

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 2024 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 2024

Company Announcement: END59

Calamatta Cuschieri

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

28 June 2024

Dear Board Members,

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 Limited (C 13033) collectively (the “**Guarantors**”), and related companies within the group as explained in part 1 of this 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 2021, 2022, and 2023 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 2024 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 this 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 or websites providing financial data.

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,



Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2024



Endo Finance p.l.c.

28 June 2024

Prepared by Calamatta Cuschieri
Investment Services Limited

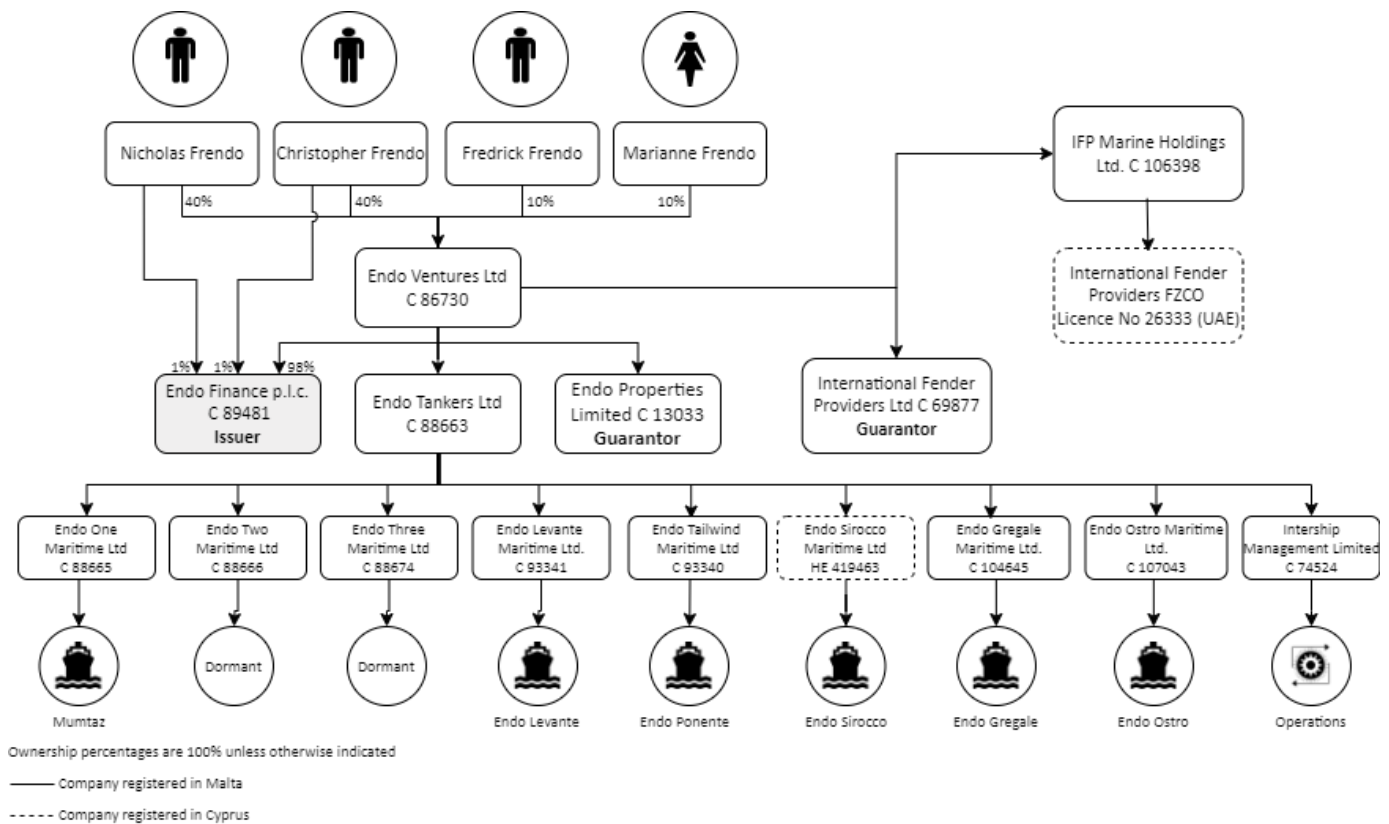
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Part 1 Information about the Group

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, IFP Marine Holdings Ltd and Endo Tankers Ltd, which includes its subsidiaries Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd, Endo Levante Maritime Ltd. (previously Endo Headwind Maritime Ltd), Endo Tailwind Maritime Ltd, Endo Sirocco Maritime Ltd, Endo Gregale Maritime Ltd., Endo Ostro Maritime Ltd. and Intership Management Limited. 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. Endo Tankers Ltd is a sub-group of the Endo Group and it 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 Levante Maritime Ltd., Endo Tailwind Maritime Ltd, Endo Sirocco Maritime Ltd, Endo Gregale Maritime Ltd., Endo Ostro Maritime Ltd. and Intership Management Limited 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 made up of 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 Limited.

IFP Marine Holdings Ltd, company registration number C 106398, was established on 11 September 2023 with the purpose to serve as a holding company for the IFP companies in the future.

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 made up of 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, Cyprus, Laconia, and Ceuta. 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. As management has shared, the plan is for IFP Malta to eventually become a subsidiary of IFP Marine Holdings Ltd.

IFP FZCO, holding Licence No. 26333 (UAE), was incorporated to support IFP Malta’s expansion in the Middle East. Currently, it offers its services in Egypt and is planning to expand to Oman in the near future. It operates in the same way as IFP Malta.

Endo Properties Limited (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 Limited (“Endo Properties”) is €774,690 made up of 774,690 Ordinary shares of €1 of which 763,043 was 100% paid up and 11,647 was 20% paid up. 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 of property.

IFP International Fender Providers Ltd (“**IFP Cyprus**”), a former wholly owned subsidiary of IFP Malta, was a private limited liability company incorporated and registered in Cyprus on 26 October 2015, with company registration number HE 348221. As of 1 January 2021, IFP Malta acquired IFP Cyprus through a cross-border merger and it succeeded to all the rights, assets, obligations, and liabilities of IFP Cyprus from the date of the merger. The merger did not have an effect on the rights of the bondholders.

Endo One was established to acquire the vessel "Mumtaz," which has a deadweight tonnage (DWT) of 599. The company has entered into a time charter agreement with International Fuel Suppliers Ltd. As of 1 January 2023, the vessel "Mumtaz" is chartered to IFP Malta on a time charter basis.

Endo Two sold the vessel Endo Breeze to a third party on 30 December 2022. Consequently, Endo Two is currently non-trading and not engaged in any operational activities.

Endo Three was incorporated to acquire a coastal oil tanker for transporting petroleum products and conducting bunkering operations. It took delivery of the vessel Endo Sirocco on 9 September 2020. Following a Group restructuring, Endo Three transferred ownership of Endo Sirocco to Endo Sirocco Maritime Ltd, a wholly owned Cypriot entity under Endo Tankers Ltd. The vessel was re-flagged from Malta to Cyprus on 14 April 2021. This transfer did not affect the bondholders' security, and all collateral rights were reinstated. Endo Three is now dormant and not engaged in any operational activities.

Endo Levante Maritime Ltd. (formerly Endo Headwind Maritime Ltd), was incorporated on 24 September 2019 under the Merchant Shipping Act. Through this company, the Group acquired and currently wholly owns Endo Levante which was chartered to third parties on a time charter basis.

Endo Tailwind Maritime Ltd, also a subsidiary of Endo Tankers, is registered with company registration number C 93340. On 8 June 2023, Endo Tailwind Maritime Ltd acquired the vessel Endo Ponente which is being chartered to a third party on time charter basis.

Endo Gregale Maritime Ltd. (C 104645) was incorporated on 25 May 2023 with Endo Tankers Ltd as its shareholder. It was established to acquire and operate maritime vessels and currently owns Endo Gregale.

Endo Ostro Maritime Ltd. (C 107043) was incorporated on 24 November 2023. It was established with the purpose of acquiring and operating the maritime vessel named Endo Ostro. The vessel has since been acquired on 14 June 2024. The vessel, named Endo Ostro, is registered under the Malta flag with IMO 9393656. It will be chartered to a third party on a time charter basis.

Intership Management Limited, with company registration number C 74524, is a ship management company providing comprehensive ship management services, including provision of crew, management, repairs, maintenance,

navigation, operation, and dry-docking of vessels. The company manages Mumtaz, Endo Sirocco and Endo Levante. It is certified by Bureau Veritas and complies with the International Management Code for the Safe Operation of Ships and for Pollution Prevention.

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 Busuttill	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 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 FY22 and amounted to 3 employees during FY23.

