



Virtu Finance p.l.c.

Prospectus

Dated 30 October 2017

Issue of up to €25,000,000 3.75% Unsecured Bonds 2027

of a nominal value of €100 per Bond issued at par

by

Virtu Finance p.l.c.

(A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 81622)

with the joint and several Guarantee* of

Virtu Maritime Limited

(A PRIVATE LIMITED LIABILITY SHIPPING COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 81559)

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled “Risk Factors” contained in the Registration Document and the Securities Note forming part of the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee.

Sponsor



Manager & Registrar



Legal Counsel



Summary Note

dated 30 October 2017

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.

In respect of an Issue of up to €25,000,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

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WITH COMPANY REGISTRATION NUMBER C 81622)

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ISIN: MT0001561209

Sponsor	Manager & Registrar	Legal Counsel
 RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	 BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

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 INSTRUMENT. 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 ADVISER.

Approved by the directors of Virtu Finance p.l.c.



Charles Borg



Roderick E. D. Chalmers

Signing in their own capacity as directors of the company and on behalf of each of Matthew Portelli, Stephanie Attard Montalto and Stefan Bonello Ghio.

Important Information

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO VIRTU FINANCE P.L.C. (IN ITS CAPACITY AS ISSUER) AND VIRTU MARITIME LIMITED (IN ITS CAPACITY AS THE GUARANTOR). THIS SUMMARY NOTE 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 (THE “**PROSPECTUS REGULATION**”); 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 OR ITS 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 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, ITS DIRECTORS, OR ADVISERS.

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.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS SUMMARY NOTE AND ANY PERSON 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 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 SUMMARY NOTE 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 ADVISER.**

THIS SUMMARY NOTE 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 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 FROM THE PROSPECTUS AS A WHOLE.

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

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS AND/OR IN RELATION TO THE COMPLETENESS OR ACCURACY OF THE CONTENTS OF OR INFORMATION CONTAINED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THIS SUMMARY NOTE. 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 DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE 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 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 ADVISERS.

This Summary Note is prepared in accordance with the requirements of the Prospectus 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 Note contains all the Elements required to be included in a summary for the type of securities being issued and in relation to the Issuer and/or the Guarantor. 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 being issued and in relation to the Issuer and/or the Guarantor, 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 this Summary Note with the mention of such Element being ‘not applicable’.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear meanings assigned to them in the Registration Document and the Securities Note, 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 Summary Note. 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 Summary Note. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in the 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 by the Authorised Financial Intermediaries: prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Bonds by such Authorised Financial 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 therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:
 - a. in respect of Bonds subscribed for through the Authorised Financial Intermediaries;
 - b. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and
 - c. to any resale or placement 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 Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

Section B – Issuer and Guarantor

B.1 The legal and commercial name of the Issuer is Virtu Finance p.l.c. The legal and commercial name of the Guarantor is Virtu
(B.19) Maritime Limited.

B.2 The Issuer was registered in Malta in terms of the Act on 6 July 2017, as a public limited liability company. The Guarantor
(B.19) was registered in Malta in terms of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004, on 30 June 2017, as a private limited liability shipping company. The Issuer and the Guarantor are domiciled in Malta.

B.4b *The following is an overview of the most significant recent trends affecting the Issuer and the Guarantor and the markets in which*
(B.19) *the Virtu Maritime Group operates.*

The Guarantor and, in so far as the servicing of the Bond Issue is concerned, the Issuer, are dependent on the business prospects of the Virtu Maritime Group and, therefore, the trend information of the Virtu Maritime Group (as is detailed below) has a material effect on both of their financial position and prospects.

As at the time of publication of the Prospectus, the Issuer and the Guarantor consider that generally they shall be subject to the normal business risks associated with the business in which the Group Companies operate, and, barring unforeseen circumstances, do not anticipate any particular 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 the Virtu Maritime Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus.

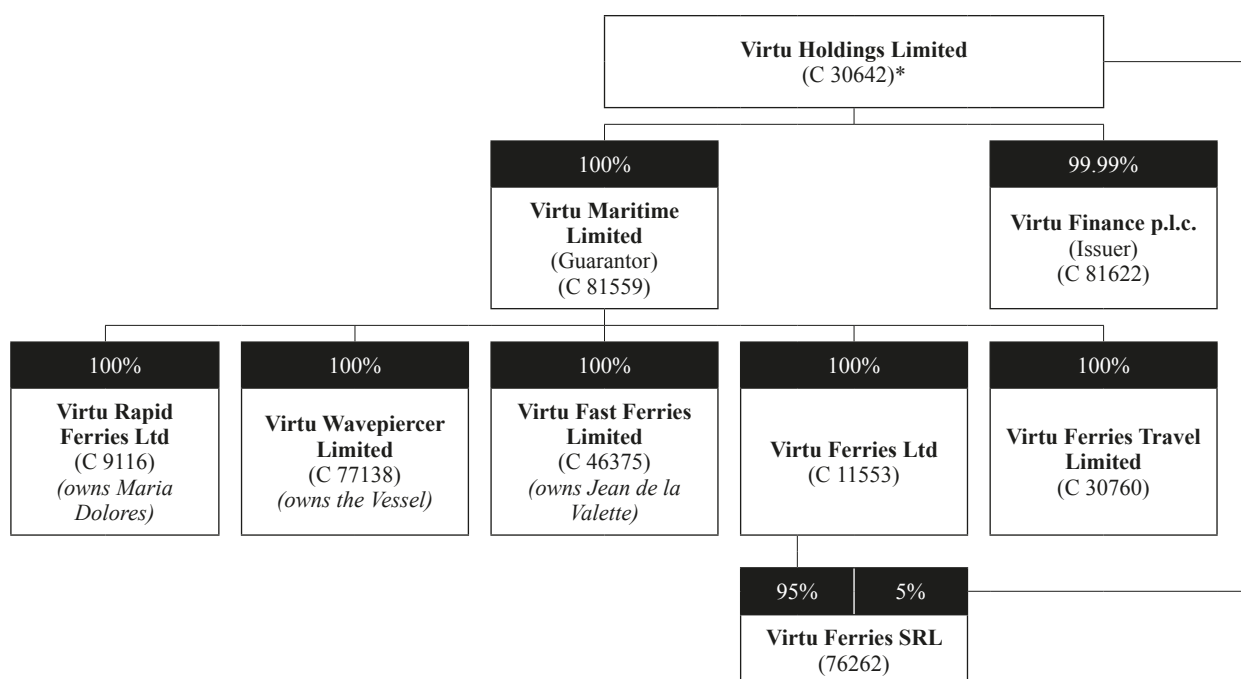
The following is a brief synopsis of the significant trends affecting the key areas of operation of the Virtu Maritime Group:

The Virtu Maritime Group generates the majority of its revenue from the operation of a high-speed ferry service between Malta and Sicily, for the carriage of passengers, passenger vehicles and commercial vehicles. Besides operating a daily, year round ferry service, the Virtu Maritime Group also charters the Maria Dolores to a third party operator, on a time charter basis.

Malta's accession into the European Union in 2004 brought about a step change in the operation of the Virtu Maritime Group's Malta - Sicily line. Following accession into the European Union, passenger traffic has practically doubled. The growth in passenger and passenger vehicle traffic coincides with the increase in popularity of commuting to Sicily for short trips and the significant growth of the Maltese tourism sector in general. The increase in both inbound and outbound tourism, particularly in the summer months has been another key driver of growth. Even though the summer period remains the peak season for the tourism sector, demand for the service has increased significantly in other months of the year, including the first quarter of the year, when demand would typically be at its lowest.

Malta's accession to the European Union has also led to a substantial change in how a broad range of products are sourced, particularly from regional logistics centres in Sicily and southern Italy. This, together with the opening of a number of international franchises, as well as the collaboration with foreign retailers targeting the local market, has resulted in the significant increase of the carriage of goods between Malta and Sicily, particularly fresh produce and other perishable goods for which the fast ferry service is optimally positioned. This has led to a significant increase in light and heavy commercial vehicles making use of the service.

B.5 The organisational structure of the Group is illustrated in the diagram below:
(B.19)



**Virtu Holdings is the parent company of a number of other subsidiaries and associated companies which are unrelated to the Virtu Maritime Group and the business line relevant to the Bond Issue, and which accordingly do not feature in the above chart.*

B.9 *Not Applicable:* No profit forecasts or estimates have been included in the Registration Document.

B.10 *Not Applicable:* As at the date hereof, the Issuer and the Guarantor have no financial information to report. Without prejudice to the
(B.19) aforesaid, the Combined Financial Statements described in section B.12 below do not contain any material qualifications.

B.12 Virtu Finance p.l.c. was registered on 6 July 2017 as a special purpose vehicle to act as the financing arm of the Virtu Holdings
(B.19) Group and has, to the date of the Prospectus, not conducted any business. As such, there is no trading record to produce for the Issuer.

The Guarantor was incorporated on 30 June 2017. Following a re-organisation, resulting in the transfer of the Subsidiaries from Virtu Holdings to the Guarantor, the Guarantor became the holding company of the Subsidiaries. Since the Guarantor did not exist as a legal entity as at 31 December 2016, the directors prepared Combined Financial Statements to present the financial position and results of the Subsidiaries on the basis of the assumption that the Virtu Maritime Group had operated as a single entity in the three years ended 31 December 2014, 2015 and 2016¹. The Combined Financial Statements have been prepared by aggregating the audited financial statements of the Subsidiaries constituting the Virtu Maritime Group, since all these entities are under common

¹ Virtu Wavepiercer was incorporated on 5 September 2016, and accordingly no historical financial information relative to the preceding period is available in respect of this particular Subsidiary.

management and control but did not constitute a “group” for the purposes of IAS 27 “Consolidated and Separate Financial Statements”. The aggregated financial information has been adjusted to eliminate the impacts of intra-organisation transactions and balances, and to reflect the appropriate classification. The full set of the Combined Financial Statements is available for review on the Issuer’s website.

Extracts from the Combined Financial Statements of the Guarantor referred to above are set out below:

Extracts from the Combined Income Statements for the three years ended 31 December 2014, 2015 and 2016

€000’s	2014	2015	2016
Revenue	29,038	30,462	32,680
Operating Profit	6,784	7,050	19,021
Profit before tax	4,294	5,165	17,520
Profit after tax	4,613	5,088	17,193

In the last two years, the Virtu Maritime Group registered an average increase in combined gross revenues of six per cent per annum, increasing from €29 million in 2014 to €32.7 million in 2016. The Virtu Maritime Group registered a profit after finance costs and tax of €17.2 million in 2016. Operating profit increased significantly between 2015 and 2016 due to the recognition of non-recurring income of €8.8 million in 2016, which was mainly brought about from the resolution of a long-standing dispute with the shipbuilders of the *Jean de la Valette*.

Extracts from the Combined Cash Flow Statements for the three years ended 31 December 2014, 2015 and 2016

€000’s	2014	2015	2016
Net cash generated from operations	6,927	5,852	11,188
Cash flows used in investing activities	(174)	(102)	(4,141)
Cash flows used in financing activities	(6,627)	(5,960)	(5,754)
Net movement in cash and cash equivalents	126	(210)	1,293
Cash and cash equivalents at beginning of period	1,741	1,867	1,657
Cash and cash equivalents at end of period	1,867	1,657	2,950

In 2016, the Virtu Maritime Group generated €11.2 million in net cash from operations and disbursed €4.1 million, mainly relating to the advance payment to the shipbuilders for the construction of the Vessel. The Virtu Maritime Group reported a net cash outflow of €5.8 million in debt servicing.

Extracts from the Combined Statements of Financial Position for the three years ended 31 December 2014, 2015 and 2016

€000’s	2014	2015	2016
Assets			
Non-current assets	70,957	67,864	68,561
Current assets	15,367	12,387	23,364
Total assets	86,324	80,251	91,925
Equity and liabilities			
Equity	22,475	3,359	2,562
Liabilities			
Non-current liabilities	46,641	40,891	34,901
Current liabilities	17,208	36,001	54,462
Total liabilities	63,849	76,892	89,363
Total equity and liabilities	86,324	80,251	91,925

As at 31 December 2016, the Virtu Maritime Group carried €68.6 million in fixed assets, mainly representing the net book value of the vessels and current assets of €23.4 million, mainly made up of trade and other receivables. Total equity as at 31 December 2016 amounted to €2.6 million, declining from €22.5 million as at 31 December 2014 due to dividends distributed to the shareholder in 2015 and 2016.

There has not been any significant change in the financial or trading position of the Issuer which has occurred since the date of its incorporation. Save for the re-organisation referred to above, there has not been any significant change in the financial or trading position of the Guarantor which has occurred since the date of its incorporation.

B.13 (B.19) *Not Applicable:* Neither the Issuer nor the Guarantor are aware of any recent events which are to a material extent relevant to the evaluation of their solvency.

B.14 (B.19) The Issuer was registered in 2017 as a subsidiary of Virtu Holdings Limited (C 30642), with the latter holding the entire issued share capital of the Issuer, save for one ordinary share held by The Virtu Group Limited (C 34917). The Issuer does not itself carry on any trading activities apart from the raising of capital and advancing thereof to companies forming part of the Virtu Maritime Group as and when the demands of their businesses so require. Accordingly, for the fulfilment of its obligations towards Bondholders, the Issuer is economically dependent on the Virtu Maritime Group.

The Guarantor is the holding company of the companies forming part of the Virtu Maritime Group and has an authorised share capital of €5,000,000 divided into 5,000,000 ordinary shares of a nominal value of €1.00 per share. The issued share capital of the Guarantor is €250,000 divided into 250,000 ordinary shares of a nominal value of €1.00 per share. The entire issued share capital of the Guarantor is subscribed for, allotted and taken up as fully paid up shares by Virtu Holdings. Virtu Holdings is owned in equal proportions by Francis A Portelli and John M Portelli. Francis A Portelli holds 938,600 Ordinary A shares and 139,700 Redeemable Preference shares, and John M Portelli holds 938,600 Ordinary B shares and 139,700 Redeemable Preference shares. As the holding company of the Virtu Maritime Group, the Guarantor is ultimately dependent upon the operations and performance of the Group Companies.

B.15 (B.19) As at the date of the Prospectus, the Issuer, which was set up in 2017 as a special purpose vehicle to act as the financing arm of the Virtu Holdings Group, does not itself carry on any trading activities apart from the raising of capital and advancing thereof to members of the Group as and when the demands of their business so require. In terms of its Memorandum and Articles of Association, the principal objects of the Issuer include, but are not limited to: the carrying on of the business of a finance and investment company, including the financing or re-financing of the funding requirements of the business of the Virtu Maritime Group; the borrowing and raising of money in such manner as the Issuer may deem fit, including the issuing of bonds, debentures, commercial paper or other instruments creating or acknowledging indebtedness and to offer the same to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon.

In terms of its memorandum and articles of association, the principal objects of the Guarantor are to buy and acquire on any title, sell, transfer or assign by any title, operate, manage, charter, hire, and/or exchange ships, yachts, boats and any other vessel or any rights thereon, and to carry out such activities as may be ancillary to, or necessary to the attainment of, the aforesaid. Ancillary objects include: the registration of ships, yachts, boats and any other vessel in any registry and under any flag as the directors shall deem fit and to cancel the registration of any of its vessels wherever they might be registered; to mortgage vessels and to register mortgages. As at the date hereof, the Guarantor acts principally as a holding company for the Virtu Maritime Group, holding securities in companies which themselves carry out, *inter alia*, objects relevant to the maritime sector such as those indicated above.

B.16 (B.19) The entire issued share capital of the Issuer is subscribed for, allotted and taken up as fully paid up shares by Virtu Holdings, save for one share held by The Virtu Group Limited (C 34917). The Guarantor is the holding company of the companies forming part of the Virtu Maritime Group and is fully owned by Virtu Holdings. Virtu Holdings is owned in equal proportions by Francis A Portelli and John M Portelli. Francis A Portelli holds 938,600 Ordinary A shares and 139,700 Redeemable Preference shares, and John M Portelli holds 938,600 Ordinary B shares and 139,700 Redeemable Preference shares.

B.17 (B.19) *Not Applicable:* Neither the Issuer nor the Guarantor has sought the credit rating of an independent rating agency, nor there has been any assessment by any independent rating agency of the Bonds issued by the Issuer.

B.18 (B.19) For the purposes of the Guarantee, the Guarantor, as primary obligor, jointly and severally with the Issuer irrevocably and unconditionally guarantees to each Bondholder 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, to pay all amounts of principal and interest which have become due and payable to any Bondholder within 60 days from the date such amount falls due and remains unpaid by the Issuer. The obligations of the Guarantor 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 up to €25,000,000 in bonds having a nominal value of €100 per Bond, subject to a minimum application of €2,000 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: MT0001561209. The Bonds shall bear interest at the rate of 3.75% 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 Investors wishing to subscribe for the Bonds will be able to do so by duly executing an Application Form in relation to the Bonds. Execution of the Application Form will entitle such Bondholder to:

- i. the repayment of capital;
- ii. the payment of interest;
- iii. seek recourse from the Guarantor 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 the Securities Note;
- iv. ranking with respect to other indebtedness of the Issuer;

- v. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; and
- vi. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and the Guarantor, if any. Furthermore, subject to the negative pledge clause found in section 5.7 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 and the Guarantor for so long as such security interests remain in effect.

As at the date of this Summary Note, the Issuer does not have any subordinated indebtedness. As at 1 January 2017, the Virtu Maritime Group's net indebtedness amounted to €37.7 million, and comprised of guarantees, mortgages, overdraft facilities and bank loans. The bank borrowings and facilities in question are secured by privileges, hypothecs and mortgages (as applicable), and therefore, to the extent that such borrowings and/or facilities remain outstanding, the indebtedness being created by the Bonds would, specifically in respect of the assets constituting the said security, rank after all these bank borrowings and/or facilities. 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, in so far as the asset constituting the relevant security is concerned.

- C.9 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. The Bonds shall bear interest from and including 30 November 2017 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date (that is 30 November of each year between and including each of the years 2018 and the year 2027, 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). The nominal value of the Bonds will be repayable in full upon maturity on 30 November 2027 unless they are previously re-purchased and cancelled. The first interest payment will be effected on 30 November 2018. The gross yield calculated on the basis of the Interest, the Bond Issue Price (that is the price of €100 per Bond) and the Redemption Value (that is the nominal value of each Bond, being €100 per Bond) of the Bonds at 30 November 2027 is 3.75%. 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 30 October 2017. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 7 December 2017 and trading is expected to commence on 11 December 2017.

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 advisers, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus, before deciding to acquire the 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 or all of their investment.

This Summary Note 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 Guarantor's future performance.

i. Risks relating specifically to the Issuer

Issuer's Dependence on the Virtu Maritime Group and its Business

The Issuer is a finance company, with its main purpose presently being that of financing or re-financing the funding requirements of the business of the Virtu Maritime Group, specifically at the date of this Summary Note, the acquisition of the Vessel. In this respect, in so far as the Bonds are concerned, the Issuer is mainly dependant on the business prospects of the Virtu Maritime Group, and consequently, the operating results of the Virtu Maritime Group have a direct effect on the Issuer's financial position and performance, and as such the risks intrinsic in the business and operations of the Virtu Maritime Group have a direct effect on the ability of the Issuer to meet its obligations under the Bonds. As a majority of its assets consist of loans issued to Group Companies, the Issuer is largely dependent on receipt of interest and loan repayments from the Group Companies. The interest payments and loan repayments to be effected by the operating companies of the Virtu Maritime Group are subject to certain risks. More specifically, the ability of Group Companies to effect payments to the Issuer will depend on their respective cash flows and earnings which may be affected by factors beyond the Issuer's control. The occurrence of any such factors could in turn negatively affect the Issuer's ability to meet its obligations under the Bonds.

Concentration of Shareholding

The Virtu Maritime Group, through the Guarantor, and its parent Virtu Holdings, is ultimately owned exclusively by Francis A Portelli and John M Portelli, in equal proportions respectively. The Issuer is owned as to 99.99% by Virtu Holdings, with the remaining one ordinary share held by The Virtu Group Limited, which is also owned exclusively by Francis A Portelli and John M Portelli in equal proportions respectively. Accordingly, the owners of the Virtu Maritime Group together exercise effective control over the Issuer. These individuals are considered to be important to the success of the Issuer and the unexpected loss of any of these persons or dilution of their control or influence over the Issuer and its business could have an adverse effect on the Issuer.

ii. Risks relating to the Virtu Maritime Group: the Virtu Maritime Group and its Business

Exposure to General Economic Conditions

The Virtu Maritime Group is highly susceptible to economic trends that may be felt in Malta, Italy and internationally, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors. The Virtu Maritime Group's business activities are concentrated in and aimed at the Maltese and Sicilian market. The Virtu Maritime Group is therefore susceptible to adverse economic developments and trends overseas, particularly in the Italian market. Any future expansion of the Virtu Maritime Group's operations into other markets would further increase its susceptibility to adverse economic developments and trends affecting such other markets. Accordingly, negative economic factors and trends, whether in Malta or overseas, could have a negative impact on the business of the Virtu Maritime Group, its cash flows and the results of its operations. In particular, weak economic conditions or tightening of the credit markets may affect the solvency of its suppliers or customers, which in turn may impact the Virtu Maritime Group's ability to fulfil its obligations.

Key Senior Personnel Material to the Group's Growth

The Virtu Maritime Group believes that its growth is partially attributable to the efforts and abilities of the executive management team and other key personnel involved in the running of the Virtu Maritime Group's operations. If any one or more of such key personnel were unable or unwilling to continue in their present position, the Virtu Maritime Group might not be able to replace them within the short term, which could have a material adverse effect on the Virtu Maritime Group's business, financial condition and results of operations. Although no single person is solely instrumental in fulfilling the Virtu Maritime Group's business objectives, there is no guarantee that the Virtu Maritime Group's business objectives will be achieved to the degree expected following the loss of key personnel.

Growth Strategy

A significant element of the Virtu Maritime Group's strategy is represented by the Vessel, a new high-speed passenger/cargo roll-on/roll-off catamaran ferry currently on order, scheduled to be delivered to Virtu Wavepiercer during the last quarter of 2018/first quarter of 2019. The delivery of a new-build could be delayed because of factors such as: (i) shortages of equipment, materials or skilled labour; (ii) delays in the receipt of necessary construction materials or equipment; (iii) failure of equipment to meet quality and/or performance standards; (iv) political or economic disturbances; (v) financial or operating difficulties experienced by equipment vendors or the shipyard; (vi) required changes to the original ship specifications; (vii) inability to obtain required permits or approvals; (viii) disputes with the shipyard; (ix) work stoppages and other labour disputes; and (x) adverse weather conditions or any other events of *force majeure*. Significant delays in the delivery of the Vessel, which is expected to generate a substantial portion of the Virtu Maritime Group's projected revenue, could adversely affect the results of the Virtu Maritime Group. In addition, the delivery of the Vessel with substantial defects or unexpected operational problems could have similar consequences.

Financial Strategy

The Virtu Maritime Group may not be able to secure sufficient financing for its future operations. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within timeframes required by the Virtu Maritime Group. Failure to obtain, or delays in obtaining, the capital required to complete future developments and investments on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Virtu Maritime Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects. The Virtu Maritime Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk, credit risk, foreign exchange rate risk, and interest rate risk.

Lease and Renewal

The Group Companies are party to a number of rental contracts. Continued use and enjoyment of the properties in question is therefore susceptible to a number of risks typically associated with leases, including: (i) exercise of early termination rights by the lessor; (ii) default of obligations under the lease agreement(s); (iii) changes in the general economic conditions of the property market; (iv) the ability of the Group Company to maintain its commercial relationship with the existing lessor and/or enter into new commercial relationships with a new lessor, on existing or more favourable terms; and (v) changes in laws, regulations, taxes or government policies.

The Virtu Maritime Group's Insurance Policies

The Virtu Maritime Group maintains insurance cover for its business at the levels required by maritime good practice and international norms. Recovering losses from insurers may be difficult and time-consuming, and the Virtu Maritime Group may be unable to recover the full loss incurred. No assurance can be given that the Virtu Maritime Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor that an appropriate coverage would always be available at acceptable commercial rates.

Reliance on Non-Proprietary Software Systems and Third-Party IT Providers

To varying degrees, the Group is reliant on technologies and operating systems (including IT systems) developed by third parties for the running of its business and it is exposed to the risk of failures in such systems. There can be no assurance that maintenance and service level agreements and disaster recovery plans intended to ensure continuity and stability of these systems will prove effective in ensuring that the service or systems will not be disrupted. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating performance.

Level of Interest Rates

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Virtu Maritime Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

The Virtu Maritime Group's Indebtedness

The Virtu Maritime Group has a material amount of debt and may incur additional debt in connection with its future growth. Borrowings under bank credit facilities are or may be at variable interest rates, which would render the Virtu Maritime Group vulnerable to increases in interest rates. The financing agreements regulating the Virtu Maritime Group's bank debt impose and are likely to impose significant operating restrictions and financial covenants on the Virtu Maritime Group which could limit the Virtu Maritime Group's ability to obtain future financing, fund capital expenditure or withstand a future downturn in business or economic conditions generally. In the event that the Virtu Maritime Group's generated cash flows were to be required to make principal and interest payments on any existing or prospective debt, this could give rise to a reduction in the amount of cash available for distribution by the Virtu Maritime Group, which would otherwise be available for funding of the Virtu Maritime Group's working capital, capital expenditure, development costs, and other general corporate costs, or for the distribution of dividends. The Guarantor may also be required to provide guarantees for debts contracted by its Subsidiaries. Defaults under financing agreements could lead to the enforcement of security over property of the Guarantor, where applicable, and/or cross-defaults under other financing agreements.

Operating Expenses

A portion of the Virtu Maritime Group's costs are fixed and its operating results are vulnerable to short-term changes in its revenues, and such fixed operating expenses are not easily reduced to react to changes in its revenue by reducing its operating expenses. The Virtu Maritime Group's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase the Virtu Maritime Group's operating and other expenses include: increases in the rate of inflation, payroll expenses, property taxes and statutory charges, and changes in law and policy. Such increases could have a material adverse effect on the Issuer's financial position and its ability to fulfil its obligations under the Bonds.

Exchange Rate Risk

The Virtu Maritime Group can be impacted by transaction risk, which is the risk that the currency of costs and liabilities fluctuates in relation to the Euro, being its reporting currency, which fluctuation may adversely affect its operating performance. Unfavourable exchange rates may lead to higher costs or lower sales than expected at the time of signing the contract and may reduce margins. Such risks are beyond the control of the Issuer.

Corporate Social Responsibility

Given consumers' growing concerns about responsible trade and the nature and reality of commitments, corporate social responsibility policies and actions, or the limitations or absence thereof, may impact the Virtu Maritime Group's reputation and standing.

Risk of Complaints and Litigation

Since the Virtu Maritime Group operates in an industry which involves the continuous provision of goods and services to customers and consumers and such operation necessarily requires continuous interaction with suppliers, employees, and regulatory authorities, the Virtu Maritime Group is exposed to the risk of litigation from customers, partners, suppliers, employees, and regulatory authorities. Adverse publicity surrounding such claims may materially affect sales revenue generated by the Virtu Maritime Group regardless of whether such claims are upheld and any allegations relating thereto are true or otherwise. Additionally, the Virtu Maritime Group may be involved in arbitration proceedings as a result of potential systemic deficiencies in the vessels owned and operated by the Virtu Maritime Group. Such circumstances may not be covered by the contractual warranties and representations given by the vessels' builders, and may therefore result in arbitration or court proceedings. All dispute resolution and litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Virtu Maritime Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings were to be brought against a direct competitor of the Group, the latter could also be affected due to the adverse publicity brought against and concerns raised in respect of the industry in general. No assurance can be given that disputes which could have a significant effect on the Virtu Maritime Group's financial position or operational performance will not arise. Exposure to litigation or fines imposed by regulatory authorities may affect the Virtu Maritime Group's reputation even though the monetary consequences may be insignificant.

Changes to Laws and Regulations

The Virtu Maritime Group is subject to a variety of laws and regulations both in and out of Malta, including maritime and shipping, taxation, environmental and health and safety regulations. The Virtu Maritime Group is at risk in relation to changes in any applicable laws and regulations, including changes to the interpretation thereof, which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision, change in law, regulation or administrative practice, after the date of this Prospectus, on the business and operations of the Virtu Maritime Group. In addition, the Virtu Maritime Group's activities are subject to licensing and regulation by a number of local and foreign governmental authorities. Difficulties in obtaining or maintaining the required licenses or approvals, or the loss thereof, could adversely affect the Virtu Maritime Group's business and results of its operations

iii. Risks relating to the Virtu Maritime Group: the Ferry and Shipping Services industry

The Virtu Maritime Group's ferry service operations are subject to external factors, many of which are common to the ferry operating industry and beyond the Virtu Maritime Group's control, including: (i) changes in travel patterns and evolving consumer trends and preferences and the ability of the Virtu Maritime Group to swiftly anticipate, identify and capitalise thereon; (ii) susceptibility to local and global competition influenced by a variety of factors including price differences, packages, quality, availability, reliability and ancillary services such as accommodation and logistics; (iii) increase in the price of fuel or port facilities charges, or the imposition of new taxes or charges on sea or even air travel; (iv) changes in laws and regulations on employment, health and safety, environmental and marine protection concerns and the related costs of compliance; (v) the impact of increased threats of terrorism, 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 detention of the vessels owned by the Virtu Maritime Group by maritime claimants or other authorities, or the requisitioning of any vessel during a period of war or emergency. In particular, a relative decline in the competitive strength of the Virtu Maritime Group could adversely affect its results of the ferry service operations and the Virtu Maritime Group may be compelled, by the strength of its competitors, to reduce its own prices. The ability of the Virtu Maritime Group to maintain or increase its profitability will be dependent on its ability to offset such decreases in prices and margins of its ferry services. Furthermore, the Virtu Maritime Group is not limited to competition from other ferry service operators but also from substitute means of transportation, including air travel operators. These factors may adversely impact the Virtu Maritime Group's tariffs rates and occupancy levels on its ferry services, or reduce its revenue, which could have a material adverse effect on the Virtu Maritime Group's financial condition and results of operations.

Downtime of Vessels

With respect to the Malta – Sicily operations of the Virtu Maritime Group, the Virtu Maritime Group currently operates one high speed craft, which number will increase to two vessels upon the delivery of the Vessel. The charter operation relative to the *Maria Dolores* described in the Prospectus is entirely dependent on that particular vessel. If any vessel of the Virtu Maritime Group 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 business of the Virtu Maritime Group, its financial condition and the results of its operations could be materially adversely affected. The Virtu Maritime Group may evaluate its opportunities to acquire vessels, and/or to dispose or retire existing ones, with or without replacement. The Virtu Maritime 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 Virtu Maritime Group, its financial condition and the results of its operations. Similarly, the risk of insufficient and unprofitable occupancy levels for its new vessels may materialise, and a decline in occupancy levels on its older vessels, could have a material adverse effect on the Virtu Maritime Group's financial position and performance.

Continuity of Terminal and Port Facilities

The continuity of the ferry services of the Virtu Maritime Group depends in part on the continuity of the operations of the terminal and port facilities provided by the various ports of destination servicing the Virtu Maritime Group's vessels. Any disruptions in the terminal and port facilities, caused by any cause whatsoever, could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

Fluctuations in the Value of Vessels

The market value of the Virtu Maritime Group's vessels, current or future, is subject to market fluctuations and is dependent on a number of factors including general economic and market conditions, the supply of similar vessels, government regulation and policy, substitute means of transportation and technological advancements. Any impairment in the market value of its vessels could have a material adverse effect on the business of the Virtu Maritime Group and its financial position.

Fluctuations in the Cost of Fuel and Fuel Hedging Agreements

Bunker fuel constitutes one of the major operating costs of the Virtu Maritime Group's fleet of vessels and an increase in the price of bunker fuel could have a materially adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

Regulatory Risk

The Virtu Maritime Group provides ferry operations and ship management services in different jurisdictions and is subject to extensive and various international conventions, legislation, regulation and standards including, but 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 Virtu Maritime Group to comply with

these requirements, and to adapt in a timely manner to changes thereto, including the ability to make modifications to its vessels as required, could impact the reputation of the Virtu Maritime Group and could have a materially adverse impact on the business of the Virtu Maritime Group, 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 Virtu Maritime Group's 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 Virtu Maritime Group.

Safety and Environmental Damage Risk

The ferry service operations of the Virtu Maritime Group carry inherent risks, including the risk of marine disasters, collisions, mechanical failure, human error, piracy, political or industrial disruptions, and explosions and fires on its vessels. The occurrence of any such events could result in: liability for personal injury or death; damage to or loss of property or cargo; delays; loss of revenue; marine clean-up costs; governmental fines or penalties; litigation; higher insurance premiums and damage to reputation and customer relationships, the effects of which may adversely impact the business of the Virtu Maritime Group, its financial condition and the results of its operations. The Virtu Maritime Group carries blue card war insurance and protection and indemnity, hull and machinery and freight, demurrage and defence insurance covering its owned ships consistent with industry standards, however it can give no assurance that it is adequately insured against all risks that may materialise or that its insurers will pay a particular claim. The Virtu Maritime Group also may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. Any uninsured or underinsured loss could harm the Virtu Maritime Group's business, financial condition, results of operations and cash flows. Furthermore, even if its insurance coverage is adequate to cover its losses, the Virtu Maritime Group may not be able to obtain a timely replacement vessel in the event of a loss of a vessel.

Natural Disasters

The Virtu Maritime Group's ferry service and shipping operations are susceptible to adverse weather conditions and the Virtu Maritime Group's fleet is at risk of being damaged, abandoned or lost as a result of such adverse weather conditions. Adverse weather conditions are, by their nature, not within the control of the Virtu Maritime Group and, if not predicted and appropriately catered for (such as cancellation of voyages in cases of adverse weather conditions), could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

Repairs and Maintenance of the Virtu Maritime Group's Vessels

Repairs and maintenance of the vessels of the Virtu Maritime Group, and any other unexpected issues which may arise in this regard, may require significant capital expenditure and result in a loss of revenue while its vessels are in downtime. This could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations, which effects may be exacerbated where more than one vessel of the Virtu Maritime Group is experiencing downtime at the same time.

Charters

The Virtu Maritime Group's charter operations depend on its ability to continue existing relationships with charterers and establish new relationships with other charterers, at attractive rates, in respect of which the Virtu Maritime Group will face substantial competition from its competitors and may be subject to factors beyond the control of the Virtu Maritime Group. Such competitors may have greater name recognition, larger customer bases and greater financial and other resources.

Reliance and Reliability of Suppliers

The Virtu Maritime Group is reliant upon its suppliers for the availability of and timely supply of consumables, spare parts and operational equipment which is not held in stock from time to time, in order to maintain the operations of its fleet of vessels. Delays in delivery or the unavailability of supplies could have a material adverse effect on the operations of the Virtu Maritime Group and results of its operations.

