RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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

20 June 2019

Dear Sirs,

Virtu Finance p.l.c. – Financial Analysis Summary (the "Update FAS")

In accordance with your instructions and in line with the requirements of the Listing Authority Policies, we have compiled the Update FAS set out on the following pages and which is being forwarded to you together with this letter. The purpose of the Analysis is that of summarising key information appertaining to Virtu Finance p.l.c. (the "**Company**", or "**VFP**") and Virtu Maritime Limited (the "**Guarantor**", or "**VML**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the year ended 31 December 2016 has been extracted from the audited combined financial statements of the Virtu Maritime Group (the "**Combined Financial Statements**"), prepared by the directors of the Guarantor to present the financial position and results of its Subsidiaries on the basis of the assumption that the Virtu Maritime Group had operated as a single entity in the year ended 31 December 2016. Furthermore, the Pro Forma financial information of VML as at 1 January 2017 was prepared for illustrative purposes only, in order to provide information on the financial position the Guarantor;

(b) Historical financial data for the years ended 31 December 2017 and 2018 has been extracted from the Company's and the Guarantor's audited statutory financial statements;

(c) The forecast data for the financial year ending 31 December 2019 has been provided and approved by management of the Company and the Guarantor;

(d) Our commentary on the 2018 financial performance of the Virtu Maritime Group is based on information and explanations provided by management;

(e) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Update FAS; and

(f) Relevant financial data in respect of the comparative set as analysed in Part D has been extracted from public sources such as the web sites of the companies concerned, financial statements filed with the Registry of Companies or other published documents such as Financial Analysis Summaries.

The Update FAS is meant to assist potential investors by summarising the more important financial data of the Company and the Guarantor. The Update FAS does not contain all data that is relevant to potential investors and is meant to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Company and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E Rizzo
Director

Virtu Finance p.l.c.

FINANCIAL ANALYSIS SUMMARY

Update 2019

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

20 June 2019

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List of Abbreviations

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

Important Information

Purpose of the Document

Virtu Finance plc (the "**Company**" or "**VFP**") issued €25 million 3.75% Unsecured Bonds 2027 pursuant to a prospectus dated 30 October 2017 (the "**Bond Issue**"). The prospectus included a Financial Analysis Summary ("**FAS**") in line with the requirements of the Listing Policies as issued and last updated by the MFSA on 5 March 2013. The purpose of this report is to provide an update to the FAS (the "**Update FAS**") on the performance and on the financial position of the Company and Virtu Maritime Limited (the "**Guarantor**" or "**VML**"), as guarantor to the Bond Issue.

Sources of Information

The information that is presented has been collated from a number of sources, including the Company's website (www.virtu.com.mt), the audited Combined Financial Statements for the year ended 31 December 2016 and the audited Consolidated Financial Statements for the years ended 31 December 2017 and 2018 and forecasts for financial year ending 31 December 2019 for the Company and the audited Financial Statements for the years ended 31 December 2016, 2017 and 2018 and forecasts for financial year ending 31 December 2019 for the Guarantor.

Forecasts that are included in this document have been prepared by management and approved for publication by the directors of the Company and Guarantor, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

FAS dated 30 October 2017 (appended to the prospectus)

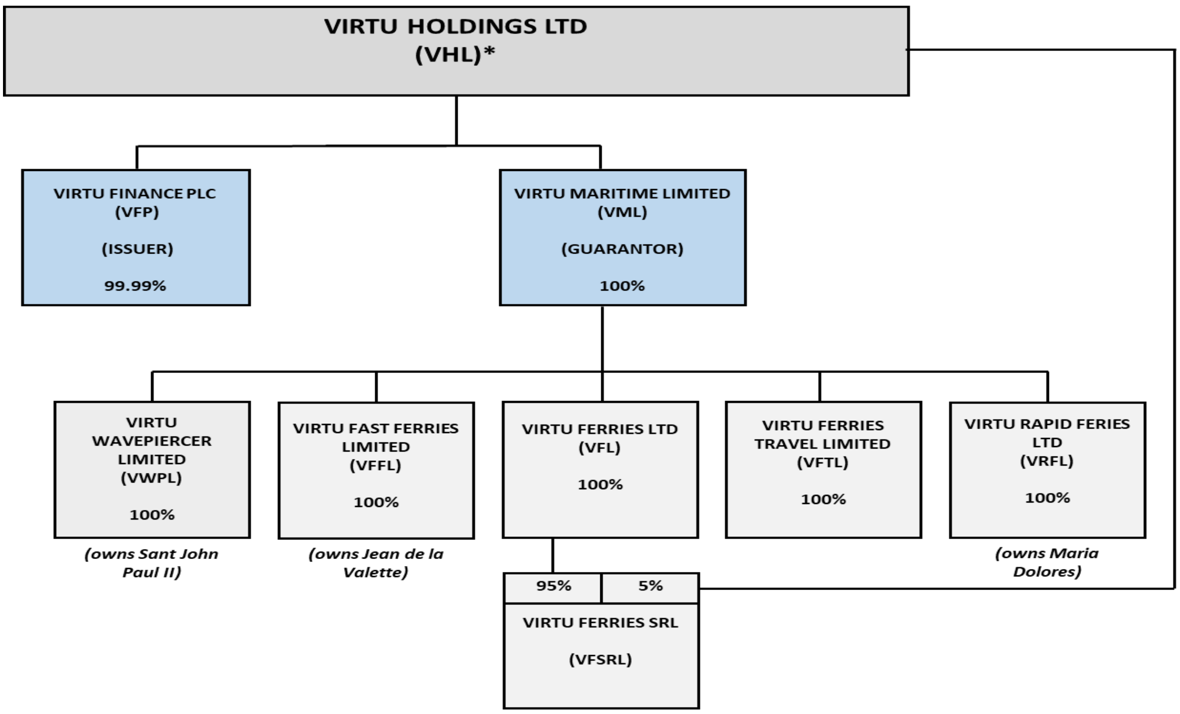
FAS dated 27 June 2018

1. INTRODUCTION

Virtu Finance p.l.c. was registered on 6 July 2017, as a public limited liability company and as such has limited financial history. It was set up as a special purpose vehicle to act as the finance arm to the Virtu Maritime Group (the "**Group**" or "**VMG**"). Its main objective is that of carrying on 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. Given the nature of the Company's activities, i.e. raising finance for on-lending to the VMG, there is an inherent dependence on the Group's cash flows and operations.