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

The board of directors of each of the Guarantors 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 Issuer and the Guarantors. During 2023, the Group employed on average 12 persons (FY22: 12), 7 of whom were in operations and 5 in administration.

1.3 Major Assets owned by the Group

The Issuer does not possess any substantial assets and functions primarily as a special purpose vehicle established to serve as a financing company exclusively for the needs of the Endo Group. Consequently, its assets are mainly composed of loans issued to companies within the Endo Tankers sub group. The majority of the Group's assets, including motor vessels and real estate properties, are owned by other companies within the Group. The following section outlines the main assets of the Group.

Mumtaz

In March 2016, Palm Group, controlled by the same owners as the Endo Group, acquired its first vessel, Mumtaz, a 599 DWT oil tanker built in 2002 for transporting petroleum and dry cargo. Mumtaz, registered in Malta on 9 March 2016, is leased under a bareboat charter to a Palm Group subsidiary. Endo One acquired Mumtaz from Palm Group on 1 November 2018 for €1.8m, which was capitalised and exchanged for shares, increasing the Parent's share capital.

From November 2018 to December 2022, Mumtaz was chartered to a third party, with Intership Management Limited managing the vessel. All direct costs are borne by International Fuel Suppliers Limited under the bareboat charter agreement. The vessel was revalued at \$2.4m and \$2.6m on 31 December 2022 and 31 August 2023, respectively, and is carried at a Euro value equivalent of \$2.5m. As from 1 January 2023, Mumtaz is being chartered on time charter agreement to IFP Malta, and is being used to carry out its ship-to-ship operations in Laconia Bay (Greece). The management of the vessel remained under the responsibility of Internship Management Ltd.

Endo Sirocco

Sirocco was acquired on 9 September 2020 by Endo Three. In 2021, ownership was transferred to Endo Sirocco Maritime Ltd, and the vessel was registered under the Cypriot flag. Built in 1997, the 4,967 DWT product/chemical

tanker has a gross tonnage of 3,368. The acquisition was financed by the 2019 bond issue.

Management of the vessel is handled by Intership Management Limited which provides crew and various operational services for a fee. All direct costs are borne by Endo Sirocco Maritime Ltd. Endo Sirocco was revalued to \$3.2m in FY22, with no revaluation in FY23.

Endo Sirocco is currently under a time charter agreement with a related company outside Endo Group.

Endo Levante

The Group acquired a vessel formerly known as Thames Fisher, now renamed Endo Levante. This 1997-built chemical tanker, with hull (IMO) number 9145011, has a DWT of 4,765, a length of 91.4 meters, and a gross tonnage of 2,760. The management of the vessel is handled by Intership Management Limited. The Group has decided to sell the vessel, which is currently undergoing repairs and the installation of a ballast water treatment system. The sale is planned upon the completion of these works. No revaluation increase was recorded in FY23.

Endo Ponente

On 8 June 2023, Endo Tailwind Maritime Ltd, a subsidiary of Endo Tankers, acquired the vessel Endo Ponente, which was previously known as Mandume. The vessel, which is a chemical tanker, is registered under the International Maritime Organization (IMO) number 9426506, under the Malta Maritime flag. The 99.9 m vessel was built in 2010 and has a gross tonnage of 4,776.

Immediately upon acquisition, Endo Tailwind Maritime Ltd has chartered the vessel to a third-party commodity trader on time charter basis, and it is sailing in international waters.

Endo Gregale

On 19 October 2023, Endo Gregale Maritime Ltd., a subsidiary of Endo Tankers, acquired the vessel Endo Gregale (formerly MT Ana Nzinga) with hull (IMO) number 9498119. The vessel has been registered under the Maltese flag. It is a 144.1-meter-long chemical tanker, was built in 2009 and has

a dead weight tonnage of 11,290. It is certified by the approved Classification Society, Bureau Veritas SA. Immediately upon acquisition, Endo Gregale Maritime Ltd. chartered the vessel to a third-party commodity trader on a time charter basis.

Endo Ostro

The Group's management has disclosed that they have acquired a new vessel named Endo Ostro on 14th June 2024. This chemical tanker, registered under the Malta flag with IMO 9393656, has a dead weight tonnage of 5,581 and a length of 101.4 meters. As of 2024, the vessel is 16 years old with an additional useful life of 14 years. It is certified by the approved Classification Society, Bureau Veritas SA. The vessel will be chartered on a time charter basis to a third party.

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 8 sets of fenders and hoses. Each set mainly consists of 4 or 5 primary fenders, 2 secondary fenders, and 4 hoses.

Endo Properties

Endo Properties owns an investment property at 9, 10 Timber Wharf in Marsa, featuring a 500m² warehouse and three floors of office space, valued at €7.4m. Revenue is generated through renting this property to third parties, as well as charging management fees to the related group.

Additionally, Endo Properties owns other properties valued at €3.0m, transferred by the Group's ultimate beneficial owners in November 2019. These properties include (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 involved no cash outflow as the liability was capitalised and exchanged for shares.

1.4 Operational developments

Vessels owned by the Group

The following table summarises key data on the vessels owned by Endo Tankers sub group:

Company	Endo One	Endo Sirocco Maritime	Endo Levante Maritime Ltd. (previously Endo Headwind Ltd)	Endo Tailwind	Endo Gregale	Endo Ostro
Vessel Name	Mumtaz	Endo Scirocco	Endo Levante	Endo Ponente	Endo Gregale	Endo Ostro
Vessel Size Class	Bunker	Chemical Tanker	Chemical Tanker	Chemical Tanker	Chemical Tanker	Chemical Tanker
Dead Weight Tonnage (Metric Tons)	599	4,967	4,765	4,776	11,290	5,581
Length (meters)	45	91	91.4	99.9	144.06	101.39
Years from Build (as of 2023)	21	26	26	13	14	16
Additional Useful Life (from 2023)	17	9	9	17	16	14
Certified by approved the Classification Society	Yes	Yes	Yes	Yes	Yes	Yes
Classification Society	Bureau Veritas SA	Bureau Veritas SA	Bureau Veritas SA	Bureau Veritas SA	Bureau Veritas SA	Bureau Veritas SA

In 2023, the vessels Mumtaz, Endo Levante and Endo Gregale underwent a revaluation process conducted by an independent ship broker, who was responsible for assessing their current value. Following industry practices observed in similar-sized vessels, the management made the decision to also update the useful life of these vessels. As per the revised assessment, Mumtaz has an estimated remaining useful life of 14 years from the end of 2023, while Levante and Gregale have an estimated remaining useful life of 9 and 16 years respectively. Any adjustments in the useful life of the vessels take into account their current condition and align with industry standards and practices.

The useful life of the Group's vessels averaging 25-35 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. The smaller vessels typically have a longer useful life.

On the financing side, in addition to the existing listed bonds and the bank loan from Izola Bank, in 2022 the Group has issued €4,800,000 unlisted notes. These unlisted notes carry an interest rate of 6% and are redeemable at par in 2027. Additionally, in December 2023, the Group has issued an additional €7,000,000 unlisted notes. These unlisted notes have an interest rate of 7.5% and are redeemable at par in 2027.

The issuance of these notes represents another avenue of financing for the Group, providing additional capital for its operations and investments. These will be further discussed in part 2 of this Analysis.

1.5 Impact of geopolitical and macroeconomic events on the Group's operations

The Group is carefully monitoring the situation in Ukraine. While no direct impacts on operations are currently anticipated, potential effects are still being evaluated. Any impact would be reflected in the forecasted figures.

Part 2 Historical Performance and Forecasts

The Issuer's historical financial information for the years ended 31 December 2021 to 31 December 2023, in addition to the financial forecast for the year ending 31 December 2024, 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 2021 to 31 December 2023 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 2024 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	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Finance income	726	905	1,292	1,896
Finance costs	(608)	(755)	(1,141)	(1,688)
Net finance income	118	150	151	208
Administrative expenses	(87)	(112)	(116)	(173)
Profit before tax	31	38	35	35
Income tax	(28)	(37)	(28)	(30)
Profit for the year	3	1	7	5

Ratio Analysis	2021A	2022A	2023A	2024F
Gross Margin (Net finance income / Finance income)	16.3%	16.6%	11.7%	11.0%
Net Margin (Profit for the year / Finance income)	0.4%	0.1%	0.5%	0.3%

As the Issuer is a finance company, 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. In FY23, Endo Finance has generated €1,292k in finance income, €387k higher than a year prior. During this period, the Issuer incurred €1,141k in finance costs and €116k in administrative expenses, which resulted in the Issuer generating a small profit similar to prior years.

