

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

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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.

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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.

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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 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.

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 concurrency 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

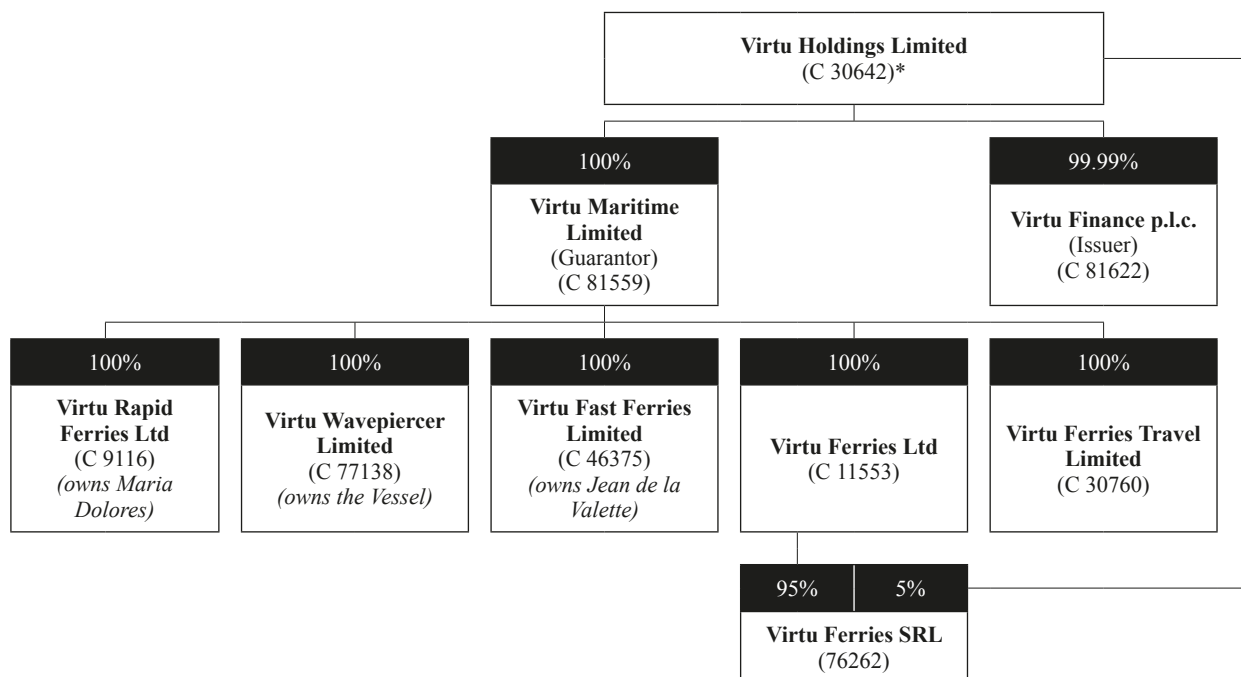
PricewaterhouseCoopers is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281 of the laws of Malta).

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.

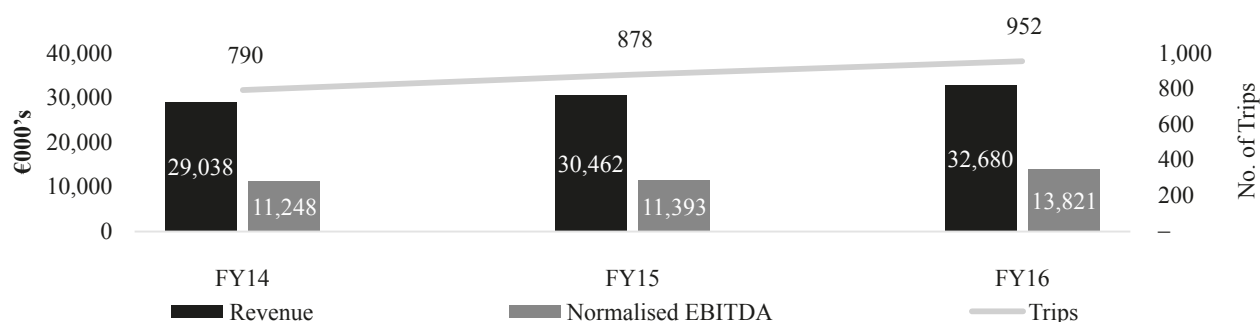
As described in section 5.1 the directors of the Guarantor prepared Combined Financial Statements to present the financial position and results of the Subsidiaries had they operated as a single entity in the three years ended 31 December 2014 to 2016. The Combined Financial Statements are based on the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

