash flows from investing activities				
Acquisition of property, plant, and equipment	-	-	(2)	-
Advances to the ultimate beneficial owner	-	-	(8)	-
Net cash flows generated from/used in investing activities	**-**	**-**	**(11)**	**-**
Cash flows from financing activities				
Movement in related party loans	13	1,061	31	525
Movement in the ultimate beneficial owner	-	(30)	-	-
Movement in bank loan	(113)	(48)	(85)	(564)
Net cash flows generated from/used in financing activities	**(100)**	**983**	**(54)**	**(39)**
Movement in cash and cash equivalents	**(4)**	**3**	**11**	**18**
Cash and cash equivalents at the start of the year	3	(1)	2	13
Cash and cash equivalents at end of the year	**(1)**	**2**	**13**	**31**

In FY21, Endo Properties generated €75k in operating activities, a significant improvement from a year prior (FY20: €980k cash outflow).

Cash used in investing activities was immaterial, at €11k.

Cash used in financing activities was also minor, and could largely be attributed to the repayment of bank loans with an outflow of €85k partially offset by advances from related parties with a cash inflow of €31k.

Movement in cash was immaterial and at the end of the year, Endo Properties had €13k of cash and cash equivalents at the end of the year.

In FY22, no major moves are expected in cash flow from operations. No cash flow is projected from investing activities. Within financing activities, the cash inflow from related party loans is projected to be largely offset by the cash outflow due to the repayment of bank loans.

International Fender Providers Ltd

Statement of Cash Flows for the year ended 31 December	2020A	2021A	2022F
	€000s	**€000s**	**€000s**
Cash flows from operations	222	1,720	140
Interest paid	(109)	(93)	(61)
Taxation paid/(refund)	7	(21)	(3)
Net cash flows generated from/(used in) operating activities	**120**	**1,605**	**76**
Cash flows from investing activities			
Acquisition of property, plant, and equipment	(35)	(135)	(1)
Proceeds from disposal of property, plant, and equipment	6	-	-
Movement in related parties loans	692	(198)	-
Net cash flows generated from/(used in) investing activities	**663**	**(333)**	**(1)**
Cash flows from financing activities			
Movement in bank loan	(102)	(118)	(131)
Movement in related parties loans	(406)	-	-
Net cash flows generated from/(used in) financing activities	**(508)**	**(118)**	**(131)**
Movement in cash and cash equivalents	**276**	**1,154**	**(56)**
Effects of foreign exchange differences	154	(213)	-
Net change in cash and cash equivalents	**430**	**941**	**(56)**
Cash and cash equivalents at start of year	(1,984)	(1,554)	(613)
Cash and cash equivalents at end of the year	**(1,554)**	**(613)**	**(669)**

In FY21, IFP Malta generated €1.6m cash from operating activities, significantly greater than the year prior, mostly due to the increase in working capital.

Cash used in investing activities was €0.3m in FY21, mostly due to capital expenditures, more specifically on hoses as well as due to amounts advanced to related parties.

IFP Malta repaid €0.1m of bank loans, and thus had a corresponding amount of cash outflow from financing activities in FY21. Overall, IFP Malta had a €0.6m negative cash value on its balance sheet as of FY21.

In FY22, IFP Malta's cash flow from operations is expected to be slightly positive, however lower than in FY21 values. The reason for the lower projected figure is that the trade and other receivables and payables are expected to remain mostly in line with prior year. Therefore, there is little movement anticipated in working capital, resulting in lower projected cash flows from operations. Immaterial investing cash flows are projected while a small €0.1m cash outflow from financing activities is projected due to repayments of bank loans.

Thus overall, a *circa* €0.1m decrease is projected in the cash levels of IFP Malta in FY22.