The projected revenue for FY24 is expected to be higher, at €1,896k. Consequently, finance costs and administrative expenses are anticipated to increase as well, to €1,688k and

€173k respectively. The higher finance income reflects the additional interest charged to Endo Tankers related to the unlisted notes issued in December 2023. Similarly, the higher finance costs for FY24 are also attributed to the interest on these unlisted notes.

Income taxes, are projected to be at very similar levels in FY24 when compared to FY23. 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.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Financial assets	13,324	17,251	17,526	28,596
Intangible assets	7	6	5	4
Total non-current assets	13,331	17,257	17,531	28,601
Current assets				
Loans to related parties	-	255	312	332
Trade and other receivables	705	779	775	963
Cash and cash equivalents	3	4,697	11,516	30
Total current assets	708	5,731	12,603	1,326
Total assets	14,039	22,988	30,134	29,927
Equity and liabilities				
Capital and reserves				
Share capital	250	250	250	250
Retained earnings	25	26	34	39
Total equity	275	276	284	289
Non-current liabilities				
Debt securities in issue	13,290	17,975	24,831	24,942
Borrowings	-	3,887	4,164	3,836
Total non-current liabilities	13,290	21,862	28,995	28,778
Current liabilities				
Borrowings	-	280	310	329
Trade payables	473	565	545	519
Current tax payable	1	4	-	12
Total current liabilities	474	849	855	860
Total liabilities	13,764	22,711	29,850	29,638
Total equity & liabilities	14,039	22,987	30,134	29,927

The Issuer's assets in FY23, similarly to prior years, mainly consisted of loans advanced to its fellow subsidiaries as well as cash and cash equivalents and trade and other receivables.

In FY23, the Group's cash and cash equivalents reached €11.5m, marking a substantial growth from the previous year's €4.7m. This increase is directly attributed to the proceeds received from the issuance of a €7m 7.5% unsecured notes during FY23.

Trade and other receivables were €0.8m in FY23, similar to a year prior, and they are related to loans owed by related parties. These loans are unsecured, bear no interest and are repayable within one year.

The significant liabilities in FY23 included €24.8m in debt securities (compared to €18m in FY22) and bank loans totalling €4.1m (compared to €3.9m in FY22).

They are split as follows: €13.3m relates to the bond issue of €13,500,000 4.5% 2029 bonds, while €4.7m relates to the 2022 bond issue of €4,800,000 6% 2027 unlisted notes and €6.8m relates to the 2023 bond issue of €7,000,000 7.5% 2027 unlisted notes. The bond issue costs are being amortised over the lifetime of the bond, by €61k for FY23, increasing the 'Debt securities in issue' line item each year by that amount.

There was a material difference between the projected and actual debt securities issued. The projected amount was €18m, whereas the actual amount was €24.8m. This discrepancy arose because the 2023 unlisted bond was not included in the projections during the preparation of last year's analysis.

Current liabilities mainly consisted of trade payables (€545k) and borrowings (€310k), with the former primarily

representing the accrual for interest due on the outstanding bond issue as of 31 December 2023 while the latter referring to a bank loan that is due within one year.

In FY24, the Issuer anticipates that its total assets and liabilities will not undergo significant changes. However, there will be a shift in the composition of assets.

In the upcoming period, financial assets related to loans to related parties are projected to increase from €17.5m to €28.6m. This increase is primarily attributed to the funds collected through the 2022 and 2023 unlisted notes, which were not utilised in 2023 but are expected to be utilised in 2024. As a result, cash and cash equivalents are expected to decrease to an immaterial amount, as the proceeds from the 2022 and 2023 bond issues will be advanced as loans to related parties in the subsequent period.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Cash flows from operations	(53)	(207)	(275)	(276)
Interest paid	(608)	(754)	(1,141)	(1,688)
Taxation paid	(60)	(34)	(32)	(19)
Net cash flows used in operating activities	(721)	(995)	(1,448)	(1,982)
Cash flows from investing activities				
Acquisition of intangible assets	(3)	-	-	-
Interest received on loans from related parties	726	905	1,292	1,896
Movement in loans to related parties	-	-	-	(11,090)
Movement in bank loans	-	(4,182)	(332)	-
Net cash flows generated from / (used in) investing activities	723	(3,277)	960	(9,195)
Cash flows from financing activities				
Proceeds from the issue of debt securities	-	4,800	7,000	-
Movement in bank loans	-	4,167	307	(309)
Net cash flows generated from / (used in) financing activities	-	8,966	7,307	(309)
Net movement in cash and cash equivalents	2	4,694	6,819	(11,486)
Cash and cash equivalents at the beginning of the year	1	3	4,697	11,516
Cash and cash equivalents at the end of the year	3	4,697	11,516	30

In FY23 the Issuer utilised €1.5m in operating activities, primarily attributed to the interest paid on the bonds, amounting to €1.1m.

The cash flow from investing activities in FY23 reflected a net inflow of €1m. This comprised €1.3m in interest received from Endo Group companies on the loans granted to them, partially offset by €0.3m in funds advanced to related parties.

Additionally, the Issuer had a €7m cash inflow from financing activities from the debt securities issued in FY23 as well as a €0.3m cash inflow from a bank loan. The bank loan is secured by a special hypothec over property in Marsa. It bears interest at 6.15% per annum. The loan is to be repaid in 12 years through monthly instalments of €48k, inclusive of interest.

Overall, Endo Finance had a €6.8m positive cash movement in FY23 and ended the year a cash level of €11.5m.

In FY24, the Issuer expects an outflow of €2m from operations mostly due to the increasing amount of projected cash interest paid.

The projected cash flow from investing activities anticipates a significant outflow, primarily attributed to loan payments to related parties totalling €11.1m. However, this outflow will be partially mitigated by the receipt of €1.9m in interest from Endo Group companies on the loans extended to them. The proceeds from the previously issued loans are projected to be handed over to Group companies for investment purposes, specifically for the purchase of motor vessels. Consequently, the cash flow from investing activities for FY24 is forecasted to exhibit a considerable outflow.

Furthermore, the Issuer is expected to experience a cash outflow from financing activities amounting to €0.3m in FY24, primarily related to the repayment of existing bank loans.

Overall, the net cash outflow for FY24 is projected to be €11.5m. Consequently, cash reserves are anticipated to reach immaterial levels by the end of the fiscal year.

2.4 Guarantors' Income Statement

Endo Properties Limited

Income Statement for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Revenue	138	137	130	133
Administrative expenses	(31)	(47)	(41)	(43)
EBITDA	106	90	89	89
Depreciation	(2)	(2)	(2)	(2)
EBIT	104	88	87	87
Movement in revaluation of investment property	-	200	-	-
Finance costs	(34)	(40)	(29)	(29)
Profit before tax	70	248	58	58
Taxation	(17)	(27)	(15)	(13)
Profit after tax	53	221	43	45

Ratio Analysis	2021A	2022A	2023A	2024F
EBITDA Margin (EBITDA / Revenue)	77.1%	65.7%	68.5%	67.5%
Operating (EBIT) Margin (EBIT / Revenue)	75.7%	64.2%	66.9%	65.8%
Net Margin (Profit for the year / Revenue)	38.5%	161.3%	33.1%	33.9%

Endo Properties Limited is one of the two Guarantors. It generates revenue through the rental of its property in Marsa to third parties as well as to a related company, Palm Shipping Agency Limited. Apart from the rental income, Endo Properties also charges management fees to another related company. Endo Properties also rents out two of its apartments to third parties.

In FY23, Endo Properties generated a revenue of €130k, which remained largely unchanged compared to the previous year. Administrative expenses and depreciation were also similar to the previous year.

None of the depreciation, finance costs, or taxation figures, deviated significantly in FY23 compared to the previous year. As a result, the profit after tax for FY23 was €43k.

In FY23, Endo Properties sustained EBITDA and operating margins at levels similar to previous years. However, there was a notable decline in the net margin compared to the previous fiscal year. This significant decrease can be attributed to the lack of a revaluation gain in FY23, whereas such a gain was reported in FY22.

In FY24, Endo Properties anticipates that revenue and key items in the income statement will remain relatively stable. Since no revaluation gain has been projected for FY24, the financial ratios are expected to deviate only marginally from those of FY23.