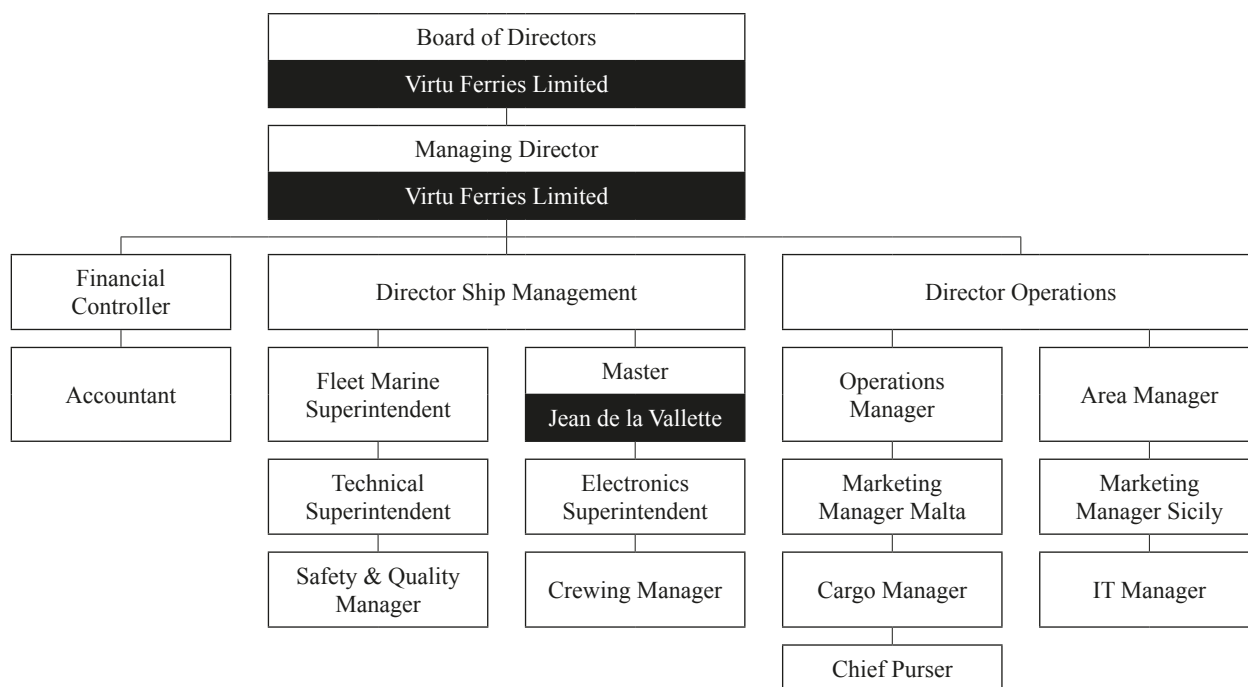
The Issuer is a finance company which does not require an elaborate management structure. Mr Charles Borg has been appointed to be the Independent Non-Executive Chairman of the Company. The Directors believe that the current organisational structures are adequate for the current activities of the Company 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' 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.

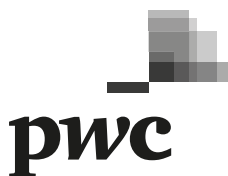
The Pro Forma financial information comprises a Pro Forma Consolidated Statement of Financial Position and Statement of Changes in Equity as at 1 January 2017. In preparing the Pro Forma financial information, the Directors have extracted information about the Acquired Entities’ results and financial 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', written over a circular stamp or seal.

Stephen Mamo
Partner

PricewaterhouseCoopers
78 Mill Street
Qormi
Malta