Privileged Maritime Claims and Possessory Liens

Under the provisions of the Merchant Shipping Act (Cap. 234 of the laws of Malta), certain debts specified therein are secured by a special privilege upon the relevant vessel, including: wages and other sums due to the master, officers and other members of the vessel in respect of their employment on the vessel; tonnage dues; moneys due to creditors for labour, work and repairs; and moneys due to creditors for provisions, outfit and apparel. The potential risk associated with the privileged debts attaching to the vessels of the Virtu Maritime Group arises out of the fact that the obligations under the Bonds 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 Virtu Maritime Group, if any and whether secured or otherwise, the Bondholders' claims would be subordinated to 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 Virtu Maritime Group, its financial condition and the results of its operations.

Exercise of Mortgagee's Rights

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).

Requisition or Forfeiture of Vessels

Governments could requisition for title or hire, or seize, any number of the Virtu Maritime Group's vessels during a period of war or emergency, which requisition would have a negative impact on its business, results of operations, cash flow and financial condition. In addition, the Merchant Shipping Act makes provision for a number of instances in which a vessel, or any share therein, could be forfeited, in consequence of which such vessel will be seized and detained and brought for adjudication before the court of competent jurisdiction, which instances include: the improper use of a certificate of registration by the master or owner of a vessel; the undue assumption of Maltese character in relation to a foreign vessel; and the concealment of Maltese character or the assumption of foreign character in relation to a vessel. Where such forfeiture is ordered by the court of competent jurisdiction, such forfeiture will be made in favour of the Government of Malta and could be subject to further orders and conditions as the court deems just to hand down. In the event that any of the vessels of the Virtu Maritime Group is forfeited, the business of the Virtu Maritime Group, its financial conditions and the results of its operations may be materially adversely affected thereby.

Ageing Vessels

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. Government 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 Virtu Maritime Group's vessels and may restrict the type of activities in which the Virtu Maritime Group's vessels may engage. Each of these factors may negatively impact on the Virtu Maritime Group's future results of operations.

Class Restrictions

The vessels operated by the Virtu Maritime Group are subject to a programme of periodic surveys as established by the International Association of Classification Societies (IACS) and certified for international voyages by an international Classification Society, DNVGL. There remains the possibility that class restrictions may be imposed upon the vessels by DNVGL should any material or significant faults in the vessels be identified. The occurrence of such an event could result in a loss of revenue for the Virtu Maritime Group throughout the risk period as well as during the vessel's downtime, particularly in the case of significant deficiencies.

Risks Associated with the Food and Beverage Industry

The Virtu Maritime Group's hospitality and catering operations on board its vessels and within its port facilities are subject to a number of risk factors that may affect the food and beverage industry in general, including the risk of claims by customers in connection with the consumption of contaminated or expired goods. Furthermore, various authorities have the power to conduct inspections of, and possibly to close down, any hospitality or catering outlet operated by the Virtu Maritime Group which fails to comply with applicable regulations and standards.

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

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 set out 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 advisers, the following risk factors (not listed in order of priority) and other investment considerations, together with the rest of the information contained in the Prospectus.

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

- 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.
- 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. The Issuer may incur further borrowing or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).
- vi. The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured obligations of each of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. Furthermore, subject to the negative pledge clause (in section 5.7 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 or the Guarantor and its Subsidiaries as the case may be, for so long as such security interests remain in effect. In essence, this means that for so long as the Issuer or the Guarantor and its Subsidiaries as the case may be, may have secured, privileged or other higher-ranking creditors, in the event of insolvency of the Issuer (and recourse to the Guarantor in terms of the Guarantee), the Bondholders would rank after such creditors but equally between themselves and with other unsecured creditors (if any) of the Issuer (and/or Guarantor, as applicable).
- vii. Repayment of interest and capital on the Bonds is being guaranteed by the Guarantor, and therefore Bondholders are entitled to request the Guarantor to pay the full amounts due under the Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to, the financial position and solvency of the Guarantor, and in the case of insolvency of the Guarantor, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.
- viii. In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds 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. Furthermore, the Guarantor has the power to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee. Were the Guarantor to exercise such right of veto, any proposed amendments to the Terms and Conditions of the Bonds would not be put into effect.
- ix. The Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules of the Listing Authority, the Act and the Prospectus 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 Maltese law or administrative practice after the date of the Prospectus.
- x. Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating to, *inter alia*, 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 power 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 described above could have a material adverse effect on the liquidity and value of the Bonds.
- xi. The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds.
- xii. An investment in the Bonds may not be suitable for all recipients of the Prospectus, and Authorised Financial Intermediaries are to determine the suitability or otherwise of prospective investors' investment in the Bonds before making an investment decision. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:
 - a. 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 in the Prospectus or any applicable supplement;
 - b. 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 reference currency;
 - c. understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
 - d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Section E – Offer

- E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €24,550,000, will be used by the Issuer for the purpose of part-financing the acquisition and commission of the Vessel by Virtu Wavepiercer, by way of payments to be effected to: Incat Tasmania Pty; or, in respect of bridge financing which may be required for this purpose pending receipt of the Bond proceeds by the Issuer, to the provider(s) of such bridge financing, including Virtu Ferries Limited for the amount of €7,500,000.

For this purpose, back-to-back loan agreements dated 21 August 2017 have been entered into between, on the one part, the Issuer (as lender) and the Guarantor (as borrower), and, on the other part, between the Guarantor (as lender) and Virtu Wavepiercer (as borrower). The loan agreement between the Issuer and Guarantor is conditional upon the Bond Issue being approved by the Listing Authority and the Bonds being subscribed for in the amount of at least €15,000,000, whereas the loan agreement between the Guarantor and Virtu Wavepiercer is conditional upon the Guarantor receiving the loan proceeds from the aforesaid agreement between the Issuer and Guarantor.

In addition to the application of proceeds of the Bond Issue on-lent to it in the manner indicated in the preceding paragraph, Virtu Wavepiercer shall finance the remaining costs required for the acquisition and commissioning of the Vessel (total costs amounting to €75,000,000) as follows:

- i. bank financing in the amount of €40,000,000;
- ii. loan in the amount of €7,000,000 granted by the Guarantor to Virtu Wavepiercer in terms of a loan agreement dated 1 July 2017; and
- iii. the balance to be funded by own funds.

- E.3 The Bonds are open for subscription by Authorised Financial Intermediaries, either for their own account or for the account of the underlying customers, including retail customers. The Issuer has reserved a maximum amount of €25,000,000 in value of Bonds for subscription by Authorised Financial Intermediaries through conditional placement agreements which may be submitted by Authorised Financial Intermediaries by latest 12:00 hours on 15 November 2017. Pursuant to these placement agreements, Authorised Financial Intermediaries (either in their own names or in the names of the underlying customers, including retail customers) are to submit Application Forms, representing the amount they have been bound to subscribe to, by not later than 12:00 hours on 23 November 2017. 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. *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 without interest coupons, in denominations of any integral multiple of €100 per Bond provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. 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.

2. *Interest*

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

3. *Status of the Notes and Negative Pledge*

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and the Guarantor, if any.

4. *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 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 effected within seven 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 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 effected within seven days of the Interest Payment Date.

5. *Redemption*

Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 30 November 2027.

6. *Events of Default*

The Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, if any of the following events (Events of Default) occur: (i) the Issuer fails to pay any interest on any Bond when due and such failure shall continue for 30 days after written notice thereof shall have been given to the Issuer by any Bondholder; or (ii) the Issuer is in breach of any material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for 60 days after written notice thereof has been given to the Issuer by any Bondholder; or (iii) the Issuer is, *inter alia*, dissolved, liquidated or bankrupt; or (iv) the Issuer stops or suspends payments, or announces to do so, to all or any class of its debts or

ceases or threatens to cease to carry on its business or a substantial part thereof; or (v) the Issuer is unable to pay its debts; or (vi) a final judgment by a court is made against the Issuer and/or the Guarantor for the payment in excess of €5 million and 90 days shall have passed since the date of the judgment without it being satisfied; or (vii) any default occurs relating to any financial indebtedness of the Issuer and/or the Guarantor in excess of €5 million, which default continues for 90 days.

7. 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 government charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee. 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.

8. 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.

9. Further Issues

Subject to the negative pledge clause (section 5.7 of the Securities Note), 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.

10. Meetings of Bondholders

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

11. Governing Law and Jurisdiction

The Bonds shall be governed by and construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer and/or the Guarantor 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 subscription for Bonds by Bank of Valletta p.l.c. and Rizzo, Farrugia & Co. (Stockbrokers) Ltd, and any fees payable in connection with the Bond Issue to Rizzo, Farrugia & Co. (Stockbrokers) Ltd. as Sponsor and to Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Issue has an interest material to the Issue.

E.7 *Not Applicable:* No expenses will be charged to investors by the Issuer.

Time-Table

1. Placement date	15 November 2017
2. Closing date for submission of Application Forms	23 November 2017
3. Commencement of interest on the Bonds	30 November 2017
4. Expected date of notification of registration	7 December 2017
5. Expected date of admission of the Bonds to listing	7 December 2017
6. Expected date of commencement of trading in the Bonds	11 December 2017

Registration Document

dated 30 October 2017

This Registration Document 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

Virtu Finance p.l.c.

(A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 81622)

with the joint and several Guarantee* of

Virtu Maritime Limited

(A PRIVATE LIMITED LIABILITY SHIPPING COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 81559)

**Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in 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.*

Sponsor	Manager & Registrar	Legal Counsel
 RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	 BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

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.

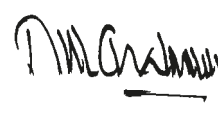
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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Approved by the directors of Virtu Finance p.l.c.



Charles Borg



Roderick E. D. Chalmers

Signing in their own capacity as directors of the company and on behalf of each of Matthew Portelli, Stephanie Attard Montalto and Stefan Bonello Ghio.

Important Information

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON VIRTU FINANCE P.L.C. (IN ITS CAPACITY AS ISSUER) AND VIRTU MARITIME LIMITED (IN ITS CAPACITY AS GUARANTOR) IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, 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.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS 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, ITS DIRECTORS OR ADVISERS.

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THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID 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 SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, 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 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 ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "*ADVISERS TO THE ISSUER AND THE GUARANTOR*" IN SECTION 3.2 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR 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 WHOSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS AND/OR IN RELATION TO THE COMPLETENESS OR ACCURACY OF THE CONTENTS OF OR INFORMATION CONTAINED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITE DO NOT FORM PART OF THIS 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 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 ADVISERS.

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1. Definitions

In this Registration Document, the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the laws of Malta);
Bond(s)	the €25,000,000 bonds of a nominal value of €100 per bond redeemable at their nominal value on 30 November 2027 bearing interest at the rate of 3.75% per annum being issued pursuant to the Prospectus;
Bondholder	a holder of the Bonds;
Bond Issue	the issue of the Bonds;
Directors or Board	the directors of the Issuer whose names are set out under the heading <i>“Identity of Directors, Senior Management, Advisers and Auditors of the Issuer”</i> ;
EBITDA	an abbreviation used for earnings before interest, tax, depreciation and amortisation;
Euro or €	the lawful currency of the Republic of Malta;
Group Company	any one of the companies forming part of the Virtu Maritime Group, including the Guarantor. The term ‘Group Companies’ shall be construed accordingly;
Guarantee	the joint and several suretyship of the Guarantor undertaking to 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, to pay all amounts of principal and interest which have become due and payable to any Bondholder within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantor	Virtu Maritime Limited, a private limited liability shipping company registered in Malta with company number C 81559, having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, XBX 1034, Malta;
Issuer or Company	Virtu Finance p.l.c., a public limited liability company registered in Malta with company number C 81622 having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, XBX 1034, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Merchant Shipping Act	the Merchant Shipping Act (Cap. 234 of the laws of Malta);
Merchant Shipping (Shipping Organisations – Private Companies) Regulations	the Merchant Shipping (Shipping Organisations – Private Companies) Regulations 2004 (Subsidiary Legislation 234.4 of the laws of Malta);
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
Registration Document	this document in its entirety, forming part of the Prospectus;

Regulation	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;
Securities Note	the securities note issued by the Issuer dated 30 October 2017 forming part of the Prospectus;
Subsidiary	means an entity over which the Guarantor has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term ‘ Subsidiaries ’ shall collectively refer to the said entities, which as at the date of this document consist of the following: <ul style="list-style-type: none"> i. Virtu Wavepiercer Limited; ii. Virtu Fast Ferries Limited, a private limited liability shipping company registered in Malta with company number C 46375 having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta; iii. Virtu Ferries Ltd, a private limited liability shipping company with registered number C 11553 registered in Malta having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta; iv. Virtu Ferries Travel Limited, a private limited liability company with company number C 30760 having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta; and v. Virtu Rapid Ferries Ltd, a private limited liability shipping company with company number C 9116 having its registered office at Virtu, Ta’ Xbiex, Terrace, Ta’ Xbiex, Malta;
Summary Note	the summary note issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
Vessel	the vessel having Incat Hull Number 089, commissioned by Virtu Wavepiercer, the construction and delivery of which is to be part funded by the proceeds of the Bond Issue;
Virtu Holdings	Virtu Holdings Limited, a private limited liability company registered in Malta with company number C 30642 having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta;
Virtu Holdings Group	the group of companies of which Virtu Holdings is the Parent, which includes the Virtu Maritime Group and the Issuer;
Virtu Maritime Group	the Guarantor and its direct or indirect Subsidiaries; and
Virtu Wavepiercer	Virtu Wavepiercer Limited, a private limited liability shipping company registered in Malta with company number C 77138 having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta.

2. Risk Factors

PROSPECTIVE INVESTORS SHOULD, WITH THEIR OWN INDEPENDENT AND OTHER PROFESSIONAL ADVISERS, MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL 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.

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.

SOME OF THE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IF ANY OF THE RISKS DESCRIBED HEREUNDER WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS AND/OR ON THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND/OR GUARANTOR FACE/S. CONSEQUENTLY, ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS AND/OR ON THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISKS MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

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

SECTION 2.1 BELOW SETS OUT RISKS COMMON TO THE ISSUER AND GUARANTOR WHICH ARE CONSIDERED INTRINSIC IN FORWARD-LOOKING STATEMENTS SUCH AS THOSE CONTAINED IN VARIOUS PARTS OF THE PROSPECTUS. SECTION 2.2 BELOW SETS OUT RISKS SPECIFIC TO THE ISSUER. SECTIONS 2.3 AND 2.4 BELOW ARE CONSIDERED TO BE RISKS ASSOCIATED WITH THE VIRTU MARITIME GROUP AND ITS BUSINESS, AND ACCORDINGLY SUCH RISKS ARE ALL ULTIMATELY RISKS PERTAINING TO THE ISSUER AND GUARANTOR.

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 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 involve predictions of future circumstances. 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. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer's Directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

As indicated above, if any of the risks described were to materialise, they could have a serious effect on the Issuer's and/or Guarantor's financial condition, operational performance and on the ability of the Issuer to fulfil its obligations under the Bonds to be issued and/or on the ability of the Guarantor to fulfil its obligations under the Guarantee. Accordingly, the Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

All forward-looking statements contained in this Registration Document are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement 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.

2.2 RISKS RELATING TO THE ISSUER

2.2.1 Issuer's Dependence on the Virtu Maritime Group and its Business

The Issuer is a finance company, with its main purpose presently being that of part-financing the funding requirements of the business of the Virtu Maritime Group, specifically as at the date of this document, the acquisition of the Vessel. In this respect, in so far as the Bonds are concerned, the Issuer is mainly dependent on the business prospects of the Virtu Maritime Group, and consequently, the operating results of the Virtu Maritime Group have

a direct effect on the Issuer's financial position and performance, and as such the risks intrinsic to the business and operations of the Virtu Maritime Group shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

As the majority of its assets consist of loans issued to Group Companies, the Issuer is largely dependent, including for the purpose of servicing interest payments, on the Bonds described in the Securities Note and the repayment of the principal on maturity date, on the receipt of interest and loan repayments from the Group Companies.

The interest payments and loan repayments to be effected by the operating companies of the Virtu Maritime Group are subject to certain risks. More specifically, the ability of Group Companies to effect payments to the Issuer will depend on their respective cash flows and earnings, which may be affected by the risks indicated in section 2.3 *et sequitur* of the Registration Document. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

2.2.2 Concentration of Shareholding

The Virtu Maritime Group, through the Guarantor and its parent Virtu Holdings, is ultimately owned exclusively by Francis A Portelli and John M Portelli, in equal proportions respectively. The Issuer is owned as to 99.99% by Virtu Holdings, with the remaining one share held by The Virtu Group Limited, which is also owned exclusively by Francis A Portelli and John M Portelli in equal proportions respectively. Accordingly, the owners of the Virtu Maritime Group together exercise effective control over the Issuer. These individuals are considered important to the success of the Issuer and the unexpected loss of any of these persons or a dilution in their influence over the Issuer and its business could have an adverse effect on the Issuer.

2.3 RISKS RELATING TO THE VIRTU MARITIME GROUP AND ITS BUSINESS

2.3.1 Dependence on the Maltese Market and Exposure to General Economic Conditions

The Virtu Maritime Group and its operations are highly susceptible to the economic trends that may from time to time be felt in Malta and internationally, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors. Any future expansion of the Virtu Maritime Group's operations into other markets may further increase its susceptibility to adverse economic developments and trends affecting such other markets.

The Virtu Maritime Group's business activities are concentrated in and aimed at the Maltese and Sicilian market. The Virtu Maritime Group is therefore susceptible to adverse economic developments and trends overseas, particularly in the Italian market. Accordingly, negative economic factors and trends, whether in Malta or overseas, could have a negative impact on the business of the Virtu Maritime Group, its cash flows and the results of its operations. In particular, weak economic conditions or tightening of the credit markets may affect the solvency of its suppliers or customers, which could lead to disruptions in business operations, accelerated payments to suppliers, increased bad debts or a reduction in revenue, and may impact the Virtu Maritime Group's obligations under its financing agreements or arrangements.

2.3.2 Key Senior Personnel Material to the Group's Growth

The Virtu Maritime Group believes that its growth is partially attributable to the efforts and abilities of the executive management team and other key personnel involved in the running of the Virtu Maritime Group's operations. If one or more of such key personnel were unable or unwilling to continue in their present position, the Virtu Maritime Group might not be able to replace them within the short term, which could have a material adverse effect on the Virtu Maritime Group's business, financial condition and results of operations. Although no single person is solely instrumental in fulfilling the Virtu Maritime Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the loss of key personnel.

2.3.3 Growth Strategy

A significant element of the Virtu Maritime Group's growth strategy is represented by the Vessel, a new high-speed passenger/cargo roll-on/roll-off catamaran ferry currently on order. The contracted new Vessel is scheduled to be delivered to Virtu Wavepiercer during the last quarter of 2018 / first quarter of 2019.

The delivery of a new-build could be delayed because of factors such as:

- i. shortages of equipment, materials or skilled labour;
- ii. delays in the receipt of necessary construction materials, such as aluminium, or equipment such as engines or generators;
- iii. failure of equipment to meet quality and/or performance standards;
- iv. political or economic disturbances;

- v. financial or operating difficulties experienced by equipment vendors or the shipyard;
- vi. required changes to the original ship specifications;
- vii. inability to obtain required permits or approvals;
- viii. disputes with the shipyard;
- ix. work stoppages and other labour disputes; and
- x. adverse weather conditions or any other events of *force majeure*, including war or hostilities.

Significant delays in the delivery of the Vessel, which is expected to generate a substantial portion of the Virtu Maritime Group's projected revenue in future years, specifically in relation to the Virtu Maritime Group's Malta – Sicily operations, could adversely affect the results of the Virtu Maritime Group's operations and cash flows. In addition, the delivery of the Vessel with substantial defects or unexpected operational problems could have similar consequences.

2.3.4 The Virtu Maritime Group's Financing Strategy

The Virtu Maritime Group may not be able to secure sufficient financing for its future operations. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within timeframes required by the Virtu Maritime Group. Failure to obtain, or delays in obtaining, the capital required to complete future developments and investments on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Virtu Maritime Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

In addition, the Virtu Maritime Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in interest rates and fair values of investments), credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments), foreign exchange rate risk, and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows).

2.3.5 Lease and Lease Renewal

The Group Companies are party to a number of rental contracts. Continued use and enjoyment of the properties in question is therefore susceptible to a number of risks typically associated with leases, including:

- i. exercise of early termination rights by the lessor;
- ii. default of obligations under the lease agreement(s), whether on the part of the Group company or the lessor, including the default, or late payment of, any amounts due by the Group company under the lease agreement;
- iii. changes in the general economic conditions of the property market, including the cyclical nature of the property market;
- iv. the ability of the Group Company to maintain its commercial relationship with the existing lessor on existing or more favourable terms, and its ability to enter into new commercial relationships with a new lessor on existing or more favourable terms;
- v. changes in laws, regulations, taxes or government policies relating to leases.

No assurance can be given as to the occurrence or non-occurrence of any of these risks, and if any of these risks were to materialise, the Virtu Maritime Group's business may be adversely affected.

2.3.6 The Virtu Maritime Group's Insurance Policies

The Virtu Maritime Group maintains insurance cover for its business at the levels required by maritime good practice and international norms.

With respect to losses for which the Virtu Maritime Group is covered by its insurance policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Virtu Maritime Group may not be able to recover the full amount from the insurer. No assurance can be given that the Virtu Maritime 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.

2.3.7 Reliance on Non-Proprietary Software Systems and Third-Party IT Providers

To varying degrees, the Virtu Maritime Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business and it is exposed to the risk of failures in such systems. There can be no assurance that maintenance and service level agreements and disaster recovery plans intended to ensure continuity and stability of these systems will prove effective in ensuring that the service or systems will not be disrupted. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating performance.

2.3.8 Level of Interest Rates

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Virtu Maritime Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

2.3.9 The Virtu Maritime Group's Indebtedness and Leveraged Capital

The Virtu Maritime Group has a significant amount of debt and may incur additional debt in connection with its future growth.

Borrowings under bank credit facilities are or may be at variable interest rates, which would render the Virtu Maritime Group vulnerable to increases in interest rates. The financing agreements regulating the Virtu Maritime Group's bank debt impose and are likely to impose, significant operating restrictions and financial covenants on the Virtu Maritime Group. These restrictions and covenants could limit the Virtu Maritime Group's ability to obtain future financing, fund capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

In the event that the Virtu Maritime Group's generated cash flow were to be required to make principal and interest payments on any existing or prospective debt, this could give rise to a reduction in the amount of cash available for distribution by the Virtu Maritime Group, which would otherwise be available for funding of the Virtu Maritime Group's working capital, capital expenditure, development costs, and other general corporate costs, or for the distribution of dividends.

The Guarantor may be required to provide guarantees for debts contracted by its Subsidiaries, in addition to the Guarantee. Defaults under financing agreements could lead to the enforcement of security over property of the Guarantor, where applicable, and/or cross-defaults under other financing agreements.

2.3.10 Operating Expenses

A portion of the Virtu Maritime Group's costs are fixed and the Virtu Maritime Group's operating results are susceptible to short-term changes in its revenues. The Virtu Maritime Group's fixed operating expenses are not easily reduced to react to changes in its revenue save by reducing its operating expenses, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Virtu Maritime Group's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase the Virtu Maritime Group's operating and other expenses include:

- i. increases in the rate of inflation;
- ii. increases in payroll expenses;
- iii. changes in laws, regulations or government policies;
- iv. increases in insurance premiums;
- v. unforeseen increases in the costs of maintaining vessels; and
- vi. unforeseen capital expenditure.

Such increases could have a material adverse effect on the Issuer's financial performance and position and its ability to fulfil its obligations under the Bonds.

2.3.11 Exchange Rate Risk

The Virtu Maritime Group may be impacted by transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the Euro, as the Virtu Maritime Group's reporting currency, which fluctuation may adversely affect its operating performance. Unfavourable exchange rates may lead to higher costs or lower sales than expected at the time of entering into any contractual arrangement and may reduce margins.

2.3.12 Corporate Social Responsibility

Given consumers' growing concerns about responsible trade and the nature and reality of commitments, corporate social responsibility policies and actions, or the limitations or absence thereof, may impact the Virtu Maritime Group's reputation and standing.

2.3.13 Legal and Regulatory Compliance

The Virtu Maritime Group is subject to a variety of laws and regulations both in and out of Malta, including maritime and shipping, taxation, environmental and health and safety regulations. The Virtu Maritime Group is at risk in relation to changes in the 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. No assurance can

be given as to the impact of any possible judicial decision or change in law or regulation or administrative practice after the date of this Prospectus upon the business and operations of the Virtu Maritime Group.

In addition, the Virtu Maritime Group's activities are subject to licensing and regulation by a number of local and foreign governmental authorities, which may include shipping and maritime, health and safety measures, disability access requirements and fire safety requirements. Difficulties in obtaining or maintaining the required licenses or approvals, or the loss thereof, could adversely affect the Virtu Maritime Group's business and results of its operations.

2.3.14 Complaints and Litigation

Since the Virtu Maritime Group operates in an industry which involves the continuous provision of goods and services to customers and consumers and such operation necessarily requires continuous interaction with suppliers, employees, and regulatory authorities, the Virtu Maritime Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees, and regulators. Adverse publicity surrounding such claims may materially affect sales revenue generated by the Virtu Maritime Group regardless of whether such claims are upheld and any allegations relating thereto are true or otherwise.

Additionally, the Virtu Maritime Group may be involved in arbitration proceedings as a result of potential systemic deficiencies in the vessels owned and operated by the Virtu Maritime Group. Such circumstances may not be covered by the contractual warranties and representations given by the vessels' builders, and may therefore result in arbitration or court proceedings.

All dispute resolution and litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Virtu Maritime Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Group, the latter could also be affected due to the adverse publicity brought against and concerns raised in respect of the industry in general.

Although as stated in section 11 under the heading "*Litigation*", the Directors are not aware of any governmental, legal or arbitration proceedings which the Virtu Maritime Group is involved in and which may have a significant effect on the Virtu Maritime Group's financial condition or operational performance, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Virtu Maritime Group's reputation even though the monetary consequences may not be significant.

2.4 RISKS RELATING TO THE GROUP'S FERRY AND SHIPPING SERVICES

2.4.1 General Risks Associated with the Ferry Operating Industry

The Virtu Maritime Group's ferry service operations and the results thereof are subject to a number of external factors, many of which are common to the ferry operating industry and beyond the Virtu Maritime Group's control, including the following:

- i. changes in travel patterns and evolving consumer trends and preferences, and the ability of the Virtu Maritime Group to swiftly anticipate, identify and capitalise on these trends and preferences;
- ii. susceptibility to local and global competition influenced by a variety of determining factors including price differences, packages variety, quality, availability, reliability, after-sales service and the provision of ancillary services such as accommodation and logistics;
- iii. increased competition from the Virtu Maritime Group's current and potential competitors, some of which may have greater name recognition, larger customer bases and greater financial and other resources;
- iv. any increase in the price of fuel or port facilities charges, or the imposition of new taxes or charges on sea or even air travel;
- v. changes in laws and regulations, particularly relating to employment, health and safety, and environmental concerns and marine pollution and the related costs of compliance;
- vi. the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including port strikes, airline strikes and port or border closures), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- vii. the arrest by maritime claimants of the vessels owned by the Virtu Maritime Group or the detainment by other authorities of these vessels;
- viii. the requisitioning of any vessel owned by the Virtu Maritime Group during a period of war of emergency;
- ix. increases in operating costs due to employment costs, workers' compensation and healthcare related costs, utility and fuel costs, survey costs, increased taxes and insurance costs.

In particular, a relative decline in the competitive strength of the Virtu Maritime Group could adversely affect the Virtu Maritime Group's results of its ferry service operations and the Virtu Maritime Group may be compelled by the strength of its competitors to reduce its own prices and tariffs. The ability of the Virtu Maritime Group to maintain or increase its profitability will be dependent on its ability to offset such decreases in the prices and

margins of its ferry services. Furthermore, the Virtu Maritime Group is not limited to competition from other ferry service operators but also from providers of substitute means of transportation, including air travel operators.

The impact of any of these factors, or a combination of them, may adversely impact the Virtu Maritime Group's tariffs and occupancy levels on its ferry services, or otherwise cause a reduction in its revenue, which could have a material adverse effect on the Virtu Maritime Group's business, financial condition and results of its operations.

2.4.2 Downtime of Vessels

With respect to the Malta – Sicily operations of the Virtu Maritime Group, the Virtu Maritime Group currently operates one high speed craft, which number will increase to two vessels upon the delivery of the Vessel as described in section 4.5 below. The charter operation relative to the Maria Dolores described in the said section 4.4.2.1 is entirely dependent on that particular vessel. If any vessel of the Virtu Maritime Group 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 business of the Virtu Maritime Group, its financial condition and the results of its operations could be materially adversely affected.

The Virtu Maritime Group may evaluate its opportunities to acquire vessels, and/or to dispose or retire existing ones, with or without replacement. The Virtu Maritime 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 Virtu Maritime Group, its financial condition and the results of its operations. Similarly, the risk of insufficient and unprofitable occupancy levels for its new vessels may materialise, and a decline in occupancy levels on its older vessels, could have a material adverse effect on the Virtu Maritime Group's financial position and performance.

2.4.3 Continuity of Terminal and Port Facilities

The continuity of the ferry services of the Virtu Maritime Group depends in part on the continuity of the operations of the terminal and port facilities provided by the various ports of destination servicing the Virtu Maritime Group's fleet of vessels. Any disruptions in the terminal and port facilities, caused by industrial disputes, adverse weather conditions, *force majeure*, accidents in the port, or for any other cause, could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

2.4.4 Fluctuations in the Value of its Vessels

The market value of the Virtu Maritime Group's vessels, both that currently owned as well as the Vessel once this is delivered, is subject to market fluctuations and is dependent on a number of factors including general economic and market conditions, the supply of similar vessels, government regulation and policy, substitute means of transportation and technological advancements. Any impairment in the market value of its vessels could have a material adverse effect on the business of the Virtu Maritime Group and its financial position.

2.4.5 Fluctuations in the Cost of Fuel and Fuel Hedging Agreements

Bunker fuel constitutes one of the major operating costs of the Virtu Maritime Group's fleet of vessels and an increase in the price of bunker fuel could have a materially adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

2.4.6 Regulatory Risk

The Virtu Maritime Group provides ferry operations and ship management services in different jurisdictions and is 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 Virtu Maritime Group to comply with these requirements, and to adapt in a timely manner to changes in the applicable regulation, including the ability to make modifications to its vessels as required, could impact the reputation of the Virtu Maritime Group and could have a materially adverse impact on the business of the Virtu Maritime Group, 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 Virtu Maritime Group's 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 Virtu Maritime Group.

2.4.7 Safety and Environmental Damage Risk

The ferry service and shipping operations of the Virtu Maritime Group carry inherent risks, including the risk of:

- marine disasters, including collisions at sea and contact with floating objects;
- mechanical failure or human error;
- piracy, terrorism, war or other hostilities;

- business interruption due to political circumstances in foreign countries and labour strikes disrupting its operations;
- explosions and fires on its vessels.

The occurrence of any such events could result in: liability for personal injury or death; damage to or loss of property or cargo; delays; loss of revenue; marine clean-up costs; governmental fines or penalties; litigation; higher insurance premiums; and damage to reputation and customer relationships, the effects of which may adversely impact the business of the Virtu Maritime Group, its financial condition and the results of its operations.

The Virtu Maritime Group carries blue card war insurance and protection and indemnity, hull and machinery and freight, demurrage and defence insurance covering its owned ships consistent with industry standards, however it can give no assurance that it is adequately insured against all risks that may materialize or that its insurers will pay a particular claim. The Virtu Maritime Group also may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. Any uninsured or underinsured loss could harm the Virtu Maritime Group's business, financial condition, results of operations and cash flows. Furthermore, even if its insurance coverage is adequate to cover its losses, the Virtu Maritime Group may not be able to obtain a timely replacement vessel in the event of a loss of a vessel.

2.4.8 Natural Disasters

The Virtu Maritime Group's ferry service and shipping operations are susceptible to adverse weather conditions and the Virtu Maritime Group's fleet is at risk of being damaged, abandoned or lost as a result of such adverse weather conditions. Adverse weather conditions are, by their nature, not within the control of the Virtu Maritime Group and, if not predicted and appropriately catered for (such as cancelation of voyages in cases of adverse weather conditions), could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations.

2.4.9 Repairs and Maintenance of the Virtu Maritime Group's Vessels

Repairs and maintenance of the vessels of the Virtu Maritime Group, and any other unexpected issues which may arise in this regard, may require significant capital expenditure and result in a loss of revenue while its vessels are in downtime. This could have a material adverse effect on the business of the Virtu Maritime Group, its financial condition and the results of its operations, which effects may be exacerbated where more than one vessel of the Virtu Maritime Group is experiencing downtime at the same time.

2.4.10 Charters

The Virtu Maritime Group's charter operations depend on its ability to continue existing relationships with charterers and establish new relationships with other charterers, in respect of which the Virtu Maritime Group will face substantial competition from its competitors. Such competitors may have greater name recognition, larger customer bases and greater financial and other resources. In addition, the results of the Virtu Maritime Group's charter operations may be adversely affected where the Virtu Maritime Group is unable to enter into charter agreements, or renew existing ones, at attractive rates, which may be dependent upon factors beyond the control of the Virtu Maritime Group.

2.4.11 Reliance on and Reliability of Suppliers

The Virtu Maritime Group is reliant upon its suppliers for the availability of and timely supply of consumables, spare parts and operational equipment which is not held in stock from time to time, in order to maintain the operations of its fleet of vessels. The management team is responsible for ensuring that adequate amounts of essential spare parts are kept in stock to ensure that in the event of the necessity of any repairs being made to the Virtu Maritime Group's vessels, these undergo as little down-time as possible. Delays in delivery or the unavailability of supplies could have a material adverse effect on the operations of the Virtu Maritime Group and results of its operations.

2.4.12 Privileged Maritime Claims and Possessory Liens

Under the provisions of the Merchant Shipping Act, certain debts specified therein are secured by a special privilege upon the relevant vessel, including:

- wages and expenses for assistance, recovery of salvage, and for pilotage;
- 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;
- moneys due to creditors for labour, work and repairs;
- moneys due to creditors for provisions, outfit and apparel;
- tonnage dues;
- damages and interest due to the freighters for non-delivery of the goods shipped, and for injuries sustained by such goods through the fault of the master or the crew;

- damages and interest due to another vessel or to her cargo in cases of collisions of vessels and
- damages and interest due to any seaman for death or personal injury and expenses attendant on the illness, hurt or injury of any seaman.

The potential risk associated with the privileged debts attaching to the vessels of the Virtu Maritime Group arises out of the fact that the obligations under the Bonds 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 Virtu Maritime 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 Virtu Maritime Group, its financial condition and the results of its operations.

2.4.13 Exercise of Mortgagee's Rights

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:

- to take possession of the vessel, or share therein, in respect of which he is the mortgagee; or
- to sell the ship, or 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 concurrence of every prior mortgagee or under the order of the competent court).