The Guarantor was registered on 30 June 2017 as a private limited liability shipping company. The Guarantor itself also has limited financial history, and it is the holding company of Virtu Wavepiercer Limited ("**VWPL**"), Virtu Fast Ferries Limited ("**VFFL**"), Virtu Ferries Limited ("**VFL**"), Virtu Ferries Travel Limited ("**VFTL**") and Virtu Rapid Ferries Limited ("**VRFL**") (hereinafter collectively referred to as the "**Subsidiaries**").

The Group's structure is set out hereunder:



**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.*

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

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

2. THE GROUP'S SUBSIDIARIES

VFL is the main operating company of the VMG. VFL was set up in 1990 and also owns 95% of an Italian company – Virtu Ferries SRL ("**VFSRL**").

VFFL owns the *HSC JDLV* which was the vessel deployed on the Malta-Sicily route between 2010 and March 2019. In 2010, this vessel replaced the *HSC Maria Dolores* on the Malta-Sicily route. In March 2019 the vessel set sail to Cadiz for a major drydocking and refit. In May 2019, it was chartered to a third-party to be deployed on the domestic route connecting the main island of Trinidad with the sister island of Tobago.

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

VFTL provides incoming and outgoing services to the tourist industry and acts as an in-house travel agent. In collaboration with VFSRL, VFTL offers a number of tourism services including transportation and accommodation arrangements for tourists visiting Sicily and Malta

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

VWPL is the owner of HSC Saint John Paul II which since March 2019 has been deployed on the Malta-Sicily route replacing the HSC JDLV.

3. Principal Activities of the Virtu Maritime Group and Market Trends

The principal part of VMG's business is the operation of the Malta-Sicily route (the "**MLA-SIC line**") by High Speed Passenger and Vehicle Ferries. This core business activity is provided by VFL, which is the main operating entity within the VMG. The MLA-SIC line is currently serviced by the High-Speed Passenger and Vehicle Ferry, the *HSC* Saint John Paul II (the "**HSC SJPII**") which replaced HSC JDLV with effect from 11 March 2019.

This new ferry was originally set to complement the HSC JDLV as a second vessel on the MLA-SIC line as from the first quarter of 2019. While the schedule has been maintained and indeed, HSC SJPII commenced operations in March 2019 as planned, on 17 May 2019, the Company announced that on 16 May 2019, VFFL signed a BIMCO ROPAXTIME charter party agreement with the Trinidad & Tobago State-owned company, the National Infrastructure Development Company Limited, for the charter of the HSC JDLV. The vessel will be operated by the Group throughout the charter and will be deployed by the Government of Trinidad & Tobago on the domestic route connecting the main island of Trinidad to the sister island of Tobago. This charter was awarded after an international call by the Government of Trinidad & Tobago.

The chartering of the *HSC Maria Dolores* vessel, currently on a Morocco-Spain route, also forms part of the Group's business.

Additionally, since 2010 the Group was awarded the exclusive use and operation of the sea passenger ferry terminal at the Valletta Grand Harbour.

The MLA-SIC Line

During FY2018, the Malta-Sicily line, serviced by the HSC JDLV, completed 1,066 trips (FY2017: 1,006 trips). This is slightly higher than the previous year and is in line with expectations. During 2019, trips are planned to increase slightly (FY2019F: 1,074). The resulting increase in capacity from the higher number of trips will be further increased as a result of the deployment of the new larger vessel. As a result, especially with vehicle demand remaining strong it is expected that this additional capacity will be favourably received by the market.

The HSC Maria Dolores Charter

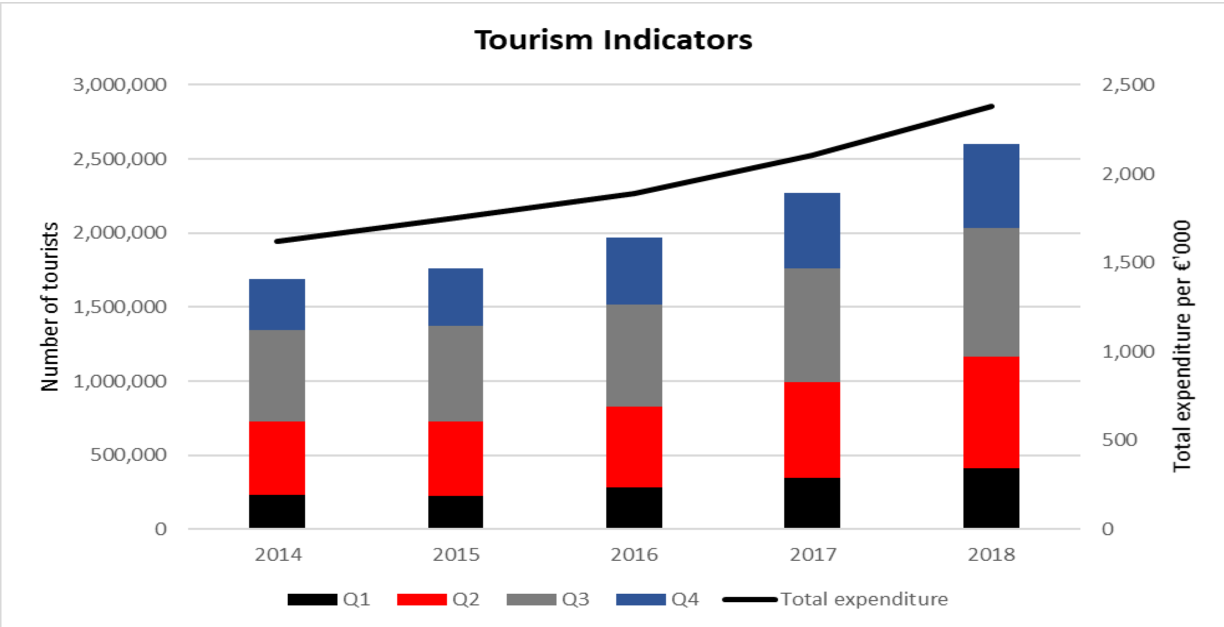
During FY2018, the *HSC Maria Dolores* generated revenue of €5.27 million (FY2017: €4.97 million) which is forecast to increase to €5.92 million in FY2019. VRFL, the owner of the *HSC Maria Dolores*, has entered into a charter agreement with a third-party, exclusively chartering the vessel for a period of three years commencing in May 2017. Charter income in FY2018 is assumed at the contracted rate which contract expires on 30 May 2020.

The HSC Jean de la Vallette Charter

As highlighted earlier, the *HSC* JDLV is being chartered in 2019 as per agreement signed on 16 May 2019 for a period of one year. The Malta-Sicily route is currently well served with the increased capacity of the new larger vessel HSC SJPII and after due consideration management decided on this short-term charter opportunity. Revenue from this charter for FY2019 is expected to reach €6.35 million.

