Endo Finance p.l.c.

Report & Financial Statements

31 December 2021

Company Registration Number: C 89481

Contents

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activity

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

The Endo Group of Companies is composed of Endo Ventures Ltd (C 86730) as the ultimate parent company and its direct and indirect subsidiaries, including the company, International Fender Providers Ltd (C 69877), IFP International Fender Providers Limited (a company registered under the laws of Cyprus with company registration number HE 348221)[1], Endo Properties Ltd (C 13033), Endo One Maritime Ltd (C 88665), Endo Two Maritime Ltd (C 88666), Endo Three Maritime Ltd (C 88674), Endo Sirocco Maritime Limited (a newly incorporated entity under the laws of Cyprus with company registration number HE 419463), and any other subsidiary and associated company or entity, in which Endo Ventures Ltd has a controlling interest, which entities are involved, amongst other activities, in the business of acquiring, financing, managing and chartering commercial vessels.

Review of business

The company's operating income is mainly derived from interest income from related parties within the Endo Group of Companies. Investment income amounted to € 726,141 (2020: € 744,627) and finance costs amounted to € 607,500 (2020: € 611,597). Administrative expenses amounted to € 87,141 (2020: € 89,706). Profit before tax for the year amounted to € 31,500 (2020: € 43,324).

The resulting earnings per share for the year under review was € 0.01 (2020: € 0.05). This comprises the profit attributable to ordinary shareholders divided by the average number of shares in issue during the year/period.

Total equity as at year-end amounted to € 274,840 (2020: € 271,447).

[1] As part of a corporate restructuring exercise aimed at streamlining operations, International Fender Providers Ltd ("IFP Malta") and IFP International Fender Providers Limited ("IFP Cyprus") were amalgamated by virtue of a cross-border merger by absorption in terms of articles 201I to 201X of the Cyprus Companies Law, Chapter 113 of the laws of Cyprus, and Regulations 1 to 19, as applicable, of the Cross-Border Mergers of Limited Liability Companies Regulations (Subsidiary Legislation 386.12 of the laws of Malta). Specifically, IFP Cyprus was merged, by way of a cross-border merger by absorption, with its holding company IFP Malta, thereby transferring all its rights, assets, obligations and liabilities to IFP Malta and being dissolved without going into liquidation. Upon the merger by absorption taking effect, IFP Malta, as the acquiring company, succeeded to all the rights, assets, obligations and liabilities of IFP Cyprus and, accordingly, directly own the assets and assume the liabilities of IFP Cyprus. The date from which the transactions of IFP Cyprus were treated for tax and accounting purposes as being those of IFP Malta was 1st January 2021.

Financial key performance indicators

	2021	2020
	€	€
Investment income	726,141	744,627
Finance costs	607,500	611,597
Net profit after tax	3,393	12,093
Total equity and liabilities	14,038,931	14,028,502

Principal risks and uncertainties

The company is exposed to risks inherent to its operations which can be summarised as follows:

1. Strategy risks

   Risk management falls under the responsibility of the Board of Directors of Endo Finance p.l.c. (the 'Board'). The Board is continuously analysing its risk management strategy to ensure that risk is adequately identified and managed. The Audit Committee regularly reviews the risk profile adopted by the Board.

2. Operational risks

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

3. Legislative risks

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

Financial risk management and exposures

Note 19 to the financial statements provides a detailed analysis of the financial risks to which the company is exposed.

Dividends and reserves

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

Events after the reporting period

There are no events after the reporting period.

Directors

The following have served as directors of the company during the year under review:

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

In accordance with the company's Articles of Association, the present directors remain in office.