2.7 Group's Income Statement

Income Statement for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	**€000s**	**€000s**	**€000s**
Revenue	5,545	9,820	10,905	11,822
Cost of sales (exc. depreciation)	(2,927)	(6,146)	(6,544)	(6,656)
Gross profit	**2,618**	**3,674**	**4,361**	**5,166**
Administrative expenses	(492)	(975)	(951)	(653)
Other operating income	108	305	16	-
EBITDA	**2,234**	**3,004**	**3,426**	**4,513**
Depreciation	(1,226)	(1,306)	(1,645)	(2,065)
EBIT	**1,008**	**1,698**	**1,780**	**2,448**
Movement in revaluation of investment property	2,237	-	-	-
Finance costs	(662)	(751)	(734)	(764)
Profit before tax	**2,583**	**947**	1,046	**1,684**
Taxation	(330)	(90)	(87)	(98)
Profit after tax	**2,253**	**857**	**959**	**1,586**

Ratio Analysis[5]	2019A	2020A	2021A	2022F
Profitability				
Growth in Revenue (YoY Revenue Growth)	n/a	77.1%	11.1%	8.4%
Gross Profit Margin (Gross Profit / Revenue)	47.2%	37.4%	40.0%	43.7%
EBITDA Margin (EBITDA / Revenue)	40.3%	30.6%	31.4%	38.2%
Operating (EBIT) Margin (EBIT / Revenue)	18.2%	17.3%	16.3%	20.7%
Net Margin (Profit for the year / Revenue)	40.6%	8.7%	8.8%	13.4%
Return on Common Equity (Net Income / Total Equity)	21.6%	7.8%	8.0%	12.2%
Return on Assets (Net Income / Total Assets)	7.2%	2.8%	3.1%	4.7%

In FY21, revenue of Endo Group showed a notable, 11% increase year-on-year with a €10.9m top line in FY21 (FY20: €9.8m). Both Endo Sirocco Maritime Ltd and Endo Three Maritime Ltd, were in operation for the full financial year, while this was not the case a year earlier, leading to noticeably higher revenues than last year. The increase is also attributable to an increase of 33% in revenue from chartering of vessels, mainly due to the additional revenue generated from vessel MT Endo Sirocco operating for a full year in 2021, while it only operated from October a year earlier.

For FY20 other operating expenses and administrative expenses were restated, resulting in a profit after tax of €0.1m lower than previously reported, also slightly changing respective profitability ratios.

The Group's revenues mainly consisted of revenue generated by Endo Two: 34.2% (FY20: 44.7%), IFP Malta: 31.2% (FY20: 36.2%), Endo Three: 24.6% (FY20: 4.5%) and Intership Management Ltd 5.8% (FY20: 6.5%). The revenue of the latter company is generated from the ship management services it provides to a company within Palm Group which leases the vessels Mumtaz and Endo Sirocco. A further detailed explanation of the Group's performance is found below and the variance analysis between the actual and projections for FY21 is discussed in detail in section 2.7.1.

The direct costs or cost of sales of the vessel operating companies primarily consist of crewing and training expenses, equipment costs, repairs, and maintenance as well as other general expenses comprising travel expenses of the crew, IT costs, and flag registration. Direct costs also

[5] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology or due to rounding differences variance

include the ship management fees charged by the external ship management company which is managing Endo Breeze. Furthermore, the direct costs of IFP Malta mainly consist of fendering expenses which include purchases of ancillary equipment required for the ship-to-ship operations as well as freight costs. The cost of sales of the Group grew slightly in FY21, in line with the increase in revenue.

Administrative expenses mainly consist of insurances, licences and permits, accountancy fees, audit fees, and other administrative costs. These also remained fairly stable year-on-year, with the Group having €0.9m expense both in FY20 and FY21.

Other income decreased significantly, from €0.3m in FY20 to €16k in FY21, due to the Group having the one-off income relating to a third party defaulting on its Promise of Sale agreement in FY20.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €3.4m in FY21 (FY20: €3.2m).

Depreciation is calculated on a straight-line method to allocate the cost of the assets to their residual values over their estimated useful life. The depreciation rates are as follows: property, plant, and equipment – 10%; fenders – 10%, hoses – 25%, vessels 9-10%, and other equipment – 10%. The FY21 depreciation figures moved from €1.3m to €1.6m due to drydocking expenses and other vessel improvements in relation to vessel Endo Breeze which had been capitalised and are being depreciated accordingly.

The operating profit of the Endo Group in FY21 amounted to €1.8m (FY20: €1.7m), an increase of 5% from the previous year.

Finance costs mainly consist of the interest costs that the Issuer incurs on the bonds currently in issue, where the coupon rate is set at 4.5%. The figure also includes interests incurred on bank loan facilities within the Endo Group. Finance costs also remained fairly stable year-on-year, only showing a difference of €17k that corresponds to a 2.3% movement year-on-year relating to slightly less cost on bank loans and overdrafts.

