

## SUMMARY NOTE

Dated 6 March 2019

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

In respect of an issue of €13,500,000 4.5% Unsecured Bonds 2029  
of a nominal value of €50,000 per Bond issued at par by



ENDO FINANCE P.L.C.

a public limited liability company registered in Malta with company registration number C 89481

with the joint and several Guarantee\* of International Fender Providers Ltd (C 69877),  
IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033)

**ISIN: MT0002141209**

\*Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Prospective investors are also to refer to subsection 5.3.4 of the Registration Document forming part of the Prospectus for a description of the Collateral Rights. Reference should also be made to the sections entitled "Risk Factors" contained in this Summary Note, the Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantors, as well as the Collateral Rights granted by the Endo Group.

Legal Advisors



Sponsor, Manager & Registrar



Custodian



**THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

## IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO ENDO FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND INTERNATIONAL FENDER PROVIDERS LTD, IFP INTERNATIONAL FENDER PROVIDERS LIMITED AND P & C LIMITED AS GUARANTORS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS, THEIR RESPECTIVE DIRECTORS OR ADVISORS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

ALL THE ADVISORS TO THE ISSUER AND GUARANTORS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND GUARANTORS IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISORS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER AND/OR GUARANTORS TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.**

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note forming part of the Prospectus, as the case may be.

## **SECTION A Introduction and Warnings**

A.1 Prospective investors are hereby warned that:

- I. this summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- II. where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- III. civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 **Consent required in connection with the use of the Prospectus during the Issue Period by Authorised Intermediaries**

Prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:
  - a. in respect of Bonds subscribed for through Authorised Intermediaries during the Issue Period;
  - b. to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
  - c. to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

## SECTION B Issuer and Guarantors

- B.1 The legal and commercial name of the Issuer is Endo Finance p.l.c. The legal and commercial names of the Guarantors are International Fender Providers Ltd ('IFP Malta'), IFP International Fender Providers Limited ('IFP Cyprus') and P & C Limited.
- B.2 The Issuer was registered in Malta in terms of the Act on 20 November 2018 as a public limited liability company and is domiciled in Malta. IFP Malta was registered in Malta in terms of the Act on 2 April 2015 as a private limited liability company and is domiciled in Malta. IFP Cyprus was incorporated on 26 October 2015 as limited liability company, registered in terms of the Cypriot Companies Law, Chapter 113 of the laws of Cyprus, and is domiciled in Cyprus. P & C Limited was registered in Malta in terms of the Act on 28 August 1991 as a private limited liability company and is domiciled in Malta.
- B.4b The following is an overview of the most significant recent trends affecting the Issuer and the Endo Tankers Sub-Group:

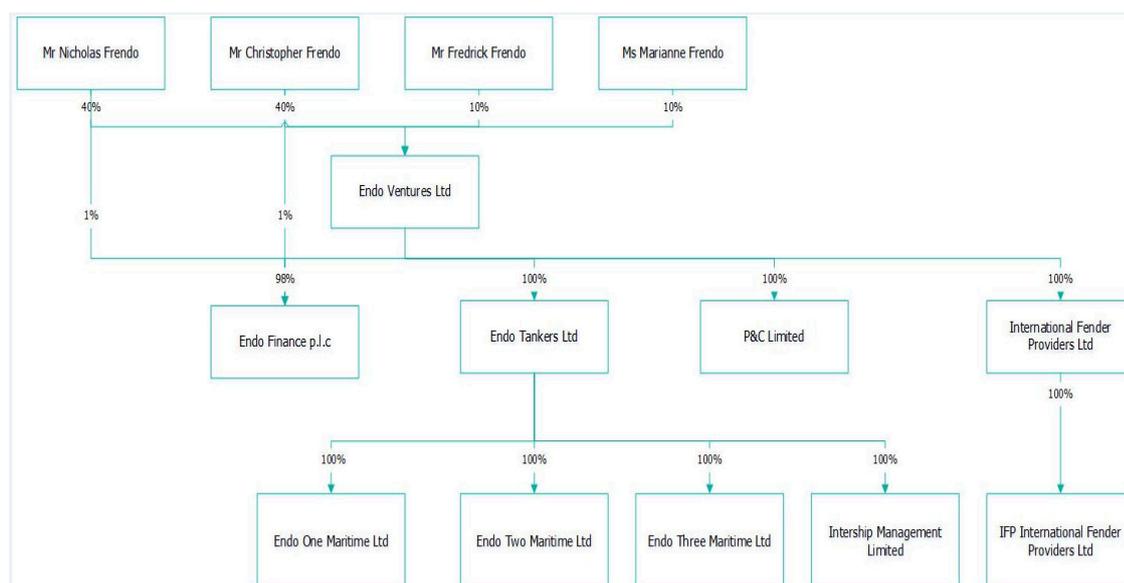
The Issuer is dependent on the business prospects of the Endo Tankers Sub-Group and, therefore, the trend information relating to the Endo Tankers Sub-Group has a material effect on its financial position and prospects.

At the time of publication of the Prospectus, the Endo Tankers Sub-Group considers that generally it shall be subject to the normal business risks associated with the industry in which the Endo Tankers Sub-Group companies are involved and operate as disclosed in the Prospectus and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of Endo Tankers Sub-Group companies and their respective businesses, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

The time charter rates for the MR vessel (that is, the proposed Vessel 2) and the 5,000 to 8,000 DWT vessel (that is, the proposed Vessel 3) are based on the average charter rates over the historical period 2008 to 2017. Mumtaz is chartered to a related entity on a bareboat charter agreement where the charter rate is fixed. There is no open market in determining charter rates for Mumtaz considering the size of this vessel.

Utilisation rates of the vessels used in the projections for the Endo Group as set out in the Prospectus are based on industry practices. The vessels are chartered on an annual basis with a stipulated 90-day notice period prior to the termination of the time charter agreement. During this period, the Endo Group will start negotiations with alternative charterers, in the event the charterer decides to discontinue the charter for the following year.

- B.5 The organisational structure of the Endo Group is illustrated in the diagram below as at the date of the Prospectus:



- B.9 Set out below is forecast financial data of the Group for the financial years ending 31 December 2019 and 2020, respectively:

Projected consolidated profit and loss account years ending 31 December 2019 and 2020:

Year	2019	2020
	Projected €000s	Projected €000s
Revenue	9,631	9,246
EBITDA	4,468	3,955
Total comprehensive income	2,134	6,697

Projected consolidated statement of financial position as at 31 December 2019 and 2020:

Year	2019	2020
	Projected €000s	Projected €000s
Non current assets	16,838	17,753
Current assets	10,646	10,089
Total assets	<u>27,484</u>	<u>27,842</u>
Total equity	10,577	12,285
Current liabilities	1,832	1,143
Non Current liabilities	15,075	14,414
Total liabilities	<u>16,907</u>	<u>15,557</u>
Total equity and liabilities	<u>27,484</u>	<u>27,842</u>

Projected consolidated cash flow statement years ending 31 December 2019 and 2020:

Year	2019	2020
	Projected €000s	Projected €000s
Net cash flows operating activities	3,015	2,440
Net cash flow (used in) financing activities	(12,900)	7,200
Net cash flows from financing activities	(110)	(3,060)
Net movement in cash and cash equivalents	(9,996)	6,580
Cash and cash equivalents at the beginning of year	11,740	1,744
Cash and cash equivalents at the end of year	<u>1,744</u>	<u>8,324</u>

- B.10 *Not Applicable*: the audit reports on the audited financial statements of the Guarantors for the financial years 2015, 2016 and 2017 do not contain any material qualifications.
- B.12 As at the date hereof, the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest financial statements. There has been no material adverse change in the prospects of the Guarantors since the date of their respective last published audited financial statements.

The historical financial information of IFP Malta and IFP Cyprus is set out in the respective audited financial statements for the financial years ended 31 December 2015 to 2017. The historical financial information of P & C Limited is set out in the audited financial statements for the financial years ended 31 July 2015 to 2017. There were no significant changes to the financial or trading position of the Guarantors since the date up to which the latest respective audited financial statements were prepared.

The pro forma consolidated financial statements of the Endo Group set out below present what the Group's consolidated financial statements would have looked like had the Endo Group existed in its current form, comprising all its current constituent components, for the financial year 1 January 2018 to 31 December 2018:

Proforma Profit and Loss account:

	Proforma Combined €000s	Consolidation Adjustments €000s	Proforma Consolidated €000s
Revenue	3,136	(281)	2,855
EBITDA	924	(281)	643
Total comprehensive income	4,028	(210)	3,818

Proforma Statement of financial position:

	Proforma Combined €000s	Consolidation Adjustments €000s	Proforma Consolidated €000s
Non current assets	42,504	(29,875)	12,629
Current assets	13,083	(356)	12,728
<b>Total assets</b>	<b>55,587</b>	<b>(30,231)</b>	<b>25,357</b>
Total equity	25,212	(16,770)	8,443
Current liabilities	1,488	(356)	1,132
Non-current liabilities	15,782	-	15,782
<b>Total liabilities</b>	<b>17,270</b>	<b>(356)</b>	<b>16,914</b>
<b>Total equity and liabilities</b>	<b>42,482</b>	<b>(17,126)</b>	<b>25,357</b>

Proforma Statement of cash flows:

	Proforma Combined €000s	Consolidation Adjustments €000s	Proforma Consolidated €000s
Net cash flows operating activities	701	(210)	491
Net cash flow (used in) financing activities	(395)	-	(395)
Net cash flows from financing activities	43,468	(29,875)	13,593
	-	-	-
Net movement in cash and cash equivalents	43,773	(30,084)	13,689
Cash and cash equivalents at the beginning of year	(1,949)	-	(1,949)
Cash and cash equivalents at the end of year	41,824	(30,084)	11,740

B.13 *Not Applicable*: neither the Issuer nor the Guarantors are aware of any recent events which are to a material extent relevant to the evaluation of their solvency.

- B.14 The Issuer was incorporated on 20 November 2018 as a fully-owned subsidiary of Endo Ventures Ltd, which latter entity is the parent company of the Endo Group, save for 1 Ordinary share which is held by Christopher Frendo and another 1 Ordinary share held by Nicholas Frendo. The Issuer's intended purpose is to raise finance for the business of the Endo Tankers Sub-Group. In this respect, the Issuer is mainly dependent on the business prospects of the Endo Tankers Sub-Group. The Issuer operates exclusively in and from Malta.
- B.15 The principal objects of the Issuer are set out in clause 4 of the Issuer's Memorandum of Association. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

IFP Malta was established in 2015 with the principal object of providing ship-to-ship fendering services, anti-pollution and pollution response services and purchasing, selling, letting, lease supplying and store bunkering fuels required for the provision of bunkering services. IFP Malta is a ship-to-ship service provider with ship-to-ship bases in Malta, Augusta and Cyprus.

IFP Cyprus was incorporated in 2015 with the same objects as IFP Malta and, similarly to IFP Malta, IFP Cyprus also assists with the transfer of any cargo between any sized ships, operating mainly in Augusta and Cyprus.

P & C Limited was established in 1991 with the principal object of purchasing or otherwise acquiring, under any title whatsoever, any immovable or otherwise dealing in and holding for the purpose of development or resale and traffic in any freehold, leasehold or other property or any estate or interest whatsoever. P & C Limited has an investment property which is situated at 9, 10, Timber Wharf in Marsa.

The Guarantors are empowered in terms of their respective Memorandums of Association to secure and guarantee any debt, liability or obligation of any third party.

- B.16 The Issuer is, except for 1 Ordinary share which is held by Christopher Frendo and another 1 Ordinary share held by Nicholas Frendo, a fully-owned subsidiary of Endo Ventures Ltd, which latter entity is the parent company of the Endo Group. The ultimate controlling beneficial owners of the Endo Group are Mr Nicholas Frendo (40%), Mr Christopher Frendo (40%), Mr Fredrick Frendo (10%) and Ms Marianne Frendo (10%).
- B.17 *Not Applicable:* neither the Issuer nor the Guarantors have sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.
- B.18 For the purposes of the Guarantee, the Guarantors jointly and severally irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantors under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

## SECTION C Securities

- C.1 The Issuer shall issue an aggregate of €13,500,000 in Bonds having a face value of €50,000 per bond, subject to a minimum holding of €50,000 in Bonds. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN: MT0002141209. The Bonds shall bear interest at the rate of 4.5% per annum.
- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

- C.8 A Bondholder shall have such rights as are attached to the Bonds, including:
- i. the repayment of capital;
  - ii. the payment of interest;
  - iii. ranking with respect to other indebtedness of the Issuer and the Guarantors;
  - iv. the benefit of the Collateral Rights through the Custodian;
  - v. seeking recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds;
  - vi. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
  - vii. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer, guaranteed jointly and severally by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantors, present and future, if any, save for such exceptions as may be provided by applicable law, and with first ranking and priority over the Collateral Rights. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect. As at the date of the Prospectus, the Issuer does not have any subordinated indebtedness.

As at 30 June 2018, the Group's indebtedness amounted in aggregate to €2,872,928, and principally includes bank loans and overdraft facilities. As such, the indebtedness being created by the Bonds shall rank after the afore-mentioned bank facilities. In addition, the Bonds will also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

- C.9 The Bonds shall bear interest from and including 22 March 2019 at the rate of 4.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The nominal value of the Bonds will be repayable in full upon maturity on the redemption date unless the Bonds are previously re-purchased and cancelled. The first interest payment will be affected on 22 March 2020 (covering the period 22 March 2019 to 22 March 2020). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4.5% per annum. The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.
- C.10 *Not Applicable*: there is no derivative component in the interest payments on the Bonds.
- C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 06 March 2019. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 29 March 2019 and trading is expected to commence on 1 April 2019.

## SECTION D Risks

### D.2 Key information on the key risks specific to the Issuer:

**Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.**

This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its' Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.



Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled “Risk Factors” in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer’s and the Guarantors’ future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled.

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and Authorised Intermediaries are to determine the suitability or otherwise of prospective investors’ investment in the Bonds before making an investment decision.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary.

i. Risks relating to the Issuer’s reliance on the Endo Tankers Sub-Group:

The Issuer was incorporated on 20 November 2018 and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Endo Tankers Sub-Group – presently, the acquisition of the Vessels – and, as such, its assets are intended to consist primarily of loans issued to Endo Tankers Sub-Group companies.

The Issuer is dependent on the business prospects of the Endo Tankers Sub-Group and, consequently, the operating results of the Endo Tankers Sub-Group have a direct effect on the Issuer’s financial position. Therefore, the risks intrinsic in the business and operations of Endo Tankers Sub-Group companies have a direct effect on the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Endo Tankers Sub-Group and, in turn, all risks relating to the Endo Tankers Sub-Group are the risks relevant to the Issuer.

Specifically, in so far as the Bonds are concerned, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from Endo Tankers Sub-Group companies.

ii. Risks relating to the Endo Tankers Sub-Group and its business:

Risks relative to the shipping industry generally

The Endo Tankers Sub-Group is involved in the business of acquiring, financing, managing and chartering commercial vessels. Such shipping operations are subject to external factors, many of which are common to the ship operating industry and beyond the Endo Tankers Sub-Group’s control, including: (i) changes in consumer trends and preferences and the ability of the Endo Tankers Sub-Group to swiftly anticipate, identify and capitalise thereon; (ii) susceptibility to local and global competition; (iii) increase in the price of fuel; (iv) changes in laws and regulations on employment, health and safety, environmental and marine protection and the related costs of compliance therewith; (v) the impact of increased threats of terrorism, piracy, impediments to means of transportation, extreme weather conditions, natural disasters, travel-related accidents and outbreaks of health concerns; (vi) increases in operating costs; and (vii) the arrest or detainment of vessels by maritime claimants or other authorities, or the requisitioning of any vessel during a period of war or emergency.

Risks relative to chartering operations

The Endo Tankers Sub-Group’s charter operations depend on its ability to establish and maintain relationships with charterers, at attractive rates, in respect of which the Endo Tankers Sub-Group will face substantial competition from its competitors and may be subject to factors beyond the control of the Endo Tankers Sub-Group. Such current and potential competitors may have longer operating histories, greater name recognition, have larger revenues, volume and capacity, larger customer bases and greater financial and other resources and could thus offer more attractive services and rates than the Endo Tankers Sub-Group. A decrease in charter rates could have a material adverse effect on the Endo Tankers Sub-Group’s business, results of operations and financial condition.

#### Risks inherent in the operation of vessels

The operation of vessels carries inherent risks, including the possibility of: (i) marine disaster, including collisions at sea and contact with floating objects; (ii) environmental accidents, including oil and hazardous substance spills; (iii) grounding, fire, explosions and collisions; (iv) cargo and property losses or damages; (v) business interruptions caused by mechanical failure, human error, war, sabotage and/or political uncertainty; (vi) adverse sea or weather conditions; and (vii) work stoppages or other labour-related problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements.

#### Fluctuations in the value of the Vessels

The fair market value of vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, the supply of similar vessels, supply and demand for container ships, alternative modes of transportation, cost of newly-built vessels, governmental or other regulations. If the fair market value of the Vessels, once acquired and delivered, declines below their respective carrying value and such decline is other than temporary, the Endo Tankers Sub-Group could be required to recognise an impairment charge or could incur a loss should any one or more of the Vessels be sold. In view of the fact that the Endo Tankers Sub-Group's operating performance could be adversely affected by a downturn in the value of any one or more of its vessels as aforesaid, there can be no assurance that the valuations of Endo Tankers Sub-Group-owned vessels will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date.

#### Repairs, maintenance, ageing and downtime of the Vessels

Repairs to, and maintenance of, the Vessels and any other unexpected issues which may arise in this regard may require significant capital expenditure and result in a loss of revenue while the Vessels are in downtime, particularly given that, in general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Insurance rates may increase with the age of a vessel, making older vessels more costly to operate and, therefore, less attractive to operators and charterers. Governmental regulations and safety and/or other equipment standards related to the age of vessels may also require expenditures on alterations or new equipment for the Vessels and may restrict the type of activities in which the Endo Tankers Sub-Group's Vessels may engage. Each of these factors could have a material adverse effect on the business of the Endo Tankers Sub-Group, its financial condition and the results of its future operations.

#### Increases in crude oil and bunker fuel prices

Crude oil prices have historically exhibited significant volatility in short periods of time. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors beyond the Endo Tankers Sub-Group's control, such as political instability, tensions in the Middle East, global terrorism, a long-term increase in global demand for oil and the economic development of emerging markets. Given that the cost of marine or bunker fuel is one of the major operating costs in running a vessel, an increase in crude oil and bunker fuel could materially and adversely impact the Endo Tankers Sub-Group's business, results of operations and financial condition.

#### Risks relative to privileged maritime claims and possessory liens under the Merchant Shipping Act (Chapter 234 of the laws of Malta)

Under the provisions of the Merchant Shipping Act certain debts specified therein are secured by a special privilege upon the relevant vessel, including: (i) wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf; (ii) expenses for assistance, recovery of salvage and for pilotage; (iii) tonnage dues; (iv) moneys due to creditors for labour, work and repairs; (v) damages and interest due to another vessel or to her cargo in cases of collisions of vessels; and (vi) damages and interest due to any seaman for death or personal injury and expenses attendant on the illness or injury of any seaman. The potential risk associated with the privileged debts attaching to the Vessels arises out of the fact that the obligations under the Bonds in terms of the Prospectus are subordinated to these privileged debts. Consequently, in the event that there are insufficient funds to cover all the claims of the creditors of the Group, secured or otherwise, the Bondholders' claims would be subordinated to the claims over these privileged debts and the ability of the Issuer to fulfil its obligations under the Bonds may be materially adversely affected.

#### The Endo Tankers Sub-Group may be exposed to risks relative to its insurance policies

Although the Endo Tankers Sub-Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Endo Tankers Sub-Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Endo Tankers Sub-Group. In addition, the Endo Tankers Sub-Group may not be able to recover the full amount from the insurer. No assurance can be given that the Endo Tankers Sub-Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. As a result, any loss or disruption to any of the Endo Tankers Sub-Group's operations may have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.



#### Litigation risk

All industries, including the business of acquiring, financing, managing and chartering commercial vessels, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Endo Tankers Sub-Group's future cash flow, results of operations or financial condition.

#### Reliance on key senior personnel and management

The Endo Tankers Sub-Group believes that its growth will, in part, be attributable to the efforts and abilities of the Directors and members of its executive management team and other key personnel. If one or more of these individuals were unable or unwilling to continue in their present position, the Endo Tankers Sub-Group might not be able to replace them within the short term, which could have an adverse effect on the Endo Tankers Sub-Group's business, financial condition and results of operations.

#### Liquidity risk

In view of the fact that the Endo Group is, in part through P & C Limited, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions, or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

#### D.3 Key information on the key risks specific to the Bonds:

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

- i. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- v. Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- vi. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- vii. The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law and with first ranking and priority over the Collateral Rights, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantors, if any. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Issuer fails to

meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantors and, therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors.

- viii. The Bond Issue is supported by the Collateral Rights that are to be granted in favour of the Custodian for the benefit and in the interest of Bondholders. Whilst the Custodian is to be granted a right of preference and priority for repayment over the Collateral Rights, there can be no guarantee that the value of the Collateral Rights over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of one or more of the Vessels or the Collateral Rights generally. If such circumstances were to arise or subsist at the time that the Collateral Rights are to be enforced by the Custodian, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds. There can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer, the Guarantors and other Group companies which may rank with priority or preference to the Collateral Rights.
- ix. The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

## SECTION E Offer

- E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €13,100,000, will be on-lent to Endo Tankers Ltd by the Issuer pursuant to the Loan Agreement and shall be utilised for the following purposes, in the amounts and order of priority set out below:
  - i. an amount of *circa* €8,400,000 of the net Bond Issue proceeds will be used to finance the acquisition by Endo Two Maritime Ltd of Vessel 2;
  - ii. an amount of *circa* €4,200,000 of the net Bond Issue proceeds will be used to finance the acquisition by Endo Three Maritime Ltd of Vessel 3;
  - iii. the remaining balance of *circa* €500,000 of the net Bond Issue proceeds will be used for general corporate funding purposes of the Endo Group.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

The net proceeds from the Bond Issue amounting to €13,100,000 shall be advanced by title of loan from the Issuer to Endo Tankers Ltd pursuant to and in accordance with the terms and conditions of the Loan Agreement, in virtue of which Endo Tankers Ltd will, in turn, use said proceeds as follows:

- an amount of €12,600,000 of the Bond Issue proceeds (that is, the proceeds referred to in paragraphs (i) and (ii) above) shall be transferred to the Custodian to be held by the Custodian on escrow (pursuant to the terms of an escrow agreement to be entered into by and between Endo Tankers Ltd and the Custodian for the purpose) pending identification of Vessel 2 and Vessel 3, respectively, and upon the release of funds by the Custodian for the acquisition of each of the said vessels the relative security contemplated under the Collateral Rights shall be perfected in respect of each of the said vessels so acquired, in accordance with the provisions of the Trust Deed. Specifically, the relative funds shall be released by the Custodian to Endo Tankers Ltd, up to the amount necessary to finance the acquisitions of Vessel 2 and Vessel 3, respectively, to be used by Endo Tankers Ltd to subscribe to shares in Endo Two Maritime Ltd in an amount of *circa* €8,400,000 and to shares in Endo Three Maritime Ltd in an amount of *circa* €4,200,000, for such funds to be used by said entities to finance the acquisitions of Vessel 2 and Vessel 3, respectively. Immediately upon acquisition of each of Vessel 2 and Vessel 3, each of Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, shall procure the perfection of the Collateral Rights over the respective vessels so acquired, as applicable – the delay or failure on the part of either or both of Endo Two Maritime Ltd and/or Endo Three Maritime Ltd to perfect the Collateral Rights over the respective vessels so acquired shall constitute an event of default under the Loan Agreement thereby leading to the automatic termination of the Loan Agreement and having the effect of the relative loan amount granted by the Issuer to Endo Tankers Ltd thereunder, or such part thereof as may be outstanding, becoming immediately due and repayable in full, together with accrued interest. Moreover, immediately upon the subscription of additional shares by Endo Tankers Ltd in each of Endo Two Maritime Ltd and Endo Three Maritime Ltd as aforesaid, Endo

Tankers Ltd shall grant an additional pledge over all said additional shares issued and allotted in the capital of Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, in favour of the Custodian in its capacity as trustee of the Endo Trust;

- an amount of circa €500,000 of the Bond Issue proceeds shall be used in connection with the general corporate funding purposes of the Endo Group in terms of paragraph (iii) above.

E.3 The Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Intermediaries through subscription agreements, whereby the Issuer will bind itself to allocate the Bonds to such Authorised Intermediaries in accordance with the terms of such subscription agreements. The Authorised Intermediaries will, in turn, bind themselves to subscribe to a specified amount of Bonds subject to, and conditional upon, the Bonds being admitted to the Official List of the Malta Stock Exchange.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

#### 1. Collateral Rights

Partial security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is to be granted in favour of the Custodian for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral Rights. The Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have agreed to grant the Collateral Rights in favour of the Custodian for the benefit of Bondholders, as Primary Beneficiaries, in terms of the Trust Deed and the Pledge Agreements, and for such purpose have appointed the Custodian to hold and administer the Collateral Rights under trust. The Collateral Rights will secure the claim of the Custodian, for the benefit and in the interest of Bondholders, for the repayment of part of the amount of the principal and interest under the Bonds by a preferred claim over the Collateral Rights. Specifically, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have entered into a Trust Deed with the Custodian which consists of the covenants of the Issuer to secure, pursuant to the granting of the Collateral Rights and up to the value of the Collateral Rights from time to time, the payment of part of the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date, and all other ancillary obligations, rights and benefits under the Trust Deed and the Pledge Agreements. The Collateral Rights will be vested in the Custodian for the benefit of the Bondholders in proportion to their respective holding of Bonds from time to time. The Custodian shall hold the following Collateral Rights granted in its favour by the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, as applicable, for the benefit of Bondholders:

- a first priority mortgage on each of Mumtaz, Vessel 2 and Vessel 3, respectively, in the case of Vessel 2 and Vessel 3 once acquired, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
- a pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, from time to time in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Pledge Agreements and the Trust Deed (all shares held by Endo Tankers Ltd in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, as at the date of the Prospectus have been pledged by Endo Tankers Ltd in favour of the Custodian in its capacity as trustee of the Endo Trust, in virtue of the Pledge Agreements); and
- a pledge over the proceeds from each of the Insurance Policies, in the case of Vessel 2 and Vessel 3 once acquired and the relative insurance policies are in force, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed.

#### 2. Form, Denomination and Title

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Bonds will be issued in fully registered form, without interest coupons, in denominations of €50,000 provided that on subscription the Bonds will be issued for a minimum of €50,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €50,000 to each underlying client, as the case may be, and a subsequent minimum holding of €50,000 per individual Bondholder/underlying customer is maintained throughout his/her/its investment, unless disposed of in its entirety. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided in the Securities Note.

#### 3. Interest

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

#### 4. *Status of the Bonds*

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantors, present and future, save for such exceptions as may be provided by applicable law, and with first ranking and priority over the Collateral Rights. In the event of any shortfall in funds required in connection with the repayment of the principal amount under the Bonds, the Issuer's shareholders have undertaken, in virtue of a resolution entered into for the purpose on 27 November 2018, to inject the necessary funds to effect the redemption of the Bonds on the Redemption Date through an equity injection.

#### 5. *Payments*

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to 22 March 2029 (the "Redemption Date"), by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be affected within seven (7) days of the Redemption Date. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be affected within seven (7) days of the Interest Payment Date.

#### 6. *Redemption*

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 22 March 2029.

#### 7. *Events of Default*

The Custodian may in its absolute and unfettered discretion, and shall upon the request in writing of not less than 65% in value of the Primary Beneficiaries, by notice in writing to the Issuer declare the Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the happening of any of the following events:

- i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; or
- ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; or
- iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; or
- iv. if the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and/or Endo Three Maritime Ltd commits a breach of any of the covenants or provisions contained in the Trust Deed and/or the Pledge Agreements, as applicable, to be observed and performed on their respective parts and the said breach still subsists for thirty (30) days after having been notified by the Custodian; or
- v. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or any one or more of the Guarantors; or
- vi. if the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- vii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- viii. if the Issuer commits a breach of any of the covenants or provisions contained in the Trust Deed to be observed and performed on its part and the said breach still subsists for thirty (30) days after having been notified by the Custodian (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); or
- ix. there shall have been entered against the Issuer and/or any one or more of the Guarantors a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- x. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness of the Issuer and/or any one or more of the Guarantors in excess of three million Euro (€3,000,000) or its equivalent at any time.

#### 8. *Transferability of the Bonds*

The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

#### 9. *Register of Bondholders*

Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers, registration numbers and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

#### 10. *Further Issues*

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

#### 11. *Meetings of Bondholders*

The Terms and Conditions of the Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

#### 12. *Governing Law and Jurisdiction*

The Bonds shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer and/or the Guarantors arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

- E.4 Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.
- E.7 Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €400,000 and shall be borne by the Issuer.

### EXPECTED TIME-TABLE OF THE BOND ISSUE

1	Application Forms made available	15 March 2019
2	Intermediaries' Offer period	15 March 2019 (from 08:30 CET) to 21 March 2019 (by 12:00 CET)
3	Announcement of basis of acceptance	22 March 2019
4	Issue date of the Bonds	22 March 2019
5	Commencement of interest	22 March 2019
6	Expected date of admission of the Bonds to listing	29 March 2019
7	Expected dispatch of allotment advices and refunds (if any)	29 March 2019
8	Expected date of commencement of trading in the Bonds	01 April 2019

# REGISTRATION DOCUMENT

Dated 6 March 2019

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Registration Document is issued pursuant to the requirements of Listing Rule 4.13 of the Listing Rules and contains information about Endo Finance p.l.c.

In respect of an issue of €13,500,000 4.5% Unsecured Bonds 2029  
of a nominal value of €50,000 per Bond issued at par by



ENDO FINANCE P.L.C.

a public limited liability company registered in Malta with company registration number C 89481

with the joint and several Guarantee\* of International Fender Providers Ltd (C 69877),  
IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033)

**ISIN: MT0002141209**

\*Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Prospective investors are also to refer to sub-section 5.3.4 of this Registration Document for a description of the Collateral Rights. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary Note, this Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantors, as well as the Collateral Rights granted by the Endo Group.

Legal Advisors



Sponsor, Manager & Registrar



Custodian



The listing authority has authorised the admissibility of these securities as a listed financial instrument. This means that the said instrument is in compliance with the requirements and conditions set out in the listing rules. In providing this authorisation, the listing authority does not give any certification regarding the potential risks in investing in the said instrument and such authorisation should not be deemed or be construed as a representation or warranty as to the safety of investing in such instrument. The listing authority accepts no responsibility for the contents of the prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of the prospectus, including any losses incurred by investing in these securities. A prospective investor should always seek independent financial advice before deciding to invest in any listed financial instruments. A prospective investor should be aware of the potential risks in investing in the securities of an issuer and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.

A handwritten signature in black ink, appearing to read "Chris Frendo".

Christopher Frendo

A handwritten signature in black ink, appearing to read "Nicholas Frendo".

Nicholas Frendo on behalf of Nicholas Frendo,  
Anthony Busuttil, Francis Gouder, Erica Scerri

## TABLE OF CONTENTS

<b>1</b>	<b>DEFINITIONS .....</b>	<b>21</b>
<b>2</b>	<b>RISK FACTORS .....</b>	<b>25</b>
2.1	<i>Forward-looking statements .....</i>	26
2.2	<i>General .....</i>	26
2.3	<i>Risks relative to the Issuer's reliance on the Endo Tankers Sub-Group .....</i>	27
2.4	<i>Risks relative to the Endo Tankers Sub-Group and its business .....</i>	27
2.5	<i>Risks relative to the Guarantee and the Collateral Rights .....</i>	32
<b>3</b>	<b>PERSONS RESPONSIBLE .....</b>	<b>32</b>
<b>4</b>	<b>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTORS....</b>	<b>33</b>
4.1	<i>Directors .....</i>	33
4.2	<i>Senior management .....</i>	35
4.3	<i>Advisors to the Issuer and Guarantors .....</i>	36
4.4	<i>Auditors .....</i>	36
4.5	<i>Custodian .....</i>	37
<b>5</b>	<b>INFORMATION ABOUT THE ISSUER, THE GUARANTORS AND THE ENDO GROUP .....</b>	<b>37</b>
5.1	<i>Introduction .....</i>	37
5.2	<i>Historical development of the Palm Group .....</i>	40
5.3	<i>Historical development of the Endo Group and overview of the Endo Group's business .....</i>	41
<b>6</b>	<b>TREND INFORMATION AND FINANCIAL PERFORMANCE .....</b>	<b>47</b>
6.1	<i>Trend information of the Issuer .....</i>	47
6.2	<i>Trend information of the Endo Tankers Sub-Group .....</i>	47
6.3	<i>Key Financial Review .....</i>	48
<b>7</b>	<b>Financial Position .....</b>	<b>63</b>
7.1	<i>IFP Malta related party loans .....</i>	64
<b>8</b>	<b>MANAGEMENT AND ADMINISTRATION .....</b>	<b>65</b>
8.1	<i>The Issuer .....</i>	65
8.2	<i>The Boards of the Guarantors .....</i>	66
8.3	<i>Conflict of interest .....</i>	67
8.4	<i>Working capital .....</i>	68
8.5	<i>Dividend policy .....</i>	68
<b>9</b>	<b>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS .....</b>	<b>68</b>
9.1	<i>Major shareholders of the Issuer .....</i>	68
9.2	<i>Major shareholders of the Guarantors .....</i>	68
9.3	<i>Related party transactions .....</i>	70
9.4	<i>Commissions .....</i>	70
<b>10</b>	<b>BOARD COMMITTEES .....</b>	<b>70</b>

10.1	<i>Audit Committee of the Issuer</i> .....	70
<b>11</b>	<b>COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS</b> .....	<b>71</b>
11.1	<i>The Issuer</i> .....	71
11.2	<i>The Guarantors</i> .....	72
<b>12</b>	<b>HISTORICAL FINANCIAL INFORMATION</b> .....	<b>72</b>
<b>13</b>	<b>LITIGATION PROCEEDINGS</b> .....	<b>72</b>
<b>14</b>	<b>ADDITIONAL INFORMATION</b> .....	<b>72</b>
14.1	<i>Share capital of the Issuer</i> .....	72
14.2	<i>Memorandum and Articles of Association of the Issuer</i> .....	73
14.3	<i>Share capital of the Guarantors</i> .....	73
14.4	<i>Memorandum and Articles of Association of the Guarantors</i> .....	74
<b>15</b>	<b>MATERIAL CONTRACTS</b> .....	<b>75</b>
<b>16</b>	<b>THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b> .....	<b>76</b>
<b>17</b>	<b>DOCUMENTS AVAILABLE FOR INSPECTION</b> .....	<b>76</b>
	<b>Annex 1 – Accountant’s Report on forecast consolidated financial information of Endo Ventures Ltd</b> .....	<b>77</b>
	<b>Annex 2 – Accountant’s Report on pro forma consolidated financial information of Endo Ventures Ltd</b> .....	<b>85</b>



## IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON ENDO FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND ABOUT INTERNATIONAL FENDER PROVIDERS LTD, IFP INTERNATIONAL FENDER PROVIDERS LIMITED AND P & C LIMITED IN THEIR CAPACITY AS JOINT AND SEVERAL GUARANTORS, RESPECTIVELY, IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTORS SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISORS TO THE ISSUER AND GUARANTORS NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "ADVISORS TO THE ISSUER AND GUARANTORS" IN SUB-SECTION 4.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

## 1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>“ACT” OR “COMPANIES ACT”</b>	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
<b>“AUTHORISED INTERMEDIARIES”</b>	all the licensed stockbrokers and financial intermediaries listed in Annex 2 of the Securities Note forming part of the Prospectus;
<b>“BOND/S”</b>	a maximum of €13,500,000 unsecured bonds due 2029 of a nominal value of €50,000 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.5% per annum;
<b>“BOND ISSUE”</b>	the issue of the Bonds;
<b>“BONDHOLDER”</b>	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
<b>“COLLATERAL RIGHTS”</b>	the following security rights granted by the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, as applicable, in favour of the Custodian for the benefit of Bondholders: <ul style="list-style-type: none"> <li>(i) a first priority mortgage on each of Mumtaz, Vessel 2 and Vessel 3 (each as defined separately below), respectively, in the case of Vessel 2 and Vessel 3 once acquired, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;</li> <li>(ii) a pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Pledge Agreements and the Trust Deed; and</li> <li>(iii) a pledge over the proceeds from each of the Insurance Policies, in the case of Vessel 2 and Vessel 3 once acquired and the relative insurance policies are in force, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;</li> </ul>
<b>“COMPANY” OR “ISSUER”</b>	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;
<b>“CUSTODIAN”</b>	GVZH Trustees Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 23095 and having its registered office at 192, Old Bakery Street, Valletta VLT 1455, Malta, which is duly authorised and qualified to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“DEADWEIGHT TONNAGE” OR “DWT”</b>	the measurement of potential weight carried by a commercial vessel;
<b>“DIRECTORS” OR “BOARD”</b>	the directors of the Issuer whose names are set out in sub-section 4.1.1 of this Registration Document;
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation;
<b>“ENDO GROUP” OR “GROUP”</b>	Endo Ventures Ltd as the parent company and its direct and indirect subsidiaries, including the Issuer, the Guarantors, Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd and any other subsidiary and associated company or entity, in which Endo Ventures Ltd has a controlling interest, involved, amongst other activities, in the business of acquiring, financing, managing and chartering commercial vessels;
<b>“ENDO TANKERS SUB-GROUP”</b>	Endo Tankers Ltd and its direct wholly-owned subsidiaries Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd and Intership Management Limited, forming part of the Endo Group;

<b>“ENDO ONE MARITIME LTD”</b>	Endo One Maritime Ltd, a company registered under the laws of Malta with company registration number C 88665 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“ENDO TANKERS LTD”</b>	Endo Tankers Ltd, a company registered under the laws of Malta with company registration number C 88663 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“ENDO THREE MARITIME LTD”</b>	Endo Three Maritime Ltd, a company registered under the laws of Malta with company registration number C 88674 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“ENDO TRUST”</b>	the trust established in virtue of the Trust Deed (as defined below), which deed is available for inspection at the registered office of the Issuer as set out in section 17 of this Registration Document;
<b>“ENDO TWO MARITIME LTD”</b>	Endo Two Maritime Ltd, a company registered under the laws of Malta with company registration number C 88666 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“ENDO VENTURES LTD”</b>	Endo Ventures Ltd, a company registered under the laws of Malta with company registration number C 86730 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“EURO” OR “€”</b>	the lawful currency of the Republic of Malta;
<b>“EXCHANGE” OR “MALTA STOCK EXCHANGE” OR “MSE”</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>“FINANCIAL ANALYSIS SUMMARY”</b>	the financial analysis summary dated 6 March 2019 compiled by the Sponsor, Manager & Registrar in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out in Annex 3 of the Securities Note forming part of the Prospectus;
<b>“GUARANTEE”</b>	the joint and several guarantee dated 27 November 2018 granted by the Guarantors as security for the punctual performance of the Issuer’s payment obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex 1;
<b>“GUARANTORS”</b>	collectively, IFP Malta, IFP Cyprus and P & C Limited, each as defined below in this section 1;
<b>“INTERSHIP MANAGEMENT LIMITED”</b>	Intership Management Limited, a company registered under the laws of Malta with company registration number C 74524 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“INSURANCE POLICY 2”</b>	the insurance policy providing for the replacement value of Vessel 2 to be purchased by Endo Two Maritime Ltd, as set out in sub-section 5.3.2.2 of this Registration Document;
<b>“INSURANCE POLICY 3”</b>	the insurance policy providing for the replacement value of Vessel 3 to be purchased by Endo Three Maritime Ltd, as set out in sub-section 5.3.2.2 of this Registration Document;
<b>“INSURANCE POLICY MUMTAZ”</b>	the insurance policy providing for the replacement value of the vessel Mumtaz;
<b>“INSURANCE POLICIES”</b>	collectively, Insurance Policy 2, Insurance Policy 3 and Insurance Policy Mumtaz;
<b>“INTERNATIONAL FENDER PROVIDERS LTD” OR “IFP MALTA”</b>	International Fender Providers Ltd, a company registered under the laws of Malta with company registration number C 69877 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. International Fender Providers Ltd is a Guarantor of the Bond Issue;
<b>“IFP INTERNATIONAL FENDER PROVIDERS LIMITED” OR “IFP CYPRUS”</b>	IFP International Fender Providers Limited, a company registered under the laws of Cyprus with company registration number HE 348221 and having its registered office

	at Florinis, 7, Greg Tower, 2 <sup>nd</sup> Floor, 1065, Nicosia, Cyprus. IFP International Fender Providers Limited is a Guarantor of the Bond Issue;
<b>“INTERNATIONAL FUEL SUPPLIERS LIMITED”</b>	International Fuel Suppliers Limited, a company registered under the laws of Malta with company registration number C 66816 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“LISTING AUTHORITY”</b>	the Board of Governors of the Malta Financial Services Authority, appointed as the Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta);
<b>“LISTING RULES”</b>	the listing rules issued by the Listing Authority, as may be amended from time to time;
<b>“LOAN AGREEMENT”</b>	the loan agreement entered into on 6 March 2019 by and between the Issuer (as lender), Endo Tankers Ltd (as borrower), Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd (all three entities as joint and several guarantors) and the Custodian (as security agent) pursuant to and in accordance with the terms and conditions of which part of the proceeds from the Bond Issue amounting to €13,100,000 shall be advanced by title of loan from the Issuer to Endo Tankers Ltd;
<b>“MALTA STOCK EXCHANGE BYE-LAWS”</b>	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
<b>“MEMORANDUM AND ARTICLES OF ASSOCIATION” OR “M&amp;AS”</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>“MFSA”</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1989 (Chapter 330 of the laws of Malta);
<b>“MUMTAZ MARITIME COMPANY LIMITED”</b>	Mumtaz Maritime Company Limited, a company registered under the laws of Malta with company registration number C 73983 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“MUMTAZ”</b>	the vessel bearing IMO number 9268514 owned by Endo One Maritime Ltd as set out in sub-section 5.3.2.1 of this Registration Document;
<b>“OFFICIAL LIST”</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>“P &amp; C LIMITED”</b>	P & C Limited, a company registered under the laws of Malta with company registration number C 13033 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. P & C Limited is a Guarantor of the Bond Issue;
<b>“PALM GROUP”</b>	the companies forming part of the Palm Group of companies as described in sub-section 5.2 of this Registration Document;
<b>“PLEDGE AGREEMENT 1”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo One Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“PLEDGE AGREEMENT 2”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo Two Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo Two Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“PLEDGE AGREEMENT 3”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo Three Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo Three Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;

<b>“PLEDGE AGREEMENTS”</b>	collectively, Pledge Agreement 1, Pledge Agreement 2 and Pledge Agreement 3;
<b>“PRIMARY BENEFICIARIES”</b>	the Bondholders from time to time;
<b>“PROSPECTUS”</b>	collectively, the Summary Note, this Registration Document and the Securities Note, all dated 6 March 2019, as such documents may be amended, updated, replaced and supplemented from time to time;
<b>“PROSPECTUS DIRECTIVE”</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
<b>“REDEMPTION DATE”</b>	22 March 2029;
<b>“REGISTRATION DOCUMENT”</b>	this registration document in its entirety issued by the Issuer dated 6 March 2019, forming part of the Prospectus;
<b>“REGULATION”</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
<b>“SECURITIES NOTE”</b>	the securities note issued by the Issuer dated 6 March 2019, forming part of the Prospectus;
<b>“SPONSOR, MANAGER &amp; REGISTRAR”</b>	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
<b>“SUMMARY NOTE”</b>	the summary note issued by the Issuer dated 6 March 2019, forming part of the Prospectus;
<b>“TRUST DEED”</b>	the security trust deed to be dated on or around 22 March 2019 and entered into by and between the Custodian, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, in virtue of which the Custodian is appointed to hold and administer the Collateral Rights for the benefit of Bondholders;
<b>“VESSEL 2”</b>	the vessel to be purchased by Endo Two Maritime Ltd by means of financing provided by the Issuer from the net proceeds of the Bond Issue, as set out in sub-section 5.3.2.2 of this Registration Document;
<b>“VESSEL 3”</b>	the vessel to be purchased by Endo Three Maritime Ltd by means of financing provided by the Issuer from the net proceeds of the Bond Issue, as set out in sub-section 5.3.2.2 of this Registration Document; and
<b>“VESSELS”</b>	Mumtaz, Vessel 2 and Vessel 3.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and *vice-versa*;
- b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e) any reference to a person includes that person’s legal personal representatives, successors and assigns;
- f) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- g) any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

## 2 RISK FACTORS

**PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTORS ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.**

**IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER’S AND/OR GUARANTORS’ FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS AND OF THE GUARANTORS TO HONOUR THEIR OBLIGATIONS UNDER THE GUARANTEE. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND THE GUARANTORS AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTORS MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S AND/OR GUARANTORS’ DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTORS.**

**NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:**

- I. **IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR**
- II. **SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTORS, THE SPONSOR, MANAGER & REGISTRAR, THE CUSTODIAN OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.**

## 2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and Guarantors' strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control.

**Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantors' directors** include those risks identified under this heading "*Risk Factors*" and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a material effect on the Issuer's and/or Guarantors' financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Prospectus and of the Guarantors to honour their obligations under the Guarantee.

**Accordingly, the Issuer and Guarantors** caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and Guarantors with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

**Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "*Risk Factors*"** for a further discussion of the factors that could affect the Issuer's and Guarantors' future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer, Guarantors and their respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled.** An investment in the Bonds involves certain risks, including those described below.

## 2.2 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Chapter 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- I. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- II. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- III. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- IV. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

## 2.3 Risks relative to the Issuer's reliance on the Endo Tankers Sub-Group

**The Issuer was incorporated on 20 November 2018** and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Endo Tankers Sub-Group – **presently, the acquisition of the Vessels** – and, as such, its assets are intended to consist primarily of loans issued to Endo Tankers Sub-Group companies.

**The Issuer is dependent on the business prospects of the Endo Tankers Sub-Group** and, consequently, the operating results of the Endo Tankers Sub-Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Endo Tankers Sub-Group companies have a direct effect on the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Endo Tankers Sub-Group and, in turn, all risks relating to the Endo Tankers Sub-Group are the risks relevant to the Issuer.

**Specifically, in so far as the Bonds are concerned,** the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from Endo Tankers Sub-Group companies.

**The interest payments and loan repayments to be affected by** Endo Tankers Sub-Group companies are subject to certain risks. More specifically, the ability of Endo Tankers Sub-Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Endo Tankers Sub-Group companies, which may be restricted: by changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

## 2.4 Risks relative to the Endo Tankers Sub-Group and its business

### 2.4.1 RISKS RELATIVE TO THE SHIPPING INDUSTRY GENERALLY

**The Endo Tankers Sub-Group is involved in the business of acquiring, financing, managing and chartering commercial vessels. Such shipping operations are subject to external factors, many of which are common to the ship operating industry and beyond the Endo Tankers Sub-Group's control, including: (i) changes in consumer trends and preferences and the ability of the Endo Tankers Sub-Group to swiftly anticipate, identify and capitalise thereon; (ii) susceptibility to local and global competition; (iii) increase in the price of fuel; (iv) changes in laws and regulations on employment, health and safety, environmental and marine protection and the related costs of compliance therewith; (v) the impact of increased threats of terrorism, piracy, impediments to means of transportation, extreme weather conditions, natural disasters, travel-related accidents and outbreaks of health concerns; (vi) increases in operating costs; and (vii) the arrest or detainment of vessels by maritime claimants or other authorities, or the requisitioning of any vessel during a period of war or emergency. In particular, given that the maritime business is a highly competitive market, such competitive environment potentially threatens the generation of revenues and could prevent the Endo Tankers Sub-Group from charging freight rates that are necessary for it to be profitable.**

Furthermore, the shipping industry is cyclical and volatile in nature, since it is heavily dependent on the prevailing conditions in the world's economies. Consequently, freight rates are highly volatile and the market value of the Vessels could fluctuate significantly. Imbalances of supply and demand, as well as the cyclicity and volatility of the industry, could have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.

### 2.4.2 RISKS RELATIVE TO CHARTERING OPERATIONS

**The Endo Tankers Sub-Group's charter operations depend on its ability to establish and maintain relationships with charterers, at attractive rates, in respect of which the Endo Tankers Sub-Group will face substantial competition from its competitors and may be subject to factors beyond the control of the Endo Tankers Sub-Group. Such current and potential competitors may have longer operating histories, greater name recognition, have larger revenues, volume and capacity, larger customer bases and greater financial and other resources and could thus offer more attractive services and rates than the Endo Tankers Sub-Group. In addition, charter rates (and short-term charter rates in particular) tend to fluctuate significantly in response to market participants' perceptions of supply and demand for the shipping markets. A decrease in charter rates could have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.**

The Issuer makes reliance on the revenues that it expects to generate from the chartering of the Vessels – if the Issuer is unable to acquire any one or more of the Vessels **within the anticipated timeframes** this could itself have a material adverse impact on its business, results of operations and financial condition.

#### 2.4.3 RISKS INHERENT IN THE OPERATION OF VESSELS

The operation of vessels carries inherent risks, including the possibility of:

- I. marine disaster, including collisions at sea and contact with floating objects;
- II. environmental accidents, including oil and hazardous substance spills;
- III. grounding, fire, explosions and collisions;
- IV. cargo and property losses or damages;
- V. business interruptions caused by mechanical failure, human error, war, sabotage and/or political uncertainty;
- VI. adverse sea or weather conditions;
- VII. work stoppages or other labour-related problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements; and
- VIII. piracy and terrorism.

Any of the above occurrences could result in death or injury to persons, loss of property or environmental damages, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates and/or damage to the Endo Tankers Sub-Group's reputation and charter-party relationships generally.

Governments could requisition for title or hire or seize the Vessels during a period of war or emergency. Requisition for title occurs when a government takes control of a vessel and becomes her owner. Also, a government could requisition vessels for hire, effectively becoming her charterer at dictated charter rates.

Any of these circumstances or events could have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.

#### 2.4.4 FLUCTUATIONS IN THE VALUE OF THE VESSELS

The fair market value of vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, the supply of similar vessels, supply and demand for container ships, alternative modes of transportation, cost of newly-built vessels, governmental or other regulations, prevailing level of charter rates and technological advancements. If the fair market value of the Vessels, once acquired and delivered, declines below their respective carrying value and such decline is other than temporary, the Endo Tankers Sub-Group could be required to recognise an impairment charge or could incur a loss should any one or more of the Vessels be sold.

In view of the fact that the Endo Tankers Sub-Group's operating performance could be adversely affected by a downturn in the value of any one or more of its vessels as aforesaid, there can be no assurance that the valuations of Endo Tankers Sub-Group-owned vessels will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

#### 2.4.5 REPAIRS, MAINTENANCE, AGEING AND DOWNTIME OF THE VESSELS

Repairs to, and maintenance of, the Vessels and any other unexpected issues which may arise in this regard may require significant capital expenditure and result in a loss of revenue while the Vessels are in downtime, particularly given that, in general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Insurance rates may increase with the age of a vessel, making older vessels more costly to operate and, therefore, less attractive to operators and charterers. Governmental regulations and safety and/or other equipment standards related to the age of vessels may also require expenditures on alterations or new equipment for the Vessels and may restrict the type of activities in which the Endo Tankers Sub-Group's Vessels may engage. Each of these factors could have a material adverse effect on the business of the Endo Tankers Sub-Group, its financial condition and the results of its future operations.

If any one or more of the Vessels is unable to generate revenues for any significant period of time, whether for early termination of charter agreements or any other cause, whether anticipated or unanticipated, the Endo Tankers Sub-Group's business, its financial condition and the results of its operations could be materially adversely affected.

The Endo Tankers Sub-Group may evaluate its opportunities to acquire vessels, and/or to dispose of or retire existing ones, with replacement. The Endo Tankers Sub-Group's ability to acquire new vessels and/or replace old vessels on favourable terms and in a timely manner could significantly impact the business of the Endo Tankers Sub-Group, its financial condition and the results of its operations. Similarly, the risk of insufficient and unprofitable occupancy levels for the Vessels may materialise, having a material adverse effect on the Endo Tankers Sub-Group's financial position and performance.

#### 2.4.6 CLASSIFICATION AND COMPLIANCE COSTS

Upon receipt of the Bond proceeds, and the successful purchase of the Vessels by the Endo Tankers Sub-Group, the Endo Tankers Sub-Group shall ensure that the Vessels are certified by an approved classification society. In order to maintain certification, the Vessels must undergo periodic class-renewal surveys. Should the Vessels not pass the certification, they **would** not continue to operate as previously in operation and this could have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.

#### 2.4.7 INCREASES IN CRUDE OIL AND BUNKER FUEL PRICES

Crude oil prices have historically exhibited significant volatility in short periods of time. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors beyond the Endo Tankers Sub-Group's control, such as political instability, tensions in the Middle East, global terrorism, a long-term increase in global demand for oil and the economic development of emerging markets. Given that the cost of marine or bunker fuel is one of the major operating costs in running a vessel, an increase in crude oil and bunker fuel could materially and adversely impact the Endo Tankers Sub-Group's business, results of operations and financial condition.

#### 2.4.8 RISKS RELATIVE TO PRIVILEGED MARITIME CLAIMS AND POSSESSORY LIENS UNDER THE MERCHANT SHIPPING ACT (CHAPTER 234 OF THE LAWS OF MALTA)

Under the provisions of the Merchant Shipping Act certain debts specified therein are secured by a special privilege upon the relevant vessel, including: (i) wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf; (ii) expenses for assistance, recovery of salvage and for pilotage; (iii) tonnage dues; (iv) moneys due to creditors for labour, work and repairs; (v) damages and interest due to another vessel or to her cargo in cases of collisions of vessels; and (vi) damages and interest due to any seaman for death or personal injury and expenses attendant on the illness or injury of any seaman.

The potential risk associated with the privileged debts attaching to the Vessels arises out of the fact that the obligations under the Bonds in terms of the Prospectus are subordinated to these privileged debts. Consequently, in the event that there are insufficient funds to cover all the claims of the creditors of the Group, secured or otherwise, the Bondholders' claims would be subordinated to the claims over these privileged debts and the ability of the Issuer to fulfil its obligations under the Bonds may be materially adversely affected.

In addition, any ship repairer, shipbuilder or other creditor into whose care and authority a vessel has been placed for the execution of works or other purposes shall have a possessory lien over the vessel. This possessory lien entitles such creditor to retain possession over the vessel on which he has worked or carried out activity until such creditor has been paid the debts due to him for such building, repairs or activity. The risk associated with the exercise of this possessory lien includes the risk of suspension of operations, loss of revenue and profits, circumstances constituting an event of default under any agreement, risks which could materially adversely affect the business of the Endo Tankers Sub-Group, its financial condition and the results of its operations.

Under the provisions of the Merchant Shipping Act, in the event of default of any term or condition of a registered mortgage, or cross-default referred to therein, the mortgagee has the option, upon giving notice in writing to the mortgagor, to exercise the following rights: (i) to take possession of the vessel, or any share therein, in respect of which he is the mortgagee, or (ii) to sell the ship, or any share therein, with respect to which he is registered as mortgagee (provided that where more than one person is registered as a mortgagee of the same vessel, this right of sale may only be exercised with the concurrency of every prior mortgagee or under the order of the competent court).

#### 2.4.9 CHANGES IN LAWS AND REGULATORY RISK

The Endo Tankers Sub-Group's Vessels shall be operated across different jurisdictions and, accordingly, will be subject to extensive and various international conventions, legislation, regulation and standards, including those concerning the

protection of the marine environment and health and safety. These include, but are not limited to, rules concerning ship safety and design requirements, equipment and operations of ships, discharge of fuel or hazardous substances, marine pollution and spills, recycling of ships, emission control, ballast water handling and treatment, and other environmental protection requirements. The ability of the Endo Tankers Sub-Group to comply with these requirements, and to adapt in a timely manner to changes in the applicable regulatory framework, including the ability to make modifications to the Vessels as required, could impact the reputation of the Endo Tankers Sub-Group and could have a materially adverse impact on its business, its financial condition and the results of its operations. In addition, regulatory requirements and changes thereto may impact the resale value or useful lives of the Vessels, require a reduction or alteration to cargo type and capacity, or necessitate vessel modifications or operational changes, including denial of access to certain jurisdictional waters or ports. Delays in obtaining any governmental or other authoritative approval, or rejection thereof, could materially and adversely affect the business of the Endo Tankers Sub-Group.

Furthermore, as with any business, the Endo Tankers Sub-Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. The shipping industry is subject to a wide variety of international, national and local laws, regulations and agreements relating to shipping operations and changes to such laws and regulations could be enacted that may have an adverse impact on the Endo Tankers Sub-Group's business, results of operations, financial condition or prospects. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Endo Tankers Sub-Group companies.

#### 2.4.10 RISKS INHERENT IN FORECASTS

The forecasts set out in this Registration Document are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have material adverse effects on the financial position and results of the Endo Tankers Sub-Group and the Issuer. The said forecasts are, therefore, merely an illustration of a possible future outcome which may or may not occur and the Issuer, its Directors, officers and advisors make no representation as to their accuracy or likelihood of occurrence. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Endo Tankers Sub-Group and/or the Issuer.

#### 2.4.11 THE ENDO TANKERS SUB-GROUP MAY BE EXPOSED TO RISKS RELATIVE TO ITS INSURANCE POLICIES

Although the Endo Tankers Sub-Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Endo Tankers Sub-Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Endo Tankers Sub-Group. In addition, the Endo Tankers Sub-Group may not be able to recover the full amount from the insurer. No assurance can be given that the Endo Tankers Sub-Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. As a result, any loss or disruption to any of the Endo Tankers Sub-Group's operations may have a material adverse effect on the Endo Tankers Sub-Group's business, results of operations and financial condition.

#### 2.4.12 THE ENDO TANKERS SUB-GROUP'S BUSINESS IS SUBJECT TO MARKET AND ECONOMIC CONDITIONS GENERALLY

The Endo Tankers Sub-Group's business activities are subject to general market and economic conditions, both locally and overseas. These conditions include, *inter alia*, consumer demand, financial market volatility, the vessel charter market, inflation, fluctuations in interest rates, exchange rates, direct and indirect taxation, unemployment, credit markets, government spending and other general market and economic conditions.

In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Endo Tankers Sub-Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.

#### 2.4.13 RISKS RELATIVE TO FLUCTUATIONS IN EXCHANGE RATES

The Endo Tankers Sub-Group's operations are in part exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains and losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Endo Tankers Sub-Group can be impacted by transaction risk, being the risk that the currency of the costs and liabilities of Endo Tankers Sub-Group companies fluctuates in relation to the Euro (being the reporting currency of all Group companies), which fluctuation may adversely affect the Endo Tankers Sub-Group's operating performance.

#### 2.4.14 LITIGATION RISK

All industries, including the business of acquiring, financing, managing and chartering commercial vessels, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Endo Tankers Sub-Group's future cash flow, results of operations or financial condition.

#### 2.4.15 RELIANCE ON KEY SENIOR PERSONNEL AND MANAGEMENT

The Endo Tankers Sub-Group believes that its growth will, in part, be attributable to the efforts and abilities of the Directors and members of its executive management team and other key personnel. If one or more of these individuals were unable or unwilling to continue in their present position, the Endo Tankers Sub-Group might not be able to replace them within the short term, which could have an adverse effect on the Endo Tankers Sub-Group's business, financial condition and results of operations.

In common with many businesses, the Endo Tankers Sub-Group will be relying heavily on the contacts and expertise of its Directors, senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Endo Tankers Sub-Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

#### 2.4.16 FLUCTUATIONS IN IMMOVABLE PROPERTY VALUES

Property values are affected by, and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations.

#### 2.4.17 LIQUIDITY RISK

In view of the fact that the Endo Group is, in part through P & C Limited, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions, or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

### 2.5 Risks relative to the Guarantee and the Collateral Rights

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law and with first ranking and priority over the Collateral Rights, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantors, if any. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantors and, therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors.

The Bond Issue is supported by the Collateral Rights that are to be granted in favour of the Custodian for the benefit and in the interest of Bondholders. Whilst the Custodian is to be granted a right of preference and priority for repayment over the Collateral Rights, there can be no guarantee that the value of the Collateral Rights over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of one or more of the Vessels or the Collateral Rights generally. If such circumstances were to arise or subsist at the time that the Collateral Rights are to be enforced by the Custodian, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

There can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer, the Guarantors and other Group companies which may rank with priority or preference to the Collateral Rights. Furthermore, subject to the negative pledge clause set out in sub-section 6.6 of the Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

## 3 PERSONS RESPONSIBLE

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantors. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

## 4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTORS

### 4.1 Directors

#### 4.1.1 DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following persons:

Christopher Frendo	Executive Director
Nicholas Frendo	Executive Director
Anthony Busuttil	Independent, non-executive Director
Francis Gouder	Independent, non-executive Director
Erica Scerri	Independent, non-executive Director

Christopher Frendo and Nicholas Frendo occupy senior executive positions within the Group. The other three Directors, Anthony Busuttil, Francis Gouder and Erica Scerri serve on the Board of the Issuer in a non-executive capacity. Anthony Busuttil, Francis Gouder and Erica Scerri are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Anthony Busuttil's, Francis Gouder's and Erica Scerri's independence due notice has been taken of Listing Rule 5.117.

The business address of the Directors is 10, Timber Wharf, Marsa MRS 1443, Malta.

The company secretary of the Issuer is Dr Luca Vella of 177, Birbal Street, Balzan BZN 9011, Malta.

The following are the respective *curriculum vitae* of the Directors:

#### **Christopher Frendo;** Executive Director

After completing his education at St. Edwards College, Malta in 1997, Christopher joined his father to help run the Palm Group family business. He steadily learnt the fundamentals about the shipping industry by working in different roles within the Palm Group. Christopher is an experienced executive manager able to scope, plan and implement large scale projects to high standards of quality. The hard work and experience Christopher gained over the years led him to the position he currently holds, which is that of director across all companies forming part of the Palm Group.

#### **Nicholas Frendo;** Executive Director

After completing his education at St. Edwards College, Malta in 1999, Nicholas joined his father and eldest brother to help run the Palm Group family business. He followed in his brother's footsteps and quickly mastered the core intricacies relating to the shipping industry, by holding different roles within the Palm Group. His willingness to adapt and aptitude for hard work helped Nicholas gain the knowledge and experience needed to enable him to progress to the position he currently holds as a director on all companies comprising the Palm Group. Nicholas was awarded a Certificate in Tanker Chartering from the Lloyd's Maritime Academy in 2008.

#### **Anthony Busuttil;** Independent, non-executive Director

After completing his education at St. Edward's College, Malta in 1969, Anthony joined Norman Spiteri & Co and Busuttil & Busuttil as a trainee accountant and auditor. In 1971, he joined Mid-Med Bank plc (formerly Barclays Bank International) where he undertook various clerical, supervisory and managerial roles, being predominantly involved in trade activity. Anthony was appointed Trade Services Manager in 1994 and was actively involved in the setting up and opening of a Mid-Med Bank plc representative office in Dubai (UAE) in 1998. Anthony was also awarded the Mid-Med Bank plc employee of the year award in 1998, in recognition of his contribution towards Maltese export initiatives. Anthony joined HSBC Bank Malta plc in 1999 wherein he occupied the position of Head of Trade and Supply Chain and took an early retirement in 2009. From 2009 till 2013 Anthony took on a consultancy role within Lombard Bank, wherein he was entrusted with the setting up of a Trade Finance department.

**Francis Gouder**; Independent, non-executive Director

Francis has extensive experience in the financial service industry having worked for 45 years in the banking sector, where he has held various appointments at different levels. Francis joined Barclays and also worked for Mid-Med Bank, HSBC and Banif Bank. Francis presently holds a number of non-executive directorships on listed entities.

**Erica Scerri**; Independent, non-executive Director

Erica attended Nottingham Trent University to pursue an education in accounting and finance and, after completing all examination papers in December 2005, joined Andrew Galea and Associates as a trainee accountant. Erica became a full member of the ACCA after having completed the 36 months' work experience and proceeded to focus on her career in financial services. In 2010 Erica moved into private enterprise working as a finance manager within an international group of companies.

#### 4.1.2 DIRECTORS OF THE GUARANTORS

IFP Malta

As at the date of this Registration Document, the Board of directors of IFP Malta is constituted by the following persons:

Christopher Frendo	Executive director
Nicholas Frendo	Executive director

The business address of the directors of IFP Malta is 10, Timber Wharf, Marsa MRS 1443, Malta.

The company secretary of IFP Malta is Christopher Frendo.

The *curriculum vitae* of Mr Nicholas Frendo and Mr Christopher Frendo are set out in sub-section 4.1.1 of this Registration Document.

IFP Cyprus

As at the date of this Registration Document, the Board of directors of IFP Cyprus is constituted by the following persons:

Christopher Frendo	Executive director
Nicholas Frendo	Executive director
Georgia Philippou	Non-executive director
Ntina Panayidou	Non-executive director

The business address of the directors of IFP Cyprus is Florinis, 7, Greg Tower, 2<sup>nd</sup> Floor, 1065, Nicosia, Cyprus.

The company secretary of IFP Cyprus is Georgia Philippou. The *curriculum vitae* of Georgia Philippou is set out immediately below.

The *curriculum vitae* of Mr Nicholas Frendo and Mr Christopher Frendo are set out in sub-section 4.1.1 of this Registration Document. The following are the respective *curriculum vitae* of Georgia Philippou and Ntina Panayidou:

**Georgia Philippou**; Non-executive director

After completing her academic formation at the Economic Lyceum Kykkos A – Economic Sector, in Nicosia, Cyprus, from May 1993 to date Georgia has gained vast experience working with EKAVI Limited, a firm regulated by the Institute of Certified Public Accountants of Cyprus, where she has been responsible for the provision of administration and fiduciary services.

**Ntina Panayidou**; Non-executive director

Ntina holds a Diploma in Administration from Didacta College, Cyprus and from July 2015 to date she has worked as an accountant with EKAVI Limited, a firm regulated by the Institute of Certified Public Accountants of Cyprus for the provision of administration and fiduciary services. Ntina previously gained work experience as an accountant with other accountancy firms based in Cyprus.

P & C Limited

As at the date of this Registration Document, the Board of directors of P & C Limited is constituted by the following persons:



Christopher Frendo  
Nicholas Frendo

Executive director  
Executive director

The business address of the directors of P & C Limited is 10, Timber Wharf, Marsa MRS 1443, Malta.

The company secretary of P & C Limited is Nicholas Frendo.

The *curriculum vitae* of Mr Nicholas Frendo and Mr Christopher Frendo are set out in sub-section 4.1.1 of this Registration Document.

## 4.2 Senior management

The Issuer is the finance arm of the Endo Tankers Sub-Group and as such does not require an elaborate management structure. The Directors believe that the present organisational structures are adequate for the current activities of the Issuer and the Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the Group's business and to strengthen the checks and balances necessary for optimum corporate governance.

### **Frederick Frendo;** Group Chairman

Frederick has extensive experience in the shipping industry where he has worked for nearly 50 years. After completing his education at St. Aloysius College in 1968, Frederick started his first job in shipping. He steadily learnt the fundamentals about the shipping industry and in 1984 set up and managed Palm Shipping Agency Limited, offering various maritime services including ship & yacht agency, transport & logistics, ship & yacht registration and distribution of marine lubricants. Frederick was involved in bunker trading and brokering in the early 1990s and went on to set up bunker supply company International Fuel Suppliers Limited. More recently he was involved in the set-up of IFP Malta and IFP Cyprus offering ship-to-ship services to reputable oil majors in the Mediterranean and West Africa.

The following are the respective *curriculum vitae* of the key members of the Group's executive team:

### **Glen Grima;** Endo Group Chief Financial Officer

Glen started his accounting career at a young age, after completing his education at GF Abela Junior College, Malta in 1999. Glen gained vast experience and academic knowledge over the past 12 years during which he occupied various supervisory and managerial roles. Glen joined the Palm Group in April 2016 and is currently responsible for the group's finance division. In January 2018, Glen was awarded a Masters Degree in Business Administration with Merit from the University of Leicester, after obtaining a Professional Diploma in Management with the same University in January 2012.

### **Andrew Grech;** Endo Group Operations Manager

Andrew took on his first full time job in the shipping industry with Carmelo Caruana Company Ltd back in the year 2000. After two years, he ventured into the sales sector with Emmanuel Delicata & Sons Ltd, after which he also served as a public official in charge of the Permanent Residency Scheme at the Inland Revenue Department from 2004 until 2009. Eventually, Andrew returned to the shipping industry in November 2009, where he was employed as a boarding agent with Palm Shipping Agency Ltd and he has since been promoted to assistant operations manager and subsequently entrusted with the position of group operations manager.

**Claudia Caruana;** General Manager of IFP Malta and IFP Cyprus

After completing her education at St. Catherine's High School, Malta in 1994, Claudia pursued her studies in management whilst employed, thereby also gaining valuable hands-on experience. In 2009 she took on her first managerial post and the experience gained over the years has led to her presently holding the position of General Manager of IFP Malta and IFP Cyprus.

**Anthony Mollet;** Business Development Manager of IFP Malta and IFP Cyprus

Anthony got involved in the shipping industry with Shell in 2001, where he spent 7 years with the oil major working initially in the accounts department before moving into procurement, assuming the role of purchaser of marine fuels for the Shell fleet of tankers until 2007. He spent a short time as a marine fuels broker for an independent firm before being recruited by global company GAC to head their Marine Fuels trading desk. Anthony went on to spend 10 years at GAC, including 4 years as General Manager of GAC UK, looking after 12 shipping offices and staff. Anthony's managerial skills and knowledge of the oil major shipping companies lead him to his next role in 2015 as General Manager of Top Fenders Ltd, part of the Union Maritime group in London. There he spent 2 years developing the unit to become audit-ready for two major shipping companies. In this position Anthony became focused on the oil products trade in West Africa and has brought this experience to IFP, where, since August 2018, he is Business Development Manager, helping to mobilise the company in Togo and surrounding West African countries.

### 4.3 Advisors to the Issuer and Guarantors

Legal advisors:

**GVZH Advocates**

Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring stockbroker:

**Calamatta Cuschieri Investment Services Limited**

Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

Financial advisors:

**Nexia BT Advisory Services Limited**

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

As at the date of the Prospectus the advisors named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantors. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or any of the Guarantors with any of the advisors referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

### 4.4 Auditors

**Parker Randall Turner**

Address: 13, Curate Fenech Street, Birzebbugia BBG 2032, Malta

**Nexia BT**

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



The Issuer was set up on 20 November 2018 and since incorporation to the date of this Registration Document no audited financial statements have been prepared. The Issuer has appointed Nexia BT as its auditors. Nexia BT is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

The annual statutory financial statements of IFP Malta for the financial years ended 31 December 2015 and 2016 were audited by Parker Randall Turner. Parker Randall Turner is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta). The annual statutory financial statements of IFP Malta for the financial year ended 31 December 2017 were audited by Nexia BT. Nexia BT is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

The annual statutory financial statements of P & C Limited for the financial periods ended 31 July 2015 and 2016 were audited by Parker Randall Turner. Parker Randall Turner is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta). The annual statutory financial statements of P & C Limited for the financial period ended 31 July 2017 were audited by Nexia BT. Nexia BT is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

#### **MGI Gregoriou & Co Limited**

Address: 7, Florinis Street, P.O. Box 24854, 1304 Nicosia, Cyprus

The annual statutory financial statements of IFP Cyprus for the financial years ended 31 December 2015, 2016 and 2017 were audited by MGI Gregoriou & Co Limited. MGI Gregoriou & Co Limited is a firm of certified public accountants holding practicing certificates as an accounting firm in Cyprus and as a Statutory Audit Firm under the terms of the Law providing for the Statutory Audits of Annual and Consolidated Accounts by Statutory Auditors and Statutory Audit Firms of 2009, issued by the Institute of Certified Public Accountants of Cyprus.

## **4.5 Custodian**

#### **GVZH Trustees Limited**

Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

GVZH Trustees Limited is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

## **5 INFORMATION ABOUT THE ISSUER, THE GUARANTORS AND THE ENDO GROUP**

### **5.1 Introduction**

#### **5.1.1 HISTORICAL DEVELOPMENT OF THE ISSUER**

<b>FULL LEGAL AND COMMERCIAL NAME OF THE ISSUER:</b>	Endo Finance p.l.c.
<b>REGISTERED ADDRESS:</b>	10, Timber Wharf, Marsa MRS 1443, Malta
<b>PLACE OF REGISTRATION AND DOMICILE:</b>	Malta
<b>REGISTRATION NUMBER:</b>	C 89481
<b>DATE OF REGISTRATION:</b>	20 November 2018
<b>LEGAL FORM:</b>	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
<b>TELEPHONE NUMBER:</b>	+356 22068000
<b>E-MAIL ADDRESS:</b>	info@endofinance.com
<b>WEBSITE:</b>	www.endofinance.com

The Issuer is, except for one Ordinary share which is held by Christopher Frendo and another Ordinary share held by Nicholas Frendo, a fully-owned subsidiary of Endo Ventures Ltd, which latter entity is the parent company of the Endo Group.

The Issuer was incorporated on 20 November 2018 as a public limited liability company, registered in terms of the Companies Act with company registration number C 89481 and is domiciled in Malta, having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. The Issuer, which was set up and established to act as a finance company, has as at the date hereof an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. At present, the shares in the Issuer are subscribed to and held as indicated in sub-section 9.1 of this Registration Document.

The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Endo Tankers Sub-Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Endo Tankers Sub-Group entities, comprising the business of acquiring, financing, managing and chartering commercial vessels (further details of said entities and their respective businesses are set out in sub-section 5.3 of this Registration Document).

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Endo Tankers Sub-Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.3.2.2 of this Registration Document, as well as other projects that may be undertaken by its subsidiary companies; and/or enabling the Endo Tankers Sub-Group to seize new opportunities arising in the market.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

The Issuer operates exclusively in and from Malta.

### 5.1.2 HISTORICAL DEVELOPMENT OF THE GUARANTORS

#### IFP Malta

Full legal and commercial name of IFP Malta:	International Fender Providers Ltd
Registered address:	10, Timber Wharf, Marsa MRS 1443, Malta
Place of registration and domicile:	Malta
Registration number:	C 69877
Date of registration:	2 April 2015
Legal form:	IFP Malta is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number:	+356 2206000
E-mail address:	admin@ifp.com.mt
Website:	www.ifp.com.mt

IFP Malta is a fully-owned subsidiary of Endo Ventures Ltd, which latter entity is the parent company of the Endo Group.

IFP Malta was incorporated on 2 April 2015 as a private limited liability company, registered in terms of the Companies Act with company registration number C 69877 and is domiciled in Malta, having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. IFP Malta, at the date of the Prospectus, has an authorised and issued share capital of €16,000 divided into 16,000 ordinary shares of €1 each, all fully paid up. At present, the shares in IFP Malta are subscribed to and held as indicated in sub-section 9.2 of this Registration Document.



In terms of its Memorandum of Association, the principal object of IFP Malta is to provide ship-to-ship fendering services, anti-pollution and pollution response services and to purchase, sell, let, lease supply and store bunker fuels required for the provision of bunkering services, as well as barges, tankers and other marine craft of all kinds to vessels, sea craft, companies (whether related or otherwise) and other third parties and to act as agents or representatives of petroleum companies and to distribute such products in the local marine market, as well as to establish, maintain, provide, develop and operate transport services for the purpose of supplying bunker fuels to vessels by road transport, barge, tankers or similar marine crafts, within or outside the territorial waters of Malta.

In terms of the objects clause of its Memorandum of Association, IFP Malta is entitled to guarantee, even by hypothecating its property, the payment of any debenture, debenture stock, bonds, mortgages, charges, obligations, interests, dividends, securities, money or shares or the performance of contracts or engagements of any other company or persons and to give indemnities and guarantees of all kinds.

IFP Malta is a ship-to-ship service provider with ship-to-ship bases in Malta, Augusta and Cyprus. IFP Malta 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 services, IFP Malta offers the hire of Yokohama fenders and hoses used for the transfer of cargo from one ship to another, besides providing mooring master services. The company is ISO 9001 and ISO 14001 certified.

IFP Malta operates exclusively in and from Malta.

#### IFP Cyprus

Full legal and commercial name of IFP Cyprus:	IFP International Fender Providers Limited
Registered address:	Florinis, 7, Greg Tower, 2 <sup>nd</sup> Floor 1065, Nicosia, Cyprus
Place of registration and domicile:	Cyprus
Registration number:	HE 348221
Date of registration:	26 October 2015
Legal form:	IFP Cyprus is lawfully existing and registered as a limited liability company in terms of the Cypriot Companies Law, Chapter 113 of the laws of Cyprus
Telephone number:	+357 22 451555
E-mail address:	admin@ifp.com.mt
Website:	www.ifp.com.mt

IFP Cyprus is a fully-owned subsidiary of IFP Malta, which, in turn, is owned by Endo Ventures Ltd (the latter being the parent company of the Endo Group as aforesaid).

IFP Cyprus was incorporated on 26 October 2015 as limited liability company, registered in terms of the Cypriot Companies Law, Chapter 113 of the laws of Cyprus, with company registration number HE 348221 and is domiciled in Cyprus, having its registered office at Florinis, 7, Greg Tower, 2<sup>nd</sup> Floor 1065, Nicosia, Cyprus. IFP Cyprus has, as at the date of this Registration document, an authorised share capital of €2,000 divided into 2,000 Ordinary shares of €1 each and an issued share capital of €1,000 divided into 1,000 ordinary shares of €1 each, all fully paid up. At present, the shares in IFP Cyprus are subscribed to and held as indicated in sub-section 9.2 of this Registration Document.

The principal object of IFP Cyprus is to provide ship-to-ship fendering services, anti-pollution and pollution response services and to purchase, sell, let, lease supply and store bunker fuels required for the provision of bunkering services, as well as barges, tankers and other marine craft of all kinds to vessels, sea craft, companies (whether related or otherwise) and other third parties and to act as agents or representatives of petroleum companies and to distribute such products in the local marine market, as well as to establish, maintain, provide, develop and operate transport services for the purpose of supplying bunker fuels to vessels by road transport, barge, tankers or similar marine crafts, within or outside the territorial waters of Cyprus.

In terms of its Memorandum of Association, IFP Cyprus is entitled to give guarantees, sign indemnities or mortgage or burden any real, private or future property, including the uncalled capital, for obligations of third parties and generally to give any securing for the obligations of any person legal or natural.

Similarly to IFP Malta, IFP Cyprus also assists with the transfer of any cargo between any sized ships. The company mainly operates in Augusta and Cyprus. IFP Cyprus was incorporated in October 2015 to take over operations which IFP Malta was undertaking in these countries and, like IFP Malta, IFP Cyprus offers the hire of Yokohama fenders and hoses used for the transfer of cargo from one ship to another in Augusta and Cyprus, whilst also providing mooring master services.

IFP Cyprus operates exclusively in and from Cyprus.

#### P & C Limited

Full legal and commercial name of P & C Limited:	P & C Limited
Registered address:	10, Timber Wharf, Marsa MRS 1443, Malta
Place of registration and domicile:	Malta
Registration number:	C 13033
Date of registration:	28 August 1991
Legal form:	P & C Limited is lawfully existing and registered as a private exempt limited liability company in terms of the Act
Telephone number:	+356 2206000
E-mail address:	hr@palm.com.mt
Website:	www.ifp.com.mt

P & C Limited is a fully-owned subsidiary of Endo Ventures Ltd, which latter entity is the parent company of the Endo Group.

P & C Limited was incorporated on 28 August 1991 as a limited liability company, registered in terms of the Companies Act with company registration number C 13033 and is domiciled in Malta, having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. As at the date of this Registration Document, P & C Limited has an authorised and issued share capital of €11,646.86 divided into 5,000 Ordinary shares of €2.329373 each, all 20% paid up. At present, the shares in P & C Limited are subscribed to and held as indicated in sub-section 9.2 of this Registration Document.

The principal object of P & C Limited is to purchase or otherwise acquire, under any title whatsoever, any immovable or otherwise deal in and hold for the purpose of development or resale and traffic in any freehold, leasehold or other property or any estate or interest whatsoever.

In terms of its Memorandum of Association, P & C Limited is entitled to give guarantees as security for obligations of third parties in any manner which the directors of P & C Limited may deem fit and appropriate.

P & C Limited has an investment property which is situated at 9, 10, Timber Wharf in Marsa. These premises comprise of a large street level warehouse with a floor area of circa 128m<sup>2</sup> and three floors of office space and recessed floor. As per an architect's valuation dated 7 August 2018, the property which is owned by the company was valued at €7.2 million. P & C Limited generates its 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, P & C Limited also charges management fees to another related company, Palm Enterprises Limited. The Group intends to sell this property which is currently subject to a promise of sale agreement signed on 8 March 2018 and which has a validity of 24 months.

P & C Limited operates exclusively in and from Malta.

## 5.2 Historical development of the Palm Group

The first company within the Palm Group was incorporated in 1984, when founder Frederick Frendo established Palm Travel and Shipping Limited (C 6946). Subsequently, Christopher Frendo and Nicholas Frendo joined the management team of the Palm Group and have helped the Palm Group to consolidate and grow its business. The current business activities undertaken by the Palm Group include ship-to-ship services, ship management, ownership and leasing of vessels, warehousing and distribution, sea and air freight services and logistics, marine lubricant distribution, bunker supplies, Malta flag registration services, liner, tramp and tanker agency services.

The following table provides a list of major companies comprising the Palm Group as at the date of this Registration Document:

Year of incorporation	Company name	Principal activities
1988	Palm Shipping Agency Limited (C 9712)	Provides shipping and bunker trading services, as well as freight services and ship registrations.
1993	Palm Enterprises Limited (C 15426)	Involved in the local sale of lubricants and car care products.
1994	Intership Agencies Malta Limited (C 15777)	Acquires petroleum for the local market and sells fuel and gasoil to International Fuel Suppliers Limited (a Palm Group related entity detailed below).
2010	Valletta Commercial Services Ltd (C 51113)	Provides consultancy and management services, including registration and administration of vessels.
2014	International Fuel Suppliers Limited (C 66816)	Provides various fuels, via both inland and international bunkering, with its main activities including the provision of fuels to fuel stations, hotels, industrial establishments, yachts, contractors, as well as terminal-to-ship, truck-to-ship and ship-to-ship bunkering facilities. Also involved in the chartering of six oil tankers used for bunkering and transportation of petroleum products. The company is a licensed bunker operator as well as an authorised fuel provider in Malta, licensed by the Regulator for Energy and Water Services. This company charters the vessel Mumtaz.
2015	International Fender Providers Ltd (C 69877)	A ship-to-ship service provider with ship-to-ship bases in Malta, Augusta and Cyprus. The company 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 services, the company offers the hire of Yokohama fenders and hoses used for the transfer of cargo from one ship to another, besides providing mooring master services. The company is ISO 9001 and ISO 14001 certified.
2016	Intership Management Limited (C 74524)	Provides a comprehensive set of ship management services, including the provision of crew, management, repairs and maintenance, navigation, operation and dry-docking of vessels. The company complies with the International Management Code for the Safe Operation of Ships and for Pollution Prevention. A document of compliance has been issued in favour of the company by Bureau Veritas, a world leader in testing, inspection and certification services.

## 5.3 Historical development of the Endo Group and overview of the Endo Group's business

### 5.3.1 INTRODUCTION

In the weeks preceding the publication of the Prospectus, the current shareholders of the Palm Group, namely the Frendo family, carried out a corporate restructuring exercise in order to achieve a clean corporate set-up which today forms the Endo Group, as separate and distinct from the Palm Group. The object of the Endo Tankers Sub-Group is to acquire, finance, manage and charter commercial vessels.

This restructuring process primarily involved the incorporation of the parent company of the Endo Group, Endo Ventures Ltd, which owns 98% of the Issuer and fully owns Endo Tankers Ltd. The latter company fully owns Intership Management Limited, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd as detailed in the Group's organisational structure chart set out in sub-section 5.3.3 of this Registration Document.

In spite of the recent incorporation of the companies forming the Endo Tankers Sub-Group, the founders and ultimate beneficial owners of the Group enjoy long-standing experience in the shipping industry, bunkering and the transportation of petroleum products, through the Palm Group.

To this end, over recent years the Palm Group acquired, managed and chartered a number of vessels for its bunkering operations and the transportation of petroleum products. From 2004 to 2013, the Palm Group, together with third parties, owned a number of vessels. In 2014, in virtue of the incorporation of International Fuel Suppliers Limited, the Palm Group became directly involved in the chartering of vessels for the provision of fuels and bunkering services. Moreover, in 2016 the Palm Group acquired the vessel Mumtaz, an oil tanker used for the transportation of petroleum products and for bunkering operations both in Maltese territorial waters and international waters.

Pursuant to the Bond Issue, the Endo Tankers Sub-Group intends to acquire two additional commercial vessels in order to exploit opportunities in the international time charter market<sup>1</sup>, as well as compliment and strengthen the operations of the Palm Group, principally bunkering and the transportation of petroleum products. Further details regarding the Endo Tankers Sub-Group's expansion plans are set out in sub-section 5.3.2 immediately below.

### 5.3.2 PRINCIPAL ACTIVITIES, MARKETS AND INVESTMENTS OF THE ENDO TANKERS SUB-GROUP

Today Malta has the largest ship registry in Europe, and the sixth largest world-wide. Notwithstanding this, only a handful of shipping companies are beneficially owned, financed, managed and commercially operated in and through Malta. The operational and commercial knowledge required to successfully manage tanker vessel fleets in Malta has increased and the Directors, in line with trends in other countries over recent years, have identified the bond market as the adequate tool for the financing of the purchasing of vessels.

The world tanker fleet presently consists of approximately 4,800 vessels, about 2,000 crude tankers (average Deadweight tonnage (DWT) being 200,000) and 2,800 product tankers (average DWT being 57,000). The new building order book is about 9% to 10% of the existing fleet, with more crude capacity on order than product tankers. Net of scrapping, the past year has given a net fleet capacity growth of about 5%, however analysts have projected that over the next 5 to 10 years the net growth will be less, especially in the product tanker sector. This is due to increased scrapping which is coupled with more moderate order books on product tankers. Against this is a projected fleet demand of 3% to 5%. With respect to product tankers, this is partly based on general economic growth but also on longer ton-per-mile voyages as trade patterns are changing.