Disclosure of information to the auditor

At the date of making this report, the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- Each director has taken all steps that he/she ought to have reasonably taken as a director in order to make himself/herself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap 386 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Chapter 386 of the laws of Malta. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Signed on behalf of the Board of Directors on 28 April 2022 by Christopher Frendo and Nicholas Frendo as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered address:
10, Timber Wharf
Marsa MRS 1443
Malta

28 April 2022

Corporate governance - statement of compliance

Pursuant to Capital Markets Rules 5.94 and 5.97 issued by the Malta Financial Services Authority (MFSA), the company is hereby reporting on the extent of its adoption of "the Code of Principles of Good Corporate Governance" (the 'Code') for the year ended 31st December 2021. The Board of Directors of Endo Finance p.l.c. (the 'Board') has reviewed its corporate governance practices and an explanation of how the Code has been applied is contained in this report.

The Board recognises that, in virtue of Capital Markets Rule 5.101, the company is exempt from the requirement to disclose the information prescribed by Capital Markets Rules 5.97.1 to 5.97.3, 5.97.6 and 5.97.8.

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

Compliance

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

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

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

Board of directors

The Board is currently made up of five directors, three of whom are completely independent from the company or any related entities within the Endo Group of Companies. Pursuant to generally accepted practices, as well as the company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the company's shareholders.

The present directors are Mr Christopher Frendo (executive director), Mr Nicholas Frendo (executive director), Mr Anthony Busuttil (independent, non-executive director), Mr Francis Gouder (independent, non-executive director) and Ms Erica Scerri (independent, non-executive director).

For the purpose of Capital Markets Rules 5.118 and 5.119, Mr Anthony Busuttil, Mr Francis Gouder and Ms Erica Scerri are deemed to be independent directors in that each of them is free of any business, family, or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his/her judgement.

The Board believes that the independence of Mr Anthony Busuttil, Mr Francis Gouder and Ms Erica Scerri is not compromised because of long service or the provision of any other service to the group. Each director is mindful of maintaining independence, professionalism and integrity in carrying out their duties, responsibilities, whilst providing judgement as a director of the company.

The Board considers that none of the independent directors of the company:

- is or has been employed in any capacity by the company;
- has or has had, over the past three years, a significant business relationship with the company;
- has received or receives significant additional remuneration from the company in addition to their director's fee;
- has served on the Board of the company for more than twelve consecutive years;
- has close family ties with any of the company's executive directors or senior employees; and
- has been within the last three years an engagement partner or a member of the audit team or past external auditor of the company.

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

The role of the Chief Executive Officer (CEO) is jointly carried out by the executive directors. The latter are accountable to the Board for all business operations of the company.

Audit committee

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

The Audit Committee is chaired by Mr Francis Gouder, and its other members are Mr Anthony Busuttil and Ms Erica Scerri. The audit committee's composition throughout the reporting period was in compliance with the Capital Markets Rules. All three directors forming the audit committee are non-executive directors and are totally independent from the company or Endo Group.

In compliance with Capital Markets Rule 5.118A, Mr Francis Gouder is the independent, non-executive director who is competent in accounting and/or auditing matters in view of his professional qualifications and his considerable experience in the business and financial world.

The company secretary acts as secretary to the committee, who also receives the assistance of the Endo Group of Companies' Chief Financial Officer; Mr Glen Grima.

Dealings by directors and senior officers

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

Internal control

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

The Audit Committee continued to review the company's systems of internal controls which are monitored by the Endo Group's finance department and is satisfied with their effectiveness.

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

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

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

General meetings

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

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

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

Risk Identification

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

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

Directors' remuneration

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

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

* *includes the audit committee fee*

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

Commitment to maintain an informed market

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

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

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

Going concern

Under Corporate Governance requirements, the directors confirm that, having reviewed the company's budget and forecast for 2022, they consider that the company has adequate resources to continue in operation and existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Approved by the Board of Directors and signed on its behalf on 28 April 2022.