2.4.14 Requisition or Forfeiture of Vessels

Governments could requisition for title or hire, or seize, any number of the Virtu Maritime Group's 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. Government requisition of one or more of the Virtu Maritime Group's vessels would have a negative impact on its business, results of operations, cash flow and financial condition.

In addition, the Merchant Shipping Act makes provision for a number of instances in which a vessel, or any share therein, could be forfeited, in consequence of which such vessel will be seized and detained and brought for adjudication before the court of competent jurisdiction. Such instances of forfeiture in terms of the Merchant Shipping Act include the improper use of a certificate of registration by the master or owner of a vessel, the undue assumption of Maltese character in relation to a foreign vessel, and the concealment of Maltese character or the assumption of foreign character in relation to a vessel. Where such forfeiture is ordered by the court of competent jurisdiction, such forfeiture will be made in favour of the Government of Malta and could be subject to further orders and conditions as the court deems just to hand down. In the event that any of the vessels of the Virtu Maritime Group is forfeited, the business of the Virtu Maritime Group, its financial conditions and the results of its operations may be materially adversely affected thereby.

2.4.15 Ageing Vessels

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 Virtu Maritime Group's vessels and may restrict the type of activities in which the Virtu Maritime Group's vessels may engage. Each of these factors may negatively impact the Virtu Maritime Group's future results of operations.

2.4.16 Class Restrictions

As mentioned in section 4.4.2 of this Registration Document, the vessels operated by the Virtu Maritime Group are subject to a programme of periodic surveys as established by the International Association of Classification Societies (IACS) and certified for international voyages by an international Classification Society, DNVGL. There remains the possibility that class restrictions may be imposed upon the vessels by DNVGL should any material or significant faults in the vessels be identified. Conditions of class may include limiting the vessel's load capacity to a certain tonnage or not allowing the vessel to operate in certain weather conditions, where under normal circumstances it would be allowed to do so, until the faults in the vessel are repaired. The occurrence of such an event could result in a loss of revenue for the Virtu Maritime Group throughout the risk period as well as during the vessel's downtime pending its repair, most especially when the mechanical or structural deficiencies are major in nature.

2.4.17 Risks Associated with the Food and Beverage Industry.

The Virtu Maritime Group's hospitality and catering operations on board its vessels and within its port facilities are subject to a number of risk factors that may affect the food and beverage industry in general, including the risk of claims by customers in connection with the consumption of contaminated or expired goods. Furthermore, various authorities have the power to conduct inspections of, and possibly to close down, any hospitality or catering outlets operated by the Virtu Maritime Group which fail to comply with applicable regulations and standards. To date, the Virtu Maritime Group has not experienced any claims based on these laws, although no assurance can be given that this will remain the case in the future.

3. Identity of Directors, Senior Management, Advisers and Auditors of the Issuer and the Guarantor

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

3.1 DIRECTORS

Directors of the Issuer

Charles Borg 140461(M)	114, Mater Alba, Triq il-Pont, Santa Maria Estate, Mellieha, Malta	Independent Non-Executive Chairman
Roderick E D Chalmers 708847(M)	Devonshire House, Annibale Preca Street, Lija, Malta	Independent Non-Executive Director
Matthew Portelli 541684(M)	Lily, Sir Augustus Bartolo Street, Ta' Xbiex, Malta	Executive Director
Stephanie Attard Montalto 77472(M)	Halcyon, Triq il-Karenza, Balzan, Malta	Executive Director
Stefan Bonello Ghio 138767(M)	18, Dar il-Kappar, Triq il-Gojgin, Kappara, San Gwann, Malta	Non-Executive Director

Dr Malcolm Falzon, holder of identity card number 129280(M) of Camilleri Preziosi, Level 3, Valletta Buildings, South Street, Valletta, Malta, is the company secretary of the Issuer.

THE DIRECTORS OF THE ISSUER LISTED ABOVE ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE 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 ACCEPT RESPONSIBILITY ACCORDINGLY.

The persons listed under the sub-heading "*Advisers to the Issuer and the Guarantor*" have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Directors of the Guarantor

Charles Borg 140461(M)	114, Mater Alba, Triq il-Pont Santa Maria Estate, Mellieha, Malta	Non-Executive Directive
Matthew Portelli 541684(M)	Lily, Sir Augustus Bartolo Street, Ta' Xbiex, Malta	Executive Director
Stephanie Attard Montalto 77472(M)	Halcyon, Triq il-Karenza, Balzan, Malta	Executive Director
Francis A Portelli 986249(M)	Aidengrove, Sir Augustus Bartolo Steet, Ta' Xbiex, Malta	Executive Director
John M Portelli 726944(M)	Tamarisk, Princess Elizabeth Street, Ta' Xbiex, Malta	Executive Director

Mr Matthew Portelli, holder of identity card number 541684(M), residing at Lily, Sir Augustus Bartolo Street, Ta' Xbiex, Malta, is the company secretary of the Guarantor.

3.2 ADVISERS TO THE ISSUER AND THE GUARANTOR**Legal Counsel**

Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings, South Street
Valletta VLT 1103 – MALTA

Sponsor

Name: Rizzo, Farrugia & Co. (Stockbrokers) Ltd
Address: Airways House, Third Floor, High Street,
Sliema SLM 1549 – MALTA

Manager & Registrar

Name: Bank of Valletta p.l.c.
Address: BOV Centre, Cannon Road,
Santa Venera SVR 9030 – MALTA

3.3 AUDITORS OF THE ISSUER AND GUARANTOR

Name: PricewaterhouseCoopers
Address: 78 Mill Street,
Qormi QRM 3101 – MALTA

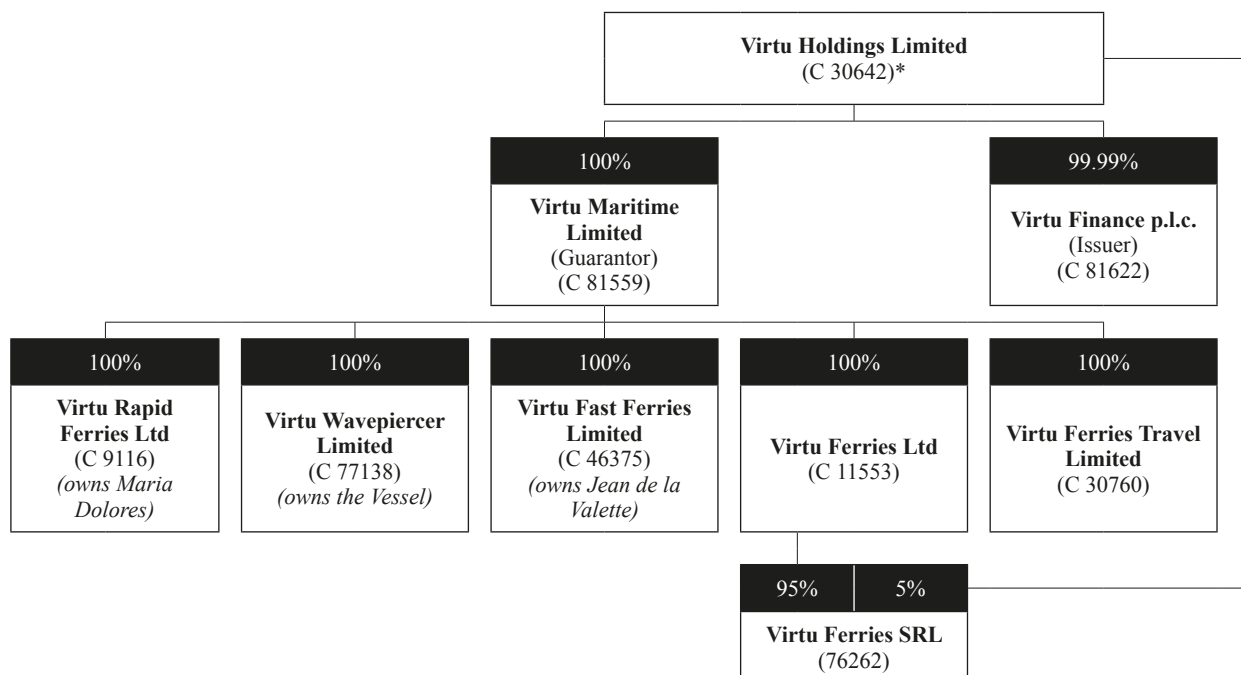
PricewaterhouseCoopers is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281 of the laws of Malta).

The annual financial statements of each of the Subsidiaries forming part of the Virtu Maritime Group for the years ended 31 December 2014, 2015 and 2016 have been audited by PricewaterhouseCoopers. As explained in section 5 below, there is no historical financial information about the Issuer and the Guarantor, both of which were incorporated in mid-2017.

4. Information about the Issuer and the Guarantor

4.1 ORGANISATIONAL STRUCTURE OF THE VIRTU MARITIME GROUP

The diagram hereunder illustrates the Subsidiaries within the organisational structure of the Virtu Maritime Group:



**Virtu Holdings is the parent company of a number of other subsidiaries and associated companies which are unrelated to the Virtu Maritime Group and the business line relevant to the Bond Issue, and which accordingly do not feature in the above chart.*

As indicated above, the Issuer is a subsidiary of Virtu Holdings, which holds all shares in the Issuer save for one share held by The Virtu Group Limited (C 34917). All of the issued share capital of the Guarantor is held by Virtu Holdings. The Virtu Maritime Group's organisational structure is currently set up such that each Subsidiary of the Virtu Maritime Group fulfils a particular function. The organisational structure places the Guarantor as the company responsible for the strategic direction and development of the Virtu Maritime Group, with the respective boards of the Subsidiaries, particularly that of Virtu Ferries Ltd (C 11553), focusing on setting and achieving the Virtu Maritime Group's operational objectives. The Virtu Maritime Group's main operations through its Subsidiaries are described in section 4.4 of this Registration Document.

4.1.1 The Re-Organisation

Prior to the incorporation and registration of the Issuer and the Guarantor as is described in sections 4.2 and 4.3 below, Virtu Wavepiercer Limited, Virtu Ferries Ltd, Virtu Fast Ferries Limited, Virtu Ferries Travel Limited and Virtu Rapid Ferries Ltd were all directly owned by Virtu Holdings.

On 3 August 2017, Virtu Maritime Limited entered into a share for share exchange agreement with Virtu Holdings, pursuant to which Virtu Holdings transferred its shares in the Subsidiaries to the Virtu Maritime Limited in exchange for an issue of 4,113,174 shares of a nominal value of €1.00 per share in Virtu Maritime Limited. As a result, the Guarantor was interposed between Virtu Holdings' and the Subsidiaries, and Virtu Holdings' direct shareholding in said Subsidiaries (Virtu Wavepiercer, Virtu Ferries Ltd, Virtu Fast Ferries Limited, Virtu Ferries Travel Limited and Virtu Rapid Ferries Ltd) has been transferred to the Guarantor. The reorganisation resulted in the creation of the Virtu Maritime Group structure, as depicted in the above diagram.

The following is a list of the share transfers made, for the purposes of the re-organisation, by Virtu Holdings to the Guarantor in exchange for the issue of the said 4,113,174 shares of a nominal value of €1.00 per share by the Guarantor in favour of Virtu Holdings:

Subsidiary name and company registration number	Number of shares transferred	Nominal value of shares transferred	Date of transfer
Virtu Wavepiercer Limited (C 77138)	10,000	€1.00	3 August 2017
Virtu Ferries Ltd (C 11553)	30,000	€2.329373	3 August 2017
Virtu Fast Ferries Limited (C 46375)	10,000	€1.00	3 August 2017
Virtu Ferries Travel Limited (C 30760)	500	€2.329373	3 August 2017
Virtu Rapid Ferries Ltd (C 9116)	150,000	€2.329373	3 August 2017

Shortly following completion of the re-organisation, on 7 August 2017, upon the drawdown of a €20 million subordinated shareholder's loan from Virtu Holdings to the Guarantor, the Guarantor completed its initial capital structuring.

4.2 HISTORICAL DEVELOPMENT OF THE ISSUER

4.2.1 Introduction

Full Legal and Commercial Name of the Issuer:	Virtu Finance p.l.c.
Registered Address:	Virtu, Ta' Xbiex Terrace, Ta' Xbiex, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 81622
Date of Registration:	6 July 2017
Legal Form	The Issuer was formed as a public limited liability company. The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone Number:	+356 2349 1000
Email:	admin@virtu.com.mt
Website:	www.virtu.com.mt

4.2.2 Principal Objects of the Issuer

The principal objects of the Issuer are set out in clause 3 of its Memorandum of Association and include, but are not limited to: the carrying on of the business of a finance and investment company, including the financing or re-financing of the funding requirements of the business of the Virtu Maritime Group; the borrowing and raising of money in such manner as the Issuer may deem fit, including the issuing of bonds, debentures, commercial paper or other instruments creating or acknowledging indebtedness and to offer the same to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon.

In pursuance of the said principal object, in addition to the Bond Issue the Issuer will enter into loan agreements with Group Companies from time to time, including as set out in section 4.1 of the Securities Note, entitled "*Reasons for the Bond Issue and Use of Proceeds*".

4.2.3 Principal Activities and Markets of the Issuer

The Issuer was registered as Virtu Finance p.l.c. on 6 July 2017, as a public limited liability company in terms of the Act. The Issuer itself does not itself carry on any trading activities apart from the raising of capital and advancing thereof to members of the Virtu Maritime Group as and when the demands of their business so require. Accordingly, the Issuer is economically dependent on the Virtu Maritime Group.

4.3 HISTORICAL DEVELOPMENT OF THE GUARANTOR

4.3.1 Introduction

Full Legal and Commercial Name of the Guarantor:	Virtu Maritime Limited
Registered Address:	Virtu, Ta' Xbiex Terrace, Ta' Xbiex, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 81559
Date of Registration:	30 June 2017
Legal Form	The Guarantor was formed as a private limited liability shipping company. The Guarantor is lawfully existing and registered as a private limited liability shipping company in terms of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations.
Telephone Number:	+356 2349 1000
Email:	admin@virtu.com.mt
Website:	www.virtu.com.mt

4.3.2 Principal Objects of the Guarantor

In terms of clause 3 of its memorandum of association, the principal objects of the Guarantor are to buy and acquire on any title, sell, transfer or assign by any title, operate, manage, charter, hire and/or exchange ships, yachts, boats and any other vessel or any rights thereon, and to carry out such activities as may be ancillary to, or necessary to the attainment of, the aforesaid. Ancillary objects include: the registration of ships, yachts, boats and any other vessel in any registry and under any flag as the directors shall deem fit and to cancel the registration of any of its vessels wherever they might be registered; to mortgage vessels and to register mortgages. As at the date hereof, the Guarantor acts principally as a holding company for the Virtu Maritime Group, holding securities in companies which themselves carry out, *inter alia*, objects relevant to the maritime sector such as those indicated above.

4.3.3 Principal Activities and Markets of the Guarantor

The Guarantor was registered on 30 June 2017, as a private limited liability shipping company in terms of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations. The Guarantor is the holding company for the Subsidiary companies forming part of the Virtu Maritime Group and does not itself carry on any trading activities. As such, the principal activities and markets in which the Guarantor operates correspond to the principal activities and markets of the Group Companies, as outlined in section 4.4.2 of this Registration Document.

4.4 OVERVIEW OF THE BUSINESS OF THE VIRTU MARITIME GROUP

4.4.1 Relationship with the Virtu Holdings Group

The Virtu Holdings Group was established over seven decades ago. It saw its origins as a ship owning company in 1945 operating cargo vessels between the Mediterranean and northern European ports. Its first vessels traded on a scheduled service between Malta and northern European ports. In the early 1980s, in partnership with Italian and Norwegian interests, as Virtu Naval Services, the company owned and managed a fleet of oil tankers in the Arabian Gulf and traded in petroleum, including salvage of off-specification products from war casualties. The company was the operator – on behalf of the Government of Dubai – of the Dubai Dry Docks Tank Cleaning Facilities. The core business of the Virtu Holdings Group is, nowadays, that of ship owners and operators of high speed passenger/car ferries which operate (whether by a Group Company or by a third party operator) on various routes, including Malta – Sicily, the Adriatic as well as Spain - Morocco. Other maritime services, including bunkering and ship management, and associated interests in the tourism and real estate industries, are held by the Virtu Holdings Group but are not considered relevant to the business of the Virtu Maritime Group (a sub-group of the Virtu Holdings Group) owned by the Guarantor.

4.4.2 Principal Activities and Markets of the Virtu Maritime Group

The principal part of the Virtu Holdings Group's business which is relevant to the Virtu Maritime Group, of which the Guarantor is the parent company, is the operation of the Malta – Sicily route by high-speed passenger/car ferry. The Malta – Sicily route is currently serviced by one High Speed Passenger and Vehicle Ferry, the *Jean de la Valette*. This is set to be complemented and supplemented by the delivery of the Vessel, further described in section 4.5 below. The chartering of the vessel *Maria Dolores*, currently on a Morocco – Spain route, also forms a significant part of the Group's business.

The maritime industry is rigidly regulated on an international scale to minimise risk to vessels, vessels' crew, passengers, cargo and the environment. Only shipping companies certified as complying with these international regulations are allowed to operate in international waters.

Relevant to the market within which the Group operates, a brief overview of the regulatory framework to which its operations are subject is set out in section 4.5 below. For the purposes of the present section of this Registration Document, it is pertinent to note that: the fleet of high speed passenger/car ferries owned and operated by the Virtu Maritime Group is regulated by and operates in compliance with the International Maritime Organisation High Speed Craft Code and the requirements of the Malta flag, in accordance with EU Directive 1999/35/EC, as amended; and that the Subsidiaries responsible for such operations are duly certified as specified in the preceding paragraph.

4.4.2.1 Ship Owning, Ship Management and Operating of High-Speed Passenger and Vehicle Ferries

Malta – Sicily line

As indicated above, the Virtu Maritime Group operates a scheduled High-Speed Passenger / Vehicle Ferry Service between Malta and Pozzallo, Sicily, which service has been operating since 1988.

Virtu Ferries Ltd was established in 1990 to operate a year-round scheduled passenger and car service on the said route. Since the first voyage completed on 15 June 1988 by the DSC Virgin Butterfly, which was chartered during the first two years of operation, this Subsidiary of the Guarantor has been instrumental in eliminating the geographic divide between Malta and mainland Europe.

In 1989, Virtu Ferries Ltd commissioned the building of its own first high-speed vessel, the ACC *San Frangisk*, with a capacity of 310 passengers. The vessel was delivered in 1990 and serviced the Malta – Sicily route for 11 years. The ACC *San Frangisk* was designed to cater for passengers only. A second vessel, the HSC *San Gwann*, was delivered in 2001 with a greater capacity of 427 passengers and a garage space for 20 passenger vehicles. Five years later, the *Maria Dolores* joined the Virtu Maritime Group's fleet and as at that date was the largest high-speed vessel owned by the group, with a capacity of 600 passengers, 35 cars and 95 truck lane metres.

Subsequently, Virtu Fast Ferries Limited (C 46375) commissioned the building of *Jean de la Valette*, with the ability to carry 800 passengers and 45 cars and 342 truck lane metres, for delivery in August 2010. The *Jean de la Valette* is the vessel currently deployed on the Malta-Sicily route pursuant to the terms of a ten-year bareboat charter to Virtu Ferries Ltd, replacing the *Maria Dolores*, which is on time charter to a third party operating a different route. The *Jean de la Valette* was specifically designed to handle the increased cargo and passenger traffic between Malta and Italy.

All of the vessels referred to above fly the Malta flag and are managed by the Virtu Maritime Group's marine and technical department.

The schedule of around 950 trips per year currently run by the *Jean de la Valette* allows for year-round day return excursions to Sicily from Malta and similar seasonal excursions to Malta from Sicily. The schedule also caters for niche commercial markets with a daily interchange of fresh agricultural and dairy products and fish between the two islands. The *Jean de la Valette* has revolutionised sea transportation, and consequently trade, between these two Mediterranean islands. A more recent emerging market which the Virtu Maritime Group is also seeking to tap into through its ferry service is Maltese residents owning a family holiday home in Sicily.

The growth in passenger and passenger vehicle traffic coincides with: the increase in the number of Maltese families travelling to Sicily by car, especially during the summer school vacation months; the growing trend of Maltese families owning or renting holiday homes in Sicily; the increasing popularity of *agriturismo* holidays in Italy and Sicily; the appeal of affordable shopping arcades in certain parts of Sicily; and the significant growth of the Maltese tourism sector in general. Even though the summer period remains the peak season for the tourism industry, demand for the service has increased significantly in other months of the year, including the first quarter of the year. The online booking system introduced in 2001 has facilitated the process of making reservations and has made the Virtu Maritime Group's services more accessible to its clients.

Together with the transport of passengers and passenger vehicles, the carriage of commercial vehicles constitutes the principal market segment associated with the operation of the Malta – Sicily line. Malta's entry into the European Union led to a substantial change in procurement with a broad range of products being sourced directly from regional logistics centres in Sicily and Southern Italy. This, together with the opening of a number of international franchises, as well as the collaboration with foreign retailers targeting the local market, has resulted in the increase of the carriage of goods, particularly fresh produce, fish and other products of a perishable nature for which the fast ferry service is optimally positioned. Through high levels of service provision and consistent performance, the Virtu Maritime Group has developed a strong and stable position in the carriage of commercial goods.

Whilst the principal activity of the Virtu Maritime Group is undertaken by Virtu Ferries Ltd, being the operational arm of the group, which charters the *Jean de la Valette* from Virtu Fast Ferries Limited on a time charter basis, other companies forming part of the Virtu Maritime Group are assigned ancillary functions which are key to the group's operations. The operations of Virtu Ferries Ltd are supported by Virtu Ferries S.R.L. and Virtu Ferries Travel Limited, the former being the company incorporated under the laws of Italy which manages and operates the

booking office in Pozzallo, Sicily, and the latter company operating as a travel agency. Virtu Ferries S.R.L. was established to handle ferry ticket sales and provide other services in relation to ticketing and reservations. Virtu Ferries Travel Limited offers excursion services to tourists travelling to and from Sicily, offering a number of tour packages to various sites including Taormina, Mount Etna and Syracuse amongst others; year-round day return excursion packages to Sicily; seasonal day return excursion package to Malta; and transportation and accommodation arrangements for tourists visiting Sicily.

***Maria Dolores* charter**

The Virtu Maritime Group also owns, through its Subsidiary Virtu Rapid Ferries Ltd (C 9116), the High-Speed Craft *Maria Dolores*, which is chartered out, on a time charter basis, to Inter Shipping SRA. This third-party operator in turn operates a route between Tarifa, Spain and Tangier Ville, Morocco, with a total of 2,800 trips being carried out each year on this route. The time charter agreement with Inter Shipping SRA has recently been renewed for a non-extendable three-year period, commencing from 1 June 2017 until 31 May 2020. The agreement provides for an intended schedule of four round trips per day.

4.4.2.2 Operators of sea passenger ferry terminals

On 3 February 2010, Valletta Gateway Terminals Limited (“VGTL”) awarded Virtu Ferries Ltd a 26-year concession to exclusively use and operate the sea passenger ferry terminal at the Grand Harbour, Valletta, with Virtu Holdings acting as joint and several surety for Virtu Ferries Ltd. The property comprising this concession includes: 900 square metres of warehouses; 800 square metres of office facilities; 1,000 square metres of passenger terminal facilities; 4,500 square metres of jetty and marshalling facilities; and a 100 metres dedicated ferry berth. The concession commenced on 1 September 2010 and will expire on 30 June 2036.

Virtu Ferries Ltd’s responsibilities in making use of the Facilities in terms of the agreement include the following, which shall be at its cost:

- i. to manage the facilities in accordance with best industry practice;
- ii. to operate and manage the embarkation and disembarkation of all passengers and vehicles through the facilities;
- iii. to ensure the health and safety of all passengers and vehicles using the facilities in terms of applicable laws;
- iv. for the organisation, direction and management of traffic, whether of vehicles or passengers through the facilities;
- v. to maintain compliance with ISPS security standards and Schengen rules applicable from time to time.

4.4.3 Principal Assets of the Virtu Maritime Group

The *Jean de la Valette* was built in 2010 by Austal Ships, WA, and is registered under the Malta flag. Its overall length is 106.5 metres, its beam is 23.8 metres, it has a passenger capacity of 800 passengers and it also carries up to 24 crew members. It has the capacity to carry 156 cars or 45 cars and 342 truck-lane metres. It has propulsion of four times Rolls Royce KaMeWa water jets with four main engines, each being an MTU 8000 series 9100 kW. It can travel at a maximum speed of 38 knots.

Prior to being chartered for use by a third-party operator on a Spain - Morocco line, the *Maria Dolores* was deployed on the Virtu Maritime Group’s Malta – Sicily line. It was built in 2006 by Austal Ships WA. Its overall length is 68.4 metres, its beam is 18.2 metres, it has a passenger capacity of 600 passengers and a vehicle capacity of 65 cars or 35 cars and 95 lane metres, and the maximum speed at which it can travel is 36 Knots.

The Vessel, which was commissioned on 5 October 2016, is expected to come into operation by around mid-2019. The Vessel will operate on the Malta – Sicily line run by the Virtu Maritime Group. Further information on the Vessel may be found in the following section 4.5.

4.5 PRINCIPAL INVESTMENTS OF THE VIRTU MARITIME GROUP

On 5 October 2016, Virtu Wavepiercer Limited entered into a ship construction and sale agreement with Incat Tasmania Pty in relation to the Vessel. This Vessel was commissioned for the purposes of operating alongside the *Jean de la Valette* on the Virtu Maritime Group’s Malta – Sicily line. The Vessel, acquisition and delivery of which shall be part-financed by the proceeds of the Bond issue, is expected to be delivered during the last quarter of 2018 / first quarter of 2019, and is expected to commence operations shortly thereafter.

The Vessel is almost identical in length, speed and fuel consumption to the *Jean de la Valette*. However, it has a wider beam which allows for an extra vehicle lane, which accommodates another row of vehicles. Compared to the *Jean de la Valette*, the Vessel can carry 100 more passengers. The garage, because of the wider beam, will have the capacity to carry 167 passenger vehicles in 490 truck lane metres, as opposed to 156 passenger vehicles in 342 truck lane metres. Furthermore, the additional truck lane metres and increased deadweight will allow for the carriage of a maximum of nine additional trailers.

On commissioning, the Vessel will result in more than double the carrying capacity of the Virtu Maritime Group’s Malta – Sicily line, therefore allowing the Virtu Maritime Group to be better positioned to cater for traffic originating from the Sicily market by operating second trips between Malta and Sicily at more advantageous times throughout the day. Having a second vessel in operation on the Virtu Maritime Group’s Malta – Sicily line will result in a relatively marginal increase in fixed costs, given the projected economies of scale to be gained from the pooling of crewing and cabin staff, as well as from the higher utilisation of the

port infrastructure at both the Grand Harbour in Valletta, and Pozzallo in Sicily. The introduction of the Vessel is projected to give rise to an increase in total revenue per trip as well as in the number of heavy commercial vehicles utilising the service on the Malta – Sicily route.

In addition to the purely financial merits associated with such additional capacity, the introduction of the Vessel to the Virtu Maritime Group's fleet will allow the Virtu Maritime Group to enjoy a certain amount of redundancy during periods when one vessel is out of service to undergo mandatory maintenance work, as well as to provide a buffer against unforeseen disturbance of service.

4.6 REGULATION OF THE MARITIME SECTOR

As indicated in section 4.4.2 above, the vessels owned and operated by the Virtu Maritime Group comply with the International Maritime Organisation (IMO) High Speed Craft Code and with the requirements of the Malta flag, in accordance with EU Directive 1999/35/EC, as amended. This compliance is also confirmed, on a regular basis, by Italian Port State Control in conjunction with Malta flag inspectors during onboard surveys.

The vessels are subject to a programme of periodic surveys as established by the International Association of Classification Societies (IACS) and certified for international voyages by an international Classification Society, DNVGL. All members of the vessels' crew hold IMO Standard Training, Certification and Watchkeeping for Seafarers (STCW) certification. Whereas Virtu Ferries Ltd holds a Document of Compliance for Passenger High Speed Craft (DOC), the company's vessels operate in accordance with the approved Safety Management Certificate (SMC) of the International Maritime Organisation.

The International Maritime Organisation (IMO)

The IMO is a specialised agency of the United Nations responsible for regulating all aspects of shipping. The IMO has 172 Member States and three Associate Members. The IMO's primary purpose is to develop and maintain a comprehensive regulatory framework for shipping and its remit today includes safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping.

High Speed Craft Code 2000 (HSC Code 2000)

HSC Code 2000 is a comprehensive document that regulates all aspects of the design and safe operation of high-speed craft. The current Code, adopted by the Maritime Safety Committee of the IMO in 2000, amended the previous 1994 Code.

The HSC Code emerged from The International Convention for the Safety of Life at Sea (SOLAS) to cover specific aspects of maritime operations of high-speed craft as opposed to conventional vessels. Flag States are responsible for ensuring that ships under their flag comply with the Code's requirements, and a number of certificates are prescribed in the Convention as proof that this has been done. Like SOLAS, the HSC Code is an international maritime treaty which requires signatory flag States to ensure that ships flagged by them comply with minimum safety standards in construction, equipment and operation.

EU Directive 1999/35/EC

The EU Directive 1999/35/EC was adopted by the European Maritime Safety Agency of the European Commission and covers a system of mandatory surveys for the safe operation of regular ro-ro ferry and high-speed passenger craft services. The requirements are additional to those covered by SOLAS and HSC Code.

DNVGL International Classification Society

A classification society is a non-governmental organisation that establishes and maintains standards for the construction and operation of ships through the establishment and verification of compliance with technical and engineering standards, safety of life at sea and environment, in accordance with all IMO Conventions.

DNVGL is the world's largest classification society. It was created in 2013 as a result of a merger between two leading organisations in the field – Det Norske Veritas (Norway) and Germanischer Lloyd (Germany). DNVGL is a member of the International Association of Classification Societies (IACS).

A classification society will survey and certify that a vessel:

1. Is built in accordance with IACS fitted regulations and requirements with regard to:
 - i. Vessel design;
 - ii. Material used in construction;
 - iii. Certification of personnel involved in the building process, such as type approved welders;
 - iv. Certification and commissioning of equipment on board;
 - v. Attendance and certification of pre-delivery Sea Trials;
2. Conforms with flag requirements, in this case Malta flag and Italian Port State Control requirements;
3. And its safety systems conform with international regulations;
4. Employs environmental safeguards that adhere to international regulations;
5. Is crewed in accordance with international regulations; and
6. Its shore operations conform with international regulations.

The International Convention on Standard Training, Certification and Watchkeeping for Seafarers (STCW), as amended

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 sets qualification standards for masters, officers and seafarers on seagoing merchant ships. The STCW was adopted in 1978 by conference at the IMO and entered into force in 1984. The Convention prescribes minimum standards relating to training, certification and watchkeeping for seafarers which countries are obliged to meet or exceed.

International Ship and Port Facility Security Code (ISPS)

The ISPS Code is an amendment to SOLAS on security arrangements for ships, ports and government agencies. Having come into force in 2004, it prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to “detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade.”

ISPS now forms the basis for a comprehensive mandatory security regime for international shipping. IMO states that “The International Ship and Port Facility Security Code (ISPS Code) is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States”.

ISPS provides for defences against smuggling, terrorism, piracy and stowaways. The ISPS Code requires ships and port facilities engaged in international trade to establish and maintain strict security procedures as specified in specific Ship Security Plans and Port Facility Security Plans.

In accordance with ISPS, Virtu Ferries Ltd has a designated Company Security Officer (CSO) working alongside the Ship Security Officer (SSO) for security purposes.

Document of Compliance for Passenger High Speed Craft (DOC)

The DOC is issued under the provisions of the International Convention for the Safety of Life at Sea, 1974, as amended. The document certifies that the safety management system of the operating company, Virtu Ferries Ltd, has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), in this instant for Passenger High Speed Craft.

This certificate is issued by DNVGL under the authority of the Government of Malta.

Safety Management Certificate (SMC)

The SMC is issued under the provisions of the International Convention for the Safety of Life at Sea, 1974, as amended. The document certifies that the safety management system of the ship, being the vessel operated by Virtu Ferries Ltd, has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code). This follows verification that the DOC for Virtu Ferries Ltd is applicable to the type of ship in question.

This certificate is issued by DNVGL under the authority of the Government of Malta.

The Virtu Ferries Marine & Technical Department

In order to comply with all international regulations and conventions, Virtu Ferries Ltd has its own in-house Marine & Technical Department. The Department is manned by team of eight individuals, including Master Mariners, Engineers, a Human Resources Manager and an Executive Secretary.

Virtu Ferries Ltd operates a 24/7 Crisis Centre to respond to at-sea oil spill incidents in the Central Mediterranean basin and maritime emergencies.

Terminal operation

The Virtu terminal and other port-related activities operated by the Virtu Maritime Group are International Ship and Port Facility Security Code (ISPS) certified. Security is the responsibility of designated personnel within the Marine & Technical Department of the Virtu Maritime Group.

4.7 CORPORATE SOCIAL RESPONSIBILITY

It is the Virtu Maritime Group's policy to abide by international norms with regard to ethical, economic, social, legal and philanthropic responsibilities. The Virtu Maritime Group also adheres to a policy of gender equality.

In so far as environmental issues are concerned, the Virtu Maritime Group's operation is regulated by stringent international, European and national requirements. Furthermore, the Vessel has undergone Computational Fluid Dynamics (CFD) and hydrodynamic free-running model testing, at a facility used by the UK Ministry of Defence, in order to design an environmentally friendly hull with an emphasis on eco operations and fuel efficiency. This is the first time, internationally, that the design of a high-speed vessel has been based on such state-of-the-art technology.

The Virtu Maritime Group supports charitable institutions and activities in Malta. It is a Gold Patron of the Bank of Valletta Joseph Calleja Foundation and in the last 12 months it has contributed, through the Italian Embassy in Malta, towards the welfare of earthquake victims in central Italy and, on the same occasion, assisted SOS Malta Urban Search & Rescue K9.

Between February and August 2011, a number of vessels owned by the Virtu Holdings Group, including the *Maria Dolores*, evacuated thousands of expatriates of various nationalities and Libyan nationals, from Libya to Malta and Tunisia.

5. Trend Information and Financial Performance

5.1 PRESENTATION OF FINANCIAL INFORMATION

Virtu Finance p.l.c. was registered on 6 July 2017 as a special purpose vehicle to act as the financing arm of the Virtu Holdings Group.

The Guarantor was registered on 30 June 2017. The company is a holding company and does not intend to conduct any trading activities itself. Accordingly, it is economically dependent on the financial and operating performance of the Subsidiaries.