The tanker market is traditionally cyclical, the most recent peak years being 2006 to 2008 and prior to that, the mid-1990's. Currently, the freight market is in a down cycle (albeit experiencing a mini-spike in 2015 and 2016), with low freight rates and depressed asset prices.

The projection for 2019 onwards is a significant increase in tanker freight market followed by increased asset prices. Hence, oil companies and larger trading houses are now also locking in tonnage to hedge their freight cost forward. This point in the cycle is traditionally the point at which a second-hand tonnage is purchased which becomes available as larger owners also take advantage of relatively low new-building costs to renew their fleets. These second-hand tankers have an additional 10 to 15 years of commercial trading. Additionally, "scrap-metal" prices are supporting about 50% of the asset value on a typical medium-sized 15-year-old tanker, reducing the asset price risk.

The freight and hence asset price fluctuations in the tanker market generally increase with tonnage size, where the largest vessels fluctuate the most, and prices in the small-tanker market fluctuate the least.

---

<sup>1</sup> A time charter arrangement is a contract for services made between the registered owner of a vessel and the time charterer pursuant to which the owner does not transfer possession of the vessel but undertakes to operate it as instructed by the charterer, for a defined period. The charterer typically pays for all fuel the vessel consumes, port charges, commissions and a daily hire to the owner of the vessel.

As stated above, the Endo Tankers Sub-Group will be engaged in the business of acquiring, financing, managing and chartering commercial vessels and, in this regard, it is the Endo Tankers Sub-Group's intention that the proceeds from the Bond Issue be utilised to finance the acquisition of Vessel 2 and Vessel 3, respectively, each to be owned by separate subsidiary companies forming part of the Endo Tankers Sub-Group; specifically, by Endo Two Maritime Ltd and Endo Three Maritime Ltd, and subsequently be leased out under separate charter agreements to third parties or related parties.

Additionally, Intership Management Limited will provide a complete and comprehensive set of ship management services to the three companies owning the Vessels, including the provision of the crew, management, repairs and maintenance, navigation, operation and dry-docking of the Vessels.

More specifically, in the short-term future the Endo Tankers Sub-Group intends making the investments detailed in sub-section 5.3.2.2 below and will, therefore, raise funds for the financing of these investments partially through the proceeds of the Bond Issue (as set out in further detail in sub-section 5.1 of the Securities Note), in the manner outlined hereunder, with the remaining capital expenditure being funded by own funds (*circa* €2,700,000).

### 5.3.2.1 Mumtaz

The Palm Group acquired its first vessel Mumtaz, an oil tanker used for the transportation of petroleum products and for bunkering operations both in the Maltese territorial waters and international waters, with 599 Dead Weight Tonnage and bearing IMO number 9268514, through Mumtaz Maritime Company Limited in March 2016. Mumtaz has a length of 44.84 metres and was built in 2002, in Puesta de Quilla in Dubai. Mumtaz was registered with the Registrar of Ships in Malta on 9 March 2016. The intention of the Endo Tankers Sub-Group is to charter Mumtaz on a bareboat charter agreement to companies within the Palm Group<sup>2</sup>.

On 1<sup>st</sup> November 2018, Mumtaz, which is chartered to the related entity International Fuel Suppliers Limited on a bareboat agreement, was acquired by Endo One Maritime Ltd from Mumtaz Maritime Company Limited for a price of €1,800,000, being an amount equivalent to the value of the vessel Mumtaz - this liability in favour of Mumtaz Maritime Company Limited is ultimately assumed by the ultimate beneficial owners of the Endo Group, that is Mr Nicholas Frendo, Mr Christopher Frendo, Mr Fredrick Frendo and Ms Marianne Frendo as set out in the Group organisational structure chart included in sub-section 5.3.3 of this Registration Document.

The bareboat charter agreement to which Mumtaz is subject is entered into with International Fuel Suppliers Limited, an entity forming part of the Palm Group, and in virtue of which agreement International Fuel Suppliers Limited has agreed to charter the vessel Mumtaz for a period extending beyond the term of the Bonds.

In terms of the aforesaid bareboat charter agreement, Mumtaz shall be employed in lawful trades for the carriage of suitable lawful merchandise by International Fuel Suppliers Limited within Maltese territorial waters. International Fuel Suppliers Limited has undertaken not to employ Mumtaz or suffer Mumtaz to be employed otherwise than in conformity with the terms of the relative contracts of insurance without first obtaining the consent of the insurers and has also undertaken not to employ the vessel or suffer her employment in any trade or business which is forbidden by law of any country to which Mumtaz may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation. International Fuel Suppliers Limited is bound to pay hire continuously throughout the charter period in terms of the said bareboat charter agreement, which agreement may be terminated by either party in specified cases.

International Fuel Suppliers Limited has engaged Intership Management Limited to manage Mumtaz and, further to such engagement, the latter company provides the crew, manages, maintains, navigates, operates, insures, fuels, repairs and dry-docks the vessel. Against this service, Intership Management Limited charges a ship management fee to International Fuel Suppliers Limited.

---

<sup>2</sup> A bareboat charter is an arrangement for the hiring of a vessel whereby the charterer obtains possession and full control of the vessel along with the right to trade it as it chooses for a specified period as well as the legal and financial responsibility for it, and no administration or technical maintenance is included as part of the agreement. The charterer typically pays for all operating expenses, including fuel, crew, port expenses and Protection & Indemnity and Hull & Machinery insurance.

### 5.3.2.2 Vessel 2 and Vessel 3

In the weeks following the issue of the Bonds, the Endo Tankers Sub-Group intends making an investment in the acquisition of Vessel 2 and Vessel 3, respectively, to be financed partially through the proceeds of the Bond Issue (as set out in further detail in sub-section 5.1 of the Securities Note). In this regard, part of the Bond Issue proceeds amounting to €13,100,000 shall be advanced by title of loan from the Issuer to Endo Tankers Ltd pursuant to the terms of the Loan Agreement, which latter entity will, in turn, use part of said proceeds to subscribe to shares in Endo Two Maritime Ltd in an amount of *circa* €8,400,000 and to shares in Endo Three Maritime Ltd in an amount of *circa* €4,200,000, for such funds to be used by said entities to finance the acquisitions of Vessel 2 and Vessel 3, respectively.

The tanker sale and purchase market is a fluid market, with sales price of vessels affected mostly by the specific attributes of the individual vessels. Considering the dynamics of this market and the nature of the vessels, a seller cannot reserve vessels for a long period of time. In view of this, the Vessel 2 and Vessel 3 to be acquired are not yet identified but the Endo Tankers Sub-Group intends acquiring two vessels having the specifications detailed below in this sub-section 5.3.2.2.

Through the ship broker network, the Endo Tankers Sub-Group will identify suitable candidates, which identification will be followed by a structural and condition inspection of the vessels in question prior to final negotiations. Once the price, including delivery and timing is agreed, a sales memorandum of agreement will be entered into along with, typically, a 10% deposit of the acquisition price of the vessel which is lodged with a mutually agreed escrow agent. This process normally takes one to three months depending on the vessel's trading pattern. Upon delivery, the Endo Tankers Sub-Group together with its legal representatives will ensure that the vessels are free from loans and / or other encumbrances prior to final payment being affected. Finally, the Endo Tankers Sub-Group's legal representatives will compile all necessary registrations, certifications and other legal documents to vest ownership of each of Vessel 2 and Vessel 3 in Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively.

The acquisitions of each of Vessel 2 and Vessel 3 will be subject to the positive outcome of inspections carried out in relation to each of said vessels as aforesaid. Upon acquisition, the Collateral Rights pertaining to each of Vessel 2 and Vessel 3 shall be granted in favour of the Custodian as set out in sub-section 5.3.4 below.

Immediately upon the Bond Issue proceeds being available to the Endo Tankers Sub-Group (specifically, in the case of the amount of *circa* €8,400,000 required by Endo Two Maritime Ltd to finance the acquisition of Vessel 2 and the amount of *circa* €4,200,000 required by Endo Three Maritime Ltd to finance the acquisition of Vessel 3, via the Custodian as set out in sub-section 5.3.4 below), the Endo Tankers Sub-Group shall commence negotiations with prospective sellers in relation to the acquisition of Vessel 2 and Vessel 3, respectively.

In this regard, Endo Two Maritime Ltd shall focus its investment decisions on the acquisition of Vessel 2, being a vessel having substantially the following characteristics:

- a Medium-Range (MR) tanker in the region of approximately 45,000 - 50,000 DWT;
- approximately 180 – 190 metres in length;
- around 9 to 15 years since year of build (that is, having an additional useful life of 10 to 15 years); and
- certified by an approved classification society.

Vessel 2 will be designed for product shipping and will trade the lighter end of petroleum products, including diesel, petrol and naphthas for the petrochemical industry.

The size of Vessel 2 will allow a flexible trading pattern, well supported by worldwide movements. The likely charterers are the larger international oil trading companies, who generally are the most responsive to competitive hire rates rather than age of tonnage.

Endo Three Maritime Ltd shall focus its investment decisions on the acquisition of Vessel 3, being a vessel having substantially the following characteristics:

- a small tanker in the region of approximately 5,000 - 8,000 DWT;
- approximately 90 – 120 metres in length;
- around 9 to 15 years since year of build (that is, having an additional useful life of 10 to 15 years); and
- certified by an approved classification society.

This type of tanker is designed for chemical carriage as well as oil products.

It is the Endo Tankers Sub-Group's intention that Vessel 2 will be time chartered in the International time-charter market to third parties, whilst Vessel 3, a commercial oil tanker vessel, will be time chartered to companies forming part of the Palm

Group and used for the transportation of petroleum products, thereby supporting the Palm Group’s existing bunker operating business both in Maltese territorial waters and international waters.

Oil tankers are scheduled for full drydocking once every five years, with intermediate dry docking taking place every two years, which is the process when a vessel is taken to a service yard and brought to dry land so that submerged parts of the hull can be cleaned and inspected. This work is both preventative as well as a regulatory requirement within the industry. The drydocking which takes place every two years will take approximately two weeks and that which takes place every five years takes around four weeks, which means that the respective vessel will be out of service for approximately 2 weeks and 4 weeks, respectively, in each case.

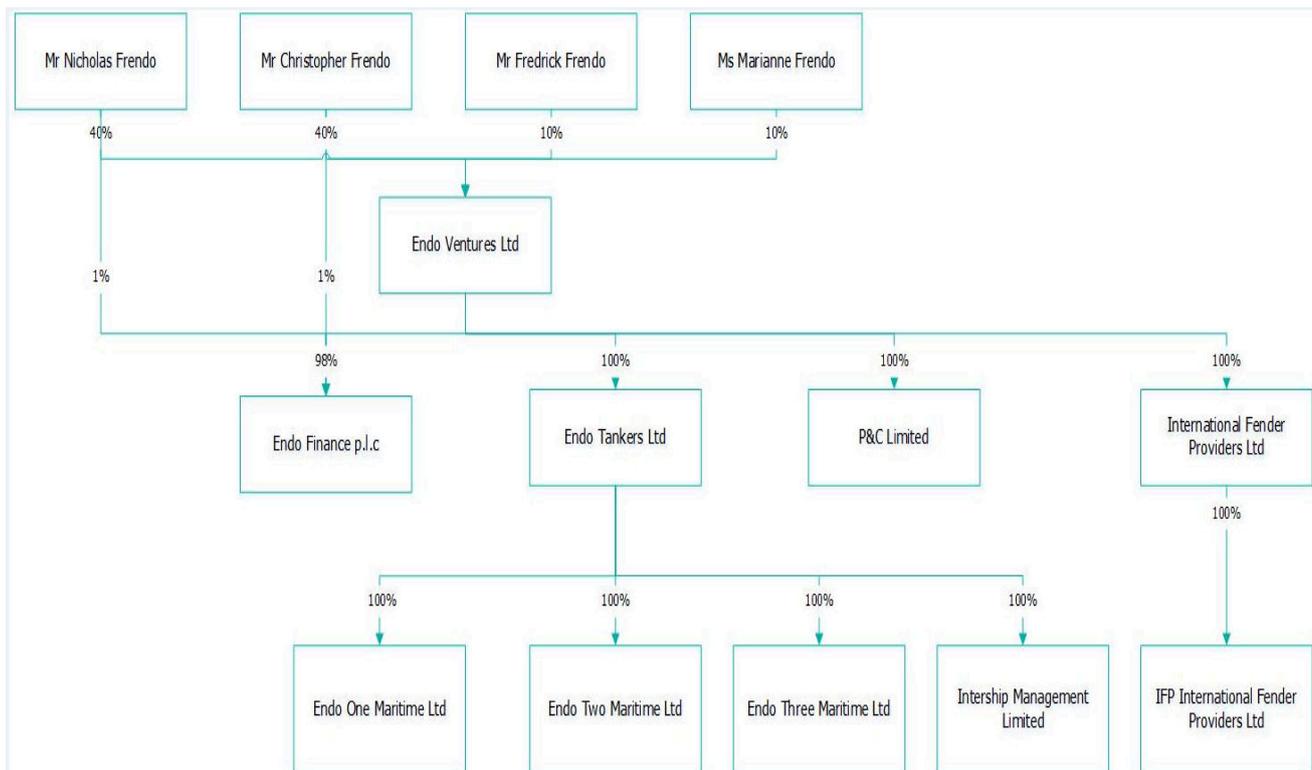
The Endo Tankers Sub-Group expects that Vessel 2 will be acquired and delivered by the end of Q1 2019 and that Vessel 3 will be acquired and delivered by the end of Q2 2019.

Save for the above, the Endo Group is not party to any future investments and has not entered into or committed for any such investments.

### 5.3.3 GROUP ORGANISATIONAL STRUCTURE

As previously stated, the Issuer is, essentially, a special purpose vehicle set up to act as a financing company for the needs of the Endo Tankers Sub-Group and, as such, it is dependent on the business prospects and operating results of Endo Tankers Sub-Group entities. Specifically, in so far as the Bonds are concerned, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from Endo Tankers Sub-Group companies.

The organisational structure of the Endo Group is illustrated in the diagram below as at the date of this Registration Document:



#### 5.3.4 THE COLLATERAL RIGHTS GRANTED IN FAVOUR OF THE CUSTODIAN

Partial security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is to be granted in favour of the Custodian for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral Rights, as described hereunder and set out in further detail in sub-section 5.5 of the Securities Note.

The Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have agreed to grant the Collateral Rights in favour of the Custodian for the benefit of Bondholders, as Primary Beneficiaries, in terms of the Trust Deed and the Pledge Agreements, and for such purpose have appointed the Custodian to hold and administer the Collateral Rights under trust. The Collateral Rights will secure the claim of the Custodian, for the benefit and in the interest of Bondholders, for the repayment of part of the amount of the principal and interest under the Bonds by a preferred claim over the Collateral Rights.

Specifically, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have entered into a Trust Deed with the Custodian which consists of the covenants of the Issuer to secure, pursuant to the granting of the Collateral Rights and up to the value of the Collateral Rights from time to time, the payment of part of the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date, and all other ancillary obligations, rights and benefits under the Trust Deed and the Pledge Agreements. The Collateral Rights will be vested in the Custodian for the benefit of the Bondholders in proportion to their respective holding of Bonds from time to time. Pursuant to the provisions of the Trust Deed and the Pledge Agreements, (i) the pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, as at the date of the Prospectus, (ii) a first priority mortgage on Mumtaz, and (iii) a pledge over the proceeds from the Insurance Policy Mumtaz, all forming part of the Collateral Rights, have been duly constituted in favour of the Custodian on the date of the Prospectus. Following the issue and allotment of the Bonds and upon the acquisition of Vessel 2 and Vessel 3, respectively, the remaining Collateral Rights shall be constituted in favour of the Custodian, which will, accordingly, have the benefit of priority in ranking over the Vessels.

The Custodian shall hold the following Collateral Rights granted in its favour by the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, as applicable, for the benefit of Bondholders:

a first priority mortgage on each of Mumtaz, Vessel 2 and Vessel 3, respectively, in the case of Vessel 2 and Vessel 3 once acquired, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;

a pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, from time to time in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Pledge Agreements and the Trust Deed (all shares held by Endo Tankers Ltd in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, as at the date of the Prospectus have been pledged by Endo Tankers Ltd in favour of the Custodian in its capacity as trustee of the Endo Trust, in virtue of the Pledge Agreements); and

a pledge over the proceeds from each of the Insurance Policies, in the case of Vessel 2 and Vessel 3 once acquired and the relative insurance policies are in force, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed.

Following the Bond Issue, an amount of *circa* €12,600,000 of the proceeds shall be received by the Custodian who shall retain, hold and manage such portion of the Bond Issue proceeds in accordance with the purposes set out in sub-section 5.1 of the Securities Note. As regards the acquisitions of Vessel 2 and Vessel 3, respectively, the Custodian shall retain, hold and manage the Bond Issue proceeds allocated for such acquisitions as set out in sub-section 5.1 of the Securities Note until each of said vessels have been acquired and subject to all security in respect of each of said vessels for the benefit of Bondholders having been duly perfected and registered, as outlined in the Trust Deed. The Custodian shall release out of the said portion of the Bond Issue proceeds the amounts required to discharge the purchase consideration of each of said vessels and any related costs of acquisition.

Upon Vessel 2 and Vessel 3 being identified, a valuation report prepared by an independent certified surveyor shall be submitted to the Custodian, which if deemed satisfactory to the Custodian shall trigger the release on the part of the Custodian of the relative funds required to acquire each of the vessels, subject in all cases to registration of the Collateral Rights over the vessel in question with the competent authorities and entities in the manner set out in sub-section 5.5 of the Securities Note.

At any time throughout the term of the Bonds, the Endo Tankers Sub-Group retains the right to proceed with the sale of one or more of the Vessels for the purpose of replacing said vessel or vessels with other vessels complimentary to the Endo Tankers Sub-Group’s operations and in line with prevailing market trends at the time. Accordingly, in terms of the Trust Deed, the Custodian retains the discretion to substitute any one of the Vessels placed as security property with another vessel or vessels owned by the Endo Tankers Sub-Group from time to time, subject to an independent valuation report confirming that the value of the vessel/s being substituted and added to the rights constituting the Collateral Rights is at least equal to the value of the vessel/s which has been removed as a security property at such date. In any such eventuality the procedure regarding the flow of funds through the Custodian as set out in sub-section 5.1(i) of the Securities Note shall *mutatis mutandis* apply, as applicable, in virtue of an escrow agreement to be entered into for the purpose. Accordingly, throughout the term of the Bond Issue, Bondholders’ investments in the Bonds are supported by a combination of funds held by the Custodian and/or the priority ranking over the Vessels or alternative vessels in virtue of the Collateral Rights.

## 6 TREND INFORMATION AND FINANCIAL PERFORMANCE

### 6.1 Trend information of the Issuer

The Issuer was registered and incorporated on 20 November 2018 and as such has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest audited financial statements.

In view of the Issuer’s purpose of acting as a financing company to the Endo Tankers Sub-Group, its business is limited to the raising of capital for the financing of capital projects and the loaning of such capital to Endo Tankers Sub-Group subsidiary companies, the collection of interest from Endo Tankers Sub-Group entities and the settlement, in turn, of interest payable on capital raised from third parties, in the circumstances via the issue of listed bonds.

The Issuer is dependent on the business prospects of the Endo Tankers Sub-Group and, therefore, the trend information relating to the Endo Tankers Sub-Group has a material effect on its financial position and prospects.

### 6.2 Trend information of the Endo Tankers Sub-Group

The key underlying assumptions of the Pro forma financial information set out below in this Registration Document are time charter rates and utilisation rates.

The time charter rates for the MR vessel (that is, the proposed Vessel 2) and the 5,000 to 8,000 DWT vessel (that is, the proposed Vessel 3) are based on the average charter rates over the historical period 2008 to 2017. Mumtaz is chartered to a related entity on a bareboat charter agreement where the charter rate is fixed. There is no open market in determining charter rates for Mumtaz considering the size of this vessel.

The figures below show the time charter rates recorded during the past 10 years for the proposed Vessel 2 and Vessel 3, respectively:

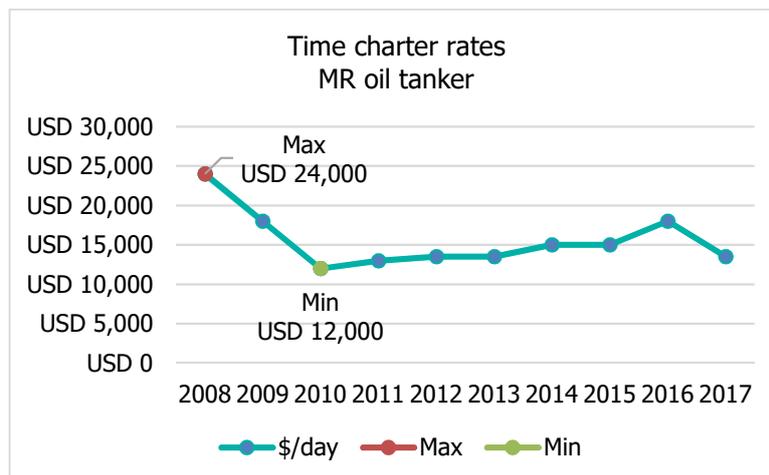


Figure: MR vessel (proposed Vessel 2) historical time charter rates (Source: Based on information provided by management, 2018)

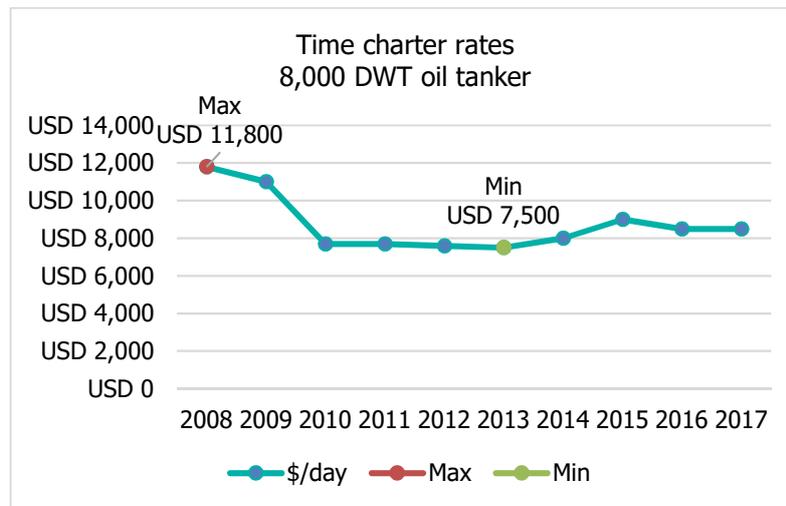


Figure: 8,000 DWT vessel (proposed Vessel 3) historical time charter rates (Source: Based on information provided by management, 2018)

At the time of publication of this Registration Document, the Endo Tankers Sub-Group considers that generally it shall be subject to the normal business risks associated with the industry in which the Endo Tankers Sub-Group companies are involved and operate as disclosed in this Registration Document and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of Endo Tankers Sub-Group companies and their respective businesses, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

#### Utilisation rates

Utilisation rates of the vessels used in the projections for the Endo Group as set out in sub-section 6.3.2 below are based on industry practices. The vessels are chartered on an annual basis with a stipulated 90-day notice period prior to the termination of the time charter agreement. During this period, the Endo Group will start negotiations with alternative charterers, in the event the charterer decides to discontinue the charter for the following year.

It is anticipated that a 45-day time lapse between charters is required. This means that the Endo Group will not be generating revenue throughout this period. In addition to this period, oil tankers shall be subject to drydocking. This refers to when a vessel is taken to the service yard and brought to dry land so that submerged portions of the hull can be cleaned and inspected. This work is both preventative as well as a regulatory requirement within the industry. Oil tankers are scheduled for full drydocking once every five years, with intermediate drydocking taking place every two years. The Vessel 2 and Vessel 3 will be purchased after undergoing full dry docking, therefore in 2020 they will only require intermediate dry docking.

The drydocking which takes place every two years will take approximately two weeks, therefore the utilisation rates used in the projections for the Group have been reduced from 88% to 84%. Moreover, vessels undergoing the five year full drydocking will be out of service for approximately four weeks, therefore reducing the utilisation rate of the vessels from 88% to 80%. For the purposes of the afore-mentioned projections it is assumed that the period of drydocking, both full and intermediate drydocking, are the same for all three vessels to be owned by the Endo Tankers Sub-Group.

There has been no material adverse change in the prospects or in the financial or trading position of the Issuer since the date of its incorporation.

### 6.3 Key Financial Review

The Issuer was registered and incorporated on 20 November 2018 to issue the Bonds and loan the proceeds to Endo Tankers Sub-Group companies. The Issuer has, to date, not conducted any business and has no trading record and, as such, there were no significant changes to the financial or trading position of the Issuer since incorporation to the date of this Registration

Document. Since incorporation to the date of this Registration Document no financial statements have been prepared in respect of the Issuer.

### 6.3.1 PRO FORMA FINANCIAL INFORMATION

The Endo Group in its current form has only been in existence since May 2018, following the corporate re-organisation carried out concerning the Palm Group as described in sub-section 5.3.1 of this Registration Document. The financial information set out in this review represents pro forma consolidated financial statements of the Endo Group. This pro forma information presents what the Group's consolidated financial statements would have looked like had the Endo Group existed in its current form, comprising all its current constituent components, for the financial year 1 January 2018 to 31 December 2018.

Pursuant to the issue and admission to trading of the Bonds, and in fulfilment of the Issuer's continuing obligations in terms of Listing Rules 5.54 to 5.58, the Group intends to publish annual audited consolidated financial statements of Endo Ventures Ltd in terms of the Listing Rules.

The report on the pro forma consolidated financial statements, prepared independently by the Group's financial advisors Nexia BT Advisory Services Limited, is appended to this Registration Document as Annex 1.

Pro forma Profit and Loss account:

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
Revenue	3,136	(281)	2,855
Direct costs	(1,700)	-	(1,700)
Gross profit	1,435	(281)	1,155
Administrative expenses	(511)	-	(511)
EBITDA	924	(281)	643
Depreciation	(428)	-	(428)
EBIT	496	(281)	215
Finance cost	217	(71)	(146)
Profit before tax	713	(352)	69
Income tax	(72)	-	(72)
Profit/(loss) for the year	641	(352)	(3)
Other Comprehensive income			
Gains on property revaluation	4,216	-	4,216
Taxation	(395)	-	(395)
Other comprehensive income net of taxation	3,821	-	3,821
<b>Total comprehensive income</b>	<b>4,462</b>	<b>(352)</b>	<b>3,818</b>

Pro forma Statement of financial position:

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Financial asset</b>	13,105	(13,105)	-
Intangible assets	356	-	356
Investment property	7,200	(5,400)	1,800
Property, plant and equipment	2,663	5,400	8,063
Amounts due from related parties	2,410	-	2,410
<b>Total non-current assets</b>	<b>25,734</b>	<b>(13,105)</b>	<b>12,629</b>
<b>Current assets</b>			
Non current asset held for sale	-	-	-
Trade and other receivables	1,344	(356)	988
Cash and cash equivalents	11,740	-	11,740
<b>Total current assets</b>	<b>13,083</b>	<b>(356)</b>	<b>12,728</b>
<b>Total assets</b>	<b>38,818</b>	<b>(13,461)</b>	<b>25,357</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	18,838	(16,770)	2,068
Retained earnings	1,385	-	1,385
Revaluation reserve	4,990	-	4,990
<b>Total equity</b>	<b>25,212</b>	<b>(16,770)</b>	<b>8,443</b>
<b>Current liabilities</b>			
Trade payables	1,306	(356)	950
Current tax payable	72	-	72
Bank loans	110	-	110
<b>Total current liabilities</b>	<b>1,488</b>	<b>(356)</b>	<b>1,132</b>
<b>Non-current liabilities</b>			
Loans from related parties	13,105	(13,105)	-
Debt securities in issue	13,500	-	13,500
Long term loans	880	-	880
Bank loans	720	-	720
Deferred tax	682	-	682
<b>Total non current liabilities</b>	<b>15,782</b>	<b>-</b>	<b>15,782</b>
<b>Total liabilities</b>	<b>17,270</b>	<b>(356)</b>	<b>16,914</b>
<b>Total equity and liabilities</b>	<b>42,482</b>	<b>(17,126)</b>	<b>25,357</b>

Pro forma Cash Flow Statement:

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
<b>Cash flows from operating activities:</b>			
EBITDA	924	(281)	643
Adjustment for Movement in working capital			
Decrease / (increase) in trade and other receivables	192	356	548
Decrease / (increase) in trade and other payables	(192)	(356)	(548)
Cash flows generated from operations	924	(281)	643
Income tax (paid) / refund	(6)	-	(6)
Interest payable	(217)	71	(146)
<b>Net cash flows operating activities</b>	<b>701</b>	<b>(210)</b>	<b>491</b>
<b>Cash flows from investing activities:</b>			
Bond issue cost	(395)	-	(395)
<b>Net cash flow (used in) financing activities</b>	<b>(395)</b>	<b>-</b>	<b>(395)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from equity	17,020	(16,770)	250
Debt securities in issue	13,500	-	13,500
Amounts due to related parties	(90)	-	(90)
Movement in bank loans	(67)	-	(67)
Loans from related parties	13,105	(13,105)	-
<b>Net cash flows from financing activities</b>	<b>43,468</b>	<b>(29,875)</b>	<b>13,593</b>
Net movement in cash and cash equivalents	43,773	(30,084)	13,689
Cash and cash equivalents at the beginning of year	(1,949)	-	(1,949)
<b>Cash and cash equivalents at the end of year</b>	<b>41,824</b>	<b>(30,084)</b>	<b>11,740</b>

### 6.3.2 FORECAST FINANCIAL INFORMATION

Set out below is forecast financial data of the Group for the financial years ending 31 December 2019 and 2020, respectively, which forecast financial data has been provided by management and is based on management projections.

The report on the forecast consolidated financial information of Endo Ventures Ltd, prepared independently by the Group's financial advisors Nexia BT Advisory Services Limited, is appended to this Registration Document as Annex 2.

Projected consolidated profit and loss account years ending 31 December 2019 and 2020:

<b>Year</b>	<b>2019</b>	<b>2020</b>
	Projected €000s	Projected €000s
Revenue	9,631	9,246
Direct costs	<u>(4,471)</u>	<u>(4,483)</u>
Gross profit	5,160	4,763
Administrative expenses	<u>(692)</u>	<u>(808)</u>
EBITDA	4,468	3,955
Other income	-	5,637
Depreciation	<u>(1,491)</u>	<u>(1,439)</u>
EBIT	2,977	8,153
Finance cost	<u>(688)</u>	<u>(672)</u>
Profit before tax	2,289	7,481
Income tax	<u>(155)</u>	<u>(784)</u>
Profit/(loss) for the year	<u>2,134</u>	<u>6,697</u>

Projected consolidated statement of financial position as at 31 December 2019 and 2020:

Year	<b>2019</b> Projected €000s	<b>2020</b> Projected €000s
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	316	277
Property, plant and equipment	14,112	12,713
Amounts due from related parties	-	2,354
Related party loans	2,410	2,410
<b>Total non-current assets</b>	<u>16,838</u>	<u>17,753</u>
<b>Current assets</b>		
Non current asset held for sale	7,200	-
Trade and other receivables	1,702	1,765
Cash and cash equivalents	1,744	8,324
<b>Total current assets</b>	<u>10,646</u>	<u>10,089</u>
<b>Total assets</b>	<u><b>27,484</b></u>	<u><b>27,842</b></u>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	2,068	2,068
Retained earnings	3,519	10,216
Revaluation reserve	4,990	-
<b>Total equity</b>	<u><b>10,577</b></u>	<u><b>12,285</b></u>
<b>Current liabilities</b>		
Trade payables	971	992
Current tax payable	155	137
Bank loans	707	14
<b>Total current liabilities</b>	<u>1,832</u>	<u>1,143</u>
<b>Non-current liabilities</b>		
Debt securities in issue	13,500	13,500
Long term loans	880	880
Bank loans	14	0
Deferred tax	682	34
<b>Total-non current liabilities</b>	<u>15,075</u>	<u>14,414</u>
<b>Total liabilities</b>	<u>16,907</u>	<u>15,557</u>
<b>Total equity and liabilities</b>	<u><b>27,484</b></u>	<u><b>27,842</b></u>

Projected consolidated cash flow statement years ending 31 December 2019 and 2020:

Year	2019 Projected €000s	2020 Projected €000s
<b>Cash flows from operating activities:</b>		
EBITDA	4,468	3,955
Adjustment for		
Movement in working capital		
Decrease / (increase) in trade and other receivables	(714)	(63)
Decrease / (increase) in trade and other payables	21	21
Cash flows generated from operations	3,774	3,914
Income tax (paid) / refund	(72)	(802)
Interest payable	(688)	(672)
<b>Net cash flows operating activities</b>	<b>3,015</b>	<b>2,440</b>
<b>Cash flows from investing activities:</b>		
Acquisition of vessels	(12,900)	-
Proceeds from sale of Property	-	7,200
<b>Net cash flow (used in) financing activities</b>	<b>(12,900)</b>	<b>7,200</b>
<b>Cash flows from financing activities:</b>		
Movement in bank loans	(110)	(707)
Amounts due from related parties	-	(2,354)
<b>Net cash flows from financing activities</b>	<b>(110)</b>	<b>(3,060)</b>
Net movement in cash and cash equivalents	(9,996)	6,580
Cash and cash equivalents at the beginning of year	11,740	1,744
<b>Cash and cash equivalents at the end of year</b>	<b>1,744</b>	<b>8,324</b>

### 6.3.3 HISTORICAL FINANCIAL INFORMATION OF THE GUARANTORS

#### Financial performance

##### P & C Limited

P & C Limited is engaged in investing and renting of property. The year end for this company is currently 31 July, however as from next year the year end will change to 31 December.

##### Revenue

The company generates its 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, P & C Limited also charges management fees to another related company, Palm Enterprises Limited. Both companies, Palm Shipping Agency Limited and Palm Enterprises Limited, do not form part of the Group but are only related as they have common ultimate beneficial owners.

In 2016, the revenue of the company decreased by 12% when compared with 2015. This decrease was the result of a termination of the lease of one of the tenants. Hence part of the property was vacant and no revenue was generated. In 2017, revenue increased by 27% when compared with 2016. During the year a new tenant leased the vacant floor and hence revenue from this lease contributed to the increase in revenue of 27%. Revenue for 2018 represents the rent and management fees received from 1 August 2017 till 30 June 2018. This increase in revenue is attributable to the 100% occupancy of the premises for the duration of the 11 months.

## EBITDA

The company's main revenue streams result from the rental of property. The company maintained a stable EBITDA margin throughout 2015, 2016 and 2017. For 2018, the company registered an EBITDA margin of 70%. This increase in EBITDA is the result of the increase in revenue and the one-off other income which comprised of a refund of a license fee. Considering that the company's revenue is mainly rental income, there are no additional costs directly related to the increase in revenue, and hence the EBITDA margin improved over 2017 levels.

The below table shows the profit and loss account of P & C Limited for the period 2015 to June 2018:

	Audited 31/7/2015 €	Audited 31/7/2016 €	Audited 31/7/2017 €	Management 1/8/2017 - 30/6/2018 €
Revenue	99,279	87,692	111,448	137,921
Other income				2,840
Administrative expenses	(37,104)	(29,653)	(39,085)	(43,869)
<b>EBITDA</b>	<b>62,175</b>	<b>58,039</b>	<b>72,363</b>	<b>96,892</b>
Depreciation	(45,681)	(21,978)	(20,318)	(5,739)
<b>EBIT</b>	<b>16,494</b>	<b>36,061</b>	<b>52,045</b>	<b>91,153</b>
Movement in revaluation of investment property	-	235,847	-	-
Finance costs	(14,106)	(9,767)	(6,886)	(44,282)
Profit before tax	2,388	262,141	45,159	46,871
Tax	12,509	(33,353)	(40,239)	-
Profit after tax	14,897	228,788	4,920	46,871
Revenue growth		-12%	27%	
EBITDA margin	63%	66%	65%	70%

## IFP Malta

IFP Malta 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.

The company generates its revenue from the provision of Yokohama fenders and hoses used for the transfer of cargo from one ship to another. In addition, it provides mooring master services. For these services, the company enters into fixed fee contracts with its clients for the provision of fenders and mooring master services for a stipulated number of stipulated hours. In the event that the stipulated hours are exceeded the company will charge the client for the extra hours at an agreed rate.

The business of the company is affected by seasonality factors due to bad weather conditions during the months of January, February, October, November and December.

The below table shows the profit and loss account of IFP Malta for the period 2015 to June 2018:

	Audited 31/12/2015 €	Audited 31/12/2016 €	Audited 31/12/2017 €	Management 30/06/2018 €
Revenue	632,644	1,067,700	1,628,569	604,875
Cost of sales	(184,447)	(699,550)	(973,245)	(396,771)
Gross Profit	448,197	368,150	655,324	208,104
Other income	9,609	-	1,055	12,163
Administrative expenses	(28,260)	(185,310)	72,279	(51,988)
EBITDA	429,546	182,840	728,658	168,279
Depreciation	(81,804)	(175,175)	(209,131)	(105,963)
EBIT	347,742	7,665	519,527	62,316
Finance costs	-	-	(90,904)	(50,459)
Profit before tax	347,742	7,665	428,623	11,857
Tax	(121,710)	(2,682)	(150,888)	-
Profit after tax	226,032	4,983	277,735	11,857

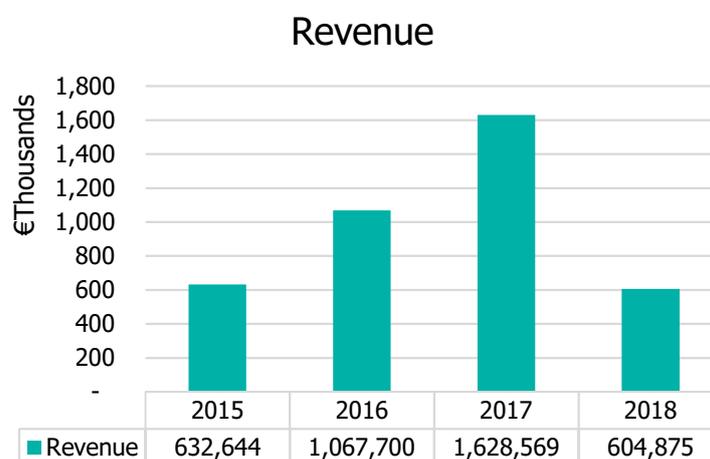
Revenue growth		69%	53%	
Gross profit margin	71%	34%	40%	34%
EBITDA margin	68%	17%	45%	28%

## Revenue

The company was incorporated in 2015 and took over the operations from a third-party company, Island Fendering (Malta) Limited.

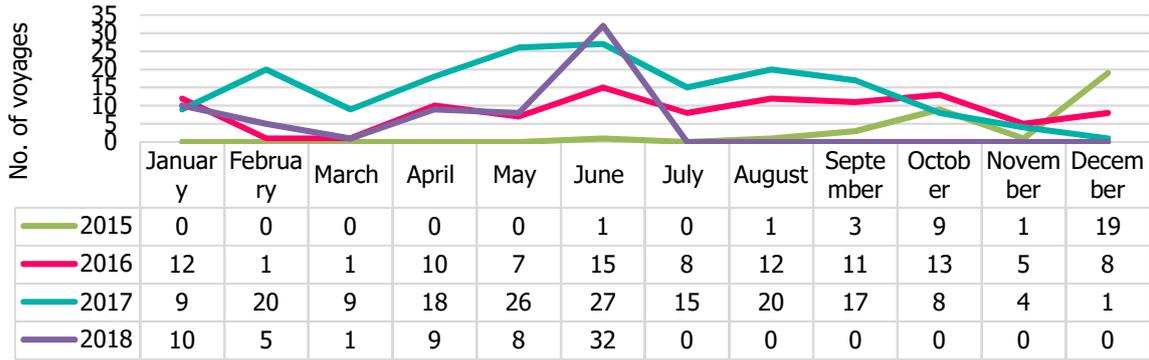
In 2016, the revenue of the company increased by 69% when compared with 2015, whilst in 2017 revenue increased by 53% when compared with 2016. These related to an increase in ship-to-ship operations which are also known as voyages. The revenue in 2018 represents the revenue generated till June 2018. This revenue represents 65 voyages conducted till June 2018.

The below diagram shows the revenue from 2015 to June 2018:



The below diagram shows the number of ship-to-ship operations (voyages) for 2015 to June 2018:

### Ship to ship operations

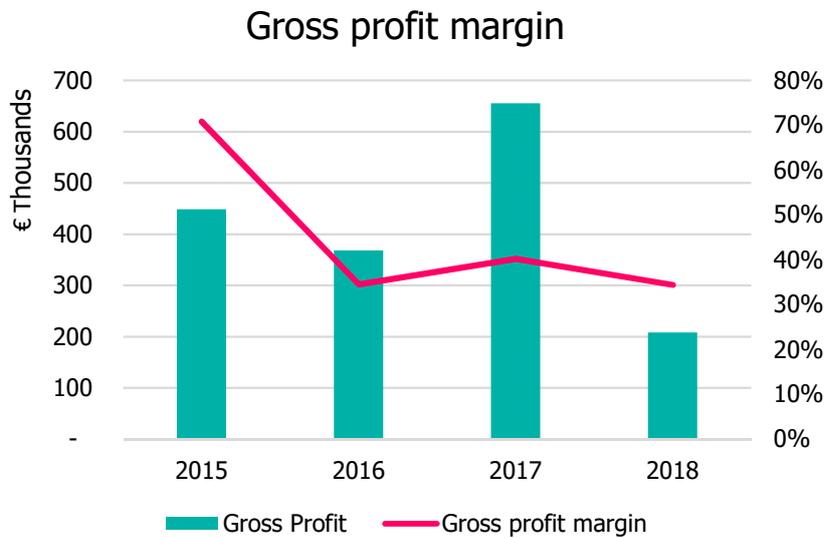


### Gross profit

In 2015 the company registered a gross profit margin of 71%. The gross profit registered in 2015 was overstated due to the take over from the third-party company, whereby costs associated with 2015 charters were incurred by the third party. Thereafter, the gross profit margins increased by 6% from 2016 to 2017 and decreased by 6% from 2017 to 2018.

In 2017, the company generated a one-off revenue against which there were no costs, resulting in an increase in gross profit margins. In 2018, the gross profit margin remained at 2016 levels being a year with no one-off transactions.

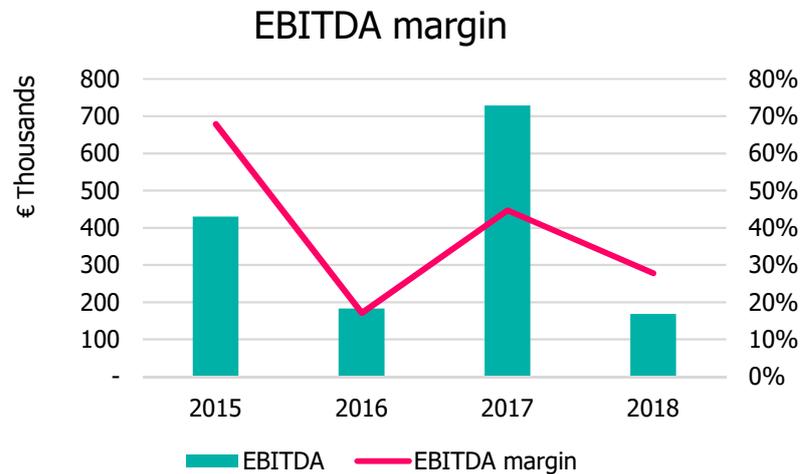
The figure below shows the changes in gross profit margins over the period 2015 to June 2018:



## EBITDA

In 2016, the EBITDA of the company decreased to 17% when compared with that of 2015. This change was due to a decrease in gross profit. However, this decrease was partly offset by a gain on exchange.