Tourism Trends And Sicily as a Destination and Source Market

The Malta National Statistics Office ("NSO") tourism indicators confirm that the growth trends experienced over the past years have continued during 2018. Expenditure has also increased and interestingly, the chart below indicates that the growth pattern is extending over all quarters throughout the year increasingly making the country a year-round destination.



Source: NSO

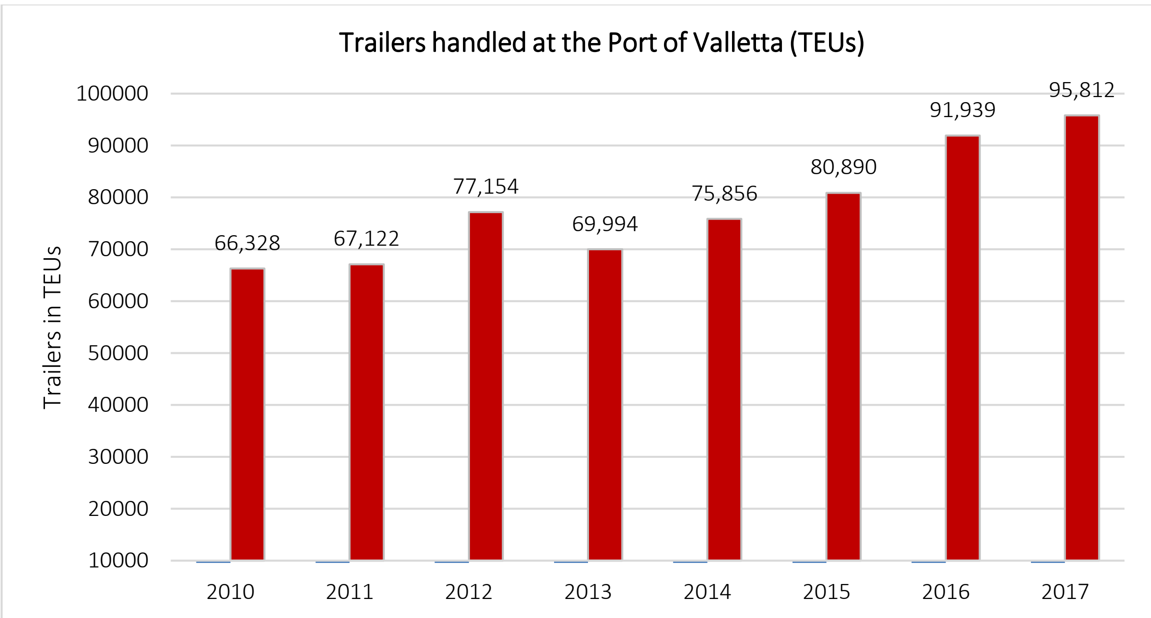
Over the past few years, the country has increased its efforts to mitigate seasonality and boost the overall significance of the tourism shoulder months (traditionally November to March). In fact, although tourism to Malta remains concentrated during the peak months, the shoulder months now represent an increasingly important contribution to the performance of the tourism sector in general and is also regarded as the period that offers scope for further growth in the years ahead.

The Virtu year-round day return trips to Sicily has made Malta an attractive two-point destination for an increasing number of visitors. These round trips enable an increasing number of visitors to Southern Sicily to include Malta in their itinerary as well as introducing the Island as another Mediterranean destination.

Furthermore, passenger and passenger vehicle traffic movements between Malta and Sicily has continued to increase not only as more Maltese families select Sicily for a quick vacation or link to the mainland using their own transport, but also in view of the increasing number of Maltese families owning property in Sicily. This complements the growth in travel between Malta and Sicily that is being driven also by the increasing numbers of inbound tourists spread over the year as highlighted above.

Coupled with the transport of passengers and passenger vehicles, the country has also seen a remarkable shift in consumption patterns over the years and the economy diversifies and competition increases. Free movement of goods implies that the range of products sold in Malta increases dramatically and Sicily is an obvious prime source given its proximity and the fast link Virtu provides. As a result, the demand for light and heavy commercial vehicles to use the MLA-SIC line for the carriage of goods between Malta and Sicily, particularly those transporting fresh produce, fish and other products of a perishable nature, has been steadily increasing. A fast ferry service is indispensable in this context.

According to information published by Transport Malta, the number of trailers in twenty-foot equivalent units (TEUs) handled at the Port of Valletta increased from 66,328 in 2010 to almost 96,000 in 2017. These figures represent the number of trailers handled on both legs of the trip. This increase in the number of trailers handled represented an annual average growth rate of over 6% over the seven-year period.



Source: Transport Malta Annual Report 2017

4. Governance and Senior Management

Directors of the Company

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

Directors of the Guarantor

Mr Francis A Portelli	Chairman
Mr John M Portelli	Executive Director
Mr Matthew Portelli	Executive Director
Mrs Stephanie Attard Montalto	Executive Director
Mr Henri Saliba	Executive Director
Mr Charles Borg	Independent Non-Executive Director
Mr Roderick Chalmers	Independent Non-Executive Director
Mr Stefan Bonello Ghio	Non-Executive Director

Senior Management

As at the date of this FAS, no employees are directly engaged by the Company and / or the Guarantor. The Company and the Guarantor rely entirely on the management structures and employees of companies within the Virtu Maritime group.

5. Material Assets and Contracts

VMG, either directly or via its subsidiaries, is party to material contracts with third parties, as detailed hereunder.

The HSC SJPII

In October 2016, VWPL entered into a Ship Construction and Sale Agreement with Incat Tasmania PTY Ltd ("**Incat**") for the acquisition of a new vessel. This vessel was originally commissioned for the purposes of complementing the operation of the *HSC JDLV* on the Group's MLA-SIC route. As explained earlier, the Group announced a change in plans in this regard as the HSC JDLV was chartered to a third party. The new vessel was delivered on time and on budget and was part financed by the proceeds of the bond issue of 2017 as planned.

