

ENDO VENTURES LTD

Unaudited Condensed Consolidated Interim
Financial Statements and Directors' Report

For the period ended 30 June 2020

ENDO VENTURES LTD

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ENDO VENTURES LTD

Directors' Report pursuant to Listing Rule 5.75.2

This report is published in terms of Chapter 5 of the Listing Rules of The Listing Authority, Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005.

The condensed consolidated interim financial statement figures have been extracted from the Group's unaudited accounts for the six months ended 30 June 2020 and for its comparative period in 2019 (unaudited). The comparative consolidated statement of financial position has been extracted from the audited financial statements as at 31 December 2019. These condensed consolidated interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 - Interim Financial Reporting). These condensed consolidated interim financial statements were approved by the Board of Directors on 17 August 2020. In terms of Listing Rule 5.75.5, the directors state that this half-yearly financial report has not been audited or reviewed by the Group's independent auditors.

Principal activities

Endo Ventures Ltd (the 'Company') was incorporated on 11 June 2018 under the terms of the Companies Act (Cap. 386 of the laws of Malta). The Company was formed principally to serve as the ultimate holding company of the Endo Group.

The Endo Group is composed of Endo Ventures Ltd as the parent company and its direct and indirect subsidiaries, including Endo Finance plc (C 89481), 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), Endo Properties Limited (C 13033), Endo Tankers Ltd (C 88663), Intership Management Ltd (C 74524), Endo One Maritime Ltd (C 88665), Endo Two Maritime Ltd (C 88666), Endo Three Maritime Ltd (C 88674), Endo Headwind Maritime Ltd (C 93341), Endo Tailwind Maritime Ltd (C 93340) and any other subsidiary and associated company or entity, in which the Company 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 Endo Group generated revenue of €5,224,715 for the six-month period ended 30 June 2020 (2019: Revenue of €1,893,433). Comparison with prior year needs to be taken into the context that operations of some of Endo Group's subsidiary companies did not commence from the beginning of the year in 2019, and only started after the bond issue by Endo Finance p.l.c.

During the six-month period, the group's profit amounted to €525,459 (2019: Profit of €13,519).

The Endo Group's total equity as at period-end amounted to €11,691,483 (31 December 2019: €10,450,904), reflecting an increase in retained earnings and share capital over 2019.

The group's activities are expected to remain consistent for the foreseeable future.

ENDO VENTURES LTD

Directors' Report pursuant to Listing Rule 5.75.2

Dividend and reserves

The Board of Directors has resolved that no dividends are declared upon the issue of the results for the six-month period ended 30 June 2020.

Approved by the Board of Directors on 17 August 2020 and signed on its behalf by:



Mr Christopher Frendo
Director



Mr Nicholas Frendo
Director

ENDO VENTURES LTD**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**
For the period ended 30 June 2020

| | Six months ended 30.06.2020 Unaudited € | Six months ended 30.06.2019 Unaudited € |
|---|---|---|
| Revenue | 5,224,715 | 1,893,433 |
| Direct costs | (3,421,068) | (1,097,667) |
| Gross profit | 1,803,647 | 795,766 |
| Administrative expenses | (822,356) | (530,434) |
| Other operating income | 2,694 | - |
| Operating profit | 983,985 | 265,332 |
| Finance costs | (400,472) | (222,952) |
| Profit before taxation | 583,513 | 42,380 |
| Income tax | (58,054) | (28,861) |
| Profit for the period | 525,459 | 13,519 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 525,459 | 13,519 |
| Profit for the year attributable to: Owners of the parent | 525,459 | 13,519 |
| Total comprehensive income | 525,459 | 13,519 |

The notes on pages 10 to 12 form an integral part of these condensed consolidated interim financial statements.