Profit after tax for the year amounted to €1.0m and remained largely in line when compared to the previous year. (FY20: €0.9m)

Regarding the profitability of the Group, Endo's EBITDA Margin in FY21 stood at 31.4% (restated FY20: 30.6%), depicting a slightly improving profitability situation year-on-year. In FY22, the EBITDA Margin is expected to improve further, to 38.2%, due to the higher projected revenues and lower expected administrative expenses. In FY21, the Group registered a Net Margin of 8.8% (restated FY20: 8.7%). In the following financial year, the Net Margin of the Group is expected to improve materially to a projected 13.4%. The interest coverage ratio improved to 4.7x in FY21 from 4.0x in FY20 and it is expected to further improve to 5.9x in FY22, projecting improving financial stability for the Group.

2.7.1 Group's Variance Analysis

Income statement	2021F	2021A	Variance
	€000s	€000s	€000s
Revenue	10,954	10,905	(49)
Cost of sales	(6,472)	(6,544)	(72)
Gross profit	**4,482**	**4,361**	**(121)**
Administrative expenses	(762)	(951)	(189)
Other income	1	16	15
EBITDA	**3,721**	**3,426**	(295)
Depreciation	(1,296)	(1,645)	(349)
EBIT	**2,425**	**1,781**	**(644)**
Impairment of financial assets	(768)	(734)	34
Profit before tax	**1,657**	**1,046**	**(611)**
Tax expense	(176)	(87)	89
Net income	**1,481**	**959**	**(522)**

The Group reported revenue of €10.9m in FY21, only €0.1m lower than the forecast. Similarly, the actual cost of sales figures, excluding the effects of depreciation, is very close to the projected ones.

Consequently, gross profit was also very much in line with projections, deviating only by 2.7% due to the combined effect of slightly lower revenue and slightly higher cost of sales than previously projected.

Administrative expenses incurred during FY21 amounted to €1m vs. €0.8m as forecasted, which equates to a 24.8% higher than the forecasted expense. The main reason for this is the addition of surveying and inspection fees amounting to €123k which have been included as part of cost of sales in the previous projections whereas these were then moved to administrative expenses by the auditors.

In terms of depreciation and amortisation, the Group also reported higher figures by €0.3m or by 27%. The increase, when compared to previous projections, is due to drydocking expenses and other vessel improvements in relation to vessel Endo Breeze which had been capitalised and are being depreciated.

Finance costs were largely in line with previous projections with only having a €34k difference.

Due to the lower than projected EBITDA and higher depreciation figures, the Group reported €87k or 50% less tax expense than previously projected.

Based on the considerations discussed above, the Group reported a profit before tax of €1m, which deviated negatively, by €0.6m from the forecast. Overall, the Issuer recognised a profit after tax of €1m for FY21, which represents a €0.5m negative variance to the previously forecasted gain after tax of €1.5m.

2.8 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2019A	2020A	2021A	2022F
	€000s	**€000s**	**€000s**	**€000s**
Assets				
Non-current assets				
Intangible assets	3	5	7	7
Investment property	4,800	4,800	4,800	4,800
Property, plant and equipment	18,375	18,879	19,256	19,460
Loans and receivables	3,658	3,048	3,254	6,242
Total non-current assets	**26,836**	**26,732**	**27,317**	**30,509**
Current assets				-
Inventory	-	-	240	
Trade and other receivables	1,481	1,431	3,511	4,022
Current tax recoverable	32	-	-	-
Cash and cash equivalents	3,103	2,639	897	1,284
Total current assets	**4,616**	**4,070**	**4,647**	**5,306**
Total assets	**31,452**	**30,802**	**31,965**	**35,815**
Equity and liabilities				
Capital and reserves				
Share capital	1,820	2,583	2,583	2,583
Retained earnings	6,640	7,396	8,056	9,580
Exchange rate reserve	(6)	(410)	(84)	(8)
Revaluation reserve	1,997	1,997	1,997	1,997
Total equity	**10,451**	**11,566**	**12,551**	**14,152**
Non-current liabilities				
Debt securities in issue	13,230	13,260	13,290	13,320
Long-term borrowings	1,418	1,263	1,045	3,910
Long-term payables	575	471	471	492
Deferred tax	902	864	852	852
Total non-current liabilities	**16,125**	**15,857**	**15,659**	**18,574**
Current liabilities				
Borrowings	2,279	1,788	896	128
Trade and other payables	2,597	1,568	2,838	2,862
Current tax payable	-	22	22	98
Total current liabilities	**4,876**	**3,378**	**3,755**	**3,088**
Total liabilities	**21,001**	**19,235**	**19,414**	**21,662**
Total equity and liabilities	**31,452**	**30,801**	**31,965**	**35,814**