International Fender Providers Ltd

Income Statement for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Revenue	3,397	3,037	3,428	3,938
Cost of sales	(2,916)	(2,440)	(2,908)	(3,310)
Gross profit	481	597	520	628
Other income	1	18	20	-
Administrative expenses	(181)	(277)	(176)	(244)
EBITDA	302	338	364	384
Depreciation	(100)	(108)	(185)	(185)
EBIT	202	230	179	199
Finance costs	(93)	(130)	(160)	(167)
Profit before tax	108	100	19	32
Taxation	(38)	(35)	(7)	(11)
Profit after tax	70	65	12	21

Ratio Analysis	2021A	2022A	2023A	2024F
Gross Profit Margin (Gross Profit / Revenue)	14.2%	19.7%	15.2%	16.0%
EBITDA Margin (EBITDA / Revenue)	8.9%	11.1%	10.6%	9.8%
Operating (EBIT) Margin (EBIT / Revenue)	5.9%	7.6%	5.2%	5.0%
Net Margin (Profit for the year / Revenue)	2.1%	2.1%	0.4%	0.5%

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 Cyprus was merged into IFP Malta. This merger resulted in all rights, assets, obligations, and liabilities of IFP Cyprus being transferred to IFP Malta. From this date, the transactions of IFP Cyprus have been treated as those of IFP Malta for both tax and accounting purposes.

IFP Malta had a relatively stable performance year-on-year with a smaller but noticeable increase in its revenue from €3.0m to €3.4m in FY23. Cost of sales followed a similar trend and increased from €2.4m to €2.9m.

In FY23, administrative expenses decreased slightly to €0.2m compared to €0.3m in FY22.

Incurring finance costs were slightly higher in FY23, primarily due to increased interest expenses paid on bank overdrafts. Additionally, depreciation expenses rose in FY23, driven by higher depreciation figures for both fenders and hoses.

As a result of these factors, IFP Malta recorded a modest positive profit before and after tax in FY23.

In FY24, the gross revenue of IFP Malta is expected to be around €3.9m. This increase in revenue when compared to FY23 is primarily driven by increased operations, particularly during the first half of the year compared to the corresponding period in 2023.

In line with the increase in revenues, the cost of sales is also projected to increase in FY24. Profit before tax, tax expense, and profit after tax in FY24 is projected to be in line with current year's figures.

2.5 Guarantors' Statement of Financial Position

Endo Properties Limited

Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	10,200	10,400	10,400	10,400
Property, plant and equipment	162	160	158	156
Long-term receivables	8	8	8	8
Total non-current assets	10,371	10,568	10,566	10,564
Current assets				
Trade and other receivables	7	43	47	59
Cash at the bank and in hand	13	3	11	16
Current tax recoverable	-	6	7	-
Total current assets	20	53	65	76
Total assets	10,391	10,621	10,631	10,640
Equity and liabilities				
Capital and reserves	765	765	766	765
Called up issued share capital	7,127	7,327	7,327	7,327
Retained earnings	503	525	567	612
Total equity	8,396	8,617	8,660	8,705
Non-current liabilities				
Long-term borrowings	470	492	457	421
Trade and other payables	471	537	524	524
Deferred taxation	884	902	904	904
Total non-current liabilities	1,826	1,931	1,885	1,849
Current liabilities				
Short term borrowings	129	32	34	36
Trade and other payables	28	40	52	40
Current tax payable	11	-	-	10
Total current liabilities	169	72	86	86
Total liabilities	1,995	2,004	1,971	1,935
Total equity and liabilities	10,391	10,621	10,631	10,640



In FY23, the total assets of Endo Properties remained stable at €10.6m. These assets primarily consist of investment property and property, plant, and equipment. Overall, both the assets and liabilities of Endo Properties showed stability and did not experience significant changes compared to FY22.

In FY23, the investment property was carried at a fair value of €10.4m (FY22: €10.4m). The carrying amount of property, plant, and equipment also remained stable in FY23.

Similarly, shareholders' equity also remained stable at €7.3m (FY22: €7.3m). Retained earnings increased in an immaterial manner, reflecting the €43k profit the company earned in the previous year.

Total non-current liabilities decreased slightly, due to the lower amount of long-term borrowings and trade payables. In FY24, 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	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	477	922	1,219	1,073
Long-term receivables	3,246	3,159	3,150	3,150
Deferred tax asset	1	-	-	-
Total non-current assets	3,724	4,081	4,369	4,223
Current assets				
Trade and other receivables	405	553	596	539
Current tax assets	-	28	51	40
Cash at the bank and in hand	34	99	231	124
Total current assets	439	680	878	703
Total assets	4,163	4,761	5,247	4,926
Equity and liabilities				
Capital and reserves	16	16	16	16
Retained earnings	1,124	1,188	1,201	1,221
Total equity	1,140	1,204	1,217	1,237
Non-current liabilities				
Long-term borrowings	575	860	696	535
Deferred taxation	-	11	18	18
Total non-current liabilities	575	871	714	553
Current liabilities				
Trade and other payables	1,679	722	1,348	1,359
Short term borrowings	767	1,963	1,968	1,777
Current tax payable	3	-	-	-
Total current liabilities	2,449	2,685	3,316	3,136
Total liabilities	3,024	3,556	4,030	3,689
Total equity and liabilities	4,164	4,761	5,247	4,926

The asset and liability structure of IFP Malta largely remained the same although there are some notable movements year-on-year.

The value of total assets of IFP Malta increased from €4.7m to €5.2m in FY23. Similarly, the value of total liabilities increased from €3.6m to €4m in FY23.

The most notable difference was the increase in property, plant and equipment that increased from €0.9m to €1.2m. This increase is mostly attributable to an increase in the value of fenders (€0.2m) and to some extent the increase in the value of hoses and other equipment (€0.1m), due to the acquisition of a new set of fenders and hoses

Current assets increased slightly as IFP reported €0.1m higher cash at bank in FY23.

Shareholders' equity has remained largely unchanged, only reflecting the immaterial net income in retained earnings.

Within non-current liabilities, long-term borrowings decreased to €0.7m in FY23 from €0.9m mainly due to loans with a related party that have decreased by €0.1m in FY23.

The current liabilities of IFP Malta have increased from €2.7m to €3.3m, with notable changes in their composition. Short-term borrowings remained stable at €2m, indicating consistent financing levels. However, trade and other payables saw an uptick from €0.7m to €1.3m. This increase suggests a rise in the amounts owed to related parties for short-term financing needs (€0.3m), along with a bump in trade payables by €0.1m.

In FY24, 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 Limited

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operations	103	65	127	64
Interest paid	(34)	(40)	(29)	(29)
Taxation paid	6	(26)	(14)	4
Net cash flows generated from / (used in) operating activities	75	(1)	84	39
Cash flows from investing activities				
Acquisition of property, plant, and equipment	(2)	-	-	-
Advances to the ultimate beneficial owner	(8)	-	-	-
Net cash flows used in investing activities	(11)	-	-	-
Cash flows from financing activities				
Movement in related party loans	31	66	(13)	-
Repayments of loans to related party	-	(12)	(63)	(34)
Movement in bank loan	(85)	(63)	-	-
Net cash flows used in financing activities	(54)	(9)	(76)	(34)
Movement in cash and cash equivalents	11	(10)	8	5
Cash and cash equivalents at the start of the year	2	13	3	11
Cash and cash equivalents at end of the year	13	3	11	16

In FY23, Endo Properties generated €84k in operating activities, an increase from the year prior (FY22: €1k cash outflow).

Endo Properties had no investing cash flow movement in FY23.

Cash in financing activities was also immaterial, a mere €76k outflow that can be attributed to the repayment of loans from related parties.

Thus, movement in cash was immaterial and at the end of the year, Endo Properties had €11k of cash and cash equivalents at FY23 end.

In FY24, the Group anticipates no significant changes in cash flow from operations. Additionally, no cash flow is projected from investing activities during this period. However, the Group foresees a financing outflow, particularly relating to the repayment of related party loans.

International Fender Providers Ltd

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Cash flows from operations	1,720	(749)	895	452
Interest paid	(93)	(127)	(137)	(120)
Taxation paid/(refund)	(21)	(53)	(23)	-
Net cash flows generated from / (used in) operating activities	1,605	(929)	735	332
Cash flows from investing activities				
Acquisition of property, plant, and equipment	(135)	(554)	(481)	(40)
Movement in related parties' loans	(198)	87	9	-
Net cash flows used in investing activities	(333)	(467)	(472)	(40)
Cash flows from financing activities				
Movements in bank loans	(118)	(119)	(127)	(131)
Movement in related parties' loans	-	-	-	(28)
Net advances from related parties	-	434	(51)	(47)
Net cash flows generated from / (used in) financing activities	(118)	315	(178)	(206)
Movement in cash and cash equivalents	1,154	(1,081)	85	86
Effects of foreign exchange differences	(213)	(17)	52	-
Net change in cash and cash equivalents	941	(1,098)	137	86
Cash and cash equivalents at start of year	(1,554)	(613)	(1,712)	(1,575)
Cash and cash equivalents at end of the year	(613)	(1,712)	(1,575)	(1,489)

In FY23, IFP Malta experienced a notable improvement in cash from operating activities, generating €0.7m compared to the previous year's cash outflow of €0.9m. This substantial shift can be attributed to the increase in working capital balances. During FY23, both receivables and payables increased, although the rise in payables outweighed that of receivables, ultimately contributing to the positive cash flow from operations.