In anticipation of the issue of the Bonds, the Guarantor was set up to be interposed in the group of companies owned by Virtu Holdings as the new parent company of the Subsidiaries, which together form the Virtu Maritime Group, as is described in further detail in section 4.1.1. The relative transfer of the shares in the Subsidiaries by Virtu Holdings to the Guarantor was conducted on 3 August 2017 at the carrying value of the investment in the Subsidiaries in Virtu Holdings as at 31 December 2016.

The financial year-end of the Subsidiaries and the Guarantor is 31 December. The financial information in this Registration Document accordingly represents the following:

- a. The historical financial information in respect of the Subsidiaries as set out in the Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016 (the “**Combined Financial Statements**”), prepared by the directors of the Guarantor to present the financial position and results of the Subsidiaries on the basis of the assumption that the Virtu Maritime Group had operated as a single entity in the three years ended 31 December 2014, 2015 and 2016.¹

The Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), as adopted by the European Union, and have been audited by PricewaterhouseCoopers. The Combined Financial Statements have been prepared by aggregating the audited financial statements of the Subsidiaries constituting the Virtu Maritime Group, since all these entities are under common management and control but did not constitute a “group” for the purposes of IAS 27 “Consolidated and Separate Financial Statements”. The aggregated financial information has been adjusted to eliminate the impacts of intra-organisation transactions and balances, and to reflect the appropriate classification.

The process described above, adopted for the preparation of the Combined Financial Statements, is similar to a consolidation process, however, the financial results and financial position of the Subsidiaries could not be consolidated into the financial statements of the Guarantor, since as at 31 December 2014, 2015 and 2016 the Guarantor did not own or control the Subsidiaries.

- b. The Pro Forma financial information of the Guarantor as at 1 January 2017 (the “**Pro Forma Financial Information**”) has been prepared for illustrative purposes only, to provide information on the financial position of the Guarantor. The Pro Forma Financial Information, based on the Combined Financial Statements of the Virtu Maritime Group as at 31 December 2016, illustrates the resulting consolidated financial position of the Guarantor after superimposing the transactions giving rise to the re-organisation of the Virtu Maritime Group described in section 4.1.1, that are hypothetically assumed to have been carried out on 1 January 2017. The Pro Forma financial information relative to the Virtu Maritime Group is further explained in section 5.4.1.

The process for arriving at the Pro Forma Financial Information therefore builds on the combined position as at 31 December 2016, as described in paragraph (a) above, and further assumes that:

- accounting entries related to the incorporation of the Guarantor,
- transfer of ownership of the Subsidiaries, and
- related accounting entries for the re-organisation process, including capitalisation of the loan with Virtu Holdings.

are simulated within a Pro Forma set of financial statements with an effective date of 1 January 2017, to illustrate the financial position of the new group capturing all accounting entries as described in section 5.4 on that date. The legal incorporation of the Guarantor and the restructuring entries described above, were concluded on 30 June 2017 and 3 August 2017 respectively.

Further detail covering the process for arriving at the Combined Financial Statements and the Pro Forma Financial Information is included in Note 1.1 of the Combined Financial Statements of the Virtu Maritime Group and in Note 1 to the Pro Forma Financial Information of the Guarantor, included in Annex I.

¹ Virtu Wavepiercer was incorporated on 5 September 2016, and accordingly no historical information relative to the preceding period is available in respect of this particular Subsidiary.

5.2 STRATEGY AND TREND INFORMATION

The Guarantor and, in so far as the servicing of the Bond Issue is concerned, the Issuer, are dependent on the business prospects of the Virtu Maritime Group and, therefore, the trend information of the Virtu Maritime Group (as is detailed below) has a material effect on both of their financial position and prospects.

As at the time of publication of this Prospectus, the Issuer and the Guarantor consider that generally they shall be subject to the normal business risks associated with the business in which the Group Companies operate, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Virtu Maritime Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus.

The following is a brief synopsis of the significant trends affecting the key areas of operation of the Virtu Maritime Group:

The Virtu Maritime Group generates the majority of its revenue from the operation of a high-speed passenger and vehicle ferry service, with approximately half of its revenues being generated from the carriage of passengers and the rest from the carriage of passenger and commercial vehicles. Besides operating a daily, year round ferry service, the Virtu Maritime Group also charters the *Maria Dolores* to a third party operator, on a time charter basis.

Malta's accession into the European Union in 2004 brought about a step change in the operation of the Virtu Maritime Group's Malta – Sicily line. Following accession into the European Union, passenger traffic has practically doubled. The growth in passenger and passenger vehicle traffic coincides with the increase in popularity of commuting to Sicily for short trips and the significant growth of the Maltese tourism sector in general. The increase in both inbound and outbound tourism, particularly in the summer months has been another key driver of growth. Even though the summer period remains the peak season for the tourism sector, demand for the service has increased significantly in other months of the year, including the first quarter of the year, when demand would typically be at its lowest.

Malta's accession to the European Union has also led to a substantial change in how a broad range of products are sourced, particularly from regional logistics centres in Sicily and southern Italy. This, together with the opening of a number of international franchises, as well as the collaboration with foreign retailers targeting the local market, has resulted in a significant increase of the carriage of goods between Malta and Sicily, particularly fresh produce and other perishable goods for which the fast ferry service is optimally positioned. This has led to a significant increase in light and heavy commercial vehicles making use of the service.

Therefore, through the high level of service provision and consistent performance, the Virtu Maritime Group has developed a strong and stable position in the carriage of commercial goods between Malta and Sicily.

5.3 SELECTED FINANCIAL INFORMATION

Selected Financial Information: The Issuer

The Issuer was registered and incorporated on 6 July 2017. The Issuer has, to date, not conducted any business and has no trading record.

There has not been any significant change in the financial or trading position of the Issuer which has occurred since the date of its incorporation.

Selected Financial Information: The Guarantor

The Guarantor was registered and incorporated on 30 June 2017 and is the parent company of the Virtu Maritime Group. The Guarantor has, to date, not conducted any business, and has no trading record.

Save for the re-organisation referred to in section 4.1.1 of this Registration Document, there has not been any significant change in the financial or trading position of the Guarantor which has occurred since the date of its incorporation.

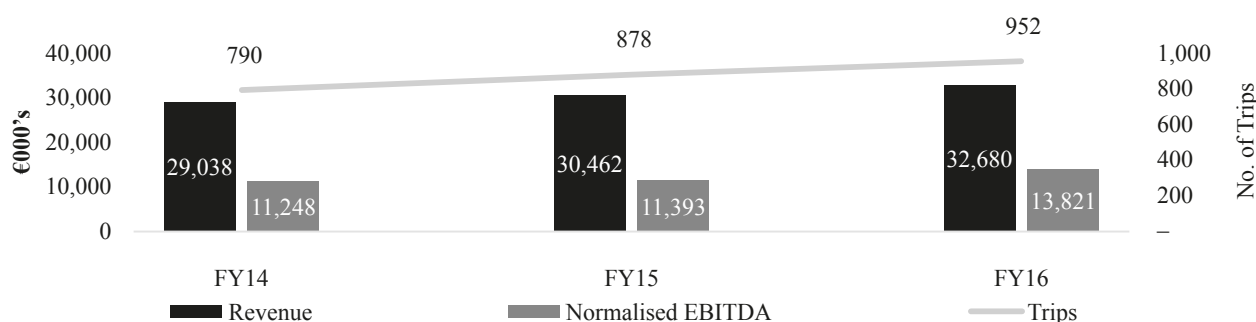
As described in section 5.1 the directors of the Guarantor prepared Combined Financial Statements to present the financial position and results of the Subsidiaries had they operated as a single entity in the three years ended 31 December 2014 to 2016. The Combined Financial Statements are based on the consolidation of the results of the Subsidiaries as presented in the statutory financial statements for the three years ended 31 December 2014 to 2016.

Selected Financial Information

In the last two years, the Virtu Maritime Group registered an average increase in combined gross revenues of six per cent per annum, increasing from €29 million in 2014 to €32.7 million in 2016. Approximately €27.9 million was generated from the operation of the Malta - Sicily ferry service and €4.8 million from the time charter of the *Maria Dolores* to a third party operator.

Revenue from the carriage of passengers remained relatively constant between 2014 and 2016, whilst the ferry service experienced a very positive increase in vehicle traffic, driven by the 10% annual increase in passenger vehicles carried and an 18% annual increase in heavy commercial vehicle traffic.

Virtu Maritime Group Revenue and EBITDA (€000's)
FY14 – FY16



Source: Extract from the audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016

The Virtu Maritime Group generated a combined normalised EBITDA² of €13.8 million in 2016 from the Malta – Sicily line and from the operations of the *Maria Dolores*, recording an increase of €2.6 million, compared to 2014. The improvement is attributable to the €3.6 million increase in revenues registered and a €0.1 million increase in other operating income, offset with an increase in cost of sales of €0.8 million and an increase in administrative expenses of €0.3 million.

The main operating and administrative cost components of the ferry service are fuel costs, crewing, cabin and administrative staff costs, vessels' running and maintenance costs and port fees. The Virtu Maritime Group hedges a substantial portion of its fuel requirements.

Payroll charges amounted to €2.9 million in 2016. The Virtu Maritime Group employs approximately 90 persons, of whom 60% are involved directly in the operation of the vessels including seamen, cabin crew, deck officers, motormen, engineers and technical shore crew. The master, chief officer and chief engineer of the *Jean de la Valette* oversee the technical operations of the Virtu Maritime Group. The administrative function is predominantly made up of reservation, front desk officers and the finance function.

Virtu Maritime Group

Extract from the Combined Income Statement for the three years ended 31 December 2016

€000's	2014	2015	2016
Revenue	29,038	30,462	32,680
Gross Profit	14,169	14,295	16,941
Normalised EBITDA	11,248	11,393	13,821
Normalised Operating Profit	8,093	8,260	10,659
Normalisation adjustments	(1,309)	(1,210)	8,362
Operating Profit	6,784	7,050	19,021
Profit before tax	4,294	5,165	17,520
Profit after tax	4,613	5,088	17,193

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016

Normalisation adjustments reflect the discontinued and non-recurring operations of the Virtu Maritime Group and include net costs incurred for the operation of the high speed craft *San Gwann*, which was sold in 2016 and management fees received from other companies within the Virtu Holdings Group. In 2016, the Virtu Maritime Group recognised non-recurring income of €8.8 million, which was mainly brought about from the resolution of a long standing dispute with the shipbuilders of the *Jean de la Valette*. Reported Operating Profit increased to €19.0 million from approximately €7.0 million in the previous two years as a result of the improvement in earnings from operations and the income recognised from the settlement of the *Jean de la Valette* claim. The Virtu Maritime Group registered a profit after finance costs and tax of €17.2 million in 2016.

² Earnings before Interest Tax Depreciation and Amortisation.

Virtu Maritime Group**Extract from the Combined Cash Flow Statement for the three years ended 31 December 2016**

€000's	2014	2015	2016
Net cash generated from operations	6,927	5,852	11,188
Cash flows used in investing activities	(174)	(102)	(4,141)
Cash flows used in financing activities	(6,627)	(5,960)	(5,754)
Net movement in cash and cash equivalents	126	(210)	1,293
Cash and cash equivalents at beginning of period	1,741	1,867	1,657
Cash and cash equivalents at end of period	1,867	1,657	2,950

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016

In 2016, the Virtu Maritime Group generated €11.2 million in net cash from operations and disbursed €4.1 million, mainly relating to the advance payment to the shipbuilders for the construction of the Vessel. The Virtu Maritime Group reported a net cash outflow of €5.8 million in debt servicing.

Virtu Maritime Group**Extract from the Combined Statement of Financial Position for the three years ended 31 December 2016**

€000's	2014	2015	2016
Non-current assets	70,957	67,864	68,561
Net working capital	(356)	(382)	(158)
Capital employed	70,601	67,482	68,403
Cash and cash equivalents	(1,867)	(1,657)	(2,950)
Borrowings	52,627	46,667	40,913
Reclassified from working capital:			
Other receivables	—	—	(8,797)
Amounts due to/(from) Related Parties	2,747	152	(1,689)
Amounts due (from)/to the Shareholder	(5,381)	18,961	38,364
Shareholders' funds	22,475	3,359	2,562
Total funding	70,601	67,482	68,403

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016

As at 31 December 2016, the Virtu Maritime Group carried €68.6 million in fixed assets, mainly representing the net book value of the vessels. Net working capital is made up of trade and other receivables and payables associated with the day-to-day running of the Virtu Maritime Group's operation.

Bank borrowings amounted to €40.9 million as at 31 December 2016, a net reduction of €11.7 million over the two year period.

The 'Other receivables' balance in 2016 refers to the amount due to the Virtu Maritime Group on the settlement of the *Jean de la Valette* claim. Amounts due from related parties of €1.7 million in 2016 include balances with directors and related companies. As at the end of 2016, the Virtu Maritime Group had a balance due to its shareholder of €38.4 million, with principal amounts representing dividends declared but not yet paid.

5.4 PRO FORMA FINANCIAL INFORMATION

This section sets out an illustration of the key financial implications of the reorganisation of the Virtu Maritime Group as described in section 4.1.1. The illustration reflects the pro forma consolidated financial position of the Guarantor as at 1 January 2017. The consolidation includes the financial position of the Guarantor and its wholly owned Subsidiaries. The Pro Forma Financial Information has been prepared for illustrative purposes only. It addresses a hypothetical situation and, therefore, does not represent the Guarantor's actual financial position.

The Accountant's Report on the Pro Forma Financial Information, included in this document, has been prepared by PricewaterhouseCoopers in compliance with the requirements of the Listing Rules. The Accountant's Report is attached to this Registration Document as Annex II.

5.4.1 Basis for Pro Forma Financial Information

The Pro Forma Financial Information has been prepared using the Combined Financial Statements of the Guarantor for the financial year ended 31 December 2016 and superimposing the following transactions (the “**Hypothetical Transactions**”), or that are hypothetically assumed to have been carried out, as at 1 January 2017:

1. The incorporation of the Guarantor as a private limited liability shipping company;
2. The acquisition of the Subsidiaries by the Guarantor from Virtu Holdings and the initial recognition of the fair value of the Subsidiaries;
3. The goodwill arising from the difference between the fair value attributed to the Subsidiaries and the aggregate fair value of the net identifiable assets acquired; and
4. The drawdown of a €20 million subordinated shareholder’s loan from Virtu Holdings to the Guarantor.

5.4.2 Illustrating the effect of the Hypothetical Transactions on the Guarantor’s financial position

The table below sets out a comparison between the Guarantor’s financial position as at 1 January 2017 and the pro forma consolidated financial position that would have resulted assuming the Hypothetical Transactions were implemented on 1 January 2017.

Extract from the Pro Forma Statement of Financial Position as at 1 January 2017 of the Virtu Maritime Group

Virtu Maritime Group
Statement illustrating the effect
of the Hypothetical Transactions
on the consolidated Statement
of Financial Position
€000’s

	Combined position as at 1 Jan 2017	Pro forma adjustments				Pro Forma as at 1 Jan 2017
		1	2	3	4	
Intangible assets	655			49,351		50,006
Investment in subsidiaries	0		51,913	(51,913)		0
Other non-current assets	67,906					67,906
Net working capital	(158)					(158)
Capital employed	68,403		51,913	(2,562)		117,754
Cash and cash equivalents	(2,950)	(250)				(3,200)
Borrowings	40,913					40,913
Reclassified from working capital:						
Other receivables	(8,797)					(8,797)
Amounts due from Related Parties	(1,689)					(1,689)
Amounts due to Shareholder	38,364				(20,000)	18,364
Shareholders’ funds	2,562	250	51,913	(2,562)	20,000	72,163
Total funding	68,403	–	51,913	(2,562)	–	117,754

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016 and extract from the Pro Forma Financial Information as set out in Annex I of this Registration Document.

On 30 June 2017, the Guarantor was incorporated as a private limited liability shipping company, with an initial issued paid up share capital of €250,000 (Adjustment 1). As explained in section 4.1.1 above, on 3 August 2017 the Guarantor entered into a share for share exchange agreement with Virtu Holdings, pursuant to which Virtu Holdings transferred its shares in the Subsidiaries to the Guarantor in exchange for an issue of 4,113,174 shares of a nominal value of €1.00 per share in the Guarantor (Adjustment 2). On initial recognition, the original cost for accounting purposes at which the Subsidiaries in the Guarantor will be recognised, is equivalent to their fair value of €51.9 million. The amount of €47.8 million representing the difference between the fair value of the Subsidiaries and the nominal amount of shares issued will be recognised directly in equity in a reserve titled “Other Reserve” (Adjustment 2).

The excess arising between the fair value attributed to the Subsidiaries, and the aggregate fair value of the net identifiable assets acquired, amounting to €2.6 million, results in goodwill of €49.4 million (Adjustment 3).

On 7 August 2017, upon the drawdown of a €20 million subordinated shareholder’s loan from Virtu Holdings to the Guarantor, the Guarantor completed its initial capital structuring (Adjustment 4).

The fair value of the Subsidiaries is attributable to the operations of the Malta – Sicily ferry service and the charter operations of the high speed craft *Maria Dolores*. The valuation was based on the enterprise value of the Malta – Sicily operations and the charter operations of the *Maria Dolores*, adjusted to reflect bank borrowings net of cash, net of amounts due from related parties, amounts due to shareholders and surplus assets of the Subsidiaries as at 31 December 2016. The enterprise value was based on the sum of the parts of the two income generating units, the Malta – Sicily ferry operation and the charter of the *Maria Dolores*, and was prepared on the basis of the discounted cash flows derived from ferry and charter operating projections less the net projected capital expenditure required to acquire the new Vessel.

Cash flows from both income streams in explicit period from 2017 to 2027 were discounted at the cost of capital, reflecting the time value of money and the risks associated with the cash flows. The terminal value, after the explicit projected period was based on the capitalisation in perpetuity of the free cash flows for the years beyond 2027, applying a specific growth rate into perpetuity.

The adjustments reflected in the Pro Forma Financial Position as at 1 January 2017 result in the restatement of shareholders' funds to €72.2 million, including €47.8 million in the above-mentioned "Other Reserve", credited on initial recognition of the Subsidiaries at their fair value, the €20 million subordinated loan and €4.4 million issued share capital. On this basis, the Virtu Maritime Group's gearing as at 1 January 2017, amounts to 34%³.

6. Management

6.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer is to consist of a minimum of three and a maximum of six Directors. Presently there are five Directors. The Board meets regularly to establish and review the policies and strategies of the Issuer; to monitor the implementation thereof and the overall performance of the Issuer.

6.1.1 Executive Directors

The executive Directors of the Issuer are entrusted with the Company's day-to-day management and are also directors or officers of other companies within the Virtu Holdings Group. The executive Directors are supported in this role by several consultants and benefit from the know-how gained by members and officers of the Virtu Holdings Group.

The executive Directors of the Issuer are Mr Matthew Portelli and Mrs Stephanie Attard Montalto.

6.1.2 Non-Executive Directors

The non-executive Directors constitute a majority on the Board of the Issuer and their 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 their capacity as members of the Audit Committee (refer to section 8 below), the non-executive Directors also have a crucial role in monitoring the activities and financial performance of the Guarantor, upon which the Issuer is dependent for the purpose of fulfilling its repayment obligations in terms of the Bond Issue.

The non-executive Directors are Mr Charles Borg, Mr Roderick E D Chalmers and Mr Stefan Bonello Ghio.

6.1.3 Curriculum Vitae of the Directors of the Issuer

Mr Charles Borg

Mr Charles Borg is a fellow of the Chartered Institute of Bankers (UK) and holds a banking degree and a Masters degree in financial legislation from the University of Malta. He retired from Bank of Valletta p.l.c. in December 2015 following a career spanning 34 years during which he occupied various senior management positions, including that of Chief Executive Officer between 2012 and 2015. He has occupied directorship positions of listed companies in Malta and was appointed chairman of the Housing Authority during the period between 2009 and 2011. He also chaired the audit boards of the European Investment Fund, which is a subsidiary of the European Investment Bank, and of Mapfre Middlesea Insurance. Mr Borg also served as a director on the World Savings Bank in Brussels and was also the President of the Institute of Financial Services and the President of the Malta Bankers Association. Since January 2016, Mr Borg has held an executive capacity within the PG Group, responsible for the group's overall strategy and management, and is also an executive director of PG p.l.c, a company recently listed on the Malta Stock Exchange. Mr Borg is currently the chairman of Peninsula Investments Limited, a Maltese consortium which owns the 5* Westin Dragonara Resort.

Mr Roderick E D Chalmers

Mr Chalmers is a chartered accountant by profession. Between 1972 and 1983 he practiced in Malta as a partner with the offices of Coopers and Lybrand, before moving to Hong Kong in 1984. He was a partner with Coopers and Lybrand, Hong Kong between 1984 and 2000, when he retired from the firm to pursue a full-time MA degree at Edinburgh University.

³ Gearing is calculated as follows: $\text{net indebtedness} / (\text{net indebtedness} + \text{total equity})$.

He was the elected Managing Partner of Coopers & Lybrand Hong Kong between 1990 and 1998, during which period he also acted as Chairman of the firm's South East Asia Regional Executive. He was appointed to the International Board of Directors of Coopers & Lybrand between 1996 and 1998. Upon the merger of Coopers & Lybrand and Price Waterhouse in 1998, he was appointed Chairman, Asia-Pacific, for PricewaterhouseCoopers (PwC), and continued in that position through to his retirement from the firm in the autumn of 2000. Between 1998 and 2000, he was also a member of the PwC Global Management Board, a 25-man body responsible for overseeing the global activities of the firm.

In November 2004, Mr Chalmers was appointed chairman of Bank of Valletta plc, holding that position until July 2012. Between 2004 and 2012 he was also a director of Middlesea Insurance plc and Chairman of Mapfre MSV Life plc. He is currently a non-executive director of Simonds Farsons Cisk plc, Gasan Group Limited, Gasan Zammit Motors Limited and Alfred Gera & Sons Limited, and is the chairman of the BOV Joseph Calleja Foundation.

Mr Matthew Portelli

Mr Portelli is a director of Virtu Holdings and Virtu Ferries Ltd, as well as the director of an associated company and a number of other companies forming part of the Virtu Holdings Group. Mr Portelli completed a Diploma in General Management and a Master of Business Administration from the Maastricht School of Management in The Netherlands. Mr Portelli is a Fellow of the Institute of Directors.

Mrs Stephanie Attard Montalto

Mrs Attard Montalto graduated with a Bachelor of Arts (Honours) from the University of Malta in 1994, and that same year also successfully obtained the ACCA qualification. She became a Fellow of the Association of Chartered Certified Accountants in 2001. Mrs Attard Montalto was the financial controller of Virtu Holdings between 1998 and 2013, and has been finance director of Virtu Holdings since 2013.

Mr Stefan Bonello Ghio

Mr Bonello Ghio is a Certified Public Accountant, having obtained his ACCA qualification in 1995. He is a Fellow of the Malta Institute of Accountants and the Association of Chartered Certified Accountants (UK). He is also an Associate of the Institute of Arbitrators. Mr Bonello Ghio has over 34 years of professional experience in the audit sector, having previously worked in a credit institution and one of the Big Four accountancy firms. Since 1994, Mr Bonello Ghio has worked in private practice as a sole practitioner in the firm S. Bonello Ghio & Co.

6.1.4 Directors' Service Contracts

None of the Directors of the Issuer have a service contract with the Issuer.

6.1.5 Aggregate Emoluments of Directors

In terms of the 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 Issuer in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. 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.

6.1.6 Loans to Directors

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

6.1.7 Removal of Directors

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

6.1.8 Powers of Directors

The business of the Issuer is managed by the Directors, who may, in accordance with the Issuer's Articles of Association, exercise all such powers as are not by the Memorandum or Articles of Association of the Issuer required to be exercised by the general meeting of the shareholders of the Company.

In accordance with the Issuer's Articles of Association, the Board of Directors of the Issuer 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 equity securities and debt securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Issuer or of any third party.

6.2 EMPLOYEES OF THE ISSUER

As at the date of the Prospectus, the Issuer has no employees.

6.3 THE BOARD OF DIRECTORS OF THE GUARANTOR

The board of directors of the Guarantor is to consist of a minimum of three and a maximum of six directors. Presently there are five directors. The board meets regularly to establish and review the policies and strategies of the Guarantor and to monitor the implementation thereof and the overall performance of the Guarantor.

6.3.1 Curriculum Vitae of directors of the Guarantor

Mr Francis A Portelli

Mr Portelli was educated at St. Edward's College, Malta. He is the current managing director of Virtu Holdings Limited, as well as the current managing director and director of a number of other companies forming part of the Virtu Holdings Group and other associated companies. He is also a non-executive director of Interferry, a shipping association representing the ferry industry worldwide and which is based in Victoria, Canada, having previously occupied the post of president between October 2012 and October 2013. Mr Portelli is also a director of Eurogate Group Terminals, S.L., which is incorporated in Spain and which owns and operates the maritime passenger terminal in Malaga, Spain. Mr Portelli's directorship experience dates back to 1980, being the founding managing director of the Virtu Holdings Group. Mr Portelli is a member of the Institute of Directors.

Professor John M Portelli

Professor Portelli graduated with a Bachelor of Dental Surgery degree from the University of Malta in 1968. He subsequently read for a Master of Dental Surgery degree at the Victoria University of Manchester in 1970 and in 1973 obtained the FDSRCS (Eng) degree from The Royal College of Surgeons of England. Between 1990 and 2004, Professor Portelli was the dean of the Faculty of Dental Surgery at the University of Malta. From 1980 to date, he has been a director of Virtu Holdings as well as a director of other associated and subsidiary companies.

The curriculum vitae of Mr Matthew Portelli, Mrs Stephanie Attard Montalto and Mr Charles Borg are set out in section 6.1.3 of this Registration Document.

6.3.2 Directors' Service Contracts

None of the directors of the Guarantor have a service contract with the Guarantor.

6.3.3 Aggregate Emoluments of directors

In terms of the Guarantor's articles of association, no remuneration shall be payable to the directors, including directors holding an executive office, unless and to the extent approved by the Guarantor in general meeting. The directors shall, however, be entitled to a reimbursement of all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or general meetings of the Guarantor or in connection with the business of the Guarantor.

6.3.4 Loans to directors

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

6.3.5 Removal of directors

A director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

6.3.6 Powers of directors

By virtue of the articles of association of the Guarantor, the directors are empowered to transact all business which is not, by the Articles, expressly reserved for the shareholders in general meeting.

6.4 EMPLOYEES OF THE GUARANTOR

As at the date of the Prospectus, the Guarantor has no employees.

6.5 EMPLOYEES OF THE VIRTU MARITIME GROUP

As at the date of the Prospectus, and in aggregate, the Virtu Maritime Group has approximately 90 full-time equivalent employees, of whom 30 work in the Virtu Maritime Group's administration, with the remainder being directly linked to the group vessels' operations. The latter group of employees include a team made up of eight members, comprising the marine and technical department.

7. Management Structure

7.1 GENERAL

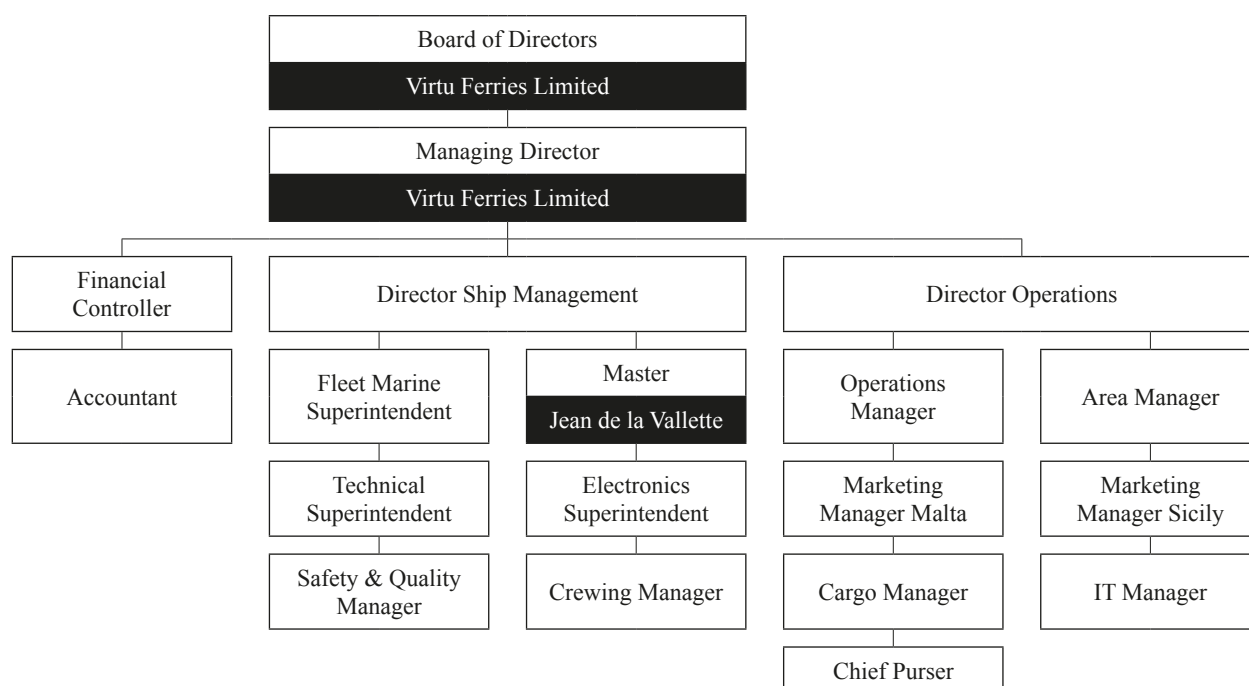
The Issuer is a finance company which does not require an elaborate management structure. Mr Charles Borg has been appointed to be the Independent Non-Executive Chairman of the Company. The Directors believe that the current organisational structures are adequate for the current activities of the Company and the Virtu Maritime Group. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The two executive directors sitting on the Board of Directors of the Issuer, who also sit on the board of directors of the Guarantor as well as on the board of directors of other Group Companies, are the direct descendants of the two founding shareholders of the Virtu Holdings Group, namely Francis A Portelli and John M Portelli. The latter two individuals seek to ensure continuity within the Virtu Maritime Group and its business, between one generation and the next, and in that respect strongly support the continued second generation involvement.

7.2 MANAGEMENT TEAM

Virtu Ferries Ltd is the main operational company of the Virtu Maritime Group, establishing the focal points of the Virtu Maritime Group's operations, in line with the Virtu Maritime Group's strategy set by the Guarantor. It is the Virtu Maritime Group's vessel-operating company as well as the operator of the sea passenger terminal at the Grand Harbour in Valletta, as is described in further detail in section 4.4.2.2 above. For this reason, the senior members of its management and employment teams are key members of the Virtu Maritime Group's management and operational team as a whole.

The key members of the Virtu Maritime Group's management team are the following:



The master of the *Jean de la Valette* is responsible for the vessel's command. The *Jean de la Valette*'s senior master is Captain Steven Monger, who is certified by the Maritime Coastguard Agency of the United Kingdom as Master of ocean-going vessels of 3000 GRT and over. In view of the fact that the *Jean de la Valette* is deployed on a year-round daily schedule of around 950 voyages per year, two additional fully certified masters are employed by Virtu Ferries Ltd, all three of whom share equal command of the vessel. The duty master is responsible for the vessel, its passengers and crew. The additional masters are answerable, in the first instance, to the Senior Master. The duty master is responsible for reviewing weather charts with the Superintendents and his decision to sail, cause or delay a particular voyage is final. On the vast majority of occasions, whenever adverse weather conditions render a particular voyage unsafe to proceed with, the voyage in question is rescheduled to another time on the same day or to another day.

Apart from being the managing director ("MD") and director of operations of Virtu Ferries Ltd, Henri Saliba monitors and ensures the efficient running of all departments in Malta and Sicily, to ensure that pre-established targets are met. Damian Schembri, the financial controller, provides the MD with financial information and regular passenger and vehicle statistics.

Mario Buhagiar, director of ship management, oversees the efficient running and maintenance of the *Jean de la Valette*, as well as other vessels owned by the Virtu Holdings Group, including the two oil tankers operated by Valletta Bunkers Limited, an associated company of Virtu Holdings. He is also responsible for maintenance of the vessels of both fleets in class, conforming with local, European and international regulations within budgetary constraints and provides the MD with regular reports on the performance

of the officers and crew of the *Jean de la Valette* and the Virtu Holdings Group's other vessels. He also leads major projects such as conversions and new buildings, as well as supervising the dry-docking of the vessels owned by the Virtu Holdings Group.

The MD and the board of directors of Virtu Ferries Ltd are at the helm of the reporting structure of the operational part of the Virtu Maritime Group. Reporting lines for all segments of the Virtu Maritime Group's operations are ultimately channeled through the MD, with the financial controller, director of ship management and director of operations reporting directly to the MD.

7.3 CONFLICT OF INTEREST

As at the date of this Prospectus, Matthew Portelli, Stephanie Attard Montalto, Francis A Portelli and John M Portelli are officers of a number of companies forming part of the Virtu Holdings Group, and as such are susceptible to conflicts between the potentially diverging interests of the different members of the Virtu Holdings Group, of which the Virtu Maritime Group forms part. Matthew Portelli is the direct descendant of Francis A Portelli and Stephanie Attard Montalto is the direct descendant of John M Portelli.

No private interests or duties unrelated to the Issuer or the Guarantor, as the case may be, have been disclosed by the general management team and management teams of the Subsidiaries which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer or the Guarantor, 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 Virtu Maritime Group, there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Virtu Maritime Group. In these situations, the Directors shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with the advice of outside legal counsel.

The Audit Committee of the Issuer has the task of ensuring that, at the level of both the Issuer and Guarantor, any such potential conflicts of interest relating to the Directors are handled in the best interests of the Issuer. Further information in this respect may be found in section 8 below.

In terms of the Act, any director of each Group Company who, in any way, whether directly or indirectly has an interest in a contract or a proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the respective Group Company, is required to declare the nature of his/her interest at a meeting of such company's board of directors. To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no other potential conflicts of interest between any duties of the Directors and of executive offices of the Issuer, and/or the directors of the Guarantor, as the case may be, and their respective private interests and/or their other duties, which require disclosure in terms of the Regulation.

8. Audit Committee Practices

8.1 AUDIT COMMITTEE

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure of the Issuer. The Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer 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 which set out 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.

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

- i. its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- ii. maintaining communications on such matters between the Board, management and the external auditors; and
- iii. preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party, including the Guarantor, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer. As indicated in section 6.1.2 above, the Audit Committee of the Issuer has a crucial role in monitoring the activities and conduct of business of the Guarantor, insofar as these may affect the ability of the Issuer to fulfil its obligations in terms of the Bonds. Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors of the Issuer and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of non-executive Directors, the majority of whom are independent. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. The Audit Committee is composed of Charles Borg (independent non-executive Director), Roderick E D Chalmers (independent non-executive Director) and Stefan Bonello Ghio (non-executive Director). The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Committee. Roderick E D Chalmers occupies the post of Chairman of the Audit Committee, and all three members of the Audit Committee are considered by the Board to be competent in accounting and/or auditing in terms of the Listing Rules.