Ratio Analysis[6]	2019A	2020A	2021A	2022F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	57.9%	55.0%	54.1%	55.2%
Gearing 2 (Total Liabilities / Total Assets)	66.8%	62.4%	60.7%	61.7%
Gearing 3 (Net Debt / Total Equity)	137.8%	122.3%	118.0%	123.3%
Net Debt / EBITDA	6.2x	4.6x	4.2x	3.6x
Current Ratio (Current Assets / Current Liabilities)	0.9x	1.2x	1.2x	1.7x
Interest Coverage 1 (EBITDA / Cash interest paid)	3.4x	4.0x	4.7x	5.9x
Interest Coverage 2 (EBITDA / Finance costs)	3.4x	4.0x	4.7x	5.9x

The total assets of the firm amounted to €32m in FY21, slightly up from €30.8m a year earlier.

In FY21, total non-current assets amounted to €27.3m (FY20: €26.7m). These mainly consisted of property, plant, and equipment (PPE), investment property, and receivables. PPE reflects the value of the vessels owned by the Endo Group, in addition to the value of part of the Marsa warehouse. Investment property represents the remaining properties owned by Endo Properties. The year-on-year increase largely stems from the net increase in the value of vessels which was €0.3m.

In FY21, total current assets amounted to €4.6m (FY20: €4.1m), which predominantly comprise cash reserves and trade and other receivables. Long term loans and receivables and short term trade and other receivables have increased year-on-year by a total of *circa* €2.5m from €4.5m to €6.8m, of which €2.3m is due within 12 months. As such, the total current receivables amounted to €3.5m in FY21.

During FY21, Endo's Group's total equity increased to €12.6m (FY20: €11.6m). Share capital and the revaluation reserve however both remained unchanged, the material changes affected the retained earnings and the currency translation reserve lines. Profit for the previous year was retained except for €0.3m, which was paid out as dividends. This €0.3m reduction was offset by a favourable currency movement with a value of €0.3m, resulting in the €1m growth in the shareholder's equity.

Total liabilities amounted to €19.4m in FY21 (FY20: €19.2m). These mainly consist of the €13.3m debt securities in issue, €2m in current and non-current borrowings, and €3.2m in trade and other payables. Non-current liabilities dropped by €0.2m due to the corresponding decrease in long-term borrowings. Within current liabilities, short-term borrowings dropped from €1.8m to €0.9m while payables increased from €1.6m to €2.8m. Therefore, in total, current liabilities only increased by €0.4m.

Ratios explaining the financial strength of the Group depict a slightly better financial position, mostly due to the higher increase in total equity and total assets when compared to net debt in FY20. . Gearing ratio 1 (Net Debt / Net Debt and Total Equity) moved from 55% to 54.1% while Net Debt / EBITDA was 4.2x, down from 4.6x in FY20. These moves are not deemed material and the Group is considered to have maintained its healthy financial position in FY21. Interest coverage improved in FY21 from 4.0x to 4.7x.

In FY22, the Group expects non-current assets to grow by €3.2m, mostly driven by the loans and receivables values which are expected to move in a material manner from €3.3m to €6.2m reflecting the €3m loan that Endo Finance will advance to Palm Group.

Current assets are forecasted to increase by €0.7m, which mainly reflects an increase in receivables and cash reserves.

Similarly, retained earnings are forecasted to increase by €1.5m as the result of the projected FY22 profit. Thus, shareholders' equity is expected to grow from €12.6m to €14.2m this year.

In FY22, total liabilities are also expected to grow by €2.3m, driven by the projected increase in non-current liabilities, and more specifically the expected increase in long-term borrowings.

