

VIRTU FINANCE P.L.C.

Condensed Interim Financial Statements

For the period 1 January 2018 to 30 June 2018

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## **Interim directors' report**

The directors present their report in terms of Chapter 5 of the Listing Rules issued by The Listing Authority, and in terms of the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Virtu Finance p.l.c. (the 'Company') in its published annual report for the period ended 31 December 2017. The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ended 30 June 2018, as approved by the Board of Directors on 7 August 2018 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

### **Principal activities**

Virtu Finance p.l.c (the "Company") is a public liability company and was registered in Malta on 6 July 2017. The Company is a wholly owned subsidiary of Virtu Holdings Ltd and its principal activity is to raise financial resources from capital markets to finance operations and capital projects of the Virtu Group of companies.

### **Review of the business**

During the period under review, the Company registered a gross profit amounting to €49,640. The condensed interim statement of comprehensive income for the prior year is not presented since the company was incorporated on 6 July 2017 and consequently comparative information for the comparable interim period does not apply. Revenue amounting to €544,100 has been generated from a facility fee and interest charged on loans advanced to Virtu Maritime Limited. Financial costs comprise interest payable on the outstanding bond issue and amortisation of the issue costs thereof amounting to €494,460. Administrative expenses mainly comprise directors' emoluments amounting to €22,500.

### **Principal risks and uncertainties for the remaining six months of the financial year**

The Company's principal activity is to act as a finance company for the Virtu Maritime Group of companies (the "Group") and to effectively and efficiently manage the financing requirements of the Group's working capital. In this context, the Company's ability to recover loans issued to its fellow subsidiary is dependent on the performance of the companies within the Group to which amounts have been advanced by the Company.

The Group's business activities mostly comprise a fast ferry service between Malta and Sicily, the lease of a ferry in the Strait of Gibraltar, and other ancillary services related to the fast ferry service. The Group is therefore susceptible to negative local economic developments and overseas trends related to preference for commercial transport and tourists to travel by ferry.

Within this context, the directors have evaluated the risks faced by the various companies to which funds have been advanced and continue to monitor closely the impact of events as they take place in the local and global economy and how these impact the ability of the various companies within the Group to honour their financial commitment. On the basis of this analysis, the directors are of the view that all the amounts receivable by the Company are recoverable.

In view of the fact that activities are monitored closely and that results are in line with budgets, the directors believe that it remains appropriate to prepare the interim financial statements on a going concern basis. The financial statements however do not include any adjustments in the event that the forecast and assumptions do not materialise as planned.

## Interim directors' report - continued

### Results and dividends

The condensed interim statement of comprehensive income is set out on page 5. The directors do not recommend the payment of an interim dividend for the period under review.

### Directors

The directors of the company who held office during the period were:

Charles Borg – Non-Executive, Independent Chairman  
Matthew Portelli – Executive Director  
Roderick Chalmers – Non-Executive, Independent Director  
Stephanie Attard Montalto – Executive Director  
Stefan Bonello Ghio – Non-Executive Director

Directors are appointed during the Company's Annual General Meeting for periods of one year, at the end of which term they may stand again for re-election. The Articles of Association of the Company clearly set out the procedures to be followed for the appointment of directors.

Approved by the Board of Directors on 7 August 2018 and signed on its behalf by:



Charles Borg  
Chairman of the Board



Stephanie Attard Montalto  
Director


Registered office  
'Virtu'  
Ta'Xbiex Terrace  
Ta'Xbiex  
Malta

### Statement pursuant to listing rule 5.75.3

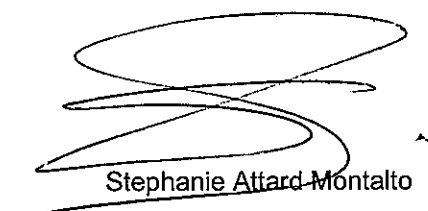
We hereby confirm that to the best of our knowledge:

- the condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, as well as of the financial performance and its cash flows for the six month period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34: 'Interim Financial Reporting'); and
- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 5.81.

On behalf of the board



Charles Borg  
Chairman of the Board



Stephanie Attard-Montalto  
Director

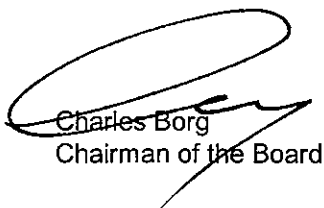
7 August 2018

**Condensed interim statement of financial position**

	As at 30 June 2018	As at 31 December 2017
	€	€
<b>ASSETS</b>		
Non-current assets	24,400,000	24,400,000
Current assets	1,109,847	690,916
<b>Total assets</b>	<b>25,509,847</b>	<b>25,090,916</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>502,849</b>	<b>501,174</b>
<b>Non-current liabilities</b>		
Interest bearing borrowings	24,434,581	24,410,155
	<b>24,434,581</b>	<b>24,410,155</b>
<b>Current liabilities</b>	<b>572,417</b>	<b>179,587</b>
<b>Total liabilities</b>	<b>25,006,998</b>	<b>24,589,742</b>
<b>Total equity and liabilities</b>	<b>25,509,847</b>	<b>25,090,916</b>

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 4 to 9 were authorised for issue by the board on 7 August 2018 and were signed on its behalf by:

  
Charles Borg  
Chairman of the Board

  
Stephanie Attard Montalto  
Director

**Condensed interim statement of comprehensive income**

	Period from 1 January to 30 June 2018
	€
<b>Interest and other related income</b>	<b>544,100</b>
Interest payable and similar charges	<b>(494,460)</b>
<b>Gross Profit</b>	<b>49,640</b>
Administrative expenses	<b>(47,063)</b>
<b>Profit before tax</b>	<b>2,577</b>
Tax expense	<b>(902)</b>
<b>Profit for the period</b>	<b>1,675</b>
<b>Earnings per share</b>	<b>0.0034</b>

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

**Condensed interim statement of changes in equity**

	Share capital	Retained Earnings	Total
	€	€	€
Balance at 6 July 2017	-	-	-
<b>Comprehensive income</b>			
Profit for the period	-	1,174	1,174
<b>Transactions with owners</b>			
Issue of share capital	500,000	-	500,000
<b>Balance at 31 December 2017</b>	<b>500,000</b>	<b>1,174</b>	<b>501,174</b>
Balance at 1 January 2018	500,000	1,174	501,174
<b>Comprehensive income</b>			
Profit for the period	-	1,675	1,675
<b>Balance at 30 June 2018</b>	<b>500,000</b>	<b>2,849</b>	<b>502,849</b>

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.



## Notes to the condensed interim financial statements

### 1. General information

Virtu Finance p.l.c. ("the Company") is a public limited liability company domiciled and incorporated in Malta.

The financial statements for the year ended 31 December 2017 are available upon request from the company's registered office at 'Virtu', Ta' Xbiex Terrace, Ta' Xbiex XBX1034.

This condensed interim financial information was approved for issue by the Board of Directors on 7 August 2018.

### 2. Basis of preparation

The condensed interim financial information for the six-month period ended 30 June 2018 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRSs as adopted by the EU.

During the financial period ended 30 June 2018 the company did not have cash and cash equivalents. All the company's transactions were carried out through financing obtained from group undertakings. Accordingly, a statement of cash flows for the current period has not been prepared.

The condensed interim statement of comprehensive income for the prior year is not presented since the company was incorporated on 6 July 2017 and consequently comparative information for the comparable interim period does not apply.

#### *Assessment of going concern assumption*

The directors have a reasonable expectation at the time of approving the condensed interim financial statements, that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in the preparation of the condensed interim financial statements.

### 3. Summary of significant accounting policies

The accounting policies applied in the preparation of the condensed interim financial information are the same as those applied in the financial statements for the year ended 31 December 2017.

#### *(a) Standards, interpretations and amendments to published standards effective in 2018*

In 2018, the company adopted revised standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2018. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the company's accounting policies.

**3. Summary of significant accounting policies - continued**

*(b) Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning after 1 January 2018 have been published by the date of authorisation for issue of this financial information. The company's directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

**4. Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2017.

**5. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

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

**6. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the board of directors that makes strategic decisions. The board of directors considers the Company to be made up of one segment, that is raising financial resources from capital markets to finance the operations and capital projects of the Company and the Virtu Maritime Group. All the Company's revenue and expenses are generated in Malta, interest revenue is mainly earned from other companies forming part of the Virtu Maritime Group.

**7. Taxation**

The tax charge for the period ended 30 June 2018 amounting to €902 comprises tax at 35% on the profit.

**8. Loans receivable**

In the ordinary course of its business activities, the Company advances funds to a fellow subsidiary, Virtu Maritime Ltd. The Company does not hold collateral as security on its loans receivable. Virtu Maritime Ltd has issued corporate guarantees with respect to the Company's bonds.

**9. Capital commitments**

As at 30 June 2018, the Company did not have any capital commitments.

**10. Earnings per share**

Earnings per share is calculated by dividing the result attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	<b>30 June 2018</b>	<b>31 December 2017</b>
	€	€
Earnings per share	<b>0.0034</b>	0.0023

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**11. Interest-bearing borrowings**

By virtue of the prospectus dated 30<sup>th</sup> October 2017, the Company issued €25,000,000 3.75% Bonds redeemable on 30 November 2027. Interest on the Bonds is payable annually in arrears, on 30 November of each year. The next interest payment is due on 30 November 2018.

The Bonds constitute the general, direct, unconditional, unsecured, unsubordinated obligations of the Company, and rank equally without any priority or preference with all other present and future unsecured and unsubordinated obligations of the Company.

**12. Contingent liabilities**

No events occurred since 31 December 2017 that require disclosure of any contingent liabilities as at 30 June 2018.

**13. Related parties**

The companies forming part of the Virtu Maritime Group are considered by the directors to be related parties as these companies are ultimately owned by Virtu Holdings Limited.

The Company is a subsidiary of Virtu Holdings Limited, the registered office of which is situated at 'Virtu' Ta'Xbiex Terrace Ta'Xbiex XBX1034.

The following transactions were carried out with related parties:

	<b>30 June 2018</b>
	€
<b>Income</b>	
Interest and other related income	<b>544,100</b>

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Non-current receivables at 30 June 2018 include loans advanced to related companies amounting to €24,400,000 (31 December 2017: €24,400,000). Current assets at 30 June 2018 include amounts advanced to related companies falling due in less than one year amounting to €1,109,308 (2017: €689,807). Such amounts are unsecured.

**14. Subsequent events**

There were no material events which occurred subsequent to the balance sheet date.