In FY23, cash used in investing activities amounted to €0.5m, primarily attributed to capital expenditures, particularly on fenders and hoses, mirroring the expenditure pattern from the previous year.

Cash flow from financing activities in FY23 resulted in a €0.2m cash outflow, primarily driven by the reduction in net advances from related parties.

Thus overall, IFP Malta generated €0.1m cash in FY23 and had a positive cash change of €0.1m at FY23 year end. The Group's cash and cash equivalents amounted to a negative €1.6m at the end of FY23. In FY24, IFP Malta anticipates a positive cash flow from operations, with a projected amount of €0.5m. This suggests that the company expects to generate cash from its core business activities, such as the provision of services or sale of goods. Even after accounting for interest, IFP Malta forecasts a net positive cash flow from operations of €0.3m. This indicates that the company expects to generate sufficient cash from its operational activities to cover its interest expenses and tax obligations, and still have a positive net cash flow.

Small investing and financing cash outflows are projected due to the acquisition of property, plant and equipment and repayments of bank and related parties' loans respectively.

Thus overall, a *circa* €0.1m increase is projected in the cash levels of IFP Malta in FY24 and the company is projected to end the year with a €1.5m negative cash balance.

2.7 Group's Income Statement

Income Statement for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Revenue	10,905	12,518	9,919	18,320
Cost of sales	(6,544)	(7,347)	(7,095)	(11,243)
Gross profit	4,361	5,171	2,824	7,077
Administrative expenses	(951)	(1,388)	(1,775)	(1,185)
Other operating income	16	2,925	252	985
EBITDA	3,426	6,708	1,301	6,877
Depreciation	(1,645)	(2,553)	(1,488)	(2,367)
EBIT	1,780	4,155	(187)	4,509
Movement in revaluation of investment property	-	200	-	-
Finance income	-	88	169	180
Finance costs	(734)	(907)	(1,490)	(2,779)
Profit before tax	1,046	3,536	(1,508)	1,910
Taxation	(87)	(53)	(110)	(59)
Profit after tax	959	3,483	(1,618)	1,850

Ratio Analysis	2021A	2022A	2023A	2024F
<i>Profitability</i>				
Growth in Revenue (YoY Revenue Growth)	11.1%	14.8%	-20.8%	84.7%
Gross Profit Margin (Gross Profit / Revenue)	40.0%	41.3%	28.5%	38.6%
EBITDA Margin (EBITDA / Revenue)	31.4%	53.6%	13.1%	37.5%
Operating (EBIT) Margin (EBIT / Revenue)	16.3%	33.2%	-1.9%	24.6%
Net Margin (Profit for the year / Revenue)	8.8%	27.8%	-16.3%	10.1%
Return on Common Equity (Net Income / Total Equity)	8.0%	22.6%	-8.8%	9.6%
Return on Assets (Net Income / Total Assets)	3.1%	8.7%	-2.9%	2.9%

In FY23, revenue of Endo Group showed a notable 21% decrease year-on-year with a €9.9m top line in FY23 (FY22: €12.5m). The reduction was expected as the two new vessels Endo Ponente and Endo Gregale only started operating in June 2023 and October 2023 respectively, thus not generating a full year revenue. Both the bareboat charter and the time charter revenue streams decreased in FY23, the former from €1.2m to €0.2m and the latter from €7.5m to €6.2m.

Fendering revenue however increased from €3.0m to €3.4m in FY23. This increase was primarily due to the establishment of a new base in Laconia, Greece during the second half of previous year. Thus, IFP Malta was able to increase its operations through a full year operation in Laconia compared to half a year in 2022.

The Group's revenues mainly consisted of revenue generated by IFP Malta: 34.6% (FY22: 24.3%), Endo Sirocco: 29.6% (FY22: 24.6%), Endo Tailwind: 21.9% (FY22: 0%), Endo Gregale: 10.6% (FY22: 0%) and Endo Levante Maritime Ltd.:

1.9% (FY22: 9.3%). A further detailed explanation of the Group's performance is found below and the variance analysis between the actual and projections for FY23 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, maintenance, as well as other general expenses comprising travel expenses of the crew, IT costs, and flag registration. The direct costs of IFP Malta mainly consist of fendering expenses which include purchases of ancillary equipment and services required for the ship-to-ship operations as well as freight costs. Cost of sales, excluding depreciation, in FY23 amounted to €7.1m and decreased in line with the lower revenues generated during the calendar year.

In FY23, administrative expenses, which include insurance costs, traveling expenses, and legal and professional fees, witnessed a substantial increase from €1.4m to €1.8m.

In FY23 other income was €0.3m (FY22: €2.9m), mostly coming from income from loss of hire. The main reason for the substantially lower other income was that there was no major sale of property, plant and equipment in FY23. Other income in FY22 mainly came from the profit on the disposal of the vessel Endo Breeze, which was a one-time transaction. In contrast, other income in FY23 is related to other operating income, which is not derived from the main operations of the group but from ancillary services.

Consequently, earnings before interest, tax, depreciation and amortisation (EBITDA) substantially decreased as it amounted to €1.3m in FY22 (FY21: €6.7m).

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 expenses for FY23 experienced a notable decrease to €1.5m from €2.5m in the previous year. This decrease can be primarily attributed to the full-year depreciation of the vessel Endo Breeze in 2022, which was sold in December 2022. In contrast, the new vessels acquired in 2023 did not carry a full year of depreciation as they were acquired in June 2023 (Endo Ponente) and October 2023 (Endo Gregale). This contributed to the decrease in the depreciation charge for the year.

In FY23, the EBIT (earnings before interest and taxes) of the Endo Group significantly decreased to negative €0.2m, compared to positive €4.2m in FY22 mainly due to lower revenues and higher administrative expenses. FY22 also included the income from the profit on the disposal of vessel Endo Breeze, which was a one-time transaction.

Finance costs mainly consisted of the interest costs that the Issuer incurs on the bonds currently in issue as well as the interest on bank loans and bank overdraft. These increased to €1.5m (FY22: €0.9m), mostly due to an increase on the interest of debt securities in issue (€0.9m) and bank loans (€0.3m) as well as a bank overdraft cost (€0.1m) last year.

Consequently, the loss after tax for the year amounted to €1.6m, representing a substantial decrease compared to the prior year.

The Group's profitability metrics largely reflect the impact of reduced revenue stemming from the sale of Endo Breeze and the limited operational duration of the newly acquired Endo Ponente and Endo Gregale vessels, which only operated for a fraction of FY23.

Hence, Endo's EBITDA Margin in FY23 experienced a notable decline, reaching 13.1%, a significant drop from the FY22 figure of 53.6%. Similarly, both the EBIT Margin and the Net Margin showed deterioration compared to the previous year. However, it is essential to note that, according to the Group's internal calculations, had the Group acquired the two new vessels at the beginning of FY23, they would have contributed an additional €9.0m in revenue for FY23. Thus, the interpretive value of these ratios may be skewed, as they do not solely reflect the Group's ongoing cash flow generating capability but also the impact of significant capital expenditures in FY23.

In FY24, the Group expects substantially higher revenues (€18.3m) when compared to last year. The higher projected revenue is due to several factors: the vessels Endo Ponente and Endo Gregale will be in operation for the full year, unlike in 2023 when they were in operation only from mid-June and the end of October, respectively. Additionally, the Group acquired Endo Ostro in June 2024, which is expected to be in operation from July 2024 and will also contribute to the Group's top line.

In line with higher revenues, cost of sales are also projected to be higher at around €11.2m.

Administrative expenses are projected to decrease in FY24. This reduction is partly attributed to the reclassification of some costs as cost of sales, which were previously treated as administrative expenses. Additionally, the forecast does not take into consideration any differences in exchange rates.

Depreciation is also projected to increase to €2.4m from €1.5m due to the full-year depreciation for vessels Endo Ponente and Endo Gregale, in addition to six months of depreciation for Endo Ostro.

Finance costs are projected to increase to €2.8m in FY24 from €1.5m in the previous year. This increase is primarily attributed to the unlisted bond issue of 2023 that was discussed in more detail in section 1.4 of this Analysis as well as the interest cost charge associated with the IFRS 16 accounting for the sale and lease-back agreement of Endo Gregale.