9. Compliance with Corporate Governance Requirements

9.1 THE ISSUER

Prior to the present Bond Issue, the Company was not regulated by the Listing Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the “Code”). As a consequence of the present Bond Issue, in accordance with the terms of the Listing Rules, the Issuer is required to comply with the provisions of the Code. The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

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

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

Principle 7 “Evaluation of the Board’s Performance”: 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 Issuer’s shareholders, the market and the rules by which the Issuer is regulated as a listed company.

Principle 8 “Committees”:

- the Issuer does not have a Remuneration Committee as recommended in Principle 8; and
- the Issuer does not have a Nomination Committee as recommended in Principle 8.

Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

9.2 THE GUARANTOR

The Guarantor is not a public company having securities listed on a regulated market, and accordingly, whilst it fully endorses the provisions of the Code set out in the Listing Rules and implemented by the Issuer, it is not itself bound by such provisions, including, *inter alia*, the requirement to set up an audit committee. Notwithstanding the aforesaid, the Guarantor recognises the function of the Audit Committee of the Issuer in so far as its role in monitoring the activities and conduct of business of the Guarantor is concerned.

10. Historical Financial Information

As indicated in section 5.1 of this Registration Document, there is no historical financial information pertaining to the Issuer and the Guarantor covering the period between their respective date of incorporation and the date of the Prospectus.

The directors of Virtu Maritime Limited prepared Combined Financial Statements to present the financial position and results of the Subsidiaries had they operated as a single entity in the three years ended 31 December 2014, 2015 and 2016. The Combined Financial Statements were audited by the Virtu Maritime Group’s auditors, PricewaterhouseCoopers, and are available for review on the Issuer’s website.

There have been no significant adverse changes to the financial or trading position of the Subsidiaries forming the Virtu Maritime Group since the end of the financial period to which the Combined Financial Statements relate.

11. Litigation

The Directors are not aware of any current litigation against or otherwise involving the Issuer, including actual, pending or threatened governmental, legal or arbitration proceedings, which the Directors consider could have significant effects on the Issuer’s financial position or profitability.

There are no governmental, legal or arbitration proceedings against the Guarantor, including any pending or threatened proceedings, of which the Guarantor is aware and considers could have significant effects on the financial position or profitability of the Guarantor.

12. Investigations

The Directors are not aware of any investigations involving the Issuer or Guarantor which the Directors consider could have significant effects on the financial position or profitability of the Issuer or Guarantor respectively.

The Directors of the Issuer are aware that Mr Francis A Portelli, a director of the Guarantor and a 50% shareholder of Virtu Holdings, the parent company of the Issuer and Guarantor, is a party in proceedings brought in 2013 before the Court of Magistrates (Malta) as a Court

of Criminal Inquiry. Pending determination of these proceedings, an order has been issued attaching to Mr Portelli's personal assets. The Directors note, in particular, that no assets of the Issuer, Guarantor or other companies forming part of the Virtu Maritime Group (or of the Virtu Holdings Group, for that matter), are affected by the abovementioned order relative to Mr Portelli's personal assets, and therefore, that the order will not impinge in any way on the assets of the Issuer or of the Guarantor.

The allegations in these proceedings relate to the set-up of Island Bunker Oils Ltd (Island) at the time of the privatisation of Mediterranean Offshore Bunkering Co Ltd (MOBC). It has been alleged that the simultaneous involvement of two other persons (not Mr Portelli) in both companies gave rise to the offences contemplated in articles 120, 124 and 125 of the Criminal Code (Cap. 9 of the laws of Malta), which refer to complicity in bribery and malversation, and article 3 of the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), which refers to money laundering offences. Since 2013, no evidence of wrongdoing has been adduced against Mr Portelli in these proceedings. Mr Portelli, who is a director of Island (but never of MOBC) has at all stages unequivocally rebutted the allegations brought against him, and will continue to defend his position in such proceedings pending their conclusion.

The Directors of the Issuer consider such ongoing proceedings not to adversely affect the financial position and financial prospects of the Issuer or of the Virtu Maritime Group. Furthermore, the Directors of the Issuer consider that such proceedings do not have any prejudicial effect on the Guarantee provided by the Guarantor, of which Mr Portelli is a director.

13. Additional Information

13.1 MAJOR SHAREHOLDERS

13.1.1 Shareholding of the Issuer

The authorised and issued share capital of the Issuer is €500,000 divided into 500,000 ordinary shares of a nominal value of €1.00 each. The issued share capital of the Issuer is subscribed for, allotted and taken up as follows:

- 499,999 ordinary shares, 100% paid up, are held by Virtu Holdings; and
- 1 ordinary share, 100% paid up, is held by The Virtu Group Limited (C 34917).

The authorised share capital of the Issuer may be increased by an ordinary 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 confers the right to one vote at general meetings of the Issuer. All ordinary shares rank *pari passu* in all respects.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

It is not expected that the Issuer will issue, during the next financial year, any shares, 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. There are no arrangements, known to the Issuer, which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer and/or Guarantor with the rest of the Virtu Maritime Group and/or with the shareholder of the Guarantor, are retained at arm's length, including, in respect of both the Issuer and the Guarantor, 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, in which the majority is constituted by independent non-executive Directors of the Issuer. With particular reference to the relationship between the Issuer and the Directors of the Issuer who sit on the board of directors of the Guarantor and Virtu Holdings, the Memorandum and Articles of Association require any Director of the Issuer who in any way, whether directly or indirectly, has an interest in a contract, arrangement, transaction or proposal with the Issuer, to declare the nature of his interest at a meeting of the Board. Furthermore, said Director shall not be permitted to vote at that meeting in respect of any contract, arrangement, transaction or any other proposal in which he has, either directly or indirectly, a personal material interest.

13.1.2 Shareholding of the Guarantor

The authorised share capital of the Guarantor is €5,000,000 divided into 5,000,000 ordinary shares of a nominal value of €1.00 each. The issued share capital of the Guarantor is €250,000 divided into 250,000 ordinary shares of a nominal value of €1.00 each. All the issued share capital of the Guarantor is subscribed for, allotted and taken up as fully paid up shares by Virtu Holdings. Virtu Holdings is owned in equal proportions by Francis A Portelli and John M Portelli. Francis A Portelli holds 938,600 Ordinary A shares and 139,700 Redeemable Preference shares, and John M Portelli holds 938,600 Ordinary B shares and 139,700 Redeemable Preference shares.

The authorised share capital of the Guarantor may be increased by an ordinary 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 confers the right to one vote at general meetings of the Issuer. All ordinary shares rank *pari passu* in all respects.

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

13.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

13.2.1 Objects

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies. The main objects of the Issuer's activities are set out in clause 3 of its Memorandum of Association as described in section 4.2.2. of this Registration Document.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

13.2.2 Appointment of Directors

At present, in terms of the Memorandum and Articles of Association of the Issuer, the Board shall consist of not less than three and not more than six directors. Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting, which ordinary resolution shall be determined and decided firstly by means of a show of hands and if a poll is validly called in accordance with the provisions of the Articles of Association, a poll shall be conducted. The procedures for the election of Directors may be established by the Issuer in general meeting from time to time.

13.2.3 Powers of Directors

The business of the Issuer shall be managed by the Directors who may exercise all such powers of the Issuer as are not by the law or by the Memorandum and Articles of Association of the Issuer required to be exercised by the Issuer in general meeting.

The Board 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 equity securities or debt securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Issuer or of any third party.

13.3 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

13.3.1 Objects

The Guarantor has been incorporated and registered as a private limited liability shipping company in terms of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations. The memorandum and articles of association of the Guarantor are registered with the Register of Companies. The principal objects of the Guarantor are set out in clause 3 of the memorandum and articles of association of the Guarantor, and these are to buy and acquire on any title, sell, transfer or assign by any title, operate, manage, charter, hire and/or exchange ships, yachts, boats and any other vessel or any rights thereon, and to carry out such activities as may be ancillary to, or necessary to the attainment of, the aforesaid. Ancillary objects include: the registration of ships, yachts, boats and any other vessel in any registry and under any flag as the directors shall deem fit and to cancel the registration of any of its vessels wherever they might be registered; to mortgage vessels and to register mortgages.

A copy of the memorandum and articles of association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and the Registry of Companies.

13.3.2 Appointment of directors

At present, in terms of the Memorandum and Articles of Association, the board of directors of the Guarantor shall consist of not less than three and not more than six directors. Directors shall be appointed by means of an ordinary resolution of the shareholders of the Guarantor in general meeting.

13.3.3 Powers of directors

The directors are vested with the management of the Guarantor, 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 Guarantor and in this respect have the authority to enter into contracts, sue and be sued in representation of the Guarantor. In terms of the memorandum and articles of association they may do all such things that are not by the memorandum and articles of association or the law, reserved for the shareholders in general meeting.

In terms of the Guarantor's memorandum and articles of association, the board of directors may exercise all the powers of the Guarantor to borrow money or raise money or secure the payment of money and in conjunction with and independently therefrom to charge or hypothecate the property of the Guarantor or any party thereof for any debt, liability or obligation of the Guarantor.

There are no provisions in the Guarantor's memorandum and articles of association regulating the retirement or non-retirement of directors over an age limit.

14. Material Contracts

None of the Issuer, the Guarantor or any other Group Company have entered into any material contracts which are not in the ordinary course of their business, which could result in any member of the Virtu Maritime Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note forming part of the Prospectus.

15. Interest of Experts and Advisers, and Third Party Information

Save for the financial analysis summary set out as Annex IV to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co (Stockbrokers) Ltd (C 13104), who has given and has not withdrawn its consent to the inclusion of such report herein. Rizzo, Farrugia & Co (Stockbrokers) Ltd does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has 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.

The sourced information contained in section 5.1 has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16. Documents Available for Inspection

For the duration period of this Registration Document the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

- i. Memorandum and Articles of Association of the Issuer;
- ii. Memorandum and articles of association of the Guarantor;
- iii. The Guarantee;
- iv. Audited Combined Financial Statements of the Virtu Maritime Group for the financial years ended 31 December 2014, 2015 and 2016;
- v. Pro Forma Financial Information of Virtu Maritime Limited – 1 January 2017;
- vi. Financial Analysis Summary prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd dated 30 October 2017; and
- vii. The letter of confirmation drawn up by PricewaterhouseCoopers and dated 22 August 2017.

Documents (i), (ii), (iv) and (vi) are also available for inspection in electronic form on the Issuer's website www.virtu.com.mt.

Annex I – Extracts from the Pro Forma Financial Information as at 1 January 2017

1. Basis of preparation

This Pro Forma financial information has been prepared for illustrative purposes only, to provide information about the financial information of Virtu Maritime Limited. Because of its nature, the Pro Forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. The Pro Forma financial information has been prepared for inclusion in the Prospectus for the issue of bonds to the general public by Virtu Finance p.l.c, for which issue Virtu Maritime Limited will act as the Guarantor.

The Pro Forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and of the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

The Virtu Maritime Group is not a legal entity and does not constitute a Group of companies within the meaning of the Companies Act, Cap. 386 of the laws of Malta. The Group is an aggregation of companies principally comprising Virtu Ferries Limited, Virtu Ferries s.r.l, Virtu Ferries Travel Limited, Virtu Fast Ferries Limited, Virtu Rapid Ferries Limited and Virtu Wavepiercer Limited. These six entities operate and charter the express passenger ferry services of Virtu Holdings Limited.

Entities forming the Virtu Maritime Group are fully owned by Virtu Holdings Limited as at 31 December 2016. The shareholders of Virtu Holdings Limited, Francis A. Portelli and John M. Portelli, intend to restructure the fully owned operational entities within Virtu Holdings Limited under a new entity, Virtu Maritime Limited. Bonds issued by Virtu Finance p.l.c, a fellow subsidiary of Virtu Maritime Limited, are expected to be offered to the public and listed on the Malta Stock Exchange, subject to the approval of the Listing authority and the success of the public offering. Financial information extracted from these combined financial statements is being included in the prospectus for this public offering.

Ultimately, the above mentioned entities are owned by Francis A. Portelli and John M. Portelli. However, these entities do not form a legal Group and fail to meet the definition of a 'Group' under IAS 27 'Consolidated and Separate Financial Statements'. The financial results and financial position of these entities are not consolidated into the financial statements of a single legal company on a statutorily required basis, since no individual entity owns or controls the companies. As outlined previously, the operations of the entities are managed on a unified basis and are managed together as a single economic entity, notwithstanding the fact that a certain degree of autonomy and flexibility is granted to individual operating companies in the Group.

The combined financial statements for the Virtu Maritime Group have been prepared by aggregating the financial statements of the individual companies and their subsidiaries constituting the Virtu Maritime Group, since all these entities are under common management and control but do not form a legal Group. In terms of generally accepted accounting practice, all entities managed in this manner should be included in the combined financial statements.

The total authorised, issued and fully paid up share capital in the combined financial statements has been assumed to be the aggregate of all of the authorised, issued and fully paid up share capital of each of the companies constituting the Virtu Maritime Group.

The Pro Forma financial information has been compiled on the basis of the accounting policies adopted by the Company taking into account the requirements of Building Block 20.2 of Annex I and Annex II of EC Regulation 809/2004.

2. Pro Forma adjustments

The following is a description of the Pro Forma adjustments made to the combined results and financial position of the entities that comprise Virtu Maritime Group for arriving at the Pro Forma financial information as at 1 January 2017:

- a. Virtu Maritime Limited was incorporated on 30 June 2017, as a private limited liability shipping company, with an initial issued paid up share capital of €250,000.
- b. Virtu Maritime Limited entered into a share for share exchange agreement with Virtu Holdings during the third quarter of 2017, pursuant to which Virtu Holdings transferred its shares in the respective Subsidiaries to Virtu Maritime Limited in exchange for an issue of 4,113,174 shares of a nominal value of €1.00 per share in Virtu Maritime Limited. For accounting purposes, the subsidiaries of Virtu Maritime Limited will be accounted for at the fair value of the assets received or the shares issued. The aggregated fair value attributed to the subsidiaries amounts to €51.9 million. The amount of €47.8 million, being the difference between the fair value of the Subsidiaries and the nominal amount of shares issued, will be recognised directly in equity in a reserve titled "Other reserve".
- c. The excess arising between the fair value attributed to the Subsidiaries, and the aggregate fair value of the net identifiable assets acquired, amounting to €2.6 million, results in goodwill of €49.4 million.
- d. Upon drawdown of a €20 million subordinated shareholder's loan from Virtu Holdings Limited to Virtu Maritime Limited, Virtu Maritime Limited would have completed its initial capital structuring. The amount of €20 million will be deducted from the amounts due to parent company.

Pro Forma Financial Information

Virtu Maritime Limited
Pro Forma Statement of Financial Position

€000's	Combined position as at 1 January 2017	Pro Forma adjustments	Pro Forma as at 1 January 2017
ASSETS			
Non-current assets			
Intangible assets	655	49,351	50,006
Property, plant and equipment	67,672	0	67,672
Deferred tax asset	234	0	234
Total non-current assets	68,561	49,351	117,912
Current assets			
Inventories	349	0	349
Trade and other receivables	20,057	0	20,057
Cash at bank and in hand	2,950	250	3,200
Current tax asset	8	0	8
Total current assets	23,364	250	23,614
Total assets	91,925	49,601	141,526
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	451	3,912	4,363
Other reserve	0	47,800	47,800
Capital reserve	0	20,000	20,000
Retained earnings	2,111	(2,111)	0
Total equity	2,562	69,601	72,163
Non-current liabilities			
Borrowings	34,901	0	34,901
Total non-current liabilities	34,901	0	34,901
Current liabilities			
Borrowings	6,012	0	6,012
Trade and other payables	48,450	(20,000)	28,450
Total current liabilities	54,462	(20,000)	34,462
Total liabilities	89,363	(20,000)	69,363
Total equity and liabilities	91,925	49,601	141,526

Virtu Maritime Limited
Pro Forma Statement of Changes in Equity

€000's	Share capital	Other reserve	Capital reserve	Retained earnings	Total
Combined position as at 1 January 2017	451	0	0	2,111	2,562
Pro Forma adjustments					
Issue of shares	3,912	0	0	0	3,912
Subordinated shareholder's loan	0	0	20,000	0	20,000
Fair value uplift upon acquisition of investment in subsidiaries	0	47,800	0	(2,111)	45,689
Pro Forma as at 1 January 2017	4,363	47,800	20,000	0	72,163

Annex II – Accountant's Report



The Directors
Virtu Maritime Limited
Virtu, Ta' Xbiex Terrace
Ta' Xbiex, XBX 1034
Malta

23 August 2017

Independent accountant's assurance report on the compilation of Pro Forma financial information as at 1 January 2017

To the board of directors of Virtu Maritime Limited

Report on the compilation of Pro Forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of Pro Forma financial information of Virtu Maritime Limited (the 'Company') and its fellow subsidiaries ('the Group') as prepared by the directors (the 'Directors'). The Pro Forma financial information consists of the Pro Forma Consolidated Statement of Financial Position and Statement of Changes in Equity as at 1 January 2017 as set out in Annex I of the Registration Document. The applicable criteria on the basis of which the Directors have compiled the Pro Forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 ('the Regulation') and described in the 'Basis of Preparation' section included in Annex I of the Registration Document (the 'Applicable Criteria').

Virtu Maritime Limited was incorporated on 30 June 2017 and with effect from 3 August 2017 acquired full ownership of Virtu Ferries Limited, Virtu Ferries Travel Limited, Virtu Fast Ferries Limited, Virtu Rapid Ferries Limited, Virtu Wavepiercer Limited (entities referred to jointly as 'the Acquired Entities'). This transfer was implemented through the intra group corporate restructuring ('the Restructuring') outlined in Section 4.1.1 of the Registration Document.

The Pro Forma financial information has been compiled by the Directors to illustrate how the combined financial position of the Acquired Entities would have been impacted if the Restructuring, implemented as of 3 August 2017, would have hypothetically been carried out as at 1 January 2017.

The Pro Forma financial information comprises a Pro Forma Consolidated Statement of Financial Position and Statement of Changes in Equity as at 1 January 2017. In preparing the Pro Forma financial information, the Directors have extracted information about the Acquired Entities' results and financial position from the Combined Financial Statements that have been prepared for the financial year ended 31 December 2016.

Directors' responsibility for the Pro Forma financial information

The Directors are responsible for compiling the Pro Forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the Regulation, about whether the Pro Forma financial information has been compiled, in all material respects, by the Directors on the basis of the accounting policies as described in the Combined Financial Statements of the Acquired Entities for the year ended 31 December 2016 and the basis of preparation set out in Annex I of the Registration Document, and accordingly on the basis of the Applicable Criteria.

**Independent accountant's assurance report on the compilation of Pro Forma financial information as at 1 January 2017 – continued**

To the board of directors of Virtu Maritime Limited

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of Pro Forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma financial information.

The purpose of Pro Forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 1 January 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related Pro Forma adjustments give appropriate effect to those criteria; and
- the Pro Forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a. the Pro Forma financial information has been properly compiled on the basis stated; and
- b. such basis is consistent with the accounting policies of the Company.

A handwritten signature in black ink, appearing to read 'Stephen Mamo', with a stylized flourish at the end.

Stephen Mamo
Partner

PricewaterhouseCoopers
78 Mill Street
Qormi
Malta

Securities Note

dated 30 October 2017

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. 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 Virtu Finance p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. 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 up to €25,000,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

Virtu Finance p.l.c.

(A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 81622)

with the joint and several Guarantee* of

Virtu Maritime Limited

(A PRIVATE LIMITED LIABILITY SHIPPING COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 81559)

**Prospective investors are to refer to the Guarantee contained in Annex III of this Securities Note for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and in 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.*

ISIN: MT0001561209

Sponsor	Manager & Registrar	Legal Counsel
 RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	 BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

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 INSTRUMENT. 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 ADVISER.

Approved by the directors of Virtu Finance p.l.c.



Charles Borg



Roderick E. D. Chalmers

Signing in their own capacity as directors of the company and on behalf of each of Matthew Portelli, Stephanie Attard Montalto and Stefan Bonello Ghio.

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Important Information

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY VIRTU FINANCE P.L.C. (THE “ISSUER”) OF A MAXIMUM OF €25,000,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 3.75% PER ANNUM, PAYABLE ANNUALLY ON 30 NOVEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 30 NOVEMBER 2027. THE ISSUER SHALL REDEEM THE BONDS ON SUCH DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF THE 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 OR ITS DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER 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 BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRY 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 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID 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 SAID 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 THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, 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 ACT.

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

THE CONTENTS OF THE ISSUER’S OR THE GUARANTOR’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S OR THE GUARANTOR’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.

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN THE PROSPECTUS UNDER THE HEADING “*ADVISERS TO THE ISSUER AND THE GUARANTOR*” UNDER SECTION 3.2 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS ISSUE 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 WHOSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS AND/OR IN RELATION TO THE COMPLETENESS OR ACCURACY OF THE CONTENTS OF OR INFORMATION CONTAINED 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 ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. Definitions

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the laws of Malta);
Applicant/s	an Authorised Financial Intermediary or any person or persons whose name or names (in the case of joint applicants) appear/s in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to any of the Authorised Financial Intermediaries;
Application Form/s	the subscription form to be completed by subscriber/s to the Bonds and submitted to the Registrar by the Authorised Financial Intermediaries, a specimen of which is contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Bond(s)	the €25,000,000 bonds of a nominal value of €100 per Bond redeemable at their nominal value on 30 November 2027 bearing interest at the rate of 3.75% per annum, being issued pursuant to the Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration C 42525;
Group Company	any one of the companies forming part of the Virtu Maritime Group, including the Guarantor;
Guarantee	the joint and several suretyship of the Guarantor undertaking to 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, to pay all amounts of principal and interest which have become due and payable to any Bondholder within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantor	Virtu Maritime Limited, a private limited liability shipping company registered in Malta with company number C 81559, having its registered office at Virtu, Ta' Xbiex Terrace, Ta' Xbiex, XBX 1034, Malta;
Interest Payment Date	30 November of each year between and including each of the years 2018 and the year 2027, 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;
Issue Date	expected on 7 December 2017;
Issuer or Company	Virtu Finance p.l.c., a public limited liability company registered in Malta with company number C 81622, having its registered office at Virtu, Ta' Xbiex Terrace, Ta' Xbiex, XBX 1034, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Manager and Registrar	Bank of Valletta p.l.c., a public limited liability company registered in Malta, with company number C 2833, having its registered office at 58, Zachary Street, Valletta, VLT 1130, Malta;

Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Prospectus	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
Redemption Date	30 November 2027;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Registration Document	the registration document issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
Regulation	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 the 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 the regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	this document in its entirety, forming part of the Prospectus;
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a private limited liability company registered in Malta with company number C 13102 having its registered office at Airways House, Third Floor, High Street, Sliema, SLM 1549, Malta. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. is an authorised financial intermediary licensed by the Malta Financial Services Authority and a member of the Malta Stock Exchange;
Subsidiary	an entity over which the Guarantor has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term ‘Subsidiaries’ shall collectively refer to the said entities;
Summary Note	the summary note issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue, including the terms contained in this Securities Note;
Vessel	the vessel having Incat Hull Number 089, commissioned by Virtu Wavepiercer, the construction and delivery of which is to be part funded by the proceeds of the Bond Issue;
Virtu Holdings	Virtu Holdings Limited, a private limited liability company registered in Malta with company number C 30642, having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta;
Virtu Holdings Group	the group of companies of which Virtu Holdings is the Parent, which includes the Virtu Maritime Group and the Issuer;
Virtu Maritime Group	the Guarantor and its direct or indirect Subsidiaries; and
Virtu Wavepiercer	Virtu Wavepiercer Limited, a private limited liability shipping company registered in Malta with company number C 77138, having its registered office at Virtu, Ta’ Xbiex Terrace, Ta’ Xbiex, Malta.

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

Unless it appears otherwise from the context:

- words importing the singular shall include the plural and vice versa;
- words importing the masculine gender shall include the feminine gender and vice versa;
- the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

2. Risk Factors

2.1 GENERAL

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 ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

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 ADVISERS, 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. 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 OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL 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.

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

2.2 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 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.

2.3 SUITABILITY OF INVESTMENT

An investment in the Bonds may not be suitable for all recipients of the Prospectus. In so far as prospective investors seek advice from Authorised Financial Intermediaries concerning an investment in the Bonds, Authorised Financial Intermediaries are to determine the suitability or otherwise of prospective investors’ investment in the Bonds before making an investment decision. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:

- a. 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 in the Prospectus or any applicable supplement;
- b. 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;
- c. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.4 RISKS RELATING TO THE BONDS

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

- Prior to the Bond Issue, there has been no public market nor trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- 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 and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. 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.
- An investment in the Bonds may not be suitable for all recipients of this Prospectus and investors are urged to consult a licensed stockbroker or investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta)

as to the suitability or otherwise of an investment in any of the Bonds before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an investor in the Bonds does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her profile.

- The Issuer is entitled to issue the Bonds bearing a fixed rate of interest. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds moves in response to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate bonds declines. Conversely, if market interest rates are declining, the price of fixed rate bonds rises. This is referred to as market risk, and would be relevant to a Bondholder electing to sell the Bonds before maturity on the secondary market.
- 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.
- The Issuer may incur further borrowing or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets, or revenues (including uncalled capital).
- The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured obligations of each of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. Furthermore, subject to the negative pledge clause (section 5.7 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 and/or the Guarantor, as the case may be, for as long as such security interests remain in effect. In essence, this means that for so long as the Issuer and/or Guarantor may have secured, privileged or other higher-ranking creditors, in the event of insolvency of the Issuer (and recourse to the Guarantor in terms of the Guarantee), the Bondholders would rank after such creditors but equally between themselves and with other unsecured creditors (if any) of the Issuer (and/or Guarantor, as applicable).
- Repayment of interest and capital on the Bonds is being guaranteed by the Guarantor, and therefore Bondholders are entitled to request the Guarantor to pay the full amounts due under the Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon, and directly linked to, the financial position and solvency of the Guarantor, and in the case of insolvency of the Guarantor, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 5.13 of this Securities Note. 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. Furthermore, the Guarantor has the power to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee. Were the Guarantor to exercise such right of veto, any proposed amendments to the Terms and Conditions of the Bonds would not be put into effect.
- The Terms and Conditions of this Bond Issue are based on the requirements of the Listing Rules, the Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact on the Bonds of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.
- Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating to, *inter alia*, 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 power 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 or discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.
- The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.

3. Persons Responsible and Consent for Use of Prospectus

3.1 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer. All of the Directors of the Issuer, whose names appear under the sub-heading “*Directors*” under the heading “*Identity of Directors, Senior Management, Advisers and Auditors of the Issuer and the Guarantor*” in section 3 of the Registration Document, accept responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors of the Issuer and the directors of the Guarantor, 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 and the directors of the Guarantor accept responsibility accordingly.

3.2 CONSENT FOR USE OF PROSPECTUS

Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries:

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial 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 or placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of this Securities Note: pursuant to the placement agreements as detailed in section 7.4 of this Securities Note;
- ii. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
- iii. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

Neither the Issuer nor the Sponsor has any responsibility for any of the actions of any Authorised Financial 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 or placement of the Bonds.

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

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

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

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

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

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of the 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 this Prospectus for such resale, placement or other offering 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 Financial 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.virtu.com.mt.

4. Essential Information

4.1 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 €24,550,000, will be used by the Issuer for the purpose of part-financing the acquisition and commission of the Vessel by Virtu Wavepiercer, by way of payments to be effected to: Incat Tasmania Pty; or, in respect of bridge financing which may be required for this purpose pending receipt of the Bond proceeds by the Issuer, to the provider(s) of such bridge financing, including Virtu Ferries Limited for the amount of €7,500,000.

For this purpose, back-to-back loan agreements dated 21 August 2017 have been entered into between, on the one part, the Issuer (as lender) and the Guarantor (as borrower), and, on the other part, between the Guarantor (as lender) and Virtu Wavepiercer (as borrower). The loan agreement between the Issuer and Guarantor is conditional upon the Bond Issue being approved by the Listing Authority and the Bonds being subscribed for in the amount of at least €15,000,000, whereas the loan agreement between the Guarantor and Virtu Wavepiercer is conditional upon the Guarantor receiving the loan proceeds from the aforesaid agreement between the Issuer and Guarantor.

In addition to the application of proceeds of the Bond Issue on-lent to it in the manner indicated in the preceding paragraph, Virtu Wavepiercer shall finance the remaining costs required for the acquisition and commissioning of the Vessel (total costs amounting to €75,000,000) as follows:

- i. bank financing in the amount of €40,000,000;
- ii. loan in the amount of €7,000,000 granted by the Guarantor to Virtu Wavepiercer in terms of a loan agreement dated 1 July 2017; and
- iii. the balance to be funded by own funds.

4.2 EXPENSES

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 €450,000. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

Amount:	€25,000,000;
Form:	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;
Denomination:	Euro (€);
ISIN:	MT0001561209;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	30 November 2027;
Plan of Distribution:	The Bonds are open for subscription by Authorised Financial Intermediaries, either for their own account or for the account of underlying customers;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank <i>pari passu</i> , without any priority or preference, among themselves and with other unsecured debts of each of the Issuer and the Guarantor, if any;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the MSE for the Bonds to be listed and traded on its Official List;
Placement Agreements:	The Issuer has reserved a maximum amount of €25,000,000 in value of Bonds for subscription by Authorised Financial Intermediaries through conditional placement agreements which may be submitted by Authorised Financial Intermediaries by latest 12:00 hours on 15 November 2017 as detailed further in section 7.4 of this Securities Note;
Placement Date:	12:00 hours on 15 November 2017;
Closing date for submission of Application Forms:	12:00 hours on 23 November 2017;
Interest:	3.75% per annum;
Interest Payment Date(s):	Annually on 30 November as from 30 November 2018 (the first Interest Payment Date);

Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by Bank of Valletta p.l.c. and Rizzo, Farrugia & Co. (Stockbrokers) Ltd., and any fees payable in connection with the Bond Issue to Rizzo, Farrugia & Co. (Stockbrokers) Ltd. as Sponsor and to Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Issue.

5. Information Concerning The Securities to be Issued and Admitted to Trading

5.1 GENERAL

- 5.1.1 Each Bond forms part of a duly authorised issue of 3.75% Unsecured Bonds 2027 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €25,000,000 (except as otherwise provided under section 5.12 “Further Issues” of this Securities Note). The expected Issue Date of the Bonds is 7 December 2017.
- 5.1.2 The currency of the Bonds is Euro (€).
- 5.1.3 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0001561209.
- 5.1.4 All outstanding Bonds not previously re-purchased and cancelled shall be redeemed by the Issuer at par on the Redemption Date.
- 5.1.5 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- 5.1.6 The Bond Issue is not underwritten.

5.2 RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debts of each of the Issuer and the Guarantor, if any. Furthermore, subject to the negative pledge clause (section 5.7 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 (and/or Guarantor) 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.

The following table sets out a summary of the Virtu Maritime Group’s indebtedness as at 1 January 2017, and includes details of security given in respect of guarantees, mortgages, overdraft facilities and bank loans. The bank borrowings and facilities listed below are secured by privileges, hypothecs and mortgages (as applicable), and therefore, to the extent that such borrowings and/or facilities remain outstanding, the indebtedness being created by the Bonds would, specifically in respect of the assets constituting the said security, rank after all these borrowings and/or facilities. In addition, subject to the negative pledge set out in section 5.7 of this Securities Note, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege, hypothec and/or mortgage, in so far as the asset constituting the relevant security is concerned.

Virtu Maritime Group Pro Forma group indebtedness €000’s	Pro Forma 1 January 2017
Bank borrowings due within one year (secured)	6,012
Bank borrowings due after one year (secured)	34,901
Total bank borrowings (secured)	40,913
Less: Cash and cash equivalents	(3,200)
Net indebtedness	37,713
Total equity	72,163

As at 1 January 2017, the Virtu Maritime Group’s net indebtedness amounted to €37.7 million, made up of €40.9 million in secured bank borrowings net of €3.2 million in cash and cash equivalents. This results in a gearing level of 34%¹.

¹ Gearing is calculated as follows: $\text{net indebtedness} / (\text{net indebtedness} + \text{total equity})$.

Bank borrowings of €40.9 million consisted of outstanding balances (as at 1 January 2017) on facilities obtained from Bank of Valletta p.l.c. by: Virtu Fast Ferries Limited in the amount of €30.9 million for the purpose of part-financing the acquisition of the vessel *Jean De La Valette*; Virtu Rapid Ferries Limited in the amount of €8.6 million for the purpose of end-financing the acquisition of the vessel *Maria Dolores*; and Virtu Ferries Limited in the amount of €1.5 million for the purpose of financing expenses in relation to the mobilisation of the vessel *Jean De La Valette*.

The facilities provided to Virtu Fast Ferries Limited and Virtu Rapid Ferries Limited are secured by mortgages on the vessels owned by the respective companies. In addition, all the facilities are secured by, *inter alia*: general hypothecs over assets of these Subsidiaries and companies forming part of the Virtu Holdings Group; pledges over insurance policies relative to the mortgaged vessels and secondary charges on vessels belonging to other companies within the Virtu Holdings Group.

Virtu Wavepiercer has entered into a commitment with the shipbuilders to acquire the Vessel at a contracted price of €75 million, which will be financed by: a bank term loan of €40 million to be secured, *inter alia*, on the Vessel; the net Bond proceeds; a shareholder's loan of €7 million; and the balance being funded through own funds. The Vessel is due for delivery during the last quarter of 2018 / first quarter of 2019.

With reference to the level of gearing² of the Virtu Maritime Group as at 1 January 2017 indicated earlier in this section 5.2, it is noted, on a hypothetical basis and for comparative purposes only, that had the financing of the Vessel specified in the preceding paragraph been drawn down on 1 January 2017, the gearing of the Virtu Maritime Group as at that date would have been 61% (compared to 34% indicated above as aforesaid).

5.3 RIGHTS ATTACHED TO THE BONDS

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

- i. the repayment of capital;
- ii. the payment of interest;
- iii. seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the terms of the Bonds detailed in this Securities Note;
- iv. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.2 above;
- v. attend, participate in and vote at meetings of the Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- vi. enjoy all such other rights attached to the Bonds emanating from this Prospectus.

5.4 INTEREST

5.4.1 The Bonds shall bear interest from and including 30 November 2017 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 30 November 2018 (covering the period 30 November 2017 to 29 November 2018). 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. In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of the Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

5.4.2 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 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

5.5 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 3.75%.

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

5.6.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to the 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 (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.

5.6.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to the Bonds held in the register kept by the CSD.

5.6.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription, the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

² Gearing is calculated as follows: $\text{net indebtedness} / (\text{net indebtedness} + \text{total equity})$.