Charter Contracts

Agreement & Counterparty	Nature of Agreement	Agreement Dates
Bareboat Charter Agreement between VFL and VFFL.	Standard BIMCO BARECON charter party agreement for ROPAX[1] vessel *HSC JDLV* between VFL and VFFL.	Agreement dated 30/09/2010. Delivery date 01/10/2010. Terminated in June 2019.
Bareboat Charter Agreement between VFL and VWPL.	Standard BIMCO BARECON charter party agreement for the HSCSPJII between VFL and VWPL.	Agreement dated 10/03/2019. Charter period of 10 years (delivery date 04/02/2019).
Time Charter Agreement between VRFL and third-party operator.	Standard BIMCO ROPAXTIME charter party agreement for ROPAX vessel *HSC Maria Dolores* between VRFL and Inter Shipping SRA.	Agreement dated 24/05/2017. Charter period of 3 years from delivery date 01/06/2017.
Ship Management Agreement between VFL and VFFL.	Standard ship management agreement for ROPAX vessel *HSC JDLV* between VFL and VFFL.	Agreement dated 30/09/2010. Commencement date 01/10/2010 for a period of 10 years.
Ship Management Agreement between VFL and VWFL.	Standard time charter party agreement for ROPAX vessel *HSC SPJII* between VFL and VWFL.	Agreement dated 04/02/2019. Commencement date 04/02/2019 for a period of 10 years.

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

Time Charter Agreement between VFFL and third-party operator.	Standard BIMCO ROPAXTIME charter party agreement for ROPAX vessel *HSC JDLV* between VFFL and National Infrastructure Development Company Limited.	Agreement dated 16 May 2019. Charter period of 1 year from commencement of charter operations. Delivery date 04/06/2019.

Terminal Concession Agreement

VFL is party to a tripartite agreement between the Valletta Gateway Terminals Limited ("**VGT**"), VFL (as the client) and VHL (which acts as a guarantor of the performance of VFL) whereby VGT granted VFL the exclusive right to use the VGT facilities, including the berth, outbuilding, sea passenger terminal and gates. The concession commenced on1 September 2010 and will expire on 30 June 2036. Under this agreement, VGT is responsible to carry out, at its own expense, any extraordinary repairs of the facilities while VFL is responsible for the maintenance and ordinary repair of the facilities. The terminal also houses operations offices for cargo.

Since 2016, The Virtu Ferries Business Centre, housed in the Sea Passenger Terminal, was opened as a venue to promote trade between Malta and Sicily. Virtu invites Maltese and Sicilian manufacturers and suppliers to exhibit at the Centre. These exhibitions are open to the public. Entrance is free for both exhibitors and viewers.

VMG's Major Assets

VMG assets are predominantly made up of '*vessel and vessel equipment*' ("**VVE**") as shown in the table below:

Year	Total Assets €'000	VVE[2] €'000	VVE % of Total Assets	VVE Under Construction
2016	91,925	66,536	72.38%	-
2017	161,959	59,909	37.00%	32,613
2018	153,636	92,229	60.03%	-

[2] Related to the net book value of the Group's vessels.

The Group's major assets comprise three vessels, details of which are included in the table below:

Name of Vessel	Route	Commencement date	Cargo Capacity	Passenger Capacity	Max. Speed
HSC Maria Dolores	Spain - Morocco	2006	65 cars / 35 cars + 95 truck lane metres	600	36 knots
HSC Jean de la Vallette	Malta – Sicily (up to March 2019); Trinidad – Tobago (from July 2019)	2010	156 cars / 45 cars + 342m of truck lane metres	800	38.5 knots
HSC Saint John Paul II	Malta – Sicily	March 2019	167 cars / 490 truck lane metres / 23 heavy commercial trailers	900	40 knots

7. FINANCIAL INFORMATION - INTRODUCTION

NB: The MFSA Listing Policies require a 3-year historical analysis of financial information of the Company. The Company was incorporated on 6 July 2017 as a special purpose vehicle to act as the financing arm of the Virtu Holdings Group.

The Company, on a stand-alone basis, was incorporated on 6 July 2017 and accordingly, the only financial information to report is that as at 31 December 2017.

Similarly, the Guarantor was incorporated on 30 June 2017 as the holding company of the Virtu Maritime Group and, as a result, the first consolidated set of financial statements of the Guarantor are those as at 31 December 2017. For the purpose of the three-year historic financial information of the Guarantor, however, a set of combined financial statements were presented in the FAS dated 30 October 2017.

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

The financial year-end of the Subsidiaries and Virtu Maritime Limited is 31 December.

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

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

8. Financial Analysis and Forecasts of the Company

The Company was set up on 6 June 2017 as a special purpose vehicle for the financing of the Virtu Holdings Group. As such, the historical financial information available is for the period 30 June 2017 to 31 December 2017 and for the financial year ending 31 December 2018, which information has been audited and is being presented hereunder. Furthermore, in terms of the Listing Policies issued by the MFSA, the Company is required to prepare forecasts for the current year FY2019.

The updated forecasts for FY2019 have been based on assumptions all of which are the sole responsibility of the Directors of the Company. The actual outcome may be adversely affected by unforeseen situations and, as a result, the variation between forecasts and actual results may be material.

8.1 Income Statement

for the year ended 31 December	Actual 2017 €'000	Actual 2018 €'000	Forecast 2019 €'000
Finance income	155	1,095	1,098
Finance cost	(84)	(986)	(989)
Administrative Expenses	(69)	(102)	(107)
Profit before tax	**2**	**7**	**2**
Tax expense	(1)	(2)	(1)
Profit after tax	**1**	**5**	**1**

In FY2017, the Company raised funds and on-lent them to the Guarantor. It generated income of €155,000 from a facility fee and interest charged on loans advanced to VML. For FY2018, a first full twelve-month period of operation is accounted for and as a result, finance income and costs are more meaningful although the purpose remained unchanged. Finance costs comprise of interest payable on the outstanding bond issue and amortisation of the issue costs. Profits before and after tax are expected to remain marginal in line with the objectives purpose of the Company.

8.2 Statement of Financial Position

as at 31 December	Actual 2017 €'000	Actual 2018 €'000	Forecast 2019 €'000
ASSETS			
Non-current assets			
Loans and receivables	24,400	24,400	24,400
Current assets			
Trade and other receivables	691	692	756
Cash and cash equivalents	-	90	10
Total assets	**25,091**	**25,182**	**25,166**
EQUITY AND LIABILITIES			
Non-current liabilities			
3.75% bonds 2017-2027	24,410	24,459	24,511
Current liabilities			
Trade, other payables & tax	179	217	148
Total liabilities	**24,590**	**24,676**	**24,659**
EQUITY			
Share capital	500	500	500
Retained earnings	1	6	7
Total equity	**501**	**506**	**507**
Total equity and liabilities	**25,091**	**25,182**	**25,166**

As a financing vehicle, the Company's statement of financial position reflects the funds raised through the bond issue and lent to the Guarantor as part of the financing requirements of the Group. In this regard, the main asset of the Company is a €24.4 million loan to the Guarantor which, in turn, has been used as part finance for the purchase of HSC SPJII. On the liabilities side, the Company has borrowings of €24.5 million reflecting the carrying amount of the 3.75% bonds issued in 2017.

As expected, no significant differences in movements merit focus or mention.