ENDO VENTURES LTD**Condensed Consolidated Statement of Financial Position**

| | As at 30.06.2020 Unaudited € | As at 31.12.2019 Audited € |
|-------------------------------|---------------------------------------|-------------------------------------|
| ASSETS | | |
| <i>Non-current assets</i> | | |
| Investment property | 4,800,000 | 4,800,000 |
| Property, plant and equipment | 17,775,532 | 18,375,265 |
| Intangible assets | 3,016 | 3,193 |
| Loans and receivables | 2,591,400 | 3,657,446 |
| | <u>25,169,948</u> | <u>26,835,904</u> |
| <i>Current assets</i> | | |
| Trade and other receivables | 2,169,191 | 1,480,938 |
| Current tax recoverable | - | 32,381 |
| Cash and cash equivalents | 3,776,190 | 3,102,607 |
| | <u>5,945,381</u> | <u>4,615,926</u> |
| Total assets | <u>31,115,329</u> | <u>31,451,830</u> |

ENDO VENTURES LTD

Condensed Consolidated Statement of Financial Position

(continued)

| | As at 30.06.2020 Unaudited € | As at 31.12.2019 Audited € |
|-------------------------------------|---------------------------------------|-------------------------------------|
| EQUITY AND LIABILITIES | | |
| <i>Capital and reserves</i> | | |
| Called up issued share capital | 2,582,573 | 1,819,530 |
| Translation reserve | (53,516) | (5,593) |
| Retained earnings | 7,165,469 | 6,640,010 |
| Revaluation reserve | 1,996,957 | 1,996,957 |
| Total equity | 11,691,483 | 10,450,904 |
| <i>Non-current liabilities</i> | | |
| Debt securities in issue | 13,199,858 | 13,199,858 |
| Long-term borrowings | 1,890,899 | 1,993,218 |
| Deferred tax | 901,769 | 901,769 |
| | 15,992,526 | 16,094,845 |
| <i>Current liabilities</i> | | |
| Debt securities in issue | 45,021 | 30,014 |
| Short-term borrowings | 1,888,241 | 2,279,219 |
| Trade and other payables | 1,488,953 | 2,596,848 |
| Current tax payable | 9,105 | - |
| | 3,431,320 | 4,906,081 |
| Total liabilities | 19,423,846 | 21,000,926 |
| Total equity and liabilities | 31,115,329 | 31,451,830 |

These condensed consolidated interim financial statements were approved by the board of directors, authorised for issue on 17 August 2020 and signed on its behalf by:



Mr Christopher Frendo
Director



Mr Nicholas Frendo
Director

The notes on pages 10 to 12 form an integral part of these condensed consolidated interim financial statements.

ENDO VENTURES LTD**Condensed Consolidated Statement of Changes in Equity**

For the period ended 30 June 2020

Unaudited

| | Called up Issued share capital € | Translation reserve € | Retained earnings € | Revaluation reserve € | Total € |
|----------------------------|---|-----------------------------|---------------------------|-----------------------------|------------|
| At 1 January 2019 | 1,819,530 | (6,169) | 6,383,521 | - | 8,196,882 |
| Profit for the period | - | - | 13,519 | - | 13,519 |
| Other comprehensive income | - | - | - | - | - |
| Total Comprehensive Income | - | - | 13,519 | - | 13,519 |
| At 30 June 2019 | 1,819,530 | (6,169) | 6,397,040 | - | 8,210,401 |
| At 1 January 2020 | 1,819,530 | (5,593) | 6,640,010 | 1,996,957 | 10,450,904 |
| Profit for the year | - | - | 525,459 | - | 525,459 |
| Other comprehensive income | - | - | - | - | - |
| Total Comprehensive Income | - | - | 525,459 | - | 525,459 |
| Issue of share capital | 763,043 | - | - | - | 763,043 |
| Other movement | - | (47,923) | - | - | (47,923) |
| At 30 June 2020 | 2,582,573 | (53,516) | 7,165,469 | 1,996,957 | 11,691,483 |