For FY24, the projected EBITDA Margin is anticipated to increase to 37.5%. Similarly, both EBIT and Net Margins are expected to see significant improvements compared to FY23. These improvements are attributed to the two new vessels contributing to revenues for the entire year and the third vessel contributing for several months of FY24.

2.7.1 Group's Variance Analysis

Income statement	2023F	2023A	Variance
	€000s	€000s	€000s
Revenue	10,344	9,919	(425)
Cost of sales	(5,880)	(7,095)	(1,215)
Gross profit	4,463	2,824	(1,639)
Administrative expenses	(1,096)	(1,775)	(679)
Other income	991	252	(739)
EBITDA	4,358	1,301	(3,057)
Depreciation	(1,441)	(1,488)	(47)
EBIT	2,917	(187)	(3,104)
Movement in revaluation of investment property	166	169	3
Finance costs	(1,224)	(1,490)	(266)
Profit before tax	1,859	(1,508)	(3,367)
Tax expense	(99)	(110)	(11)
Net income	1,760	(1,618)	(3,378)

The Group's revenue for FY23 was projected to reach €10.3m, but the actual revenue fell slightly short, reaching €9.9m. This variation in both revenue and EBITDA was expected since the two new vessels acquired during 2023, replacing vessel Endo Breeze which was sold in December 2022, started operating in June 2023 and October 2023 respectively, thus not generating a full-year revenue. The two new vessels contributed towards an additional turnover of €3.2m, whilst the decrease in revenue following the sale of Endo Breeze (which operated for a full year in 2022) amounted to €4.4m.

The cost of sales for FY23 was higher than forecasted. The projected cost of sales was €5.9m, but the actual figure amounted to €7.1m. During 2023, the group incurred additional expenses in repairs, maintenance, and installation of a ballast water treatment system on one of its vessels, which took longer than expected and therefore resulted in additional costs and loss of revenue.

Gross profit for FY23 was significantly below the forecasted amount at €2.8m, compared to the projected €4.5m. This shortfall was both due to lower revenues and increased cost of sales, as explained above.

Administrative expenses for FY23 exceeded the forecasted amount significantly. The forecasted administrative expenses were €1.1m, but the actual expenses amounted to €1.8m. The notable increase in administrative expenses can be attributed to an increase in legal & professional fees, travelling expenses, and surveying fees.

Other operating income for FY23 was lower than forecasted, with a projected €1.0m compared to the actual €0.3m. This resulted in a negative variance of €0.7m. The reason for this is that the sale of the vessel Endo Levante did not materialise in 2023.

EBITDA for FY23 was significantly lower than forecasted due to the lower revenue and higher costs.

Depreciation for FY23 showed a slight negative variance. The forecasted depreciation expense was projected at €1.4m, while the actual depreciation incurred amounted to €1.5m.

EBIT for FY23 was also below the forecasted amount. The negative variance can be attributed to the lower revenue and higher costs as previously explained.

Finance costs for FY23 were higher than anticipated. The increase in finance costs was mainly due to the financing costs of vessel Endo Gregale and the full take-up of the Izola Bank loan, which resulted in additional interest expense.

Profit before tax for FY23 was significantly below expectations. The forecasted profit before tax was €1.9m, while the actual loss before tax was €1.5m.

Taxation for FY23 also showed a negative variance. The forecasted taxation was projected at €99k, but the actual taxation incurred amounted to €110k.

Consequently, the profit after tax for FY23 was significantly below the forecasted amount. The forecasted profit after tax was €1.8m, while the actual loss after tax was €1.6m.

2.8 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Intangible assets	7	6	5	4
Investment property	4,800	4,800	4,800	4,800
Property, plant and equipment	19,256	14,912	35,959	38,502
Loans and receivables	3,254	6,191	5,965	5,742
Cash and cash equivalents	-	-	226	230
Total non-current assets	27,317	25,909	46,955	49,279
Current assets				
Inventory	240	26	168	128
Trade and other receivables	3,511	4,308	4,223	4,953
Current tax recoverable	-	30	62	17
Cash and cash equivalents	897	18,268	12,113	8,169
Total current assets	4,647	22,632	16,566	13,266
Total assets	31,965	48,541	63,521	62,545
Equity and liabilities				
Capital and reserves				
Share capital	2,583	2,583	2,583	2,583
Retained earnings	8,056	11,009	9,188	11,281
Exchange rate reserve	(84)	605	930	654
Revaluation reserve	1,997	4,039	6,014	5,304
Total equity	12,551	18,236	18,715	19,821
Non-current liabilities				
Debt securities in issue	13,290	17,975	24,831	24,942
Lease liability	-	-	7,348	5,773
Long-term borrowings	1,045	4,336	4,479	4,019
Long-term payables	471	337	-	-
Deferred tax	852	968	894	891
Total non-current liabilities	15,659	23,616	37,552	35,626
Current liabilities				
Lease liabilities	-	-	1,419	1,724
Borrowings	896	2,216	2,250	2,076
Trade and other payables	2,838	4,475	3,585	3,299
Current tax payables	22	-	-	-
Total current liabilities	3,755	6,691	7,254	7,099
Total liabilities	19,414	30,307	44,806	42,724
Total equity and liabilities	31,965	48,543	63,521	62,545

Ratio Analysis	2021A	2022A	2023A	2024F
Gearing 1 (Net Debt / Net Debt and Total Equity)	54.1%	26.6%	60.1%	60.5%
Gearing 2 (Total Liabilities / Total Assets)	60.7%	62.4%	70.5%	68.3%
Gearing 3 (Net Debt / Total Equity)	118.0%	36.2%	150.8%	153.2%
Net Debt / EBITDA	4.3x	1.0x	21.7x	4.4x
Current Ratio (Current Assets / Current Liabilities)	1.2x	3.4x	2.3x	1.9x
Interest Coverage 1 (EBITDA / Cash interest paid)	4.7x	7.4x	0.9x	2.5x
Interest Coverage 2 (EBITDA / Finance costs)	4.7x	7.4x	0.9x	2.5x

The total assets of the Group amounted to €63.5m in FY23, up significantly from €48.5m a year earlier.

In FY23, total non-current assets amounted to €47.0m (FY22: €25.9m). 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 €8m additions to vessels and €13.8m additions to right-of-use assets. Endo Gregale was recorded under right-of-use assets as it is being leased by the Group through a sale and lease-back agreement. Of the €13.8m, €2.0m is recorded as a revaluation surplus due to the revaluation that was performed by BRS Shipbrokers and Maersk Brokers in November 2023. Endo Sirocco, Endo Mumtaz, and Endo Levante underwent a revaluation process in FY23, with no alterations to their carrying values.

In FY23, total current assets amounted to €16.6m (FY22: €22.6m), primarily consisting of cash reserves and trade and other receivables. The significant growth in cash balances can be attributed to the proceeds from the issuance of unlisted bonds in both 2022 and 2023, contributing to the Group's cash reserves. These proceeds are held under custody by a third-party independent custodian and are earmarked solely for acquiring motor vessels.

During FY23, Endo Group's total equity increased to €18.7m (FY21: €18.2m). While share capital remained unchanged, significant changes affected the retained earnings, currency translation reserve, and revaluation reserve lines. The loss of €1.6m for the year contributed to the reduced value in retained earnings, alongside the payment of a €0.4m dividend to shareholders. This €2.1m reduction was partially offset by a favourable currency movement of €0.3m, and an increase of €2.2m in the revaluation reserve resulting from the revaluation of Endo Gregale. Consequently, shareholders' equity grew by €0.5m.

The Group's retained earnings were projected to amount to €12.5m, while the actual figure was €9.2m. This discrepancy of €3.3m aligns with the projected positive net income of €1.8m versus the actual net loss of €1.6m. The reasons behind this discrepancy have been discussed in section 2.7.1 of this analysis.

The negative variance in retained earnings has been largely offset by the positive €2.5m variance in the revaluation reserve. The reason behind this change stems from the revaluation of Endo Gregale as discussed earlier.

Total liabilities amounted to €44.8m in FY23 (FY22: €30.3m). These mainly consisted of the €24.8m debt securities in issue, €8.8m in current and non-current lease liabilities, €6.7m in borrowings and €3.6m in trade and other payables.

Non-current liabilities in FY23 witnessed a significant increase of €14m compared to the previous year, primarily driven by the rise in debt securities in issue and in long term borrowings and lease liabilities. The Group's outstanding bonds saw an increase with the inclusion of €7m unlisted notes, which were not included in the Group's projections for the previous year.

Due to the omission of these 2023 unlisted notes from the Group's projections last year, there is a €6.8m variance between the forecasted and actual FY23 figures.