In FY22, Endo Group's financial strength is expected to improve as depicted by the interest coverage ratio, as it is projected to be substantially higher, with the projected EBITDA being 5.9 times interest payments. The ratios showing a slight deteriorating trend are the Gearing ratios and Net Debt / EBITDA ratio due to the proportionally higher net debt or liability growth when compared to total assets or total equity.

[6] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology or due to rounding differences variance

2.9 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2019A	2020A	2021A	2022F
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operations	2,135	2,026	2,825	4,267
Income tax refund/(paid)	(122)	(74)	(99)	(23)
Interest received	100	-	-	-
Interest paid	(662)	(751)	(734)	(764)
Net cash flows generated from operating activities	**1,451**	**1,201**	**1,991**	**3,480**
Cash flows from investing activities				
Acquisition of property, plant, and equipment	(11,355)	(1,811)	(1,991)	(1,272)
Acquisition of intangible assets	(4)	(2)	(3)	-
Movement in loans to related parties	(1,470)	610	(206)	-
Proceeds from disposal of property, plant, and equipment	-	6	-	-
Net cash flows used in investing activities	**(12,829)**	**(1,197)**	**(2,201)**	**(1,272)**
Cash flows from financing activities				
Debt securities in issue	13,500	-	-	-
Movement in loans from related parties	(189)	105	1	(2,966)
Movement in bank loans	801	(150)	(203)	2,744
Dividends paid	-	(80)	(200)	-
Net cash flows generated from/(used in) financing activities	**14,112**	**(125)**	**(402)**	**(222)**
Movement in cash and cash equivalents	**2,734**	**(121)**	**(612)**	**1,986**
Cash and cash equivalents at the start of the year	(1,684)	1,051	1,084	249
Effects of exchange rate changes on cash and cash equivalents	1	154	(223)	(953)
Cash and cash equivalents at end of the year	**1,051**	**1,084**	**249**	**1,282**

Ratio Analysis[7]	2019A	2020A	2021A	2022F
Cash Flow				
Free Cash Flow (CFO prior to the payment of interest - Capex)	(9,242)	141	735	2,972

During FY21, the Group's net cash flows from operating activities amounted to €2m (FY20: €1.2m). Interest and tax payments were fairly similar year-on-year, thus the increase came from the day-to-day operations of the business in FY21.

The previously projected operating cash flow values materially differ from the FY21 actuals. The main reason is due to lower working capital of €0.2m, as well as €0.2m lower inventories which were not forecasted. This inevitably conditioned working capital.

Cash used in investing activities mainly represents the amounts used for the vessels of the Group, more specifically the intermediary drydocking of MT Endo Breeze, amounting to around $0.9m, and a new ballast water treatment system with an additional investment of $1m.

Last year's projections of cash flows in investing activities were an outflow of €0.7m but amounted to €2.0m at FY21 end. The reason for this material difference is that drydocking expenses amounting to €0.8m were capitalised; as well as there was an increase in cost for the water ballast

[7] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance

treatment system which was forecasted at €0.6m, however the actual cost was €0.9m.

Cash movements in financing activities reflect movements in borrowings in addition to, a dividend payment of €0.2m in FY21.

The Group incurred more cash outflow movements during FY21 than it had projected last year. Most of the difference stemmed from lower than the projected cash flow from operations and higher than expected cash outflow from investing activities such as new investments concerning the vessels were expected to be closer to €0.7m than to €2m.

The Endo Group is projecting a positive cash flow generated from operating activities of €3.5m in FY22, reflecting a substantial improvement of 74.8% from FY21.

Within investing activities, the Group expects to incur €1.3m in capital expenditure during FY22, which mainly reflects the addition of a new vessel to its fleet of vessels, as well as drydocking expenses.

In FY22, cash flows from financing activities in total are expected to be immaterial, due to the €3m reduction of loans from related parties projected to be largely offsetting the €2.7m increase in bank loans.