Income statement

	Notes	2021	2020
		€	€
Investment income	5	726,141	744,627
Finance costs	6	(607,500)	(611,597)
Gross profit		**118,641**	**133,030**
Administrative expenses		(87,141)	(89,706)
Profit before tax	7	**31,500**	**43,324**
Tax expense	8	(28,107)	(31,231)
Profit for the year		**3,393**	**12,093**

Statement of financial position

	Notes	2021 €	2020 €
Assets			
Non-current			
Intangible assets	10	7,116	4,895
Financial assets at amortised cost	11	13,323,689	13,323,689
		13,330,805	**13,328,584**
Current			
Receivables	12	705,322	699,137
Cash and cash equivalents	13	2,804	781
		708,126	**699,918**
Total assets		**14,038,931**	**14,028,502**
Equity			
Share capital	14	250,000	250,000
Retained earnings		24,840	21,447
Total equity		**274,840**	**271,447**
Liabilities			
Non-current			
Debt securities measured at amortised cost	15	13,289,900	13,259,886
		13,289,900	**13,259,886**
Current			
Trade and other payables	16	473,117	464,041
Current tax liability	17	1,074	33,128
		474,191	**497,169**
Total liabilities		**13,764,091**	**13,757,055**
Total equity and liabilities		**14,038,931**	**14,028,502**

The financial statements on pages 10 to 26 were approved and authorised for issue by the Board of Directors on 28 April 2022. The financial statements were signed on behalf of the Company's Board of Directors by Christopher Frendo (Director) and Nicholas Frendo (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2021.

Statement of changes in equity

	Share capital €	Retained earnings €	Total equity €
At 1 January 2020	250,000	9,354	259,354
Profit for the year	-	12,093	12,093
At 31 December 2020	**250,000**	**21,447**	**271,447**
At 1 January 2021	250,000	21,447	271,447
Profit for the year	-	3,393	3,393
At 31 December 2021	**250,000**	**24,840**	**274,840**

Statement of cash flows

	Notes	2021	2020
		€	€
Operating activities			
Profit before tax		31,500	43,324
Adjustments for:			
Amortisation of intangible assets	10	895	583
Amortisation of bond issue costs	15	30,014	30,014
Interest expense	6	607,500	611,597
Interest income	5	(726,141)	(744,627)
		(56,232)	**(59,109)**
Changes in working capital:			
Movement in trade and other receivables		(6,185)	(68,547)
Movement in trade and other payables		9,076	(7)
		(53,341)	**(127,663)**
Interest paid		-	(4,097)
Taxes paid	17	(60,161)	(27,033)
Net cash used in operating activities		**(113,502)**	**(158,793)**
Investing activities			
Acquisition of intangible assets	10	(3,116)	(2,285)
Movement in loans to related parties	11	-	(1,369,863)
Interest received on loans to related parties		726,141	744,627
Net cash used in investing activities		**723,025**	**(627,521)**
Financing activities			
Interest paid on debt securities		(607,500)	(607,500)
Cash used in financing activities		**(607,500)**	**(607,500)**
Net movement in cash and cash equivalents		2,023	(1,393,814)
Cash and cash equivalents, beginning of year		781	1,394,595
Cash and cash equivalents, end of year	13	**2,804**	**781**

Notes to the financial statements

1 Nature of operations

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

2 General information and statement of compliance with International Financial Reporting Standards (IFRS)

Endo Finance p.l.c., a public limited liability company, is incorporated and domiciled in Malta. The address of the company's registered office, which is also its principal place of business is 10 Timber Wharf, Marsa MRS 1443, Malta.

The company forms part of the Endo Group of Companies and its ultimate and immediate parent company is Endo Ventures Ltd, which is of the same address. Endo Ventures Ltd draws up the consolidated financial statements of the group which the company forms part.

The financial statements of the company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the Companies Act, Chapter 386 of the laws of Malta.

The financial statements are presented in euro (€), which is also the functional currency of the company.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2021

Some accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the company's financial results or position.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, certain new standards, amendments, and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. No new standards, amendments and interpretations are expected to have a material impact on the company's financial statements.

4 Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

The accounting policies are consistent with those applied in previous years.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are described below.