As shown in the below diagram, the EBITDA margin for 2017 increased to 45% and management attributed this increase to a gain on exchange which amounted to €220,616. These differences of exchange occur since the company's operational currency is the USD dollar and its functional currency is the Euro. In addition, in 2018 the company registered an EBITDA margin of 28%, maintaining same levels as 2016.



## IFP Cyprus

The first audited financial statements were prepared for the year ended 31<sup>st</sup> December 2016 considering that the company was incorporated in October 2015.

Similar to IFP Malta, IFP Cyprus also assists with the transfer of any cargo between any sized ships with all ship to ship operations. The company mainly operates in Augusta and Cyprus. IFP Cyprus was incorporated to take over operations which IFP Malta was undertaking in these countries.

Similar to IFP Malta, IFP Cyprus generates its revenue from the provision of Yokohama fenders and hoses used for the transfer of cargo from one ship to another in Augusta and Cyprus, whilst also provides mooring master services.

The below table shows the profit and loss account of IFP Cyprus for the period 2016 to 2017:

	Audited 31/12/2016 €	Audited 31/12/2017 €	Management 30/06/2018 €
Revenue	1,303,706	457,027	198,283
Cost of sales	(750,617)	(291,864)	(120,170)
Gross Profit	553,089	165,163	78,113
Other income	268	2,615	-
Administrative expenses	(91,762)	(54,012)	(18,268)
EBITDA	461,595	113,766	59,845
Depreciation	(59,218)	(76,378)	(38,411)
EBIT	402,377	37,388	21,434
Finance costs	(3,518)	(5,697)	-
Profit before tax	398,859	31,691	21,434
Tax	(50,073)	(4,571)	-
Profit after tax	348,786	27,120	21,434

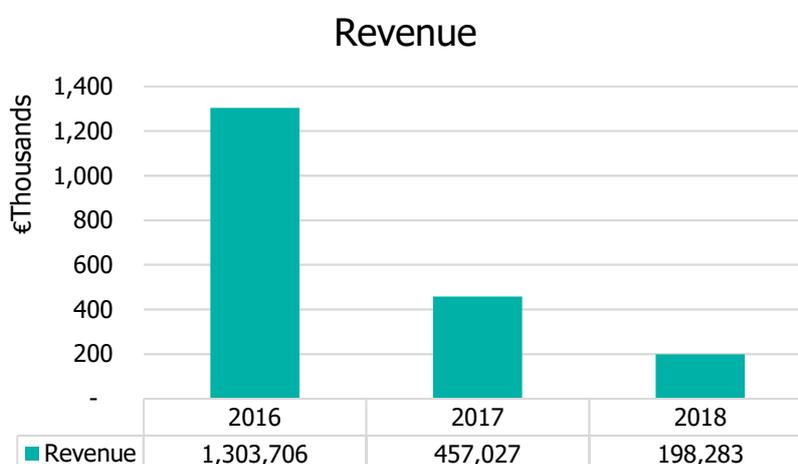
Revenue growth		-65%	
Gross profit margin	42%	36%	39%
EBITDA margin	35%	25%	30%

## Revenue

In 2016, the company generated revenue amounting to circa €1.3 million through 54 voyages, out of which 18 were conducted in Augusta and 36 conducted in Cyprus.

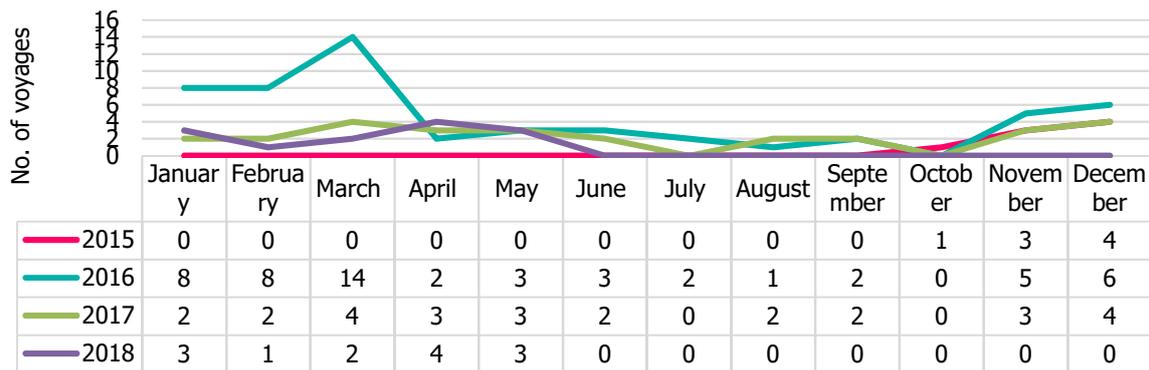
In 2017, the company experienced a decrease of 65% in its revenue which was mainly attributable to a decrease in operations. The company conducted only 27 voyages, 3 in Augusta and 24 in Cyprus since management shifted their focus to operations in Malta, decreasing its operations in Augusta. In 2018, the company registered revenue amounting to €198,000, representing revenue from 13 voyages conducted till June 2018.

The below diagram shows the revenue for 2016 till June 2018:



The below diagram shows the number of ship-to-ship operations (voyages) for 2015, 2016, 2017 and 2018:

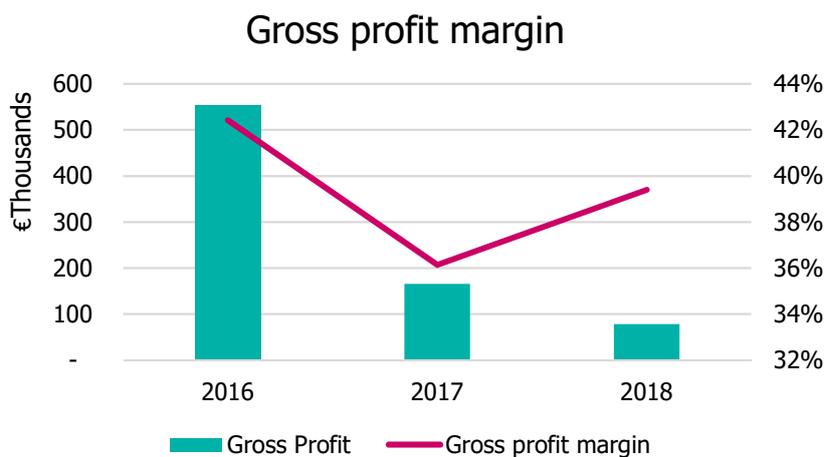
### Ship to ship operations



### Gross profit margin

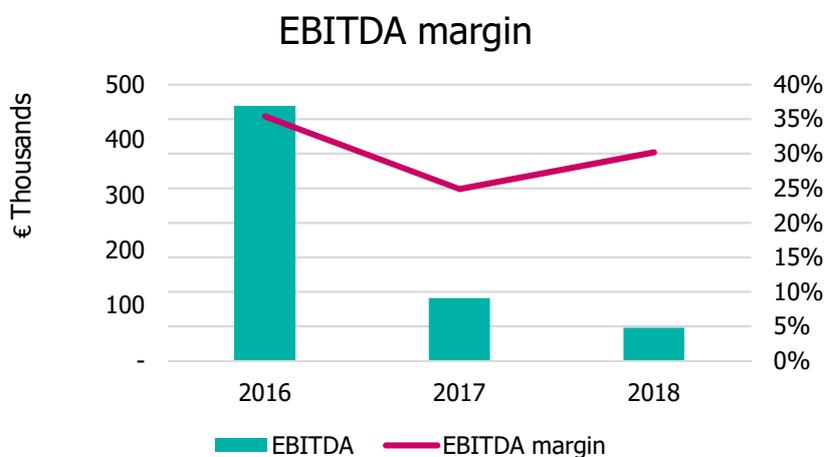
In 2016, the company registered a gross profit margin of 42%. This gross profit margin decreased to 36% in 2017 due to Augusta operations, which generated a lower gross profit margin than Cyprus. In 2018, gross profit margins increased to 39%, which improvement in gross profit margin is attributed to the complete termination of the Augusta operations. The Augusta operations generated lower gross profit margins when compared with Cyprus operations. Hence, with the termination of the Augusta operations, the company improved its gross profit margin.

The below diagram shows the changes in the gross profit margins for the period 2016 to June 2018:



## EBITDA

In 2017, the EBITDA of the company decreased to 25% from 35% in 2016. In 2018, gross profit margins increased to 39%. The below diagram shows the changes in the EBITDA margins for the period 2016 to June 2018:



## Intership Management Limited

The first audited financial statements were prepared for the year ended 31 December 2016 considering that the company was incorporated in February 2016. The company is engaged in the provision of ship management services.

The below table shows the profit and loss account of Intership Management Limited for the period 2016 to June 2018:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
	Audited 31/12/2016	Audited 31/12/2017	Management 30/06/2018
	€	€	€
Revenue	472,813	657,000	325,800
Other income	35,587	-	-
Direct costs	(414,240)	(512,772)	(253,950)
Gross profit	94,160	144,228	71,850
Administrative expenses	(83,281)	(66,539)	(35,205)
EBITDA	10,879	77,689	36,645
Depreciation	(7,535)	(29,700)	(18,151)
EBIT	3,344	47,989	18,494
Income tax	(6,135)	(12,774)	(6,473)
Profit for the year	(2,791)	35,215	12,021

Revenue growth		39%	
Gross profit margin	20%	22%	22%
EBITDA margin	2%	12%	11%

## Revenue

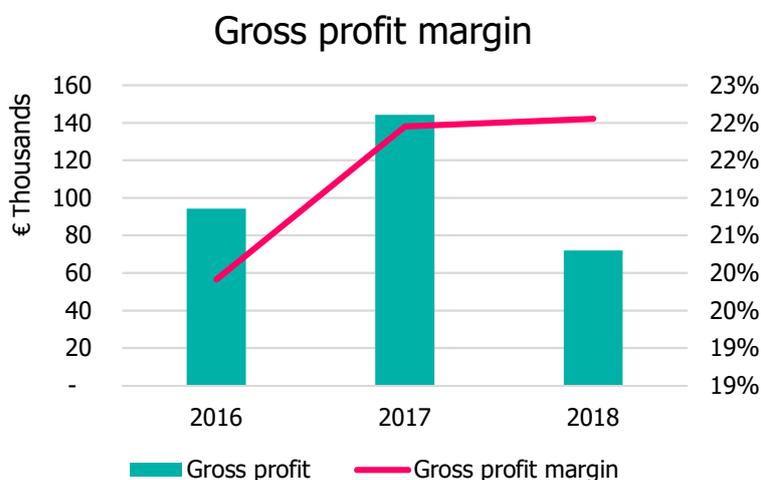
The company was incorporated in 2016 in order to provide a complete and comprehensive set of ship management services. In 2016 and 2017 the company provided these services to Mumtaz Maritime Company Limited, the company which owned Mumtaz, the vessel used for the transportation of petroleum products and for bunkering operations both in the Maltese territorial waters and international waters

In 2017, the revenue of the company increased by 39% from 2016. This increase resulted due to the fact that financial statements for 2016 included revenue for 10 months while financial statements for 2017 include revenue for a full year. In 2018, the company registered revenue amounting to €325,000, representing revenue till June 2018.

## Gross profit

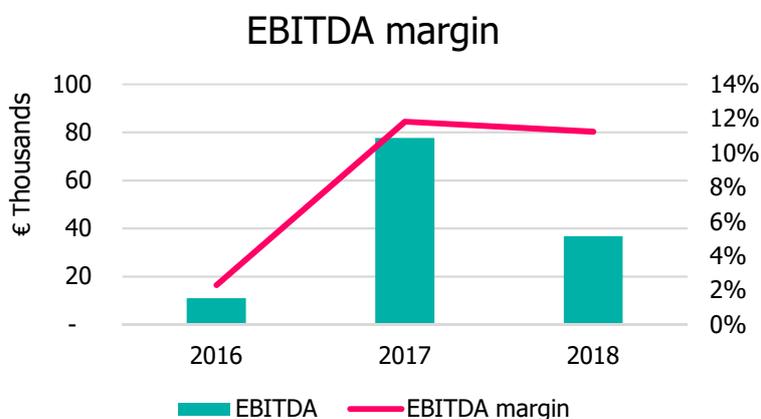
In 2016, the company registered a gross profit margin of 20%. This gross profit margin increased to 22% in 2017. This increase resulted since financial statements for 2016 include direct costs for a 10 month period whilst financial statements for 2017 include direct costs for a full 12 month period. In 2018 the gross profit margin remained relatively constant.

The below diagram shows the changes in the gross profit margins for the period 2016 to June 2018:



## EBITDA

In 2017, the EBITDA of the company increased to 12% when compared with that of 2016, which is attributed to a gain on exchange amounting to €41,325. These differences of exchange occur since the company's operational currency is the USD dollar and its functional currency is the Euro. In 2018, EBITDA margin remained relatively on the same levels, as evidenced in the below diagram:



## 7 Financial Position

The below table shows the statement of financial position of each of the Guarantors and of Intership Management Limited:

Year	Ref	<b>P&amp;C Limited</b>	<b>International Fender Providers Limited</b>	<b>IFP International Fender Providers Limited</b>	<b>Intership Management Limited</b>
		Management 30/06/2018 €	Management 30/06/2018 €	Management 30/06/2018 €	Management 30/06/2018 €
<b>Assets</b>					
<b>Non Current Assets</b>					
Investment in subsidiary	3.1	-	1,000	-	-
Investment property	3.2	2,984,102	-	-	-
Property, plant and equipment	3.3	40,273	593,327	323,968	134,705
Related party loans	3.4	-	2,800,053	-	-
		<u>3,024,375</u>	<u>3,394,380</u>	<u>323,968</u>	<u>134,705</u>
<b>Current assets</b>					
Trade and other receivables	3.5	568,156	636,974	302,104	305,990
Current tax recoverable		-	-	-	-
Cash at bank and in hand		2,537	8,160	23,234	1,048
		<u>570,693</u>	<u>645,134</u>	<u>325,338</u>	<u>307,038</u>
<b>Total assets</b>		<u>3,595,068</u>	<u>4,039,515</u>	<u>649,306</u>	<u>441,743</u>
<b>Equity and Liabilities</b>					
<b>Capital and reserves</b>					
Called up issued share capital		2,329	16,000	1,000	240
Revaluation reserve		1,168,796	-	-	-
Retained earnings		278,132	520,610	397,341	58,148
<b>Total equity</b>		<u>1,449,257</u>	<u>536,610</u>	<u>398,341</u>	<u>58,388</u>
<b>Non-current liabilities</b>					
Shareholders loan		849,536	-	-	-
Beneficial owner's loan		30,273	-	-	-
Bank loans	3.6	897,746	-	-	-
Deferred taxation		252,246	34,476	-	-
Related party loans		-	175,276	-	-
		<u>2,029,801</u>	<u>209,752</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	3.5	116,009	1,103,540	173,613	179,593
Short term borrowings	3.6	-	1,975,182	-	-
Amounts due to related parties	3.5	-	214,430	77,352	203,762
		<u>116,009</u>	<u>3,293,152</u>	<u>250,964</u>	<u>383,355</u>
<b>Total liabilities</b>		<u>2,145,810</u>	<u>3,502,904</u>	<u>250,964</u>	<u>383,355</u>
<b>Total equity and liabilities</b>		<u>3,595,068</u>	<u>4,039,515</u>	<u>649,306</u>	<u>441,743</u>

## Trade receivables, trade payables and related party balances

The table below shows the trade receivables, trade payables and related party balances of each of the Guarantors and of Intership Management Limited as at year end:

	<b>P&amp;C</b>	<b>International Fender Providers Limited</b>	<b>IFP International Fender Providers Limited</b>	<b>Intership Management Limited</b>
	30/06/2018	30/06/2018	30/06/2018	30/06/2018
<b>Trade and other receivables</b>				
Trade receivables	96,406	468,040	77,885	
Other receivables	31,161	168,934	9,789	43,399
	<u>127,567</u>	<u>636,974</u>	<u>87,674</u>	<u>43,399</u>
<b>Related party receivables</b>				
Amounts due from related Palm Enterprises Limited	440,589	-	-	-
International Fender Providers Limited	-	-	214,430	0
International Fuel Suppliers Limited	-	-	-	262,591
	<u>440,589</u>	<u>-</u>	<u>214,430</u>	<u>262,591</u>
<b>Total receivables</b>	<u>568,156</u>	<u>636,974</u>	<u>302,104</u>	<u>305,990</u>
<b>Trade and other payables</b>				
Trade payables	5,809	1,076,436	173,613	157,310
Other payables	110,199	27,104	-	22,283
	<u>116,009</u>	<u>1,103,540</u>	<u>173,613</u>	<u>179,593</u>
<b>Related party payables</b>				
International Fender Providers Limited	-	-	-	57
Palm Shipping Agency Limited	-	-	837	93,201
International Fuel Suppliers Limited	-	-	76,515	-
IFP International Fender Providers Limited	-	214,430	-	-
Palm Enterprises Limited	-	-	-	-
Island Fendering (Malta) Limited	-	-	-	-
Mumtaz Maritime Company Ltd	-	-	-	110,505
	<u>-</u>	<u>214,430</u>	<u>77,352</u>	<u>203,762</u>
<b>Total payables</b>	<u>116,009</u>	<u>1,317,970</u>	<u>250,964</u>	<u>383,355</u>

### 7.1 IFP Malta related party loans

Related party loans amounting to €2.8 million are in relation to the payment of related party debt relative to the take-over from the third-party companies. The table below shows the amounts payable by each company. The related party loans are unsecured, interest-free and have no fixed date of repayment but, in terms of the applicable governing loan agreements, IFP Malta has the right to request the outstanding balances to become repayable on demand:

	€
Palm Shipping Agency Limited	1,994,611
International Fuel Suppliers Limited	794,942
Mumtaz Maritime Company Ltd	9,784
Intership Management Ltd	57
Valletta Commercial Services	660
	<u>2,800,053</u>

## 8 MANAGEMENT AND ADMINISTRATION

### 8.1 The Issuer

#### 8.1.1 THE BOARD OF DIRECTORS

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than 2 and not more than 6 Directors, who are appointed by the shareholders.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, Endo Ventures Ltd, the parent company of the Group, is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of 5 Directors who are responsible for the overall direction and management of the Company. The Board currently consists of 2 executive Directors, who are entrusted with the Company's day-to-day management, and 3 non-executive Directors, all of whom are also independent of the Issuer, whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. In line with generally accepted principles of sound corporate governance, at least 1 of the Directors shall be a person independent of the Group. No Directors have been removed since the Issuer's inception.

As at the date of the Prospectus, the Board of the Issuer is composed of the five (5) individuals listed in sub-section 4.1.1 of this Registration Document.

None of the Directors have been:

- a) convicted in relation to fraud or fraudulent conduct;
- b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- d) disqualified by a court from acting as director or manager.

#### 8.1.2 DIRECTORS' SERVICE CONTRACTS

The respective functions of each of the Issuer's non-executive Directors are regulated by service contracts. A copy of each of these service contracts is available for inspection at the registered office of the Issuer in accordance with the requirements of the Listing Rules. Neither of the executive Directors of the Issuer have a service contract with the Issuer.

#### 8.1.3 LOANS TO DIRECTORS

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

#### 8.1.4 REMOVAL OF DIRECTORS

In terms of the Issuer's Articles of Association, the first Directors of the Issuer shall serve until the end of the first annual general meeting during which the new directors shall be appointed. Thereafter, all other directors shall hold office from the general meeting at which they are elected until the end of the next annual general meeting. All Directors shall retire from office once at least in each three (3) years but retiring directors shall be eligible for re-election. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting of the Issuer.

A Director may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act.

### **8.1.5 POWERS OF DIRECTORS**

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business and do all such things which are not by the Articles expressly reserved for the shareholders in general meeting.

Specifically, the Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer.

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Issuer or of any third party as it thinks fit, subject to the limit established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

### **8.1.6 AGGREGATE EMOLUMENTS OF DIRECTORS**

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the shareholders in General Meeting.

The remuneration of Directors shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

For the financial year ending on 31 December 2019 it is expected that the Issuer will pay an aggregate of €21,600 to its Directors.

### **8.1.7 NON-EXECUTIVE DIRECTORS**

The non-executive Directors' main functions are to monitor the operations of the executive Directors and their performance, as well as to review any investment opportunities that are proposed by the executive Directors. All proposed acquisitions are brought to the Board of Directors for approval.

### **8.1.8 EMPLOYEES**

The Issuer does not have any employees of its own and is, therefore, reliant on the resources which are made available to it by other Group entities. As at the date of this Registration Document, the Group has a total of 38 employees.

## **8.2 The Boards of the Guarantors**

Each Guarantor has its own Board of directors that is entrusted with the responsibility of the direction and management of the respective Guarantor entity within the strategic parameters established by the respective Board. Within those strategic parameters the Board of each Guarantor is autonomous in the determination of the appropriate policies for the respective companies and their business and is entrusted with handling the relations with third parties dealing with those companies.

The Memorandum of Association of IFP Malta provides that the business and affairs of IFP Malta shall be managed and administered by a Board of directors to be composed of not less than 1 and not more than 6 directors. As at the date of the



Prospectus, the Board of IFP Malta is composed of the two (2) individuals listed in sub-section 4.1.2 of this Registration Document who are responsible for the overall direction and management of the company. Directors of IFP Malta are appointed by means of an ordinary resolution in general meeting. Accordingly, Endo Ventures Ltd, as sole shareholder, is empowered to appoint the directors of IFP Malta and, accordingly, has control over the management and operations of IFP Malta.

The Memorandum of Association of IFP Cyprus provides that IFP Cyprus' business and affairs shall be managed and administered by a Board of directors to be composed of not less than 1 and not more than 7 directors. As at the date of the Prospectus, the Board of IFP Cyprus is composed of the four (4) individuals listed in sub-section 4.1.2 of this Registration Document who are responsible for the overall direction and management of the company.

The Memorandum of Association of P & C Limited provides that P & C Limited's business and affairs shall be managed and administered by a Board of directors to be composed of not less than 2 and not more than 4 directors. As at the date of the Prospectus, the Board of P & C Limited is composed of the two (2) individuals listed in sub-section 4.1.2 of this Registration Document who are responsible for the overall direction and management of the company. Directors of P & C Limited are appointed by means of an ordinary resolution in general meeting. Accordingly, Endo Ventures Ltd is empowered to appoint the directors of P & C Limited and, accordingly, has control over the management and operations of P & C Limited.

#### **8.2.1 DIRECTORS' SERVICE CONTRACTS**

None of the directors of the Guarantors have a service contract with the respective Guarantor entity.

#### **8.2.2 AGGREGATE EMOLUMENTS OF DIRECTORS**

For the current financial year ending 31 December 2018, no director emoluments are due by the Guarantors.

#### **8.2.3 LOANS TO DIRECTORS**

There are no loans outstanding by the Guarantors to any of their respective directors nor any guarantees issued for their benefit by the Guarantors.

#### **8.2.4 POWERS OF DIRECTORS**

By virtue of the Articles of Association of each of the Guarantors, the respective Boards of directors are empowered to exercise all the rights of each of said companies, except those rights as are expressly reserved for decision by the shareholders in general meeting.

#### **8.2.5 EMPLOYEES OF THE GUARANTORS**

As at the date of this Registration Document, the aggregate number of persons employed with the Guarantors amounted to 7.

### **8.3 Conflict of interest**

As at the date of the Prospectus, in addition to being directors of the Issuer and of each of the Guarantors, Christopher Frendo and Nicholas Frendo are also directors of all other Group companies.

Christopher Frendo and Nicholas Frendo are also the ultimate beneficial owners of 40% each of the Group.

In view of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the Issuer, the Guarantors and any of such other Group companies in transactions entered into, or proposed to be entered into, between them. The independent, non-executive Directors of the Issuer have the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the above-mentioned directors are handled in the best interest of the Issuer and according to law. The independent, non-executive Directors will also be tasked to ensure that transactions vetted by the Board of Directors are determined on an arms-length basis.

No private interests or duties unrelated to the Issuer, the Guarantors or the Group, as the case may be, have been disclosed by the general management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer or the Guarantors, as the case may be.

In addition, in view of the lender-borrower relationship which is to arise between the Issuer and companies forming part of the Group, there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Group. In such situations, the Directors shall act in accordance with the majority decision of those Directors who would not have a conflict in the circumstance and after taking account of the advice of outside legal counsel, if necessary.

To the extent known or potentially known to the Issuer and the Guarantors as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other conflicts of interest between any duties of the Directors and of executive officers of the Issuer, and/or the directors of the Guarantors, as the case may be, and their respective private interests and/or their duties which require disclosure in terms of the Regulation.

## 8.4 Working capital

As at the date of this Registration Document, the directors of the Issuer and of each of the Guarantors are of the opinion that working capital available to the Issuer and the Guarantors, respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

## 8.5 Dividend policy

The directors of IFP Malta and P & C Limited intend not to distribute to their respective shareholder (that is, in each case Endo Ventures Ltd) any dividend up to (and including) the maturity of the Bonds.

## 9 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 9.1 Major shareholders of the Issuer

The Issuer has an authorised and issued share capital of €250,000 divided into 250,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Endo Ventures Ltd (C 86730)	249,998 Ordinary shares of €1 each
Christopher Frendo	1 Ordinary share of €1
Nicholas Frendo	1 Ordinary share of €1

The Issuer is, effectively, a wholly-owned subsidiary of Endo Ventures Ltd, the parent company of the Endo Group, which, in turn, is beneficially owned by Christopher Frendo and Nicholas Frendo as to 40% each and by Fredrick Frendo and Marianne Frendo as to 10% each.

To the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

### 9.2 Major shareholders of the Guarantors

### 9.2.1 IFP MALTA

IFP Malta has an authorised and issued share capital of €16,000 divided into 16,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Endo Ventures Ltd (C 86730)	16,000 Ordinary shares of €1 each

IFP Malta is, therefore, a wholly-owned subsidiary of Endo Ventures Ltd, the parent company of the Endo Group.

To the best of IFP Malta's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of IFP Malta.

IFP Cyprus

IFP Cyprus has an authorised share capital of €2,000 divided into 2,000 Ordinary shares of €1 each and an issued share capital of €1,000 divided into 1,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
International Fender Providers Ltd (C 69877)	1,000 Ordinary shares of €1 each

IFP Cyprus is, therefore, a wholly-owned subsidiary of IFP Malta, which, in turn, is wholly-owned by Endo Ventures Ltd, the parent company of the Endo Group as aforesaid.

To the best of IFP Cyprus' knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of IFP Cyprus.

### 9.2.2 P & C LIMITED

P & C Limited has an authorised and issued share capital of €11,646.86 divided into 5,000 Ordinary shares of €2.329373 each, which are subscribed to and allotted as 20% paid up shares as follows:

Name of shareholder	Number of shares held
Endo Ventures Ltd (C 86730)	5,000 Ordinary shares of €2.329373 each

P & C Limited is, therefore, is a wholly-owned subsidiary of Endo Ventures Ltd, the parent company of the Endo Group.

To the best of P & C Limited's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of P & C Limited.

### 9.3 Related party transactions

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Listing Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted in its entirety by independent, non-executive Directors, of which one, in the person of Francis Gouder, also acts as Chair. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of three independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder.

More specifically, Endo Tankers Sub-Group entities shall regularly enter into trading transactions with fellow subsidiaries within the Endo Tankers Sub-Group in their normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions will be subject to the regular scrutiny of the Audit Committee of the Issuer, which will be provided with all relative material contracts for review, to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer in the context of related party transactions. In this regard, the Audit Committee of the Issuer will meet as and when necessary for the purpose of discussing any transactions or circumstances which may potentially give rise to such conflict or abuse.

Save for the Loan Agreement entered into with Endo Tankers Ltd and referred to in section 15 of this Registration Document, as from the date of incorporation of the Issuer to the date of this Registration Document, the Issuer has not entered into any transactions which in terms of the Listing Rules would constitute related party transactions.

### 9.4 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any of the Guarantors or any other Group company.

## 10 BOARD COMMITTEES

### 10.1 Audit Committee of the Issuer

The terms of reference of the Audit Committee of the Issuer consist of, *inter alia*, its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three months, is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- b) maintaining communications on such matters between the Board, management and the independent auditors;
- c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- d) preserving the company's assets by understanding the company's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transaction to be entered into by the Issuer or the Guarantors and a related party, given the role and position of the Issuer within the Endo Tankers Sub-Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer or each of the Guarantors, as the case may be. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committee's remit also extends to the operations of the Endo Tankers Sub-Group and, accordingly, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and all other entities comprising the Endo Tankers Sub-Group on a quarterly basis. To this effect, the Issuer and all other entities comprising the Endo Tankers Sub-Group are to submit to the Audit Committee bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

All of the Directors sitting on the Audit Committee are non-executives and are also of an independent capacity. The Audit Committee is presently composed of Anthony Busuttil, Francis Gouder and Erica Scerri, all three members being non-executive Directors and also being independent of the Issuer. The Audit Committee is chaired by Francis Gouder, whilst Anthony Busuttil and Erica Scerri act as members. In compliance with the Listing Rules, Francis Gouder is the independent, non-executive Director who is competent in accounting and/or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in sub-section 4.1.1 above.

## 11 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

### 11.1 The Issuer

The Issuer complies with the Code, with the exceptions mentioned below, and is confident that the adoption of the Code shall result in positive effects accruing to it.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The functions of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing listing obligations.

As required by the Act and the Listing Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Moreover, in ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisors and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, detail the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

As at the date hereof, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 7: Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the company's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Company's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

## 11.2 The Guarantors

As the Guarantors are not public companies having securities listed on a regular market, they are not bound by the provisions of the Code set out in the Listing Rules, including, *inter alia*, the requirement to set up an audit committee.

## 12 HISTORICAL FINANCIAL INFORMATION

As indicated in sub-section 6.3 of this Registration Document, there is no historical financial information pertaining to the Issuer. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation.

The historical financial information relating to IFP Malta for the two financial years ended 31 December 2015 and 2016 as audited by Parker Randall Turner and for the financial year ended 31 December 2017 as audited by Nexia BT are set out in the financial statements of said entity, which are available for inspection as set out in section 17 below.

The historical financial information relating to P & C Limited for the two financial periods ended 31 July 2015 and 2016 as audited by Parker Randall Turner and for the financial period ended 31 July 2017 as audited by Nexia BT are set out in the financial statements of said entity, which are available for inspection as set out in section 17 below.

The historical financial information relating to IFP Cyprus for the three financial years ended 31 December 2015 to 2017 as audited by MGI Gregoriou & Co Limited are set out in the financial statements of said entity, which are available for inspection as set out in section 17 below.

Sub-section 6.3.3 above includes historical financial information of the Guarantors for the financial years 2015, 2016 and 2017. The said financial information has been extracted from the audited financial statements for the years ended 31 December 2015 to 2017 of IFP Malta and IFP Cyprus and for the periods ended 31 July 2015 to 2017 of P & C Limited.

Save for the matters described in this Registration Document, there have been no significant changes to the financial or trading positions of the Guarantors since the end of the financial period to which the last audited financial statements relate.

Furthermore, the Issuer and the Guarantors hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

## 13 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings involving the Issuer and/or the Guarantors (including any such proceedings which are pending or threatened of which the Issuer and/or the Guarantors are aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer and/or the Guarantors and/or the Group, taken as a whole.

## 14 ADDITIONAL INFORMATION

### 14.1 Share capital of the Issuer

The Issuer has, as at the date of this Registration Document, an authorised and issued share capital of €250,000 divided into 250,000 Ordinary shares of €1 each, all fully paid up. Endo Ventures Ltd holds 249,998 Ordinary shares of €1 each, Christopher Frendo holds 1 Ordinary share of €1 and Nicholas Frendo holds 1 Ordinary share of €1.

There are no classes of shares and each share confers the right to one vote at general meetings of the Company. All Ordinary shares rank *pari passu* in all respects.

In terms of the Issuer's Memorandum and Articles of Association, no issue of shares in the Issuer shall take place where such issue would dilute a substantial interest of the shareholders of the Issuer without prior approval of the shareholders in general meeting.

The shares of the Issuer are not listed on the Exchange. Application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the two years immediately preceding the publication of the Prospectus.

It is not expected that further shares in the Issuer shall be issued during the current financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

## 14.2 Memorandum and Articles of Association of the Issuer

### 14.2.1 OBJECTS

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies, Malta. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer.

The Memorandum and Articles of Association otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Registry of Companies of the MFSA during the lifetime of the Company.

### 14.2.2 VOTING RIGHTS AND RESTRICTIONS

The holders of shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one (1) vote for each share held.

## 14.3 Share capital of the Guarantors

### 14.3.1 SHARE CAPITAL OF IFP MALTA

IFP Malta has, as at the date of this Registration Document, an authorised and issued share capital of €16,000 divided into 16,000 Ordinary shares of €1 each, all fully paid up. Endo Ventures Ltd holds all 16,000 Ordinary shares issued in the capital of IFP Malta.

The authorised share capital of IFP Malta may be increased by a resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each Ordinary share in the company confers the right to one (1) vote at general meetings of IFP Malta. All Ordinary shares rank *pari passu* in all respects.

There is no capital of IFP Malta which is currently under option, nor is there any agreement by virtue of which any part of the capital of IFP Malta is to be put under option. There are no arrangements, known to IFP Malta, which may at a subsequent date, result in a change in control of IFP Malta.

### 14.3.2 SHARE CAPITAL OF IFP CYPRUS

IFP Cyprus has, as at the date of this Registration Document, an authorised share capital of €2,000 divided into 2,000 Ordinary shares of €1 each and an issued share capital of €1,000 divided into 1,000 Ordinary shares of €1 each, all fully paid up. IFP Malta holds all 1,000 Ordinary shares issued in the capital of IFP Cyprus.

There is no capital of IFP Cyprus which is currently under option, nor is there any agreement by virtue of which any part of the capital of IFP Cyprus is to be put under option. There are no arrangements, known to IFP Cyprus, which may at a subsequent date, result in a change in control of IFP Cyprus.

### **14.3.3 SHARE CAPITAL OF P & C LIMITED**

P & C Limited has, as at the date of this Registration Document, an authorised and issued share capital of €11,646.86 divided into 5,000 Ordinary shares of €2.329373 each, all 20% paid up. Endo Ventures Ltd holds all 5,000 Ordinary shares issued in the capital of P & C Limited.

The authorised share capital of P & C Limited may be increased by a resolution of the shareholders in general meeting. Each Ordinary share in the company confers the right to one (1) vote at general meetings of P & C Limited. All Ordinary shares rank *pari passu* in all respects.

There is no capital of P & C Limited which is currently under option, nor is there any agreement by virtue of which any part of the capital of P & C Limited is to be put under option. There are no arrangements, known to P & C Limited, which may at a subsequent date, result in a change in control of P & C Limited.

## **14.4 Memorandum and Articles of Association of the Guarantors**

### **14.4.1 MEMORANDUM AND ARTICLES OF ASSOCIATION OF IFP MALTA**

#### **Objects**

The Memorandum and Articles of Association of IFP Malta are registered with the Registry of Companies, Malta. The principal object of IFP Malta is to provide ship-to-ship fendering services, anti-pollution and pollution response services and to purchase, sell, let, lease supply and store bunker fuels required for the provision of bunkering services, as well as barges, tankers and other marine craft of all kinds to vessels, sea craft, companies (whether related or otherwise) and other third parties and to act as agents or representatives of petroleum companies and to distribute such products in the local marine market, as well as to establish, maintain, provide, develop and operate transport services for the purpose of supplying bunker fuels to vessels by road transport, barge, tankers or similar marine crafts, within or outside the territorial waters of Malta.

The Memorandum and Articles of Association of the company otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

A copy of the Memorandum and Articles of Association of IFP Malta may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Registry of Companies of the MFSA during the lifetime of the company.

#### **Voting rights and restrictions**

The holders of shares in IFP Malta are entitled to vote at meetings of the shareholders of IFP Malta on the basis of one (1) vote for each share held.

#### 14.4.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF IFP CYPRUS

##### Objects

The Memorandum and Articles of Association of IFP Cyprus are registered with the Registry of Companies, Cyprus. The principal object of IFP Cyprus is to provide ship-to-ship fendering services, anti-pollution and pollution response services and to purchase, sell, let, lease supply and store bunker fuels required for the provision of bunkering services, as well as barges, tankers and other marine craft of all kinds to vessels, sea craft, companies (whether related or otherwise) and other third parties and to act as agents or representatives of petroleum companies and to distribute such products in the local marine market, as well as to establish, maintain, provide, develop and operate transport services for the purpose of supplying bunker fuels to vessels by road transport, barge, tankers or similar marine crafts, within or outside the territorial waters of Cyprus.

A copy of the Memorandum and Articles of Association of IFP Cyprus may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 17 of this Registration Document.

#### 14.4.3 MEMORANDUM AND ARTICLES OF ASSOCIATION OF P & C LIMITED

##### Objects

The Memorandum and Articles of Association of P & C Limited are registered with the Registry of Companies, Malta. The principal object of P & C Limited is to purchase or otherwise acquire, under any title whatsoever, any immovable or otherwise deal in and hold for the purpose of development or resale and traffic in any freehold, leasehold or other property or any estate or interest whatsoever.

The Memorandum and Articles of Association of the company otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

A copy of the Memorandum and Articles of Association of P & C Limited may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Registry of Companies of the MFSA during the lifetime of the company.

##### Voting rights and restrictions

The holders of shares in P & C Limited are entitled to vote at meetings of the shareholders of P & C Limited on the basis of one (1) vote for each share held.

## 15 MATERIAL CONTRACTS

The Issuer has entered into a loan agreement dated 6 March 2019 with Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd and the Custodian pursuant to which the Issuer shall advance to Endo Tankers Ltd the amount of €13,100,000 from the proceeds of the Bond Issue, to be applied in the manner set out in sub-section 5.1 of the Securities Note. In terms of said Loan Agreement, interest on the loan amount shall be payable annually in arrears on 10 December of each year at the rate of 6.5% per annum, with the first interest payment falling due on 20 March 2019. In addition, Endo Tankers Ltd has bound itself to repay the loan in full by not later than 20 March 2029.

Save for the Loan Agreement, the Pledge Agreements and the Trust Deed, details of which are set out in sub-section 5.3.4 of this Registration Document, the Issuer, the Guarantors and/or other Group entities have not entered into any material contracts which are not in the ordinary course of their respective businesses which could result in either the Issuer, the Guarantors or any member of the Group being under an obligation or entitlement that is material to the Issuer's or each Guarantors' ability to meet its obligations to security holders in respect of the Bonds, as such securities are issued pursuant to, and described in, the Securities Note.

## 16 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the accountants' report on the pro forma consolidated financial statements included in Annex 2 of this Registration Document, the accountants' report on the forecast consolidated financial information of Endo Ventures Ltd included in Annex 1 of this Registration Document and the Financial Analysis Summary set out as Annex 3 to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

Each of the accountants' reports dated 29 November 2018 have been included in Annex 1 and Annex 2 of this Registration Document, respectively, in the form and context in which they appear with the authorisation of Nexia BT Advisory Services Limited of The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann SGN 3000, Malta, which has given and has not withdrawn its consent to the inclusion of said reports herein.

The Financial Analysis Summary dated 6 March 2019 has been included in Annex 3 of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

Neither of the foregoing experts have any beneficial interest in the Issuer or the Guarantors. The Issuer confirms that the accountants' report on the pro forma consolidated financial statements, the accountants' report on the forecast consolidated financial information of Endo Ventures Ltd and the Financial Analysis Summary have been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## 17 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at 10, Timber Wharf, Marsa MRS 1443, Malta during the term of the Bonds during office hours:

- I. Memorandum and Articles of Association of the Issuer and the Guarantors;
- II. Audited financial statements of IFP Malta and IFP Cyprus for the financial years ended 31 December 2015 to 2017 and of P & C Limited for the financial periods ended 31 July 2015 to 2017;
- III. Unaudited financial information of the Guarantors for the period 1 January to 30 June 2018;
- IV. Pro forma consolidated financial statements of the Group for the financial year ending 31 December 2018, together with the accountants' report thereon dated 29 November 2018;
- V. Accountants' report on the forecast consolidated financial information of Endo Ventures Ltd dated 29 November 2018;
- VI. Financial Analysis Summary dated 6 March 2019 and prepared by Calamatta Cuschieri Investment Services Limited, as reproduced in Annex 3 of the Securities Note;
- VII. Trust Deed to be dated on or around 22 March 2019;
- VIII. Pledge Agreements all to be dated on or around 22 March 2019;
- IX. Loan Agreement dated 6 March 2019;
- X. Guarantee;
- XI. non-executive Directors' service contracts; and
- XII. letter of confirmation drawn up by Nexia BT Advisory Services Limited and dated 10 December 2018.

The documents listed in (i) to (iii) above are also available for inspection in electronic form on the Issuer's website [www.endofinance.com](http://www.endofinance.com)

## Annex 1 – Accountant’s Report on forecast consolidated financial information of Endo Ventures Ltd



The Directors  
Endo Ventures Ltd  
10, Timber Wharf,  
Marsa  
Malta.

29 November 2018

Dear Sirs,  
Accountant’s report on the forecast consolidated financial information of Endo Ventures Ltd

We report on the forecast consolidated financial position, forecast consolidated cash flow position, and forecast profit forecast hereinafter collectively being referred to as the forecast consolidated financial information of Endo Ventures Ltd for the years ending 31<sup>st</sup> December 2020, set out in Annex 1 of Endo Finance p.l.c.’s Registration Document dated 6 March 2019.

### **Directors’ responsibility**

It is the responsibility of the Directors of Endo Ventures Ltd “the Directors” to prepare the forecast consolidated financial information, together with the material assumptions upon which they are based, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004.

### **Accountant’s responsibility**

It is our responsibility to form an opinion as required by Listing Rule 5.40 and 5.52 as issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the forecast consolidated financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Since the forecast consolidated financial information and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we do not express an opinion on the possibility of achievement of the results as set out in the forecast consolidated profit forecast or the achievement of the forecast consolidated financial position or on the underlying assumptions.

### **Work performed**

Our work included an evaluation of the procedures undertaken by the Directors as to the proper compilation of the forecast consolidated financial information, in so far as they have been properly compiled on the basis stated and that the basis of accounting used for their compilation is consistent with the accounting policies to be adopted by Endo Ventures Ltd.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the forecast consolidated financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

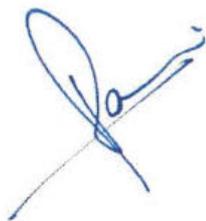
During the course of the engagement we have not performed an audit or review of the financial information for the period 1<sup>st</sup> January 2018 to 30 June 2018, which information was used by the Directors to compile the forecast forecast for the year ending 31<sup>st</sup> December 2018.

**Opinion**

In our opinion, the forecast consolidated financial information have been properly compiled on the basis of the underlying stated assumptions stated and the basis of accounting used is consistent with the accounting policies to be adopted by Endo Ventures Ltd.