Based on the considerations discussed above, the Group expects its cash reserves to improve during FY22, with a forecasted closing cash balance of €1.2m as of 31 December 2022, following a €1m negative expected impact of exchange rates.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions[8]

The global tanker market

The world merchant fleet as per Equasis report in 2020, consists of approximately 120,000 vessels, of which 11.8% are Oil and Chemical Tankers. More specifically, Oil and Chemical Tankers are made up of 1,948 small tankers (under 500 gross tonnage), 7,364 medium tankers (gross tonnage between 500 and 25,000), 2,770 large tankers (gross tonnage between 25,000 and 60,000) and 2,117 very large tankers (under 60,000 gross tonnage). In 2020, the world tanker fleet increased by about 3% YoY.

Analysts however predict that over the next 5 to 10 years the net growth will be less, especially in the product tanker sector. This is primarily due to increased scrapping, which is coupled with more moderate order books on product tankers.

In terms of market size, the global chemical tanker market was c. $26.5 bn in 2021 and is expected to grow to $33.4 bn by 2026. The reasons behind the expected increase are shale gas production and the increased demand for LNG due to geopolitical concerns. Additionally, the projected spike in demand for vegetable fats and oils is also predicted to drive the expansion of the global chemical tanker market.

The tanker market in Malta

As of the date of this Analysis, Malta has the largest ship registry in Europe and the eighth largest worldwide. As of November 2020, Malta had about 45m gross tonnages in its merchant navy, with 2,588 vessels flying its flag. Notwithstanding this, only a handful of shipping companies are beneficially owned, financed, managed, and commercially operated in and through Malta. The operational and commercial knowledge required to successfully manage tanker vessel fleets in Malta has increased and the directors, in line with trends in other countries over recent years, have identified the bond market as the adequate tool for the financing of the purchasing of vessels.

Global tanker cost developments

Supply chain disruptions and the impacts of COVID-19 have brought the shipping container costs to all-time highs, with a similar situation being seen in tanker shipping industry.

According to research and feedback from major industry players and ship brokers, the tanker shipping market was one of the few industries that was positively affected by the COVID-19 pandemic and the drastic fall in oil price during Q1 2020[9]. Additionally, the shortage of onshore storage capacity for excess oil has also contributed to sharply rising tanker rates as tanker ships needed to be used as extra storage capacities for unused oil. As a result, the tanker prices rose sharply and the industry was well positioned to capitalise on the market conditions brought about by COVID.

Moreover in the second half of 2020, COVID-19 impacts weakened, and tanker demand and rates started to drop in an oversupplied market. By January 2021, oil tanker spot earnings were $5,237/day, and by July 2021 had fallen to $2,753/day, the lowest levels ever.[10] At the time of the analysis, the rates are at fairly similar levels to the ones in July of the previous year.

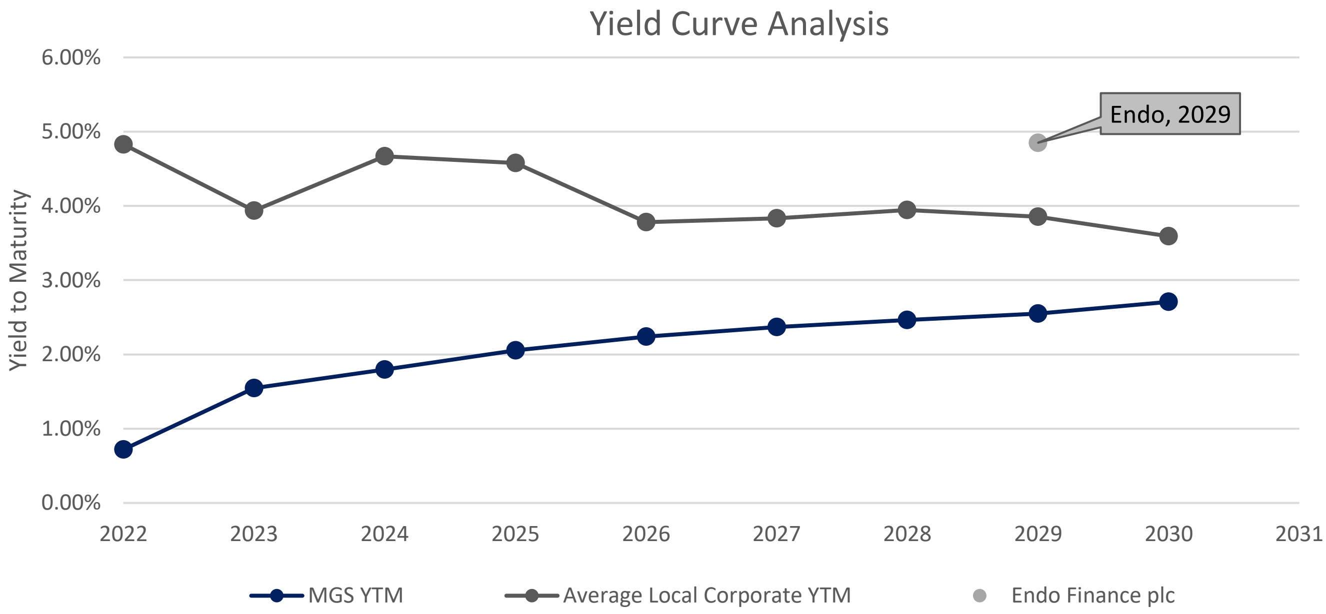
The Ukraine-Russia conflict, contrary to first expectations, has not ignited tanker rates yet. The reasons according to analysts are the following: firstly, ship capacity was excessive prior to the invasion, secondly, seasonally spring is not a high-demand period of the year. Thirdly, the oil prices have increased rapidly therefore in the oil market that is usually in backwardation (i.e. the current price of oil is higher than oil prices trading in the futures market) there's no economic incentive to store oil on tanker ships and there's no economic incentive to try to build inventory going into the summer. Analysts do see the potential for much higher crude tanker rates however for that to come about the war should continue for a prolonged period into Q4 2022 when Europe will be in a worse negotiating position to import oil to make sure they have sufficient inventories for winter.