The financial statements are presented in accordance with IAS 1 ‘Presentation of Financial Statements’ (Revised 2007). The company did not have any items classified as ‘other comprehensive income’ and consequently management have elected to present only an income statement.

4.2 Revenue

Interest income

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

4.3 Operating expenses

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

4.4 Borrowing costs

Borrowing costs primarily comprise interest on the company’s borrowings. Borrowing costs are expensed in the period in which they are incurred and reported within ‘finance costs’.

4.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the income statement.

4.6 Intangible assets

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

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

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

Website	10% Straight Line

4.7 Impairment of non-financial assets

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

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses are recognised immediately in the income statement. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

4.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

• amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

The company does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

• the entity's business model for managing the financial asset; and
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the income statement are presented within 'finance costs' or 'finance income'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, loans and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The company's financial liabilities include debt securities in issue and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Debt issue costs in relation to debt securities in issue are amortised using straight-line method over the period of the debt securities.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the income statement are included within 'finance costs' or 'finance income'.

4.9 Income taxes

Tax expense recognised in the income statement comprises the sum of deferred tax and current tax not recognised directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. This is assessed based on the company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.10 Employee benefits

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

4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash held under trustee accounts.

4.12 Equity

Share capital represents the nominal value of shares that have been issued.

Retained earnings includes all current and prior period retained profits.

All transactions with owners are recorded separately within equity.

4.13 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful life of its intangible asset at each reporting date, based on the expected utility of the asset. Uncertainties in the estimate of the useful life of the intangible asset relate to technological obsolescence that may change its utility.

5 Investment income

	2021 €	2020 €
Interest income from group companies	726,141	744,627
	726,141	**744,627**

6 Finance costs

	2021 €	2020 €
Interest on debt securities in issue	607,500	607,500
Bank interest payable	-	4,097
	607,500	**611,597**

7 Profit before tax

Profit before tax is stated after charging:

	2021 €	2020 €
Auditor's remuneration	5,300	4,750
Directors' remuneration	16,000	16,000
Director's fees	8,000	8,000
Amortisation of intangible assets	895	355

8 Staff costs

	2021 €	2020 €
Directors' remuneration	16,000	16,000

The average number of persons employed by the company during the year was 2 (2020: 2).

9 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the company at 35 % (2020: 35 %) and the actual tax expense recognised in the income statement can be reconciled as follows:

	2021 €	2020 €
Profit before tax	31,500	43,324
Tax rate	35%	35%
Expected tax expense	**(11,025)**	**(15,163)**
Adjustments for:		
Non-deductible expenses	(17,082)	(17,965)
Over provision from previous year	-	1,897
Actual tax expense	**(28,107)**	**(31,231)**

10 Intangible assets

	Website €
Cost	
At 1 January 2020	3,548
Additions	2,285
At 31 December 2020	**5,833**
At 1 January 2021	5,833
Additions	3,116
At 31 December 2021	**8,949**
Depreciation	
At 1 January 2020	355
Charge for the year	583
At 31 December 2020	**938**
At 1 January 2021	938
Charge for the year	895
At 31 December 2021	**1,833**
Carrying amount	
At 31 December 2021	**7,116**
At 31 December 2020	**4,895**

11 Financial assets at amortised cost

	Loan to parent €	Loan to related party €	Total €
At 1 January 2020	250,000	11,703,826	11,953,826
Funds advanced to related parties	-	1,369,863	1,369,863
At 31 December 2020	**250,000**	**13,073,689**	**13,323,689**
Funds advanced to related parties	-	-	-
At 31 December 2021	**250,000**	**13,073,689**	**13,323,689**

Loan to parent is unsecured, bears interest at 5.45% (2020: 6%) per annum and has no fixed date of repayment.

Loan to related party is unsecured, bears interest at 5.45% (2020: 6%) per annum, and is repayable in full, together with any accrued interest, by 15 March 2029.

The carrying amounts of loans to parent and related party are considered a reasonable approximation of fair value.