8.3 Statement of Cash Flows

for the year ended 31 December	Actual 2017 *€'000*	Actual 2018 *€'000*	Forecast 2019 *€'000*
Net cash (used in) / generated from operating activities	(505)	89	(80)
Net cash used for investing activities	(24,400)	-	-
Net cash from financing activities	24,905	-	-
Net movements in cash and cash equivalents	**-**	**89**	**(80)**
Cash and cash equivalents at beginning of the year	-	-	90
Cash and cash equivalents at end of year	-	89	10

Immaterial cash transactions are were recorded in FY2018. Likewise, FY2019 as expected, will not generate any cash movements other than movement in the ordinary course of business.

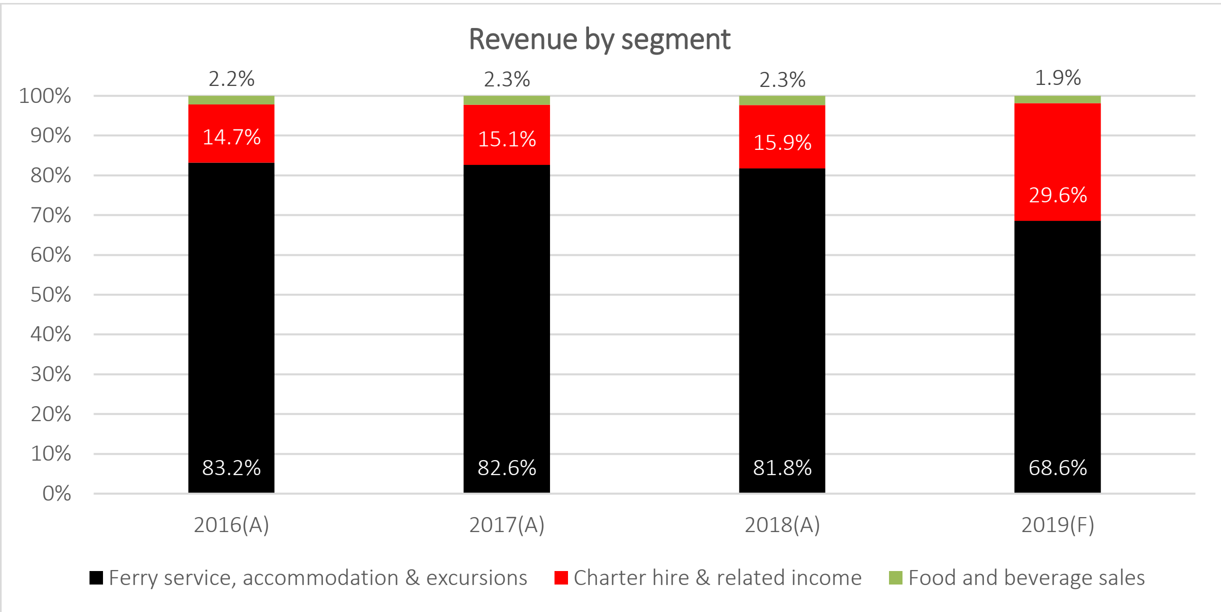
9. Virtu Maritime Group

9.1 Segmental Analysis

The table below provides a breakdown of revenue generated by the Group for the periods under review as well as forecasted revenue breakdown for the current financial year ending 31 December 2019.

Revenue **Breakdown**	Actual FY2016 *€'000*	Actual FY2017 *€'000*	Actual FY2018 *€'000*	**Forecast FY2019** *€'000*
Ferry service, accommodation & excursions	27,182	27,252	27,101	27,701
Charter hire & related income	4,790	4,971	5,271	11,942
Food and beverage sales	707	753	776	760
Total	32,679	32,976	33,148	**40,403**

As illustrated in the table above as well as in the chart below, in the three financial years 2016 to 2018, the '*ferry service, accommodation & excursions*' segment comprised the most significant revenue stream, representing over 80% of total revenue. This is in line with expectations and the company's business model. In 2019, the contribution of this revenue stream to total revenue will drop to approximately 69% in view of the material increase in contribution from the charter hire and related income line item following the announcement made in connection with a charter agreement for HSC JDLV.



Source: Management information

9.2 Income Statement

for the year ended 31 December	Actual 2016 €'000	Actual 2017 €'000	Actual 2018 €'000	Forecast 2019 €'000
Revenue	32,680	34,659	33,148	40,403
Cost of Sales	(15,739)	(17,123)	(16,015)	(18,429)
Gross Profit	**16,941**	**17,536**	**17,133**	**21,974**
Administrative expenses	(3,439)	(3,885)	(3,936)	(4,257)
Other income	689	606	773	733
Normalised EBITDA	14,191	14,257	13,970	18,450
Depreciation & amortisation	(3,162)	(3,209)	(2,973)	(5,915)
Normalised Operating profit	**11,029**	**11,048**	**10,997**	**12,535**
Net costs from HSC San Gwann	(805)	-	-	-
Settlement of claim	8,797	-	-	-
Operating profit	19,021	11,048	10,997	12,535
Net finance costs	(1,501)	(1,262)	(550)	(2,852)
Profit before tax	17,520	9,786	10,447	9,683
Tax (expense) / credit	(327)	(157)	462	(57)
Profit after tax	17,193	9,629	10,909	9,626
Adjusted Profit after Tax (excl. Net Costs from HSC San Gwann and Settlement of Claim)	*9,201*	*9,629*	*10,909*	*9,626*

FY2018 Review

During FY2018, total revenue (following the reclassification in the FY2017 numbers as highlighted in Section 9.1 above) came in slightly higher than FY2017 levels. Although there was a slight drop in ferry service, accommodation & excursions income, this was more than offset by increased revenue from chartering and related income. In FY2018, just over €27.1 million was generated from the ferry services and related fees (FY2017: €27.2 million). Chartering and other related income generated €5.3 million in revenue (FY:2017: €4.9 million).

Cost of sales and administrative expenses mainly comprise vessel operating expenses and employee benefits. Both line items registered an increase in FY2018 compared to FY2017 reflecting the modest increase in operational activity of the Group.

For illustration purposes, EBITDA has been normalised to exclude the net costs arising from the *HSC San Gwann* operations (which was sold during FY2016), and the other non-recurring income in FY2016 associated with the settlement of a claim with the *HSC JDLV's* shipbuilders. The Group generated an EBITDA of just under €14 million in FY2018 (FY2017: €14.3 million). Levels are practically unchanged and in line with management expectations at the beginning of the year. While operating profit is in line with last year, profit before tax rose 6.7% to €10.4 million as net finance costs decreased on account of higher interest received on lending to related parties and a simultaneous reduction in bank and other interest payable as outstanding bank loans reduced.