Save for any responsibility which we may have to those persons to whom this opinion is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our opinion, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus. Readers are cautioned that the forecast consolidated financial information may not be appropriate for any other purpose other than as mentioned herein.

Yours faithfully,



---

Mr Luke Cann, Director  
For and on behalf of NEXIA BT Advisory Services Limited

## Summary of significant assumptions and accounting policies

### Introduction

The forecast consolidated profit forecast for the years ending 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020 and forecast consolidated financial and cash flow position forecast as at 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020, of Endo Ventures Ltd are set out in Annex 1, hereinafter, collectively being referred to as the forecast consolidated financial information.

This forecast consolidated financial information has been prepared, for illustrative purposes only, to provide information about the forecast consolidated profit forecast for the years ending 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020 and the forecast consolidated financial and cash flow position forecast of Endo Ventures Ltd, hereinafter referred to as “the Group”. Endo Ventures Ltd was incorporated on the 11 June 2018 under the terms of the Companies, Act Chapter 386 of the laws of Malta.

Because of its nature, the forecast consolidated financial information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results. The forecast consolidated financial information has been prepared for inclusion in the Prospectus of Endo Finance p.l.c. dated 6 March 2019 (the “Prospectus”).

The forecast consolidated financial information has been based on the following unaudited financial information: Management accounts of P&C Limited (hereinafter referred to as “P&C”), Intership Management Limited (hereinafter referred to as “IML”), International Fender Providers Ltd (hereinafter referred to as “IFP Malta”) and IFP International Fender Providers Ltd (hereinafter referred to as “IFP Cyprus”) for the period 1<sup>st</sup> January 2018 to 30 June 2018.

Forecast financial information of P&C, IML, IFP Malta IFP Cyprus for the period 1<sup>st</sup> July 2018 to 31<sup>st</sup> December 2020. Forecast financial information for Endo Ventures Ltd (hereinafter referred to as “Endo Ventures”), Endo Tankers Ltd (hereinafter referred to as “Endo Tankers”), Endo Finance p.l.c. (hereinafter referred to as “Endo Finance”), Endo One Maritime Ltd (hereinafter referred to as “Endo One”), Endo Two Maritime Ltd (hereinafter referred to as “Endo Two”) and Endo Three Maritime Ltd (hereinafter referred to as “Endo Three”) for the period 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2020.

The forecast consolidated financial information, are based on stated assumptions which the Directors believe to be reasonable. These assumptions have been based on the nature and size of the intended level of operations and reflect current economic conditions. The Directors exercised due care and diligence in adopting these assumptions.

No adjustments to the results, financial position and cash flow statements of the constituent sub-groups were necessary for the purposes of arriving at the forecast consolidated financial information except solely to reflect the entries necessary in any process of accounting consolidation.

The forecast consolidated financial information was formally approved on 27 November 2018 and the stated assumptions are judgements made at that date. The assumptions that the Directors believe are significant to the forecast consolidated financial information are disclosed herein.

Actual results are likely to be different from those indicated in the forecast consolidated profit forecast and the forecast consolidated financial and cashflow position forecasted because events and circumstances frequently do not occur as expected and those differences may be material.

### The Group

On the 11 June 2018, Endo Ventures was incorporated to serve as the holding company. As part of the restructuring process in preparation for the bond issue, on 10 October 2018 Endo Ventures acquired P&C, IML and

IFP Malta. With the acquisition of IFP Malta, Endo Ventures acquired 100% of IFP Cyprus. Collectively, these companies are hereinafter referred to as “the acquired entities”.

Moreover, on the 8 October 2018, the Group incorporated the following additional companies Endo Tankers, Endo One, Endo Two and Endo Three. Endo Finance was incorporated on 20 November 2018.

The consolidated activities resulting from the above described transactions have been captured in the forecast consolidated financial information for the year ending 31<sup>st</sup> December 2019 and ending 31<sup>st</sup> December 2020.

#### **Basis of preparation**

The basis of preparation relating to the environment in which the Group operates which are outside the Directors’ control and which underlie the forecast consolidated financial information are the following:

- The forecast consolidated financial information is based on the Group’s primary activity, to acquire, finance, manage and charter vessels;
- There will be no material adverse events which will have an impact on the activities of the Group either directly or indirectly; and
- The basis and rates of taxation, both direct and indirect, will not change materially.

#### **Significant accounting policies**

The significant accounting policies of the Group are in line with the accounting policies of the Guarantor companies for the financial year ended 2017. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the forecast consolidated financial information.

#### **Revenue**

The Group’s revenue for the years ending 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020 is forecasted on the basis of achieved income from the chartering of vessels. Revenue mainly arises from the chartering of the MR vessel, on a time charter basis to third parties, the 5,000 to 8,000 DWT on a time charter basis to companies within the related group and Mumtaz on a bareboat charter basis, to companies within the related group.

The key underlying assumptions applied in projecting the above revenues are the following:

Time charter rates; and

Utilisation rates.

In addition the Group generated its revenue from the provision of fenders and hoses used for the transfer of cargo from one ship to another including the provision of mooring master services through International Fender Providers Limited and IFP International Fender Providers Limited, a subsidiary of International Fender Providers Limited in Cyprus.

#### **Direct costs**

The direct costs primarily consist of crewing and training expenses, equipment costs, lubricating oil costs, repairs and maintenance as well as other general expenses comprising, travel expenses of superintendents, vessel communication, IT costs and flag registration and ship management fees. In addition, the direct costs of IFP Malta and IFP Cyprus mainly consist of purchases of ancillary equipment required for the ship to ship operations, freight costs as well as wages and salaries.

All expenses increase in line with inflation which is projected at 2.1% per annum.

#### **Administrative expenses**

Administrative expenses consist primarily of professional fees, brokerage fees, insurance, transport costs and other general expenses. All expenses increase in line with inflation which is projected at 2.1% per annum.

#### **Finance costs**

Finance costs relate to the interest cost which the Group will pay to bond holders. In addition, P&C has four bank loan facilities in order to finance the below:

- The purchase and reconstruction of the immovable property in Marsa. The interest rate is set at 5.35%;
- The demolish and reconstruction of the property in Marsa. The interest rate is set at 5.35%;
- The purchase of 5 motor vehicles. The interest rate is set at 4.85%.
- The construction and development of a penthouse overlying the offices in Marsa. The interest rate is set at 4.85%.
- The loans in relation to the property in Marsa will be settled upon the sale of the property in 2020.
- Moreover, IFP Malta has a bank overdraft with an interest rate of 4.45%.

#### **Depreciation**

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives. The depreciation charge is based on the Group's fixed asset base adjusted for forecast additions and disposals during the year and at the following depreciation rates:

- Property, plant and equipment – 10%;
- Fenders – 10%;
- Hoses – 25%; and
- Other equipment – 10%.

#### **Taxation**

Current taxation is provided at 35% of the Group's chargeable income for the period. Companies registered under the Merchants Shipping Act, which include; Endo One, Endo Two and Endo Three are not subject to corporate taxation. They are however subject to the tonnage tax regime. The tonnage tax in the financial projections forms part of the administrative expenses. Moreover, corporate taxation in Cyprus is charged at 12.5%.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

#### **Working capital**

The Group's working capital comprises trade and other receivables together with trade and other payables. Current and trade other receivables include amounts relating to ship management fees charged for ship management services, these fees are paid three months in advance.

The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the Group will be sufficient for the carrying out of its business.

#### **Conclusion**

The Directors believe that the assumptions on which the forecast consolidated financial information are based are reasonable.

Approved by the board of directors on 27 November 2018 and signed on their behalf by:



Mr Christopher Frendo

**Director**



Mr Nicholas Frendo

**Director**

Forecast consolidated profit forecast

<b>Year</b>	<b>2019</b> Projected €000s	<b>2020</b> Projected €000s
Revenue	9,631	9,246
Direct costs	(4,471)	(4,483)
Gross profit	<u>5,160</u>	<u>4,763</u>
Administrative expenses	(692)	(808)
EBITDA	<u>4,468</u>	<u>3,955</u>
Other income	-	5,637
Depreciation	(1,491)	(1,439)
EBIT	<u>2,977</u>	<u>8,153</u>
Finance cost	(688)	(672)
Profit before tax	<u>2,289</u>	<u>7,481</u>
Income tax	(155)	(784)
Profit/(loss) for the year	<u>2,134</u>	<u>6,697</u>

Forecast consolidated statement of financial position forecast

<b>Year</b>	<b>2019</b> Projected €000s	<b>2020</b> Projected €000s
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	316	277
Property, plant and equipment	14,112	12,713
Amounts due from related parties	-	2,354
Related party loans	2,410	2,410
<b>Total non-current assets</b>	<b>16,838</b>	<b>17,753</b>
<b>Current assets</b>		
Non current asset held for sale	7,200	-
Trade and other receivables	1,702	1,765
Cash and cash equivalents	1,744	8,324
<b>Total current assets</b>	<b>10,646</b>	<b>10,089</b>
<b>Total assets</b>	<b>27,484</b>	<b>27,842</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	2,068	2,068
Retained earnings	3,519	10,216
Revaluation reserve	4,990	-
<b>Total equity</b>	<b>10,577</b>	<b>12,285</b>
<b>Current liabilities</b>		
Trade payables	971	992
Current tax payable	155	137
Bank loans	707	14
<b>Total current liabilities</b>	<b>1,832</b>	<b>1,143</b>
<b>Non-current liabilities</b>		
Debt securities in issue	13,500	13,500
Long term loans	880	880
Bank loans	14	0
Deferred tax	682	34
<b>Total non-current liabilities</b>	<b>15,075</b>	<b>14,414</b>
<b>Total liabilities</b>	<b>16,907</b>	<b>15,557</b>
<b>Total equity and liabilities</b>	<b>27,484</b>	<b>27,842</b>

Forecast consolidated cash flow position forecast

<b>Year</b>	<b>2019</b> Projected €000s	<b>2020</b> Projected €000s
<b>Cash flows from operating activities:</b>		
EBITDA	<b>4,468</b>	<b>3,955</b>
Adjustment for		
Movement in working capital		
Decrease / (increase) in trade and other receivables	(714)	(63)
Decrease / (increase) in trade and other payables	21	21
Cash flows generated from operations	<u>3,774</u>	<u>3,914</u>
Income tax (paid) / refund	(72)	(802)
Interest payable	(688)	(672)
<b>Net cash flows operating activities</b>	<b><u>3,015</u></b>	<b><u>2,440</u></b>
<b>Cash flows from investing activities:</b>		
Acquisition of vessels	(12,900)	-
Proceeds from sale of Property	-	7,200
<b>Net cash flow (used in) financing activities</b>	<b><u>(12,900)</u></b>	<b><u>7,200</u></b>
<b>Cash flows from financing activities:</b>		
Movement in bank loans	(110)	(707)
Amounts due from related parties	-	(2,354)
<b>Net cash flows from financing activities</b>	<b><u>(110)</u></b>	<b><u>(3,060)</u></b>
Net movement in cash and cash equivalents	(9,996)	6,580
Cash and cash equivalents at the beginning of year	<u>11,740</u>	<u>1,744</u>
<b>Cash and cash equivalents at the end of year</b>	<b><u>1,744</u></b>	<b><u>8,324</u></b>

## Annex 2 – Accountant’s Report on pro forma consolidated financial information of Endo Ventures Ltd



The Directors  
Endo Ventures Ltd  
10, Timber Wharf,  
Marsa  
Malta.

29 November 2018

Dear Sirs,

### **Accountant’s report on the pro forma consolidated financial information of Endo Ventures Ltd**

We report on the pro forma consolidated financial position, pro forma consolidated cash flow position, and pro forma profit forecast hereinafter collectively being referred to as the pro forma consolidated financial information of Endo Ventures Ltd for the year ending 31<sup>st</sup> December 2018, set out in Annex 2 of Endo Finance p.l.c.’s Registration Document dated 6 March 2019.

#### **Directors’ responsibility**

It is the responsibility of the Directors of Endo Ventures Ltd “the Directors” to prepare the pro forma consolidated financial information, together with the material assumptions upon which they are based, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004.

#### **Accountant’s responsibility**

It is our responsibility to form an opinion as required by Listing Rule 5.40 and 5.52 as issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the pro forma consolidated financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Since the pro forma consolidated financial information and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we do not express an opinion on the possibility of achievement of the results as set out in the pro forma consolidated profit forecast or the achievement of the pro forma consolidated financial position or on the underlying assumptions.

#### **Work performed**

Our work included an evaluation of the procedures undertaken by the Directors as to the proper compilation of the pro forma consolidated financial information, in so far as they have been properly compiled on the basis stated and that the basis of accounting used for their compilation is consistent with the accounting policies to be adopted by Endo Ventures Ltd.



We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma consolidated financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

During the course of the engagement we have not performed an audit or review of the financial information for the period 1<sup>st</sup> January 2018 to 30 June 2018, which information was used by the Directors to compile the pro forma forecast for the year ending 31<sup>st</sup> December 2018.

### Opinion

In our opinion, the pro forma consolidated financial information have been properly compiled on the basis of the underlying stated assumptions stated and the basis of accounting used is consistent with the accounting policies to be adopted by Endo Ventures Ltd.

Save for any responsibility which we may have to those persons to whom this opinion is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our opinion, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus. Readers are cautioned that the pro forma consolidated financial information may not be appropriate for any other purpose other than as mentioned herein.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Luke Cann", written over a horizontal line.

Mr Luke Cann, Director  
For and on behalf of NEXIA BT Advisory Services Limited

## Summary of significant assumptions and accounting policies

### Introduction

The pro forma consolidated profit forecast for the year ending 31<sup>st</sup> December 2018 and pro forma consolidated financial and cash flow position forecast as at 31<sup>st</sup> December 2018, of Endo Ventures Ltd are set out in Annex 2, hereinafter, collectively being referred to as the pro forma consolidated financial information.

This pro forma consolidated financial information has been prepared, for illustrative purposes only, to provide information about the pro forma consolidated profit forecast for the year ending 31<sup>st</sup> December 2018 and the pro forma consolidated financial and cash flow position forecast of Endo Ventures Ltd, hereinafter referred to as “the Group”. Endo Ventures Ltd was incorporated on the 11 June 2018 under the terms of the Companies, Act Chapter 386 of the laws of Malta.

Because of its nature, the pro forma consolidated financial information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results. The pro forma consolidated financial information has been prepared for inclusion in the Prospectus of Endo Finance p.l.c. dated 6 March 2019 (the “Prospectus”).

The pro forma consolidated financial information has been based on the following unaudited financial information:

- 1) Management accounts of P&C Limited (hereinafter referred to as “P&C”), Intership Management Limited (hereinafter referred to as “IML”), International Fender Providers Ltd (hereinafter referred to as “IFP Malta”) and IFP International Fender Providers Ltd (hereinafter referred to as “IFP Cyprus”) for the period 1<sup>st</sup> January 2018 to 30 June 2018.
- 2) Forecast financial information of P&C, IML, IFP Malta IFP Cyprus for the period 1<sup>st</sup> July 2018 to 31<sup>st</sup> December 2018.
- 3) Forecast financial information for Endo Ventures Ltd (hereinafter referred to as “Endo Ventures”), Endo Tankers Ltd (hereinafter referred to as “Endo Tankers”), Endo Finance p.l.c. (hereinafter referred to as “Endo Finance”), Endo One Maritime Ltd (hereinafter referred to as “Endo One”), Endo Two Maritime Ltd (hereinafter referred to as “Endo Two”) and Endo Three Maritime Ltd (hereinafter referred to as “Endo Three”) for the period 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2018.

The pro forma consolidated financial information, are based on stated assumptions which the Directors believe to be reasonable. These assumptions have been based on the nature and size of the intended level of operations and reflect current economic conditions. The Directors exercised due care and diligence in adopting these assumptions.

No adjustments to the results, financial position and cash flow statements of the constituent sub-groups were necessary for the purposes of arriving at the pro forma consolidated financial information except solely to reflect the entries necessary in any process of accounting consolidation.

The pro forma consolidated financial information was formally approved on 27 November 2018 and the stated assumptions are judgements made at that date. The assumptions that the Directors believe are significant to the pro forma consolidated financial information are disclosed herein.

Actual results are likely to be different from those indicated in the pro forma consolidated profit forecast and the pro forma consolidated financial and cashflow position forecasted because events and circumstances frequently do not occur as expected and those differences may be material.

## **The Group**

On the 11 June 2018, Endo Ventures was incorporated to serve as the holding company. As part of the restructuring process in preparation for the bond issue, on 10 October 2018 Endo Ventures acquired P&C, IML and IFP Malta. With the acquisition of IFP Malta, Endo Ventures acquired 100% of IFP Cyprus. Collectively, these companies are hereinafter referred to as “the acquired entities”.

Moreover, on the 8 October 2018, the Group incorporated the following additional companies Endo Tankers, Endo One, Endo Two and Endo Three. Endo Finance was incorporated on 20 November 2018.

The consolidated activities resulting from the above described transactions have been captured in the pro forma consolidated financial information for the year 1<sup>st</sup> January 2018 and ending 31<sup>st</sup> December 2018. Accordingly, the pro forma consolidated profit forecast has been compiled as if the Group was in existence prior to the date Endo Ventures, Endo Tankers, Endo One, Endo Two, Endo Three and Endo Finance were incorporated and the date of acquisition of the acquired entities reflected a full year of operation in order to provide more meaningful information to potential investors. Similarly, the forecast financial and cashflow position as at 31<sup>st</sup> December 2018, incorporates the consolidated operating activities forecast for the 12-month period ending 31<sup>st</sup> December 2018.

## **Basis of preparation**

The basis of preparation relating to the environment in which the Group operates which are outside the Directors’ control and which underlie the pro forma consolidated financial information are the following:

- A) The pro forma consolidated financial information is based on the Group’s primary activity, to acquire, finance, manage and charter vessels;
- B) There will be no material adverse events which will have an impact on the activities of the Group either directly or indirectly; and
- C) The basis and rates of taxation, both direct and indirect, will not change materially.

## **Significant accounting policies**

The significant accounting policies of the Group are in line with the accounting policies of the Guarantor companies for the financial year ended 2017. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the pro forma consolidated financial information.

## **Revenue**

The Group’s revenue for the year ending 31<sup>st</sup> December 2018 is forecasted on the basis of achieved income from the chartering of vessels. Revenue mainly arises from the chartering of Mumtaz MT, on a bareboat charter basis. During this year the Group also generated its revenue from the provision of fenders and hoses used for the transfer of cargo from one ship to another including the provision of mooring master services through International Fender Providers Limited and IFP International Fender Providers Limited, a subsidiary of International Fender Providers Limited in Cyprus.

### **Direct costs**

The direct costs primarily consist of crewing and training expenses, equipment costs, lubricating oil costs, repairs and maintenance as well as other general expenses comprising, travel expenses of superintendents, vessel communication, IT costs and flag registration and ship management fees. In addition, the direct costs of IFP Malta and IFP Cyprus mainly consist of purchases of ancillary equipment required for the ship to ship operations, freight costs as well as wages and salaries.

All expenses increase in line with inflation which is projected at 2.1% per annum.

### **Administrative expenses**

Administrative expenses consist primarily of professional fees, brokerage fees, insurance, transport costs and other general expenses. All expenses increase in line with inflation which is projected at 2.1% per annum.

### **Finance costs**

Finance costs relate to the interest cost which the Group will pay to bond holders. In addition, P&C has four bank loan facilities in order to finance the below:

- The purchase and reconstruction of the immovable property in Marsa. The interest rate is set at 5.35%;
- The demolish and reconstruction of the property in Marsa. The interest rate is set at 5.35%;
- The purchase of 5 motor vehicles. The interest rate is set at 4.85%.
- The construction and development of a penthouse overlying the offices in Marsa. The interest rate is set at 4.85%.

The loans in relation to the property in Marsa will be settled upon the sale of the property in 2020.

Moreover, IFP Malta has a bank overdraft with an interest rate of 4.45%.

### **Depreciation**

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives. The depreciation charge is based on the Group's fixed asset base adjusted for forecast additions and disposals during the year and at the following depreciation rates:

- Property, plant and equipment – 10%;
- Fenders – 10%;
- Hoses – 25%; and
- Other equipment – 10%.

### **Taxation**

Current taxation is provided at 35% of the Group's chargeable income for the period. Companies registered under the Merchants Shipping Act, which include; Endo One, Endo Two and Endo Three are not subject to corporate taxation. They are however subject to the tonnage tax regime. The tonnage tax in the financial projections forms part of the administrative expenses. Moreover, corporate taxation in Cyprus is charged at 12.5%.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

**Working capital**

The Group's working capital comprises trade and other receivables together with trade and other payables. Current and trade other receivables include amounts relating to ship management fees charged for ship management services, these fees are paid three months in advance.

The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the Group will be sufficient for the carrying out of its business.

**Conclusion**

The Directors believe that the assumptions on which the pro forma consolidated financial information are based are reasonable.

Approved by the board of directors on 27 November 2018 and signed on their behalf by:



---

Mr Christopher Frendo

**Director**



---

Mr Nicholas Frendo

**Director**

Pro forma consolidated profit and loss forecast

<b>Year</b>	<b>2018</b>
	Proforma €000s
Revenue	2,855
Direct costs	<u>(1,700)</u>
Gross profit	1,155
Administrative expenses	<u>(511)</u>
EBITDA	643
Depreciation	<u>(428)</u>
EBIT	215
Finance cost	<u>(146)</u>
Profit before tax	69
Income tax	<u>(72)</u>
Profit/(loss) for the year	<u>(3)</u>
Other Comprehensive income	
Gains on property revaluation	4,216
Taxation	(395)
Other comprehensive income net of taxation	3,821
	-
<b>Total comprehensive income</b>	<b><u>3,818</u></b>

Pro forma consolidated statement of financial position forecast

Year	2018 Proforma €000s
<b>Assets</b>	
<b>Non-current assets</b>	
Intangible assets	356
Investment property	1,800
Property, plant and equipment	8,063
Related party loans	2,410
<b>Total non-current assets</b>	<u>12,629</u>
<b>Current assets</b>	
Trade and other receivables	988
Cash and cash equivalents	11,740
<b>Total current assets</b>	<u>12,728</u>
<b>Total assets</b>	<u><b>25,357</b></u>
<b>Equity and liabilities</b>	
<b>Capital and reserves</b>	
Share capital	2,068
Retained earnings	1,385
Revaluation reserve	4,990
<b>Total equity</b>	<u><b>8,443</b></u>
<b>Current liabilities</b>	
Trade payables	950
Current tax payable	72
Bank loans	110
<b>Total current liabilities</b>	<u>1,132</u>
<b>Non-current liabilities</b>	
Debt securities in issue	13,500
Long term loans	880
Bank loans	720
Deferred tax	682
<b>Total-non current liabilities</b>	<u>15,782</u>
<b>Total liabilities</b>	<u>16,914</u>
<b>Total equity and liabilities</b>	<u><b>25,357</b></u>

## Pro forma consolidated cash flow position forecast

Year	2018 Proforma €000s
<b>Cash flows from operating activities:</b>	
EBITDA	<b>643</b>
Adjustment for	
Movement in working capital	
Decrease / (increase) in trade and other receivables	548
Decrease / (increase) in trade and other payables	(548)
Cash flows generated from operations	<u>643</u>
Income tax (paid) / refund	(6)
Interest payable	(146)
<b>Net cash flows operating activities</b>	<b><u>491</u></b>
<b>Cash flows from investing activities:</b>	
Bond issue cost	<u>(395)</u>
<b>Net cash flow (used in) financing activities</b>	<b><u>(395)</u></b>
<b>Cash flows from financing activities:</b>	
Proceeds from equity	250
Debt securities in issue	13,500
Amounts due to related parties	(90)
Movement in bank loans	<u>(67)</u>
<b>Net cash flows from financing activities</b>	<b><u>13,593</u></b>
Net movement in cash and cash equivalents	13,689
Cash and cash equivalents at the beginning of year	<u>(1,949)</u>
<b>Cash and cash equivalents at the end of year</b>	<b><u>11,740</u></b>

## Statement of pro forma combined and consolidation adjustments

The following information provides the reconciliation between the combined financial information and the pro forma consolidated financial information of The Group.

**Pro forma consolidated profit and loss**

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
Revenue	3,136	(281)	2,855
Direct costs	(1,700)	-	(1,700)
Gross profit	1,435	(281)	1,155
Administrative expenses	(511)	-	(511)
EBITDA	924	(281)	643
Depreciation	(428)	-	(428)
EBIT	496	(281)	215
Finance cost	217	(71)	(146)
Profit before tax	713	(352)	69
Income tax	(72)	-	(72)
Profit/(loss) for the year	641	(352)	(3)
Other Comprehensive income			
Gains on property revaluation	4,216	-	4,216
Taxation	(395)	-	(395)
Other comprehensive income net of taxation	3,821	-	3,821
<b>Total comprehensive income</b>	<b>4,462</b>	<b>(352)</b>	<b>3,818</b>

Pro forma consolidated statement of financial position

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Financial asset</b>	13,105	(13,105)	-
Intangible assets	356	-	356
Investment property	7,200	(5,400)	1,800
Property, plant and equipment	2,663	5,400	8,063
Amounts due from related parties	2,410	-	2,410
<b>Total non-current assets</b>	<b>25,734</b>	<b>(13,105)</b>	<b>12,629</b>
<b>Current assets</b>			
Non current asset held for sale	-	-	-
Trade and other receivables	1,344	(356)	988
Cash and cash equivalents	11,740	-	11,740
<b>Total current assets</b>	<b>13,083</b>	<b>(356)</b>	<b>12,728</b>
<b>Total assets</b>	<b>38,818</b>	<b>(13,461)</b>	<b>25,357</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	18,838	(16,770)	2,068
Retained earnings	1,385	-	1,385
Revaluation reserve	4,990	-	4,990
<b>Total equity</b>	<b>25,212</b>	<b>(16,770)</b>	<b>8,443</b>
<b>Current liabilities</b>			
Trade payables	1,306	(356)	950
Current tax payable	72	-	72
Bank loans	110	-	110
<b>Total current liabilities</b>	<b>1,488</b>	<b>(356)</b>	<b>1,132</b>
<b>Non-current liabilities</b>			
Loans from related parties	13,105	(13,105)	-
Debt securities in issue	13,500	-	13,500
Long term loans	880	-	880
Bank loans	720	-	720
Deferred tax	682	-	682
<b>Total-non current liabilities</b>	<b>15,782</b>	<b>-</b>	<b>15,782</b>
<b>Total liabilities</b>	<b>17,270</b>	<b>(356)</b>	<b>16,914</b>
<b>Total equity and liabilities</b>	<b>42,482</b>	<b>(17,126)</b>	<b>25,357</b>

Pro forma consolidated cash flow

	Proforma Combined €000s	Proforma Adjustments €000s	Proforma Consolidated €000s
<b>Cash flows from operating activities:</b>			
EBITDA	924	(281)	643
Adjustment for Movement in working capital			
Decrease / (increase) in trade and other receivables	192	356	548
Decrease / (increase) in trade and other payables	(192)	(356)	(548)
Cash flows generated from operations	924	(281)	643
Income tax (paid) / refund	(6)	-	(6)
Interest payable	(217)	71	(146)
<b>Net cash flows operating activities</b>	<b>701</b>	<b>(210)</b>	<b>491</b>
<b>Cash flows from investing activities:</b>			
Bond issue cost	(395)	-	(395)
<b>Net cash flow (used in) financing activities</b>	<b>(395)</b>	<b>-</b>	<b>(395)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from equity	17,020	(16,770)	250
Debt securities in issue	13,500	-	13,500
Amounts due to related parties	(90)	-	(90)
Movement in bank loans	(67)	-	(67)
Loans from related parties	13,105	(13,105)	-
<b>Net cash flows from financing activities</b>	<b>43,468</b>	<b>(29,875)</b>	<b>13,593</b>
	-		-
Net movement in cash and cash equivalents	43,773	(30,084)	13,689
Cash and cash equivalents at the beginning of year	(1,949)	-	(1,949)
<b>Cash and cash equivalents at the end of year</b>	<b>41,824</b>	<b>(30,084)</b>	<b>11,740</b>



## **Notes to the statement of pro forma combined and consolidation adjustments**

The statement of pro forma combined and consolidation adjustments reconciles the combined financial information and the pro forma consolidated financial information of The Group.

### *Consolidation adjustments*

1. Intra group revenue being interests recharged by Endo Finance plc to Endo Tankers Ltd and intra group dividends, eliminated upon consolidation.
2. Intra group loan interest charged by Endo Finance plc to Endo Tankers Ltd, eliminated upon consolidation.
3. Elimination of investment in subsidiaries, upon consolidation.
4. Intra group loan from Endo Finance plc to Endo Tankers Ltd, eliminated upon consolidation.
5. The portion of the property used by The Group reclassified as Property Plant and Equipment, upon consolidation.
6. Intra group related party balances between IFP Malta and IFP Cyprus.

# SECURITIES NOTE

Dated 6 March 2019

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Endo Finance p.l.c. The Listing Authority has approved the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the admission to listing and trading of the Bonds on its Official List. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of €13,500,000 4.5% Unsecured Bonds 2029  
of a nominal value of €50,000 per Bond issued at par by



ENDO FINANCE P.L.C.

a public limited liability company registered in Malta with company registration number C 89481

with the joint and several Guarantee\* of International Fender Providers Ltd (C 69877),  
IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033)

ISIN: MT0002141209

\*Prospective investors are to refer to the Guarantee contained in Annex 1 of this Securities Note for a description of the scope, nature and terms of the Guarantee. Prospective investors are also to refer to sub-section 5.5 of this Securities Note for a description of the Collateral Rights. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary Note, the Registration Document and this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantors, as well as the Collateral Rights granted by the Endo Group.

Legal Advisors



Sponsor, Manager & Registrar



Custodian



THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

A handwritten signature in black ink, appearing to be "Christopher Frendo".

Christopher Frendo

A handwritten signature in black ink, appearing to be "Nicholas Frendo".

Nicholas Frendo on behalf of Nicholas Frendo,  
Anthony Busuttill, Francis Gouder, Erica Scerri

## TABLE OF CONTENTS

<b>1. DEFINITIONS.....</b>	<b>103</b>
<b>2 RISK FACTORS.....</b>	<b>107</b>
2.1 <i>Forward-looking statements .....</i>	<i>107</i>
2.2 <i>Suitability of investment.....</i>	<i>107</i>
2.3 <i>Risks relating to the Bonds .....</i>	<i>107</i>
<b>3 PERSONS RESPONSIBLE .....</b>	<b>109</b>
<b>4 CONSENT FOR USE OF THE PROSPECTUS .....</b>	<b>109</b>
<b>5 KEY INFORMATION.....</b>	<b>110</b>
5.1 <i>Reasons for the Issue and use of proceeds.....</i>	<i>110</i>
5.2 <i>Estimated expenses and proceeds of the Issue.....</i>	<i>111</i>
5.3 <i>Issue statistics.....</i>	<i>111</i>
5.4 <i>Interest of natural and legal persons involved in the Issue .....</i>	<i>113</i>
5.5 <i>Collateral Rights .....</i>	<i>113</i>
5.6 <i>Expected timetable of principal events.....</i>	<i>115</i>
<b>6 INFORMATION CONCERNING THE BONDS.....</b>	<b>116</b>
6.1 <i>General .....</i>	<i>116</i>
6.2 <i>Intermediaries' Offer .....</i>	<i>117</i>
6.3 <i>Plan of distribution and allotment.....</i>	<i>117</i>
6.4 <i>Allocation Policy .....</i>	<i>118</i>
6.5 <i>Status and ranking of the Bonds.....</i>	<i>118</i>
6.6 <i>Negative pledge.....</i>	<i>118</i>
6.7 <i>Rights attaching to the Bonds .....</i>	<i>119</i>
6.8 <i>Interest .....</i>	<i>119</i>
6.9 <i>Yield .....</i>	<i>120</i>
6.10 <i>Registration, form, denomination and title.....</i>	<i>120</i>
6.11 <i>Pricing.....</i>	<i>121</i>
6.12 <i>Payments.....</i>	<i>121</i>
6.13 <i>Redemption and purchase.....</i>	<i>121</i>
6.14 <i>Events of Default .....</i>	<i>122</i>
6.15 <i>Transferability of the Bonds .....</i>	<i>123</i>
6.16 <i>Further issues.....</i>	<i>124</i>
6.17 <i>Meetings of Bondholders.....</i>	<i>124</i>
6.18 <i>Authorisations and approvals.....</i>	<i>125</i>
6.19 <i>Admission to trading .....</i>	<i>125</i>
6.20 <i>Representations and warranties .....</i>	<i>126</i>
6.21 <i>Bonds held jointly .....</i>	<i>126</i>
6.22 <i>Bonds held subject to usufruct .....</i>	<i>126</i>

6.23	<i>Governing law and jurisdiction</i> .....	126
6.24	<i>Notices</i> .....	126
<b>7</b>	<b>TAXATION</b> .....	<b>126</b>
7.1	<i>General</i> .....	127
7.2	<i>Malta tax on interest</i> .....	127
7.3	<i>Exchange of information</i> .....	127
7.4	<i>Maltese taxation on capital gains on transfer of the Bonds</i> .....	127
7.5	<i>Duty on documents and transfers</i> .....	128
<b>8</b>	<b>TERMS AND CONDITIONS OF THE BOND ISSUE</b> .....	<b>128</b>
<b>9</b>	<b>ADDITIONAL INFORMATION</b> .....	<b>131</b>
	<b>ANNEX 1 - THE GUARANTEE</b> .....	<b>133</b>
	<b>ANNEX 2 - AUTHORISED FINANCIAL INTERMEDIARIES</b> .....	<b>137</b>
	<b>ANNEX 3 - FINANCIAL ANALYSIS SUMMARY</b> .....	<b>138</b>
	<b>ANNEX 4 – Application Form</b> .....	<b>168</b>

## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 6 MARCH 2019 AND CONTAINS INFORMATION ABOUT ENDO FINANCE PLC IN ITS CAPACITY AS ISSUER, ABOUT INTERNATIONAL FENDER PROVIDERS LTD, IFP INTERNATIONAL FENDER PROVIDERS LIMITED AND P & C LIMITED IN THEIR CAPACITY AS JOINT AND SEVERAL GUARANTORS, RESPECTIVELY, AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE COMPANIES ACT AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE COMPANY AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 6.17 OF THIS SECURITIES NOTE. THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €13,500,000 UNSECURED BONDS 2029 OF A NOMINAL VALUE OF €50,000 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 4.5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 22 MARCH OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 22 MARCH 2020. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 22 MARCH 2029. THE BOND ISSUE IS GUARANTEED BY INTERNATIONAL FENDER PROVIDERS LTD, IFP INTERNATIONAL FENDER PROVIDERS LIMITED AND P & C LIMITED.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE “**PROSPECTUS DIRECTIVE**”) OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “**U.S.**”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN. A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT.

**STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS. THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTORS NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “*ADVISORS TO THE ISSUER AND GUARANTORS*” IN SUB-SECTION 4.3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.**

## 1 DEFINITIONS

In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>“Act” or “Companies Act”</b>	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
<b>“Applicant/s”</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>“Application/s”</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) in accordance with the terms of this Securities Note;
<b>“Application Form/s”</b>	the form of application for subscription of Bonds, a specimen of which is contained in Annex 4 of this Securities Note;
<b>“Authorised Intermediaries”</b>	all the licensed stockbrokers and financial intermediaries listed in Annex 2 of this Securities Note;
<b>“Bond/s”</b>	a maximum of €13,500,000 unsecured bonds due 2029 of a nominal value of €50,000 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.5% per annum;
<b>“Bond Issue”</b>	the issue of the Bonds;
<b>“Bond Issue Price”</b>	the price of 100% of the nominal amount per Bond, or par;
<b>“Bondholder”</b>	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
<b>“Business Day”</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>“CET”</b>	Central European Time;
<b>“Collateral Rights”</b>	<p>the following security rights granted by the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, as applicable, in favour of the Custodian for the benefit of Bondholders:</p> <ul style="list-style-type: none"> <li>(iv) a first priority mortgage on each of Mumtaz, Vessel 2 and Vessel 3 (each as defined separately below), respectively, in the case of Vessel 2 and Vessel 3 once acquired, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;</li> <li>(v) a pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Pledge Agreements and the Trust Deed; and</li> </ul> <p>a pledge over the proceeds from each of the Insurance Policies, in the case of Vessel 2 and Vessel 3 once acquired and the relative insurance policies are in force, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;</p>
<b>“Company” or “Issuer”</b>	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;
<b>“CSD”</b>	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>“Custodian”</b>	GVZH Trustees Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 23095 and having its registered office at 192, Old Bakery Street, Valletta VLT 1455, Malta, which is duly authorised and qualified to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“Directors” or “Board”</b>	the directors of the Issuer whose names are set out in sub-section 4.1.1 of the Registration Document forming part of the Prospectus;
<b>“Endo Group” or “Group”</b>	Endo Ventures Ltd as the parent company and its direct and indirect subsidiaries, including the Issuer, the Guarantors, Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd and any other subsidiary and associated company or entity, in which Endo Ventures Ltd has a controlling interest, involved, amongst other activities, in the business of acquiring, financing, managing and chartering commercial vessels;
<b>“Endo Tankers Sub-</b>	Endo Tankers Ltd and its direct wholly-owned subsidiaries Endo One Maritime Ltd, Endo Two

<b>Group</b>	Maritime Ltd, Endo Three Maritime Ltd and Intership Management Limited, forming part of the Endo Group;
<b>“Endo One Maritime Ltd”</b>	Endo One Maritime Ltd, a company registered under the laws of Malta with company registration number C 88665 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Endo Tankers Ltd”</b>	Endo Tankers Ltd, a company registered under the laws of Malta with company registration number C 88663 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Endo Three Maritime Ltd”</b>	Endo Three Maritime Ltd, a company registered under the laws of Malta with company registration number C 88674 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Endo Trust”</b>	the trust established in virtue of the Trust Deed (as defined below), which deed is available for inspection at the registered office of the Issuer as set out in section 16 of the Registration Document forming part of the Prospectus;
<b>“Endo Two Maritime Ltd”</b>	Endo Two Maritime Ltd, a company registered under the laws of Malta with company registration number C 88666 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Endo Ventures Ltd”</b>	Endo Ventures Ltd, a company registered under the laws of Malta with company registration number C 86730 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Euro” or “€”</b>	the lawful currency of the Republic of Malta;
<b>“Exchange” or “Malta Stock Exchange” or “MSE”</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>“Financial Analysis Summary”</b>	the financial analysis summary dated 06 March 2019 compiled by the Sponsor, Manager & Registrar in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out in Annex 3 of this Securities Note;
<b>“Guarantee”</b>	the joint and several guarantee dated 27 November 2018 granted by the Guarantors as security for the punctual performance of the Issuer’s payment obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to this Securities Note as Annex 1;
<b>“Guarantors”</b>	collectively, IFP Malta, IFP Cyprus and P & C Limited, each as defined below in this section 1;
<b>“Insurance Policy 2”</b>	the insurance policy providing for the replacement value of Vessel 2 to be purchased by Endo Two Maritime Ltd, as set out in sub-section 5.3.2.2 of the Registration Document forming part of the Prospectus;
<b>“Insurance Policy 3”</b>	the insurance policy providing for the replacement value of Vessel 3 to be purchased by Endo Three Maritime Ltd, as set out in sub-section 5.3.2.2 of the Registration Document forming part of the Prospectus;
<b>“Insurance Policy Mumtaz”</b>	the insurance policy providing for the replacement value of the vessel Mumtaz;
<b>“Insurance Policies”</b>	collectively, Insurance Policy 2, Insurance Policy 3 and Insurance Policy Mumtaz;
<b>“Interest Payment Date”</b>	22 March of each year between and including each of the years 2020 and the year 2029, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>“Intermediaries’ Offer”</b>	shall have the meaning set out in sub-section 6.2 of this Securities Note;
<b>“International Fender Providers Ltd” or “IFP Malta”</b>	International Fender Providers Ltd, a company registered under the laws of Malta with company registration number C 69877 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. International Fender Providers Ltd is a Guarantor of the Bond Issue;
<b>“IFP International Fender Providers Limited” or “IFP Cyprus”</b>	IFP International Fender Providers Limited, a company registered under the laws of Cyprus with company registration number HE 348221 and having its registered office at Florinis, 7, Greg Tower, 2 <sup>nd</sup> Floor, 1065, Nicosia, Cyprus. IFP International Fender Providers Limited is a Guarantor of the Bond Issue;
<b>“Issue Date”</b>	expected on 22 March 2019;
<b>“Issue Period”</b>	the period between 08:30 hours CET on 15 March 2019 and 12:00 hours CET on 21 March 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;

<b>“Listing Authority”</b>	the Board of Governors of the Malta Financial Services Authority, appointed as the Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta);
<b>“Listing Rules”</b>	the listing rules issued by the Listing Authority, as may be amended from time to time;
<b>“Loan Agreement”</b>	the loan agreement entered into on 6 March 2019 by and between the Issuer (as lender), Endo Tankers Ltd (as borrower), Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd (all three entities as joint and several guarantors) and the Custodian (as security agent) pursuant to and in accordance with the terms and conditions of which part of the proceeds from the Bond Issue amounting to €13,100,000 shall be advanced by title of loan from the Issuer to Endo Tankers Ltd;
<b>“Malta Stock Exchange Bye-Laws”</b>	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
<b>“MFSA”</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1989 (Chapter 330 of the laws of Malta);
<b>“MiFIR”</b>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
<b>“Mumtaz Maritime Company Limited”</b>	Mumtaz Maritime Company Limited, a company registered under the laws of Malta with company registration number C 73983 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta;
<b>“Mumtaz”</b>	the vessel bearing IMO number 9268514 owned by Endo One Maritime Ltd as set out in subsection 5.3.2.1 of the Registration Document forming part of the Prospectus;
<b>“Official List”</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>“P &amp; C Limited”</b>	P & C Limited, a company registered under the laws of Malta with company registration number C 13033 and having its registered office at 10, Timber Wharf, Marsa MRS 1443, Malta. P & C Limited is a Guarantor of the Bond Issue;
<b>“Pledge Agreement 1”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo One Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“Pledge Agreement 2”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo Two Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo Two Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“Pledge Agreement 3”</b>	the pledge of shares agreement to be dated on or around 22 March 2019 entered into by and between the Issuer, Endo Tankers Ltd, Endo Three Maritime Ltd and the Custodian pursuant to which Endo Tankers Ltd granted a pledge over all of its shares held in Endo Three Maritime Ltd, from time to time, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
<b>“Pledge Agreements”</b>	collectively, Pledge Agreement 1, Pledge Agreement 2 and Pledge Agreement 3;
<b>“Primary Beneficiaries”</b>	the Bondholders from time to time;
<b>“Prospectus”</b>	collectively, the Summary Note, the Registration Document and this Securities Note, all dated 6 March 2019, as such documents may be amended, updated, replaced and supplemented from time to time;
<b>“Prospectus Directive”</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
<b>“Redemption Date”</b>	22 March 2029;
<b>“Redemption Value”</b>	the nominal value of each Bond (€50,000 per Bond);
<b>“Registration Document”</b>	the registration document issued by the Issuer dated 06 March 2019, forming part of the Prospectus;
<b>“Regulation”</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission

Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;

<b>“Securities Note”</b>	this securities note in its entirety issued by the Issuer dated 06 March 2019, forming part of the Prospectus;
<b>“Sponsor, Manager &amp; Registrar”</b>	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
<b>“Summary Note”</b>	the summary note issued by the Issuer dated 6 March 2019, forming part of the Prospectus;
<b>“Terms and Conditions”</b>	the terms and conditions of the Bonds, set out in sub-sections 5.3 ( <i>‘Issue Statistics’</i> ), 6 ( <i>‘Information concerning the Bonds’</i> ) and 8 ( <i>‘Terms and Conditions of the Bond Issue’</i> ) of this Securities Note;
<b>“Trust Deed”</b>	the security trust deed to be dated on or around 22 March 2019 and entered into by and between the Custodian, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, in virtue of which the Custodian is appointed to hold and administer the Collateral Rights for the benefit of Bondholders;
<b>“Vessel 2”</b>	the vessel to be purchased by Endo Two Maritime Ltd by means of financing provided by the Issuer from the net proceeds of the Bond Issue, as set out in sub-section 5.3.2.2 of the Registration Document;
<b>“Vessel 3”</b>	the vessel to be purchased by Endo Three Maritime Ltd by means of financing provided by the Issuer from the net proceeds of the Bond Issue, as set out in sub-section 5.3.2.2 of the Registration Document; and
<b>“Vessels”</b>	Mumtaz, Vessel 2 and Vessel 3.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice-versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- (e) any reference to a person includes that person’s legal personal representatives, successors and assigns;
- (f) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- (g) any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Securities Note.