12 Receivables

	2021 €	2020 €
Amounts owed by related parties	633,296	672,211
Financial assets at amortised cost	**633,296**	**672,211**
Prepayments	72,026	25,326
Other receivables	-	1,600
Total receivables	**705,322**	**699,137**

The amounts owed from related parties are unsecured, bear no interest and are repayable within one year.

The carrying amounts of financial assets at amortised cost are considered as reasonable approximation at fair value.

13 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2021 €	2020 €
Cash at bank	2,804	781
Cash and cash equivalents in the statement of financial position and statement of cash flows	**2,804**	**781**

The company did not have any restrictions on its cash at bank at year end. The carrying value of cash at bank is considered a reasonable approximation of fair value.

14 Share capital

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

	2021 €	2020 €
Shares authorised at 31 December:		
250,000 ordinary shares at € 1 each	**250,000**	**250,000**
Shares issued and fully paid-up at 31 December:		
250,000 ordinary shares at € 1 each	**250,000**	**250,000**

15 Debt securities measured at amortised cost

	2021 €	2020 €
At 1 January	13,259,886	13,229,872
Amortisation of bond issue costs for the year/period	30,014	30,014
At 31 December	**13,289,900**	**13,259,886**
Comprising:		
Falling due after five years	13,289,900	13,259,886
	13,289,900	**13,259,886**

As at 31 December 2021, the company had a balance of € 13,289,900 (2020: € 13,259,886) from the bond issue of € 13,500,000 4.5% bonds of € 50,000 nominal value each, redeemable at par in 2029. The amount is made up of the bond issue of € 13,500,000 net of the bond issue costs which are being amortised over the lifetime of the bonds. Interest on the bonds is due and payable annually in arrears on 22 March of each year at the above-mentioned rate.

The bonds are guaranteed by three companies forming part of the same group: (i) International Fender Providers Ltd (C 69877), (ii) IFP International Fender Providers Limited (a company registered under the laws of Cyprus with company registration number HE 348221) and (iii) Endo Properties Ltd (C 13033).

As part of a corporate restructuring exercise aimed at streamlining operations, International Fender Providers Ltd ("IFP Malta") and IFP International Fender Providers Limited ("IFP Cyprus") were amalgamated by virtue of a cross-border merger by absorption in terms of articles 201I to 201X of the Cyprus Companies Law, Chapter 113 of the laws of Cyprus, and Regulations 1 to 19, as applicable, of the Cross-Border Mergers of Limited Liability Companies Regulations (Subsidiary Legislation 386.12 of the laws of Malta). Specifically, IFP Cyprus was merged, by way of a cross-border merger by absorption, with its holding company IFP Malta, thereby transferring all its rights, assets, obligations and liabilities to IFP Malta and being dissolved without going into liquidation. Upon the merger by absorption taking effect, IFP Malta, as the acquiring company, succeeded to all the rights, assets, obligations and liabilities of IFP Cyprus and, accordingly, directly own the assets and assume the liabilities of IFP Cyprus. The date from which the transactions of IFP Cyprus were treated for tax and accounting purposes as being those of IFP Malta was 1 January 2021.

16 Trade and other payables

	2021	2020
	€	€
Trade payables	687	-
Amounts owed to a related party	3,982	1,000
Accruals	463,248	463,041
Other payables	5,200	-
Total trade and other payables	**473,117**	**464,041**

17 Current tax liability

	2021	2020
	€	€
At 1 January	33,128	28,930
Provision for the year	28,107	33,128
Over provision from previous year	-	(1,897)
Taxes paid	(60,161)	(27,033)
At 31 December	**1,074**	**33,128**

18 Related party transactions

Endo Finance p.l.c. forms part of the Endo Group of Companies. All companies forming part of the group are considered by the directors to be related parties as these companies are ultimately commonly owned. In addition, related parties also include directors, key management personnel, shareholders and other companies under common control.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related companies are generally effected on a cost plus basis. Outstanding balances are usually settled in cash. Amounts owed by/to related parties are shown separately in notes 11, 12 and 16.