In addition, the Group had €8.8m in lease liabilities stemming from the leasing of Endo Gregale through sale and lease-back agreement in October 2023. Out of this total, €7.4m constituted non-current liabilities in relation to Endo Gregale through the sale and lease-back agreement. This was not included in last year's projections.

Deferred tax liabilities, stemming mainly from property revaluations in prior years, have seen a slight decrease of €0.1m and are recorded at €0.9m for FY23. These liabilities represent potential future tax expenses that the Group can offset, thereby reducing its tax obligations.

Within current liabilities, €1.4m of lease liabilities were recorded as the current portion. Additionally, short-term borrowings saw a slight increase from €2.2m to €2.3m.

The Trade and other payables line decreased from €4.5m to €3.6m, primarily driven by a substantial decrease in trade payables, from €3.5m to €1.9m as well as accruals that dropped from €1.1m to €0.7m.

Overall current liabilities have increased by €0.6m, from €6.7m in FY22 to €7.3m in FY23 reflecting the somewhat higher financial obligations and outstanding payments that the Group is expected to settle in the short term.

The Group's financial strength witnessed a decline in FY23, primarily attributable to lower revenues and negative EBITDA, EBIT, and Net Margins. This shift is evident in several key ratios. Specifically, the Gearing Ratio 1 saw a substantial increase from 26.6% in FY22 to 60.1% in FY23. This growth indicates a higher proportion of net debt relative to the combined value of net debt and total equity. The surge in this ratio is primarily attributed to the €6.9m increase in the value of debt securities issued and the new lease liability of €8.8m.

In FY24, the Group expects a slight reduction in the overall value of its assets, which is forecasted to be €62.5m compared to €63.5m in FY23. This decrease is mainly attributed to the reduction in current assets, offset by the growth in non-current assets.

The projected increase in non-current assets from €47m to €49.3m is primarily driven by the higher value of property, plant, and equipment. This increase is mainly due to the addition of a new vessel, Endo Ostro, offset by the disposal of the vessel Endo Levante and the annual depreciation.

However, this growth in non-current assets is expected to be counterbalanced by a decrease in cash levels due to the acquisition of Endo Ostro.

Total equity is expected to increase by €1.1m in FY24, primarily driven by the projected profit of €1.8m for the year, which will be recorded in retained earnings. However, this increase will be partially offset by a decrease in the revaluation reserve. This decrease is due to the anticipated sale of the vessel Endo Levante and the annual transfer from the revaluation reserve to retained earnings, which represents the additional yearly depreciation cost on the revalued amount. This is expected to lead to a reversal of a portion of the revaluation reserve related to that asset. Despite this reduction, the overall projected increase in shareholders' equity from €18.9m to €19.8m reflects the Group's improved expected financial position and its projected ability to generate profits.

In FY24, the Group foresees a decrease in total liabilities, projected to amount to €42.7m compared to €44.8m in the previous year. This reduction primarily stems from lower projected levels of trade and other payables, indicating an anticipated improvement in managing outstanding obligations. Additionally, lease liabilities are expected to decrease as the Group continues paying off its leases. Finally, a slight decrease in expected borrowings further contributes to the overall decline in total liabilities.

In FY24, the financial strength of Endo Group is expected to improve, as the Group is projected to return to profitability. Gearing ratios are forecasted to remain comparable to FY23, suggesting a consistent capital structure. The interest coverage ratio is anticipated to increase to 2.5x, reflecting the Group's projected ability to cover its finance costs more effectively.

Additionally, due to the substantial projected increase in the Group's EBITDA, the Net Debt / EBITDA ratio is expected to decrease to 4.4x in FY24.

2.9 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Cash flows from operations	2,825	6,160	537	5,269
Income tax refund	(99)	(132)	(78)	(14)
Interest paid	(734)	(907)	(1,490)	(2,779)
Net cash flows generated from / (used in) operating activities	1,991	5,121	(1,031)	2,476
Cash flows from investing activities				
Acquisition of property, plant and equipment	(1,991)	(5,112)	(11,445)	(7,457)
Acquisition of intangible assets	(3)	-	-	-
Movement in loans to related parties	(206)	(2,937)	227	(4)
Capitalisation of bond issue costs	-	(150)	(205)	-
Proceeds from disposal of property, plant and equipment	-	12,111	-	3,226
Net cash flows generated from / (used in) investing activities	(2,201)	3,912	(11,423)	(4,235)
Cash flows from financing activities				
Repayments on lease liability	-	-	(289)	(1,270)
Debt securities in issue	-	4,800	7,000	-
Movement in loans from related parties	1	(471)	-	-
Movement in bank loans	(203)	3,449	180	(440)
Dividends paid	(200)	(600)	(400)	-
Net cash flows generated from / (used in) financing activities	(402)	7,178	6,491	(1,710)
Movement in cash and cash equivalents	(612)	16,211	(5,963)	(3,469)
Cash and cash equivalents at the start of the year	1,084	249	16,458	10,532
Effects of exchange rate changes on cash and cash equivalents	(223)	(2)	37	(277)
Cash and cash equivalents at end of the year	249	16,458	10,532	6,786

Ratio Analysis	2021A	2022A	2023A	2024F
<i>Cash Flow</i>	€000s	€000s	€000s	€000s
Free Cash Flow (CFO prior to the payment of interest - Capex)	735	916	(10,986)	(2,202)

During FY23, the Group's net cash flows from operating activities, including interest payments, amounted to a negative €1.0m, reflecting a decrease compared to the previous year's figure of €6.1m. This decline was primarily driven by the loss generated by the Group, as explained in section 2.6 of this Analysis, in contrast to a gain of €3.4m in FY22. Additionally, the €0.9m decrease in trade and other payables contributed to the lower cash flow from operations. Interest payments were also €0.5m higher compared to the previous year. These factors all contributed to the lower operating cash flow.

In FY23, cash flow from investing activities amounted to a negative €11.4m. This was primarily driven by the acquisition

of property, plant, and equipment totalling €11.4m, specifically for the purchase of two new motor vessels named Endo Ponente and Endo Gregale during that financial year.

Cash flows used in investing activities in FY23 totalled €11.4m following the acquisition of Endo Gregale and Endo Ponente and the purchase of additional equipment for IFP Malta.

Cash from financing activities in FY23 showed a cash inflow of €6.5m, primarily driven by the proceeds received from the issuance of the €7m unlisted notes. This positive inflow was partially offset by dividend payments of €0.4m.



The Group's projections for cash flow from financing activities in FY23 differed significantly from the actual figures as the forecasts indicated a cash outflow of €0.9m. The discrepancy was due to the fact that the 2023 unlisted notes did not form part of last year's assessment.

The Group is projecting a positive cash flow generated from operating activities of €2.5m in FY24, reflecting a substantial increase from FY23. This improvement is primarily attributed to the Group's projected return to profitability in FY24. This growth in cash flow from operations is expected to be partially offset by an increase in interest payments due to the higher value of debt securities in issue compared to the previous year.

Cash flow used in investing activities is projected to be negative €4.2m, mainly due to the €7.5m in capital

expenditure that the Group expects to incur during FY24, which mainly reflects the acquisition of vessel Endo Ostro. The offsetting inflow is in FY23 under cash flow from financing activities, relating to the 2023 unlisted notes discussed above.

In FY24, financing activities are expected to result in a total cash outflow of €1.7m. This is primarily driven by the projected repayments of lease liabilities amounting to €1.3m and a forecasted reduction in bank loans of €0.4m.

Based on the considerations discussed above, the Group expects its cash reserves to decrease to €6.8m by the end of FY24, following a €0.3m negative expected impact of exchange rates.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions¹

The global tanker market

The world merchant fleet as per Equasis report in 2023, consists of approximately 118,928 vessels for a total Gross Tonnage (in 1000 gt) of 1,479,783. Of this fleet, 4.64% or 5,517 ships are container ships, while 12.02% or 14,309 ships are oil and chemical tankers. Container ships cover a Gross Tonnage (in 1000 gt) of 265,892 (17.97%), while chemical tankers cover a Gross Tonnage (in 1000 gt) of 375,220 (15.36%).

In addition, geopolitical shifts, including Western sanctions affecting oil trade routes, have resulted in increased sea trade, longer routes, and heightened demand for tankers. OPEC's extended output cuts into 2024 have further influenced the market dynamics, with US shale producers filling the supply gap and engaging in oil trading over longer distances.