## 2 RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE BONDS, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTORS, THE SPONSOR, MANAGER & REGISTRAR, THE CUSTODIAN OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

### 2.1 Forward-looking statements

This Securities Note contains “forward-looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer’s control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s and/or Guarantor’s directors. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

### 2.2 Suitability of investment

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Chapter 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- (ii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency;
- (iii) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- (iv) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

### 2.3 Risks relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds, including the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Bonds.
- The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law and with first ranking and priority over the Collateral Rights, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantors, if any. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantors and, therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors. The Bond Issue is supported by the Collateral Rights that are to be granted in favour of the Custodian for the benefit and in the interest of Bondholders. Whilst the Custodian is to be granted a right of preference and priority for repayment over the Collateral Rights, there can be no guarantee that the value of the Collateral Rights over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of one or more of the Vessels or the Collateral Rights generally. If such circumstances were to arise or subsist at the time that the Collateral Rights are to be enforced by the Custodian, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds. There can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer, the Guarantors and other Group companies which may rank with priority or preference to the Collateral Rights. Furthermore, subject to the negative pledge clause set out in sub-section 6.6 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.17 of this Securities Note. These provisions

permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- **The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.**

### 3 PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer, the Guarantors and the Bonds. All of the Directors of the Issuer whose names appear in sub-section 4.1.1 of the Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

### 4 CONSENT FOR USE OF THE PROSPECTUS

#### **Consent required in connection with use of the Prospectus during the Issue Period by Authorised Intermediaries:**

For the purposes of any subscription for Bonds by Authorised Intermediaries during the Issue Period in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- a) in respect of Bonds subscribed for through Authorised Intermediaries during the Issue Period;
- b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
- c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

None of the Issuer, the Sponsor, Manager & Registrar, the Custodian or any of their respective advisors take any responsibility for any of the actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar have authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. If the prospective investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and/or representation must not be relied upon as having been authorised by the Issuer or the Sponsor, Manager & Registrar. The Issuer does not accept responsibility for any information not contained in the Prospectus.

**In the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

Any resale, placement or offering of Bonds to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor, including price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for such information.

**Any Authorised Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale or placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

Any new information with respect to Authorised Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: [www.endofinance.com](http://www.endofinance.com)

## 5 KEY INFORMATION

### 5.1 Reasons for the Issue and use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €13,100,000, will be on-lent to Endo Tankers Ltd by the Issuer pursuant to the Loan Agreement and shall be utilised for the following purposes, in the amounts and order of priority set out below:

- a) an amount of *circa* €8,400,000 of the net Bond Issue proceeds will be used to finance the acquisition by Endo Two Maritime Ltd of Vessel 2, being a vessel having substantially the characteristics set out in sub-section 5.3.2.2 of the Registration Document;
- b) an amount of *circa* €4,200,000 of the net Bond Issue proceeds will be used to finance the acquisition by Endo Three Maritime Ltd of Vessel 3, being a vessel having substantially the characteristics set out in sub-section 5.3.2.2 of the Registration Document; and
- c) the remaining balance of *circa* €500,000 of the net Bond Issue proceeds will be used for general corporate funding purposes of the Endo Group.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in this sub-section 5.1 which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

Part of the proceeds from the Bond Issue amounting to €13,100,000 (that is, less the amount of *circa* €400,000 of the Bond Issue proceeds which shall be used to settle all costs and expenses incurred in connection with the Bond Issue, as set out in sub-section 5.2 of this Securities Note) shall be advanced by title of loan from the Issuer to Endo Tankers Ltd pursuant to and in accordance with the terms and conditions of the Loan Agreement entered into by and between the Issuer (as lender), Endo Tankers Ltd (as borrower), Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd (all three entities as joint and several guarantors) and the Custodian (as security agent) on 6 March 2019. In virtue of the Loan Agreement, Endo Tankers Ltd will, in turn, use said proceeds as follows:

- i. an amount of €12,600,000 of the Bond Issue proceeds (that is, the proceeds referred to in paragraphs (a) and (b) of this sub-section 5.1) shall be transferred to the Custodian to be held by the Custodian on escrow (pursuant to the terms of an escrow agreement to be entered into by and between Endo Tankers Ltd and the Custodian for the purpose) pending identification of Vessel 2 and Vessel 3, respectively, and upon the release of funds by the Custodian for the acquisition of each of the said vessels the relative security contemplated under the Collateral Rights shall be perfected in respect of each of the said vessels so acquired, in accordance with the provisions of the Trust Deed. Specifically, the relative funds shall be released by the Custodian to Endo Tankers Ltd, up to the amount necessary to finance the acquisitions of Vessel 2 and Vessel 3, respectively, to be used by Endo Tankers Ltd to subscribe to shares in Endo Two Maritime Ltd in an amount of *circa* €8,400,000 and to shares in Endo Three Maritime Ltd in an amount of *circa* €4,200,000, for such funds to be used by said entities to finance the acquisitions of Vessel 2 and Vessel 3, respectively. Immediately upon acquisition of each of Vessel 2 and Vessel 3, each of Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, shall procure the perfection of the Collateral Rights over the respective vessels so acquired, as applicable – the delay or failure on the part of either or both of Endo Two Maritime Ltd and/or Endo Three Maritime Ltd to perfect the Collateral Rights over the respective vessels so acquired shall constitute an event of default under the Loan Agreement thereby leading to the automatic termination of the Loan Agreement and having the effect of the relative loan amount granted by the Issuer to Endo Tankers Ltd thereunder, or such part thereof as may be outstanding, becoming immediately due and repayable in full, together with accrued interest. Moreover, immediately upon the subscription of additional shares by Endo Tankers Ltd in each of Endo Two Maritime Ltd and Endo Three Maritime Ltd as aforesaid, Endo Tankers Ltd shall grant an additional pledge over all said additional shares issued and allotted in the capital of Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, in favour of the Custodian in its capacity as trustee of the Endo Trust;
- ii. an amount of *circa* €500,000 of the Bond Issue proceeds shall be used in connection with the general corporate funding purposes of the Endo Group in terms of sub-section 5.1(c) of this Securities Note.

Any unutilised amount of net Bond Issue proceeds transferred to the Custodian to be held by the Custodian on escrow as set out in sub-section 5.1(i) above following the acquisitions of Vessel 2 and Vessel 3 as aforesaid will be released by the Custodian to Endo Tankers Ltd to be used in connection with the Endo Group’s general corporate funding purposes. Similarly, any unutilised amount of the Bond Issue proceeds allocated for settlement of the costs and expenses incurred in connection with the Bond Issue (as set out in sub-section 5.2 of this Securities Note) shall be used for the general corporate funding purposes of the Endo Group.

In terms of the Prospectus, the Trust Deed, the Loan Agreement, the Pledge Agreements and the escrow agreement to be entered into for the purpose, the Custodian shall not release any of the Bond Issue net proceeds referred to in paragraphs (a) and (b) of this sub-section 5.1 other than such amount as is required to settle the consideration for the acquisitions of Vessel 2 and Vessel 3, respectively.

## 5.2 Estimated expenses and proceeds of the Issue

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with the Bond Issue. Such expenses are estimated not to exceed €400,000 and shall be borne by the Issuer. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €13,100,000. There is no particular order of priority with respect to such expenses.

## 5.3 Issue statistics

“Amount”:	€13,500,000;
“Application Forms made available”:	15 March 2019;
“Bond Issue Price”:	at par (100% of the nominal amount per Bond);

<b>“Closing date for Applications to be received”:</b>	21 March 2019 at 12:00 hours CET;
<b>“Denomination”:</b>	Euro (€);
<b>“Events of Default”:</b>	the events listed in sub-section 6.14 of this Securities Note;
<b>“Form”:</b>	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
<b>“Governing law and jurisdiction”:</b>	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
<b>“Interest”:</b>	the Bonds shall bear interest from and including 22 March 2019 at the rate of four and a half per cent (4.5%) per annum payable annually in arrears on the Interest Payment Dates;
<b>“Interest Payment Date”:</b>	annually on the 22 March between and including each of the years 2020 and 2029, as from 22 March 2020 (the first interest payment date);
<b>“Intermediaries’ Offer”:</b>	the Bonds shall form part of an Intermediaries’ Offer as set out in sub-section 6.2 of this Securities Note. In the event that the aggregate of the subscription agreements received from Authorised Intermediaries in terms of the Intermediaries’ Offer is in excess of the amount of Bonds available for subscription, the Issuer (acting through the Sponsor, Manager & Registrar) shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.4 of this Securities Note;
<b>“ISIN”:</b>	MT 0002141209;
<b>“Issue”:</b>	Bonds denominated in Euro having a nominal value of €50,000 each, which will be issued at par and shall bear interest at the rate of 4.5% per annum;
<b>“Issue Period”:</b>	the period between 08:30 hours CET on 15 March 2019 and 12:00 hours CET on 21 March 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
<b>“Listing”:</b>	the Listing Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
<b>“Minimum amount per subscription and holding”:</b>	Minimum of €50,000 per individual Bondholder and a subsequent minimum holding of €50,000 per individual Bondholder maintained throughout his/her/its investment;

<b>“Plan of distribution”:</b>	the Bonds are open for subscription by all categories of investors, including the general public, through Authorised Intermediaries pursuant to the Intermediaries’ Offer;
<b>“Redemption Date”:</b>	22 March 2029;
<b>“Redemption Value”:</b>	at par (100% of the nominal amount per Bond, or par);
<b>“Status of the Bonds”:</b>	the Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantors, present and future, save for such exceptions as may be provided by applicable law, and with first ranking and priority over the Collateral Rights. In the event of any shortfall in funds required in connection with the repayment of the principal amount under the Bonds, the Issuer’s shareholders have undertaken, in virtue of a resolution entered into for the purpose on 27 November 2018, to inject the necessary funds to effect the redemption of the Bonds on the Redemption Date through an equity injection;
<b>“Subscription”:</b>	multiples of fifty thousand Euro (€50,000);
<b>“Underwriting”:</b>	the Bond Issue is not underwritten.

## 5.4 Interest of natural and legal persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

## 5.5 Collateral Rights

Partial security for the fulfilment of the Issuer’s obligations in terms of the Bond Issue is to be granted in favour of the Custodian for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral Rights, as described hereunder.

Specifically, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have agreed to grant the Collateral Rights in favour of the Custodian for the benefit of Bondholders, as Primary Beneficiaries, in terms of the Trust Deed and the Pledge Agreements, and for such purpose have appointed the Custodian to hold and administer the Collateral Rights under trust. The Collateral Rights will secure the claim of the Custodian, for the benefit and in the interest of Bondholders, for the repayment of part of the amount of the principal and interest under the Bonds by a preferred claim over the Collateral Rights. The initial Custodian is GVZH Trustees Limited.

The Bondholders shall have the benefit of the following security under the Bonds in terms of the Prospectus, the Trust Deed and the Pledge Agreements:

- a first priority mortgage on each of Mumtaz, Vessel 2 and Vessel 3, respectively, in the case of Vessel 2 and Vessel 3 once acquired, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed;
- a pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, from time to time in favour of the

- Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Pledge Agreements and the Trust Deed (all shares held by Endo Tankers Ltd in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, as at the date of the Prospectus have been pledged by Endo Tankers Ltd in favour of the Custodian in its capacity as trustee of the Endo Trust, in virtue of the Pledge Agreements); and
- a pledge over the proceeds from each of the Insurance Policies, in the case of Vessel 2 and Vessel 3 once acquired and the relative insurance policies are in force, in favour of the Custodian in its capacity as trustee of the Endo Trust pursuant to the terms of the Trust Deed.

The aforesaid security shall be constituted in favour of the Custodian for the benefit of all Bondholders from time to time registered in the CSD.

The Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd have entered into a Trust Deed with the Custodian which consists of the covenants of the Issuer to secure, pursuant to the granting of the Collateral Rights and up to the value of the Collateral Rights from time to time, the payment of part of the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date, and all other ancillary obligations, rights and benefits under the Trust Deed and the Pledge Agreements. The Collateral Rights will be vested in the Custodian for the benefit of the Bondholders in proportion to their respective holding of Bonds from time to time. Pursuant to the provisions of the Trust Deed and the Pledge Agreements, (i) the pledge by Endo Tankers Ltd of all of its shares held in each of Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, respectively, as at the date of the Prospectus, (ii) a first priority mortgage on Mumtaz, and (iii) a pledge over the proceeds from the Insurance Policy Mumtaz, all forming part of the Collateral Rights, have been duly constituted in favour of the Custodian on the date of the Prospectus. Following the issue and allotment of the Bonds and upon the acquisition of Vessel 2 and Vessel 3, respectively, the remaining Collateral Rights shall be constituted in favour of the Custodian, which will, accordingly, have the benefit of priority in ranking over the Vessels.

The Custodian's role includes holding and administering the Collateral Rights for the benefit of the Bondholders and the enforcement of the said Collateral Rights upon the happening of an Event of Default in terms of sub-section 6.14 of this Securities Note. The Custodian shall have no payment obligations to Bondholders under the Bonds, which remain exclusively the obligations of the Issuer.

The Custodian shall hold the said property under trust in relation to a commercial transaction (as defined in the Trust and Trustees Act, Chapter 331 of the laws of Malta) and transactions connected or ancillary thereto. Furthermore, the Custodian shall hold the said property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the laws of Malta). The security has, therefore, been constituted in the name of the Custodian in the manner provided for by applicable law of Malta for the benefit of the Bondholders and this for amounts owing to the Bondholders by the Issuer in terms of the Prospectus, as may be amended from time to time, including amounts of interest or charges due in terms thereof, in relation to the Bonds.

In the event that the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and/or Endo Three Maritime Ltd commits any of the Events of Default set out in sub-section 6.14 below, as applicable, including default of the Issuer's obligations to repay any Bonds (together with interest and charges thereon) in terms of this Securities Note, or any default under the Trust Deed and/or under the Pledge Agreements, the Custodian shall have the authority to enforce the Collateral Rights as set out hereunder.

The Custodian shall not be bound to take any steps to ascertain whether any Event of Default or other similar condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Custodian shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that each of the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd is observing and performing all the obligations, conditions and provisions on its part pursuant to the Prospectus, the Pledge Agreements and the Trust Deed, as applicable.

Following the Custodian's enforcement of the Collateral Rights, the Custodian shall apply any available funds as follows:

- first to pay any sums due to the Custodian as trust administration costs or liabilities of the Custodian; and
- secondly to pay the Bondholders outstanding dues by the Issuer in terms of the Prospectus.

In terms of the Trust Deed, the Custodian shall retain the discretion to substitute the security property held as collateral in terms of this Securities Note with alternative security from time to time, subject to an independent valuation report confirming to the satisfaction of the Custodian that the value of the security being substituted and added to the rights constituting the Collateral Rights is at least equal to the value of the security to be removed as a security property at such date.

In the event where the Custodian makes declarations of trust indicating additional property settled on trust, the Issuer shall make the necessary company announcement in accordance with the Listing Rules to that effect.

Without prejudice to other powers and discretions of the Custodian in terms of the Trust Deed and the Pledge Agreements, the Custodian shall have the discretion to enforce the Collateral Rights on its own accord or upon receiving notice from the Bondholders that any of the Events of Default set out in sub-section 6.14 of this Securities Note has occurred in accordance with the provisions hereof.

The Custodian shall have the discretion to postpone any sale of the assets held on trust if the best value reasonably achievable for the said assets on the open market for the time being would not be considered a fair value in the opinion of the Custodian or in the opinion of any advisor appointed by the Custodian for the valuation of the said assets.

No provision contained in the Prospectus, the Pledge Agreements and/or the Trust Deed shall be construed as creating or otherwise acknowledging any obligation on the part of the Custodian in favour of the Bondholders for any payments that may fall due under the Bonds.

In terms of the Trust Deed, the Endo Trust shall terminate in any of the following events, whichever is the earliest:

- upon the Issuer repaying all amounts outstanding to the Bondholders in terms of the Prospectus and upon the Custodian receiving confirmation in writing to this effect from the Issuer and/or the MSE; or
- after one hundred and twenty-five (125) years from the date of the Trust Deed; or
- on such earlier date as the Custodian shall declare in writing to be the date on which the relative trust period shall end, provided that such action is in accordance with the terms of the Prospectus and the Pledge Agreements.

Every Bondholder shall be entitled to be entered in the register of Bondholders maintained by the CSD and shall, thereupon, become a Primary Beneficiary under the Trust Deed. The beneficial interest of a Primary Beneficiary in terms of the Trust Deed shall terminate upon such time as a Bondholder is no longer registered in the register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Bonds and payment of all interest thereunder, as the case may be.

The Custodian shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information on the Trust Deed to beneficiaries of the Endo Trust.

## 5.6 Expected timetable of principal events

1	Application Forms made available	15 March 2019
2	Intermediaries' Offer period	15 March 2019 (from 08:30 CET) to 21 March 2019 (by 12:00 CET)
3	Announcement of basis of acceptance	22 March 2019
4	Issue date of the Bonds	22 March 2019
5	Commencement of interest	22 March 2019
6	Expected date of admission of the Bonds to listing	29 March 2019
7	Expected dispatch of allotment advices and refunds (if any)	29 March 2019
8	Expected date of commencement of trading in the Bonds	01 April 2019

The Issuer reserves the right to close the offer of Bonds before 21 March 2019 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time.

## 6 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

### 6.1 General

- 6.1.1 EACH BOND FORMS PART OF A DULY AUTHORISED ISSUE OF 4.5% UNSECURED BONDS 2029 OF A NOMINAL VALUE OF €50,000 PER BOND ISSUED BY THE ISSUER AT PAR UP TO THE PRINCIPAL AMOUNT OF €13,500,000 (EXCEPT AS OTHERWISE PROVIDED UNDER SUB-SECTION 6.16 “FURTHER ISSUES” BELOW). THE ISSUE DATE OF THE BONDS IS EXPECTED TO BE 22 MARCH 2019. THE BONDS ARE SUPPORTED BY THE GRANTING OF THE COLLATERAL RIGHTS IN FAVOUR OF THE CUSTODIAN FOR THE BENEFIT OF BONDHOLDERS, AS PRIMARY BENEFICIARIES, IN TERMS OF THE TRUST DEED. THE BOND ISSUE IS GUARANTEED BY IFP MALTA, IFP CYPRUS AND P & C LIMITED.**
- 6.1.2 THE CURRENCY OF THE BONDS IS EURO (€).**
- 6.1.3 THE BONDS SHALL BEAR INTEREST AT THE RATE OF 4.5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 22 MARCH OF EACH YEAR, THE FIRST INTEREST PAYMENT FALLING ON 22 MARCH 2020. ANY INTEREST PAYMENT DATE WHICH FALLS ON A DAY OTHER THAN A BUSINESS DAY WILL BE CARRIED OVER TO THE NEXT FOLLOWING DAY THAT IS A BUSINESS DAY.**
- 6.1.4 SUBJECT TO ADMISSION TO LISTING OF THE BONDS TO THE OFFICIAL LIST, THE BONDS ARE EXPECTED TO BE ASSIGNED ISIN: MT0002141209.**
- 6.1.5 THE BONDS ARE EXPECTED TO BE LISTED ON THE OFFICIAL LIST ON 29 MARCH 2019 AND DEALING IS EXPECTED TO COMMENCE ON 01 APRIL 2019. DEALING MAY COMMENCE PRIOR TO NOTIFICATION OF THE AMOUNT ALLOTTED BEING ISSUED TO APPLICANTS.**
- 6.1.6 ALL OUTSTANDING BONDS NOT PREVIOUSLY PURCHASED AND CANCELLED SHALL BE REDEEMED BY THE ISSUER AT PAR (TOGETHER WITH ACCRUED INTEREST TO THE DATE FIXED FOR REDEMPTION) ON THE REDEMPTION DATE.**
- 6.1.7 SHOULD ANY APPLICATION NOT BE ACCEPTED, OR BE ACCEPTED FOR FEWER BONDS THAN THOSE APPLIED FOR, THE MONIES OR THE BALANCE OF THE AMOUNT PAID BUT NOT ALLOCATED WILL BE RETURNED BY THE SPONSOR, MANAGER & REGISTRAR WITHOUT INTEREST BY DIRECT CREDIT INTO THE APPLICANT’S BANK ACCOUNT AS INDICATED BY THE APPLICANT IN THE APPLICATION FORM WITHIN FIVE (5) BUSINESS DAYS FROM THE DATE OF FINAL ALLOCATION. NEITHER THE ISSUER NOR THE SPONSOR, MANAGER & REGISTRAR WILL BE RESPONSIBLE FOR ANY CHARGES, LOSS OR DELAYS IN TRANSMISSION OF THE REFUNDS. IN THIS REGARD, ANY MONIES RETURNABLE TO APPLICANTS MAY BE RETAINED PENDING CLEARANCE OF THE REMITTANCE AND ANY VERIFICATION OF IDENTITY AS REQUIRED BY THE PREVENTION OF MONEY LAUNDERING ACT, 1994 (CHAPTER 373 OF THE LAWS OF MALTA) AND REGULATIONS MADE THEREUNDER. SUCH MONIES WILL NOT BEAR INTEREST WHILE RETAINED AS AFORESAID.**
- 6.1.8 THERE ARE NO SPECIAL RIGHTS ATTACHED TO THE BONDS OTHER THAN THE RIGHT OF THE BONDHOLDERS TO PAYMENT OF INTEREST AND CAPITAL (AS DETAILED IN SUB-SECTION 6.12 BELOW), THE BENEFIT OF THE**

**COLLATERAL RIGHTS THROUGH THE CUSTODIAN (AS DETAILED IN SUB-SECTION 5.5 ABOVE) AND IN ACCORDANCE WITH THE RANKING SPECIFIED IN SUB-SECTION 6.5 OF THIS SECURITIES NOTE.**

- 6.1.9 THE MINIMUM SUBSCRIPTION AMOUNT OF BONDS THAT CAN BE SUBSCRIBED FOR BY APPLICANTS IS €50,000, AND IN MULTIPLES OF €50,000 THEREAFTER.**
- 6.1.10 SUBSCRIPTION LISTS IN RELATION TO THE INTERMEDIARIES' OFFER WILL OPEN AT 08:30 HOURS CET ON 15 MARCH 2019. THE ISSUE PERIOD SHALL CLOSE ON 21 MARCH 2019 AT 12:00 HOURS CET. THE ISSUER WILL DETERMINE AND ANNOUNCE THE ALLOCATION POLICY FOR THE BONDS WITHIN FIVE (5) BUSINESS DAYS OF THE CLOSING OF THE ISSUE PERIOD. THE RESULTS OF THE OFFER, INCLUDING THE ALLOCATION POLICY, WILL BE ANNOUNCED THROUGH A COMPANY ANNOUNCEMENT. IT IS EXPECTED THAT ALLOTMENT LETTERS WILL BE DISPATCHED TO BONDHOLDERS WITHIN FIVE (5) BUSINESS DAYS OF THE DATE OF THE ANNOUNCEMENT OF THE ALLOCATION POLICY.**
- 6.1.11 THE ISSUE OF THE BONDS IS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION.**
- 6.1.12 THE BOND ISSUE IS NOT UNDERWRITTEN. IN THE EVENT THAT THE BOND ISSUE IS NOT FULLY SUBSCRIBED THE ISSUER WILL PROCEED WITH THE LISTING OF THE AMOUNT OF BONDS SUBSCRIBED FOR.**

## **6.2 Intermediaries' Offer**

The total amount of €13,500,000 of Bonds is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total aggregate amount of €13,500,000 as aforesaid during the Intermediaries' Offer.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, a number of Bonds subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the terms and conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Sponsor, Manager & Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to either distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or submit Application Forms directly in the name of their underlying customers. In either case, subscription amounts made by Applicants through Authorised Intermediaries, including those made under nominee, shall be in multiples of €50,000, subject to a minimum subscription amount of €50,000 in Bonds by each individual Bondholder/underlying customer, as the case may be, and a subsequent minimum holding of €50,000 per individual Bondholder/underlying customer is maintained throughout his/her/its investment, unless disposed of in its entirety.

## **6.3 Plan of distribution and allotment**

The Bonds shall be allocated to Authorised Intermediaries pursuant to subscription agreements, details of which are included in sub-section 6.2 immediately above.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) during the Issue Period. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. Subscription to the Bonds must be accompanied by full price of the

Bonds applied for in Euro and in cleared funds at the Bond Issue Price. If the Application Form(s) and proof of payment of cleared funds do not reach the Sponsor, Manager & Registrar by the close of the Issue Period, the Application will be deemed to have been declined.

It is expected that an allotment letter will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

## 6.4 Allocation Policy

The Issuer shall allocate the Bonds to Authorised Intermediaries participating in the Intermediaries' Offer pursuant to the subscription agreements, details of which can be found in sub-section 6.2 above, without priority or preference and in accordance with the allocation policy as determined by the Issuer and the Sponsor, Manager & Registrar.

Within five (5) Business Days from closing of the Issue Period, the Issuer shall announce the result of the Bond Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted through a company announcement.

## 6.5 Status and ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer, guaranteed jointly and severally by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantors, present and future, if any, save for such exceptions as may be provided by applicable law, and with first ranking and priority over the Collateral Rights. Furthermore, subject to the negative pledge clause (sub-section 6.6 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

In the event of any shortfall in funds required in connection with the repayment of the principal amount under the Bonds, the Issuer's shareholders have undertaken, in virtue of a resolution entered into for the purpose on 27 November 2018, to inject the necessary funds to effect the redemption of the Bonds on the Redemption Date through an equity injection.

Pursuant to the terms of the Trust Deed and the Pledge Agreements, the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd, as applicable, have agreed to constitute in favour of the Custodian for the benefit of Bondholders, as Primary Beneficiaries, security over the Collateral Rights and to appoint the Custodian to hold and administer the Collateral Rights under trust. The Collateral Rights will secure the claim of the Custodian, for the benefit and in the interest of Bondholders, for the repayment of part of the principal and interest under the Bonds by a preferred claim over the Collateral Rights.

The following sets out a summary of the Group's indebtedness which, as at 30 June 2018, amounted in aggregate to €2,872,928, and principally includes bank loans and overdraft facilities. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with other unsecured debt, ranks after these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

### ENDO GROUP BORROWINGS AT 30 JUNE 2018

<b>BANK BORROWINGS, HYPOTHECS AND HYPOTHECARY GUARANTEES</b>	€2,872,928
<b>TOTAL</b>	<b>€2,872,928</b>

## 6.6 Negative pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

**"Financial Indebtedness"** means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

**"Security Interest"** means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

**"Permitted Security Interest"** means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts or guarantees in the ordinary course of business; (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds; (D) any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the unencumbered assets of the Issuer being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

**"unencumbered assets"** means assets which are not subject to a Security Interest.

## 6.7 Rights attaching to the Bonds

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note.

There are no special rights attached to the Bonds other than the right of the Bondholders to:

- (i) the payment of interest;
- (ii) the payment of capital;
- (iii) the benefit of the Collateral Rights through the Custodian, in accordance with the provisions of sub-section 5.5 of this Securities Note;
- (iv) ranking with respect to other indebtedness of the Issuer and the Guarantors in accordance with the provisions of sub-section 6.5 above;
- (v) seek recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the terms of the Bonds detailed in this Securities Note;
- (vi) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- (vii) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

## 6.8 Interest

**6.8.1 THE BONDS SHALL BEAR INTEREST FROM AND INCLUDING 22 MARCH 2019 AT THE RATE OF 4.5% PER ANNUM ON THE NOMINAL VALUE THEREOF, PAYABLE ANNUALLY IN ARREARS ON EACH INTEREST PAYMENT DATE. THE FIRST INTEREST PAYMENT WILL BE AFFECTED ON 22 MARCH 2020 (COVERING THE PERIOD 22 MARCH 2019 UP TO AND INCLUDING 21 MARCH 2020). ANY INTEREST PAYMENT DATE WHICH FALLS ON A DAY OTHER THAN A BUSINESS DAY WILL BE CARRIED OVER TO THE NEXT FOLLOWING DAY THAT IS A BUSINESS DAY. EACH BOND WILL CEASE TO BEAR INTEREST FROM AND INCLUDING ITS DUE DATE FOR REDEMPTION, UNLESS PAYMENT OF THE PRINCIPAL IN RESPECT OF THE BOND IS IMPROPERLY WITHHELD OR REFUSED OR UNLESS DEFAULT IS**

OTHERWISE MADE IN RESPECT OF PAYMENT, IN ANY OF WHICH EVENTS INTEREST SHALL CONTINUE TO ACCRUE AT THE RATE SPECIFIED ABOVE PLUS ONE PER CENT (1%), BUT IN ANY EVENT NOT IN EXCESS OF THE MAXIMUM RATE OF INTEREST ALLOWED BY MALTESE LAW. IN TERMS OF ARTICLE 2156 OF THE CIVIL CODE (CHAPTER 16 OF THE LAWS OF MALTA), THE RIGHT OF BONDHOLDERS TO BRING CLAIMS FOR PAYMENT OF INTEREST AND REPAYMENT OF THE PRINCIPAL ON THE BONDS IS BARRED BY THE LAPSE OF FIVE (5) YEARS.

- 6.8.2 WHEN INTEREST IS REQUIRED TO BE CALCULATED FOR ANY PERIOD OF LESS THAN A FULL YEAR, IT SHALL BE CALCULATED ON THE BASIS OF A THREE HUNDRED AND SIXTY (360) DAY YEAR CONSISTING OF TWELVE (12) MONTHS OF THIRTY (30) DAYS EACH, AND IN THE CASE OF AN INCOMPLETE MONTH, THE NUMBER OF DAYS ELAPSED.

## 6.9 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4.5% per annum.

## 6.10 Registration, form, denomination and title

- 6.10.1 CERTIFICATES WILL NOT BE DELIVERED TO BONDHOLDERS IN RESPECT OF THE BONDS IN VIRTUE OF THE FACT THAT THE ENTITLEMENT TO BONDS WILL BE REPRESENTED IN AN UNCERTIFICATED FORM BY THE APPROPRIATE ENTRY IN THE ELECTRONIC REGISTER MAINTAINED ON BEHALF OF THE ISSUER AT THE CSD. THERE WILL BE ENTERED IN SUCH ELECTRONIC REGISTER THE NAMES, ADDRESSES, IDENTITY CARD NUMBERS (IN THE CASE OF NATURAL PERSONS), REGISTRATION NUMBERS (IN THE CASE OF COMPANIES) AND MSE ACCOUNT NUMBERS OF THE BONDHOLDERS AND PARTICULARS OF THE BONDS HELD BY THEM RESPECTIVELY, AND THE BONDHOLDERS SHALL HAVE, AT ALL REASONABLE TIMES DURING BUSINESS HOURS, ACCESS TO THE REGISTER OF BONDHOLDERS HELD AT THE CSD FOR THE PURPOSE OF INSPECTING INFORMATION HELD ON THEIR RESPECTIVE ACCOUNT.

### 6.10.1.1

- 6.10.2 THE CSD WILL ISSUE, UPON A REQUEST BY A BONDHOLDER, A STATEMENT OF HOLDINGS TO SUCH BONDHOLDER EVIDENCING HIS/HER/ITS ENTITLEMENT TO BONDS HELD IN THE REGISTER KEPT BY THE CSD.

- 6.10.3 UPON SUBMISSION OF AN APPLICATION FORM, BONDHOLDERS WHO OPT TO SUBSCRIBE FOR THE ONLINE E-PORTFOLIO ACCOUNT WITH THE CSD, BY MARKING THE APPROPRIATE BOX ON THE APPLICATION FORM, WILL BE REGISTERED BY THE CSD FOR THE ONLINE E-PORTFOLIO FACILITY AND WILL RECEIVE BY MAIL AT THEIR REGISTERED ADDRESS A HANDLE CODE TO ACTIVATE THE NEW E-PORTFOLIO LOGIN. THE BONDHOLDER'S STATEMENT OF HOLDINGS EVIDENCING ENTITLEMENT TO BONDS HELD IN THE REGISTER KEPT BY THE CSD AND REGISTRATION ADVICES EVIDENCING MOVEMENTS IN SUCH REGISTER WILL BE AVAILABLE THROUGH THE SAID E-PORTFOLIO FACILITY ON [HTTPS://EPORTFOLIO.BORZAMALTA.COM.MT/](https://eportfolio.borzamalta.com.mt/). FURTHER DETAIL ON THE E-PORTFOLIO IS FOUND ON [HTTPS://EPORTFOLIO.BORZAMALTA.COM.MT/HELP](https://eportfolio.borzamalta.com.mt/help).

- 6.10.4 THE BONDS WILL BE ISSUED IN FULLY REGISTERED FORM, WITHOUT INTEREST COUPONS, IN DENOMINATIONS OF €50,000 PROVIDED THAT ON SUBSCRIPTION, THE BONDS WILL BE ISSUED FOR A MINIMUM OF €50,000 PER INDIVIDUAL BONDHOLDER AND SUBJECT TO A SUBSEQUENT MINIMUM HOLDING OF €50,000 PER INDIVIDUAL BONDHOLDER MAINTAINED THROUGHOUT HIS/HER/ITS INVESTMENT. ACCORDINGLY, EACH TRANSFER OF BONDS WHICH WOULD RESULT IN A BONDHOLDER HOLDING LESS THAN SUCH MINIMUM AMOUNTS IS NOT PERMITTED UNLESS AS A RESULT OF THE SAID TRANSFER, THE BONDHOLDER

- 6.10.5 SHALL HAVE DISPOSED OF ALL OF HIS/HER/ITS HOLDING IN THE BONDS.

**6.10.6 ANY PERSON IN WHOSE NAME A BOND IS REGISTERED MAY (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) BE DEEMED AND TREATED AT ALL TIMES, BY ALL PERSONS AND FOR ALL PURPOSES (INCLUDING THE MAKING OF ANY PAYMENTS), AS THE ABSOLUTE OWNER OF SUCH BOND. TITLE TO THE BONDS MAY BE TRANSFERRED AS PROVIDED BELOW UNDER THE HEADING “TRANSFERABILITY OF THE BONDS” IN SUB-SECTION 6.15 OF THIS SECURITIES NOTE.**

## **6.11 Pricing**

The Bonds are being issued at par, that is, at 100 percent of the nominal value per Bond, with the full amount payable upon subscription.

## **6.12 Payments**

**6.12.1 PAYMENT OF THE PRINCIPAL AMOUNT OF THE BONDS WILL BE MADE IN EURO BY THE ISSUER TO THE PERSON IN WHOSE NAME SUCH BONDS ARE REGISTERED, WITH INTEREST ACCRUED UP TO THE REDEMPTION DATE, BY MEANS OF DIRECT CREDIT TRANSFER INTO SUCH BANK ACCOUNT AS THE BONDHOLDER MAY DESIGNATE FROM TIME TO TIME, PROVIDED SUCH BANK ACCOUNT IS DENOMINATED IN EURO AND HELD WITH ANY LICENSED BANK IN MALTA. SUCH PAYMENT SHALL BE AFFECTED WITHIN SEVEN (7) DAYS OF THE REDEMPTION DATE. THE ISSUER SHALL NOT BE RESPONSIBLE FOR ANY CHARGES, LOSS OR DELAY IN TRANSMISSION. UPON PAYMENT OF THE REDEMPTION VALUE, THE BONDS SHALL BE REDEEMED AND THE APPROPRIATE ENTRY MADE IN THE ELECTRONIC REGISTER OF THE BONDS AT THE CSD.**

**6.12.2 IN THE CASE OF BONDS HELD SUBJECT TO USUFRUCT, PAYMENT WILL BE MADE AGAINST THE JOINT INSTRUCTIONS OF ALL BARE OWNERS AND USUFRUCTUARIES. BEFORE AFFECTING PAYMENT, THE ISSUER AND/OR THE CSD SHALL BE ENTITLED TO REQUEST ANY LEGAL DOCUMENTS DEEMED NECESSARY CONCERNING THE ENTITLEMENT OF THE BARE OWNER/S AND THE USUFRUCTUARY/IES TO PAYMENT OF THE BONDS.**

**6.12.3 PAYMENT OF INTEREST ON A BOND WILL BE MADE TO THE PERSON IN WHOSE NAME SUCH BOND IS REGISTERED AT THE CLOSE OF BUSINESS FIFTEEN (15) DAYS PRIOR TO THE INTEREST PAYMENT DATE, BY MEANS OF A DIRECT CREDIT TRANSFER INTO SUCH BANK ACCOUNT AS THE BONDHOLDER MAY DESIGNATE, FROM TIME TO TIME, WHICH IS DENOMINATED IN EURO AND HELD WITH ANY LICENSED BANK IN MALTA. SUCH PAYMENT SHALL BE AFFECTED WITHIN SEVEN (7) DAYS OF THE INTEREST PAYMENT DATE. THE ISSUER SHALL NOT BE RESPONSIBLE FOR ANY CHARGES, LOSS OR DELAY IN TRANSMISSION.**

**6.12.4 ALL PAYMENTS WITH RESPECT TO THE BONDS ARE SUBJECT IN ALL CASES TO ANY PLEDGE (DULY CONSTITUTED) AND TO ANY APPLICABLE FISCAL OR OTHER LAWS AND REGULATIONS PREVAILING IN MALTA. IN PARTICULAR, BUT WITHOUT LIMITATION, ALL PAYMENTS OF PRINCIPAL AND INTEREST BY OR ON BEHALF OF THE ISSUER IN RESPECT OF THE BONDS SHALL BE MADE NET OF ANY AMOUNT WHICH THE ISSUER IS OR MAY BECOME COMPELLED BY LAW TO DEDUCT OR WITHHOLD FOR OR ON ACCOUNT OF ANY PRESENT OR FUTURE TAXES, DUTIES, ASSESSMENTS OR OTHER GOVERNMENT CHARGES OF WHATSOEVER NATURE IMPOSED, LEVIED, COLLECTED, WITHHELD OR ASSESSED BY OR WITHIN THE REPUBLIC OF MALTA OR ANY AUTHORITY THEREOF OR THEREIN HAVING POWER TO TAX.**

**6.12.5 NO COMMISSIONS OR EXPENSES SHALL BE CHARGED BY THE ISSUER TO THE BONDHOLDERS IN RESPECT OF PAYMENTS MADE IN ACCORDANCE WITH THIS SUB-SECTION 6.12. THE ISSUER SHALL NOT BE LIABLE FOR CHARGES, EXPENSES AND COMMISSIONS LEVIED BY PARTIES OTHER THAN THE ISSUER.**

## **6.13 Redemption and purchase**

- 6.13.1 UNLESS PREVIOUSLY PURCHASED AND CANCELLED, THE ISSUER HEREBY IRREVOCABLY COVENANTS IN FAVOUR OF EACH BONDHOLDER THAT THE BONDS WILL BE REDEEMED AT THEIR NOMINAL VALUE (TOGETHER WITH ACCRUED INTEREST UP TO THE DATE FIXED FOR REDEMPTION) ON 22 MARCH 2029. IN SUCH A CASE THE ISSUER SHALL BE DISCHARGED OF ANY AND ALL PAYMENT OBLIGATIONS UNDER THE BONDS UPON PAYMENT MADE NET OF ANY WITHHOLDING OR OTHER TAXES DUE OR WHICH MAY BE DUE UNDER MALTESE LAW AND WHICH IS PAYABLE BY THE BONDHOLDERS.**
- 6.13.2 SUBJECT TO THE PROVISIONS OF THIS SUB-SECTION 6.13, THE ISSUER MAY AT ANY TIME PURCHASE BONDS IN THE OPEN MARKET OR OTHERWISE AT ANY PRICE. ANY PURCHASE BY TENDER SHALL BE MADE AVAILABLE TO ALL BONDHOLDERS ALIKE.**
- 6.13.3 ALL BONDS SO REDEEMED OR RE-PURCHASED WILL BE CANCELLED FORTHWITH AND MAY NOT BE RE-ISSUED OR RE-SOLD.**

## **6.14 Events of Default**

Pursuant to the Trust Deed, the Custodian may in its absolute and unfettered discretion, and shall upon the request in writing of not less than 65% in value of the Primary Beneficiaries, by notice in writing to the Issuer declare the Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the happening of any of the following events (“Events of Default”):

- I. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; and/or
- II. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; and/or
- III. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Custodian; and/or
- IV. if the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and/or Endo Three Maritime Ltd commits a breach of any of the covenants or provisions contained in the Trust Deed and/or the Pledge Agreements, as applicable, to be observed and performed on their respective parts and the said breach still subsists for thirty (30) days after having been notified by the Custodian; and/or
- V. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or any one or more of the Guarantors; and/or
- VI. if the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or
- VII. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- VIII. if the Issuer commits a breach of any of the covenants or provisions contained in the Trust Deed to be observed and performed on its part and the said breach still subsists for thirty (30) days after having been notified by the Custodian (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); and/or
- IX. there shall have been entered against the Issuer and/or any one or more of the Guarantors a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or

- X. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in sub-section 6.6 above) of the Issuer and/or any one or more of the Guarantors in excess of three million Euro (€3,000,000) or its equivalent at any time.

Upon any such declaration being made as aforesaid, the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Custodian may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Custodian shall at all times act on and in accordance with any instructions it may receive in a meeting of Bondholders satisfying the conditions set out in the Trust Deed. The Custodian shall not be bound to take any steps to ascertain whether any Event of Default or other similar condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Custodian shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that each of the Issuer, Endo Tankers Ltd, Endo One Maritime Ltd, Endo Two Maritime Ltd and Endo Three Maritime Ltd is observing and performing all the obligations, conditions and provisions on its part contained under the Prospectus, the Trust Deed and/or the Pledge Agreements, as applicable.