- 5.6.4 Any person in whose name a Bond is registered may (to the fullest extent permitted by any 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 section 5.11 of this Securities Note.
- 5.6.5 Upon submission of an Application Form, Applicants who opt to subscribe for the online e-portfolio by ticking 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/>. Further details on the e-portfolio are found on <https://eportfolio.borzamalta.com.mt/Help>.

5.7 **NEGATIVE PLEDGE**

The Issuer and, in respect of the Virtu Maritime Group, the Guarantor, undertake, 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 their respective present or future assets or revenues, to secure any Financial Indebtedness (as defined below) of the Issuer and/or the Guarantor.

Without prejudice to the above, the Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to declare and/or pay any dividend, whether interim or final. Furthermore, without prejudice to the aforesaid, in respect of the Virtu Maritime Group, the Guarantor undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to declare and/or pay any dividend, whether interim or final, in the event that such declaration and/or payment would result in the Gearing (as defined below in this section 5.7) of the Virtu Maritime Group exceeding 75% (34% as at 1 January 2017 as indicated in section 5.2).

For the purposes of the above, the following definitions shall apply:

“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, mortgage, or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer and/or the Guarantor and/or any of the Subsidiaries, as the case may be;

“Permitted Security Interest” means:

- A. any Security Interest arising by operation of the law;
- B. any Security Interest securing bank facilities or overdrafts or guarantees (including those issued to suppliers of the Virtu Maritime Group) 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; or
- D. any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer and/or the Guarantor and/or any of the Subsidiaries, as the case may be, where the creation of any such Security Interest would not result in the gearing of the Virtu Maritime Group exceeding 75% (34% as at 1 January 2017 as indicated in section 5.2).

“Gearing” means, in relation to the Virtu Maritime Group on a consolidated basis, the result of the following computation: $\text{net indebtedness} / (\text{net indebtedness} + \text{total equity})$.

5.8 **PAYMENTS**

- 5.8.1 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 the Redemption 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 effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith. 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.
- 5.8.2 In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents concerning the entitlement of the bare owner/s and the usufructuary/ies deemed necessary for the payment of the Bonds.
- 5.8.3 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 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 effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

- 5.8.4 All payments with respect to the Bonds are subject in all cases 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 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.
- 5.8.5 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

5.9 REDEMPTION AND PURCHASE

- 5.9.1 Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 30 November 2027.
- 5.9.2 Subject to the provisions of this section 5.9, 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.
- 5.9.3 All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

5.10 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount together with any accrued interest, if any of the following events (“Events of Default”) shall occur:

- 5.10.1 the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for 30 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.10.2 the Issuer shall fail duly 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 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.10.3 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 Guarantor; or
- 5.10.4 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
- 5.10.5 the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- 5.10.6 there shall have been entered against the Issuer and/or the Guarantor 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 €5,000,000 or its equivalent and 90 days shall have passed since the date of entry of such judgment without it having been satisfied or stayed; or
- 5.10.7 any default occurs and continues for 90 days under any contract or document relating to any Financial Indebtedness (as defined in section 5.7 above) of the Issuer and/or the Guarantor in excess of €5,000,000 or its equivalent at any time.

5.11 TRANSFERABILITY OF THE BONDS

- 5.11.1 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 as may be applicable from time to time.
- 5.11.2 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 the 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.
- 5.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.11.4 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 government charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.
- 5.11.5 The Issuer will not register the transfer or transmission of the Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

5.12 FURTHER ISSUES

Subject to the negative pledge set out in section 5.7 of this Securities Note, 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.

5.13 MEETINGS OF BONDHOLDERS

- 5.13.1 The Issuer may, 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 effect any change to the Terms and Conditions of the Bonds.
- 5.13.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 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 to 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 section 5.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.13.3 The amendment or waiver of any of the Terms and Conditions of the Bond Issue contained in this Securities Note may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof, subject to section 5.13.8 below.
- 5.13.4 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 Bondholders present, in person or by proxy, representing not less than 51% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 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 Bondholders present at that meeting. The Issuer shall within two 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 days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, 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, the adjourned meeting.
- 5.13.5 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.
- 5.13.6 Once a quorum is declared present by the chairman of the meeting, the meeting shall 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 the 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 the 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.
- 5.13.7 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least 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.
- 5.13.9 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.

5.14 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 18 August 2017.

The Guarantee being given by the Guarantor in respect of the Bonds was authorised by a resolution of the board of directors of the Guarantor dated 18 August 2017.

5.15 NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 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 at his registered address and posted.

6. Taxation

6.1 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 disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable 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.

6.2 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 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 person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the 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 as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his Maltese income tax return. No person should be charged to further tax in Malta in respect of such income. Furthermore, such tax should not be available as a credit against the recipient’s tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta.

In the case that a valid election is made 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 Maltese income tax return and be subject to tax on such interest at the standard rates applicable to that person at that time. Additionally in the case that an election has been made by the Bondholder to receive the interest gross of Maltese income tax, the Issuer will advise the Inland Revenue on an annual basis of the identity of all such recipients unless the beneficiary does not fall within the definition of a “recipient” as described above. 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 exempt from Maltese tax on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.3 COOPERATION WITH OTHER JURISDICTIONS ON TAX MATTERS

The Council of the European Union has adopted Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime that implements the OECD measures known as the “Common Reporting Standard”. Malta has transposed Directive 2014/107/EU into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations. In terms of this legal notice, the automatic exchange of information obligations extend to jurisdictions that are not EU Member States with which there is a relevant information exchange agreement in place.

Consequently, financial institutions of an EU Member State and of participating jurisdictions, including Maltese financial institutions, are required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of the Common Reporting Standard and they may therefore be subject to reporting obligations.

6.4 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

FATCA is contained within the U.S. Hiring Incentives to Restore Employment (HIRE) Act of 2010. FATCA requires foreign financial institutions to provide the Internal Revenue Service with information on Specified U.S. persons holding accounts outside of the U.S., including certain non-U.S. entities with U.S. Controlling Persons. Non-compliance results in a punitive 30% withholding tax on distributions captured by FATCA. FATCA was transposed into Maltese law by means of Legal Notice 78 of 2014 as amended by Legal Notice 30 of 2015. Consequently all Maltese financial institutions are obliged to identify and report to the Maltese tax authorities financial accounts held by Specified U.S. persons and certain non-U.S. entities with U.S. Controlling Persons. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

6.5 MALTESE TAXATION ON CAPITAL GAINS ON A 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”, no tax on capital gains should be chargeable in respect of a transfer of the Bonds, provided that the Bonds are held for capital purposes.

6.6 DUTY ON DOCUMENTS AND TRANSFERS

In terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta), as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. Terms and Conditions of the Bond Issue

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Placement date	15 November 2017
2. Closing date for submission of Application Forms	23 November 2017
3. Commencement of interest on the Bonds	30 November 2017
4. Expected date of notification of registration	7 December 2017
5. Expected date of admission of the Bonds to listing	7 December 2017
6. Expected date of commencement of trading in the Bonds	11 December 2017

7.2 GENERAL TERMS AND CONDITIONS

- 7.2.1 The contract created by the acceptance of an Application shall be subject to the Terms and Conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. 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.
- 7.2.2 If the Application Form is signed on behalf of another person, legal or natural, the person signing will be deemed to have bound that person and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such intermediary 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 Registrar or the Authorised Financial Intermediary.
- 7.2.3 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. 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-à-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 Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner.
- 7.2.4 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.

- 7.2.5 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 registration or other legal requirements.
- 7.2.6 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to the 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.
- 7.2.7 The Bonds will be issued in Euro (€). The aggregate principal amount of the Bond Issue is of €25,000,000.
- 7.2.8 Pursuant to the placement agreements described in more detail under section 7.4 below, Authorised Financial Intermediaries (either in their own names or in the names of their underlying clients) are to submit Application Forms representing the amount they have been bound to subscribe to by not later than 12:00 hours on 23 November 2017.
- 7.2.9 In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
- 7.2.10 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 18 years, following which all interest and redemption monies shall be paid directly to the registered holder. This is provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years. In the case of joint Applications, the joint holders shall nominate one 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 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 whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.2.11 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/scanned copies will not be accepted.
- 7.2.12 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.
- 7.2.13 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, 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.
- 7.2.14 All Application Forms must be accompanied by the full price of the Bonds applied for in Euro.
- 7.2.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, all appointed Authorised Financial 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 MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 7.2.16 By completing and delivering an Application Form, the Applicant:
- 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 Guarantor and the issue of the Bonds contained therein;
 - 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 number 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;

- c 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. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD at the Malta Stock Exchange. The requests must further be signed by the Applicant to whom the personal data relates;
- d confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer and the Guarantor 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;
- e agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- f agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- g 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 Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
- h warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i 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) as well as not to be 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;
- j agrees that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- k agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant’s own risk and may be sent 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
- l 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.

7.3 *PLAN OF DISTRIBUTION AND ALLOTMENT*

The Bonds shall be distributed through an intermediaries’ offer. In this regard, the Issuer has reserved a maximum amount of €25,000,000 in value of Bonds for subscription by Authorised Financial Intermediaries through conditional placement agreements, pursuant to which the Issuer will bind itself to allocate the Bonds in favour of these Authorised Financial Intermediaries. Further information on the said placement agreements may be found in section 7.4 below. In terms of these placement agreements, Authorised Financial Intermediaries may subscribe for Bonds for their own account or for the account of underlying customers, and shall in addition be entitled to distribute to the underlying customers any portion of Bonds subscribed for upon commencement of trading or submit Application Forms directly in the name of their underlying customers.

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

7.4 *PLACEMENT AGREEMENTS*

As indicated in section 7.3 above, the Issuer has reserved a maximum amount of €25,000,000 in value of Bonds for subscription by Authorised Financial Intermediaries through conditional placement agreements whereby the Issuer will bind itself to allocate the Bonds to such Authorised Financial Intermediaries in accordance with the terms of such agreements. The Authorised Financial 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 conditional placement agreements will become binding on each of the Issuer and the respective Authorised Financial Intermediaries on the date of signing of the conditional placement agreements and need to be submitted by latest 12:00 hours on 15 November 2017 being the Placement Date, provided that these Authorised Financial Intermediaries would have paid to the Issuer (acting through the Registrar) all subscription proceeds in cleared funds on the Placement Date. Such agreements shall become unconditional upon admission of the Bonds to trading on the Official List.

Authorised Financial 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 their underlying customers any portion of the Bonds subscribed for upon commencement of trading, or submit to the Registrar, Application Forms directly in the name of their underlying customers. In either case, subscription amounts made by Applicants through Authorised Financial Intermediaries, including those made under nominee, shall be in multiples of €100 Bonds, subject to a minimum subscription amount of €2,000 in Bonds by each individual Bondholder or underlying customer.

7.5 ALLOCATION POLICY

The Issuer shall allocate the Bonds to Authorised Financial Intermediaries pursuant to the placement agreements entered into with the Issuer, details of which can be found in section 7.4 above.

7.6 PRICING

The Bonds are being issued at par, that is, at €100 per Bond.

7.7 ADMISSION TO TRADING

7.7.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 30 October 2017.

7.7.2 Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List.

7.7.3 The Bonds are expected to be admitted to the MSE with effect from 7 December 2017 and trading is expected to commence on 11 December 2017.

7.8 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex IV, the Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note 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 I – Authorised Financial Intermediaries

Name	Address	Telephone
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030, Malta	2275 1732
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549, Malta	2258 3000

Annex II – Specimen Application Form



Virtu Finance p.l.c.

VIRTU FINANCE P.L.C.
€25,000,000 3.75% UNSECURED BONDS 2027
APPLICATION FORM

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

APPLICANT (see notes 2 to 7)

<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
A TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME / REGISTERED NAME	
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			

ADDITIONAL (JOINT) APPLICANTS (see note 4) (please use additional Application Forms if space is not sufficient)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Applicant is a minor)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 & 9):

AMOUNT IN FIGURES €	AMOUNT IN WORDS
------------------------	-----------------

Virtu Finance p.l.c. 3.75% Unsecured Bonds 2027 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 30 October 2017 (the 'Prospectus'), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.

RESIDENT - WITHHOLDING TAX DECLARATION (see notes 10 & 11a) (to be completed ONLY if the Applicant is a resident of Malta)

☐ I/We elect to have final withholding tax deducted from my/our interest.

☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 3, 11 & 11a) (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH
PASSPORT/NATIONAL I.D. CARD NUMBER	COUNTRY OF ISSUE
	ISSUE DATE

☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union

☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union

INTEREST AND REDEMPTION MANDATE (see note 12) Completion of this panel is MANDATORY

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

Signature/s of Applicant/s
 (Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
 (All parties are to sign in the case of a joint Application)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE

APPLICATION NUMBER

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Annex II – Specimen Application Form

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 30 October 2017 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions contained in Section 7.2 of the Securities Note dated 30 October 2017 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are non-residents 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.
4. 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 receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. 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/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
5. 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.
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 THIS 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. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100.
9. Applications must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid 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 will be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. 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.
In terms of Section 6.1.2 of the Securities Note, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. 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.
- 11a. The contents of notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the Placement Agreement as mentioned in Section 7.4 of the Securities Note by latest 12:00 hours on 23 November 2017. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions as contained in the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer 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);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. 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.

Annex III – Guarantee

THE GUARANTEE

To All Bondholders:

Re: GUARANTEE AND INDEMNITY

Reference is made to the issue of the €25 million Bonds 2027 by Virtu Finance p.l.c., a company registered in Malta bearing company registration number C 81622 (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Securities Note forming part of the Prospectus to be dated 30 October 2017 (the “**Bonds**”).

Now therefore by virtue hereof we, Virtu Maritime Limited (C 81559), 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 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 18th day of August 2017.



John Portelli
Director
Virtu Maritime Limited



Charles Borg
Director
Virtu Maritime Limited

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 facsimile transmissions, telexes 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 Guarantor, the full terms of which are set out in clause 3 below.

2. INFORMATION ABOUT THE GUARANTOR

The information about the Guarantor required pursuant to the Listing Rules and the Regulation may be found in the Registration Document.

3. TERMS OF THE GUARANTEE

3.1 Covenant to Pay

For the purposes of the Guarantee, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantees 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 Guarantor will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address or facsimile or other numbers as are stated below in clause 3.11 as the same may be changed by company announcements 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 Guarantor by the Issuer.

This Guarantee shall apply to all Bonds issued on or after 7 December 2017 in accordance with the terms of the Securities Note.

3.2 Guarantor as Joint and Several Surety

The 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 Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €25,000,000, apart from interests 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 Guarantor, which shall be additional to the maximum sum herein stated.

3.4 Continuing and Unconditional Liability

The liability of the 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 any other person liable for any reason whatsoever; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor;
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable 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 any other person liable; or
- e. any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 Indemnity

As a separate and alternative stipulation, the 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, the Guarantor or any Bondholder) not recoverable from the 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 The 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 the 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, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the 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 the Guarantor to create any encumbrance on any of the Guarantor's 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 €5,000,000) and nor is it threatened with any such procedures;
- vii. that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its 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 the Guarantor and that the 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 Guarantor 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 held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantor have been discharged in full, and until such time, the Guarantor acknowledges 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 Guarantor 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 Guarantor for the benefit of the Bondholders. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10 Amendments

The Guarantor has the power to veto any changes to the terms and conditions of the Bonds which are issued with the benefit of its Guarantee.

3.11 Notices

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile, provided that in the case of a change in the details of specified below, a company announcement by the Issuer to this effect shall constitute sufficient and proper notice to the Bondholders for the purposes of this clause.

For the purposes of this Guarantee, the proper addresses and facsimile numbers of the Guarantor are:

Virtu Maritime Limited

Address: Virtu, Ta' Xbiex Terrace, Ta' Xbiex, Malta

Tel. No.: +356 2349 1000

Contact Person: Matthew Portelli (Director)

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 referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

Annex IV – Financial Analysis Summary



Virtu Finance p.l.c.

Financial Analysis Summary

30 October 2017

*Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd,
in compliance with the Listing Policies issued by the
Malta Financial Services Authority, dated 5 March 2013.*





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The Board of Directors
Virtu Finance p.l.c.
 Virtu, Ta' Xbiex Terrace
 Ta' Xbiex XBX 1034
 Malta

30 October 2017

Dear Sirs,

Virtu Finance p.l.c. – Financial Analysis Summary (the “Analysis”)

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

The purpose of the Analysis is that of summarising key information appertaining to Virtu Finance p.l.c. (the “**Company**”, “**Issuer**” or “**VFP**”) and Virtu Maritime Limited (the “**Guarantor**”, or “**VML**”). 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 31 December 2014, 2015 and 2016 has been extracted from the audited Combined Financial Statements of Virtu Maritime Group (the “**Combined Financial Statements**”), prepared by the directors of the Guarantor to present the financial position and results of its Subsidiaries on the basis of the assumption that the Virtu Maritime Group had operated as a single entity in the three years ended 31 December 2014, 2015 and 2016. Furthermore, the Pro Forma financial information of VML as at 1 January 2017 has been prepared for illustrative purposes only, in order to provide information on the financial position the Guarantor.
- b. The forecast data for financial year ending 31 December 2017 and projection data for financial year ending 31 December 2018 have been provided and approved by management of the Issuer and the Guarantor.
- c. Our commentary on the Combined Financial Statements of the Virtu Maritime Group is based on the explanations from management and the Financial Due Diligence Report (FDDR) prepared by the reporting accountants of the Issuer (PricewaterhouseCoopers).
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.
- e. Relevant financial data in respect of competitors as analysed in section 10 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 of the Issuer and the Guarantor. 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 securities of the Issuer and should not be interpreted as a recommendation to invest. 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. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E. Rizzo
 Director

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List of Abbreviations

EU	European Union;
FAS	Financial Analysis Summary;
FY	Financial year 1 January to 31 December;
HCVs	Heavy Commercial Vehicles;
MGS	Malta Government Stock;
PwC	PricewaterhouseCoopers;
RoRo	Roll-on/Roll-off;
PPE	Property, Plant and Equipment;
ROPAX	Roll-on/Roll-off passenger vessel;
TEUs	Twenty-foot equivalent unit;
VFFL	Virtu Fast Ferries Limited;
VFL	Virtu Ferries Limited;
VFP	Virtu Finance p.l.c.;
VFSRL	Virtu Ferries SRL;
VFTL	Virtu Ferries Travel Limited;
VHL	Virtu Holdings Limited;
VMG	Virtu Maritime Group;
VML	Virtu Maritime Limited;
VRFL	Virtu Rapid Ferries Limited; and
VWPL	Virtu Wavepiercer Limited.

Important Information

Purpose of the Document

The purpose of this document is to present a financial analysis summary of Virtu Finance p.l.c. (the “**Issuer**”) and Virtu Maritime Group (the “**Guarantor**”) in line with the requirements of the Malta Financial Services Authority (MFSA) Listing Policies dated 5th March 2013 (the “**Financial Analysis Summary**” or “**FAS**”).

Sources of Information

The information that is presented has been collated from a number of sources, including the company’s website (www.virtu.com.mt), the FDDR prepared by PwC pursuant to the Listing Policies of the MFSA and the audited Combined Financial Statements of the Guarantor for the three years ended 31 December 2014 to 2016 presenting the financial position and results of its subsidiary companies (referred to as the Virtu Maritime Group) together with the Pro Forma financial information of the Guarantor as at 1 January 2017.

Historical financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Forecasts and Projections

Forecasts and projections that are quoted in this document have been prepared and approved by the Directors of the Issuer and the Guarantor, who undertake full responsibility for the assumptions on which these forecasts and projections are based.

Part 1

1. Background and History

1.1 *THE ISSUER – VIRTU FINANCE P.L.C.*

Virtu Finance p.l.c. (the “**Issuer**” or “**VFP**”) was registered on 6 July 2017, as a public limited liability company and as such has no financial history. It was set up as a special purpose vehicle for the purpose of the issue of the new Bond as explained in section 3 of the FAS. Its main objective is that of carrying on of the business of a finance and investment company, including the financing or re-financing of the funding requirements of the business of the Virtu Maritime Group (the “**Group**” or “**VMG**”). Given the nature of the Issuer’s activities, i.e. raising finance for on-lending to the VMG, there is an inherent dependence on the Group’s cash flows and operations.

1.2 *THE GUARANTOR – VIRTU MARITIME LIMITED*

The Guarantor was registered on 30 June 2017 as a private limited liability shipping company. The Guarantor itself has no financial history, and it is the holding company of Virtu Wavepiercer Limited (“**VWPL**”), Virtu Fast Ferries Limited (“**VFFL**”), Virtu Ferries Limited (“**VFL**”), Virtu Ferries Travel Limited (“**VFTL**”) and Virtu Rapid Ferries Limited (“**VRFL**”) (hereinafter collectively referred to as the “**Subsidiaries**”). The Subsidiaries are involved in the Malta-Sicily operations and the vessels operated thereon, as well as the vessel HSC Maria Dolores, which is subject to a standard time charter with a third-party operator. An organisation chart showing the Group’s structure is set out in section 3.

1.3 *NEW BOND ISSUE*

The Group is tapping the local bond market for the first time through the issue of a €25 million bond maturing in 2027. The net proceeds raised by the Issuer will be on-lent to VWPL, which will use the funds to part finance the acquisition of the New Vessel, in line with the Ship Construction and Sale Agreement referred to in section 4.1. The Bond will be guaranteed by VML, the parent company of the Group.

1.4 *PRINCIPAL ACTIVITIES AND MARKETS OF VIRTU MARITIME GROUP*

The principal part of the VMG’s business is the operation of the Malta-Sicily route (the “**MLA-SIC line**”) by High Speed Passenger and Vehicle Ferries. This core business activity is provided by VFL, which is the main operating entity within the VMG. The MLA-SIC line is currently serviced by one High Speed Passenger and Vehicle Ferry, the HSC *Jean de la Valette* (the “**HSC JDLV**”). This is set to be complemented through the introduction of a second vessel on the MLA-SIC line as from 2019. The chartering of the HSC *Maria Dolores* vessel, currently on a Morocco-Spain route, also forms part of the Group’s business. Additionally, in 2010 the Group was awarded the exclusive use and operation of the sea passenger ferry terminal at the Valletta Grand Harbour, which concession is explained further in section 4.2.

2. Directors and Senior Management

2.1 DIRECTORS

Directors of the Issuer

The members of the Board as at date of this FAS are included hereunder:

Mr Charles Borg	Non-Executive, Independent Chairman
Mr Roderick E. D. Chalmers	Non-Executive, Independent Director
Mr Stefan Bonello Ghio	Non-Executive Director
Mrs Stephanie Attard Montalto	Executive Director
Mr Matthew Portelli	Executive Director

Directors of the Guarantor

VML's key governance structure is entrusted to the Board of Directors composed of the following members:

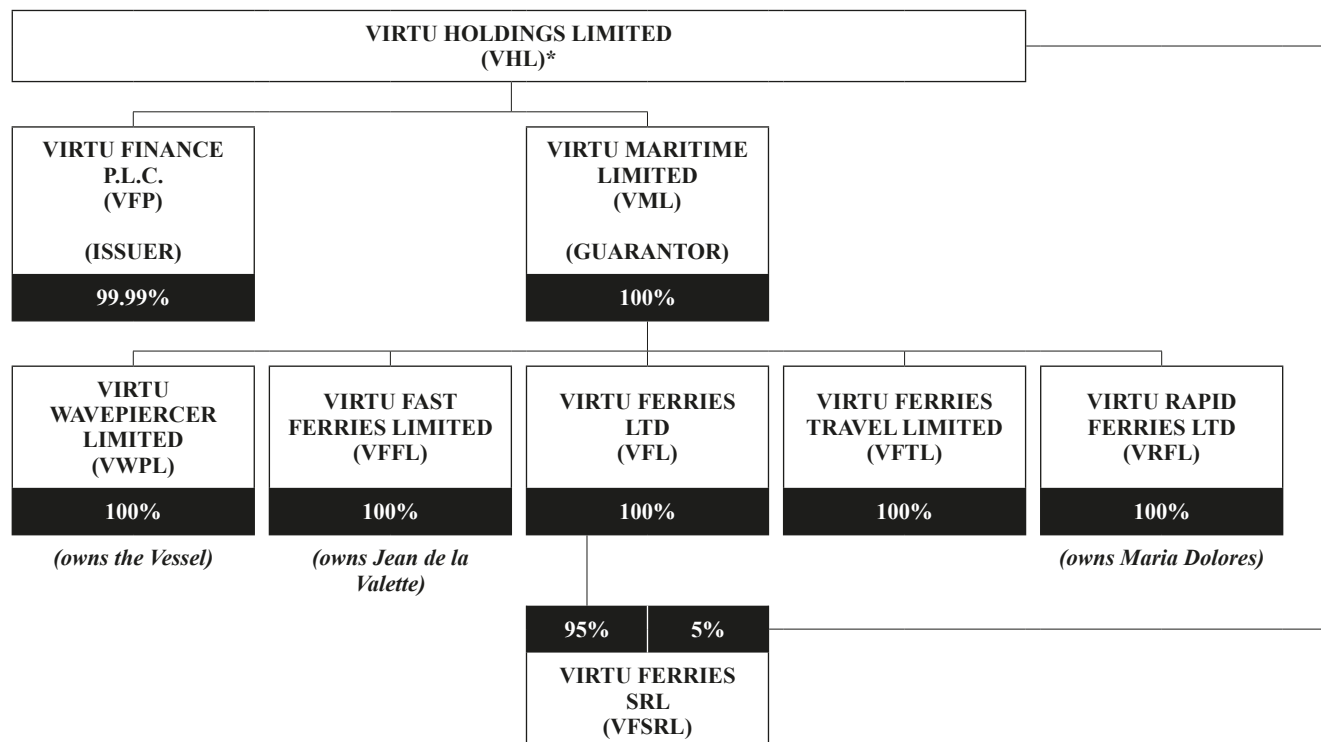
Mr Charles Borg	Non-Executive, Independent Director
Mr Francis A Portelli	Executive Director
Professor John M Portelli	Executive Director
Mr Matthew Portelli	Executive Director
Mrs Stephanie Attard Montalto	Executive Director

2.2 SENIOR MANAGEMENT

As at the date of this FAS, no employees are directly engaged by the Issuer and / or the Guarantor. The Issuer and the Guarantor rely entirely on the management structures and employees of the Virtu Holding group, which both companies form part of, as explained further in section 3 of this FAS.

3. The Issuer and Guarantor within the Virtu Maritime Group

Both the Issuer and the Guarantor are effectively wholly-owned subsidiaries of Virtu Holdings Limited (“VHL”) which form part of the wider Virtu Holdings group. The latter is a group of companies with interests in maritime-related activities such as ship-owning, bunkering and ship management as well as tourism and real estate. Today, the core business activity of the wider group is that of owning, managing and operating High Speed Passenger and Vehicle Ferries.



**Virtu Holdings is the parent company of a number of other subsidiaries and associated companies which are unrelated to the Virtu Maritime Group and the business line relevant to the Bond Issue, and which accordingly do not feature in the above chart.*

As indicated in the chart above, the Issuer is a subsidiary of VHL, which holds all shares in the Issuer save for one share held by another company with the same ultimate beneficial shareholders. All of the issued share capital of the Guarantor is also held by VHL. The Group's organisational structure is currently set up such that each Subsidiary of the Group carries out a particular business activity, as explained in later parts of this FAS.

3.1 THE RE-ORGANISATION

Prior to the incorporation and registration of the Issuer and the Guarantor as described in sections 1.1 and 1.2, VWPL, VFL, VFFL, VFTL and VRFL were all directly owned by VHL. By virtue of the re-organisation, VHL's direct shareholding in these Subsidiaries was transferred to the Guarantor through a share-for-share exchange. Therefore, as a result of this restructuring, the Guarantor became the new parent of the Subsidiaries.

3.2 THE SUBSIDIARIES

3.2.1 VFL

VFL is the main operating company of the VMG. The company was set up in 1990 and currently operates the HSC JDLV (a high-speed catamaran) between Malta and Sicily.

Previously, VFL operated other vessels including two small pax ferries – ACC *San Frangisk* and ACC *San Pawl*. In 2006, VFL operated the HSC *Maria Dolores* which was replaced by the HSC JDLV in 2010. VFL also operated the HSC *San Gwann* between 2001 until the vessel was sold in June 2016. VFL chartered the HSC *San Gwann* from Majorca Maritime Limited, a company forming part of the Virtu Holdings group. VFL also owns 95% of an Italian company – Virtu Ferries SRL (“VFSRL”).

3.2.2 VFFL

VFFL owns the HSC JDLV which is the vessel deployed on the Malta-Sicily route. Further details on the HSC JDLV vessel are presented in section 5.1 of this FAS. In 2010, this vessel replaced the HSC *Maria Dolores* on the Malta-Sicily route. The HSC *Maria Dolores* was delivered to the Group in 2006, and is currently operated on time charter basis by a third-party operator.

3.2.3 VFSRL

VFSRL is a company incorporated under the laws of Italy, and manages and operates the booking office in Pozzallo, Sicily. It was established to handle ferry ticket sales and provide other services in relation to ticketing and reservations.

3.2.4 VFTL

VFTL provides incoming and outgoing services to the tourist industry and acts as an in-house travel agent. In collaboration with VFSRL, VFTL offers the following services: excursion services to tourists travelling to and from Sicily; offering a number of tour packages to various sites including Taormina, Mount Etna and Syracuse amongst others; year-round day return excursion packages to Sicily; seasonal day return excursion packages to Malta; and transportation and accommodation arrangements for tourists visiting Sicily and Malta.

3.2.5 VRFL

VRFL is the owner of the HSC *Maria Dolores* which is chartered to a third-party for a period of three years commencing in May 2017. The vessel is deployed on the route between Tarifa in Spain and Tangier Ville in Morocco. Further details on the HSC *Maria Dolores* are presented in section 5.2 of this FAS.

3.2.6 VWPL

VWPL will be the owner of the New Vessel and further details are provided in section 4.1 of this FAS.

4. Material Contracts

What follows is a summary of the material contracts that the various Subsidiaries within the Group have entered into with third-parties.

4.1 THE NEW VESSEL

The Group's track record is marked by its ability to build and maintain an all-year round reliable and efficient ferry operation between Malta and Sicily. To better connect Malta to mainland Europe, the Group is now planning to introduce a second vessel on the MLA-SIC route as from 2019. To this effect, in October 2016, VWPL entered into a Ship Construction and Sale Agreement with Incat Tasmania PTY Ltd ("Incat") for the acquisition of a new vessel (the "New Vessel")¹. This vessel was commissioned for the purposes of complementing the operation of the HSC JDLV on the Group's MLA-SIC route. It is anticipated that the New Vessel will arrive in Malta in February 2019, and is expected to commence operations shortly thereafter. The acquisition of the New Vessel and its delivery will be financed by the proceeds of the new bond issue, bank financing, shareholder's loan and own funds. The cost of the New Vessel is €75 million.



Source: www.incat.com.au

The New Vessel will commence operations in 2019 and it is expected to enhance the Group's operations as a result of additional garage capacity.

4.2 TERMINAL CONCESSION AGREEMENT

VFL is party to a tripartite agreement between the Valletta Gateway Terminals Limited ("VGT"), VFL (as the client) and VHL whereby VGT granted VFL the exclusive right to use the VGT facilities, including the berth, outbuilding, sea passenger terminal and gates. The concession commenced from 1 September 2010 and will expire on 30 June 2036. Under the agreement, VGT is responsible to carry out, at its own expense, any extraordinary repairs of the facilities while VFL is responsible for the maintenance and ordinary repair of the facilities. The terminal also houses operations offices for cargo.



Source: Virtu Ferries

¹ Press Release issued by Virtu Ferries
<http://www.virtuferries.com/wp-content/uploads/2016/10/Press-Release-October-2016-1.pdf>

4.3 CHARTER CONTRACTS

Agreement & Counterparty	Nature of Agreement	Agreement Dates
<i>Bareboat Charter Agreement between VFL and VFFL.</i>	Standard BIMCO BARECON charter party agreement for ROPAX ² vessel HSC JDLV between VFL and VFFL.	Agreement dated 30/09/2010. Charter period of 10 years with delivery date 01/10/2010.
<i>Bareboat Charter Agreement between VFL and VWPL.</i>	Standard BIMCO BARECON charter party agreement for the New Vessel between VFL and VWPL.	Agreement dated 21/03/2017. Charter period of 10 years from delivery date (expected in 2018).
<i>Time Charter Agreement between VRFL and third-party operator.</i>	Standard BIMCO ROPAXTIME charter party agreement for ROPAX vessel HSC <i>Maria Dolores</i> between VRFL and Inter Shipping SRA.	Agreement dated 24/05/2017. Charter period of 3 years with delivery date 01/06/2017.
<i>Ship Management Agreement between VFL and VFFL.</i>	Standard ship management agreement for ROPAX vessel HSC JDLV between VFL and VFFL.	Agreement dated 30/09/2010. Commencement date 01/10/2010 for a period of 10 years.
<i>Ship Management Agreement between VFL and VWFL.</i>	Standard time charter party agreement for ROPAX vessel HSC JDLV between VFL and VWFL.	N/A

² ROPAX is a term used to refer to roll-on/roll-off passengers/vehicle vessel and passenger vessels which also has the capacity for freight vehicle transport along with passengers.

5. Overview of Major Assets

The assets of VMG are predominantly made up of ‘vessel and vessel equipment’ (“VVE”) as shown in the table below:

Year	Total Assets €'000	VVE ³ €'000	VVE % of Total Assets
2014	86,324	68,539	79.40%
2015	80,251	65,663	81.82%
2016	91,925	66,536	72.38%

5.1 HSC JDLV

The HSC JDLV is a high speed, all-weather passenger and vehicle catamaran. It is the largest vessel of its kind operating in the Mediterranean. The vessel was built by Austal Ships, WA in 2010 and was delivered in August 2010. It began its operations in October 2010, replacing the HSC *Maria Dolores*. The HSC JDLV was built to handle the increased cargo and passenger traffic between Malta and Sicily and is capable of carrying 156 cars, or a combination of 45 cars and 342 metres of truck lanes. The vessel can accommodate up to 800 passengers and manned by a crew of 24. It is designed to operate at a maximum speed of 38.5 knots.



Source: Virtu Ferries

With around 900 voyages per annum, the HSC JDLV has revolutionised transport and trade between the two Mediterranean islands. Many tourists come to Malta from Sicily on Virtu's service, making the company a material player in the local tourist industry.

³ Related to the net book value of the Group's vessels.

5.2 HSC MARIA DOLORES

The Group also owns, through its subsidiary VRFL, the high-speed ferry HSC *Maria Dolores*, which is chartered out, on a time charter basis, to Inter Shipping SRA. This third-party operator in turn operates a route between Tarifa in Spain and Tangier Ville in Morocco. The time charter agreement with Inter Shipping SRA has recently been renewed for a three-year period, commencing from 1 June 2017 until 31 May 2020. The vessel was previously chartered to the same operator for a period of 5 years.