ENDO VENTURES LTD

Condensed Consolidated Statement of Cash Flows

For the period ended 30 June 2020

| | Six months ended 30.06.2020 Unaudited € | Year ended 31.12.2019 Audited € |
|---|---|---|
| <i>Cash flows from operating activities</i> | | |
| Profit before taxation | 583,513 | 2,583,619 |
| Adjustments for: | | |
| Depreciation | 587,542 | 1,226,138 |
| Amortisation | 177 | 355 |
| Bond issue costs amortisation for the year | 15,007 | 30,014 |
| Capitalisation of bond issue costs | - | (300,142) |
| Interest expense | 400,472 | 661,831 |
| Interest income | - | (99,859) |
| Movement in revaluation of investment property | - | (2,236,957) |
| Operating profit before working capital movements | 1,586,711 | 1,864,999 |
| Movement in trade and other receivables | (688,254) | (513,727) |
| Movement in trade and other payables | (344,851) | 783,229 |
| Cash flows from operations | 553,606 | 2,134,501 |
| Interest paid | (400,472) | (661,831) |
| Interest received | - | 99,859 |
| Taxation paid | (39,166) | (121,708) |
| Taxation refunded | 22,598 | - |
| Net cash generated from operating activities | 136,566 | 1,450,820 |
| <i>Cash flows from investing activities</i> | | |
| Acquisition and disposal of property, plant and equipment | 12,191 | (11,354,880) |
| Acquisition of intangible assets | - | (3,548) |
| Movement in loans to related parties | 1,066,046 | (1,469,677) |
| Net cash generated from /(used in) investing activities | 1,078,237 | (12,828,105) |
| <i>Cash flows from financing activities</i> | | |
| Movement in bank loans | (92,334) | 800,534 |
| Movement in loans from related parties | (65,903) | (188,986) |
| Movement in beneficial owner's loan | (18,164) | - |
| Increase in debt securities in issue | - | 13,500,000 |
| Net cash generated from / (used in) financing activities | (176,401) | 14,111,548 |
| Net movement in cash and cash Equivalents | 1,038,402 | 2,734,264 |

ENDO VENTURES LTD**Condensed Consolidated Statement of Cash Flows**

For the period ended 30 June 2020

(continued)

| | Six months ended 30.06.2020 Unaudited € | Year ended 31.12.2019 Audited € |
|---|---|---|
| Net movement in cash and cash Equivalents | 1,038,402 | 2,734,264 |
| Cash and cash equivalents at the beginning of the period/ year | 1,051,138 | (1,683,702) |
| Effects of exchange rate changes on cash and cash equivalents | (47,923) | 576 |
| Cash and cash equivalents at the end of the period/ year | <u>2,041,617</u> | <u>1,051,138</u> |

ENDO VENTURES LTD

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2020

1. General information

Endo Ventures Ltd is a limited liability company incorporated in Malta. The company is the ultimate holding company of the Endo Group.

2. Significant accounting policies

Accounting convention and basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2019.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2019. Certain comparatives have been reclassified to conform with the current year's presentation.

New and revised standards that are effective for the current period

Implementation of IFRS 16

In the current year, the group 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 group and the company.

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2020

2. Significant accounting policies (continued)

New and revised standards that are issued but not yet effective (continued)

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 group.

Basis of consolidation

These financial statements include the results of the parent company; Endo Ventures Ltd, of its subsidiaries; Endo Finance p.l.c., Endo Tankers Ltd, Endo Properties Ltd, and International Fender Providers Ltd, and sub-subsidiaries; Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd, Intership Management Limited, Endo Headwind Maritime Ltd, Endo Tailwind Maritime Ltd, and IFP International Fender Providers Ltd.

Significant accounting estimates

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements as at and for the year ended 31 December 2019.

ENDO VENTURES LTD

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2020

3. Related parties

No individual holds a controlling interest in the equity of the ultimate parent company.

4. Contingent liabilities

There were no major changes in the contingencies of the Group from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2019.

5. Events after the reporting period

There were no material events which occurred subsequent to the date of the condensed consolidated interim statement of financial position.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2020, as well as of the financial performance and cash flows for the six-month period then ended, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, Interim Financial Reporting); and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Mr Christopher Frendo
Director



Mr Nicholas Frendo
Director

17 August 2020