The Group employed *circa* 110 full-time equivalents during FY2018, of whom 40% are involved directly in the operation of the vessels including seamen, cabin crew, deck officers, motormen, engineers and technical shore crew.

Forecasts FY2019

Revenue is expected to increase by 22% in FY2019. The increase is partly due to the deployment of the new larger vessel for the greater part of the year. As the capacity increase is expected to be well received by the market, revenue is set to rise although rates are expected to remain unchanged. Furthermore, management is assuming an increase in the number of trips for 2019 (1,074) as opposed to 1,066 trips in 2018. The largest increase in revenue, however, is expected from charter hire (+126%) with the new charter of HSC JDLV as indicated earlier. Cost of sales are expected to increase in line with the planned increase number of trips and related charges thereto although at a substantially lower rate (+15%). As a result, EBITDA is expected to register a material increase of 32% in FY2019.

After accounting for depreciation charges of €5.9 million (FY2018: €2.9 million) following the delivery of HSC SJPII, the forecast operating profit for FY2019 is expected to amount to €12.5 million, an increase of 14% over 2018. Net finance costs are expected to increase materially in 2019 (from €0.5 million to €2.8 million) following the drawdown of additional borrowings required on delivery of the new vessel.

Overall, the Group is forecasting a lower pre-tax profit of €9.7 million (-7%) while net profit is forecast to reach €9.6 million (-12%).

9.3 Statement of Cash Flows

for the year ended 31 December	Actual 2016 €'000	Actual 2017 €'000	Actual 2018 €'000	Forecast 2019 €'000
Net cash from operating activities	11,188	12,728	13,465	15,439
Net cash used in investing activities	(4,141)	(29,209)	(2,504)	(41,090)
Net cash (used in)/from financing activities	(5,754)	26,876	(22,892)	27,555
Net movements in cash and cash equivalents	**1,293**	**10,395**	**(11,931)**	**1,904**
Cash and cash equivalents at beginning of the year	1,657	2,950	13,345	1,414
Cash and cash equivalents at end of year	**2,950**	**13,345**	**1,414**	**3,318**

FY2018 Review

Cash generated from operations remained strong and healthy in FY2018 and increased compared to the corresponding period last year.

Investment in property, plant and equipment decreased to €2.5 million in FY2018 compared to an aggregate amounted to €33.5 million over the prior two years which included a significant advance payment for the new vessel.

Forecasts FY2019

In FY2019, the Group is expecting to generate €15.4 million in net cash from operations (FY2018: €13.5 million). The substantial cash movements in FY2019 reflect the final settlement following delivery of the new vessel. Overall, VML is expecting to end FY2019 with a positive cash balance of €3.3 million.

9.4 Statement of Financial Position

as at 31 December	Actual 2016 €'000	*Pro Forma* As at 01.01.2017 €'000*	Actual 2017 €'000	Actual 2018 €'000	Forecast 2019 €'000
ASSETS					
Intangible assets	655	*50,006*	50,006	50,006	50,006
Vessel and vessel equipment	66,536	*66,536*	59,909	93,204	128,379
Assets in course of construction	-	-	32,613	-	-
Land and buildings and PPE	1,136	*1,136*	1,151	-	-
Trade & other receivables	-		115	1,472	115
Deferred taxation	234	*234*	159	673	673
Total non-current assets	**68,561**	***117,912***	**143,953**	**145,355**	**179,173**
Inventories	349	*349*	249	344	364
Trade and other receivables	20,057	*20,057*	4,404	6,523	6,598
Current tax asset	8	*8*	8	-	-
Cash and cash equivalents	2,950	*3,200*	13,345	1,414	3,318
Total current assets	**23,364**	***23,614***	**18,006**	**8,281**	**10,280**
Total assets	91,925	*141,526*	161,959	153,636	189,453
LIABILITIES					
Borrowings	34,901	*34,901*	28,687	23,226	53,310
Trade & other payables	-	-	32,354	24,400	24,400
Total non-current liabilities	**34,901**	***34,901***	**61,041**	**47,626**	**77,710**
Borrowings	6,012	*6,012*	6,747	5,484	7,700
Trade and other payables	48,450	*28,450*	14,667	10,151	4,025
Current tax liability	-		39	1	18
Total current liabilities	**54,462**	***34,462***	**21,453**	**15,636**	**11,743**
Total liabilities	89,363	*69,363*	82,494	63,262	89,453
EQUITY					
Share capital	451	*4,363*	4,363	4,363	4,363
Retained earnings	2,111	-	9,629	20,538	30,164
Other reserve	-	*47,800*	45,473	45,473	45,473
Capital reserves	-	*20,000*	20,000	20,000	20,000
Total equity	**2,562**	***72,163***	**79,465**	**90,374**	**100,000**
Total equity and liabilities	91,925	*141,526*	161,959	153,636	189,453

**Pro Forma financial statements were included in the two FAS published by the Group as mentioned in the Important Information section in this FAS. The purpose of including the pro forma statement of financial position is limited to profitability ratio calculation.*

FY2018 Review

As at 31 December 2018, total Group assets totalled just over €153 million (FY2017: €162 million), mainly composed of '*vessel and vessel equipment'* (€93.2 million) and '*intangible assets'* (€50 million). The reduction in total assets is due to the repayment of some long-term borrowings resulting in lower cash balances. Current trade and other receivables increased from €4.4 million in 2017 to €6.5 million in 2018 as some vessel variations triggered a compensation mechanism following agreement with the shipbuilders.

On the liabilities' side, total Group borrowings decreased by €14.6 million between FY2017 and FY2018, principally due to some non-current borrowing repayments. Bank borrowings amounted to €28.7 million (FY2017: €35.4 million).

Total trade and other payables (both current and non-current) decreased by over €4 million in FY2018 and stood at €34.5 million by the end of FY2018, of which €24.4 million represents the proceeds from bonds in issue on-lent to a subsidiary of the Group

At the end of FY2018, the Group's total equity amounted to €90.3 million. This consisted of: (i) '*other reserves'* of €45.5 million representing the difference between the fair value attributable to the shares issued for the acquisition of the Subsidiaries within the Virtu Maritime Group amounting to €49.6 million and the nominal amount of shares issued of €4.1 million; (ii) '*capital reserve'* of €20 million related to a subordinated loan granted by Virtu Holdings Limited to VML; (iii) '*retained earnings'* of €20.5 million (increasing from €9.63 million in FY2017); and (iv) '*share capital'* amounting to €4.36 million. The year-on-year increase therefore reflects the profits generated by VML in FY2018.