## 6.15 Transferability of the Bonds

- 6.15.1 THE BONDS ARE FREELY TRANSFERABLE AND, ONCE ADMITTED TO THE OFFICIAL LIST, SHALL BE TRANSFERABLE ONLY IN WHOLE (IN MULTIPLES OF €50,000) IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE MSE APPLICABLE FROM TIME TO TIME.**
- 6.15.2 ANY PERSON BECOMING ENTITLED TO A BOND IN CONSEQUENCE OF THE DEATH OR BANKRUPTCY OF A BONDHOLDER MAY, UPON SUCH EVIDENCE BEING PRODUCED AS MAY, FROM TIME TO TIME, PROPERLY BE REQUIRED BY THE ISSUER OR THE CSD, ELECT EITHER TO BE REGISTERED HIMSELF AS HOLDER OF THE BOND OR TO HAVE SOME PERSON NOMINATED BY HIM REGISTERED AS THE TRANSFEREE THEREOF. IF THE PERSON SO BECOMING ENTITLED SHALL ELECT TO BE REGISTERED HIMSELF, HE SHALL DELIVER OR SEND TO THE CSD A NOTICE IN WRITING SIGNED BY HIM STATING THAT HE SO ELECTS. IF HE SHALL ELECT TO HAVE ANOTHER PERSON REGISTERED HE SHALL TESTIFY HIS ELECTION BY TRANSFERRING THE BOND, OR PROCURING THE TRANSFER OF THE BOND, IN FAVOUR OF THAT PERSON. PROVIDED ALWAYS THAT IF A BOND IS TRANSMITTED IN FURTHERANCE OF THIS PARAGRAPH 6.15.2, A PERSON WILL NOT BE REGISTERED AS A BONDHOLDER UNLESS SUCH TRANSMISSION IS MADE IN MULTIPLES OF €50,000.**
- 6.15.3 ALL TRANSFERS AND TRANSMISSIONS ARE SUBJECT IN ALL CASES TO ANY PLEDGE (DULY CONSTITUTED) OF THE BONDS AND TO ANY APPLICABLE LAWS AND REGULATIONS.**
- 6.15.4 THE COSTS AND EXPENSES OF AFFECTING ANY REGISTRATION OF TRANSFER OR TRANSMISSION, EXCEPT FOR THE EXPENSES OF DELIVERY BY ANY MEANS OTHER THAN REGULAR MAIL (IF ANY) AND EXCEPT, IF THE ISSUER SHALL SO REQUIRE, THE PAYMENT OF A SUM SUFFICIENT TO COVER ANY TAX, DUTY OR OTHER GOVERNMENTAL CHARGE OR INSURANCE CHARGES THAT MAY BE IMPOSED IN RELATION THERETO, WILL BE BORNE BY THE PERSON TO WHOM THE TRANSFER / TRANSMISSION HAS BEEN MADE.**
- 6.15.5 THE ISSUER WILL NOT REGISTER THE TRANSFER OR TRANSMISSION OF BONDS FOR A PERIOD OF FIFTEEN (15) DAYS PRECEDING THE DUE DATE FOR ANY PAYMENT OF INTEREST ON THE BONDS OR THE DUE DATE FOR REDEMPTION.**
- 6.15.6 AUTHORISED FINANCIAL INTERMEDIARIES SUBSCRIBING FOR BONDS THROUGH NOMINEE ACCOUNTS FOR AND ON BEHALF OF CLIENTS SHALL APPLY THE MINIMUM SUBSCRIPTION AMOUNT OF €50,000 TO EACH**

UNDERLYING CLIENT AND SUBJECT TO THE MINIMUM HOLDING REFERRED TO IN SECTION 5.3. THE MINIMUM HOLDING REQUIREMENT OF €50,000 PER BONDHOLDER (AND PER UNDERLYING CLIENT, IN THE CASE OF AUTHORISED FINANCIAL INTERMEDIARIES SUBSCRIBING TO THE BONDS THROUGH NOMINEE ACCOUNTS FOR AND ON BEHALF OF CLIENTS AS AFORESAID) WILL ALSO APPLY DURING SECONDARY MARKET TRADING.

## 6.16 Further issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

## 6.17 Meetings of Bondholders

- 6.17.1 THE ISSUER MAY, THROUGH THE CUSTODIAN, FROM TIME TO TIME, CALL MEETINGS OF BONDHOLDERS FOR THE PURPOSE OF CONSULTATION WITH BONDHOLDERS OR FOR THE PURPOSE OF OBTAINING THE CONSENT OF BONDHOLDERS ON MATTERS WHICH IN TERMS OF THE PROSPECTUS REQUIRE THE APPROVAL OF A BONDHOLDERS' MEETING AND TO AFFECT ANY CHANGE TO THE APPLICABLE TERMS AND CONDITIONS OF THE BONDS.
- 6.17.2 A MEETING OF BONDHOLDERS SHALL BE CALLED BY THE DIRECTORS BY GIVING THE CUSTODIAN AND ALL BONDHOLDERS LISTED ON THE REGISTER OF BONDHOLDERS AS AT A DATE BEING NOT MORE THAN THIRTY (30) DAYS PRECEDING THE DATE SCHEDULED FOR THE MEETING, NOT LESS THAN FOURTEEN (14) DAYS' NOTICE IN WRITING. SUCH NOTICE SHALL SET OUT THE TIME, PLACE AND DATE SET FOR THE MEETING AND THE MATTERS TO BE DISCUSSED OR DECIDED THEREAT, INCLUDING, IF APPLICABLE, SUFFICIENT INFORMATION ON ANY AMENDMENT OF THE PROSPECTUS THAT IS PROPOSED TO BE VOTED UPON AT THE MEETING AND SEEKING THE APPROVAL OF THE BONDHOLDERS. FOLLOWING A MEETING OF BONDHOLDERS HELD IN ACCORDANCE WITH THE PROVISIONS CONTAINED HEREUNDER, THE ISSUER SHALL, ACTING IN ACCORDANCE WITH THE RESOLUTION(S) TAKEN AT THE MEETING, COMMUNICATE TO THE BONDHOLDERS WHETHER THE NECESSARY CONSENT TO THE PROPOSAL MADE BY THE ISSUER HAS BEEN GRANTED OR WITHHELD. SUBJECT TO HAVING OBTAINED THE NECESSARY APPROVAL BY THE BONDHOLDERS IN ACCORDANCE WITH THE PROVISIONS OF THIS SUB-SECTION 6.17 AT A MEETING CALLED FOR THAT PURPOSE AS AFORESAID, ANY SUCH DECISION SHALL SUBSEQUENTLY BE GIVEN EFFECT TO BY THE ISSUER.
- 6.17.3 THE AMENDMENT OR WAIVER OF ANY OF THE TERMS AND CONDITIONS OF THE BONDS MAY ONLY BE MADE WITH THE APPROVAL OF BONDHOLDERS AT A MEETING CALLED AND HELD FOR THAT PURPOSE IN ACCORDANCE WITH THE TERMS HEREOF.
- 6.17.4 A MEETING OF BONDHOLDERS SHALL ONLY VALIDLY AND PROPERLY PROCEED TO BUSINESS IF THERE IS A QUORUM PRESENT AT THE COMMENCEMENT OF THE MEETING. FOR THIS PURPOSE AT LEAST TWO (2) BONDHOLDERS PRESENT, IN PERSON OR BY PROXY, REPRESENTING NOT LESS THAN 50% IN NOMINAL VALUE OF THE BONDS THEN OUTSTANDING, SHALL CONSTITUTE A QUORUM. IF A QUORUM IS NOT PRESENT WITHIN THIRTY (30) MINUTES FROM THE TIME SCHEDULED FOR THE COMMENCEMENT OF THE MEETING AS INDICATED ON THE NOTICE CONVENING SAME, THE MEETING SHALL STAND ADJOURNED TO A PLACE, DATE AND TIME AS SHALL BE COMMUNICATED BY THE DIRECTORS TO THE CUSTODIAN AND TO BONDHOLDERS PRESENT AT THAT MEETING. THE ISSUER SHALL WITHIN TWO (2) DAYS FROM THE DATE OF THE ORIGINAL MEETING PUBLISH BY WAY OF A COMPANY ANNOUNCEMENT THE DATE, TIME AND PLACE WHERE THE ADJOURNED MEETING IS TO BE HELD. AN ADJOURNED MEETING SHALL BE HELD NOT EARLIER THAN SEVEN (7) DAYS, AND NOT LATER THAN FIFTEEN (15) DAYS, FOLLOWING THE ORIGINAL MEETING. AT AN ADJOURNED MEETING THE NUMBER OF BONDHOLDERS PRESENT AT THE COMMENCEMENT OF THE MEETING, IN PERSON OR BY PROXY, SHALL CONSTITUTE A QUORUM; AND ONLY THE MATTERS SPECIFIED IN THE NOTICE CALLING THE ORIGINAL MEETING

SHALL BE PLACED ON THE AGENDA OF, AND SHALL BE DISCUSSED AT AND DECIDED UPON DURING, THE ADJOURNED MEETING.

- 6.17.5 ANY PERSON WHO IN ACCORDANCE WITH THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER IS TO CHAIR THE ANNUAL GENERAL MEETINGS OF SHAREHOLDERS SHALL ALSO CHAIR MEETINGS OF BONDHOLDERS.
- 6.17.6 ONCE A QUORUM IS DECLARED PRESENT BY THE CHAIRPERSON OF THE MEETING, THE MEETING MAY THEN PROCEED TO BUSINESS AND ADDRESS THE MATTERS SET OUT IN THE NOTICE CONVENING THE MEETING. IN THE EVENT OF DECISIONS BEING REQUIRED AT THE MEETING THE DIRECTORS OR THEIR REPRESENTATIVE SHALL PRESENT TO THE BONDHOLDERS THE REASONS WHY IT IS DEEMED NECESSARY OR DESIRABLE AND APPROPRIATE THAT A PARTICULAR DECISION IS TAKEN. THE MEETING SHALL ALLOW REASONABLE AND ADEQUATE TIME TO BONDHOLDERS TO PRESENT THEIR VIEWS TO THE ISSUER AND THE OTHER BONDHOLDERS PRESENT AT THE MEETING. THE MEETING SHALL THEN PUT THE MATTER AS PROPOSED BY THE ISSUER TO A VOTE OF BONDHOLDERS PRESENT AT THE TIME AT WHICH THE VOTE IS BEING TAKEN, AND ANY BONDHOLDERS TAKEN INTO ACCOUNT FOR THE PURPOSE OF CONSTITUTING A QUORUM WHO ARE NO LONGER PRESENT FOR THE TAKING OF THE VOTE SHALL NOT BE TAKEN INTO ACCOUNT FOR THE PURPOSE OF SUCH VOTE.
- 6.17.7 THE VOTING PROCESS SHALL BE MANAGED BY THE ISSUER'S COMPANY SECRETARY UNDER THE SUPERVISION AND SCRUTINY OF THE AUDITORS OF THE ISSUER AND THE CUSTODIAN.
- 6.17.8 THE PROPOSAL PLACED BEFORE A MEETING OF BONDHOLDERS SHALL ONLY BE CONSIDERED APPROVED IF AT LEAST SIXTY-FIVE PER CENT (65%) IN NOMINAL VALUE OF THE BONDHOLDERS PRESENT AT THE MEETING AT THE TIME WHEN THE VOTE IS BEING TAKEN, IN PERSON OR BY PROXY, SHALL HAVE VOTED IN FAVOUR OF THE PROPOSAL.
- 6.17.9 SAVE FOR THE ABOVE, THE RULES GENERALLY APPLICABLE TO PROCEEDINGS AT GENERAL MEETINGS OF SHAREHOLDERS OF THE ISSUER SHALL *MUTATIS MUTANDIS* APPLY TO MEETINGS OF BONDHOLDERS.

## 6.18 Authorisations and approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 27 November 2018. The Guarantee being given by the Guarantors in respect of the Bonds has been authorised by resolutions of the Boards of directors of each of the Guarantors all dated 27 November 2018.

## 6.19 Admission to trading

- 6.19.1 THE LISTING AUTHORITY HAS AUTHORISED THE BONDS AS ADMISSIBLE TO LISTING PURSUANT TO THE LISTING RULES BY VIRTUE OF A LETTER DATED 6 MARCH 2019.
- 6.19.2 APPLICATION HAS BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS BEING ISSUED PURSUANT TO THE PROSPECTUS TO BE LISTED AND TRADED ON ITS OFFICIAL LIST.
- 6.19.3 THE BONDS ARE EXPECTED TO BE ADMITTED TO THE MALTA STOCK EXCHANGE WITH EFFECT FROM 29 MARCH 2019 AND TRADING IS EXPECTED TO COMMENCE ON 01 APRIL 2019. DEALING MAY COMMENCE PRIOR TO NOTIFICATION OF THE AMOUNT ALLOTTED BEING ISSUED TO APPLICANTS.

## 6.20 Representations and warranties

- 6.20.1** The Issuer represents and warrants to Bondholders and to the Custodian for the benefit of Bondholders, that shall be entitled to rely on such representations and warranties, that:
- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
  - ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions of the Prospectus.
- 6.20.2** The Prospectus contains all relevant material information with respect to the Issuer and the Guarantors and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantors, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

## 6.21 Bonds held jointly

In respect of any Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or the first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

## 6.22 Bonds held subject to usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the existence of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

## 6.23 Governing law and jurisdiction

**6.23.1 THE BONDS ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH MALTESE LAW.**

**6.23.2 ANY LEGAL ACTION, SUIT OR PROCEEDINGS AGAINST THE ISSUER AND/OR THE GUARANTORS ARISING OUT OF OR IN CONNECTION WITH THE BONDS AND/OR THE PROSPECTUS SHALL BE BROUGHT EXCLUSIVELY BEFORE THE MALTESE COURTS.**

## 6.24 Notices

Notices will be mailed to Bondholders and to the Custodian at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder and to the Custodian at his/her/its registered address and posted.

## 7 TAXATION

## 7.1 General

**Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer, as well as any income/gains derived therefrom or made on their transfer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.**

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

## 7.2 Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder that he/she/it is entitled to receive the interest gross from any withholding tax or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient’s tax liability or available as a refund.

In the case of a valid election made in writing by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

## 7.3 Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.

## 7.4 Maltese taxation on capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*”, if the Bonds are held as capital assets by the Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

## 7.5 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

## 8 TERMS AND CONDITIONS OF THE BOND ISSUE

- 8.1 The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantors on the one hand and the Bondholders on the other.
- 8.2 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the Bonds are not admitted to the Official List any application monies received by the Issuer will be returned without interest by direct credit into the Applicant’s bank account indicated by the Applicant on the relative Application Form. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant’s address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.
- 8.3 The Issuer has not established an aggregate minimum subscription level for the Bond Issue.
- 8.4 The completed Application Forms may be lodged with any Authorised Intermediary (which include the Sponsor, Manager & Registrar) by not later than 12:00 hours (CET) on 21 March 2019. Submission of Application Forms must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made either in cash or by cheque payable to ‘The Registrar – Endo Finance p.l.c. Bond Issue’.
- 8.5 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 8.6 The contract created by the Issuer’s acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- 8.7 Any person, whether natural or legal, shall be eligible to submit an application and any one (1) person, whether directly or indirectly, should not submit more than one (1) application form. If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and/or the Sponsor, Manager & Registrar, but it shall not be the duty or responsibility of the Sponsor, Manager & Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 8.8 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier (“LEI”) in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer acting through the Sponsor, Manager & Registrar and subscription monies will be returned to the Applicant in accordance with sub-section 8.8 below.

- 8.9 In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to listing on the Official List of the MSE. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such credit transfer.
- 8.10 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 8.11 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 8.12 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 8.13 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements.
- 8.14 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.15 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.
- 8.16 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 8.17 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 8.18 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 8.19 The Bonds will be issued in multiples of €50,000. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €50,000.
- 8.20 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008, as amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Chapter 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

- 8.21 It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers.
- 8.22 By completing and delivering an Application Form, the Applicant:
- i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantors and the issue of the Bonds contained therein;
  - ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
  - iii. authorises the Sponsor, Manager & Registrar and the Directors of the Issuer to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Chapter 440 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must further be signed by the Applicant to whom the personal data relates;
  - iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
  - v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
  - vi. agrees to provide the Sponsor, Manager & Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
  - vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor, Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
  - viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
  - ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
  - x. agrees that unless such Application is made with Calamatta Cuschieri Investment Services Limited as an Authorised Intermediary, Calamatta Cuschieri Investment Services Limited will not, in their capacity of Sponsor, Manager & Registrar, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;
  - xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first

- named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
  - xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;
  - xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer acting through the Sponsor, Manager & Registrar reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary (which acceptance shall be made in the Authorised Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment));
  - xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
  - xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
  - xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;
  - xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
  - xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

## 9 ADDITIONAL INFORMATION

Save for the accountants' report on the pro forma consolidated financial statements included in Annex A of the Registration Document, the accountants' report on the forecast consolidated financial information of Endo Ventures Ltd included in Annex B of the Registration Document and the Financial Analysis Summary set out as Annex 3 to this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

Each of the accountants' reports dated 29 November 2018 have been included in Annex A and Annex B, respectively, of the Registration Document in the form and context in which they appear with the authorisation of Nexia BT of The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann SGN 3000, Malta, which has given and has not withdrawn its consent to the inclusion of said reports herein.

The Financial Analysis Summary dated 6 March 2019 has been included in Annex 3 of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

Neither of the foregoing experts have any beneficial interest in the Issuer or the Guarantors. The Issuer confirms that the accountants' report on the pro forma consolidated financial statements, the accountants' report on the forecast consolidated financial information of Endo Ventures Ltd and the Financial Analysis Summary have been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## ANNEX 1 - THE GUARANTEE

To All Bondholders:

RE: GUARANTEE AND INDEMNITY

Reference is made to the issue of up to €13.5 million 4.5% Unsecured Bonds 2029 by Endo Finance p.l.c., a company registered in Malta bearing company registration number C 89481 (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Securities Note forming part of the Prospectus to be dated 6 March 2019 (the “**Bonds**”).

Now, therefore, by virtue hereof we, International Fender Providers Ltd (C 69877), IFP International Fender Providers Limited (HE 348221) and P & C Limited (C 13033), hereby stand surety jointly and severally with the Issuer and irrevocably and unconditionally guarantee the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertake to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

This guarantee shall be governed by the laws of Malta.

Signed and executed on this the 27 day of November 2018.

Mr. Cristopher Frendo  
Director  
International Fender Providers Ltd  
(C 69877)

Mr. Nicholas Frendo  
Director  
International Fender Providers Ltd  
(C 69877)

Mr. Cristopher Frendo  
Director  
IFP International Fender Providers Limited  
(HE 348221)

Mr. Nicholas Frendo  
Director  
IFP International Fender Providers Limited  
(HE 348221)

Mr. Cristopher Frendo  
Director  
P & C Limited  
(C 13033)

Mr. Nicholas Frendo  
Director  
P & C Limited  
(C 13033)

**Interpretation:**

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) **“Indebtedness”** means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements or otherwise and whether for actual or contingent liability; and
- (c) **“writing”** or **“in writing”** shall mean any method of visual representation and shall include e-mails, facsimile transmissions and other such electronic methods.

## **Nature, scope and terms of the Guarantee:**

### **1. NATURE OF THE GUARANTEE**

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of the joint and several corporate Guarantee of the Guarantors, the full terms of which are set out in clause 3 below.

### **2. INFORMATION ABOUT THE GUARANTORS**

The information about each of the Guarantors required pursuant to the Listing Rules and the Regulation may be found in the Registration Document forming part of the Prospectus.

### **3. TERMS OF THE GUARANTEE**

#### **3.1 Covenant to pay**

For the purposes of the Guarantee, the Guarantors, as primary obligors, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the addresses as are stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.

All payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantors by the Issuer.

This Guarantee shall apply to all Bonds issued on or after 22 March 2019 in accordance with the terms of the Securities Note.

#### **3.2 Guarantors as joint and several sureties**

Each Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

#### **3.3 Maximum liability**

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantors to the Bondholders under this Guarantee shall be up to and shall not be in excess of €13,500,000 (thirteen million, five hundred thousand Euro), apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders’ rights against the Issuer and/or the Guarantors, which shall be additional to the maximum sum herein stated.

### 3.4 Continuing and unconditional liability

The liability of each Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or any of the Guarantors;
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
- e. any event, act or omission that might operate to exonerate any Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

### 3.5 Indemnity

As a separate and alternative stipulation, each Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, any Guarantor or any Bondholder) not recoverable from any Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee, and gives rise to a separate and independent cause of action.

### 3.6 Representations and warranties

3.6.1 Each Guarantor represents and warrants:

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by said Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which said Guarantor is or may be subject, or any agreement or other instrument to which said Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of, or oblige a Guarantor to create, any encumbrance on any of the Guarantors' undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €1,000,000) and nor is it threatened with any such procedures;
- (vii) that the obligations of the Guarantors under this Guarantee constitute general, direct and unsecured obligations of the Guarantors and rank equally with all their respective other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- (viii) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound, nor has any default occurred in its regard;
- (ix) that all the information, verbal or otherwise, tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and
- (x) that the granting of this Guarantee is in the commercial interest of said Guarantor and that said Guarantor acknowledges that it is deriving commercial benefit therefrom.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantors shall hold true, good and valid all the representations and warranties given under this clause.

### 3.7 Deposit and production of the Guarantee

The instrument creating this Guarantee shall be deposited with and be held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantors have been discharged in full, and until such time the Guarantors acknowledge the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

### 3.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantors shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

### 3.9 Benefit of the Guarantee and no assignment

This Guarantee is to be immediately binding upon the Guarantors for the benefit of the Bondholders. The Guarantors shall not be entitled to assign or transfer any of their respective obligations under this same Guarantee.

### 3.10 Amendments

The Guarantors have the power to veto any changes to the terms and conditions of the Bonds which are issued with the benefit of this Guarantee.

### 3.11 Notices

For notification purposes in connection with this Guarantee, the proper addresses and telephone numbers of each of the Guarantors are:

#### **International Fender Providers Ltd**

**Address:** 10, Timber Wharf, Marsa MRS 1443, Malta  
**Telephone number:** +356 2206000  
**Contact person:** Glen Grima

#### **IFP International Fender Providers Limited**

**Address:** Florinis, 7, Greg Tower, 2<sup>nd</sup> Floor, 1065, Nicosia, Cyprus  
**Telephone number:** +357 22 451555  
**Contact person:** Ntina Panayidou

#### **P & C Limited**

**Address:** 10, Timber Wharf, Marsa MRS 1443, Malta  
**Telephone number:** +356 2206000  
**Contact person:** Glen Grima

### 3.12 Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese Law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.



## ANNEX 2 - AUTHORISED FINANCIAL INTERMEDIARIES

Calamatta Cuschieri Investment Services Ltd  
Address: Ewropa Business Centre, Triq Dun Karm Birkirkara,  
BKR 9034  
Telephone: 25688688

## ANNEX 3 - FINANCIAL ANALYSIS SUMMARY

---

FINANCIAL ANALYSIS SUMMARY  
Endo Finance p.l.c.  
6 March 2019



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

6 March 2019

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority 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), IFP International Fender Providers Limited (HE 348221), P & C Limited (C 13033) collectively (“the Guarantors”) and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 2015, 2016 and 2017 has been extracted from the audited financial statements of the Guarantors.

(b) The forecast data for the financial year 2018 and the year ending 2019 have been provided by management.

(c) Our commentary on the Issuer and Guarantors’ results and financial position is based on the explanations set out by the Issuer in the Prospectus and Listing Authority Policies.

(d) The ratios quoted in the Financial Analysis Summary 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 web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed Bond Issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,



Nick Calamatta  
Co-CEO

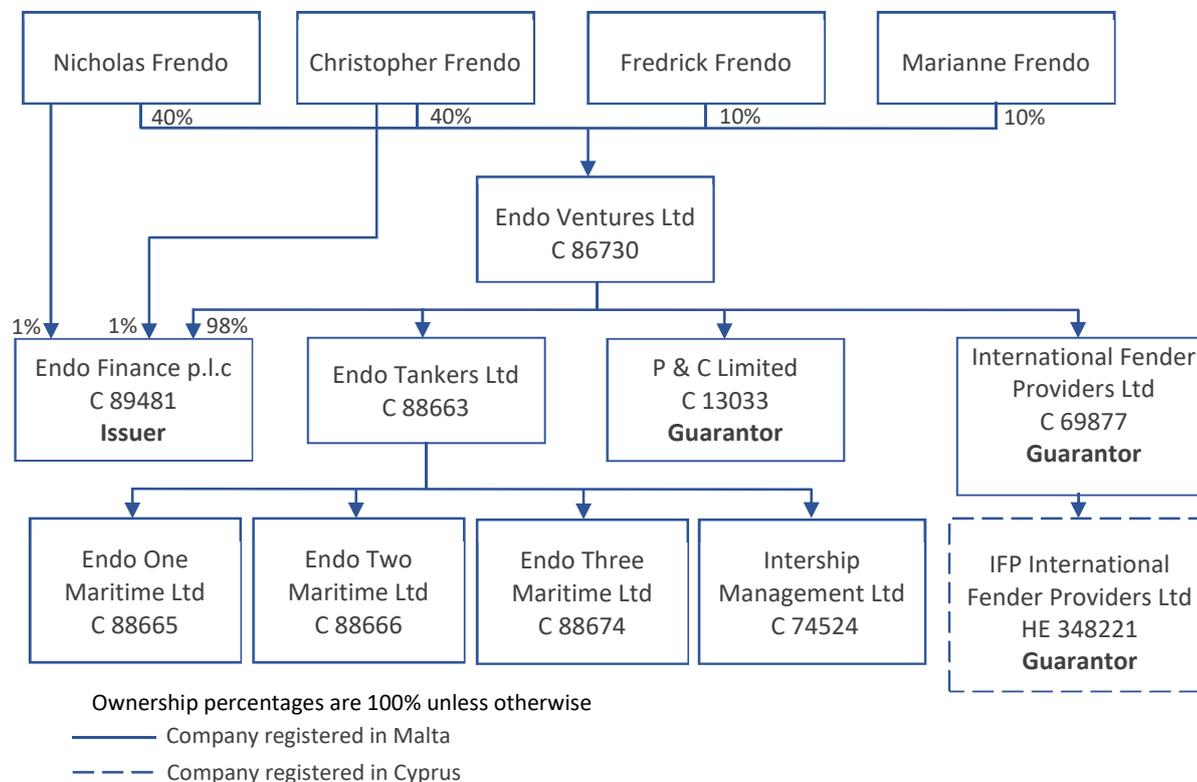
## Table of Contents

Part 1 - Information about the Endo Group .....	141
1.1 Issuer, Guarantors and Endo Group’s Subsidiaries Key Activities and Structure.....	141
1.2 Directors and Key Employees .....	142
1.3 Major Assets owned by the Endo Group .....	144
1.4 Operational Developments.....	144
Part 2 – Historical Performance and Forecasts .....	145
2.1 Issuer Projected Statement of Comprehensive Income .....	145
2.2 Issuer Projected Statement of Financial Position .....	146
2.3 Issuer Projected Statement of Cash Flows .....	147
2.4 Guarantors’ Statement of Comprehensive Income .....	147
2.5 Guarantors’ Statement of Financial Position .....	151
2.6 Guarantors’ Statement of Cash Flows .....	155
2.7 Endo Tankers Sub-Group Financial Forecast .....	157
2.8 Endo Group Financial Forecast .....	158
Part 3 – Key Market and Competitor Data .....	162
3.1 General Market Conditions.....	162
3.2 Time Charter Market .....	163
3.3 Comparative Analysis.....	164
Part 4 - Glossary and Definitions .....	166

## Part 1 - Information about the Endo Group

### 1.1 Issuer, Guarantors and Endo Group's Subsidiaries Key Activities and Structure

The Endo Group structure is as follows:



The “Endo Group” of companies consists of Endo Ventures Ltd being the “Parent” company of the Endo Group, the Issuer, the Guarantors, and Endo Tankers Ltd, which include its subsidiaries Endo One Maritime Ltd, Endo Two Maritime Ltd, Endo Three Maritime Ltd and Intership Management Ltd. The objective of the Endo Group is to acquire, finance, manage and charter commercial vessels, in addition to providing ship to ship services.

Endo Tankers Ltd (“Endo Tankers”) was incorporated on 8 October 2018 and acts as a holding company of the “Endo Tankers Sub-Group”. The Endo Tankers Sub-Group is chiefly 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”) and Intership Management Ltd are all fully-owned subsidiaries of Endo Tankers.

The Issuer, Endo Finance plc, company registration number C 89481, is a 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 fully-owned subsidiary of the Parent company of the Endo Group. The Issuer, which was set up and established to act as a finance vehicle, has as at the date of the prospectus an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

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

IFP International Fender Providers Ltd (“IFP Cyprus”), a fully-owned subsidiary of IFP Malta, is a private limited liability company incorporated and registered in Cyprus on 26 October 2015, with company registration number HE 348221. IFP Cyprus has an authorised share capital of €2,000 divided into 2,000 ordinary shares of €1 each and an issued share capital of €1,000 divided into 1,000 ordinary shares having a nominal value of €1 each, all fully paid up. IFP Cyprus carries out the same principal activity as IFP Malta and was incorporated to take over the ship to ship operations in Cyprus.

P & C Limited, a fully-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 P & C is €11,646.86 divided into 5,000 ordinary shares having a nominal value of €2.329373 each, all 20% paid up. The principal objective of P & C Limited is to purchase or otherwise acquire, under any title whatsoever, any immovable or otherwise deal in and hold for the purpose of development or resale and traffic in any freehold, leasehold or other property or any estate or interest whatsoever.

Endo Ventures Ltd was set up on 11 June 2018 and acts as the holding company of the Endo Group. The Parent has an authorised share capital of €2,130,000 divided into 2,130,000 Ordinary shares of €1 each and an issued share capital of €1,200 divided into 1,200 ordinary shares having a nominal value of €1 each, all fully paid up. The ultimate beneficial owners are; Mr. Christopher Frendo and Mr. Nicholas Frendo who both hold 480 ordinary shares each, and Mr. Fredrick Frendo and Ms. Marianne Frendo who both hold 120 ordinary shares each.

Endo One, Endo Two and Endo Three were all incorporated on 8 October 2018. Endo One was set up to acquire a 599 DWT vessel, “Mumtaz”, an oil tanker used for the transportation of petroleum products and for bunkering operations. Endo Two was incorporated in order to acquire “Vessel 2”, being a Medium Range (‘MR’) 45,000 to 50,000 DWT oil tanker. Endo Three was incorporated in order to acquire “Vessel 3”, being a, 5,000 to 8,000 DWT vessel, an oil tanker to be used for the transportation of petroleum products and for bunkering operations. All three vessels are to operate both in the Maltese territorial waters and international waters, except for Vessel 2 which will operate in the international time-charter market.

Intership Management Ltd was set up on 25 February 2016 and is a ship management company which provides a complete and comprehensive set of ship management services to Endo One, Endo Two and Endo Three. The company 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 at the date of the prospectus, the Issuer is constituted by the following persons:

NAME	OFFICE DESIGNATION
CHRISTOPHER FREUDO	Executive Director
NICHOLAS FREUDO	Executive Director
ANTHONY BUSUTTIL	Independent non-executive Director
FRANCIS GOUDER	Independent non-executive Director
ERICA SCERRI	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer. Refer to section 4 of the registration document for the curriculum vitae of the Issuer’s directors. Dr Luca Vella is the company secretary of the Issuer.

## Board of Directors – Guarantors

As at the date of the prospectus, the Guarantors are constituted by the following persons:

### IFP Malta

NAME	OFFICE DESIGNATION
CHRISTOPHER FREUDO	Executive Director and Company Secretary
NICHOLAS FREUDO	Executive Director

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

### IFP Cyprus

NAME	OFFICE DESIGNATION
CHRISTOPHER FREUDO	Executive Director
NICHOLAS FREUDO	Executive Director
CHRYSTALLA MYLONA	Non-executive Director and Company Secretary
CONSTANTINA PANAYIDOU	Non-executive Director

The business address of all of the directors is Florinis, 7, Greg Tower, 2<sup>nd</sup> Floor, 1065, Nicosia, Cyprus.

### P & C Limited

NAME	OFFICE DESIGNATION
CHRISTOPHER FREUDO	Executive Director
NICHOLAS FREUDO	Executive Director and Company Secretary

The business address of all of the directors is the registered office of the Issuer. Refer to section 4 of the registration document for the curriculum vitae of the Guarantors' directors.

The Issuer is currently managed by a board of five directors who are responsible for the overall direction and management of the Issuer. The board currently consists of two executive directors, who are entrusted with the Issuer's day-to-day management, and three non-executive directors, all of whom are also independent of the Issuer, whose main functions are to monitor the operations of the executive directors and their performance, as well as to review any proposals tabled by the executive directors. This practice goes in accordance with the generally accepted principles of sound corporate governance, where at least one of the directors shall be a person independent of a group of companies. No directors have been removed since the Issuer's inception. The Issuer does not have any employees of its own, and thus is dependent on the resources within the Endo Group entities.

Each Guarantor has its own board of directors which is responsible for the management and direction of the respective Guarantor. All three Guarantors are governed by the same two directors who both act as executive directors in all of their positions, with the exception of IFP Cyprus, whereby, in addition to the two executive directors, the board also consist of another two non-executive directors.

### 1.3 Major Assets owned by the Endo Group

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company.

In March 2016 a related group (“Palm Group”), which is controlled by the same beneficial owners of the Endo Group, acquired its first vessel Mumtaz. The vessel, built in 2002 and having a total length of 44.84 meters, is a 599 dead weight tonnage oil tanker used for the transportation of petroleum products and for bunkering operations both in the Maltese territorial waters and international waters. Mumtaz is currently being leased under a bareboat charter agreement to a subsidiary of Palm Group. Following its incorporation, Endo One acquired Mumtaz from Palm Group on 1 November 2018, for the price of €1.8 million, being an amount equivalent to the value of the vessel. This amount due to Palm Group was novated upwards within the Endo Group, where the liability of €1.8 million was capitalised and exchanged for shares to the ultimate beneficiary owners of the Endo Group.

As part of its operations as a ship to ship service provider, IFP Malta and IFP Cyprus require 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 4 sets of fenders and hoses which are also used by IFP Cyprus. Each set mainly consist of 4 or 5 primary fenders, 2 secondary fenders and 4 hoses.

P & C Limited has an investment property which is situated at 9, 10, Timber Wharf in Marsa. The premises comprise a large street level warehouse with a floor area of circa 128 sqm and three floors of office space and receded floor. As per Architect’s valuation dated 7 August 2018, the property which is owned by the company was valued at €7.2 million. This property is in the process of being sold off and is currently on a promise of sale agreement signed in March 2018, where such agreement will expire within two years from the date of signing of such agreement.

Through the proceeds of the bond issue Endo Two will acquire Vessel 2 for circa €8.4 million and Endo Three will acquire vessel 3 for circa €4.2 million.

ASSET	COMPANY	BALANCE AS AT 31 DECEMBER 2017
MUMTAZ - VESSEL	Endo One	€ 1,800,000
FENDERS AND HOSES	IFP Malta	€ 1,027,363
INVESTMENT PROPERTY	P & C Limited	€ 7,200,000

### 1.4 Operational Developments

As intimated above, the Endo Tankers Sub-Group was recently incorporated to be engaged in the business of acquiring, financing, managing and chartering commercial vessels, in addition to, strengthening the operations of Palm Group, being the bunkering and transportation of petroleum products. It is the Endo Tankers Sub-Group’s intention that the proceeds from the bond issue be utilised to finance the acquisition of Vessel 2 and Vessel 3 as further discussed in the below table, and subsequently for such vessels to be leased out under separate charter agreements to third parties or related parties. As a result of the bond issue the Endo Group will be able to penetrate the international time charter market.

	ENDO ONE	ENDO TWO	ENDO THREE
<b>VESSEL NAME</b>	Mumtaz	Vessel 2	Vessel 3
<b>VESSEL TYPE</b>	Oil Tanker	Oil Tanker	Oil Tanker
<b>VESSEL SIZE CLASS</b>	Bunker	Medium Range	Small Range
<b>DEAD WEIGHT TONNAGE</b>	599	45,000 - 50,000	5,000 - 8,000
<b>LENGTH (METERS)</b>	44.84	180 - 190	90 – 120
<b>YEARS FROM BUILD</b>	16	9 - 15	9 - 15
<b>ADDITIONAL USEFUL LIFE</b>	10	10 - 15	10 – 15
<b>CERTIFIED BY APPROVED CLASSIFICATION SOCIETY</b>	Yes	Yes	Yes

## Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 20 November 2018 and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Endo Group, and, as such, its assets are intended to consist primarily of loans issued to the Endo Tankers Sub-Group's companies.

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 2015 to 31 December 2017 is set out in the audited financial statements of the Guarantors section 2.4 to 2.6. Forecasts of the Endo Group are based on management projections and are set out in section 2.7 to 2.8.

### 2.1 Issuer Projected Statement of Comprehensive Income

PROJECTED STATEMENT OF COMPREHENSIVE INCOME	2018F	2019P
	€000s	€000s
REVENUE	71	852
ADMINISTRATIVE EXPENSES	(59)	(60)
<b>EBITDA</b>	<b>12</b>	<b>792</b>
AMORTISATION	(40)	(40)
<b>EBIT</b>	<b>(28)</b>	<b>752</b>
FINANCE COSTS	(51)	(608)
<b>PROFIT BEFORE TAX</b>	<b>(79)</b>	<b>144</b>
INCOME TAX	-	(67)
<b>PROFIT FOR THE YEAR</b>	<b>(79)</b>	<b>77</b>
<b>RATIO ANALYSIS</b>	<b>2018F</b>	<b>2019P</b>
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	16.9%	93.0%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	n/a	88.3%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	n/a	9.0%

The Issuer is projected to incur a loss in the current year as the admin expenses and the bond amortisation costs outweigh the net finance income. Nonetheless, it will become profitable from 2019 onwards, representing the marginal interest rate charged higher to its related parties when compared to the coupon rate that the Issuer incurs with regards to the bond issue.

## 2.2 Issuer Projected Statement of Financial Position

PROJECTED STATEMENT OF FINANCIAL POSITION	2018F	2019P
	€000s	€000s
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
FINANCIAL ASSETS	13,105	13,105
INTANGIBLE ASSETS	355	316
	<b>13,460</b>	<b>13,421</b>
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	211	395
	<b>211</b>	<b>395</b>
<b>TOTAL ASSETS</b>	<b>13,671</b>	<b>13,816</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
SHARE CAPITAL	250	250
RETAINED EARNINGS	(79)	(2)
<b>TOTAL EQUITY</b>	<b>171</b>	<b>248</b>
<b>NON-CURRENT LIABILITIES</b>		
DEBT SECURITIES IN ISSUE	13,500	13,500
	<b>13,500</b>	<b>13,500</b>
<b>CURRENT LIABILITIES</b>		
CURRENT TAX PAYABLE	-	68
<b>TOTAL LIABILITIES</b>	<b>13,500</b>	<b>13,568</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>13,671</b>	<b>13,816</b>

The Issuer's major asset shall comprise of the loans advanced to its related companies, whereas the major liability shall comprise of the bond issue, on which a coupon rate of 4.5% is payable to bond holders annually.

## 2.3 Issuer Projected Statement of Cash Flows

PROJECTED STATEMENT OF CASH FLOWS	2018F	2019P
	€000s	€000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
EBITDA	12	792
INTEREST PAID	(51)	(608)
<b>NET CASH USED IN/(GENERATED FROM) OPERATING ACTIVITIES</b>	<b>(39)</b>	<b>184</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
BOND ISSUE COST	(395)	-
LOANS TO RELATED PARTIES	(13,105)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13,500)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM EQUITY	250	-
PROCEEDS FROM THE ISSUE OF DEBT SECURITIES	13,500	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>13,750</b>	<b>-</b>
<b>NET MOVEMENTS IN CASH AND CASH EQUIVALENTS</b>	<b>211</b>	<b>184</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>-</b>	<b>211</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>211</b>	<b>395</b>

The net cash generated from operating activities represents the net finance margin between the Issuer's coupon expense and the interest charged to its related parties, the administration expenses, the taxation paid on the Issuer's profit, and the bond issue costs.

## 2.4 Guarantors' Statement of Comprehensive Income

### Historical Performance

#### P & C Limited

P & C Limited is one of the Guarantors and is engaged in investing and renting of property. The company's year-end is currently 31 July, which will be changed to 31 December as from next year. The audited historical performance for the period ended 31 July 2015 to 31 July 2017, inclusive of the interim unaudited management accounts as of 30 June 2018, is presented below.

STATEMENT OF COMPREHENSIVE INCOME	31/7/2015	31/7/2016	31/7/2017	30/6/2018
	AUDITED	AUDITED	AUDITED	MANAGEMENT
	€	€	€	€
<b>REVENUE</b>	99,279	87,692	111,448	137,921
OTHER INCOME	-	-	-	2,840
ADMINISTRATIVE EXPENSES	(37,104)	(29,653)	(39,085)	(43,869)
<b>EBITDA</b>	<b>62,175</b>	<b>58,039</b>	<b>72,363</b>	<b>96,892</b>
DEPRECIATION	(45,681)	(21,978)	(20,318)	(5,739)
<b>EBIT</b>	<b>16,494</b>	<b>36,061</b>	<b>52,045</b>	<b>91,153</b>
MOVEMENT IN REVALUATION OF INVESTMENT PROPERTY	-	235,847	-	-
FINANCE COSTS	(14,106)	(9,767)	(6,886)	(44,282)
<b>PROFIT BEFORE TAX</b>	<b>2,388</b>	<b>262,141</b>	<b>45,159</b>	<b>46,871</b>
TAXATION	12,509	(33,353)	(40,239)	-
<b>PROFIT AFTER TAX</b>	<b>14,897</b>	<b>228,788</b>	<b>4,920</b>	<b>46,871</b>

RATIO ANALYSIS	31/7/2015	31/7/2016	31/7/2017	30/6/2018
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	62.6%	66.2%	64.9%	70.3%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	16.6%	41.1%	46.7%	66.1%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	15.0%	260.9%	4.4%	34.0%

The company generates its 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, P & C also charges management fees to another related company, Palm Enterprises Limited. Both companies, Palm Shipping Agency Limited and Palm Enterprises Limited form part of the Palm Group.

P & C maintained a stable EBITDA margin throughout 2015, 2016 and 2017. For 2018, the company registered an EBITDA margin of 70.3%. This increase in EBITDA is the result of the increase in revenue and the one off other income which comprised of a refund of a licence fee. Considering that the company's revenue is mainly rental income, there are no additional costs directly related to the increase in revenue, and hence the EBITDA margin improved over 2017 levels.

#### International Fender Providers Limited

International Fender Providers Limited is one of the Guarantors and is engaged in the service of transferring cargo between ship to ship operations, in addition to, hiring of fenders and hoses. The company's year-end is 31 December. The audited historical performance for the period ended 31 December 2015 to 31 December 2017, inclusive of the interim unaudited management accounts as of 30 June 2018, is presented below.