[8] The World Merchant Fleet in 2020 - Equasis
[9] Intermodal Research and Valuations – Weekly market report – Week 14, Tuesday 7 April 2020
[10] UNCTAD – Review of Maritime transport 2021 - https://unctad.org/system/files/official-document/rmt2021_en_0.pdf

3.2 Comparative Analysis

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)	Last Closing Price *
6% MedservRegis plc Sec. & Grntd € Notes 2020-2023 S1 T1	20,000	5.17%	3.8x	150.8	62.8	58.3%	42.2%	8.6x	2.4x	-21.5%	-24.1%	-17.3%	101.00
5.3% Mariner Finance plc Unsecured € 2024 (xd)	35,000	4.25%	3.3x	102.3	52.9	48.3%	46.6%	6.4x	0.5x	-0.5%	-1.8%	-7.0%	101.99
4.5% MedservRegis plc Unsecured € 2026	21,982	5.70%	3.8x	150.8	62.8	58.3%	42.2%	8.6x	2.4x	-21.5%	-24.1%	-17.3%	96.10
5.75% MedservRegis plc Unsecured USD 2026	9,148	7.36%	3.8x	150.8	62.8	58.3%	42.2%	8.6x	2.4x	-21.5%	-24.1%	-17.3%	95.00
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000	4.53%	0.8x	38.4	2.9	92.6%	88.1%	22.2x	0.7x	-48.2%	-13.1%	-5.7%	101.00
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000	4.18%	0.0x	26.3	2.1	91.9%	89.6%	11.0x	2.9x	-33.4%	-21.7%	-11.6%	101.49
3.75% Virtu Finance plc Unsecured € 2027	25,000	3.72%	(1.8)x	198.7	80.3	59.6%	44.2%	(12.2)x	0.7x	-7.6%	-24.2%	-17.0%	100.11
4.5% Endo Finance plc € Unsecured 2029	13,500	4.85%	4.6x	32.0	12.6	60.7%	54.1%	4.4x	1.2x	8.0%	8.8%	11.0%	98.00

Source: Latest available audited financial statements.
** Last price as at 17/06/2022*
***Average figures do not capture the financial analysis of the Issuer*



Source: Malta Stock Exchange, Central Bank of Malta, and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the Issuer's existing yields of its outstanding bonds.

As of 17 June 2022, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity range of 7-8 (2029-2030) years was 148 basis points. The 4. 5% Endo Finance plc Bonds 2029 are currently trading at a YTM of 485 basis points, meaning a spread of 238 basis points over the equivalent MGS. This means that this bond is trading at a premium of 90 basis points in comparison to the market.

Part 4 Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
EBIT (Operating Profit)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).

Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Current Liabilities	Obligations which are due within one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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