Forecasts FY2019

In FY2019, VML is expecting total assets to increase by 23% to total €189 million, largely reflecting an increase of €35 million in 'vessel and vessel equipment' related to the delivery of the new vessel. This is also expected to push total liabilities up by 41% to €89.5 million reflecting the final drawdown of additional borrowings in connection with the delivery of the new vessel. Overall, total equity is anticipated to expand by 10% to €100 million, driven by the profits that are estimated to be generated in FY2019.

ANALYSIS OF BORROWINGS

as at 31 December	Actual 2016 *€'000*	Actual 2017 *€'000*	Actual 2018 *€'000*	Forecast 2019 *€'000*
Short-term borrowings	6,012	6,747	5,484	7,700
Long-term borrowings	34,901	61,041	47,626	77,710
Total borrowings	**40,913**	**67,788**	**53,110**	**85,410**
Less: Cash and cash equivalents	2,950	13,345	1,414	3,318
Net Debt	**37,963**	**54,443**	**51,696**	**82,092**
Equity	2,562	79,465	90,374	100,000
Total funding	**40,525**	**133,908**	**142,070**	**182,092**

VMG's funding base has been composed of short-term and long-term bank loans until FY2016. In FY2017, the bond issue diversified the Group's finding mix as a decision was taken to acquire a new vessel and part finance it with an issue of listed debt instrument. There was a shift in FY2018 resulting in a net borrowing reduction from €54.4 million to €51.7 million as material cash buffers were used to reduce a portion of long-term borrowings. The corresponding increase in equity throughout the year under review is the result of earnings retention as no dividend was proposed. For FY2019, the trend is expected to reverse as account is taken of the delivery and final settlement of the new vessel. The increase in net debt is principally related to this event. However, equity is also expected to increase on earnings retention for the period.

10. Ratio Analysis

Profitability Ratios

	Actual FY2016	Actual FY2017	Actual FY2018	Forecast FY2019
Gross Profit margin *(Gross Profit / Revenue)*	51.84%	50.60%	51.69%	54.39%
Normalised EBITDA margin *(Normalised EBITDA / Revenue)*	43.42%	41.14%	42.14%	45.66%
Operating Profit margin *(Normalised Operating Profit / Revenue)*	33.75%	31.88%	33.18%	31.02%
Normalised Net Profit margin *(Normalised Profit for the Period / Revenue)*	28.15%	27.78%	32.91%	23.82%
Return on Equity *(Normalised Profit for the Period / Average Equity)*	12.75%**	12.70%**	12.85%	10.11%
Return on Capital Employed *(Normalised Profit for the Period / Average Capital Employed)*	8.14%**	7.40%	7.50%	5.85%
Return on Assets *(Normalised Profit for the Period / Average Total Assets)*	6.50%**	6.35%	6.91%	5.61%

***The return ratios (return on equity, capital employed and assets) of FY2016 have been computed on the average pro forma figures of equity, capital employed and assets. The average equity, capital employed and assets of FY2017 have been computed using the respective figures from the pro forma statement of financial position as at 01.01.2017 and the balance at the end of FY2017.*

Gross profit, EBITDA and profit margins for FY2018 were stronger than those of the previous comparable period as were returns on equity, capital employed and assets. Since the results were broadly in line with expectations, these ratios are indeed reflective on a positive operating environment throughout FY2018.

In FY2019, the Group is expecting its gross profit and EBITDA margins to improve further on account of two main events that characterise the year – the launch of the new vessel effective 11 March 2019 and the charter of HSC JDLV effective 1 July 2019. However, profitability ratios and returns will deteriorate slightly as the new vessel and its related loan drawdowns will increase deprecation and finance costs, respectively, thereby affecting the bottom line.

Liquidity Ratios

The below is a set of ratios prepared to assist in measuring a Company's ability to meet its short-term obligations.

	Actual FY2016	Actual FY2017	Actual FY2018	Forecast FY2019
Current Ratio *(Current assets / Current liabilities)*	0.69x***	0.84x	0.53x	0.88x
Cash Ratio *(Cash & cash equivalents / Current liabilities)*	0.09x***	0.62x	0.09X	0.28x

****Based on Pro Forma statement of financial position as at 01.01.2017 as presented in an earlier section of this report.*

As a result of a reduction in cash balances in FY2018, following the repayment of some borrowings, the current ratio and cash ratio both deteriorated compared to figures for FY2017. In FY2019, the current ratio is expected to improve to 0.88x, mostly due to an anticipated increase in operating profits and cash as well as a forecasted reduction in current liabilities, principally due to a reduction in trade and other payables.

Solvency Ratios

The below is a set of ratios prepared to assist in measuring a Company's ability to meet its debt obligations.

	Actual FY2016	Actual FY2017	Actual FY2018	Forecast FY2019
Interest Coverage ratio *(EBITDA / Net finance costs)*	9.45x	11.30x	25.40x	6.47x
Gearing Ratio (1) *(Net debt / Total Equity)*	14.82x	0.69x	0.57x	0.82x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	94.11%	46.04%	37.01%	46.07%
Net Debt to EBITDA *(Net Debt / EBITDA)*	2.68x	3.82x	3.70x	4.45x

A further improvement in gearing levels was registered in FY2018 compared to FY2017 principally as a result of the operational performance during the year under review but also because expected drawdowns in FY2018 in connection with the delivery of the new vessel materialised after year end. In fact, FY2019 figures reflect this event. Linked to this, it is worth highlighting that the extraordinarily high interest cover for FY2018 is a one-off development and purely the result of the timing differences related to the delivery and subsequent settlement for the new vessel which delayed loan drawdown to FY2019 as opposed to FY2018. Nevertheless, figures are still comforting.

11. VARIANCE ANALYSIS OF THE GUARANTOR'S INCOME STATEMENT FOR 2018

for the year ended 31 December	Actual 2018 €'000	Forecast 2018 €'000	Variance %
Revenue	33,148	35,022	-5.3
Cost of Sales	(16,015)	(17,490)	-8.4
Gross Profit	17,133	17,532	-2.3
Administrative expenses	(3,936)	(3,872)	+1.6
Other income	773	312	+147.8
EBITDA	13,970	13,972	-
Depreciation and amortisation	(2,973)	(3,229)	-7.9
Operating profit	10,997	10,743	+2.4
Net finance costs	(550)	(1,159)	-52.5
Profit before tax	**10,447**	**9,584**	**+9.0**
Tax (expense) / credit	462	(143)	+423.1
Profit after tax	10,909	9,441	+15.5

In FY2018, the financial performance of the Guarantor was very much in line with forecasts up to the EBITDA, level although revenue and cost of sales are slightly off forecasts The reason for these differences is purely a reclassification exercise whereby an amount of €1.6 million previously accounted for as revenue generated from ferry service, accommodation and excursions was reclassified to cost of sales. This was made purely for the purposes of a fairer presentation.