STATEMENT OF COMPREHENSIVE INCOME	2015 AUDITED	2016 AUDITED	2017 AUDITED	30/6/2018 MANAGEMENT
	€	€	€	€
REVENUE	632,644	1,067,700	1,628,569	604,875
COST OF SALES	(184,447)	(699,550)	(973,245)	(396,771)
<b>GROSS PROFIT</b>	<b>448,197</b>	<b>368,150</b>	<b>655,324</b>	<b>208,104</b>
OTHER INCOME	9,609	-	221,952	12,163
ADMINISTRATIVE EXPENSES	(28,260)	(185,310)	(148,618)	(51,988)
<b>EBITDA</b>	<b>429,546</b>	<b>182,840</b>	<b>728,658</b>	<b>168,279</b>
DEPRECIATION	(81,804)	(175,175)	(209,131)	(105,963)
<b>EBIT</b>	<b>347,742</b>	<b>7,665</b>	<b>519,527</b>	<b>62,316</b>
FINANCE COSTS	-	-	(90,904)	(50,459)
<b>PROFIT BEFORE TAX</b>	<b>347,742</b>	<b>7,665</b>	<b>428,623</b>	<b>11,857</b>
TAXATION	(121,710)	(2,682)	(150,888)	-
<b>PROFIT AFTER TAX</b>	<b>226,032</b>	<b>4,983</b>	<b>277,735</b>	<b>11,857</b>

RATIO ANALYSIS	2015	2016	2017	30/6/2018
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	67.9%	17.1%	44.7%	27.8%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	55.0%	0.7%	31.9%	10.3%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	35.7%	0.5%	17.1%	2.0%

IFP Malta generates its revenue from the provision of fenders and hoses used for the transfer of cargo from one ship to another. In addition, it provides mooring master services. For these services, the company enters into fixed fee contracts up to a stipulated amount of hours, with a variable amount at a fixed fee thereafter. Management explained that the business of the company is affected by seasonality factors due to bad weather conditions during the months of January, February, October, November and December.

The increase in the company's revenue during the period 2015 to 2017 relates to an increase in ship to ship operations which are also known as voyages. The revenue in 2018 represents the revenue generated till June 2018, which represents revenue earned from 65 voyages.

In 2016, the EBITDA of the company decreased to 17.1% when compared with that of 2015. This change was due to a decrease in gross profit. However, this decrease was partly offset by a gain on exchange. The EBITDA margin for 2017 increased to 44.7% and management attributed this increase to a gain on exchange which amounted €220,616. These differences of exchange occur since the company's operational currency the USD dollar and its functional currency is the Euro. Moreover, in 2018 the company registered an EBITDA margin of 27.8%, maintaining same levels as 2016.

#### IFP International Fender Providers Limited

IFP International Fender Providers Limited is one of the Guarantors and is engaged in the service of transferring cargo between ship to ship operations, in addition to, hiring of fenders and hoses which are all carried in Cyprus. The company was incorporated on October 2015 and has a year-end of 31 December. As such, only two years of historical audited performance is available, except for the interim unaudited management accounts as of 30 June 2018, which are all presented below.

STATEMENT OF COMPREHENSIVE INCOME	2016	2017	30/6/2018
	AUDITED	AUDITED	MANAGEMENT
	€	€	€
REVENUE	1,303,706	457,027	198,283
COST OF SALES	(750,617)	(291,864)	(120,170)
<b>GROSS PROFIT</b>	<b>553,089</b>	<b>165,163</b>	<b>78,113</b>
OTHER INCOME	268	2,615	-
ADMINISTRATIVE EXPENSES	(91,762)	(54,012)	(18,268)
<b>EBITDA</b>	<b>461,595</b>	<b>113,766</b>	<b>59,845</b>
DEPRECIATION	(59,218)	(76,378)	(38,411)
<b>EBIT</b>	<b>402,377</b>	<b>37,388</b>	<b>21,434</b>
FINANCE COSTS	(3,518)	(5,697)	-
<b>PROFIT BEFORE TAX</b>	<b>398,859</b>	<b>31,691</b>	<b>21,434</b>
TAXATION	(50,073)	(4,571)	-
<b>PROFIT AFTER TAX</b>	<b>348,786</b>	<b>27,120</b>	<b>21,434</b>

RATIO ANALYSIS	2016	2017	30/6/2018
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	35.4%	24.9%	30.2%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	30.9%	8.2%	10.8%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	26.8%	5.9%	10.8%

IFP Cyprus carries out the same activity as that of IFP Malta, with the exception that IFP Cyprus controls only the operations carried out in Cyprus.

In 2016, the company generated revenue amounting to circa €1.3m, through 54 voyages, out of which 18 were conducted in Augusta and 36 conducted in Cyprus. In 2017, the company experienced a decrease of 65% in its revenue which was mainly attributable to a decrease in operations. Management explained that the company conducted only 27 voyages, 3 in Augusta and 24 in Cyprus since the management shifted their focus to operations in Malta. In 2018, the company registered revenue amounting to €198k representing revenue from 13 voyages conducted till June 2018.

In 2017, the EBITDA of the company decreased to 24.9% from 35.4% in 2016. In 2018, EBIT margins increased to 10.8%. Management attributes this increase in margins due to complete termination of the Augusta operations. The Augusta operations generated lower gross profit margins when compared with Cyprus operations. Hence, with the termination of the Augusta operations, the company improved its EBIT margin.

Combined Projected Performance of the Guarantors

PROJECTED STATEMENT OF COMPREHENSIVE INCOME	2018F	2019P
	€000s	€000s
REVENUE	1,956	1,995
COST OF SALES	(1,153)	(1,176)
<b>GROSS PROFIT</b>	<b>803</b>	<b>819</b>
ADMINISTRATIVE EXPENSES	(214)	(218)
<b>EBITDA</b>	<b>589</b>	<b>601</b>
DEPRECIATION	(262)	(243)
<b>EBIT</b>	<b>327</b>	<b>358</b>
FINANCE COSTS	(95)	(80)
<b>PROFIT BEFORE TAX</b>	<b>232</b>	<b>278</b>
TAXATION	(72)	(87)
<b>PROFIT AFTER TAX</b>	<b>160</b>	<b>191</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
GAINS ON PROPERTY REVALUATION	4,216	-
TAXATION	(395)	-
OTHER COMPREHENSIVE INCOME NET OF TAXATION	3,821	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,981</b>	<b>191</b>
<b>RATIO ANALYSIS</b>	<b>2018F</b>	<b>2019P</b>
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	30.1%	30.1%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	16.7%	17.9%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	8.2%	9.6%

## 2.5 Guarantors' Statement of Financial Position

### Historical Performance

#### P & C Limited

STATEMENT OF FINANCIAL POSITION	31/7/2015 AUDITED	31/7/2016 AUDITED	31/7/2017 AUDITED	30/6/2018 MANAGEMENT
	€	€	€	€
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
INVESTMENT PROPERTY	2,223,147	2,600,000	2,858,723	2,984,102
PROPERTY, PLANT AND EQUIPMENT	88,309	66,332	46,014	40,273
	<b>2,311,456</b>	<b>2,666,332</b>	<b>2,904,737</b>	<b>3,024,375</b>
<b>CURRENT ASSETS</b>				
TRADE AND OTHER RECEIVABLES	383,276	418,660	516,497	568,156
CURRENT TAX RECOVERABLE	14,994	17,290	17,435	-
CASH AT BANK AND IN HAND	13,037	4,283	-	2,537
	<b>411,307</b>	<b>440,233</b>	<b>533,932</b>	<b>570,693</b>
<b>TOTAL ASSETS</b>	<b>2,722,763</b>	<b>3,106,565</b>	<b>3,438,669</b>	<b>3,595,068</b>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
CALLED UP ISSUED SHARE CAPITAL	2,329	2,329	2,329	2,329
REVALUATION RESERVE	96,205	1,193,077	1,168,796	1,168,796
RETAINED EARNINGS	1,010,344	202,062	231,263	278,132
<b>TOTAL EQUITY</b>	<b>1,108,878</b>	<b>1,397,468</b>	<b>1,402,388</b>	<b>1,449,257</b>
<b>NON-CURRENT LIABILITIES</b>				
SHAREHOLDERS LOAN	830,478	849,291	919,486	849,536
BENEFICIAL OWNER'S LOAN	30,273	30,273	30,273	30,273
BANK LOANS	488,401	527,444	690,735	897,746
DEFERRED TAXATION	229,920	227,173	252,246	252,246
	<b>1,579,072</b>	<b>1,634,181</b>	<b>1,892,740</b>	<b>2,029,801</b>
<b>CURRENT LIABILITIES</b>				
TRADE AND OTHER PAYABLES	22,588	5,861	79,858	116,010
SHORT TERM BORROWINGS	12,225	69,055	63,683	-
	<b>34,813</b>	<b>74,916</b>	<b>143,541</b>	<b>116,010</b>
<b>TOTAL LIABILITIES</b>	<b>1,613,885</b>	<b>1,709,097</b>	<b>2,036,281</b>	<b>2,145,811</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,722,763</b>	<b>3,106,565</b>	<b>3,438,669</b>	<b>3,595,068</b>

International Fender Providers Limited

STATEMENT OF FINANCIAL POSITION	2015 AUDITED	2016 AUDITED	2017 AUDITED	30/6/2018 MANAGEMENT
	€	€	€	€
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
INVESTMENT IN SUBSIDIARY	1,000	1,000	1,000	1,000
PROPERTY, PLANT AND EQUIPMENT	791,855	843,087	693,193	593,327
RELATED PARTY LOANS	-	2,071,621	2,407,427	2,800,053
DEFERRED TAXATION	-	29,425	-	-
	<b>792,855</b>	<b>2,945,133</b>	<b>3,101,620</b>	<b>3,394,380</b>
<b>CURRENT ASSETS</b>				
TRADE AND OTHER RECEIVABLES	951,531	522,060	195,916	636,974
CASH AT BANK AND IN HAND	36,925	-	395	8,160
	<b>988,456</b>	<b>522,060</b>	<b>196,311</b>	<b>645,134</b>
<b>TOTAL ASSETS</b>	<b>1,781,311</b>	<b>3,467,193</b>	<b>3,297,931</b>	<b>4,039,515</b>
<b>EQUITY AND LIABILITIES</b>				
<b>CAPITAL AND RESERVES</b>				
CALLED UP ISSUED SHARE CAPITAL	16,000	16,000	16,000	16,000
RETAINED EARNINGS	226,032	231,015	508,750	520,610
<b>TOTAL EQUITY</b>	<b>242,032</b>	<b>247,015</b>	<b>524,750</b>	<b>536,610</b>
<b>NON-CURRENT LIABILITIES</b>				
DEFERRED TAXATION	8,909	-	34,476	34,476
RELATED PARTY LOANS	-	-	-	175,276
	<b>8,909</b>	<b>-</b>	<b>34,476</b>	<b>209,752</b>
<b>CURRENT LIABILITIES</b>				
TRADE AND OTHER PAYABLES	1,530,370	669,101	687,549	1,103,541
SHORT TERM BORROWINGS	-	2,397,260	2,034,170	1,975,182
CURRENT TAX PAYABLE	-	153,817	16,986	-
AMOUNTS DUE TO RELATED PARTIES	-	-	-	214,430
	<b>1,530,370</b>	<b>3,220,178</b>	<b>2,738,705</b>	<b>3,293,153</b>
<b>TOTAL LIABILITIES</b>	<b>1,539,279</b>	<b>3,220,178</b>	<b>2,773,181</b>	<b>3,502,905</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,781,311</b>	<b>3,467,193</b>	<b>3,297,931</b>	<b>4,039,515</b>

IFP International Fender Providers Limited

STATEMENT OF FINANCIAL POSITION	2016 AUDITED	2017 AUDITED	30/6/2018 MANAGEMENT
	€	€	€
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	276,374	370,189	323,968
	<b>276,374</b>	<b>370,189</b>	<b>323,968</b>
<b>CURRENT ASSETS</b>			
TRADE AND OTHER RECEIVABLES	317,796	323,936	302,104
REFUNDABLE TAXES	6,095	1,524	-
CASH AT BANK AND IN HAND	18,689	68,465	23,234
	<b>342,580</b>	<b>393,925</b>	<b>325,338</b>
<b>TOTAL ASSETS</b>	<b>618,954</b>	<b>764,114</b>	<b>649,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
CALLED UP ISSUED SHARE CAPITAL	1,000	1,000	1,000
RETAINED EARNINGS	348,786	375,906	397,341
<b>TOTAL EQUITY</b>	<b>349,786</b>	<b>376,906</b>	<b>398,341</b>
<b>CURRENT LIABILITIES</b>			
TRADE AND OTHER PAYABLES	269,168	387,208	173,613
AMOUNTS DUE TO RELATED PARTIES	-	-	77,352
	<b>269,168</b>	<b>387,208</b>	<b>250,965</b>
<b>TOTAL LIABILITIES</b>	<b>269,168</b>	<b>387,208</b>	<b>250,965</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>618,954</b>	<b>764,114</b>	<b>649,306</b>

Combined Projected Performance of the Guarantors

PROJECTED STATEMENT OF FINANCIAL POSITION	2018F	2019P
	€000s	€000s
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
INVESTMENT PROPERTY	1,800	-
PROPERTY, PLANT AND EQUIPMENT	6,242	600
RELATED PARTY LOANS	2,410	2,410
	<b>10,452</b>	<b>3,010</b>
<b>CURRENT ASSETS</b>		
NON-CURRENT ASSETS HELD FOR SALE	-	7,200
TRADE AND OTHER RECEIVABLES	988	962
CASH AT BANK AND IN HAND	(1,543)	(1,158)
	<b>(555)</b>	<b>7,004</b>
<b>TOTAL ASSETS</b>	<b>9,897</b>	<b>10,014</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
SHARE CAPITAL	18	18
REVALUATION RESERVE	1,502	1,693
RETAINED EARNINGS	4,990	4,990
<b>TOTAL EQUITY</b>	<b>6,510</b>	<b>6,701</b>
<b>NON-CURRENT LIABILITIES</b>		
LONG TERM LOANS	880	880
BANK LOANS	720	14
DEFERRED TAXATION	682	682
	<b>2,282</b>	<b>1,576</b>
<b>CURRENT LIABILITIES</b>		
TRADE PAYABLES	923	943
CURRENT TAX PAYABLE	72	87
BANK LOANS	110	707
	<b>1,105</b>	<b>1,737</b>
<b>TOTAL LIABILITIES</b>	<b>3,387</b>	<b>3,313</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,897</b>	<b>10,014</b>

## Guarantors' Statement of Cash Flows

### Historical Performance

#### P & C Limited

STATEMENT OF CASH FLOWS	31/7/2015 AUDITED	31/7/2016 AUDITED	31/7/2017 AUDITED
	€	€	€
CASH FLOWS FROM OPERATIONS	36,044	5,928	48,523
INTEREST PAID	(14,198)	(9,767)	(6,886)
TAXATION PAID	(16,390)	(2,296)	(15,311)
<b>NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>5,456</b>	<b>(6,135)</b>	<b>26,326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
ACQUISITION OF INVESTMENT PROPERTY	(146,849)	(117,304)	(258,723)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(146,849)</b>	<b>(117,304)</b>	<b>(258,723)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
MOVEMENT IN SHAREHOLDERS' LOAN	(8,771)	18,812	70,195
MOVEMENT IN BANK LOAN	139,055	95,873	154,574
<b>NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>130,284</b>	<b>114,685</b>	<b>224,769</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(11,109)</b>	<b>(8,754)</b>	<b>(7,628)</b>
<b>CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>24,146</b>	<b>13,037</b>	<b>4,283</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>13,037</b>	<b>4,283</b>	<b>(3,345)</b>

#### International Fender Providers Limited

STATEMENT OF CASH FLOWS	2015 AUDITED	2016 AUDITED	2017 AUDITED
	€	€	€
CASH FLOWS FROM OPERATIONS	491,718	(128,134)	1,073,250
INTEREST PAID	-	-	(90,904)
TAXATION PAID	-	-	(223,818)
<b>NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>491,718</b>	<b>(128,134)</b>	<b>758,528</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(466,070)	(226,407)	(59,237)
PURCHASE OF INVESTMENT	(1,000)		
ACQUISITION AND DISPOSALS OF FINANCIAL ASSETS	-	(2,071,621)	(335,806)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(467,070)</b>	<b>(2,298,028)</b>	<b>(395,043)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
ISSUE OF SHARE CAPITAL	16,000	-	-
<b>NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>16,000</b>	<b>-</b>	<b>-</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>40,648</b>	<b>(2,426,162)</b>	<b>363,485</b>
<b>LESS: UNREALISED DIFFERENCE ON EXCHANGE</b>	<b>(11,746)</b>		
<b>CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>-</b>	<b>28,902</b>	<b>(2,397,260)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>28,902</b>	<b>(2,397,260)</b>	<b>(2,033,775)</b>

IFP International Fender Providers Limited

STATEMENT OF CASH FLOWS	2016 AUDITED	2017 AUDITED
	€	€
CASH FLOWS FROM OPERATIONS	409,470	221,170
TAXATION PAID	(56,168)	-
<b>NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>353,302</b>	<b>221,170</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	-	(170,193)
PURCHASE OF FENDER EQUIPMENT	(335,592)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
	<b>(335,592)</b>	<b>(170,193)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
ISSUE OF SHARE CAPITAL	1,000	-
UNREALISED EXCHANGE GAIN / (LOSS)	61	(1,201)
INTEREST PAID	(82)	-
<b>NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>979</b>	<b>(1,201)</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>18,689</b>	<b>49,776</b>
CASH AND CASH EQUIVALENTS AT START OF YEAR	-	18,689
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>18,689</b>	<b>68,465</b>

Combined Projected Performance of the Guarantors

PROJECTED STATEMENT OF CASH FLOWS	2018F	2019P
	€000s	€000s
CASH FLOWS FROM OPERATIONS	561	647
TAXATION PAID	-	(72)
INTEREST PAID	(96)	(80)
<b>NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>465</b>	<b>495</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
MOVEMENT IN BANK LOANS	(67)	(110)
<b>NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(67)</b>	<b>(110)</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>398</b>	<b>385</b>
CASH AND CASH EQUIVALENTS AT START OF YEAR	(1,941)	(1,543)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>(1,543)</b>	<b>(1,158)</b>

## 2.6 Endo Tankers Sub-Group Financial Forecast

PROJECTED STATEMENT OF COMPREHENSIVE INCOME	2018F	2019P
	€000s	€000s
REVENUE	899	7,635
COST OF SALES	(547)	(3,294)
<b>GROSS PROFIT</b>	<b>352</b>	<b>4,341</b>
ADMINISTRATIVE EXPENSES	(298)	(474)
<b>EBITDA</b>	<b>54</b>	<b>3,867</b>
DEPRECIATION	(166)	(1,248)
<b>EBIT</b>	<b>(112)</b>	<b>2,619</b>
FINANCE COSTS	(51)	(608)
<b>PROFIT BEFORE TAX</b>	<b>(163)</b>	<b>2,011</b>
TAXATION	-	(67)
<b>LOSS / (PROFIT) AFTER TAX</b>	<b>(163)</b>	<b>1,944</b>
<b>RATIO ANALYSIS</b>	<b>2018F</b>	<b>2019P</b>
<b>EBITDA MARGIN (EBITDA / REVENUE)</b>	6.0%	50.6%
<b>OPERATING (EBIT) MARGIN (EBIT / REVENUE)</b>	n/a	34.3%
<b>NET MARGIN (PROFIT FOR THE YEAR / REVENUE)</b>	n/a	25.5%
<b>PROJECTED STATEMENT OF FINANCIAL POSITION</b>	<b>2018F</b>	<b>2019P</b>
	€000s	€000s
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
INTANGIBLE ASSETS	356	316
PROPERTY, PLANT AND EQUIPMENT	1,821	13,513
	<b>2,177</b>	<b>13,829</b>
<b>CURRENT ASSETS</b>		
TRADE AND OTHER RECEIVABLES	-	740
CASH AND CASH EQUIVALENTS	13,282	2,902
	<b>13,282</b>	<b>3,642</b>
<b>TOTAL ASSETS</b>	<b>15,459</b>	<b>17,471</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
SHARE CAPITAL	2,050	2,050
RETAINED EARNINGS	(118)	1,826
<b>TOTAL EQUITY</b>	<b>1,932</b>	<b>3,876</b>
<b>NON-CURRENT LIABILITIES</b>		
LOANS DUE TO RELATED PARTY	13,500	13,500
<b>CURRENT LIABILITIES</b>		
TRADE PAYABLES	27	28
CURRENT TAX PAYABLE	-	67
	<b>27</b>	<b>95</b>
<b>TOTAL LIABILITIES</b>	<b>13,527</b>	<b>13,595</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,459</b>	<b>17,471</b>

<b>PROJECTED STATEMENT OF CASH FLOWS</b>	<b>2018F</b>	<b>2019P</b>
	<b>€000s</b>	<b>€000s</b>
CASH FLOWS FROM OPERATIONS	82	3,127
TAXATION PAID	(6)	-
INTEREST PAID	(51)	(607)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>25</b>	<b>2,520</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF VESSELS	-	(12,900)
BOND ISSUE COST	(395)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(395)</b>	<b>(12,900)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM EQUITY	250	-
LOAN RECEIVED FROM RELATED PARTY	13,500	-
AMOUNTS DUE TO RELATED PARTIES	(90)	-
<b>NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES</b>	<b>13,660</b>	<b>-</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>13,290</b>	<b>(10,380)</b>
<b>CASH AND CASH EQUIVALENTS AT START OF YEAR</b>	<b>(8)</b>	<b>13,282</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>13,282</b>	<b>2,902</b>

## 2.7 Endo Group Financial Forecast

<b>PROJECTED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2018F</b>	<b>2019P</b>
	<b>€000s</b>	<b>€000s</b>
REVENUE	2,855	9,631
COST OF SALES	(1,700)	(4,471)
<b>GROSS PROFIT</b>	<b>1,155</b>	<b>5,160</b>
ADMINISTRATIVE EXPENSES	(511)	(692)
<b>EBITDA</b>	<b>644</b>	<b>4,468</b>
DEPRECIATION	(429)	(1,491)
<b>EBIT</b>	<b>215</b>	<b>2,977</b>
FINANCE COSTS	(146)	(688)
<b>PROFIT BEFORE TAX</b>	<b>69</b>	<b>2,289</b>
TAXATION	(72)	(155)
<b>LOSS / (PROFIT) AFTER TAX</b>	<b>(3)</b>	<b>2,134</b>

The revenue of the Endo Group for the projected year 2018 mainly consists of revenue generated by IFP Malta (48.6%), IFP Cyprus (13.9%) and Intership Management Ltd (21.8%). The revenue of the latter is generated from the ship management services it provides to a company within Palm Group which leases the Mumtaz vessel. Endo One is estimated to contribute €277,000 to the revenue for 2018 and this is projected to remain constant over the life of the Mumtaz vessel. Revenue in 2019 is projected to increase by 237.3%, mainly due to the addition of the forecasted revenue from the lease of Vessel 2 and Vessel 3, which will be financed through the bond issue, and owned by Endo Two and Endo Three respectively. In fact, 235.4% increase in revenue in 2019, is attributed to Endo Two and Endo Three, where the former represents 44.7%, and the latter represents 25.1% of the total revenue for 2019.

Revenue is projected on two assumptions being the time charter rates and the utilisation rates. The utilisation rates for projected years 2018 and 2019 is estimated to be of 88% for all 3 vessels, and this is based on industry practices. The vessels are chartered on an annual basis with a stipulated 90-day notice period prior to the termination of the time charter agreement. During this period, the Endo Tankers Sub-Group will start negotiations with alternative charterers, in the event the charterer decides to discontinue the charter for the following year. The utilisation rate of 88% is reflective of a prudent 45-day time lapse which allows for negotiations between charterers as per management anticipations.

The time charter rate of the Mumtaz vessel is fixed, due to the vessel being chartered on a bareboat charter agreement with a related company within the Palm Group. The time charter rates for the other vessels are based on the average charter rates over the historical period 2008 to 2017 witnessed by management from industry sources.

The Endo Group EBITDA margin stands at 22.6% in 2018 and this is projected to increase to 46.4% for 2019, as the contribution from the two vessels is recognised. As the Endo Group is forecasting a loss for 2018 the net margin cannot be calculated, however this is estimated to improve to 22.2% in 2019.

Direct costs primarily consist of crewing and training expenses, equipment costs, lubricating oil costs, repairs and maintenance as well as other general expenses comprising travel expenses of superintendents, vessel communication, IT costs and flag registration. Direct costs also include the ship management fees charged by the external ship management company which will be managing Vessel 2 for the first two years of operation. The reason for employing an external ship management company is for the benefit of the management of the Endo Group, so as to gain more experience in operating these types of tankers.

Direct costs of Vessel 2 have been projected based on estimates provided by the ship management company which will be managing the vessel for the first two years. Moreover, all expenses are projected to increase in line with the inflation which is projected at 2.1% per annum. Direct costs of IFP Malta and IFP Cyprus mainly consist of vessels fender expenses, which include: purchases of ancillary equipment required for the ship-to-ship operations, as well as freight costs.

It is estimated that from the third year onwards, Intership Management Ltd will conduct all ship management operations of all three vessels held by the Endo Group, thus lowering marginally the overall cost to the Endo Group.

Administrative expenses mainly consists of salaries, insurances, licences and permits, rent and storage fees, accountancy, and audit fees. The increase in the projected administrative expenses for 2019 of 35.4% over 2018, is contributed mainly to an increase in salaries which represents 13.3% and the additional expense in relation to brokerage fees which represent 21.1% out of the 24.9% increase.

Depreciation is calculated on a straight-line method to allocate the cost of the assets to their residual values over their estimated useful life. The depreciation rates are: Property, plant and equipment – 10%; Fenders – 10%, Hoses – 25%, and Other Equipment – 10%.

Finance costs consist of the projected interest cost which the Issuer will pay to bond holders, where the coupon rate is set at 4.5% in addition to other bank loans facilities within the Endo Group which as at 31 December stood at €726,641, and an overdraft facility of €2,034,170.

PROJECTED STATEMENT OF FINANCIAL POSITION	2018F	2019P
	€000s	€000s
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
INTANGIBLE ASSETS	356	316
INVESTMENT PROPERTY	1,800	-
PROPERTY, PLANT AND EQUIPMENT	8,063	14,112
RELATED PARTY LOANS	2,410	2,410
	<b>12,629</b>	<b>16,838</b>
<b>CURRENT ASSETS</b>		
NON-CURRENT ASSETS HELD FOR SALE	-	7,200
TRADE AND OTHER RECEIVABLES	988	1,702
CASH AND CASH EQUIVALENTS	11,740	1,744
	<b>12,728</b>	<b>10,646</b>
<b>TOTAL ASSETS</b>	<b>25,357</b>	<b>27,484</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
SHARE CAPITAL	2,068	2,068
RETAINED EARNINGS	1,385	3,519
REVALUATION RESERVE	4,990	4,990
<b>TOTAL EQUITY</b>	<b>8,443</b>	<b>10,577</b>
<b>NON-CURRENT LIABILITIES</b>		
DEBT SECURITIES IN ISSUE	13,500	13,500
LONG TERM LOANS	880	880
BANK LOANS	720	13
DEFERRED TAX	682	682
	<b>15,782</b>	<b>15,075</b>
<b>CURRENT LIABILITIES</b>		
TRADE PAYABLES	950	970
CURRENT TAX PAYABLE	72	155
BANK LOANS	110	707
	<b>1,132</b>	<b>1,832</b>
<b>TOTAL LIABILITIES</b>	<b>16,914</b>	<b>16,907</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,357</b>	<b>27,484</b>

The Endo Group's non-current assets mainly consist of property, plant and equipment, which will increase by €6.0 million in 2019. This increase represents the acquisition of Vessel 2 and Vessel 3 and the reclassification of the investment property owned by P & C Ltd to "non-current assets held for sale". Related party loans are loans granted to related companies within Palm Group.

Current assets for 2018 mainly consists of cash in hand, which will be acquired through the bond issue. Such cash reserves will be depleted in 2019 on acquisition of the vessels as intimated above.

Endo's Group outstanding shares will increase to €2,068,000 from €1,200 due to the capitalisation of a €1.8 million loan that was payable by one of Endo Group's subsidiary, as discussed in detail in section 1.3 of this Analysis. The revaluation reserve of €5.0 million is in respect of the investment property held by P & C Ltd, which will be recognised as retained earnings upon the sale of this property.

Current liabilities primarily consist of trade payables arising from the operational activity of the Endo Group. Non-current liabilities predominantly comprise of the €13.5 million bond issue, a shareholders loan of €0.9 million and €0.7 million in bank loans as described above.

Upon the acquisition of the two vessels, that is in 2019, the Endo Group's gearing (Net Debt / Total Equity) is estimated to be 126.3%. This leverage is projected to decrease year on year as retained earnings accumulate since management has elected for a no dividend distribution policy during the maturity of the bond as further described in section 7.5 of the Registration Document.

PROJECTED STATEMENT OF CASH FLOWS	2018F	2019P
	€000s	€000s
<b>CASH FLOWS FROM OPERATIONS</b>	643	3,774
TAXATION PAID	(6)	(72)
INTEREST PAID	(146)	(688)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	491	3,014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF VESSELS	-	(12,900)
BOND ISSUE COST	(395)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	(395)	(12,900)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM EQUITY	250	-
DEBT SECURITIES IN ISSUE	13,500	-
AMOUNTS DUE TO RELATED PARTIES	(90)	-
MOVEMENT IN BANK LOANS	(67)	(110)
<b>NET CASH FLOWS GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	13,593	(110)
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>13,689</b>	<b>(9,996)</b>
CASH AND CASH EQUIVALENTS AT START OF YEAR	(1,949)	11,740
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>11,740</b>	<b>1,744</b>

The Endo Group is projected to have a positive cash flow from operating activities, experiencing a 513.8% increase in 2019 when compared to 2018. Cash from investing activities are negative principally due to the acquisition of the vessels that is projected to occur in 2019. Cash flows from financing activities in 2018 are positive due to the receipts gained from the bond issue, while in 2019 cash flows from financing activities are projected to be negative, reflecting the part repayment of bank loans.

RATIO ANALYSIS	2018F	2019P
<b>PROFITABILITY</b>		
GROWTH IN REVENUE (YOY REVENUE GROWTH)	n/a	237.3%
EBITDA MARGIN (EBITDA / REVENUE)	22.6%	46.4%
OPERATING (EBIT) MARGIN (EBIT / REVENUE)	7.5%	30.9%
NET MARGIN (PROFIT FOR THE YEAR / REVENUE)	n/a	22.2%
RETURN ON COMMON EQUITY (NET INCOME / TOTAL EQUITY)	n/a	22.4%
RETURN ON ASSETS (NET INCOME / TOTAL ASSETS)	n/a	7.8%
EPS (NET INCOME / NO OF SHARES)	n/a	€1.03
<b>CASH FLOW</b>		
FREE CASH FLOW (NET CASH FROM OPERATIONS LESS CAPEX)	€491	€(9,886)
<b>FINANCIAL STRENGTH</b>		
GEARING 1 (NET DEBT / TOTAL EQUITY)	41.1%	126.3%
GEARING 2 (TOTAL LIABILITIES / TOTAL ASSETS)	66.7%	61.5%
NET DEBT / EBITDA	5.4x	3.0x
CURRENT RATIO (CURRENT ASSETS / CURRENT LIABILITIES)	11.2x	5.8x
INTEREST COVERAGE (EBITDA / CASH INTEREST PAID)	4.4x	6.5x

## Part 3 – Key Market and Competitor Data

### 3.1 General Market Conditions

As of today Malta has the largest ship registry in Europe, and the sixth largest world-wide. Notwithstanding this, only a handful of shipping companies are beneficially owned, financed, managed and commercially operated in and through Malta. The operational and commercial knowledge required to successfully manage tanker vessel fleets in Malta has increased and the directors of Endo Group, in line with trends in other countries over recent years, have identified the bond market as the adequate tool for the financing of the purchasing of vessels.

The world tanker fleet presently consists of approximately 4,800 vessels, about 2,000 crude tankers (average Deadweight tonnage (DWT) being 200,000) and 2,800 product tankers (average DWT being 57,000). The new building order book is about 9% to 10% of the existing fleet, with more crude capacity on order than product tankers. Net of scrapping, the past year has given a net fleet capacity growth of about 5%, however analysts have projected that over the next 5 to 10 years the net growth will be less, especially in the product tanker sector. This is due to increased scrapping which is coupled with more moderate order books on product tankers. Against this is a projected fleet demand of 3% to 5%. With respect to product tankers, this is partly based on general economic growth but also on longer ton-per-mile voyages as trade patterns are changing.

The tanker market is traditionally cyclical, the most recent peak years being 2006 to 2008 and prior to that, the mid-1990's. Currently, the freight market is in a down cycle (albeit experiencing a mini-spike in 2015 and 2016), with low freight rates and depressed asset prices.

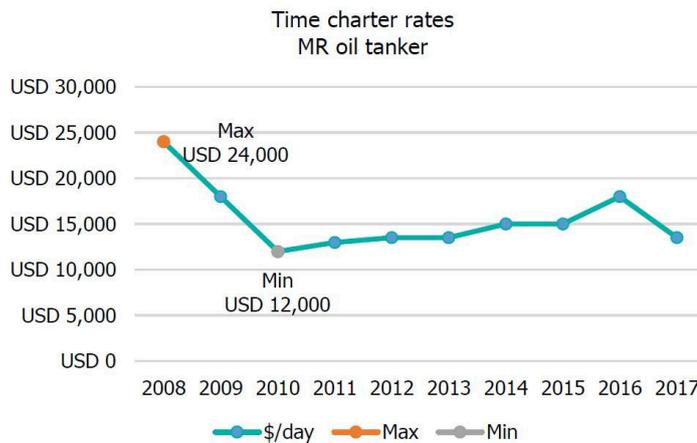
The projection for 2019 and onwards is a significant increase in tanker freight market, followed by increased asset prices. Hence, oil companies and larger trading houses are now also locking in tonnage to hedge their freight cost forward. This point in the cycle is traditionally the point at which a second-hand tonnage is purchased which becomes available as larger owners also take advantage of relatively low new-building costs to renew their fleets. These second-hand tankers have an additional

10 to 15 years of commercial trading. Additionally, “scrap-metal” prices are supporting about 50% of the asset value on a typical medium-sized 15-year-old tanker, reducing the asset price risk.

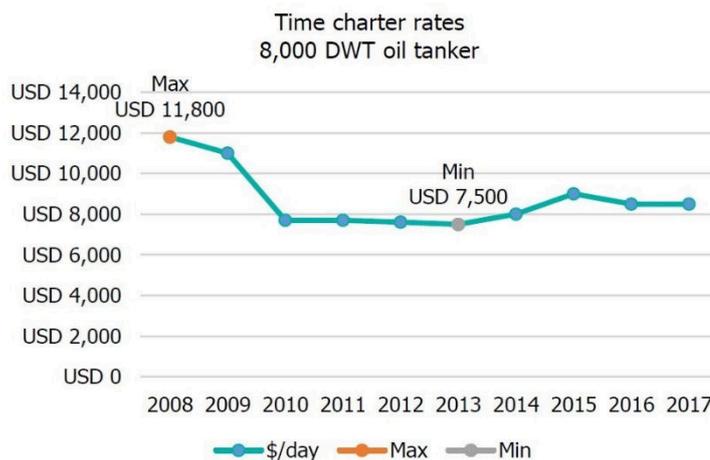
### 3.2 Time Charter Market

The time charter rate of the Mumtaz vessel is fixed, due to the vessel being chartered on a bareboat charter agreement with a related company within the Palm Group. The time charter rates for the other vessels are based on the average charter rates over the historical period 2008 to 2017 witnessed by management from industry sources, and are illustrated in the below graphs.

#### Medium Range Tanker – Vessel 2



#### Small Range Tanker – Vessel 3



Time charter rates have experienced a sharp decline following the 2009 crisis and subsequent decline in the oil price; following which they have steadily increased, albeit at a slow rate. For Vessel 2 the maximum time charter rate per day was of \$24,000, whereas the minimum was of \$12,000, at 2017 the rate stood at around \$14,000. Management’s forecasts are based upon a time charter rate per day of \$13,390.

For Vessel 3 the maximum time charter rate per day was of \$11,800, whereas the minimum was of \$7,500, at 2017 the rate stood at around \$8,500. Management’s forecasts are based upon a time charter rate per day of \$7,540.

### 3.3 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Endo Group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Endo Group's business and that of other issuers is therefore also different.

Security	Nom Value	Last Price*	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / 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	35,000	109.64	3.38%	4.4	77.1	38.7	49.8%	83.9%	3.4	2.0	17.6%	36.2%	11.1%
6% Medserv plc Sec. & Grntd € Notes 2020-2023 S1 T1	20,000	103.00	5.29%	1.6	153.3	28.1	81.7%	267.3%	17.3	2.1	-28.0%	-26.5%	-12.3%
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000	104.45	3.89%	2.0	21.1	2.9	86.3%	241.1%	4.6	3.2	1.8%	1.2%	-2.4%
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000	102.20	4.46%	2.1	29.3	4.8	83.7%	283.0%	8.9	1.1	7.3%	2.1%	24.6%
3.75% Virtu Finance plc Unsecured € 2027	25,000	104.00	3.23%	7.7	162.0	79.5	50.9%	82.2%	4.6	0.8	23.5%	27.8%	6.1%
4.5% Medserv plc Unsecured € 2026	21,982	102.50	4.09%	1.6	153.3	28.1	81.7%	267.3%	17.3	2.1	-28.0%	-26.5%	-12.3%
4.5% Endo Finance plc Unsecured € 2029 **	13,500	100.00	4.50%	4.4	25.4	8.4	66.7%	41.1%	5.4	11.2	-0.1%	0.0%	n/a
Average ***	21,997	104.30	4.06%	3.2	99.3	30.3	72.3%	204.1%	9.4	1.9	-0.9%	2.0%	2.5%

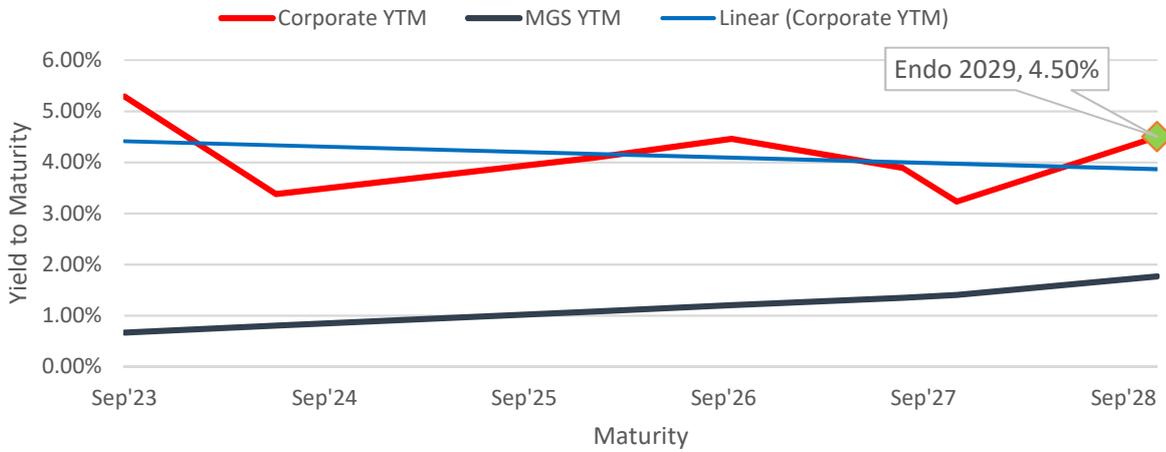
\* Last price as at 23/11/2018

Source: Audited financial statements, 2017

\*\* As Endo Group performed a restructuring exercise in preparation for the bond issue, consequently the financial analysis of the Endo Group reflect the projected consolidated figures for 2018.

\*\*\* Average figures do not capture the financial analysis of the Endo Group

### Yield Curve Analysis



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

As at 23 November 2018, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 7-10 years was 267 basis points. The new Endo bond is being priced with 4.5% coupon issued at par, meaning a spread of 273 basis points over the equivalent MGS, and therefore at a premium to the average on the market.

## Part 4 - Glossary and Definitions

<b>Income Statement</b>	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Income (EBIT)	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.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
<b>Profitability Ratios</b>	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
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 total assets.
Earnings per Share (EPS)	Earnings per share (EPS) is the amount of earnings per outstanding share of a Group's/Company's share capital. It is computed by dividing net income by total shares outstanding as at statement of financial position date.
<b>Cash Flow Statement</b>	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company.
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.
<b>Balance Sheet</b>	
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.
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.
Total Debt	All debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.
Shares Outstanding	Outstanding shares refer to the Group/Company stock currently held by all its shareholders.
<b>Financial Strength Ratios</b>	
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 Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
<b>Other Definitions</b>	
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.

## ANNEX 4 – Application Form

### Endo Finance plc

€13,500,00 4.5% Unsecured Bonds 2029

### APPLICATION FORM

Application No. \_\_\_\_\_

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

<b>APPLICANT (see notes 2 to 7)</b>			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Corporate	<input type="checkbox"/> CIS
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
		POST CODE	
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	
E-MAIL ADDRESS		TEL NO.	MOBILE NO.
Already Registered for e-Portfolio <input type="checkbox"/>		Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>
<b>ADDITIONAL (JOINT) APPLICANTS (see note3) <span style="float: right;">(please use additional application form if space is not sufficient)</span></b>			
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
<b>MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) <span style="float: right;">(to be completed ONLY if the Applicant is a minor)</span></b>			
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
I/We apply to purchase and acquire the amount set out below (see Notes 8 and 9)			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
In respect of a €13,500,000 4.5% Unsecured Bonds 2029 issued by Endo Finance plc (minimum of €50,000 in multiples of €50,000 thereafter) at the Bond Issue Price (at par) as defined in the Prospectus dated the 6 March 2019 (the "Prospectus") in terms of the Terms and Conditions as set out in the Prospectus.			
<b>RESIDENT - WITHHOLDING TAX DECLARATION (see note 9 &amp; 10) <span style="float: right;">(to be completed ONLY if the Applicant is a Resident of Malta)</span></b>			
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
<b>NON-RESIDENT DECLARATION FOR TAX PURPOSES (see Note 12) <span style="float: right;">(to be completed ONLY if the Applicant is a Non-Resident)</span></b>			
TAX COUNTRY		TOWN OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.			
<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.			
<b>INTEREST, REFUND AND REDEMPTION MANDATE (see Note 11) <span style="float: right;">(completion of this panel is mandatory)</span></b>			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.			
Signature/s of Applicant/s (All parties are to sign in the case of a joint Application)		Financial Intermediary	Date
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

## Notes on how to complete this Application Form and other information

1. The following is to be read in conjunction with the Prospectus dated 06 March 2019 regulating the Bond Issue. In particular this Application is governed by the Terms and Conditions of Application contained in Section 8.2 of the Securities Note dated 06 March 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).

**Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B) will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form (in Panel B). Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.**

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
8. Application must be for a minimum of €50,000 and thereafter in multiples of €50,000. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to "The Registrar – Endo Finance plc". In the event that the cheque accompanying the Application Form is not honored on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Only Applicants who hold an official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.
10. In terms of Section 7 of the Securities note within the Prospectus, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of 'recipient' in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Interest shall be paid to such a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
11. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the Application Form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.  
The contents of Notes 9, 10 and 12 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
13. The Offer Period will open on the 15 March 2019 and will close on the 21 March 2019. Completed Application Forms are to be delivered to the offices of any of the Authorised Financial Intermediaries listed in Annex 2 of the Securities Note by not later than 12:00 of 21 March 2019. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the respective Placement Agreement as mentioned in Section 8.4 of the Securities Note by latest 12:00 on 21 March 2019. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus.

14. By completing and delivering an Application Form you (as the Applicant(s)):

- a. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary through whom the Application Form is delivered may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
- b. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary (as applicable) may process such personal data for all purposes necessary for and related to the Bonds applied for; and
- c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by them. Any such requests must be made in writing and addressed to the Issuer, its agents, the CSD, the Registrar or the Authorised Financial Intermediary (as applicable) at their respective address as mentioned in the Prospectus. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.