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 is expected to grow from USD 36.3b in FY23 to USD 53.3b in FY32, with a CAGR of 4.4%. 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

Malta maintains its status as a premier jurisdiction for ship-owners, charterers, and financiers, offering the global shipping community access to a reputable ship registry within the European Union (EU), regulated by an efficient and robust legal system. Malta's ship registry stands as the largest in Europe and the EU, both in terms of the number of vessels and their total weight. Despite being the smallest European country, Malta boasts the sixth-largest ship register globally in terms of gross tonnage. As of the end of December 2022, the number of ships registered under the

Maltese Merchant Shipping Act was 9,336, for a total gross tonnage of 84.1 million.²

While only a few shipping companies are beneficially owned, financed, managed, and commercially operated in and through Malta, the Maltese shipping register continues to attract reputable companies due to its high-service quality.

Applicants undergo a rigorous selection process, considering factors such as the condition and age of prospective vessels. The management of tanker vessel fleets in Malta has seen an increased demand for operational and commercial knowledge, aligning with global developments in the tanker market. Tanker owners are seizing opportunities presented by favourable market conditions, such as high freight rates and strong global demand for oil and oil products.

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. Logistics supply constraints, along with an increase in demand for consumer goods and e-commerce, propelled container spot freight rates to five times their pre-pandemic levels in 2021, reaching a historical peak in early 2022 and sharply increasing consumer prices. However, container freight rates in 2022 experienced a dichotomy. Spot rates surged to record levels by early 2022, reflecting the pandemic-related rebound and global supply chain crisis. Rates then declined in the second half of 2022 across most major trade lanes and stabilized in early 2023. The Shanghai Containerized Freight Index, a gauge for spot container freight rates from China, plummeted by more than 80 percent to 967 points in June 2023, down from its peak of 5,067 points in January 2022, which was five times higher than its pre-COVID-19 level in January 2019. Container carriers garnered unprecedented profits estimated at almost \$300 billion in earnings before interest and taxes (EBIT) in 2022.

In parallel with spot freight rates, charter rates also experienced a significant decrease in 2022, though they remained higher than pre-pandemic levels. Contracted freight rates saw an increase in 2022, mirroring trends in spot rates and reflecting factors such as supply-demand mismatches, disruptions in the supply chain, port congestion, cost pressure, and trade imbalances. Notably,

¹<https://www.ener8.com/merchant-fleet-infographic-2023/>

²https://www.transport.gov.mt/Final_Annual-Report-22-FINAL.pdf-f9526

contract freight rates on the Asia–South America trade lane surged by 389 percent in 2022 compared with 2019, reflecting the influence of trade imbalances.

As container shipping moved away from the historical boom of 2021, the sector entered a challenging phase characterized by normalization and shifts in capacity levels. An influx of new container ship capacity in 2023 led to further adjustments, with expectations of more vessels hitting the water in 2024 and 2025. Liner operators adopted various strategies to tackle overcapacity, including rerouting, blank sailing, reducing speed, and idling ships. Carriers pursued different approaches to build resilience and adapt to the evolving operating environment.

The landscape for dry bulk freight rates remained volatile in 2022 and 2023 due to shifts in demand, port congestion, geopolitical tensions, weather-induced disruptions, and macroeconomic headwinds, notably in China. The war in Ukraine reshaped maritime trade flows, affecting cargo

distances and ton-miles. The Baltic Dry Index fluctuated significantly, peaking in May 2022 before returning to pre-pandemic levels by December 2022. A surge in demand for dry bulk cargo in the second quarter of 2023, driven by post-pandemic industrial growth in China, led to a rebound in freight rates by mid-year.³

The product tanker market has experienced an extended period of firm conditions since early 2022, strengthening significantly following the onset of the Russia-Ukraine conflict. Clarksons Research's product tanker spot earnings series averaged USD 32,294/day in 2023, down 15% year-on-year but still 82% above the ten-year average. Product tanker markets were buoyed by strong refinery throughput, underlying shifts in refinery capacity, and changes in products trade patterns due to the Russia-Ukraine conflict. Additionally, support to trade volumes from arbitrage trading, such as Saudi Arabia importing more Russian products while exporting more of its domestic output, further bolstered market conditions.⁴

³https://safety4sea.com/wp-content/uploads/2023/09/UNCTAD-Review-Maritime-Transport-2023_09.pdf

⁴<https://annualreport2023.hafniabw.com/>

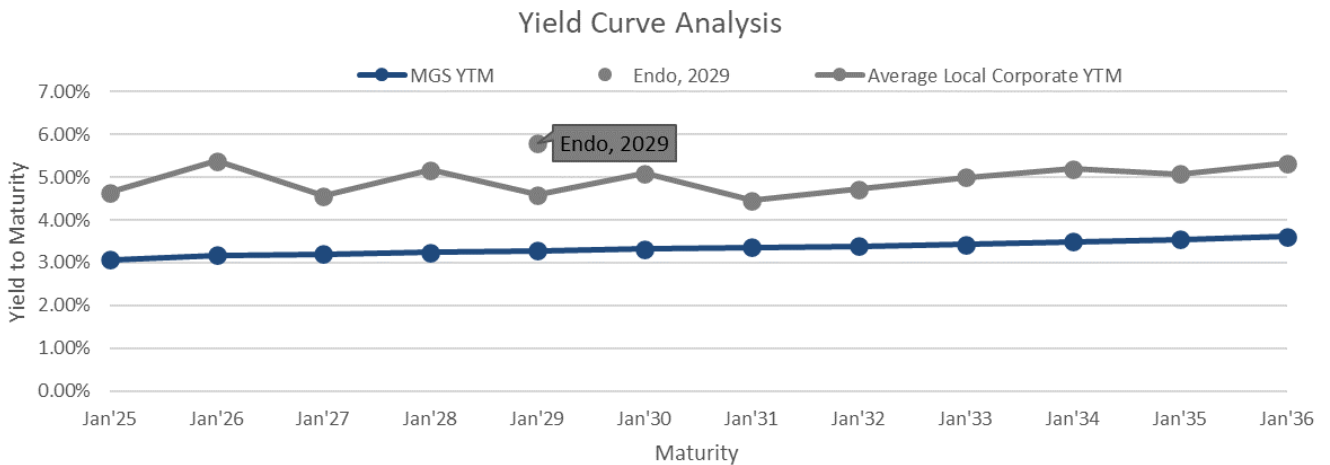
3.2 Comparative Analysis

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)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5.3% Mariner Finance plc Unsecured € 2024	17,684	5.04%	4.8x	129.6	62.1	52.1%	50.1%	5.9x	0.8x	9.0%	28.2%	1.7%
4.5% MedservRegis plc Unsecured € 2026	21,982	5.61%	4.5x	145.2	58.1	60.0%	48.4%	3.1x	2.4x	3.4%	1.8%	10.4%
5.75% MedservRegis plc Unsecured USD 2026	9,148	9.17%	4.5x	145.2	58.1	60.0%	48.4%	3.1x	2.4x	3.4%	1.8%	10.4%
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000	4.79%	2.1x	40.6	2.0	95.2%	90.9%	8.2x	0.6x	-15.1%	-1.6%	18.5%
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000	4.50%	1.8x	30.5	6.5	78.8%	70.7%	8.4x	3.5x	53.3%	67.1%	11.1%
3.75% Virtu Finance plc Unsecured € 2027	25,000	4.06%	5.3x	200.3	90.7	54.7%	36.6%	3.0x	1.3x	11.2%	17.8%	28.7%
4.5% Endo Finance plc Unsecured € 2029	13,500	5.79%	9.6x	63.5	18.7	70.5%	53.4%	1.5x	2.3x	-8.8%	-16.3%	-20.8%
5% MedservRegis plc Secured € 2029	13,000	4.78%	4.5x	145.2	58.1	60.0%	48.4%	3.1x	2.4x	3.4%	1.8%	10.4%
6.25% GPH Malta Finance plc Unsecured € 2030	18,144	5.60%	0.2x	811.9	50.4	93.8%	90.8%	71.2x	1.2x	-88.4%	-110.5%	N/A
5% Mariner Finance plc Unsecured € 2032	36,930	4.74%	4.8x	129.6	62.1	52.1%	50.1%	5.9x	0.8x	9.0%	28.2%	1.7%
*Average		5.41%										

Source: Latest available audited financial statements.

Last price as at 21/06/2024

*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 21 June 2024, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity range of 5 (2029) years was 130 basis points. The 4.5% Endo Finance plc Bonds 2029 are currently trading at a YTM of 5.79 basis points, meaning a spread of 250 basis points over the equivalent MGS. This means that this bond is trading at a premium of 120 basis points in comparison to the market.

Part 4 Glossary and Definitions

<i>Income Statement</i>	
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.
<i>Profitability Ratios</i>	
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).
<i>Cash Flow Statement</i>	
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.
<i>Balance Sheet</i>	
Total Assets	What the Group/Company owns which can be 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 be 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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Calamatta Cuschieri

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