Depreciation and amortization represent the charge in the income statement for the utilisation of property, plant and equipment, including the respective vessels over their useful life. In line with international financial reporting standards, the financial statements of the Virtu Maritime Group provide for depreciation net of a residual value expected to be recovered at the end of the vessels' useful life. When appropriate, depreciation is accelerated on the basis of the assessment of engine operating hours compared to the expected lifetime hours of the engines before requiring a major overhaul, and also, if material, factoring in a reassessment of the residual values of the vessels. During FY2018, the Guarantor re-assessed depreciation for the vessels, by changing the basis used for the estimated useful life of the engines (which is now based on the number of hours used as a proportion of the useful life as determined by the manufacturer) while the depreciation of the hull of the vessel continued to be based on the estimated useful life of 25 years, thereby resulting in a different depreciation charge for the two components[3].

[3] Further detail is available in Note 1.5 (page 21) of the 2018 Annual Report

Net finance costs for the period ended 31 December 2018 are less than those forecasted by slightly more than half due to an increase in interest received on loans to associated companies which were not forecasted.

Overall, the net profit of €10.9 million generated by VML in FY2018 was 15.5% higher than forecasted.

PART C LISTED SECURITIES

The Company's listed securities comprise the Bond Issue, details of which are included below:

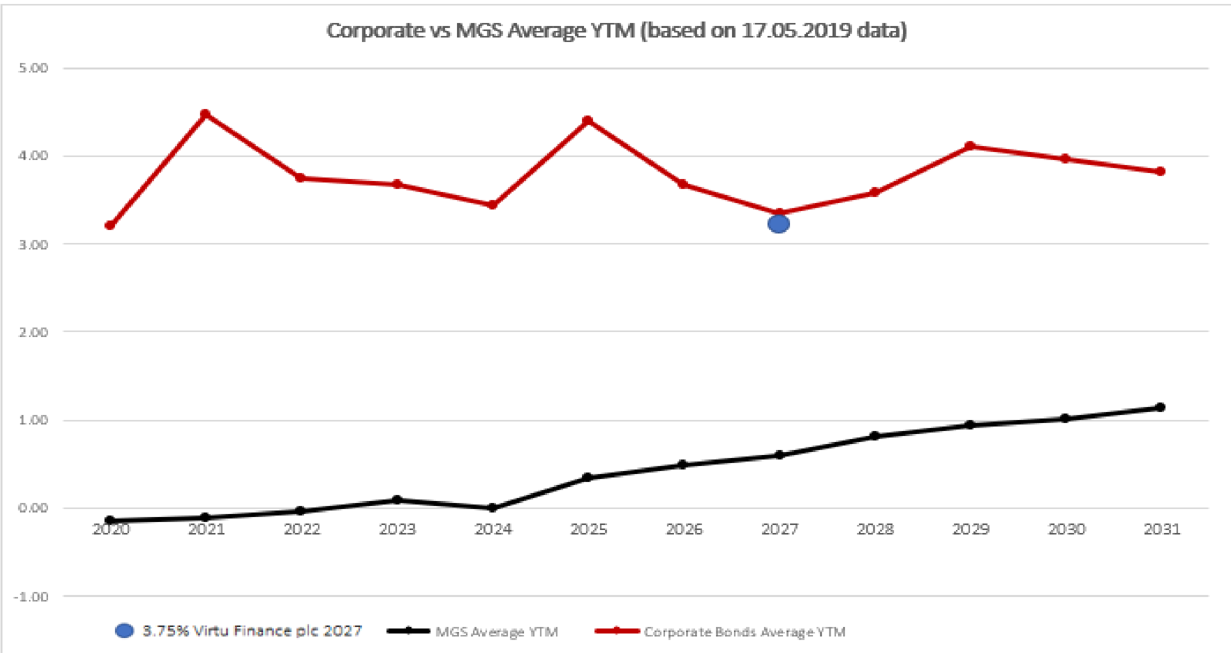
Bond:	€25 million 3.75% Unsecured Bonds 2027
ISIN:	MT0001561209
Prospectus Date:	30 October 2017
Redemption Date:	30 November 2027

PART D COMPARATIVES

The table below compares (for information purposes only) certain data relating to the Company and its proposed bond issue with that of other listed debt on the local market having broadly similar maturities. The list excludes issues by financial institutions. The comparative data includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable.

	Outstanding Amount *(€)*	**Total Assets** *(€'000)*	**Total Equity** *(€'000)*	**Gearing Ratio** *(%)*	**Net Debt to EBITDA** *(times)*	**Interest Cover** *(times)*	**YTM** *(%)*
4.50% GHM plc 2027	15,000,000	22,252	3,290	80.57	3.37	2.34	3.93
4.35% SD Finance plc 2027	65,000,000	229,882	63,770	53.73	3.11	5.93	3.54
4.00% Eden Finance plc 2027	40,000,000	185,717	103,511	34.22	4.00	5.70	3.13
3.75% Tumas Investments plc 2027	25,000,000	266,910	154,483	26.57	0.47	33.79	3.05
3.50% Simonds Farsons Cisk plc 2027	20,000,000	170,996	108,273	27.32	1.43	18.72	2.62
3.75% Virtu Finance plc 2027	**25,000,000**	**153,636**	**90,374**	**24.11**	**1.95**	**25.40**	**3.17**
4.00% Exalco Finance plc 2028 (Secured)	15,000,000	67,003	36,566	38.20	6.52	4.00	3.21
4.85% Melite Finance plc 2028 (Secured)	9,250,000	15,775	5,976	59.95	25.41	4.38	4.09
4.50% Endo Finance plc 2029	13,500,000	25,357	8,443	64.30	5.39	4.41	4.37
4.00% SP Finance plc 2029 (Secured)	12,000,000	22,236	16,360	17.19	3.31	6.02	3.86

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 17 May 2019. Ratio workings and financial information quoted have been based on the issuer's and their guarantors (where applicable) audited financial statements for the year ended 2018.



The chart above compares the Virtu Finance plc bond to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 17 May 2019.

At a coupon of 3.75% per annum, the Virtu Finance bond 2027 yields 3.28% per annum to maturity, which is approximately 260 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and approximately 18 basis points below the average yield to maturity of corporate bonds maturing in 2027.

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.

Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Profitability Ratios

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's total debt by total debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

Other Definitions

Yield to Maturity	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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