Details of transactions between the company and its related parties are disclosed below.

	2021 €	2020 €
Transactions with parent company:		
Interest income	13,625	15,000
Transactions with directors:		
Directors' remuneration	24,000	24,000
Transactions with a fellow subsidiary:		
Interest income	712,516	729,627

19 Risk management objectives and policies

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

The most significant financial risks to which the company is exposed to are described below. See also note 19.5 for a summary of the company's financial assets and liabilities by category.

19.1 Credit risk

The company's credit risk is limited to the carrying amount of financial assets recognised at the end of reporting period, as summarised below:

	Notes	2021 €	2020 €
Classes of financial assets - carrying amounts			
Financial assets at amortised cost:			
- Loans to related parties	11	13,323,689	13,323,689
- Amounts owed by related parties	12	633,296	672,211
- Cash and cash equivalents	13	2,804	781
		13,959,789	**13,996,681**

The company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy counterparties.

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. None of the company's financial assets is secured by collateral or other credit enhancements.

Amounts owed by related parties

To determine the expected credit losses of amounts owed by related parties, the company used a credit risk assessment model by taking into consideration the probability of default for each counterparty in which the company has a financial exposure and the loss given default i.e., the maximum loss in the event that the counterparty fails to settle the obligation.

The model is based on the 'Capital, Assets, Management, Earnings and Liquidity' Model (C-A-M-E-L) approach, whereby reasoned weights are allocated to each of the variables as measured by information extracted from financial reports, as well as relevant non-financial information.

Each component of the C-A-M-E-L model is assigned a percentage weight and score. The assigned percentage weight and score are multiplied to obtain the weighted score for each component. The weighted scores are then added up to obtain the credit risk assessment score. As practical as possible, each component of the C-A-M-E-L assessment was compared and benchmarked with peer companies within Europe.

The credit risk assessment is adjusted to include forward-looking macroeconomic indicators. Macroeconomic factors affect the current and future performance of the company. The most influential factors are GDP growth, unemployment rate (positively correlated) and inflation (negatively correlated).

Following the results of the credit risk assessment adjusted for the macroeconomic factors, this score is then assigned a probability of default estimated based on exchange listed firms in various economies over a period of 30 years.

The resulting expected credit loss was not material. Therefore, no adjustment has been made in these financial statements.

Other financial assets at amortised cost

Other financial assets at amortised cost include cash and cash equivalents.

The company banks with local institutions. At 31 December 2021, cash and cash equivalents amounting to € 2,804 (2020: € 781) are held with local counterparties with credit ratings of A-2 to A-3 and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the company.

While the company continues to closely monitor all of its financial assets at more frequent interval as a result of such events, based on the above assessments, management considers that there is no need to provide for expected credit losses in these financial statements.

19.2 Liquidity risk

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

At 31 December 2021 and 31 December 2020, the contractual maturities on the financial liabilities of the company were as summarised below. Contractual maturities reflect gross cash flows which may differ from the carrying values of financial liabilities at the end of the reporting date.

	Carrying amount €	Contractual cash flows €	Within 1 year €	Within 2 to 5 years €	More than 5 years €
At 31 December 2021					
Debt securities measured at amortised cost	13,289,900	17,904,375	607,500	2,430,000	14,866,875
Trade payables	687	687	687	-	-
Amounts owed to related parties	3,982	3,982	3,982	-	-
Accruals	463,248	463,248	463,248	-	-
Other payables	5,200	5,200	5,200		
	13,763,017	**18,377,492**	**1,080,617**	**2,430,000**	**14,866,875**
At 31 December 2020					
Debt securities measured at amortised cost	13,259,886	18,511,875	607,500	1,822,500	16,081,875
Amounts owed to related parties	1,000	1,000	1,000	-	-
Accruals	463,041	463,041	463,041	-	-
	13,723,927	**18,975,916**	**1,071,541**	**1,822,500**	**16,081,875**

19.3 Foreign currency risk

The company transacts its business mainly in Euro and does not have significant foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review.