Source: Virtu Ferries

The HSC *Maria Dolores* had previously been deployed on the Group's MLA-SIC route until 2010. It was built in 2006 by Austal Ships WA. It has a passenger capacity of 600 passengers and a vehicle capacity of 65 cars or 35 cars and 95 truck lane metres. The maximum speed at which it can travel is 36 knots.

6. Market Overview

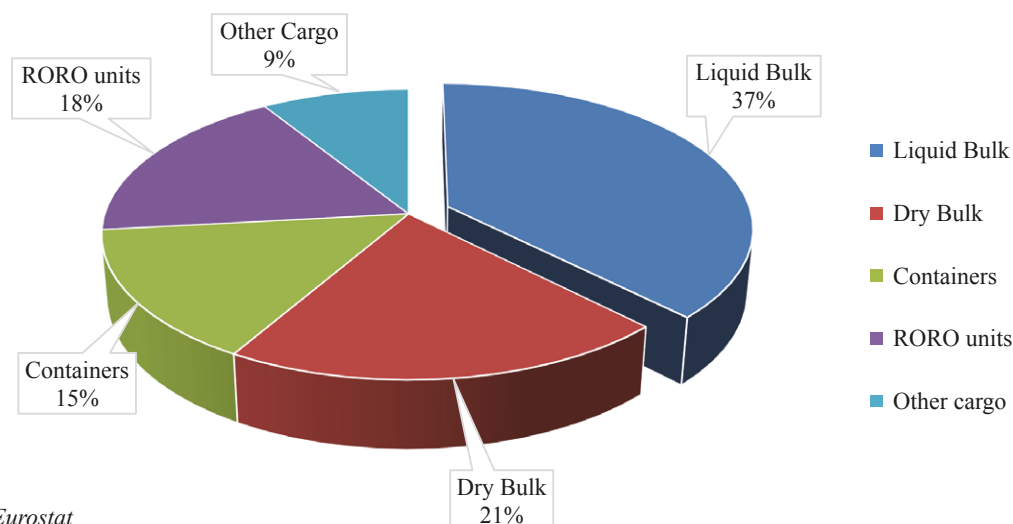
6.1 MARITIME CARGO MOVEMENTS: SHORT SEA SHIPPING OF GOODS

Short sea shipping statistics of the European Union (“EU”) cover the transport of goods between main ports in the EU-28 Member States and ports situated in Europe or in non-European countries in the Mediterranean and the Black Sea.

According to Eurostat, the total gross weight of goods transported as part of EU short sea shipping is estimated at 1.8 billion tonnes of goods in 2015, an increase of 0.9% compared to the previous year and 6% over 2010. The overall increase in short sea shipping recorded by the main EU ports seemed to consolidate the gradual recovery seen in EU short sea shipping following the economic downturn in Europe in 2009. Despite this, the 2015 level of EU short sea shipping still remained below the levels recorded in the years immediately preceding the economic downturn.

Malta recorded the largest relative increase in short sea shipping between 2014 and 2015 (+16.7%) from a low base of 2.9 million tonnes in 2014 to 3.4 million tonnes in 2015, followed by Slovenia (+15.2%), Croatia (+14.2%) and Denmark (+9.7%).

Type of Cargo Handled in 2015

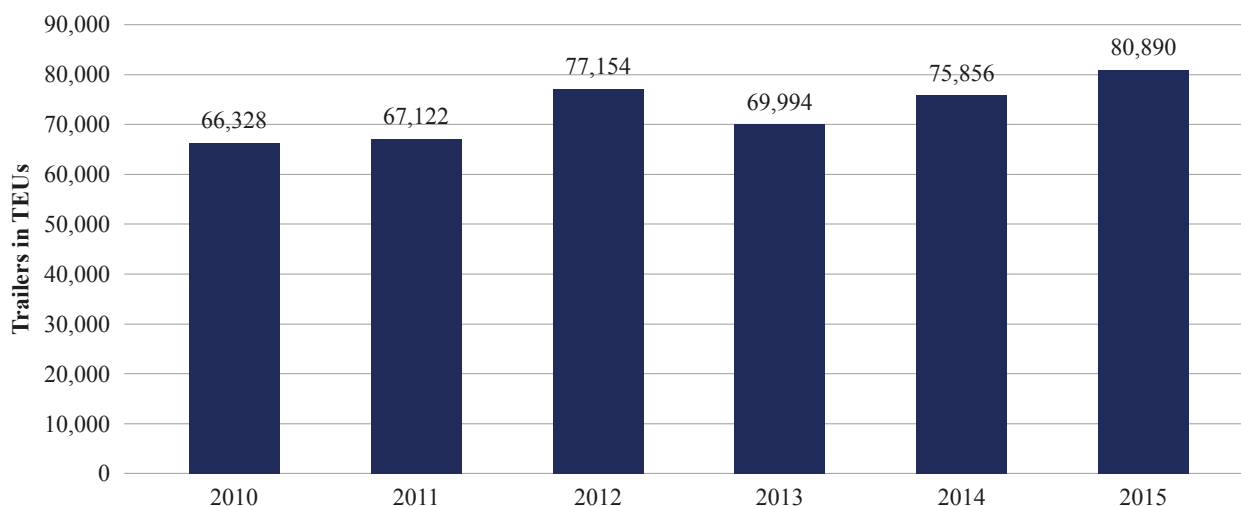


Source: Eurostat

Short sea shipping comprised around 59% of the total maritime transport of goods to and from the main EU ports in 2015. In the case of Malta, short sea shipping accounts for nearly 95% of total maritime transport of goods. In terms of the type of cargo handled, RoRo units accounted for 18% of the 3.4 million tonnes of cargo shipped to and from Malta in 2015, this being *circa* 4% higher than the EU-28 average.

According to information published by Transport Malta⁴, the number of trailers in twenty-foot equivalent units (TEUs) handled at the Port of Valletta increased from 66,328 in 2010 to 80,890 in 2015. These figures represent the number of trailers handled on both legs of the trip. This increase in the number of trailers handled represented an annual average growth rate of 4% over the five-year period.

Trailers handled at the Port of Valletta (TEUs)



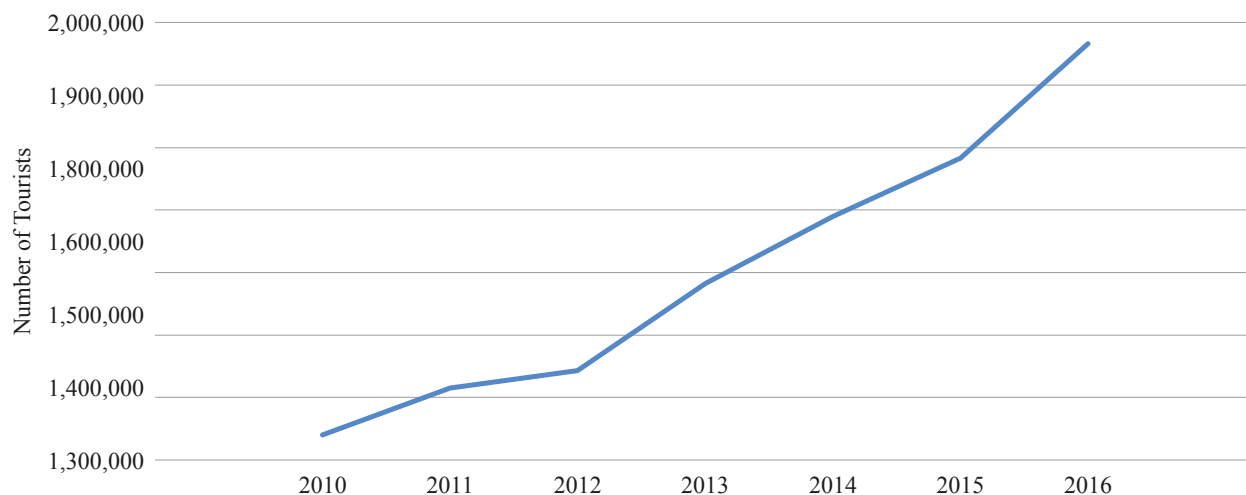
Source: Transport Malta

⁴ <http://www.transport.gov.mt/admin/uploads/media-library/files/Cargo%20Throughput%202015.pdf>

6.2 THE TOURISM INDUSTRY

One of the major catalysts for Malta's recent economic successes has been the notable growth of the tourism industry over the past few years. Indeed, the tourism industry is considered to be a crucial pillar of the economy as, directly and indirectly, it is estimated to account for 29% of Malta's GDP (Source: National Tourism Policy 2015-2020, p. 17).

Inbound Tourists



Source: NSO

The resilient performance in the tourism sector observed since 2010 persisted during 2016 in terms of inbound tourists. NSO data for 2016 show that the number of inbound tourists grew significantly during 2016, as it rose at an annual rate of 10.2% compared with a 5.5% growth rate recorded in 2015. The total number of visitors rose to almost two million, an increase of 182,562 tourists (10.2%) over the previous year. According to the NSO, this improvement was mostly driven by an increase in the number of leisure tourists, though the number of business and professional visitors also rose from 2015. Conversely, the number of persons who visited Malta for educational, religious, health and other purposes fell.

Another factor which contributed towards the development of the Maltese tourism industry in recent years has been the gradual shift from a purely holiday destination, and efforts are being made in order to attract a more business oriented segment. In order to achieve this change, efforts have been made by all stakeholders in the industry (both in public sphere as well as private operators and entrepreneurs) in order to increase the overall standard of the local tourism product.

Going forward, the prospects of the local tourism industry continue to look positive. The unstable socio-political and economic situations of some of Malta's closest competitors around the Mediterranean, as well as the continuing upgrading of the local tourism product in general are set to remain drivers of growth. Furthermore, Malta's six-month presidency of the Council of the EU from January to June 2017 and Valletta's journey towards the European Capital City of Culture in 2018 will also serve to attract additional visitors to Malta. On the downside, competition from other Mediterranean countries is likely to remain strong. More efforts to grow traffic in the winter months and attracting more visitors from new markets is a priority for Malta, and this strategy aims to ensure that the Maltese hospitality industry remains competitive and sustainable in the years to come.

6.3 MARITIME LINKS BETWEEN MALTA AND SICILY

The increase of maritime links and better infrastructure connecting the ports of Malta and Sicily was included in the EU's list of transport priorities, through a project better known as the TEN-T network, for the period until 2020⁵.

Furthermore, Malta's accession into the EU in 2004 has led to a growth in passenger and passenger vehicle traffic between Malta and Sicily due to the increase in the number of Maltese families travelling to Sicily by car (especially during the summer school vacation months), and the growing trend of Maltese families owning or renting holiday homes in Sicily. The growth in travel between Malta and Sicily also coincides with the significant growth of the Maltese tourism sector in general, as further explained in section 6.2 above. The increase in both inbound and outbound tourism, has been another key driver of growth on the Malta-Sicily line. Even though the summer period remains the peak season for the tourism sector, demand for the ferry service has increased significantly in other months of the year due to the increasing popularity of *agriturismo* holidays in Italy and Sicily and the appeal of affordable shopping arcades in certain parts of Sicily.

Coupled with the transport of passengers and passenger vehicles, Malta's accession to the EU has also led to a substantial change in how a broad range of products are sourced, particularly from regional logistics centres in Sicily and southern Italy. This, together with the opening of a number of international franchises, as well as the collaboration with foreign retailers targeting the local market, has resulted in a significant increase in the number of the light and heavy commercial vehicles using the MLA-SIC line for the carriage of goods between Malta and Sicily, particularly those transporting fresh produce, fish and other products of a perishable nature for which a fast ferry service is optimal.

⁵ Times of Malta

<https://www.timesofmalta.com/articles/view/20111021/local/Malta-Sicily-link-included-in-EU-s-infrastructure-priorities.390112>

Part 2

7. Historic Financial Information

NB: The MFSA Listing Policies require a 3-year historical analysis of financial information of the Issuer. The Issuer was incorporated on 6 July 2017 as a special purpose vehicle to act as the financing arm of the Virtu Holdings Group. The Issuer as a stand-alone company has not conducted any business and has no trading record. Thus, it has no financial information to report. Similarly, the Guarantor was incorporated on 30 June 2017 as the holding company of the Virtu Maritime Group. It has, to date, not conducted any business, and therefore has no trading record or financial information to report.

In anticipation of the issue of the Bonds, Virtu Maritime Limited was set up to be interposed in the group of companies owned by Virtu Holdings as the new parent company of the Subsidiaries, which together form the Virtu Maritime Group, as is described in further detail in section 3. The relative transfer of the shares in the Subsidiaries by Virtu Holdings to Virtu Maritime Limited was conducted on 3 August 2017 at the carrying value of the investment in the Subsidiaries in Virtu Holdings as at 31 December 2016.

The financial year-end of the Subsidiaries and Virtu Maritime Limited is 31 December. The financial information in this FAS accordingly represents the following:

- a. *The historical financial information in respect of the Subsidiaries as set out in the combined financial statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016 (the “**Combined Financial Statements**”), prepared by the directors of Virtu Maritime Limited to present the financial position and results of the Subsidiaries on the basis of the assumption that the Virtu Maritime Group had operated as a single entity in the three years ended 31 December 2014, 2015 and 2016⁶.*

*The Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), as adopted by the European Union, and have been audited by PwC. The Combined Financial Statements have been prepared by aggregating the audited financial statements of the Subsidiaries constituting the Virtu Maritime Group, since all these entities are under common management and control but did not constitute a “group” for the purposes of IAS 27 “Consolidated and Separate Financial Statements”. The aggregated financial information has been adjusted to eliminate the impacts of intra-organisation transactions and balances, and to reflect the appropriate classification.*

The process described above, adopted for the preparation of the Combined Financial Statements, is similar to a consolidation process, however the financial results and financial position of the Subsidiaries could not be consolidated into the financial statements of Virtu Maritime Limited, since as at 31 December 2014, 2015 and 2016 Virtu Maritime Limited did not own or control the Subsidiaries.

- b. *The Pro Forma financial information of Virtu Maritime Limited as at 1 January 2017 has been prepared for illustrative purposes only, to provide information on the financial position of the Guarantor. The Pro Forma financial information, based on the Combined Financial Statements of the Virtu Maritime Group as at 31 December 2016, illustrates the resulting consolidated financial position of the Guarantor after superimposing the transactions giving rise to the re-organisation of the Virtu Maritime Group described in section 3, that are hypothetically assumed to have been carried out as at 1 January 2017. The Pro Forma financial information relative to the Virtu Maritime Group is further explained in section 7.4.*

The process for arriving at the Pro Forma financial information therefore builds on the combined position as at 31 December 2016, as described in paragraph (a) above, and further assumes that:

- *accounting entries related to the incorporation of Virtu Maritime Limited,*
- *transfer of ownership of the Subsidiaries, and*
- *related accounting entries for the re-organisation process, including capitalisation of the loan with Virtu Holdings Limited,*

are simulated within a Pro Forma set of financial statements with an effective date of 1 January 2017, to illustrate the financial position of the new group capturing all accounting entries as described in section 7.4 on that date. The legal incorporation of Virtu Maritime Limited and the restructuring entries described above, were concluded on 30 June 2017 and 3 August 2017 respectively.

Further detail covering the process for arriving at the Combined Financial Statements and the Pro Forma financial information is included in Note 1.1 of the Combined Financial Statements of Virtu Maritime Group and in Note 1 to the Pro Forma financial information of Virtu Maritime Limited.

All figures referred to in this section of the report have been supported by management information as necessary, with the exception of the financial ratios, which ratios have been calculated by Rizzo, Farrugia & Co (Stockbrokers) Limited.

All amounts in the tables below are in thousands (€'000), unless otherwise specified, and have been subject to rounding.

⁶ Virtu Wavepiercer Limited was incorporated on 5 September 2016, and accordingly no historical information relative to the preceding period is available in respect of this particular Subsidiary.

VIRTU MARITIME GROUP

7.1 SEGMENTAL ANALYSIS

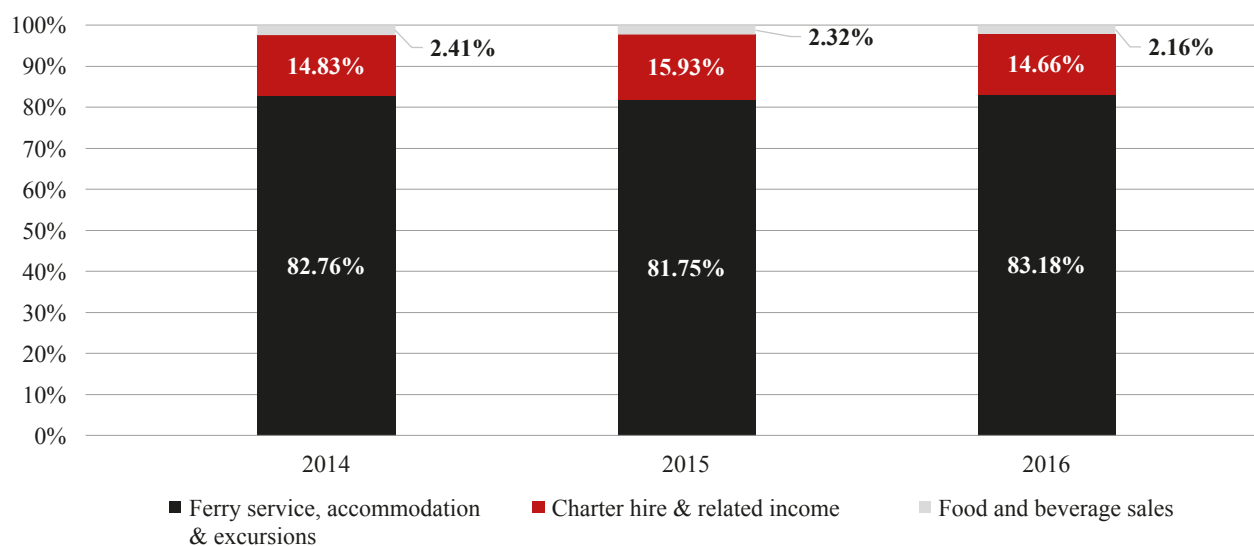
The table below provides a breakdown of revenue generated by the Group for the period under review. Revenue during the three-year period is mainly generated by the ferry service provided by HSC JDLV between Malta and Sicily and charter hire of the HSC *Maria Dolores*.

<u>VIRTU MARITIME GROUP</u>	ACTUAL	ACTUAL	ACTUAL
<i>for the year ended 31 December</i>	2014	2015	2016
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Ferry service, accommodation & excursions	24,032	24,904	27,182
Charter hire & related income	4,307	4,854	4,790
Food and beverage sales	699	704	708
Total Revenue	29,038	30,462	32,680

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016.

As illustrated in the chart below, in the three financial years 2014 to 2016, the 'ferry service, accommodation & excursions' segment comprised the most significant revenue stream, representing 82.76%, 81.75% and 83.18% of total revenue respectively. Revenue from the provision of charter hire represented 14.66% of total revenue in FY2016 (FY2015: 15.93%; FY2014: 14.83%). Revenue from the sale of food and beverage items aboard the HSC JDLV accounted for *circa* 2% during the years under review.

Revenue by Segment



Source: Management information

7.2 COMBINED STATEMENT OF COMPREHENSIVE INCOME

VIRTU MARITIME GROUP

for the year ended 31 December

	ACTUAL 2014 €'000	ACTUAL 2015 €'000	ACTUAL 2016 €'000
Revenue	29,038	30,462	32,680
Cost of Sales	(14,869)	(16,167)	(15,739)
Gross Profit	14,169	14,295	16,941
Administrative expenses	(3,154)	(3,156)	(3,439)
Other income	233	254	319
Normalised EBITDA	11,248	11,393	13,821
Depreciation & amortisation	(3,155)	(3,133)	(3,162)
Normalised operating profit	8,093	8,260	10,659
Net costs from HSC San Gwann	(1,649)	(1,580)	(805)
Management fees	340	370	370
Settlement of claim	—	—	8,797
Operating profit	6,784	7,050	19,021
Net finance costs	(2,490)	(1,885)	(1,501)
Profit / (loss) before tax	4,294	5,165	17,520
Tax credit / (expense)	319	(77)	(327)
Profit / (loss) after tax	4,613	5,088	17,193

Adjusted profit after tax, management fees, net costs from the HSC San Gwann, and settlement of claim

5,922 6,298 8,831

**Note: In the audited Combined Financial Statements of VML, the 'management fees' and the 'settlement of claim' forms part of the 'other income' line, while the 'net costs from the HSC San Gwann' forms part of the 'cost of sales' line.*

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016 and management information.

In the last three years, the Group registered an average increase in combined gross revenues of 6.0% per annum, increasing from €29.0 million in FY2014 to €32.7 million in FY2016. In FY2016, approximately €27.9 million was generated from the operation of the Malta-Sicily ferry service and €4.8 million from the time charter of the HSC *Maria Dolores* to a third-party operator.

Revenue increased by 12.5% between FY2014 and FY2016 particularly driven by the 13.0% increase in the segmental revenue of the ferry service.

Cost of sales increased over the three-year period mainly due to an increase in excursions, accommodation costs, operational payroll costs and staff expenses, reflecting the increased operational activity of the Group. Such an increase in costs was largely compensated for by a decrease in fuel expenses as a result of a reduction in fuel prices.

Payroll charges amounted to €3 million in FY2016. The Group employed *circa* 90 full-time equivalents during each of the years under review, of whom 36% are involved directly in the operation of the vessels including seamen, cabin crew, deck officers, motormen, engineers and technical shore crew. The technical superintendents, with the assistance of master, chief officer and chief engineer of the HSC JDLV oversee the day-to-day operation of the vessel. The Marine and Technical Department, made up of highly qualified master mariners and chief engineers, oversee the technical operations of the Group. The administrative function, which accounts for 64% of the persons employed by the Group, is predominantly made up of reservation, front desk officers and the finance function.

For illustration purposes, EBITDA has been normalised to exclude the management fees received from other related parties, the net costs arising from the HSC *San Gwann* operations (which was sold in 2016), and the other non-recurring income in FY2016 associated with the settlement of a claim with the HSC JDLV's shipbuilders. Total normalisation adjustments amounted to €1.3 million in FY2014, €1.2 million in FY2015 and €8.4 million in FY2016. The Group generated a combined normalised EBITDA of €13.8 million in FY2016 from the MLA-SIC line and from the operations of the HSC *Maria Dolores*, recording an increase of €2.6 million, compared to FY2014. The improvement is attributable to the €3.6 million increase in revenues registered, coupled by a €0.1 million increase in other operating income, offset by the increase in cost of sales of €0.8 million and an increase in administrative expenses of €0.3 million.

Over the three financial years 2014 to 2016, net finance costs relating to the vessels' bank loans, have decreased from €2.5 million in FY2014 to €1.5 million in FY2016. Reported profit after tax in FY2016 was of €17.2 million when compared to €5.1 million in FY2015 and €4.6 million in FY2014. However, if one had to exclude the €8.8 million settlement related to HSC JDLV, the €0.37 million management fees received from other companies within the Virtu Holdings Group, and net costs of €0.81 million incurred for the operation of the high-speed craft HSC *San Gwann*, the profit after tax for FY2016 would have been €8.8 million, which is an improvement of over 49% on the profit after tax of FY2014.

7.3 COMBINED STATEMENT OF CASH FLOWS

<u>VIRTU MARITIME GROUP</u>	ACTUAL	ACTUAL	ACTUAL
<i>for the year ended 31 December</i>	2014	2015	2016
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Cash flows from operating activities			
Cash from operations	9,455	7,759	12,724
Finance income	161	447	570
Finance costs	(2,651)	(2,332)	(2,071)
Tax paid	(38)	(22)	(35)
Net cash generated from operations	6,927	5,852	11,188
Cash flows from investing activities			
Purchase of property, plant and equipment	(174)	(102)	(4,151)
Proceeds from the issue of share capital	–	–	10
Net cash used in investing activities	(174)	(102)	(4,141)
Cash flows from financing activities			
Movement in borrowings	(6,627)	(5,960)	(5,754)
Net cash used in financing activities	(6,627)	(5,960)	(5,754)
Net movements in cash and cash equivalents	126	(210)	1,293
Cash and cash equivalents at beginning of the year	1,741	1,867	1,657
Cash and cash equivalents at end of year	1,867	1,657	2,950

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016.

In total, net operating cash flows over the three-year period from FY2014 to FY2016 amounted to €24.0 million, after accounting for tax expenses of €0.1 million and net finance cost of €5.9 million.

In aggregate, investments in property, plant and equipment amounted to €4.4 million over the past three years, including €3.7 million relating to the advance payment to the shipbuilders for the construction of the New Vessel.

Net cash used in financing activities amounted to €18.3 million in debt servicing over the three years, mainly representing bank loan repayments. The closing cash and cash equivalents as at 31 December 2016 amounted to €3.0 million (FY2015: €1.7 million; FY2014: €1.9 million).

7.4 COMBINED STATEMENT OF FINANCIAL POSITION

<u>VIRTU MARITIME GROUP</u>	ACTUAL	ACTUAL	ACTUAL
<i>as at 31 December</i>	2014	2015	2016
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
ASSETS			
Intangible assets	655	655	655
Vessel and vessel equipment	68,539	65,663	66,536
Land and buildings and PPE	1,175	1,020	1,136
Deferred taxation	588	526	234
Total non-current assets	70,957	67,864	68,561
Inventories	262	245	349
Trade and other receivables	13,214	10,432	20,057
Current tax asset	24	53	8
Cash and cash equivalents	1,867	1,657	2,950
Total current assets	15,367	12,387	23,364
Total assets	86,324	80,251	91,925
LIABILITIES			
Borrowings	46,641	40,891	34,901
Total non-current liabilities	46,641	40,891	34,901
Borrowings	5,986	5,776	6,012
Trade and other payables	11,222	30,225	48,450
Total current liabilities	17,208	36,001	54,462
Total liabilities	63,849	76,892	89,363
EQUITY			
Share capital	441	441	451
Retained earnings	22,034	2,918	2,111
Total equity	22,475	3,359	2,562
Total equity and liabilities	86,324	80,251	91,925

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016.

As at 31 December 2016, the Group had €91.9 million in total assets (FY2015: €80.3 million; FY2014: €86.3 million) mainly comprising of 'vessel and vessel equipment'. Over the three financial years 2014 to 2016, intangible assets amounted to €0.7 million, being goodwill recognised as a result of the corporate restructuring carried out at the level of Virtu Holdings Limited in 2004. Over the three financial years 2014 to 2016, inventories representing spare parts held for maintenance of the vessels, bar and shop stocks have increased from €0.26 million in FY2014 to €0.35 million in FY2016.

Total current trade and other receivables increased from €13.2 million in FY2014 to €20.1 million in FY2016, the increase being mainly attributable to the amount due to the Group on the settlement of the HSC JDLV claim which was paid in 2017. Cash and cash equivalents increased from €1.9 million in FY2014 to €3.0 million in FY2016, reflecting the overall improved performance of the Group throughout FY2016.

On the liabilities side, total borrowings of the Group, both current and non-current decreased by nearly €12 million between FY2014 and FY2016, principally due to bank loan repayments made in FY2015 and FY2016. Bank borrowings amounted to €40.9 million as at 31 December 2016, while as at 31 December 2014 these amounted to €52.6 million.

Total trade and other payables advanced by €19.0 million in FY2015 and by a further €18.2 million in FY2016. As at the end of FY2016, the Group had a balance due to its shareholder of €38.5 million, principally representing dividends declared but not yet paid as at that date.

In FY2016, the Group's total equity amounted to €2.6 million, largely comprised of retained earnings equivalent to €2.1 million and share capital of €0.5 million. Total equity has decreased by 85.1% during FY2015 and declined further by 23.7% during FY2016, largely attributable to the dividends amounting to €24.2 million in FY2015 and €18.0 million in FY2016 which were declared by the Group to its shareholders.

ANALYSIS OF BORROWINGS

<u>VIRTU MARITIME GROUP</u>	ACTUAL	ACTUAL	ACTUAL
<i>for the year ended 31 December</i>	2014	2015	2016
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Short-term bank loans (current)	5,986	5,776	6,012
Long-term bank loans (non-current)	46,641	40,891	34,901
Total borrowings	52,627	46,667	40,913
Less: Cash and cash equivalents	1,867	1,657	2,950
Net Debt	50,760	45,010	37,963

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016.

VMG's funding base has been composed of short-term and long-term bank loans. Over the three financial years 2014 to 2016, total borrowings have decreased from €52.6 million in FY2014 to €40.9 million in FY2016. A considerable portion of long-term borrowings have been taken out to finance the acquisition of the HSC JDLV and HSC *Maria Dolores* vessels, while a smaller proportion of the borrowings have been utilised to finance the sea passenger terminal works, construction of ramps and the purchase of miscellaneous equipment.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 1 JANUARY 2017

The Pro Forma financial information has been prepared using the Combined Financial Statements of Virtu Maritime Limited for the financial year ended 31 December 2016 and superimposing the following transactions (the "**Hypothetical Transactions**"), or that are hypothetically assumed to have been carried out, as at 1 January 2017:

- The incorporation of Virtu Maritime Limited as a private limited liability shipping company;
- The acquisition of the Subsidiaries by Virtu Maritime Limited from Virtu Holdings and the initial recognition of the fair value of the Subsidiaries;
- The reallocation of the Subsidiaries' fair value to each of their identifiable assets and liabilities, with the difference between the fair value of the Subsidiaries and the aggregate fair value of the identifiable assets and liabilities being allocated to goodwill; and
- The drawdown of a €20 million subordinated shareholder's loan from Virtu Holdings to the Guarantor.

The table below sets out a comparison between the Guarantor's financial position as at 1 January 2017 and the Pro Forma position that would have resulted assuming the Hypothetical Transactions were implemented on 1 January 2017.

<u>VIRTU MARITIME GROUP</u>	Combined position as at 1 January 2017	Pro Forma Adjustments				Pro Forma position as at 1 January 2017
		1	2	3	4	
	€'000					€'000
ASSETS						
Intangible assets	655			49,351		50,006
Vessel and vessel equipment	66,536					66,536
Land and buildings and PPE	1,136					1,136
Investment in subsidiaries	–		51,913	(51,913)		–
Deferred taxation	234					234
Total non-current assets	68,561	–	51,913	(2,562)	–	117,912
Inventories	349					349
Trade and other receivables	20,057					20,057
Current tax asset	8					8
Cash and cash equivalents	2,950	250				3,200
Total current assets	23,364	250	–	–	–	23,614
Total assets	91,925	250	51,913	(2,562)	–	141,526
EQUITY & LIABILITIES						
LIABILITIES						
Borrowings	34,901					34,901
Total non-current liabilities	34,901	–	–	–	–	34,901
Borrowings	6,012					6,012
Trade and other payables	48,450				(20,000)	28,450
Current tax liability	–					–
Total current liabilities	54,462	–	–	–	(20,000)	34,462
Total liabilities	89,363	–	–	–	(20,000)	69,363
EQUITY						
Share capital	451	250	4,113	(451)		4,363
Retained earnings	2,111			(2,111)		–
Other reserve	–		47,800			47,800
Capital reserves	–				20,000	20,000
Total equity	2,562	250	51,913	(2,562)	20,000	72,163
Total equity and liabilities	91,925	250	51,913	(2,562)	–	141,526

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016 and the Pro Forma Financial Information as at 1 January 2017.

The Pro Forma adjustments were the following:

1. Cash for working capital: On 30 June 2017, VML was incorporated as a private limited liability company, with an initial issued paid up share capital of €250,000. This capital injection is being recognised in cash and share capital.
2. Recognition of investment in subsidiaries: Pursuant to the re-organisation, Virtu Holdings Limited transferred its shares in the Subsidiaries to the VML in exchange for an issue of 4,113,174 shares of a nominal value of €1.00 per share in VML. On initial recognition, the original cost for accounting purposes at which the Subsidiaries in VML's were recognised, was equivalent to their fair value of €51.9 million. The amount of €47.8 million representing the difference between the fair value of the Subsidiaries and the nominal value of shares issued has been recognised directly in equity in a reserve entitled "Other reserve".

3. Elimination of investment in Subsidiaries and consequential recognition of value uplift: The excess arising between the fair value attributed to the Subsidiaries, and the aggregate fair value of the net identifiable assets acquired, amounting to €2.6 million, results in goodwill of €49.4 million.
4. Quasi-equity loan recognition: On 7 August 2017, upon the drawdown of a €20 million subordinated shareholder's loan from Virtu Holdings to the Guarantor, the Guarantor completed its initial capital structuring.

The fair value of the Subsidiaries is attributable to the operations of the Malta – Sicily ferry service and the charter operations of the high-speed craft *Maria Dolores*. The valuation was based on some of the parts of the two income-generating units and was prepared on the basis of the discounted cash flows expected to be derived from ferry and charter operations, net of the carrying value of the HSC JDLV and the *Maria Dolores* and the cost of acquisition of the New Vessel.

7.5 RATIO ANALYSIS

PROFITABILITY RATIOS:

<u>VIRTU MARITIME GROUP</u>	ACTUAL For the year ended 31 December 2014	ACTUAL For the year ended 31 December 2015	ACTUAL For the year ended 31 December 2016	PRO FORMA As at 1 January 2017
Gross Profit margin (Gross Profit / Revenue)	48.79%	46.93%	51.84%	51.84%
Normalised EBITDA margin (Normalised EBITDA / Revenue)	38.74%	37.40%	42.29%	42.29%
Normalised Operating Profit margin (Normalised Operating Profit / Revenue)	27.87%	27.12%	32.62%	32.62%
Net Profit margin (Adjusted Profit for the period / Revenue)	20.39%	20.67%	27.02%	27.02%
Return on Equity (Adjusted Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)	26.35%	48.76%	298.29%	23.64%
Return on Capital Employed (Adjusted Profit for the period / Average Capital Employed)	7.89%	10.07%	18.89%	11.28%
Return on Assets (Adjusted Profit for the period / Average Assets)	6.86%	7.56%	10.26%	7.57%

*The return on equity in FY2016 was exceptionally high due to a lower average equity in FY2016 following the significant dividend declaration of retained earnings in each of FY2015 and FY2016.

VMG's normalised EBITDA, operating profit and net profit margins for FY2016 were stronger when compared to the previous two years reflecting the increase in revenue, already explained in the previous sections of this FAS. Overall, gross profit margins have edged higher over the historical period, ranging from 48.79% in FY2014 to a peak of 51.84% in FY2016. Similarly, due to overall growth in profitability, the return on equity, on assets and on capital employed improved in FY2016 when compared to the previous years.

When taking into account the pro forma figures, the ratios relating to the return on assets, equity and capital employed were lower than the actual FY2016 ratios, as a result of the Pro Forma adjustments described in section 7.4.