Consequently, the company is not materially exposed to foreign currency risk.

19.4 Interest rate risk

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

19.5 Summary of financial assets and liabilities by category

The carrying amounts of the company's financial assets and liabilities as recognised at the reporting dates under review may also be categorised as follows. See note 4.8 for explanations about how the category of financial instruments affects their subsequent measurement.

	2021	2020
	€	€
Non-current assets		
Financial assets at amortised cost:		
- Loans to parent and related party	**13,323,689**	**13,323,689**
Current assets		
Financial assets at amortised cost:		
- Amounts owed by related parties	633,296	672,211
- Cash and cash equivalents	2,804	781
	636,100	**672,992**
Non-current liabilities		
Financial liabilities measured at amortised cost:		
- Debt securities in issue	**13,289,900**	**13,259,886**
Current liabilities		
Financial liabilities measured at amortised cost:		
- Trade payables	687	-
- Amounts owed to related party	3,982	1,000
- Accruals	463,248	463,041
- Other payables	5,200	-
	473,117	**464,041**

20 Capital management policies and procedures

The company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders by pricing products and services commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt.

The company monitors the level of debt, which includes borrowings and trade and other payables less cash and bank balances against total capital on an ongoing basis. The directors consider the company's gearing level at year end to be appropriate for its business.

21 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation.

Independent auditor's report

To the shareholders of Endo Finance p.l.c.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Endo Finance p.l.c. set out on pages 10 to 26 which comprise the statement of financial position as at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the company and have not provided any of the non-audit services prohibited by article 18A of the Accountancy Profession Act, Cap. 281. Total remuneration payable to the company's auditors in respect of the audit of the company's financial statements amounted to € 5,300. Other fees payable to the company's auditors in respect of tax compliance services rendered to the company amounted to € 525.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial assets at amortised cost

Key audit matter

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

How the key audit matter was addressed in our audit

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

Debt securities in issue

Key audit matter

The company's main current liability is with respect to the payment of interest on debt securities in issue.

How the key audit matter was addressed in our audit

We considered the company's liquidity risk and ensured that it can meet these obligations as they fall due.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 to 5 and the Corporate Governance – statement of compliance report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Act, the scope of our audit does not include assurance on the future viability of the audited entity or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the entity.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Report on other legal and regulatory requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Report and Financial Statements of Endo Finance p.l.c. for the year ended 31 December 2021, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Report and Financial Statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Report and Financial Statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Report and Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Report and Financial Statements and performing validations to determine whether the Report and Financial Statements have been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Report and Financial Statements for the year ended 31 December 2021 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Report on the statement of compliance with the Principles of Good Corporate Governance

The Capital Markets Rules issued by the Malta Listing Authority require the directors to prepare and include in their Annual Report a corporate governance statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Capital Markets Rules also require us, as the auditor of the company, to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance with the Code of Principles of Good Corporate Governance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance with the Code of Principles of Good Corporate Governance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate governance statement set out on pages 6 to 9 has been properly prepared in accordance with the requirements of the Capital Markets Rules.

Other matters on which we are required to report by exception

We also have responsibilities under the Companies Act, Cap 386 to report to you if, in our opinion:

- adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit; or
- certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

in terms of Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

Auditor tenure

This is the second year wherein we are acting as auditors. Our appointment will be renewed annually by shareholders' resolutions. The company first issued listed securities on the Malta Stock Exchange on 6 March 2019.

The engagement partner on the audit resulting in this independent auditor's report is Sharon Causon.

GRANT THORNTON
Certified Public Accountants

Fort Business Centre
Triq L-Intornjatur
Central Business District
Birkirkara CBD 1050
Malta

28 April 2022