LIQUIDITY RATIOS:

<u>VIRTU MARITIME GROUP</u>	ACTUAL For the year ended 31 December 2014	ACTUAL For the year ended 31 December 2015	ACTUAL For the year ended 31 December 2016	PRO FORMA As at 1 January 2017
Current Ratio <i>(Current Assets / Current Liabilities)</i>	0.89x	0.34x	0.43x	0.69x
Cash Ratio <i>(Cash & cash equivalents / Current Liabilities)</i>	0.11x	0.05x	0.05x	0.09x

Over the years, the Group's current ratio, representing the amount of current assets available to settle short-term liabilities, has been below one. The composition of the Group's current liabilities includes bank borrowings and a substantial balance of trade and other payables which increased to €48.5 million in FY2016 when compared to €11.2 million in FY2014. The main factor contributing to this significant change is the amount of €38.5 million representing dividends declared but not yet paid to shareholders.

During the years under review and as explained above, the Group experienced an increase in short-term liabilities which have also impacted the cash ratio accordingly.

When taking into account the pro forma adjustments, in view of the shift in the payables from current liabilities to equity (represented by the conversion of €20 million of the payable to a subordinated quasi-equity loan from the shareholders) the current ratio will be positively impacted, improving to 0.69x, albeit still below one.

SOLVENCY RATIOS:

<u>VIRTU MARITIME GROUP</u>	ACTUAL For the year ended 31 December 2014	ACTUAL For the year ended 31 December 2015	ACTUAL For the year ended 31 December 2016	PRO FORMA As at 1 January 2017
Interest Coverage ratio <i>(EBITDA / Net finance costs)</i>	4.52x	6.04x	9.21x	9.21x
Gearing Ratio (1) <i>(Net debt / Total Equity)</i>	2.26x	13.40x	14.82x	0.52x
Gearing Ratio (2) <i>[Total debt / (Total Debt plus Total Equity)]</i>	70.07%	93.29%	94.11%	36.18%
Net Debt to EBITDA <i>(Net Debt / EBITDA)</i>	4.51x	3.95x	2.75x	2.73x

In FY2016, net debt was 14.82 times of the Group's equity, representing a gearing of 94.11%, a notable increase when compared to a 70.07% gearing level in FY2014. The decline in equity was the result of the dividends which were declared to the parent in each of FY2015 and FY2016 amounting to €24.2 million and €18.0 million, respectively. Following the share-for-share transfer and the subordinated loan of €20.0 million originating from dividends paid to shareholders, the value of the Subsidiaries acquired by VML will be reflective of the fair value of the discounted cash flows of the operations of the said Subsidiaries. In this regard, the fair value adjustment is taken to a revaluation reserve which will increase the level of equity (as shown in the Pro Forma Statement of Financial Position above), resulting in an improved gearing of 36.18%.

The increase in revenue, resulting in higher EBITDA during FY2015 and FY2016, led to a stronger interest coverage ratio from 4.52 times in FY2014 to 9.21 times in FY2016. The improvement in the net debt to EBITDA signifies that, based on the EBITDA of FY2016, the Group will require 2.75 years of EBITDA to pay back its current net debt.

Part 3

8. Forecasts and Projections of the Issuer

In terms of the Listing Policies issued by the MFSA, the Issuer is required to prepare forecasts for the current year FY2017 and projections for FY2018.

8.1 KEY ASSUMPTIONS

The forecasts and projections are based on a number of assumptions all of which are the sole responsibility of the Directors of the Issuer. The actual outcome may be adversely affected by unforeseen situations and the variation between forecasts, projections and actual results may be material.

The key assumptions approved by the Directors of the Issuer in compiling the forecasts and projections are the following:

1. The forecasts apply as from the last quarter of FY2017. Until receipt of the proceeds from the Bond, the Issuer, being a finance company, would not have carried out any transaction or operation.
2. Inflation rate is assumed at 2% per annum.
3. Tax is assumed to be charged at a corporate tax rate of 35% on the Issuer's profits.
4. VML also pays VFP a facility fee, which is intended to cover bond amortisation costs, directors' fees and other administrative expenses incurred by VFP. In FY2017, this facility fee is assumed at €88,000, increasing to €137,000 in the following year.
5. Finance costs relating to interest costs payable on the Bonds is projected at €775,000 per annum.
6. Directors' fees are projected at €50,000 in FY2017, and increasing at 2% inflation thereafter.
7. Listing and related fees are projected at €6,000 in FY2017, increasing to €13,000 per annum thereafter, covering MSE listing charges. A further annual provision of €25,000 has been raised from FY2018 to cover for other costs related to the listing.
8. Other costs are projected at €10,000 annually as from FY2018, increasing by inflation. These mainly cover annual audit fees and professional fees.
9. The amortisation of bond issuance costs is assumed to be amortised over the life of the Bond, i.e. 10 years. In FY2018, the costs reflect a full year's charge at €45,000.

8.2 STATEMENT OF COMPREHENSIVE INCOME

<u>VIRTU FINANCE P.L.C.</u>	FORECASTS	PROJECTIONS
<i>for the year ended 31 December</i>	2017	2018
	€'000	€'000
Finance income	221	945
Finance costs	(129)	(775)
Other costs	(69)	(145)
Profit before tax	23	25
Tax expense	(8)	(9)
Profit after tax	15	16

Source: Management information

In FY2017 and FY2018, the Issuer is projected to generate €0.22 million and €0.95 million in finance income while incurring €0.13 million and €0.78 million in finance costs respectively. This increase in finance income and expenses is mainly attributable to the fact that the 2017 forecast only covers the period from October to December while the 2018 projection covers a whole year.

In FY2017 and FY2018, profit after tax is projected at €15,000 and €16,000 respectively.

8.3 STATEMENT OF FINANCIAL POSITION

VIRTU FINANCE P.L.C.

as at 31 December

	FORECASTS	PROJECTIONS
	2017	2018
	€'000	€'000
ASSETS		
Non-current assets		
Loans and receivables	24,550	24,550
Current assets		
Cash and cash equivalents	655	717
Total assets	25,205	25,267
EQUITY AND LIABILITIES		
LIABILITIES		
Non-current liabilities		
Unsecured Bonds 2027	25,000	25,000
Bond issuance costs	(439)	(394)
Current liabilities		
Accrued bond interest	129	129
Total liabilities	24,690	24,735
EQUITY		
Share capital	500	500
Retained earnings	15	31
Total equity	515	531
Total equity and liabilities	25,205	25,267

Source: Management information

As a financing vehicle, the Issuer's statement of financial position will be limited to the financing it raises to on-lend to the Group. In this regard, in FY2017 and FY2018, the Issuer will show a borrowing of €25 million, which net of bond issue costs, was on-lent to the Guarantor, thereby represented by a receivable of €24.6 million.

8.4 STATEMENT OF CASH FLOWS

VIRTU FINANCE P.L.C.

for the year ended 31 December

	FORECASTS	PROJECTIONS
	2017	2018
	€'000	€'000
Cash flows from operating activities		
Cash from operations (before interest payment)	152	800
Interest payment	–	(775)
Adjustments for amortisation of issue costs	11	45
Tax paid	(8)	(9)
Net cash generated from operating activities	155	61
Cash flows from investing activities		
Loans to Group	(24,550)	–
Net cash used in investing activities	(24,550)	–
Cash flows from financing activities		
Share capital	500	–
Proceeds from bond issue	25,000	–
Issue costs	(450)	–
Net cash from financing activities	25,050	–
Net movements in cash and cash equivalents	655	61
Cash and cash equivalents at beginning of the year	–	655
Cash and cash equivalents at end of year	655	716

Source: Management information

The projected cash flow reflects the €25 million bond issue net of the €0.45 million bond issue costs. Net cash flow from operations in FY2017 and FY2018 is estimated at €155,000 and €61,000 respectively, made up of the net finance margin and the facility fees. The latter provides for the recovery of the €0.45 million bond issue costs in addition to the Issuer's cash expenses over the life of the Bond.

9. Forecasts and Projections of the Guarantor

The forecasts and projections are based on a number of assumptions all of which are the sole responsibility of the Directors of the Guarantor. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts, projections and actual results may be material.

A detailed analysis of the key assumptions approved by the Directors of the Guarantor in compiling the forecasts and projections covering period from January 2017 to December 2018 are presented in the narrative below.

9.1 STATEMENT OF COMPREHENSIVE INCOME

<u>VIRTU MARITIME GROUP</u>	ACTUAL	FORECASTS	PROJECTIONS
<i>for the year ended 31 December</i>	2016	2017	2018
	€'000	€'000	€'000
Revenue	32,680	32,797	34,524
Cost of Sales	(15,739)	(15,934)	(16,531)
Gross Profit	16,941	16,863	17,993
Administrative expenses	(3,439)	(3,258)	(3,349)
Other income	319	308	338
Normalised EBITDA	13,821	13,913	14,982
Lifecycle provision	–	(1,034)	(1,534)
Depreciation & amortisation	(3,162)	(2,964)	(2,968)
Normalised operating profit	10,659	9,915	10,480
Net costs from HSC San Gwann	(805)	–	–
Management fees	370	–	–
Settlement of claim	8,797	–	–
Operating profit	19,021	9,915	10,480
Net finance costs	(1,501)	(1,929)	(1,836)
Profit / (loss) before tax	17,520	7,986	8,644
Tax credit / (expense)	(327)	(197)	13
Profit / (loss) after tax	17,193	7,789	8,657
<i>Adjusted profit after tax, management fees, net costs from the HSC San Gwann, and settlement of claim</i>	8,831	7,789	8,657

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016; Management information.

The Group principally generates its revenue from the ferry service between Malta and Sicily (which comprises the most significant revenue stream) and charter hire. Management has prepared and approved the forecasts and projections in connection with these revenue streams.

The table below provides a breakdown of the expected revenue to be generated in FY2017 and FY2018 when compared to that generated in FY2016. As the New Vessel is scheduled to be delivered in 2019, the expected increase in revenue from the operations of the New Vessel is not reflected in the forecasts and projections presented in this FAS.

<u>VIRTU MARITIME GROUP</u>	ACTUAL	FORECASTS	PROJECTIONS
<i>for the year ended 31 December</i>	2016	2017	2018
	€'000	€'000	€'000
Ferry service, accommodation & excursions	27,182	27,118	28,405
Charter hire & related income	4,790	4,961	5,353
Food and beverage sales	707	718	766
Total Revenue	32,680	32,797	34,524

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016; Management information.

During FY2017, operating expenses are forecasted at a level of €15.9 million (FY2016: €15.7 million). During FY2018 these are expected to increase again to €16.5 million in line with the envisaged growth in revenue.

Administrative costs are expected to remain constant during FY2017 and FY2018. Approximately half of the administrative costs relate to salaries.

EBITDA for FY2017 and FY2018 is expected to improve to €13.9 million and €15.0 million respectively when compared to the normalised EBITDA of €13.8 million registered in FY2016 on the back of revenue growth.

The statement of comprehensive income shows a lifecycle provision raised annually to cover the costs of periodic engines' overhaul when they fall due for each respective vessel. In FY2017, the Group is forecasting an annual provision of €1.0 million for the HSC JDLV. This is expected to increase to €1.5 million by the end of FY2018 and will include an additional provision of €0.5 million for HSC *Maria Dolores*. Upon the commissioning of the New Vessel in FY2019, the total provision is expected to increase further. The annual provision for each vessel's engines is based on the contracted overhaul cost for the stipulated number of hours, amortised on a straight-line basis during the period until the engine overhaul is projected to occur.

Depreciation and amortisation for FY2017 and FY2018 are expected to remain stable at *circa* €3.0 million, inclusive of the depreciation charges on the two vessels, the HSC JDLV and HSC *Maria Dolores*, and other non-current assets, including land & buildings, furniture & equipment and motor vehicles.

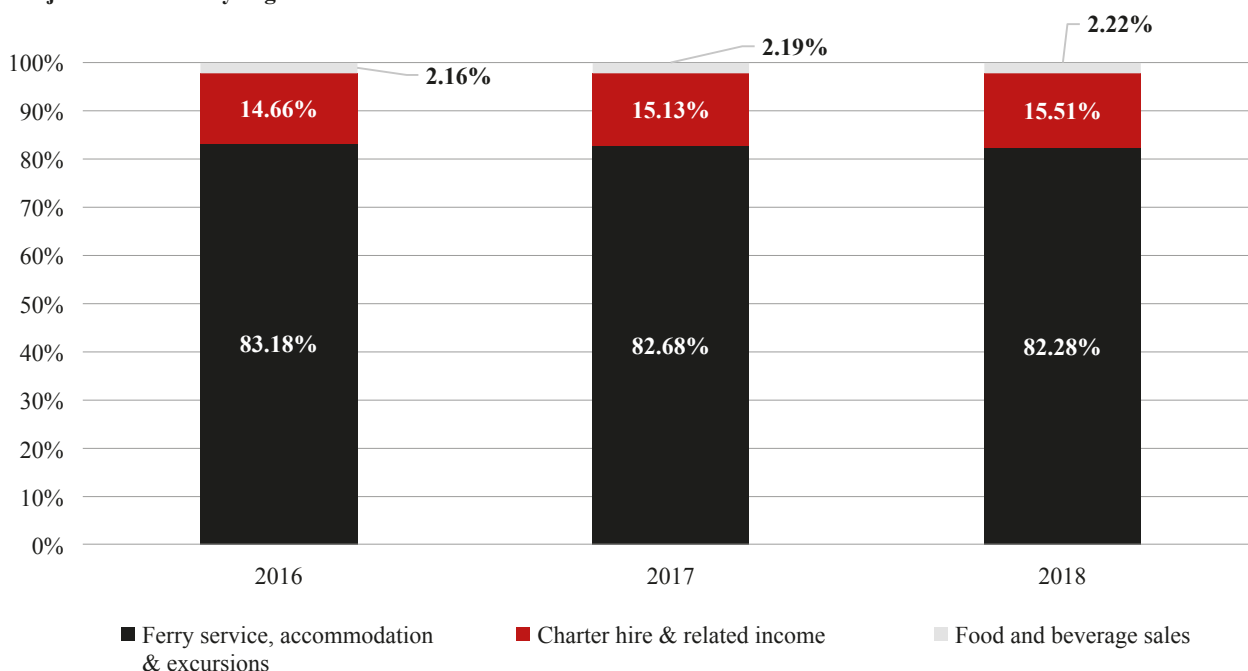
Net finance costs in FY2017 and FY2018 are expected to amount to €1.9 million and €1.8 million respectively, representing interest costs on legacy bank loans, the loan from the Issuer (net bond proceeds) and the shareholder's loans.

The net profit is projected at €7.8 million in FY2017 and €8.7 million in FY2018. The figure in FY2017 is lower than the normalised profit after tax in FY2016 of €8.8 million (adjusted to net off the effect of the settlement of the dispute in relation to the HSC JDLV – refer to section 7.2) due to the inclusion of a €1 million lifecycle provision.

9.2 OPERATING SEGMENTS FORECASTS AND PROJECTIONS

Revenue from the MLA-SIC route is expected to remain the largest income segment of VMG and while it is forecasted to decrease slightly in FY2017, it is projected to increase to €28.4 million in FY2018. The 4.7% increase in FY2018 is assumed to be mainly driven by an increase in passenger revenue. Approximately 15% of revenue is expected to be generated through the chartering of the HSC *Maria Dolores*. In FY2017 and FY2018, revenue from the sale of food and beverage aboard the HSC JDLV is expected to remain at the same levels of FY2016 (*circa* 2.0% of total revenue).

Projected Revenue by Segment



Source: Management Information

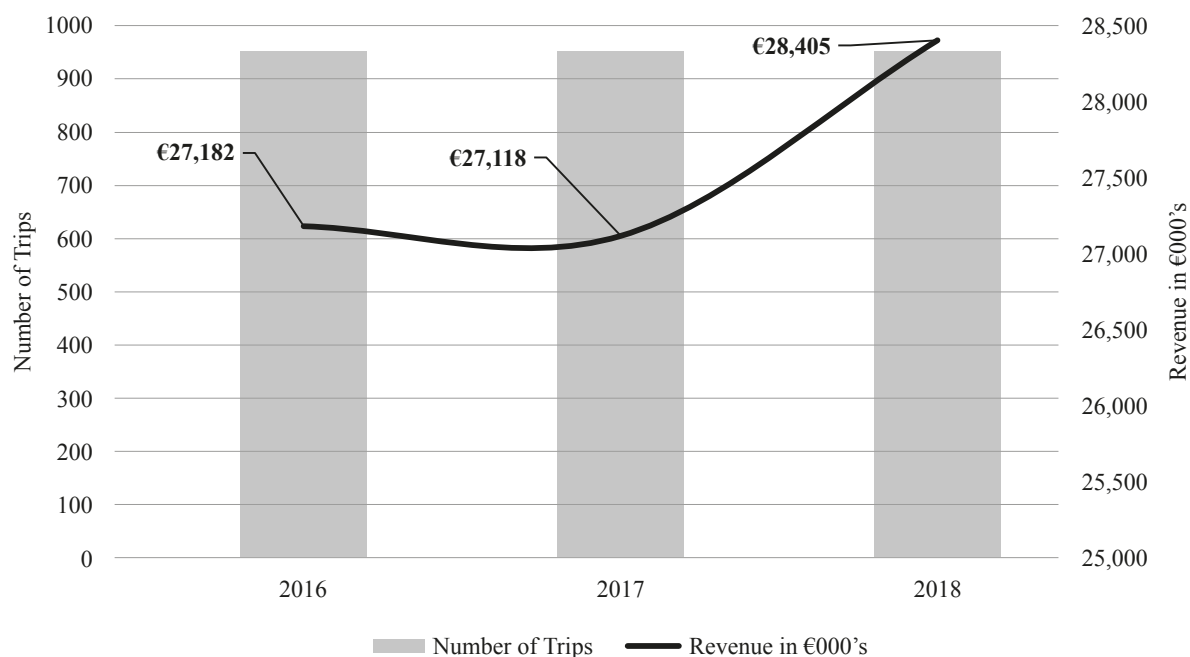
9.2.1 MLA-SIC Line

During FY2016, the HSC JDLV completed 952 trips on the MLA-SIC line, which generated revenue of €27.2 million. It is expected that in FY2017 and FY2018, prior to the commissioning of the New Vessel, the number of annual trips will remain constant at 952, although once the New Vessel commences operations in 2019, the number of trips using both vessels is projected to increase further.

The number of passengers carried is projected to increase at an annual rate of between 1.0% and 1.5% between FY2017 and FY2018. The forecasts and projections reflect a modest rate of growth in this segment given that it is relatively mature and dependent (to an extent) on the performance of the wider inbound tourism sector, which drives the Sicily day excursion market.

Passenger and Light Commercial Vehicles demand is also expected to grow modestly over the projected period, with a maximum annual growth rate of 3.1% forecasted in FY2017 and 1.0% projected in FY2018.

Annual Trips and Transportation Revenue (MLA-SIC line)



Source: Management Information

9.2.2 HSC Maria Dolores Charter

During FY2016, the HSC *Maria Dolores* generated revenue of €4.8 million which is forecasted to increase to €5.0 million in FY2017 and projected to increase by a further €0.4 million in FY2018. VRFL, the owner of the HSC *Maria Dolores*, has entered into a charter agreement with a third-party, exclusively chartering the vessel for a period of three years commencing in May 2017. Charter income in FY2017 and FY2018 is assumed at the contracted rate which contract expires on 30 May 2020.

9.3 STATEMENT OF CASH FLOWS

<u>VIRTU MARITIME GROUP</u>	PRO FORMA	FORECASTS	PROJECTIONS
	As at 1 January 2017	For the year ended 31 December 2017	For the year ended 31 December 2018
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Net cash generated from operating activities	11,188	22,934 ⁷	14,982
Net cash used in investing activities	(4,141)	(29,460)	(521)
Net cash (used in)/from financing activities	(5,754)	14,842	(8,491)
Net movements in cash and cash equivalents	1,293	8,316	5,970
Cash and cash equivalents at beginning of the year	1,657	3,200	11,516
Cash and cash equivalents at end of year	2,950	11,516	17,486
Pro forma adjustments	250	—	—
Adjusted cash and cash equivalents at end of year	3,200	11,516	17,486

Source: The audited Combined Financial Statements of the Virtu Maritime Group for the three years ended 31 December 2014, 2015 and 2016; Management information.

In FY2017 and FY2018 (after excluding the proceeds from the claim against the HSC JDLV's shipbuilders, amounting to €8.8 million), net cash flow from operating activities is projected to average *circa* €14.6 million per annum. In FY2018 *circa* 78.6% of cash generated from operations is assumed to be generated by the ferry service between Malta and Sicily.

Total cash used in investing activities in FY2017 is forecast at €29.5 million, out of which €29.3 million represent the payments to be made to the shipbuilder for the build and mobilisation expenses of the New Vessel.

In FY2017, financing inflows includes the €24.5 million from the Issuer, representing net bond proceeds on-lent to Guarantor and on-lent to VWPL to finance payments to the shipbuilders of the New Vessel, while financing outflows includes the €8.8 million claim settlement for the dispute on the HSC JDLV which will be used to settle the amount due to shareholders. No other borrowings are projected for FY2018, although, upon delivery of the New Vessel in 2019, the Issuer is expected to have additional bank borrowings in the region of €40 million.

The Group is projected to generate a cash surplus of €8.3 million in FY2017 and €6.0 million in FY2018. The Group's cash position is expected to improve in FY2017, following the proceeds received in settlement of the dispute claim. This is expected to result in a cash balance of €11.5 million by the end of FY2017. The cash balance is expected to improve further in FY2018 to €17.5 million.

⁷ In FY2017, cash generated from operations includes the settlement proceeds from the claim against the HSC JDLV's shipbuilders, amounting to €8.8 million and collected in the first quarter of FY2017.

9.4 STATEMENT OF FINANCIAL POSITION

<u>VIRTU MARITIME GROUP</u>	PRO FORMA	FORECASTS	PROJECTIONS
	As at	As at	As at
	1 January 2017	31 December 2017	31 December 2018
	€'000	€'000	€'000
ASSETS			
Intangible assets	50,006	50,006	50,006
Vessel and vessel equipment	66,536	59,909	57,033
Assets in course of construction	–	33,000	33,300
Land and buildings and PPE	1,136	1,260	1,389
Deferred taxation	234	48	120
Total non-current assets	117,912	144,223	141,848
Inventories	349	354	363
Trade and other receivables	20,057	11,107	11,080
Current tax asset	8	–	–
Cash and cash equivalents	3,200	11,516	17,487
Total current assets	23,614	22,977	28,930
Total assets	141,526	167,200	170,778
EQUITY AND LIABILITIES			
LIABILITIES			
Borrowings	34,901	59,827	51,095
Lifecycle provision	–	1,034	2,568
Total non-current liabilities	34,901	60,861	53,663
Borrowings	6,012	6,654	8,732
Trade and other payables	28,450	19,730	19,724
Current tax liability	–	3	51
Total current liabilities	34,462	26,387	28,507
Total liabilities	69,363	87,248	82,170
EQUITY			
Share capital	4,363	4,363	4,363
Retained earnings	–	7,789	16,445
Other reserve	47,800	47,800	47,800
Capital reserve	20,000	20,000	20,000
Total equity	72,163	79,952	88,608
Total equity and liabilities	141,526	167,200	170,778

Source: The Pro Forma Financial Information as at 1 January 2017; Management information.

Note: In view of the fact that the Group was subject to a restructuring exercise during FY2017, the projected statement of financial position as at FY2017 and FY2018 is being compared to the Pro Forma Statement of Financial Position as at 1 January 2017.

In FY2017 and FY2018, the Group's non-current assets are expected to increase substantially when compared to the Pro Forma Statement of Financial Position as at 1 January 2017 (FY2017: €144.2 million; FY2018: €141.8 million) reflecting payments made in respect of the New Vessel currently under construction. Trade and other receivables will decrease to €11.1 million in FY2017 and FY2018 when compared to €20.1 in FY2016, principally as a result of the receipt in 2017 of the settlement monies relating to the HSC JDLV dispute referred to above.

ANALYSIS OF BORROWINGS

<u>VIRTU MARITIME GROUP</u>	PRO FORMA As at 1 January 2017 €'000	FORECASTS As at 31 December 2017 €'000	PROJECTIONS As at 31 December 2018 €'000
Shareholder's loan	–	7,000	6,559
Bank borrowings	40,913	34,932	28,719
Loan receivable from the Issuer (representing the Bond Issue)	–	24,550	24,550
Total borrowings	40,913	66,481	59,827
Less: Cash and cash equivalents	3,200	11,516	17,487
Net Debt	37,713	54,965	42,340

Source: The Pro Forma Financial Information as at 1 January 2017; Management information.

The composition of the funding side is expected to be significantly different from that of the FY2017 Pro Forma statement, as the Group will receive additional financing support from its shareholders and the Issuer to enable the Group to finance its debt service obligations on the New Vessel. Total borrowings in FY2017, mainly made up of the shareholder's loan, bank borrowings, and the loan receivable from the Issuer are expected to stand at €7.0 million, €34.9 million and €24.6 million respectively. In FY2018, bank borrowings are expected to decrease to €28.7 million in line with repayments made. Similarly, the shareholder's loan is projected to decrease to €6.6 million. In FY2019, VMG is expected to make use of additional bank borrowings and shareholders' support to settle the amount due (€42.5 million) to shipbuilders on the delivery of the New Vessel.

The statement of financial position shows a lifecycle provision raised annually to cover the costs of periodic engines' overhaul when they fall due for each respective vessel.

Retained earnings are expected to increase year-on-year through the retention of the profit after tax. Retained earnings are anticipated to stand at €7.8 million as at 31 December 2017, and projected to increase to €16.4 million as at 31 December 2018.

Shareholders' funds are expected to increase in FY2017 and FY2018 to €80.0 million and €88.6 million respectively on account of the retained profits.

<u>VIRTU MARITIME GROUP</u>	PRO FORMA As at 1 January 2017	FORECASTS For the year ended 31 December 2017	PROJECTIONS For the year ended 31 December 2018
Interest Coverage ratio (EBITDA / Net finance costs)	9.21x	7.21x	8.16x
Gearing Ratio (1) (Net debt / Total Equity)	0.52x	0.69x	0.48x
Gearing Ratio (2) [Total debt / (Total Debt plus Total Equity)]	36.18%	45.40%	40.31%
Net Debt to EBITDA (Net Debt / EBITDA)	2.73x	3.95x	2.83x

Overall, the solvency ratios of the Guarantor are expected to improve in FY2018 when compared to the Pro Forma ratios, with the Group's gearing level expected to be 45.40% in FY2017 and 40.31% in FY2018.

Based on the EBITDA for FY2017, the net debt to EBITDA signifies that the Group will require 3.95 years of projected EBITDA to pay back its net debt as opposed to 2.73 years following the Pro Forma adjustments as a result of the additional borrowings being taken on. However, in FY2018 this is projected to return to 2.83 years as a result of the improved cash positions envisaged for the year.

10. Comparison to other Issuers

The table below compares (for information purposes only) certain data relating to the Issuer and its proposed bond issue with that of other listed debt on the local market having broadly similar maturities. The list excludes issues by financial institutions. The comparative data includes local groups whose assets, strategy and level of operations vary significantly from those of the Issuer and are therefore not directly comparable.

Bond Details	Outstanding Amount (€)	Total Assets (€'000)	Total Equity (€'000)	Gearing Ratio*	Net Debt to EBITDA** (times)	Interest Cover*** (times)	YTM (as at 04.10.2017)^
5.00% Dizz Finance p.l.c. 2026	8,000,000	17,039	4,662	65.46%	6.23	3.42	4.12%
4.80% Med. Maritime Hub Finance p.l.c. 2026	15,000,000	22,931	4,463	76.97%	–	–	4.12%
4.50% Medserv p.l.c. 2026 (EUR)	21,982,400	121,453	26,408	66.81%	8.49	2.24	4.09%
4.25% Corinthia Finance p.l.c. 2026	40,000,000	1,389,627	665,357	44.12%	10.92	3.85	4.10%
4.00% MIDI p.l.c. 2026	50,000,000	203,780	67,359	47.30%	20.66	0.59	3.60%
4.00% IHI p.l.c. 2026 (Secured)	55,000,000	1,220,254	646,822	38.53%	9.79	6.18	3.66%
4.00% IHI p.l.c. 2026 (Unsecured)	40,000,000	1,220,254	646,822	38.53%	9.79	6.18	4.00%
3.90% Plaza Centres p.l.c. 2026	8,500,000	43,424	26,180	32.71%	5.52	9.38	3.75%
3.75% Premier Capital p.l.c. 2026	65,000,000	193,351	41,630	74.47%	1.81	7.44	3.49%
4.50% Grand Harbour Marina p.l.c. 2027	15,000,000	16,782	2,830	79.25%	6.29	2.00	4.01%
4.35% SD Finance p.l.c. 2027	65,000,000	156,433	56,697	48.92%	3.21	5.46	3.96%
4.00% Eden Finance p.l.c. 2027	40,000,000	165,496	92,620	34.78%	5.86	3.98	3.59%
3.75% Tumas Investments p.l.c. 2027	25,000,000	180,992	81,387	41.73%	3.05	4.60	3.32%
3.75% Virtu Finance p.l.c. 2027	25,000,000	141,526	72,163	36.18%	2.73	9.21	3.75%
3.50% Simonds Farsons Cisk p.l.c. 2027	20,000,000	182,941	123,271	22.59%	1.83	13.25	3.13%

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Rizzo, Farrugia & Co (Stockbrokers) Ltd

The gearing ratio indicates the level of funding obtained from external borrowings in relation to equity capital. When taking into account the Pro Forma adjustments described in section 7.4, the gearing ratio of the Group stood at 36.18%. This compares well to the market as portrayed in the selective list above. Furthermore, the net debt to EBITDA multiple stood at 2.73 times and is one of the lowest amongst other local corporate bond issuers.

The interest cover ratio gauges the ability of the Group to meet its annual net finance costs from annual cash generation. In this regard, the Group generated more than sufficient EBITDA to cover net finance costs.

*Gearing: This refers to the fundamental analysis ratio of a company's level of long-term debt compared to its equity capital. In the above table this is computed as follows: $\text{Total Debt} / [\text{Total Debt} + \text{Total Equity}]$.

**Net Debt to EBITDA: This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

***Interest Cover: The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.

^Yield to Maturity (YTM) from rizzofarrugia.com, based on bond prices of 4 October 2017. 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.

Ratio workings and financial information quoted have been based on the Issuers' published financial data, including:

Dizz Finance plc - figures based on the Guarantor (Dizz Group of Companies Limited) FY2016 annual report;

Med. Maritime Hub plc - figures based on the Guarantor (MMH Holdings Limited) FY2016 annual report;

Medserv plc FY2016 annual report;

Corinthia Finance plc - figures based on the Guarantor (Corinthia Palace Hotel Company Limited) FY2016 annual report;

MIDI plc FY2016 annual report;

IHI plc FY2016 annual report;

Plaza Centres plc FY2016 annual report;

Premier Capital plc FY2016 annual report;

Grand Harbour Marina plc FY2016 annual report;

SD Finance plc - figures based on the Guarantor (SD Holdings Limited) FY2017 annual report;

Eden Finance plc - figures based on the Guarantor (Eden Leisure Group Limited) FY2016 annual report;

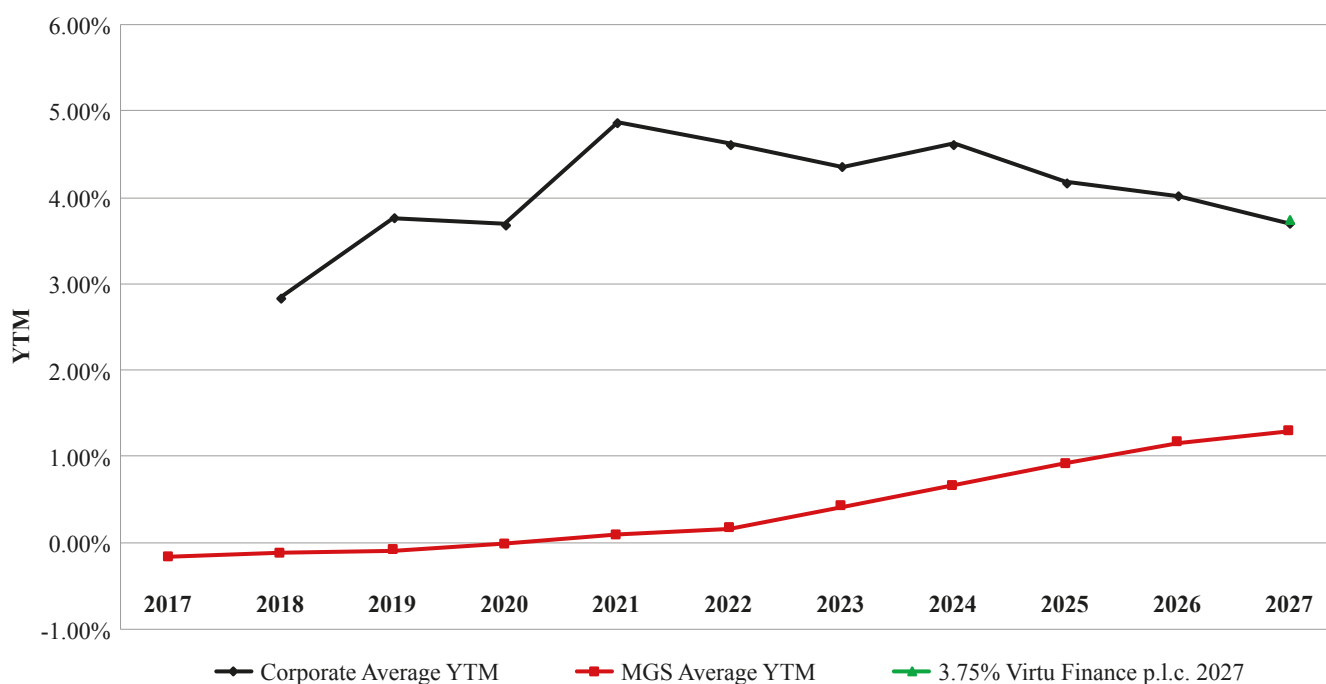
Tumas Investments plc - figures based on the Guarantor (Spinola Development Company Limited) FY2016 annual report;

Virtu Finance plc - figures based on the Guarantor (Virtu Maritime Ltd) Pro Forma financial information as at 1 January 2017; and

Simonds Farsons Cisk plc FY2017 annual report.

The chart below compares the new Virtu Finance p.l.c. bond to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 4 October 2017.

New Virtu Finance p.l.c. Bond vs Corporate & MGS YTM – as at 04.10.2017



At a coupon of 3.75% per annum, the 3.75% Virtu Finance p.l.c. 2027 bond has been priced at a premium of approximately 245 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and at par with the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 4 October 2017).

Glossary and Definitions

STATEMENT OF COMPREHENSIVE INCOME EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
Cost of Sales	The costs incurred in direct relation to the operations of the Issuer or Guarantor
Gross Profit	The difference between Revenue and Cost of Sales.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-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.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

PROFITABILITY RATIOS

Gross Profit Margin	Gross profit margin is gross profit achieved during the financial year expressed as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	This is computed by dividing profit after tax by total assets.

LIQUIDITY RATIOS

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

SOLVENCY RATIOS

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

OTHER DEFINITIONS

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